



NOTICE OF MEETING

EMPLOYMENT COMMITTEE

TUESDAY, 29 NOVEMBER 2016 AT 12.15 PM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Vicki Plytas 02392 834058

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If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership

Councillor Donna Jones (Chair)
Councillor Luke Stubbs (Vice-Chair)
Councillor John Ferrett
Councillor Jim Fleming
Councillor Darren Sanders
Councillor Gerald Vernon-Jackson CBE

Standing Deputies

Councillor Simon Boshier
Councillor Steve Hastings
Councillor Leo Madden
Councillor Lynne Stagg
Councillor Linda Symes
Councillor Matthew Winnington

(NB This agenda should be retained for future reference with the Minutes of this meeting.)
Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendation/s). Email requests are accepted.

AGENDA

- 1 Declarations of Members' Interests

2 Apologies for Absence

3 Minutes of the Meeting held on 14 June 2016 (Pages 1 - 10)

RECOMMENDED that the minutes of the meeting held on 14 June 2016 be confirmed and signed by the chair as a correct record.

4 Sickness Absence Quarterly Report (Pages 11 - 24)

The purpose of this report is to update Employment Committee about levels of sickness absence across the council and actions being taken to manage absence.

RECOMMENDED that Members

- (i) Continue to monitor sickness absence, and ensure appropriate management action is taken to address absenteeism.**
- (ii) Note the findings from the Health and Wellbeing Survey and instruct Officers to continue to develop actions to improve the management of sickness absence and the promotion of employee wellbeing.**

5 Employee Opinion Survey (Pages 25 - 36)

The purpose of this report is to provide members with the results of the recent Employee Opinion Survey (EOS) and seek approval from members for the proposed actions arising from the survey results.

Members are recommended to:

- (i) Note the results of the Employee Opinion Survey (attached at Appendix 1)**
- (ii) Approve the action plan attached at Appendix 2**
- (iii) Advise officers of any other areas where further analysis or research would be useful to the committee**

6 Apprenticeships (Pages 37 - 46)

The purpose of the report is to update members of the Employment Committee on the progress made in recruiting apprentices and to provide further information on the introduction of the Apprenticeship Levy, public sector targets and the financial implications for Portsmouth City Council.

RECOMMENDED that Members

- (i) Note the progress in recruiting apprentices across the City Council**
- (ii) Note the requirements of the Apprenticeships Levy, the planned public sector targets and the financial implications of these**
- (iii) Place on hold the recruitment of apprentices from February 2017 in readiness for the introduction of the Levy from May 2017 thus enabling the City Council to make full use of the Levy from day one**
- (iv) Require Directorates to check eligibility for Levy funding with HR**

(Apprenticeships Officer) prior to agreeing any funding to support staff development thus enabling the Levy to support workforce development across the City Council.

7 Legislation Briefing (Pages 47 - 58)

This report is to update Members of Employment Committee on recently implemented and forthcoming legislation changes and any implications for the Local Authority.

RECOMMENDED

That the Committee notes the changes and any implications for the Local Authority.

8 Exclusion of Press and Public

That in view of the contents of the following item on the agenda the Committee is **RECOMMENDED** to adopt the following motion:
“That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the press and public be excluded for the consideration of the following item on the grounds that the appendix and partially redacted appendix contain information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972”

The public interest in maintaining the exemption must outweigh the public interest in disclosing the information.

Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012, regulation 5, the reasons for exemption of the listed items is shown below.

Members of the public may make representation as to why the item should be held in open session. A statement of the Council’s response to representations received will be given at the meeting so that this can be taken into account when members decide whether or not to deal with the item under exempt business.

(NB The exempt/confidential committee papers on the agenda will contain information which is commercially, legally or personally sensitive and should not be divulged to third parties. Members are reminded of standing order restrictions on the disclosure of exempt information and are invited to return their exempt documentation to the Senior Local Democracy Officer at the conclusion of the meeting for shredding.)

Item	Exemption Para No.*
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9 - (exempt appendix and partially exempt appendix)	5
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Paragraph Exemption No: 5

***5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.**

9 Living Wage (Pages 59 - 64)

This report is provided in response to the instruction from members at Employment Committee on 14th June 2016 to reconsider the committee's earlier decision not to pay the Living Wage at the rate recommended by the Living Wage Foundation.

**RECOMMENDED that
Members' instructions are sought as to which of the following options to adopt:**

- (i) Continue to implement the recommendation agreed by members at Employment Committee on 15th December 2015. This was to continue to pay the 2015/16 Living Wage Foundation rate of £7.85 per hour and allow the National Living Wage (currently £7.20 per hour but anticipated to increase in April 2017) to catch up**

- (ii) Following the recent announcement on 31st October 2016 by the Living Wage Foundation, regarding the increase to the rate, to adopt the 2016/17 Living Wage Foundation rate of £8.45 per hour, with effect from 1 April 2017.**

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

Agenda Item 3 Appendix B

EMPLOYMENT COMMITTEE

MINUTES OF THE MEETING of the Employment Committee held on
Tuesday, 14 June 2016 at 12.15 pm at the Conference Room B - Civic Offices

Present

Councillor Donna Jones (in the chair)
Councillor Luke Stubbs (Vice-Chair)
Councillor John Ferrett
Councillor Jim Fleming
Councillor Darren Sanders
Councillor Gerald Vernon-Jackson CBE

Officers Present

Michael Lawther, Deputy Chief Executive and City Solicitor
Jon Bell, Director of HR, Legal and Performance
Peter Baulf, Deputy City Solicitor and Deputy Monitoring Officer
Shaun Tetley, Payroll and Pensions Manager
Sue Page, Finance Manager
Roland Bryant, Learning and Development Business Partner

7. Apologies for Absence (AI 1)

Apologies for absence were received from the Chief Executive, David Williams.

8. Declarations of Members' Interests (AI 2)

There were no declarations of members' interests.

9. Minutes of the meeting held on 15 March 2016 (AI 3)

RESOLVED that the minutes of the meeting held on 15 March 2016 be confirmed and signed by the Chair as a correct record.

10. Corporate Health and Safety Annual Report (AI 4)

(TAKE IN REPORT)

Frank Regan presented the report which updated the Employment Committee on Portsmouth City Council's (PCC) health and safety (H&S) performance for the period 1 April 2015 - 31 March 2016.

The Chair thanked Mr Regan for his report and said that it was encouraging to see the downward trend in incidents. Mr Regan said that this was largely as a

result of good engagement - particularly with schools - and also engaging an external consultant had proved very helpful.

During discussion, the following matters were clarified

- There had been no incidents of legionella which was encouraging. Mr Regan said that the Council was pro-active in trying to prevent any outbreaks and that there had been much investment in this area over the last 4 to 5 years.
- He confirmed that no asbestos incidents relating to council work activities (including schools) were reported to the HSE or the H&S Unit.
- He said that the breakdown in paragraph 3.4.5 clarified the volume of violent incidents reported to the H&S Unit which was a result of pro-active reporting, as opposed to a serious issue of violence in the workplace, and demonstrated the council's 'zero' tolerance approach to violence targeting employees.
- He confirmed that contractors' incidents were also covered.
- With regard to the death at the leisure centre, Mr Regan said that the investigation was ongoing and that much work had been carried out with Parkwood to ensure their processes were robust.
- He also confirmed that a similar report from Housing & Property concerning PCC contractors was likely to have been carried out but his work was independent of that. The City Solicitor advised that the report from Housing and Property would not be within the remit of Employment Committee. However, it could go to Governance & Audit & Standards Committee.
- Mr Regan confirmed that PCC now had a database to support evidence as provided in Appendices 3 and 4. Mr Regan confirmed that the reporting system showed where improvements were needed but demonstrates that PCC is doing well as a corporate body.
- With regard to a query about legionella in relation to the Pyramids, Mr Regan said that the Pyramids had a legionella manager in post and there was a policy in place for legionella management. Significant repair work had taken place since the outbreak some years ago.

RESOLVED that the 2016/17 H&S action plan be agreed and endorsed by the Employment Committee.

11. Shared Cost Additional Voluntary Contribution Scheme (AI 5)

(TAKE IN REPORT)

Shaun Tetley, Payroll & Pension Manager introduced the report which seeks approval to implementing a shared cost salary sacrifice additional voluntary contribution (SSAVC) pension arrangement. He explained that the council had recently identified that there is scope to implement a shared cost SSAVC scheme for members of the Local Government Pension Scheme. He explained the advantages of implementing this new arrangement over the current scheme. In terms of both employee and employer National Insurance contributions.

Mr Tetley went on to explain that in order to ensure that the arrangement is compliant with the LGPS regulations, the SSAVC has to be set up as a shared cost scheme which means that both the employee and employer has to contribute to the SSAVC. He advised that the details are contained in the report. He also explained that it is critical that the scheme documentation is HMRC compliant. HMRC will not provide approval of any salary sacrifice scheme until it is live so to avoid this the intention is to go live with a single member of staff and apply for clearance before doing a full scale launch.

The following matters were raised during discussion:

- The chair of the committee said that information for staff would be prepared about the scheme and was pleased about the potential benefits to both employees and the employer.
- In response to a query about whether teachers would be able to take advantage of the scheme. Mr Tetley said that teachers are tightly governed and that their final pay could be affected. However PCC is currently investigating the scope to implement a shared cost SSAVC for members of the NHS and teachers' pension schemes.
- The two employers who have to date implemented shared cost SSAVCs are Northumberland County Council and Robert Gordon University in Scotland.

Mr Tetley said that it would probably take around four weeks to get approval and the scheme could start almost immediately after that.

RESOLVED that the Committee

- (1) approved the implementation of a shared cost salary sacrifice additional voluntary contribution (SSAVC) pension arrangement for members of the Local Government Pension Scheme (LGPS);**
- (2) Approved that earnings related payments, such as overtime, pay rises and redundancy are calculated on the notional salary and not the reduced sacrificed salary. (Section 3.6 of the report gives further details);**
- (3) Approved the inclusion of a new discretion in the Council's Discretionary Pension Policy Statement to authorise shared cost SSAVCs as one of PCC's discretions. (Section 3.7 of the report gives further details);**
- (4) Approved the implementation of a shared cost SSAVC scheme for members of the Teachers and NHS Pension Scheme, subject to this being approved by the relevant authorities.**

12. Sickness Absence Quarterly Report (AI 6)

(TAKE IN REPORT)

Jon Bell introduced the report which updates the Committee about levels of sickness absence across the council and actions being taken to manage absence. He said that much good work had been done but the sickness absence figures had remained fairly static and that HR needed to take some steps to reinvigorate progress. During discussion the following matters were raised:

- It was noted that Adult Services and Children's Social Care figures had worsened and were very high. Members felt it would be useful to invite the directors of the services concerned to attend the next meeting of Employment Committee so that they can explain to the committee any particular issues they felt could be affecting sickness absence.
- Paragraph 3.5 of the report mentioned that the council's declining headcount is having a distorting effect on the average sickness days per employee. Mr Bell advised that it was not possible to quantify how such distorting effects affect individual services, but he said that a reasonable assumption to make was that where the headcount drops that accounts for distortion.

With regard to flu jabs, Mr Bell advised that the government is keen to encourage people to take up the offer of flu jabs and advice from Public Health is that the promotion of flu jabs is worthwhile.

Members requested that Innes Richens and Alison Jeffery are invited to the next meeting to answer questions from committee members regarding sickness absence levels.

RESOLVED that the Committee

- **Continue to monitor sickness absence, and ensure appropriate management action is taken to address absenteeism.**
- **Approve the continuation of the flu jabs vaccination campaign, co-ordinated by Public Health, for a further year, to encourage the uptake of vaccinations, especially where Directorates have contact with NHS defined risk groups or have particularly low uptake in 2015. The cost of vaccinations to be covered by Directorates.**

13. Pay Policy Statement (AI 7)

(TAKE IN REPORT)

Jon Bell introduced the report and explained that although this came to the last meeting, members asked in the interest of transparency for the pay policy statement to be brought to Employment Committee earlier in the municipal year. The format of the report is the same as was approved last time. The council has been through a significant period of change and the pay structure may need to evolve as a result.

It was proposed by Councillor Gerald Vernon-Jackson, seconded by Councillor Darren Sanders that the committee look again at adopting the Living Wage as defined by the Living Wage Foundation.

On being put to the vote, this was CARRIED.

RESOLVED that Employment Committee

- (1) Approved the draft Pay Policy Statement attached as Appendix 1, and notes that it will be made available to the public, in draft form, on the Council's website;**
- (2) Requested the Director of HR Legal and Performance to report to Members any changes to the statement that become necessary during the coming year, and pass the final statement forward for approval by the Full Council by 31st March 2017;**
- (3) Agreed to look again at adopting the Living Wage as defined by the Living Wage Foundation.**

14. Apprenticeships - Progress and update report (AI 8)

(TAKE IN REPORT)

Mr Jon Bell introduced the report and invited Roland Bryant to assist with any queries that members raised. The report updated members of the Committee on the progress made in recruiting apprentices and provided an update on the introduction of the apprenticeship levy, public sector targets and the financial implications for Portsmouth City Council.

Members referred to paragraph 6.6 and 6.7 of the report asking for further details on how this would work in practice. Mr Bell said that further information was expected and the timescales were set out in paragraph 6.7.

During discussion members asked whether this could work to PCC's advantage overall. Roland Bryant said that in theory it would be possible to get back everything by ploughing the money into training however most of the apprenticeship posts would be at the lower levels of the salary scale. Some services such as Housing had been very successful in their use of apprenticeships. Mr Bryant said that where for example Adult Social Care is paying out of its own budget for people to receive training in QCF level 2, in future this could be financed from the levy pot. In effect this would shift the spend. The Chair of Employment Committee said that a more detailed report was already being worked on.

RESOLVED that Members:

- (i) Noted the progress in recruiting apprentices across the City Council;**

- (ii) **Noted the requirements of the Apprenticeships Levy ,the planned public sector targets and the financial implications of these;**
- (iii) **Noted the actions from the project plan for the introduction of the Apprenticeship Levy and planned Public Sector Targets.**

15. Changes to Senior Management Terms and Conditions to allow for shared management with Gosport Borough Council (AI 9)

(TAKE IN REPORT)

(Although the order of items was varied so that this item was dealt with immediately after the minutes from the previous meeting, for the purpose of the minutes, the item is being recorded in the order it appears on the agenda)

Michael Lawther left the meeting for this item as he is one of the senior officers affected by the report.

Peter Baulf, Deputy City Solicitor and Monitoring Officer was available to provide legal advice for this item.

Jon Bell introduced the item and said that Cabinet agreed that a report should be taken to Employment Committee to allow for the terms and conditions of our senior management posts to be modified so that they can work for both councils. This report seeks to gain Employment Committee's approval to these changes. He said that although the report referred directly to the three statutory officer posts, other employees may also be affected.

There followed a general discussion about the capacity issues in relation to the three statutory officers. The Chair of the Committee, Councillor Donna Jones said that much work had been done already to mitigate any capacity issues, particularly in respect of the s151 officer. Finance teams were more resilient going forward following a review. In addition, the day to day management of IT was no longer the responsibility of the s151 officer and work relating to the LEP was supported by other officers. Substantial ongoing savings were expected to be made by Gosport Borough Council as a result of the shared arrangements and the agreement reached meant that those savings would be shared with PCC.

During discussion,

- some Members expressed concern that discussions about the arrangements had not been shared sooner.
- some Members felt it would be useful to have a detailed report that included an employee tree showing the different staffing implications of the shared arrangements.
- some Members were concerned at the percentage of time the s151 officer was working at the Isle of Wight Council.
- some members felt that Employment Committee should receive updates on progress at certain intervals.

The Chair advised that once agreement had been reached, the s151 Officer and the Chief Executive intended to bring an overview of the expected workflow to the next Employment Committee meeting. However, the report brought to the meeting today was to seek agreement to modify the terms and conditions of our senior management posts so that they can work for both councils.

In response to a query, it was confirmed that advice received from the Deputy Chief Executive was that the Employment Committee should decide changes to terms and conditions - not full Council. Peter Baulf, deputy City Solicitor providing legal advice today, supported that view.

Jon Bell confirmed that a s113 agreement was being drawn up and this allows statutory functions to be carried out by employees as though the employees concerned were employed by that other council. It also clarifies situations concerning where liabilities fall where there are two employers involved.

In response to a query about why the decision on shared arrangements went to a full Council meeting at Gosport but not to a full Council meeting at Portsmouth, the Chair said she had received very specific advice on this. Gosport were in effect employing a new Chief Executive - Portsmouth was not. The decision for Portsmouth was a Cabinet decision. Gosport's governance is not through a Cabinet system of decision making. With regard to comments made about communicating the s151 officer's work at Isle of Wight Council, the Chair said that this was connected with devolution issues but took on board the comments made.

In response to a query about whether the agreement can be terminated if it does not work out well, it was confirmed that notice could be given by either side.

With regard to the three officers concerned, Peter Baulf advised that in effect these were secondments and the s113 agreement would cover this situation.

Members of the committee agreed that an update would be given via communication to all members at full council (subject to standing orders) and that update reports would be brought to Employment Committee in approximately 6 months' and 9 months' time.

It was proposed by Cllr Vernon-Jackson and seconded by Cllr Darren Sanders that a formal report on this issue be prepared to go to Full Council.

Upon being put to the vote, this was LOST.

RESOLVED that Employment Committee

- (1) Agreed that employees filling the posts identified through the emerging Section 113 Agreement between Gosport Borough Council and Portsmouth City Council should have their terms and conditions modified to allow them to work for both Gosport Borough Council and Portsmouth City Council.**

- (2) **Agreed to review the position at future Employment Committee meetings in approximately 6 and 9 months' time**
- (3) **Agreed that a communication be made at the next full Council meeting to the Lord Mayor and councillors to provide an update about this decision subject to taking advice on Standing Orders**
- (4) **Agreed that the Director of HR, Legal and Procurement provides a briefing to members of Employment Committee on how the working arrangements will be delivered in practice.**

16. Exclusion of Press and Public (AI 10)

It was proposed by Councillor Donna Jones and seconded by Councillor Jim Fleming that in view of the contents of the following item on the agenda the committee is recommended to adopt the following motion:

"That under the provisions of Section 100A of the Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded for the consideration of the following item on the grounds that the report contains information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972".

This was carried.

The meeting moved into exempt session.

17. Senior Management Structure - Director of Public Health (AI 11)

(TAKE IN REPORT)

The report was introduced by Mr Jon Bell who said that its purpose was to seek members' approval to engage with Southampton City Council with a view to securing a jointly appointed post to fulfil the statutory role of Director of Public Health (DPH) and subject to this to agree to the redundancy of the existing DPH. He further advised that assuming that agreement can be reached across the two councils, a joint appointment would be sought and details of how this would be done appear in paragraph 3.5.

The costs and savings associated with the redundancy of the existing DPH are attached in confidential Appendix 1.

Members felt that the opportunity to work with Southampton was to be welcomed.

The meeting moved back into open session.

RESOLVED that Members

- (i) Authorised the Chief Executive to engage with Southampton City Council to secure the appointment of a joint post across the two organisations to fulfil the statutory role of Director of Public Health (DPH)**
- (ii) Subject to (i) above, approved the redundancy of the existing Director of Public Health**
- (iii) Subject to (i) above, requested the Chief Executive to work with the new joint DPH to design and implement a suitable senior management structure to enable the delivery of Public Health services across Portsmouth and Southampton, and to continue to engage with Isle of Wight Council to pursue a closer integration.**

18. Date of Next Scheduled Meeting (AI 12)

The next meeting is scheduled for 13 September 2016.

The meeting concluded at 2.10 pm.

Councillor Donna Jones
Chair

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Agenda Item 4



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Employment Committee

Date of meeting: 29 November 2016

Subject: Sickness Absence - Quarterly Report

Report by: Jon Bell - Director of HR, Legal and Performance

Wards affected: N/A

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of this report is to update Employment Committee about levels of sickness absence across the council and actions being taken to manage absence.

2. Recommendations

Members are recommended to:

- **Continue to monitor sickness absence, and ensure appropriate management action is taken to address absenteeism.**
- **Note the findings from the Health and Wellbeing Survey and instruct Officers to continue to develop actions to improve the management of sickness absence and the promotion of employee wellbeing.**

3. Background

- 3.1 In the period since the last update in June 2016 the level of sickness absence has increased from 8.42 to 8.46 average days per person per year. This is against the corporate target of an average 7 days per person per year.
- 3.2 Analysis of data indicates that since the last report there has been a slight increase in the amount of long term absence from 4.72 to 4.82 average days per person per year. Short term absence has seen a reduction from 2.38 to 2.29 average days per person per year over the same period.
- 3.3 Absence levels by Directorates for the period from 01 November 2015 to 31 October 2016 are attached in Appendix 1.

- 3.4 Of the 14 Directorates, eight (excluding schools) are over the corporate target of an average 7 days per person per year. The number of Directorates that are over an average 10 days per person per year has reduced from three to two in the last quarter.
- 3.5 A table of reasons for absence over the last four years is included in Appendix 2. The analysis of the data indicates that the main reasons for absence have remained the same, with the three main reasons; musculoskeletal; anxiety, stress and psychological and colds, flu and virus, accounting for 52.07% of absences in the last 12 months. This compares to 54.25% in the period 01 November 2014 to 31 October 2015. The main contributor to this change is due to the amount of sickness absence apportioned to colds, flu and virus.
- 3.6 Members should continue to note that, for statistical reasons, the Council's declining headcount is having a slightly distorting effect on the average sickness days per employee. This is because the absence is calculated over a rolling 12 month period. Therefore, the absence of departed employees remains "in the system" for up to a year after the employees leave. This effect is relatively neutral during periods when the headcount remains stable, but becomes more pronounced during periods of continual headcount reduction.
- 3.7 At the last meeting members requested that the Director of Children's Services and Director of Adult Services, be invited to attend this meeting to answer questions from members about the sickness absence in their Directorates.
- 3.8 The recently reported Chartered Institute of Personnel and Development (CIPD) survey 2016 states that the average sickness absence rate for the public sector is 8.5 days per person per year. This compares with 5.2 days per person per year in the private sector and 6.9 days per person per year in the voluntary/non-profit sector. The report states that the main cause of long-term absence is 'stress, acute medical conditions and mental ill health'. The inclusion of mental health reflects the increased reporting of stress related absence in organisations with a long hours' culture. However, the report notes that organisations with a stronger focus on employee well-being are less likely to report mental health problems amongst employees

4.0 Health and Wellbeing

4.1 Health and Wellbeing survey

Members previously requested that attempts should be made to understand the views of staff members who had experienced periods of sickness absence, in particular whether they had felt well-supported and whether more could have been done to prevent or reduce their absence.

In response to this request, a Health and Wellbeing Survey has been carried out, in conjunction with Public Health, and a summary of the findings is attached at Appendix 3. The survey has proved particularly helpful in identifying where

awareness of services such as EAP is low and in better understanding where further training for managers may be necessary. However, it must be noted that the number of responses was relatively low in relation to the overall size of the organisation and so must be taken in that context.

4.2 **Flu vaccinations**

Public Health has communicated to staff the availability of a free vaccination at pre-bookable flu clinics in the Central Library, drop-in flu clinics at QA Hospital or at local participating pharmacies or supermarkets via a voucher. The provision of clinics and vouchers has been available since the end of October 2016.

4.3 **Employee Assistance Programme (EAP)**

Right Management provides the council's Employee Assistance Programme. Members are reminded that the service is available 24 hours per day, 365 days a year, and provides free and confidential access to information, advice and support.

Right Management has reported on activity during the period July to September 2016. The statistical snapshot for the time frame indicated that the EAP Helpline responded to and supported 19 calls which resulted in 8 employees being referred for structured session based counselling. These levels of calls are a reduction on the previous quarter.

From the 68 visits to the EAP website there were 97 downloads of information and 81 viewings of guide material. These levels of website support represent an increase in online activity on the previous quarter.

Members will note that one of the findings from the Health and Wellbeing Survey was that staff awareness of the EAP is very low. To address this HR are working with Corporate Communications to rebrand the EAP offer.

5. **Reasons for recommendations**

The continued monitoring of sickness absence and the identification of good management practices is an important part of maximising attendance, which will in turn increase productivity, improve engagement and build resilience.

6. **Equality impact assessment (EIA)**

A preliminary Equality Impact Assessment has been completed.

7. **Legal implications**

There are no immediate legal implications arising from this report.

8. **Finance comments**

There is no significant cashable saving resulting from the reduction in sickness absence. However there will be an improvement in productivity in terms of total days worked.

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Signed by:

Appendices:

Appendix 1: Sickness Absence by Directorate 31 October 2016

Appendix 2: Summary of reasons for absence

Appendix 3: Health and Wellbeing Survey 2016 - summary of findings

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Portsmouth City Council, Health and Wellbeing Survey, 2016	Available from HR department
CIPD Absence Management Report 2016	https://www.cipd.co.uk/knowledge/fundamentals/relations/absence/absence-management-surveys

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:

Appendix 1: Sickness Absence by Directorate 29 November 2016

Sickness Absence by Directorates - 01 November 2015 to 31 October 2016

Directorate	Sickness - Working Days Lost														
	HeadCount			Total				Long Term		Medium Term		Short Term		Total Average Per Person Per Year (Previously Reported)	
	Head Count at End of October 2016	Head Count at End of October 2015	Average HeadCount	Working Days Lost To Sickness	% Working Time Lost	Average Per Person Per Year	Trend	Working Days Lost To Sickness	Average Per Person Per Year	Working Days Lost To Sickness	Average Per Person Per Year	Working Days Lost To Sickness	Average Per Person Per Year		
Agency Workers	124	155	139.5	0		0.00	↓	0	0.00	0	0.00	0	0.00		0.01
Adult Services	644	754	699	9904	7.72%	14.17	↑	6419	9.18	1459	2.09	2025	2.90	13.33	
Children's Services and Education	272	232	252	1248	2.76%	4.95	↓	467	1.85	274	1.09	508	2.01	5.80	
Children's Social Care	314	336	325	3630	5.03%	11.17	↓	2234	6.87	625	1.92	771	2.37	12.17	
Community and Communication	202	210	206	1353	2.90%	6.57	↓	513	2.49	321	1.56	519	2.52	7.49	
Culture and City Development	288	306	297	1171	2.16%	3.94	↓	459	1.54	210	0.71	502	1.69	5.46	
Executive	19	19	19	97	1.98%	5.12	↑	23	1.18	36	1.88	39	2.05	3.55	
Finance and Information Services	273	306	289.5	2144	3.32%	7.41	↓	1338	4.62	191	0.66	614	2.12	7.66	
Human Resources, Legal and Performance	115	126	120.5	304	1.17%	2.52	↓	111	0.92	76	0.63	117	0.97	3.75	
Integrated Commissioning Service	30	35	32.5	168	2.44%	5.16	↑	63	1.94	65	1.99	40	1.23	3.21	
PCC Schools	2877	2656	2766.5	19727	4.98%	7.13	↓	9393	3.40	3123	1.13	7211	2.61	8.20	
Portsmouth International Port	79	81	80	739	3.60%	9.24	↓	470	5.88	74	0.93	195	2.44	10.09	
Property and Housing	821	855	838	7177	3.70%	8.56	↑	3658	4.37	1172	1.40	2346	2.80	7.54	
Public Health	84	137	110.5	990	5.25%	8.96	↑	470	4.25	193	1.75	326	2.95	7.93	
Regulatory Services and Community Safety	68	85	76.5	241	1.52%	3.15	↓	124	1.62	30	0.39	87	1.14	3.68	
Transport, Environment and Business Support	316	335	325.5	3062	5.84%	9.41	↑	2032	6.24	393	1.21	637	1.96	8.94	
Total (Including PCC Schools)	6402	6473	6437.5	51954		8.07	↓	27774	4.31	8241	1.28	15938	2.48	8.48	
Total (Excluding PCC Schools)	3525	3817	3671	32227		8.78	↑	18381	5.01	5118	1.39	8727	2.38	8.73	
Total (Excluding PCC Schools but including Agency Workers)	3649	3972	3810.5	32227		8.46	↑	18381	4.82	5118	1.34	8727	2.29	8.42	

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Appendix 2: Summary of reasons for absence

Summary of reasons for absence, figures for last four years

Sickness - Reasons Rank comparisons by Year															
Directorate	Year to October 2016				Year to October 2015				Year to October 2014				Year to October 2013		
	Working Days Lost	% of Total	Rank	Direction	Working Days Lost	% of Total	Rank	Direction	Working Days Lost	% of Total	Rank	Direction	Working Days Lost	% of Total	Rank
Musculoskeletal	13994	21.35%	1	↔	14372	21.82%	1	↑	11588	18.32%	2	↓	15265	21.74%	1
Psychological	12835	19.58%	2	↔	12853	19.51%	2	↓	12393	19.60%	1	↑	12701	18.09%	2
Virus	7305	11.14%	3	↔	8512	12.92%	3	↔	7790	12.32%	3	↔	10694	15.23%	3
Gastrointestinal	7078	10.80%	4	↔	6563	9.96%	4	↔	6943	10.98%	4	↔	7829	11.15%	4
(blank)	4734	7.22%	5	↑	3163	4.80%	7	↑	2676	4.23%	9	↑	2119	3.02%	10
Neurology/Nervous System	3392	5.17%	6	↓	3604	5.47%	5	↑	2997	4.74%	7	↓	3110	4.43%	5
Respiratory Problems	2996	4.57%	7	↓	3258	4.95%	6	↔	3315	5.24%	6	↑	2985	4.25%	7
Dental/Oral	2354	3.59%	8	↑	2370	3.60%	10	↓	2677	4.23%	8	↑	2785	3.97%	9
Gynaecological	2208	3.37%	9	↓	2661	4.04%	8	↑	2047	3.24%	10	↓	2799	3.99%	8
Cancer and Tumours	2076	3.17%	10	↓	2632	4.00%	9	↓	3620	5.72%	5	↑	3003	4.28%	6
Heart Disorders	1150	1.75%	11	↑	907	1.38%	12	↑	977	1.54%	13	↓	1479	2.11%	11
Pregnancy Related	1109	1.69%	12	↓	1169	1.77%	11	↑	1021	1.61%	12	↑	967	1.38%	13
Genitourinary	1031	1.57%	13	↔	837	1.27%	13	↓	1139	1.80%	11	↑	1119	1.59%	12
Family Bereavement	759	1.16%	14	↑	549	0.83%	15	↑	307	0.49%	20	↓	470	0.67%	17
Blood Disorders	735	1.12%	15	↑	538	0.82%	16	↓	873	1.38%	14	↑	360	0.51%	19
Skin Disorders	522	0.80%	16	↑	475	0.72%	17	↓	638	1.01%	15	↑	579	0.83%	16
Infectious Disease	480	0.73%	17	↑	356	0.54%	18	↑	378	0.60%	19	↓	378	0.54%	18
Eye Problems	468	0.71%	18	↓	614	0.93%	14	↑	589	0.93%	18	↓	589	0.84%	15
Accident	205	0.31%	19	↑	79	0.12%	21	↓	607	0.96%	17	↓	728	1.04%	14
Endocrine/Hormonal	126	0.19%	20	↓	237	0.36%	19	↓	614	0.97%	16	↑	224	0.32%	20
Violence At Work	1	0.00%	21	↑	8	0.01%	22	↓	44	0.07%	21	↔	19	0.03%	21
Substance Misuse	0	0.00%	22	↓	114	0.17%	20	↑	8	0.01%	22	↔	1	0.00%	22

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Appendix 3: Health and Wellbeing Survey 2016 - summary of findings

The 2016 Staff Survey asked staff about the health and well-being support provided by Portsmouth City Council. In order to understand in more detail how effective this support is and how staff can be better supported if they are absent from work because of sickness, a Health and Wellbeing Survey was commissioned.

Consideration of the small sample size and the bias of respondents who are closely aligned to the survey's core subject should be given to the weight placed on the range of responses.

- There were 261 respondents: 115 of which had been on short term sickness and 54 on long term sickness in the past year.
- The Community and Communication Directorate had the most respondents absent due to short term sickness.
- The Property and Housing Directorate had the most respondents absent due to long term sickness.
- Overall 42.52% of the total respondents (111 out of 261) obtained a statement of fitness from their doctor.
- Keeping in contact by telephone is the most popular form of contact whilst absent due to sickness.
- Those on long term sickness also used face to face contact as a way of keeping in contact with their manager.
- Over a third (37.8%) of the respondents considers the cause of their absence to be ongoing.

CAUSES OF SICKNESS

- Those on short term sickness cited, viruses (34.04%), musculoskeletal (26.95%) and gastrointestinal illness (18.26%) as the most popular causes of their sickness absence.
- Members of staff on long term sickness cited reasons which would require more long term recuperation such as fractures, surgery and heart problems.
- The survey showed the greatest cause of illness from across all Directorates is stress/psychological reasons.
- 70 respondents out of 133 felt changes to their working environment might have helped prevent their absence due to sickness.
- Particular reference was made to the working environment within the Civic Offices as a cause of sickness. The ventilation system and lack of fresh air, the temperature respondents have to work in which varies according to location from too hot, to too cold. Also the lighting, cleanliness and overcrowding within the Civic Offices were referred to as a cause of sickness.
- Workload: The amount of work being undertaken by individual members of staff due to cut backs and fewer staff was cited as a cause of sickness.

- Management: Respondents didn't feel listened to. Some did not feel their managers treated them fairly and others highlighted the lack of support from their manager before and during their period of sickness as a cause of their prolonged absence.
- The equipment being used was also highlighted as a cause of sickness, particularly the chair being used and desk set up especially in relation to hot desking.

SERVICES ACCESSED

- 61.9% of respondents agreed that the council provides support for their wellbeing when they need it.
- 56.2% of respondents know where to access help regarding their health and wellbeing.
- There is an indication that the longer members of staff have been absent from work due to sickness, the more likely they are to agree that the council provides support for their wellbeing if they need it.
- The survey results indicate that despite having a period of absence from work due to sickness, almost a third of the respondents do not know where to access help regarding health and wellbeing should they need to.
- The Back Support Service was the least known of all services.

OCCUPATIONNAL HEALTH

- The Occupational Health Service is the most known service with 75.9% of respondents being aware of it.
- 41.5% (71) of respondents were referred to this service of which 24.3% (17) found the referral useful in supporting them back to work and 30% (21) did not find the referral appointment useful.
- There appears to be a lack of clarity over what the Occupational Health appointment is for and what it involves. Some members of staff did not find this useful as it seemed to be a tick box exercise; some indicated they saw it as purely a form of absent management.
- The timing of the occupational health appointment was not always useful as some respondents had already returned to work before their appointment or they couldn't return to work until they'd had an appointment.
- Some respondents did not find their occupational health appointment useful as the recommendations were not followed through in the workplace.
- The 21 respondents who found the referral useful stated it was useful because they were talking to a separate organisation and were being listened to.

EMPLOYEE ASSISTANCE PROGRAMME (EAP)

- Only 8.9% (15) of respondents had accessed EAP.
- Of these 26.7% (4) did not find this useful but 20% (3) did find EAP very useful.

TALKING CHANGE

- 9.5% (16) of respondents accessed Talking Change of which 18.8% (3) did not find it useful and 37.5% (6) found it useful.
- Most people who used this service accessed it via their doctor.

RETURNING TO WORK

- Out of 160 respondents, 43.63% (73) confirmed that reasonable adjustments were made for their return to work, 12.5% (20) did not and 41.9% (67) respondents did not feel this was applicable.
- A return to work interview was found to be the most helpful process towards returning to work, whilst a phased return to work was also useful, especially for those who had been absent due to long term sickness.
- Some respondents cited the support from their managers useful in returning to work.
- Temporary working arrangements with more flexible working such as reduced hours and/or working from home aided the return to work.
- Others felt that if they could have changed their duties temporarily that would have aided their return to work.
- Some had specialist equipment provided e.g. a different chair, which supported their return to work.
- Better absence management by managers could have helped some return to work sooner, as well as mediation from their manager where there were difficulties with other members of staff to be resolved.
- Some respondents commented on the lack of information provided and the tone of the correspondence sent out in relation to absence management.
- Respondents commented on the lack of information about the services they can access for their health and wellbeing.
- Respondents also commented on the fact that the survey focused on a period of sickness and what happened after. They wanted more focus on prevention to help to stay healthy and not get ill.

POSSIBLE ACTIONS TO ADDRESS IDENTIFIED ISSUES

- Review the information on the services available to support staff with their health and wellbeing and ensure that it is easily accessible in different formats.

- Advertise the health and wellbeing services and support more widely.
- More work should be undertaken to support staff to access services before they go sick.
- Managers should receive further training and guidance in:
 - Services to support staff wellbeing, including how they are accessed.
 - How to make a referral to Occupational Health
 - Better absence management
 - Mediation
 - Managing Stress and resilience
 - Restorative approaches
 - Communication Skills
- Occupational Health: The referral processes should be reviewed and consultation made with the Occupational health Service to ensure that the purpose of the referral is clarified. Details of the referral process should then be made clear to managers and staff.
- More use should be made of Back Care Advisor to support staff with their posture and also advise members of staff at home whilst on sick leave due to back problems.
- Relevant staff should be signposted to Posture Awareness training as part of their induction training when they join PCC.
- Staff should receive additional help and support if they have problems with their workstation set up over and above the e-learning course, where their workstation set up is causing problems.
- More training should be available to managers and staff on coping with stress, and building resilience.
- The lack of cleanliness in the Civic Offices should be addressed, e.g. quality check on cleaning undertaken, toilet checks during working day.
- The suggestions made within the survey to support wellbeing should be explored e.g. exercise and weight initiatives, health checks for staff, awareness of mental health issues increased across the council.
- Managers should
 - Carry out regular supervision and discuss any ongoing health issues
 - Consider whether staff should be absent or work from home if suffering from cold/viral symptoms
 - Make more use of flexible working, including working from home to support staff with health and wellbeing issues.
- Make staff aware of current PCC absence policies before undertaking an official referral to HR/OH for managing absence.

A number of the issues raised by contributors have already been identified and actions are in hand. For example;

- A 'Building Resilience' training course is available, aimed at assisting staff coping with stress.

- Training for managers and supervisors is available on 'Absence Management' via the current learning and development offering
- Posture awareness training is available
- Staff are able to work flexibly to aid return from periods of absence
- Plans are in place to re-brand and publicise the Employee Assistance Programme
- HR and Corporate Communications are in the process of revamping the Health and Wellbeing content on our intranet.

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Agenda Item 5



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Employment Committee

Date of meeting: 29th November 2016

Subject: Employee Opinion Survey

Report by: Jon Bell - Director of HR, Legal & Performance

Wards affected: N/A

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of this report is to provide members with the results of the recent Employee Opinion Survey (EOS) and seek approval from members for the proposed actions arising from the survey results.

2. Recommendations

Members are **recommended** to:

- (i) Note the results of the Employee Opinion Survey (attached at Appendix 1)
- (ii) Note the further actions taken to better understand the results of the survey and approve the further actions (Appendix 2)
- (iii) Advise officers of any other areas where further analysis or research would be useful to the committee

3. Background

- 3.1 Portsmouth City Council is a major employer, with over 3500 staff employed across a vast range of professional disciplines in numerous locations across the city. Periodically capturing the views of those staff is therefore essential in order to inform decision-making and shape workforce policies.
- 3.2 Although time-consuming to carry out, the Employee Opinion Survey is important for the following reasons:
 - It provides insight into the view of our staff about issues directly affecting them, such as pay, working conditions, development opportunities and leadership
 - It helps to assess how engaged our staff are and how they feel about the council
 - It measures the effectiveness of internal communication channels and messages
 - It shows where differences may exist between directorates, departments and locations
 - It provides an opportunity for staff to have "a voice"

- It gives an evidence base upon which to make future decisions that affect the workforce

3.3 The previous EOS was carried out in 2014, and comparisons with that survey are provided where possible.

4. Overall Summary of Results

4.1 Around 45% of staff completed the survey, which overall represents a reasonably positive position (and a slight improvement from the last EOS). However, this does mask huge differences between directorates and locations. In some areas, almost all staff completed the survey, whereas in others the response rate was below 30%. Response rates were particularly poor amongst those staff groups that were provided with paper copies as they did not have ready access to a computer. This is likely to be mainly (though not exclusively) staff working in residential homes, the Port, and the Clean and Green service. When considering the results, therefore, it must be borne in mind that the views of some large groups of staff are under-represented.

4.2 Overall, results have remained relatively stable since the last survey in 2014. Given the challenging economic climate, year-on-year pay restraint, and difficult decisions the Council has had to make, this should be seen in a positive light. It would not be unreasonable to expect a decline in satisfaction with pay and benefits, work-life balance and support for wellbeing. However, scores in these areas have actually improved slightly.

4.3 The most significant declines in results are seen in staff's perceptions about opportunities to feedback, perceptions about the management of change, and the availability of training and development opportunities.

5. Future Work and Action Plan

5.1 Following the survey, focus groups were held with staff to explore the responses in greater depth. Using the information from the survey and focus groups, a number of proposed actions have been identified to address the more significant cross-cutting issues. These are summarised in Appendix 2. These particularly focus on communication and feedback, reward and recognition, and values. HR and Communications are working together to progress these actions.

5.2 Individual directors have been provided with the results for their directorates and are being supported to identify and address any specific issues arising from those results.

5.3 The further work detailed in the action plan has been drawn from the main themes, concerns and knowledge gaps from the survey. However, it will not cover every aspect of the survey and members' suggestions are sought with regard to any other areas where further analysis may be helpful.

6. Equalities Impact Assessment

6.1 There are no equalities impacts arising directly from this report. Any changes implemented as a result of the further analysis of survey results will be subject to impact assessments at the appropriate time.

7. Legal implications

7.1 There are no legal implications arising directly from this report

8. Finance comments

8.1 There are no financial implications arising directly from this report

.....
Signed by:

Appendices:

- Appendix 1 - Results of Employee Opinion Survey 2016
- Appendix 2 - Draft action plan

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Full Employee Opinion Survey Results	Communications Team

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....Signed by:

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Overall Head Count	Number of completions	% of overall staff count
3840	1730	45%

Questions	2016			2014			Those in agreement
	Disagree	Neutral	Agree	Disagree	Neutral	Agree	
Training and development							% Difference
I have the skills I need to do my job effectively	4.05%	4.92%	90.34%	3.97%	3.13%	92.78%	-2.44%
I am able to access the right learning and development opportunities when I need to	16.47%	19.03%	62.88%	16.95%	18.51%	63.70%	-0.82%
Learning and development activities I have completed in the past 12 months have helped to improve my performance	13.97%	27.12%	48.38%	13.39%	25.71%	50.03%	-1.65%
Learning and development activities I have completed while working for PCC are helping me to develop my career	17.35%	28.59%	49.81%	19.29%	23.20%	53.72%	-3.91%
Reward and recognition							% Difference
Overall, considering the job I do, I think I am paid fairly	30.11%	17.50%	48.90%	38.52%	16.15%	45.15%	3.75%
Overall, I am satisfied with the recognition I get for doing a good job	26.45%	20.84%	52.33%	31.22%	19.38%	49.10%	3.23%
The balance of pay and benefits I receive is appropriate for my role (for example, paid leave, sick pay, pension, etc.)	15.19%	18.90%	65.09%	20.60%	17.95%	60.73%	4.36%
Reward and recognition							% Difference
I feel involved in decisions that affect my work	31.71%	22.32%	44.91%	31.36%	18.45%	50.06%	-5.15%
The council gives me the opportunity to contribute my views and suggestions	12.39%	27.72%	58.98%	13.65%	22.80%	63.23%	-4.25%
My service gives me the opportunity to contribute my views and suggestions	16.61%	26.26%	55.74%	16.40%	19.09%	63.27%	-7.53%
The council listens and responds to views and suggestions of staff	21.02%	43.95%	33.77%	25.50%	42.34%	31.36%	2.41%
My service listens and responds to views and suggestions of staff	20.50%	34.82%	42.71%	21.88%	27.67%	50.09%	-7.38%
My manager is open to my ideas and suggestions	9.91%	16.08%	72.57%	11.77%	16.51%	71.60%	0.97%
Health and wellbeing							% Difference
The council provides support for me health and wellbeing should I need it	9.73%	19.59%	68.18%	10.44%	23.02%	64.89%	3.29%
I know how to access support for my health and wellbeing	11.99%	15.09%	71.47%	14.83%	18.18%	66.21%	5.26%
I think it is important that the council as an employer supports carers	0.80%	6.88%	91.50%	NA	NA	NA	NA
I feel that the council as an employer is currently supportive of my additional caring responsibilities at home	12.19%	37.80%	46.35%	NA	NA	NA	NA

Questions	2016			2014			Those in agreement
	Disagree	Neutral	Agree	Disagree	Neutral	Agree	
Work/life balance							% Difference
I am trusted to manage my own workload	5.04%	5.84%	88.26%	5.77%	4.85%	89.18%	-0.92%
I have the opportunity to work flexibly in my role	24.49%(No)		76.61%(Yes)	26.77% (no)		73.23% (yes)	3.38%
Flexible working helps me manage my workload	2.84%	12.36%	83.65%	4.41%	14.96%	78.47%	5.18%
I am able to strike the right balance between my work and home life	13.34%	14.62%	71.16%	16.34%	13.76%	69.66%	1.50%
I can do what I believe I need to get done in my contracted hours	28.07%	16.31%	54.48%	33.15%	11.26%	56.25%	-1.77%
I have the resources I need to do my job effectively (for example, PC, equipment, supplies etc)	12.29%	11.34%	75.57%	13.25%	9.20%	77.49%	-1.92%
I am satisfied with my physical working environment	23.79%	16.79%	58.43%	23.81%	16.20%	60.00%	-1.57%
Change							% Difference
I understand the financial challenges the council is facing	3.03%	6.34%	90.09%	3.24%	6.23%	90.28%	-0.19%
I understand the budget setting process	16.95%	20.86%	61.18%	14.12%	19.74%	65.65%	-4.47%
The council is responding well to our financial challenges	22.53%	42.48%	33.98%	22.33%	40.61%	36.24%	-2.26%
My service is responding well to our financial challenges	15.36%	37.53%	45.42%	16.45%	31.64%	51.04%	-5.62%
I understand why the council needs to change	4.33%	13.82%	81.37%	6.33%	14.58%	78.84%	2.53%
I am supported to change the way I work	13.31%	32.18%	51.52%	14.41%	30.87%	52.73%	-1.21%
The council manages change effectively	31.70%	42.36%	24.98%	32.84%	39.31%	27.35%	-2.37%
My service manages change effectively	22.82%	36.48%	39.47%	23.72%	29.24%	46.50%	-7.03%
Values							% Difference
I am proud to work for the council	9.01%	27.35%	63.69%	9.82%	24.69%	65.36%	-1.67%
The council's organisational goal is " Working together to shape the great waterfront city". I understand how my role contributes to this	11.89%	19.81%	67.14%	13.99%	22.08%	63.43%	3.71%
I believe my work makes a positive difference	4.84%	11.46%	82.94%	4.65%	7.34%	87.97%	-5.03%
Recently the council published a cascade on plans to improve customer service. I have seen this communication	21.17%(no)	25.05%(May	47.78% (yes)	NA	NA	NA	NA
Communication							% Difference
I feel part of the team	8.91%	9.60%	80.59%	10.91%	8.54%	80.38%	0.21%
My team works well with other teams within my service	6.85%	15.64%	76.00%	8.05%	11.73%	79.60%	-3.60%
My team works well with other teams from across the council	6.60%	20.26%	70.53%	7.96%	16.73%	74.25%	-3.72%
I know where to get the information I need to do my job effectively	4.12%	9.82%	85.51%	4.61%	9.71%	85.69%	-0.18%
I feel well informed about the council	9.87%	29.13%	60.17%	10.85%	27.70%	61.38%	-1.21%
I have had a team meeting or briefing in the past month	21.93% (no)	2.59% (mayk	75.48% (yes)	21.28% (no)		78.72% (yes)	-3.24%
At that meeting/briefing my manager talked about council-wide issues	10.21%	10.04%	78.65%	9.74%	10.94%	77.50%	1.15%
I can find the information I need to do my job on the intranet	26.54%	26.19%	44.04%	32.15%	22.60%	42.95%	1.09%
I find the information on the intranet useful	16.23%	29.99%	51.65%	21.29%	30.71%	46.94%	4.71%

Questions	2016			2014			Those in agreement
	Disagree	Neutral	Agree	Disagree	Neutral	Agree	
Leadership							% Difference
I have confidence in the leadership provided by the Chief Executive	9.94%	45.24%	43.08%	12.64%	46.26%	40.60%	2.48%
I have confidence in the leadership provided by my Director (HoS)	12.42%	33.93%	51.98%	14.43%	27.54%	57.02%	-5.04%
I have confidence in the leadership provided by my 3rd tier manager	12.52%	23.37%	60.37%	13.59%	25.79%	53.90%	6.47%
I have confidence in the leadership provided by my immediate manager	9.92%	15.27%	72.73%	11.43%	13.82%	72.36%	0.37%
My Manager							% Difference
I can reach my manager as often as I need to	7.60%	8.30%	82.98%	8.36%	6.46%	85.00%	-2.02%
My manager treats me with fairness and respect	4.55%	10.07%	84.41%	6.79%	7.61%	85.22%	-0.81%
My manager motivates and inspires me to be effective in my role	12.56%	18.28%	67.90%	14.26%	18.19%	67.17%	0.73%
My manager regularly tells me how I'm doing	15.98%	19.89%	62.66%	17.74%	18.87%	62.77%	-0.11%
The feedback I receive helps me improve my performance	10.75%	24.65%	61.16%	12.84%	24.09%	60.97%	0.19%
Underperformance within the team is dealt with effectively by my manager	19.42%	29.87%	43.48%	21.51%	30.65%	40.92%	2.56%
Are you a line manager?	76.23% (no)		23.77% (yes)	74.95% (no)	0.00%	25.05% (yes)	-1.28%
I feel supported to communicate effectively with my team	5.83%	9.62%	84.26%	4.69%	9.62%	84.74%	-0.48%
I find management communications such as team brief, third tier forum and third tier manager emails useful	10.24%	25.44%	61.69%	9.67%	23.58%	64.15%	-2.46%
PDR							% Difference
I have had a performance development review (PDR) in the last 12 months	32.76%(no)		67.24% (yes)	34.35%(no)		65.65% (yes)	1.59%
I have a clear work objectives	9.73%	15.05%	73.39%	9.19%	11.47%	79.22%	-5.83%
I know how my work contributes to my directorate's business plan	10.72%	21.44%	67.12%	9.94%	15.35%	74.13%	-7.01%
I have considered and agreed my development needs	5.93%	18.52%	74.61%	4.51%	9.63%	86.79%	-12.18%
Overall, I found my PDR a useful experience	20.98%	24.61%	53.58%	22.94%	26.14%	50.24%	3.34%

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Appendix 2

Staff survey 2016 Draft corporate action plan

1. BACKGROUND

Staff were invited to complete a survey earlier this year to give their views about they feel working for the council and feedback on what we could be doing better or differently. Completion rates were good with 45% of staff choosing to participate, compared with the last staff survey carried out in 2014 where 44% of staff participated. The data provides a robust result and should be deemed a satisfactory reflection of staff opinion.

2. KEY SURVEY RESULTS

Training and development

Rates of satisfaction have dropped marginally related to training and development. However, the majority, 90% still believe they have the right skills to do their job. However, just under 50% believe that learning and development activities they have completed while working for PCC have helped them to develop their career.

Reward and recognition

Satisfaction rates for questions relating to reward and recognition have improved but remain on the low side overall. Only 49% of those responding felt they were paid fairly and 52% felt they were getting recognition for a job well done.

Work/life balance

In terms of work life/balance, more staff are working flexibly and they believe this helps them manage their workload. Access to the correct resources and being able to get their work done in their contracted hours has decreased however, with only 55% believing they can get their work done in their contracted hours.

Values

When asked if they were proud to work for the council, no significant change was recorded with 64% indicating this was still the case.

Change

Change continues to be challenging for council staff. The management of change in 2014 scored at very low levels and has dropped even further in 2016 with only 25% believing the council as a whole manages change effectively. Only 40% believe their service/directorate managers change, down from 47% in 2014.

Communications

There has been a slight decrease overall about how well staff feel teams are working across the council. The number of staff who feel well informed about the council has also shown a marginal decrease from 61% to 60% and although increased compared with the last survey, still only 52% of staff find the information on the intranet helpful.

Leadership/My manager

When asked about Leadership, scores had improved with the exception of confidence provided at Director/HOS level, which fell to 52% confidence rate from 57%. Levels of

positive agreement vary directorate to directorate, however overall those agreeing that they feel involved in decision making have fallen from 50% in 2014 to 41% in 2016. Staff also feel like their directorates are listening to them less, with positive satisfaction levels falling by over 7% to 43% of staff agreeing that they are listened to and that their suggestions are responded to.

PDR

Marginally more respondents indicated they have had a PDR in the last 12 months. However perceived values seems to be low and results indicate that although more PDRs may be taking place the quality or the required outcomes are not taking place. Only 73% of those having a PDR indicated that they had clear work objectives (down by 6%), 67% knew how their work contributed to the overall directorate business plan (down by 7%), while only 77% had considered and agreed a development plan (down by 12%).

3. FOCUS GROUPS

As part of the council's response to the survey, all staff were invited to take part in a focus group to help better understand staff concerns about key issues. Two focus groups we held and the discussions were focused around what would make staff prouder to work for the council, how they could feel more informed and what makes them rewarded and recognised for doing a good job.

4. ACTION PLAN

A council wide action plan tackling areas highlighted in the survey and focus groups is suggested around the following areas:

PROUD TO WORK AT THE COUNCIL

- * only 64% of staff indicated they are proud to work at the council, a similar result to the last staff survey
- * there was a 5% decrease from the last survey of staff who believe their work makes a positive difference
- * the focus groups indicated greater clarity is needed around the values staff work to and greater consistency is needed from staff and mangers about working to these
- * the focus groups also indicated that greater clarity is needed by staff on how decisions are made and the political process
- * there was a decrease from the last survey of staff who believe the council is responding well to our financial challenges and how effectively it manages change

PROPOSED ACTIONS

refresh promotion of values

Our ways of working are part of our core values and work in conjunction with our organisational goal and guiding principles. They tell us what we can expect of colleagues and what they should expect of us which give staff and managers a clear steer on how the organisation wants us to conduct ourselves and treat each other. We will refresh the promotion of these values and ways of working through existing posters and internal communications tools to ensure a consistent focus on these for staff.

proud to work at PCC campaign

A new internal communications campaign will be designed to recognise and celebrate staff success, building pride and advocacy. Internal communications will develop and implement ways to celebrate staff success, via day to day internal communications channels and via a staff success campaign designed to highlight and recognise staff achievements.

enhance understanding of political process and greater transparency

Training sessions will be offered to staff to help them to understand the council's political process.

refresh and promotion of council plan

Information will be shared with staff to help them understand more about the council priorities including how the council is responding to our financial challenges, generating income and managing change.

REWARD AND RECOGNITION

* only 52% of staff are satisfied with the recognition they get for doing a good job. The focus group discussions confirmed that managers and also customer feedback helps to improve morale

* fewer than 50% of staff believe that learning and development activities they have completed while working for PCC have helped them to develop their career

PROPOSED ACTIONS

customer service feedback scheme

A new 'How did we do today' customer feedback scheme is being introduced in November and this will provide customers with a clear route to provide feedback on customer service. Feedback gathered through this scheme will be collated monthly and provided to the services that it relates to and will be used to provide feedback to staff.

training and development opportunities

The apprenticeship levy being introduced next April requires the council to make an investment in apprenticeships and we will pay the levy on our entire pay bill at a rate of 0.5%. This levy will allow us to access funding for apprentices and the potential that we can use funding from the levy to develop our workforce and upskill our existing staff will be explored.

COMMUNICATION WITH STAFF - FEELING INFORMED AND FEEDING BACK

* 60% of staff feel well-informed about the council, a marginal decrease from the last survey

* the scores around change have seen a significant drop in staff satisfaction, in particular around the question of staff feeling involved in decisions that affect their work and having the opportunity to contribute views and suggestions

* there is a correlation that staff who are based outside of the civic office don't feel as well informed as their civic office colleagues on council issues

* the response rate from staff to the survey who don't have access to email who completed paper returns is very low

* 51% of staff feel the information on the intranet is useful and although this is a slight increase from the last survey this figure is still low. The focus groups also highlighted that staff felt that it was a priority to improve the intranet

PROPOSED ACTIONS

introduce more visible feedback loops

Staff need to feel that they are being listened to. So more effective feedback mechanisms will be created for internal communications campaigns and council-wide cascades to encourage staff to feedback and feel part of the changes in the council.

improved targeting of audiences

Staff who work outside of the Civic are less likely to feel well informed. So a new email marketing tool is being introduced into marketing and communications and will be used to create targeted email distribution lists of staff who work outside of the civic, allowing more targeted information. Further work will take place to clarify those staff who don't have access to email, who their managers are and establish the most effective way to communicate with them.

improved web and intranet

We have listened to feedback from staff and residents and the website and intranet have been reviewed. As a result, changes will be happening over the coming few months to make information easier to find, and to make the sites more engaging to look at.

Agenda Item 6



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Employment Committee

Date of meeting: 29th November 2016

Subject: Apprenticeships - Progress and update report

Report by: Jon Bell - Director of HR, Legal & Performance

Wards affected: N/A

Key decision: No

Full Council decision: No

1. Purpose of report

To update members of the Employment Committee on the progress made in recruiting apprentices and to provide further information on the introduction of the Apprenticeship Levy, public sector targets and the financial implications for Portsmouth City Council.

2. Recommendations

Members are **recommended** to:

- (i) Note the progress in recruiting apprentices across the City Council
- (ii) Note the requirements of the Apprenticeships Levy, the planned public sector targets and the financial implications of these
- (iii) Place on hold the recruitment of apprentices from February 2017 in readiness for the introduction of the Levy from May 2017 thus enabling the City Council to make full use of the Levy from day one
- (iv) Require Directorates to check eligibility for Levy funding with HR (Apprenticeships Officer) prior to agreeing any funding to support staff development thus enabling the Levy to support workforce development across the City Council.

3. Background

- 3.1 Members agreed the content of the apprenticeships report presented to the Employment Committee on 4th November 2014 and since then Officers have been working with all Directorates within the City Council to identify apprenticeship opportunities and encourage the recruitment of apprentices to all posts advertised at pay band 5 and below.
- 3.2 The current pay bands for apprentices as previously agreed are pay band 1 for level 2 qualifications, pay band 2 for level 3 and where applicable pay band 3 for higher grade apprenticeships, where there would be difficulty recruiting at a

lower pay band, as detailed and agreed in the report presented to Employment Committee on 15th December 2015.

4. Progress to date

- 4.1 The PCC apprenticeships officer is linked with the PCC Post 16 Advisor and the work being undertaken within PCC is reflected in the Portsmouth Apprenticeships Strategy to ensure collaboration, consistency and sharing of best practice models.
- 4.2 There are currently 61 Apprentices in post and an additional 3 existing PCC staff working towards their vocational qualification under an apprenticeship making this month's total 64. We have a further 7 apprenticeship opportunities that are either in the recruitment stage or being developed which, when delivered, will bring the PCC figure to 71 apprentices. Appendix 1 has a breakdown of apprentices by Directorate, detailing the qualification being undertaken.
- 4.3 The first social care apprentices have been recruited into Adult Social Care Residential units with 3 apprentices undertaking direct care work and 2 in catering.
- 4.4 Apprenticeship 'ambassadors' have been recruited from amongst existing PCC Apprentices and have received training in presentations skills to support the marketing of apprenticeships in the City. The ambassadors have been delivering presentations in local schools; talking about their roles and have been extremely well received. Case studies from PCC apprentices are now available and are another useful resource for schools, colleges, businesses and the public in promoting apprenticeships.

5. Update on the introduction of the Apprenticeship Levy and Public Sector Targets

- 5.1 The responsibility for apprenticeships and the Apprenticeship Levy has now passed to the Department for Education (DfE) but the planned introduction for 2017 is still in place. The Levy will be introduced on 6th April 2017 with the first Levy funds appearing in employers' digital accounts after 22nd May 2017. As a result the new system for funding apprenticeships will come into force on 1st May 2017.
- 5.2 The latest information published by the DfE (October 2016) includes the agreed funding bands for apprenticeship qualifications and a consultation on the additional funding available to employers and training providers for 16-18 year olds, those with additional learning needs or who have been resident in local authority care. There will also be a payment for Apprentices living in the most deprived areas of the country as per the Index of Multiple Deprivation. The timescale during which Levy funds must be used has now been set at 24 months as opposed to 18 months which was in the initial proposals.

The latest details about the Levy can be found using this link;
<https://www.gov.uk/government/publications/apprenticeships-proposals-for-funding-from-may-2017>

- 5.3 The draft employer guidance clearly states; *'there must be a genuine job available after the apprenticeship is completed, unless the apprentice is employed by a recognised apprenticeships training agency.'* This will mean that any specific apprenticeship recruitment must be for a permanent position within the City Council unless an apprenticeships training agency is used.
- 5.4 The Apprenticeship Training Agency (ATA) model is intended to promote and support the delivery of apprenticeships involving employers who wish to use the services of an ATA to source, arrange and host their apprenticeships. This could be for a number of reasons including them not being able to commit to employment for the period of the full framework or short term restrictions on employee numbers. The ATA model requires the employer to pay a fee to the ATA as well as the apprentice salary costs; these cannot be met through the council's Levy pot and would present additional costs. The Levy can be used to pay the ATA for the qualification element. An ATA may be worth considering for apprenticeships that are related to specific projects or funding bids where there is no guarantee of a permanent post at the end of the funding stream.
- 5.5 The proposed Public Sector Apprenticeship targets consultation closed on 4th March 2016 and to date there has been no further information published detailing the outcome of the consultation or of any decisions made. We are still working on the basis that the target will remain at 2.3% of total headcount (inclusive of LA Schools).
- 5.6 The DfE will be releasing further information as follows;
In December 2016 there will be further employer guidance from HMRC on how to calculate and pay the apprenticeship Levy

6. Current work and development

- 6.1 The Apprenticeship Levy working group continues to meet to support the introduction of the Apprenticeship Levy and the Public Sector targets. The working group consists of representatives from HR, Finance, Procurement and Education. Appendix 2 lists the actions and the reasons behind them from the project plan.
- 6.2 A recruitment event was delivered on 30th June 2016 to promote careers in social care and support the introduction of apprenticeships in PCC Adult Social Care residential units. Funding secured from Skills for Care to support this event fully covered the costs of the venue and the marketing to supporting it. The event was successful in attracting people to be part of the Personal Assistants network coordinated in Adult Social Care, generating applicants for vacancies in provider organisations as well as promoting the social care apprenticeship opportunities available within the City Council.

- 6.3 The City Council has been selected to participate in a Pilot test of the Levy Digital Account along with the Community Learning team and an independent sector training provider. This pilot, starting soon, will enable officers to practise using the digital account and feed into any improvements that need to be made before its full introduction in 2017. The digital account will be the mechanism through which the City Council can access its Levy funds to pay for qualifications relating to its Apprenticeships.
- 6.4 Work is currently underway to enable staff to record their highest level of qualification in HR Self-Serve. This will support the identification of opportunities to enable staff to undertake a higher qualification or something that reflects more accurately their current job role and therefore convert to an apprenticeship via the City Council's Levy funding.
- 6.5 As a result the Levy presents the City Council with an opportunity to develop its workforce in a more planned and structured way. Potentially these opportunities will be available to staff at all levels (providing the eligibility criterion is met) as the Levy funding can be used for the development of higher level skills and knowledge or to develop them in new areas. For example; a member of staff with a Degree in History could undertake a Level 4 Leadership and Management Qualification. This links with the feedback from the Employee Opinion Survey where staff highlighted their desire for learning and development opportunities aimed at developing their careers within the Council.
- 6.6 It is worth noting the diverse nature of the qualifications eligible for funding through the Apprenticeship Levy. We currently have our largest numbers of apprentices undertaking qualifications at Level 2 and 3 notably, Business Administration, Customer Service and Health and Social Care (see Appendix 1) and will continue to support staff at this level. There are also many higher level qualifications available some of which are detailed below:
- Leadership & Management - Level 4 & 5
 - Chartered Institute of Management - Degree
 - Surveying - Degree
 - Project Management - Level 4
 - Digital & Technology Solutions - Degree
 - Solicitor - Degree
 - HR Resources Management - Level 5

In addition to those already in place there are a number of Apprenticeship 'Trailblazer' applications with the Department for Education (DfE) including; Social Work, Occupational Therapy, Teaching and Town Planning and we hope these will come 'online' over the next few years. Please note the Levy can only be used for qualifications approved by the DfE for apprenticeships.

- 6.7 Officers have worked with colleagues from Southampton City Council and Hampshire County Council to develop a Dynamic Purchasing System (DPS) across the area. The DPS will ensure the City Council is compliant with regards to the Public Contracts Regulations 2015 when the new arrangements for

funding come into place and enable local authorities to 'partner' on some qualification routes in order to increase and improve their availability. All local training providers are being encouraged to register on the DPS ahead of the introduction of the Levy.

- 6.8 The Apprenticeships Officer is currently undertaking a survey of higher education establishments across the south to identify the number of Higher / Degree apprenticeships available locally or in development and within a manageable travelling distance. The Apprenticeships Officer is a member of the University of Portsmouth Apprenticeship Advisory Board and is working closely with them to ensure the City Council's needs are being considered.
- 6.9 A communications plan is being prepared to ensure Directors, management teams and staff are aware of the opportunities the introduction of the Apprenticeship Levy presents.

7. Recommendations for consideration

- 7.1 In order for the City Council to make best use of its Levy contribution, members are asked to consider the following recommendations;
- to put a hold on the recruitment of apprentices from February 2017 in readiness for the introduction of the Levy from May 2017 thus enabling the City Council to make full use of the Levy from day one,
 - require Directorates to check eligibility for Levy funding with HR (Apprenticeships Officer) prior to agreeing any funding to support staff development, thus enabling the Levy to support workforce development across the City Council.

The recommendations detailed above would ensure the City Council is well placed to make the best use of its Levy pot in the early stages of introduction.

8. Legal implications

- 8.1 PCC must comply with the Public Contracts Regulations 2015 when commissioning training providers to deliver Apprenticeship qualifications. The work Officers have undertaken with regards to the DPS will ensure PCC's compliance in this area.

9. Finance comments

- 9.1 As reported to the Employment Committee in June 2016, the introduction of the Apprenticeship Levy will place a financial burden on the City Council. In June, the cost of the Levy was estimated to be £740,000 per year. The current costs are estimated to be;
- General fund £372,000
 - HRA £ 80,000
 - Schools £227,000
 - **Total Levy £679,000**

This total levy cost will be reduced by a 'Levy Allowance' of £15,000.

- 9.2 Following provisional advice from HM Revenue and Customs (HMRC), the Schools Levy above has been reduced by £33,000 to cover Voluntary Aided (VA) Schools in Portsmouth. Where a VA School has a payroll bill of less than £3m, HMRC have indicated they can be excluded from the Levy. However we have one VA School in Portsmouth with a payroll bill in excess of £3m (St Edmunds) who will be liable to pay the Levy, and we will be required to set up a new payroll specifically for this School. The Schools Levy cost of £227,000 currently includes the St Edmunds Levy charge. Final HMRC advice on the rules surrounding the collection and payment of the Levy is due in December 2016.

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 Signed by:

Appendices:

- Appendix 1 - Tables showing the Apprenticeships in recruitment and recruited by Service, Qualification and Number.
 Appendix 2 - Apprenticeships Levy and Public Sector Targets; list of Actions

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Shaping the Future of Portsmouth	Strategy Unit
Business Growth & Skills Plan	Strategy Unit
Apprenticeship Strategy	Strategy Unit
Apprenticeship Employment Committee Report 15 th December 2015	Employment Committee
Enterprise Bill: Public sector apprenticeship	Department for Business Innovation & Skills https://www.gov.uk/government/collections/enterprise-bill



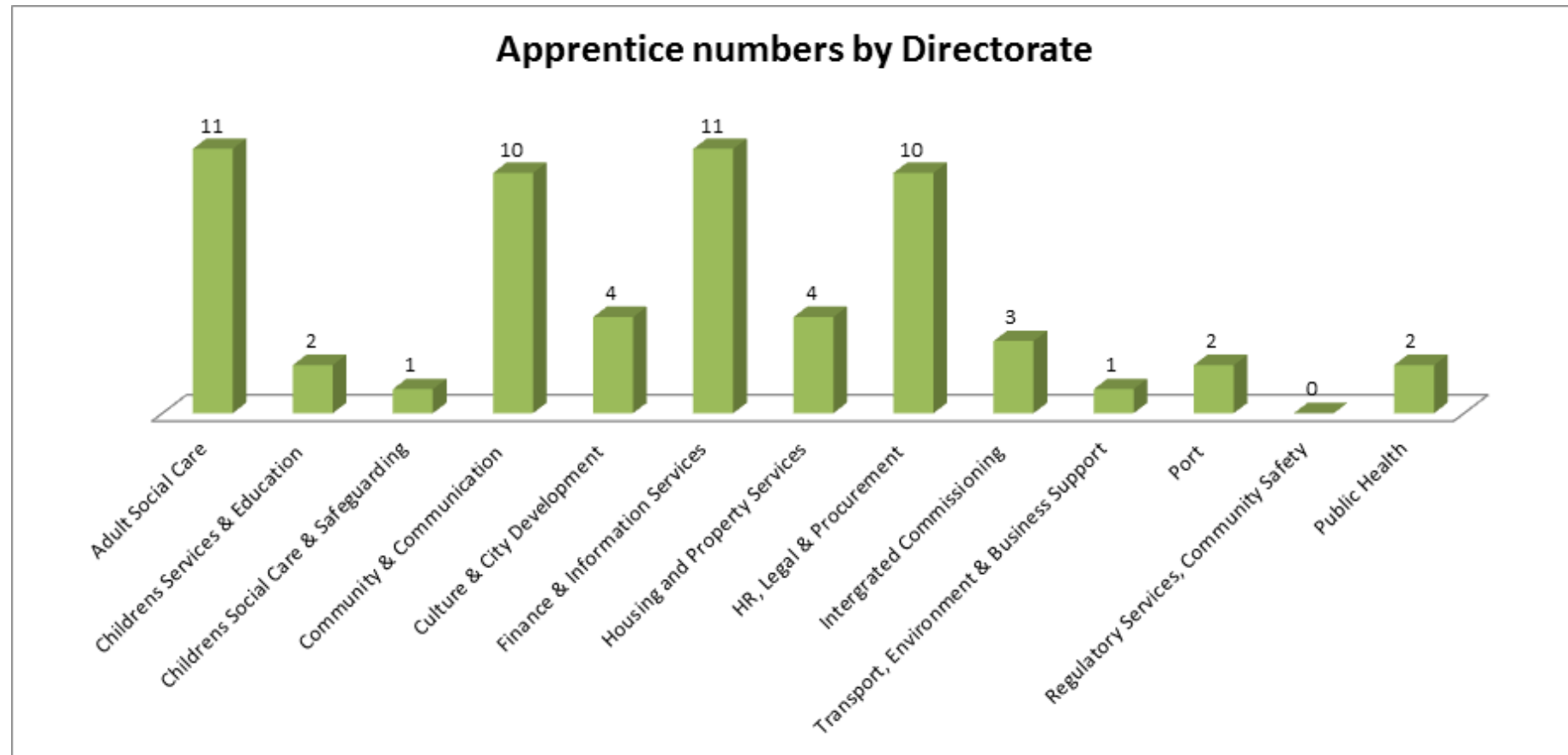
Title of document	Location
targets and preventing misuse of the 'Apprenticeship' term	
Apprenticeships Levy guidance for Levy-paying employers including qualification funding bands and proposed additional payments for 16-18 year olds, care leavers, those who have an Education, Health and Care plan and those from disadvantaged areas	Department for Education https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/562401/Apprenticeship_funding_from_May_2017.pdf https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/562442/Apprenticeship_funding_rules_May_2017_to_March_2018_EMPLOYER_DOC.pdf
Public Sector Apprenticeship Targets	Department for Business Innovation & Skills https://www.gov.uk/government/consultations/public-sector-apprenticeship-targets
Public Contracts Regulations 2015	Legislation.gov.uk http://www.legislation.gov.uk/uksi/2015/102/contents/made

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....Signed by:

Apprentice statistics

Portsmouth City Council currently has 61 Apprentices in post. The graph below shows which Directorates they are in.



The vocational areas for the PCC apprentices are detailed in the table below.

Accounting	2
Business Administration	30
Catering	2
Customer Service	7
Engineering	2
Gym Instructor	2
Health & Social Care	4
Horticulture	3
Housing	2
IT	3
Legal	2
Procurement	2
	Total: 61

Apprenticeships Levy and Public Sector Targets; list of Actions

Action	Why we are doing this
Create a Dynamic Purchasing Framework of training providers that are approved to deliver Apprenticeship training	To enable PCC to show compliance with the Public Contracts Regulations 2015. Enables PCC to purchase apprenticeship training requirements effectively and in a transparent way from approved training providers.
Implement the payroll requirements for paying the Apprenticeship Levy to HMRC	It is a legal requirement to pay the Levy. The Department for Education will produce a specification to enable payroll software suppliers to update their systems in order for employers to pay the Levy; PCC cannot pay the Levy without this work being undertaken.
Identify Higher / Degree Apprenticeship Programmes that are available locally and on the approved list	This will enable PCC to identify opportunities for existing staff to undertake higher qualifications appropriate to their role (under an apprenticeship) using funding from the PCC Digital Account. This will enable staff a higher level of staff development. This action could also reduce the amount Directorates' spend on qualifications and make the best use of our Levy pot
Work with all PCC staff to get their current highest qualification recorded onto HR Self-Serve	This will support the action above and give a better picture of the skill levels of staff employed in PCC.
Develop a communications plan	To provide clear communication to staff and managers in PCC on the changes to apprenticeships and the opportunities this presents. To communicate clearly the requirements for Public Sector employers to work towards the apprenticeship targets set by Government.
Update the existing PCC Apprenticeships Policy.	To reflect the introduction of the Levy and the changes in procedure resulting from it.
Identify and commission relevant Business Information reports	To enable PCC to meet any reporting requirements that result from the introduction of the Levy and the Public Sector Employer apprenticeship targets.
Develop a plan to engage Local Authority Schools	To provide support, advice and guidance to Schools on the introduction of the Levy and Public Sector employer targets.

Agenda Item 7



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Employment Committee
Date of meeting: 29th November 2016
Subject: Legislation Update
Report by: Director of HR, Legal and Performance
Wards affected: None
Key decision: No
Full Council decision: No

1.0 Purpose of report

This report is to update Members of Employment Committee on recently implemented and forthcoming legislation changes and any implications for the Local Authority.

2.0 Recommendations

To note the changes and any implications for the Local Authority.

3.0 Background

There are a number of legislative changes that have recently or are due to come into force over the next few months. Some of these changes will have implications for the Local Authority. These legislative changes are listed below.

3.1 Cap on Public Sector Exit Payments

A proposal for capping public sector exit payments at £95,000 was contained within the Enterprise Bill 2015 (which is now an Act). The cap will apply to the total aggregate value of most public sector exit payments and will apply to the following payments:

- Voluntary or compulsory redundancies
- Payments in lieu of notice (PILON)
- Additional payments the council has to make into the pension fund for people aged 55 and over who are made redundant, commonly referred to as 'pension strain'
- 'Special severance' payments such as those agreed in settlement of threatened litigation

The Government confirmed that these regulations would not be implemented before 1st October 2016 as originally anticipated and that further consultation on

the regulations is taking place this autumn. Following this consultation it is anticipated that the regulations will be published and in force early next year.

Implications for staff

This may influence senior staff to leave Portsmouth City Council where their redundancy payment would exceed £95,000, prior to the Act coming into force. It will also affect staff who are lower earners, such as third tier managers, because of their ability to access their pensions over 55 years of age.

This cap may have an impact on any redundancy or restructure exercises that are being planned now. For example, this may result in employees who will be affected by this cap such as older and/or long serving employees and the highly paid pushing to exit Portsmouth City Council now, rather than risk receiving a capped compensation payment if they leave by reason of redundancy at a later date. This could lead to a potential loss of specific skills/experience that may be difficult to attract or retain within the Council.

Next steps

HR and Finance are working together to ascertain who will be impacted by the cap and HR will ensure that there is a fair and consistent process in place to deal with staff affected. Communication has been sent out to all staff on 7th November so that they are aware of this legislative change. Finance is seeking further Pensions guidance on how staff will be affected, however this will be dependent on the individual's circumstance and a "one size fits all" approach will not be appropriate.

3.2 The Recovery of Exit Payments

The Government issued draft regulations on 21st December 2015 concerning the recovery of Exit Payments made to those employees within the public sector and returning to the public sector within a period of 12 months. The draft Regulations define 'returning to the public sector' as "becomes an employee (other than by virtue of a relevant transfer) or enters into a relevant contract for services with a public sector authority listed in Part 1 of the Schedule" (or becoming an office holder of the same).

The Regulations were due to take effect from April 2016. However, draft legislation has yet to be laid before Parliament. The regulations will hopefully be laid before Parliament just before or after the New Year, so the effective date should be early 2017 if that happens.

This matter was the subject of consultation some time ago and subsequent to the Government's own 'post consultation' response, there were some significant changes announced in the final consultation.

- Firstly, the 'minimum salary' to which the recovery provisions will apply has been reduced from £100,000 to £80,000 per annum.
- Secondly, the exclusion of payments to provide unreduced pensions for early retirement under the LGPS where there is an unqualified right to access

pension has now been overturned and such will be considered as an exit payment and be subject to recovery. This is despite the original consultation document (June 2014) stating “However, the Government has said that it will not seek to recover such payments where they are not discretionary, but there is an unqualified right to those payments under the scheme. This ensures that the Government’s 25 year guarantee in relation to public sector pensions is upheld”

- Thirdly, there are changes to remove the full recovery period of 28 days and the tapering now commences on day 1 following termination. In essence, the repayment liability reduces proportionately over the subsequent 365 days.
- Finally, additional exemptions have been granted to Housing Associations and the FSCS.

3.3 Response to Government Consultation on further reforms to Exit Payments

The following is a summary on the main points from the Government's response to its consultation on further reforms to exit payments and the next steps that are envisaged.

The Government is planning to go ahead with its proposals as set out in its original consultation document on Exit payments, which are in addition to the £95,000 cap on exit payments and the recovery provisions for those earning £80,000 or more. It will set a common framework of upper limits which should be applied to the main elements of compensation provision across the main public sector schemes. It is hoped that this will ensure greater consistency between schemes and bring public sector terms more in line with exit terms available in the wider economy.

The framework is as follows:

- A maximum tariff for calculating exit payments of three weeks' pay per year of service. Employers could apply tariff rates below these limits.
- A ceiling of 15 months on the maximum number of months' salary that can be paid as a redundancy payment. Where employers distinguish between voluntary and compulsory redundancies there may be a case for maintaining a differential by applying a lower limit. Likewise, where employers offer voluntary exit packages that are not classed as redundancies there may be a case for applying a different maximum. Employers could also apply lower limits.
- A maximum salary on which an exit payment can be based. As a starting point the Government will expect this to align with the existing NHS scheme salary limit of £80,000.
- A taper on the amount of lump sum compensation an individual is entitled to receive as they get closer to their normal pension retirement age.
- Action to limit or end employer-funded early access to pension as an exit term. As part of an overall package Government will consider proposals appropriate for each workforce, including proposals to:
 - Cap the amount of employer funded pension 'top-ups' to no more than the amount of redundancy lump sum to which that individual would otherwise be entitled

- Remove the ability of employers to make such top ups, or offer greater flexibility to employers to determine the specific circumstances in which they would be available
- Increase the minimum age at which an employee is able to receive an employer funded pension top up, so that this minimum age is closer to or otherwise linked more closely with the individual's normal pension age in the scheme in which they are currently accruing pension benefits

The Government does not wish to introduce a cross-public sector scheme at this time, rather that each department responsible for a particular workforce will devise its own scheme within the framework. This will be introduced through negotiation with the trade unions, where existing schemes form part of a collective agreement.

Local Government are slightly different than the rest of the public sector in that for most local authority employees the redundancy compensation regime is not set out in a collective agreement, but is contained in the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006. It is also very rare that a local authority's redundancy compensation scheme approaches anywhere near the limits set under the new framework of 3 weeks/15 months.

Timescale

The timescale for this is to draw up a scheme within 3 months from the publication of the response (therefore by 26 December 2016), following which there will be a period for consultation and negotiation. The Government has said that if a particular workforce fails to have implemented the reforms within 9 months (i.e. by 26 June 2017) it will consider making the changes through legislation.

3.4 Changes to Taxation Rules on Intermediaries

The Government announced in its 2016 Budget that it intends to reform the rules governing payments to public sector workers who operate through an intermediary. The proposed changes will take effect from April 2017.

The intermediaries legislation (more commonly known as IR35) was introduced by the Finance Act 2000 and requires individuals working through an intermediary to pay broadly the same tax and National Insurance contributions (NICs) as employees, where they would have been an employee if they had provided their services directly. An intermediary in this context is typically someone's own limited company, often known as a personal service company (PSC).

Many people find the rules confusing and there is widespread non-compliance. At the Summer Budget last year, the government published a discussion document and engaged with stakeholders on how to improve the effectiveness of the legislation.

Public sector bodies have a responsibility to taxpayers to ensure that the people working for them are paying the right tax. From April 2017, individuals working through their own company in the public sector will no longer be responsible for deciding whether the intermediaries legislation applies and then paying the relevant tax and NICs. This responsibility will instead move to the public sector employer, agency, or third party that pays the worker's intermediary. The employer, agency or third party will have to decide if the rules apply to a contract and if so, account for and pay the liabilities through the Real Time Information (RTI) system and deduct the relevant tax and NICs.

Many public sector bodies are already required to seek assurance that some of their workers are paying the correct employment taxes under Government rules on off-payroll appointments in the public sector. This change will reinforce and extend this requirement across all public sector bodies and all workers engaged through a PSC.

The reformed rules will not apply for workers provided through an agency or similar business where the workers are employees of the agency and not supplied through their own company.

3.5 Trade Union Bill

The Trade Union Bill has now become the Trade Union Act 2016 following the gaining of Royal Assent in May 2016.

The government announced a series of modernising reforms last year (2015) to ensure strikes can only go ahead as a result of a clear and positive democratic mandate from union members: upholding the ability to strike while reducing disruption to millions of people.

The Trade Union Act will ensure industrial action only ever goes ahead when there has been a ballot turnout of at least 50%.

In important public services, including in the health, education, transport, border security and fire sectors, an additional threshold of 40% of support to take industrial action from all eligible members must be met for action to be legal.

During the Parliamentary process, the government agreed to commission an independent review into electronic balloting within 6 months.

This piece of legislation delivers key manifesto commitments.

The Trade Union Act will also improve union practices and increase transparency by:

- setting a 6 month time limit (which can be increased to 9 months if the union and employer agree) for industrial action so that mandates are always recent

- requiring a clearer description of the trade dispute and the planned industrial action on the ballot paper, so that all union members are clear what they are voting for
- creating a transparent process for trade union subscriptions that allows new members to make an active choice of paying into political funds
- giving more powers to the Certification Officer to ensure new and existing rules are always followed by unions
- reducing the burden on taxpayers by ensuring that payroll deductions for trade union subscriptions are only administered where the cost is not funded by the public and ensuring transparency and greater accountability relating to the use of public money for facility time.

3.6 English Language Requirements for Public Sector workers

New English language requirements for public-sector workers in customer-facing roles will come into force on 21 November 2016, following the publication in early November of provisions under the Immigration Act 2016.

Workers must be sufficiently fluent in English, or – in Wales – in English or Welsh, for the effective performance of their role when the requirements come into effect. Agency staff and self-employed contractors used by public bodies to provide customer-facing services must also meet the requirement.

Public-sector authorities will need to ensure that their HR policies and practices incorporate the language requirements, such as during recruitment, although strong communication skills are already assessed and required by many public employers.

The Government has published a code of practice to help employers meet the language requirements.

If staff do not meet language fluency requirements, the code states that employers may consider additional training, redeployment to non-customer facing roles or, as a last resort, dismissal from employment.

The code reminds employers that the Equality Act 2010 prohibits discrimination on the grounds of race and disability, and that the public-sector equality duty requires public authorities to exercise their duties with regard to eliminating discrimination.

Public-sector employers should therefore ensure that they apply the language requirements strictly to the required standard for the role, and that they do not discriminate based on a worker's race, nationality, ethnic origin or disability.

3.7 Gender Pay Gap Reporting

Gender pay gap reporting legislation will require large employers to publish their overall mean and median gender pay gaps from 2018. Under the new laws, employers will have to calculate their gender pay gap from April 2017 and publish

the details by April 2018. The regulations will apply to employers who employ 250 or more employees.

The gender pay gap differs from equal pay as it is concerned with the differences in the average pay between men and women over a period of time no matter what their role is. Equal pay deals with the pay differences between men and women who carry out the same or similar jobs. This, on its own, does not prevent a gender pay gap. Organisations that have a higher level of men in senior jobs and women in junior roles are more likely to have a gender pay gap.

The intention behind gender pay gap reporting is therefore to increase transparency of the differences in pay between men and women in the workplace with the aim of closing the gender pay gap.

On an annual basis the employer will need to publish the report on their own website, including the overall percentage difference in mean and median pay between male and female employees, as well as submit evidence of compliance to the Government. Subject to the commencement of the legislation, organisations must publish their first report within 12 months from April 2017.

Employers will be required to keep their gender pay figures online for three years in order to show the progress made.

Employers will also need to calculate and publish three other types of figures:

- gender bonus gap
- proportion of men and women receiving a bonus
- proportion of men and women working at each quartile of the organisation's pay distribution.

Organisations may wish to review and update policies to help address any gender pay gap, these policies include:

- equality and inclusion
- enhanced paternity leave and equalised shared parental leave entitlement
- bullying and harassment
- flexible working
- people development.

Employers should seek to understand and probe the drivers behind their organisation's gender pay gap where one exists to ensure any action taken will have the desired impact. It would also be good practice for employers to review how they pay people to ensure it is fair and non-discriminatory.

3.8 Salary Sacrifice schemes

In recent years, salary sacrifice schemes have come under increasing scrutiny by the government as they grow in size and scope.

In the March 2016 budget, HM Revenue & Customs has launched a consultation paper to examine the use of salary sacrifice for the provision of benefits.

The consultation closes on 19 October 2016, and the likely outcome will be a reduction in the types of benefits that could be offered through this tax-efficient arrangement.

What is salary sacrifice?

Before looking at the HMRC consultation, it may be useful to explain the basics of salary sacrifice – who the beneficiaries are, why it is so popular in the workplace, and how the system works.

In the words of HMRC: “A salary sacrifice arrangement is an agreement between an employer and an employee to change the terms of the employment contract to reduce the employee’s entitlement to cash pay. This sacrifice of cash entitlement is usually made in return for some form of non-cash benefit.”

It appears that the government has taken the view there are benefits being structured through salary sacrifice that do not actively form part of any policy.

In practice, this arrangement often allows employers to purchase goods and services in bulk and offer them to staff at a reduced price paid from their gross salary and this results in a saving of income tax and National Insurance Contributions (NICs) for both the employee and employer.

Salary sacrifice was purposely introduced as a vehicle for employee pension contributions, childcare vouchers and cycle-to-work schemes.

More recently, it has become the deduction method for a wider range of employee benefits, from the more traditional dental insurance and critical illness through to mobile phones, laptops and other technology items.

It is this broadening of the scheme that has caught the Treasury’s attention, leading to a review.

What’s under consultation?

Pension contributions through salary sacrifice do not form part of the consultation. This means that the City Council’s plans to implement a salary sacrifice scheme for Additional Voluntary Contributions (AVCs) should be approved by HMRC. Childcare vouchers, cycle to work, annual leave purchase and health screenings are also outside the scope.

The bad news is that some of the benefits we had hoped to introduce such as cars, technology, life insurance and mobile phone schemes are specifically named in the document as being under threat. This is mainly due to the loss of income to the Exchequer on tax and NICs.

From the example below, taken directly from the HMRC paper released on 10 August, it seems the government has taken the view there are benefits being structured through salary sacrifice that do not actively form part of any policy but are costing the Treasury considerable sums.

What is the impact of the review?

According to the consultation, the government proposes to change tax legislation so that, where a benefit in kind is provided through salary sacrifice, it will be chargeable to income tax and Class 1A employer NICs, even if it is normally exempt from tax and Class 1A NICs, at the greater of:

- The amount of salary sacrificed; and
- The cash equivalent set out in statute (if any).

This would mean that where the normal taxable value of the benefit in kind is higher than the amount of salary sacrificed, it would be subject to tax and Class 1A NICs in the normal way.

This proposal does not prevent employers from providing benefits in kind to their employees through salary sacrifice, but it will remove the tax and employer NICs advantages that come from doing so.

Example

In September 2016 employer A and employee X agree a salary sacrifice arrangement. Employee X earns £25,000 annually and agrees to sacrifice £600 for workplace parking.

Employee X agrees to a £50-a-month reduction in their salary for a period of 12 months. Until 5 April 2017 there will be no tax or Class 1A NICs due on the cost of the workplace parking because this is subject to an exemption from tax.

From 6 April 2017, the exemption will be disapplied and there will be a taxable benefit in kind equal to the amount of salary sacrificed. In addition, a corresponding Class 1A NICs liability will arise for the employer on that same amount.

What happens next?

The consultation closes on 19 October and a wide range of views will be submitted prior to this date. As an example the car industry is heavily lobbying HMRC to retain cars as a salary sacrifice item. The benefits that generate the most significant savings for employers are those not currently under consideration.

The City Council has suspended plans to bring in further salary sacrifice schemes (other than shared cost AVCs) until the outcome of the consultation is known. The reason for this is that if we were to introduce schemes which are then restricted by legislation, staff would see an unexpected increase in their tax deductions and the 13.8% employer NIC saving would be lost.

The following communication has been issued to make staff aware of what is happening.

My Rewards: update on salary sacrifice schemes

My Rewards is an online portal for staff that offers exclusive savings on goods and services. Schemes are also available through the portal which allow staff to buy childcare vouchers and lease cycles through salary sacrifice arrangements, saving staff money on tax and national insurance payments.

When the portal was launched, it was intended that salary sacrifice schemes to allow staff to lease cars and technology would be introduced.

The government however has recently launched a consultation paper which examines the use of salary sacrifice schemes and this could potentially lead to a reduction in the types of benefits that are allowed to be offered through such schemes.

So in the light of this consultation, the implementation of salary sacrifice schemes for lease cars, mobile phones and technology in the council has been delayed until there is further clarification on these schemes by the government.

The result of the consultation is due to be announced on 23 November in the Chancellors of the Exchequer Autumn Statement.

4. Reasons for recommendations

The report is an information update to make Members aware of the legislative changes.

5. Equality impact assessment (EIA)

An EIA is not required.

6. Legal implications

There are no legal implications.

7. Director of finance's comments

There are no financial implications.

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Signed by:

Appendices: None

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

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Agenda Item 9



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Employment Committee

Date of meeting: 29th November 2016

Subject: The Living Wage - Reconsideration of Decision

Report by: Director of HR, Legal and Performance

Wards affected: None

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1 This report is provided in response to the instruction from members at Employment Committee on 14th June 2016 to reconsider the committee's earlier decision not to pay the Living Wage at the rate recommended by the Living Wage Foundation.

2. Recommendations

Members' instructions are sought as to which of the following options to adopt:

- (i) Continue to implement the recommendation agreed by members at Employment Committee on 15th December 2015. This was to continue to pay the 2015/16 Living Wage Foundation rate of £7.85 per hour and allow the National Living Wage (currently £7.20 per hour but anticipated to increase in April 2017) to catch up.
- (ii) Following the recent announcement on 31st October 2016 by the Living Wage Foundation, regarding the increase to the rate, to adopt the 2016/17 Living Wage Foundation rate of £8.45 per hour, with effect from 1 April 2017.

3. Background

- 3.1 In 2014 members decided to adopt the Living Wage, as recommended by the Living Wage Foundation. This equated to £7.85 per hour. Members agreed that this should be paid as an unconsolidated "top up" to the salaries of those employees falling below the Living Wage level.
- 3.2 In 2015 (effective from 1st April 2016) the Government introduced the National Living Wage. This was initially set at £7.20 per hour, rising to a level equivalent to 60% of average national earnings by 2020 (which at the time was estimated to be around £9.00 per hour). In November 2015, the Living Wage Foundation recommended an increased rate of £8.25 per hour. On 15th December 2015

members considered a number of options with regard to the Living Wage, and decided to freeze the Council's living wage at the previous rate of £7.85, and allow the National Living Wage to catch up over time. On 31st October 2016 the Living Wage Foundation announced an increase to the Foundation Living Wage rate to £8.45 per hour.

- 3.3 On 14th June 2016, members requested that they be given the opportunity to reconsider this decision.
- 3.4 The table below was provided to members when this matter was considered in December 2015. Costs have been updated to reflect current estimates, and have decreased due to employee turnover, pay increases and subsequent decisions made by schools' governing bodies (meaning that fewer employees would now be eligible for a Living Wage supplement).
- 3.5 Members are reminded that costs associated with the Living Wage (at whatever rate) are unbudgeted and therefore must be found within existing agreed cash limits.

Options	Pros	Cons	Estimated Costs for 17/18
1. Match the Living Wage Foundation rate as a non-consolidated payment (including for under 25's), thus increasing the rate to £8.45 with effect from 1 April 2017	This meets the policy aim of the Living Wage, i.e. raising people out of poverty.	<p>There is a significant cost to both the Council and to schools.</p> <p>This option may result in schools opting to pay different rates based on affordability and may create different rates paid across the authority as a whole, increasing the equal pay risks.</p>	<p>Council: £82,900 (gross)* and £103,700* including on costs.</p> <p>Schools: £137,500 (gross)** and £171,900** including on costs.</p> <p>* includes known TUPE transfers into PCC</p>
2. Freeze the current Living Wage rate at £7.85 and allow the National Living Wage rate to "catch up" (including for under 25's), therefore neither increasing or decreasing the current rate.	There will be no additional cost burden on the authority or schools that have already adopted the Living Wage. This reduces the risk of job losses for reasons of affordability for those who have already implemented the current rate.	<p>There will be a real term reduction in salaries as the rate won't have increased in line with the cost of living.</p> <p>There may also still be some schools that opt to pay the National Living Wage so there may still be more than one rate.</p>	<p>Council: This will not incur a cost as it is not anticipated there will be employees on a salary of less than £7.85 per hour. There will no longer be a requirement to pay a supplement on top of basic salary</p> <p>Schools: £1,300 (gross)** and £1,700** including on costs.</p>

** Costs do not include casuals/zero hour employees and assumes employee numbers remain as at 1 October 2016.

4. Implementation of Living Wage in Schools

4.1 Members are reminded that it is for individual school governing bodies to decide whether to adopt the Living Wage (subject to meeting the statutory requirement to at least pay the National Living Wage). There are currently 5 schools that have opted to pay only the National Living Wage rate of £7.20 per hour.

4.2 A number of other schools have previously indicated that they would have little desire to pay the 2015/16 Foundation Living Wage of £8.25 per hour, as this would place too great a strain on their budgets and it would be fair to assume that they will not want to add to this further by increasing to the new Foundation Living Wage rate. Therefore, should members be minded to adopt the recently revised 2016/17 Foundation Living Wage rate of £8.45 per hour, that there is a strong possibility that, the Council would be operating three different "living wages" across its workforce and this may create EBS system implications in establishing the correct pay rates for different employees.

5. Reasons for recommendations

The recommendations are to consider whether in light of the recent increase to the Foundation Living Wage rate, the Council wishes to apply and pay this rate or whether the council wishes to continue to apply the previous decision made on 15th December 2015 to freeze the Portsmouth City Council Living Wage Rate at £7.85 until the National Living Wage rate 'catches up'.

6. Equality impact assessment (EIA)

An Equality Impact Assessment was completed for the original decision report and is attached at Appendix 1.

7. Legal implications

Extensive legal advice was provided to members at the time of the original decision to implement the Living Wage. This is reproduced at Appendix 2 - Exempt - for members' information.

8. Director of finance's comments

8.1 The relevant financial implications are contained within the body of the report and appendices.

8.2 As commented in previous reports, the Living Wage Allowance is paid as a supplement/allowance and any increase in costs will need to be funded from existing approved budgets.

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Signed by:

Appendices:

- Appendix 1 - Equality Impact Assessment (redacted)
- Appendix 2 - EXEMPT - Previous Legal Advice

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Report to Employment Committee December 2015	http://democracy.portsmouth.gov.uk/documents/s9651/Living%20Wage%20Update%20-%20Dec%2015.pdf

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

Equality Impact assessment

Full assessment form v4 / 2011

www.portsmouth.gov.uk

Service:

HR

Title of policy, service, function, project or strategy (new or old):

Implementation of the Living Wage

Type of policy, service, function, project or strategy:

New / proposed

Changed

Existing

Lead officer

Jon Bell

People involved with completing the EIA:

Jolene Chaffin

Introductory information (Optional)

In the 2014/15 Budget, the Members committed to becoming a Living Wage Employer. In June 2015 the Chancellor announced the introduction of the National Living Wage which replaces the National Minimum Wage for over 25's and is set to reach a minimum of £9.00 per hour by 2020. For employees under 25 years the National Minimum Wage still applies, although the recommendation for PCC is that all staff irrespective of age are paid as a minimum the National Living Wage.

The Living Wage (LW) is an hourly rate of pay which is set independently from the National Minimum Wage (NMW). It is calculated (and updated) annually by the Centre for Research in Social Policy at Loughborough University. The LW was created to give the minimum pay rate required for a worker to provide their family with the "essentials of life". The purpose of introducing the LW is to lift employees out of working poverty.

Step 1 - Make sure you have clear aims and objectives

What is the aim of your policy, service, function, project or strategy?

To introduce the Living Wage for all staff, including those within schools, where the Board of Governors for the relevant school agrees to do so.

By paying the LW rate, we will be lifting PCC employees out of working poverty and reducing the reliance upon state benefits.

Who is the policy, service, function, project or strategy going to benefit or have a detrimental effect on and how?

All PCC employees (including those within schools that agree to adopt LW), who currently earn less than the Living Wage (based on the 2014/15 rate of £7.85 per hour). The LW is higher than the National Minimum Wage and therefore by paying LW, we will be lifting our employees out of working poverty. The implementation of the Living Wage will also make a positive contribution to the city's "Tackling Poverty Strategy".

This will mostly impact upon women as approximately 83% of the jobs positively affected by this are held by women.

The issues will arise if schools opt to adopt a different Living Wage rate to that of the rest of the authority. Officers are working closely with the schools to encourage them to adopt the same Living Wage rate as the rest of the authority.

What outcomes do you want to achieve?

To lift employees and those who provide a service to the city council, out of working poverty.

What barriers are there to achieving these outcomes?

Potential Equal Pay considerations if all schools did not agree to implement the LW rate as agreed

by Members.

Ongoing budget pressures across the organisation, particularly medium and long term based on current financial projections.

Step 2 - Collecting your information

What existing information / data do you have? (Local or national data) If you don't have any data contact the Equalities and diversity team for some ideas

Information from the Living Wage Foundation.

Information from the Tackling Poverty Strategy.

Information from other Local Authorities that have already implemented Living Wage.

Data analysis regarding the existing make up of the organisation and the impact the LW will have on the pay bill, and projected financial costings for future years (based on historical trends).

Using your existing data, what does it tell you?

According to the organisations that have implemented Living Wage, the benefits of doing so are great, for example, reduction in sickness absence and increase in morale and motivation of workforce.

Source: Living Wage Foundation.

Employers who pay the Living Wage are seen as progressive and it is thought that in the future, with the number of employers signing up to LW, those who don't may be seen as unethical.

Paying the Living Wage can contribute significantly to breaking cultures of dependency through earning a decent "stand alone" wage rather than being paid poor wages and having to claim benefits to "top up".

Predominantly the majority of schools (83%) already signed up to paying the Living Wage allowance at the 2014/15 Foundation rate of £7.85 wish to continue to do so for the future.

Step 3 - Now you need to consult!

Who have you consulted with?

Pay Steering Group
Strategic Directors Board
Public Services Board
Anti Poverty Officer Co-ordinator & Principal
Strategy Advisor
Members
South East Employers
Trade Unions
Schools Executive Board

If you haven't consulted yet please list who you are going to consult with

Schools Executive Board

Other Local Authorities that have introduced LW,
(Cardiff, Greenwich, Blackpool, Brighton & Hove)

Please give examples of how you have or are going to consult with specific groups or communities e.g. meetings, surveys

Consultation meetings

Step 4 - What's the impact?

Is there an impact on some groups in the community? (think about race, gender, disability, age, gender, religion or belief, sexual orientation and other socially excluded communities or groups)

Generic information that covers all equality strands (Optional)

The implementation of Living Wage will impact more females than males due to the fact that the postholders of the roles affected are predominantly women approximately 83% (1834) and 17% (369) men are eligible for the current Living Wage rate of £7.85.

Therefore, implementation of the Living Wage will promote equality for women.

Ethnicity or race

Out of the total number of staff eligible for the Living Wage approximately 5% (103) are known to be from Black and Minority Ethnicity (BME). Within this group of staff, 87% (90) are female and 13% (13) are male. 25% (552) have not disclosed their ethnicity or race.

Therefore, implementation of the Living Wage will promote equality for those from BME backgrounds.

Gender including transgender

See above.

Age

No

Disability

No

Religion or belief

No

Sexual orientation

No

Pregnancy and maternity

No

Other socially excluded groups or communities e.g. carers, areas of deprivation, low literacy skills

No

Health Impact

Have you referred to the Joint Needs Assessment (www.jsna.portsmouth.gov.uk) to identify any associated health and well-being needs?

Yes No

What are the health impacts, positive and / or negative? For example, is there a positive impact on enabling healthier lifestyles or promoting positive mental health? Could it prevent spread of infection or disease? Will it reduce any inequalities in health and well-being experienced by some localities, groups, ages etc? On the other hand, could it restrict opportunities for health and well-being?

According to the Living Wage Foundation, evidence suggests that in those companies/authorities that have implemented Living Wage, sickness absence and labour turnover has decreased. This is attributed to the fact that many of those who were in working poverty worked more than 1 job to make ends meet and consequently were suffering from stress/fatigue, etc. Therefore, there is evidence that paying LW will contribute to improving health, along possibly with families being able to afford to buy healthier food, for example.

Evidence is also cited that employee engagement and loyalty had increased.

Step 5 - What are the differences?

Are any groups affected in a different way to others as a result of your policy, service, function, project or strategy?

No. The Living Wage will be paid to all those earning below £7.85 per hour and therefore there are no groups with protected characteristics to be treated differently. Should schools not adopt the same Living Wage rate there may be some disparity between those who are eligible for the payment being paid a different amount.

It is proposed that a non-consolidated payment of the appropriate amount will be made to those employees currently earning less than the Living Wage. By making the payment in this way preserves the existing job evaluation scheme and banding for each post within the city council. The job evaluation scheme is applied in such a way as to ensure there are no issues regarding equal pay for equal work.

Does your policy, service, function, project or strategy either directly or indirectly discriminate?

Yes No

If you are either directly or indirectly discriminating, how are you going to change this?

Not Applicable

Step 6 - Make a recommendation based on steps 2 - 5

If you are in a position to make a recommendation to change or introduce the policy, service, project or strategy clearly show how it was decided on

The Members committed to becoming a Living Wage Employer when agreeing the budget for 2014/15 and recommendations for its implementation have been made based upon this commitment whilst minimising the impact of efficiencies that continue to be required.

The Employment Committee will make the final decision regarding what rate to implement from 1 April 2016 taking into account the increase to the Foundation rate and the introduction of the National Living Wage rate.

What changes or benefits have been highlighted as a result of your consultation?

Recommendations to continue to pay the Living Wage allowance as a non-consolidated payment rather than changing the single status pay structure introduced in 2009. This decision was made following consultation with other Local Authorities that have introduced the Living Wage already. By paying as a non-consolidated payment, we will preserve the fundamental integrity and transparency of the job evaluation scheme, although this will need to be reviewed for the future based on the introduction of the National Living Wage and the impact this will have on the lower pay scales.

If you are not in a position to go ahead what actions are you going to take?
(Please complete the fields below)

Action

Not Applicable

Timescale

Not Applicable

Responsible officer

Not Applicable

How are you going to review the policy, service, project or strategy, how often and who will be responsible?

The Living Wage is set annually each November by the Centre for Research in Social Policy at Loughborough University. Organisations committed to the Living Wage then have until the following April to implement any changes to the LW rate. It is recommended that the City Council reviews the Living Wage annually, via the Employment Committee. This annual review will allow the council to respond to any changes in the Living Wage amount or changes to the Living Wage concept as well as enabling the authority to respond to efficiency pressures and will ensure that the integrity and transparency of the pay structure is not compromised. It will also allow any necessary adjustments to be made to the supplement, having taken into account national pay awards and individuals receiving increment rises.

Step 7 - Now just publish your results

This EIA has been approved by: Jon Bell

Contact number: 023 9283 1967

Date: 21 November 2016

Please email a copy of your completed EIA to the Equality and diversity team. We will contact you with any comments or queries about your full EIA.

Telephone: 023 9283 4789

Email: equalities@portsmouthcc.gov.uk