

PERSONNEL COMMITTEE

20 June 2007

Attendance:

Councillors:

Godfrey (Chairman) (P)

Chapman (P)
Collin (P)
Cooper (P)
Fall (P)
Goodall (P)
Johnston (P)

Learney (P)
Nelmes (P)
Read
Weston (P)
Worrall (P)

Others in attendance who addressed the meeting

Councillor Allgood (Portfolio Holder for Finance and Resources)

1. **APOLOGIES**

Apologies were received from Councillors Read and Deputy Member Councillor Howell.

2. **APPOINTMENT OF VICE-CHAIRMAN FOR THE 2007/08 MUNICIPAL YEAR**

RESOLVED:

That Councillor Nelmes be appointed Vice-Chairman for the 2007/08 Municipal Year.

3. **TIME OF FUTURE MEETINGS**

RESOLVED:

That future meetings of the Committee commence at 6.45pm for the 2007/08 Municipal Year.

4. **MINUTES**

Councillor Allgood responded to the Committee's request as set out at Minute 1004, Resolution 2 – 'That the Portfolio Holder for Finance and Resources....explain the current mechanisms to ensure that, ideally, the overall number of Council staff was not increased'.

Councillor Allgood explained that each vacancy was assessed for its relevance by the Human Resource Division and line managers, as to whether the post was still needed, or whether the job could be done differently. Only after this test was the job advertised. He reported that, as Portfolio Holder for Finance and Resources, he kept an overview of the Council's salary bill (approximately £14 million per annum) by monitoring, on monthly basis, expenditure per Division. It was too early in this

financial year to note any apparent trends, but they would be raised directly with the Head of Organisational Development in the first instance.

Responding to questions, the Head of Organisational Development clarified that the process to assess each vacancy had, in some cases, eventually resulted in recommendations to this Committee to delete and alter posts.

The Chief Executive reminded Members that the Council's budget processes for 2007/08 had set vacancy management as a responsibility for Heads of Divisions within the constraints of agreed budgets (in consultation with the Head of Organisational Development). A vacancy's continuation may also require wider discussion by Corporate Management Team. He also explained that line managers monitored the length of a vacancy and its relative impact on the service. A decision could also be made as to whether a post was to continue as permanent, or if could be filled on a temporary basis with agency staff (utilising preferable rates through the joint Hampshire County Council contract with Manpower). Councillor Allgood also confirmed that he, along with all Portfolio Holders, monitored BVPI's with regard to service delivery, so as to ensure the Council employed an appropriate headcount.

RESOLVED:

1. That the presentation by the Portfolio Holder for Finance and Resources be noted

2. That the minutes of the previous meeting of the Committee, held on 17 April 2007 (less exempt items), be approved and adopted.

5. **SEVERANCE POLICY**
(Report PER121 refers)

The Head of Organisational Development circulated to the Committee a revised Appendix 4 to the Report. This introduced, for information, an additional column 'Cost of Efficiency Retirement' and showed associated costs, for comparison purposes, for Employee 1 and Employee 4.

In respect of this item, the Chairman declared a personal (but not prejudicial) interest, due to the likelihood of the Committee discussing aspects of the Hampshire Pension Fund, of which he was a member.

The Chief Executive reminded the Committee that some elements of the options within the Report were non-discretionary and all had both financial and organisational costs and benefits. It may not be appropriate to recommend the proposal that had the lowest associated financial cost to the Council, as the Committee would wish to consider ensuring that the Council retained a balanced overall employment package. He advised that in compiling the Report and its recommendations, the severance policies of a number of Councils (including those in Hampshire) had been referred to. He concluded that the recommendation to offer an enhanced redundancy payment calculated using a multiplier of 1.6 would achieve a balance of affordability, whilst retaining a good employment package for the Council and its reputation as an employer, in an area of high living costs.

Councillor Allgood advised that the Council needed to be fair to its existing employees, its prospective staff and to the Council Tax payer. He also referred to the wider discussions of Cabinet with regard to prioritisation of growth against the likely depletion of the Council's capital.

During discussion, the Head of Organisational Development explained that the Council continued to have a statutory obligation to calculate redundancy based on previous local government service (and other public bodies recognised under the Modification Order, such as some Housing Associations). This included those officers on short term contracts (to a maximum of two years) with the Council, although the revised policy recommended that they would not be eligible to receive enhanced redundancy pay.

During further questions, the Chief Executive explained that 'pension strain' payments were mandatory after age 50, which would eventually be revised to 55. The criteria for this calculation were very complex; including length of service, age, salary etc. He reminded the Committee that reorganisations often impacted on a number of posts. Therefore, any higher cost deletions of posts would be balanced with lower cost changes. Following further discussion, it was confirmed that by removing the current discretion to augment pensions, the overall cost to the Council from its redundancy package would be reduced. The Committee was also reminded that although each case for redundancy should continue to be considered on its own merits, organisational changes would normally aim to generate savings within the following two years.

The Chief Executive explained that the approval of a Severance Policy was a matter for this Committee. However, Cabinet should be allowed the opportunity to consider the revised financial implications and broader aspects of the policy, and inform the Committee accordingly of any comments or objections. This was agreed.

In discussion of the recommendations to the Report, the Committee agreed to support those offering enhanced redundancy payments (including that for retirement based on grounds of efficiency of the service) calculated on actual weeks pay and with compensation payments linked to a multiplier of 1.6, and to not augment pension membership. It was also agreed that an additional recommendation to Cabinet be included as described above.

It was also agreed that authority be delegated to the Head of Organisational Development (in consultation with the Chairman) to investigate the probity and impact of specifically excluding severance compensation for those aged 65 and over, and whether this contravened age discrimination legislation, and subject to the investigation, this be included in the Policy.

RESOLVED:

1. That Cabinet consider the revised financial implications of the implementation of the proposed Severance Policy as approved by the Committee, as set out at 2 (i) – (vi), and inform the Committee of any objections and/or comments.

2. That the Committee agree the implementation of the proposed Severance Policy as follows at (i) – (vi) below, and that authority be delegated to the Head of Organisational Development (in consultation with the Chairman) to investigate the probity and impact of specifically excluding severance compensation for those aged 65 and over and whether this contravened Age Discrimination legislation, and subject to the investigation, this be included in the policy.

i) To adopt the discretionary power to offer an enhanced redundancy payment as calculated as follows:

- to calculate the statutory redundancy payment on the employee's actual weeks' pay
- to link compensation payments to the statutory redundancy calculator and use a multiplier of 1.6
- to not augment pension membership

ii) To adopt the discretionary power to offer an enhanced payment for retirement on grounds of efficiency to the service as calculated as follows:

- to make compensation payment based on the employee's actual weeks pay
- to link compensation payments to the statutory redundancy calculator and use a multiplier of 1.6
- to not augment pension membership

iii) To permit flexible retirement from age 50 providing there is a reduction in either the individual's hours or grade, there is no cost to the Council and it is in the Council's interest to do so.

iv) That transfer of pension rights will only be allowed if requested within one year of joining the pension scheme.

v) That any employee who is made redundant whilst employed on a fixed term contract will not be eligible to receive enhanced redundancy pay. Any redundancy payment due will be paid in accordance with the maximum statutory redundancy payment.

vi) That a revised Pension Policy be published with an implementation date one month from publication as required by the Compensation Regulations.

3. That the Head of Organisational Development be authorised to implement the changes to the policy subject to no material objections being raised by Unison.

6. **SMOKE-FREE POLICY**
(Report PER122 refers)

Further to questions, the Head of Organisational Development explained that guidelines were to be written alongside the policy in due course, following detailed consultation with UNISON. She confirmed that this would be inclusive of matters such as officers entering a Council tenant's home where the tenant smoked.

RESOLVED:

1. That, subject to further consultation with UNISON, the Smoke-Free Policy, be accepted and implemented as outlined in the Report.

2. That final UNISON consultation on the proposed changes be undertaken and the Head of Organisational Development be authorised to implement the changes, subject to no material unresolved issues arising from the consultation

7. **SICKNESS ABSENCE REPORT**
(Report PER123 refers)

The Head of Organisational Development advised that monthly monitoring continued to be undertaken to identify trends of absence, either by individuals, or for a Division. This specifically highlighted periods of regular short term absence and, where identified by managers, this was targeted by regular return to work interviews, occupational health referral (in case of an underlying medical issue), or for disciplinary action if appropriate. A Human Resources advisor would normally be present at the return to work interview for more regular absenteeism. Following a request, she stated that she would supply to the Committee the number of disciplinary actions undertaken in the previous 12 months associated with regular unauthorised short term absence. Members were assured that managers had ongoing dialogue with their staff, should their attendance cause concern, as opposed to waiting until the annual appraisal.

The Committee referred to the suggested Sickness Absence Action Plan at Appendix 1 to the Report. The establishment of a League Table for sickness absence at Divisional level was supported and this should show both short and long term sickness absence. The Committee also requested that financial incentives be not further investigated, rather the possibility of additional annual leave entitlement be considered for excellent attendance.

Councillor Allgood reminded the Committee that the Council's Performance Plan 2006/07 (Part 2) was to be considered at Council on 27 June 2007. This contained a target average of eight working days lost due to sickness absence per member of staff.

The Chief Executive stated that he was satisfied that eight working days was a realistic and achievable figure at this time.

It was agreed that a progress report on sickness absence be presented in six months, inclusive of departmental progress in achieving continued overall reduction.

RESOLVED:

1. That the Report be noted and, subject to the requested changes as detailed above, the proposed action plan as set out at Appendix 1 to the Report, be agreed.

2. That a progress report on sickness absence be reported to the Committee in six months, inclusive of Divisional progress in achieving continued reduction.

8. **EXEMPT BUSINESS**

RESOLVED:

1. That in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. That the public be excluded from the meeting during the consideration of the following items of business because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

<u>Minute Number</u>	<u>Item</u>	<u>Description of Exempt Information</u>
##	Exempt Minute of the previous meeting held 17 April 2007:) Information relating to a particular individual. (Para 1 to Schedule 12A refers).
	• Winchester City Council Organisational Development) Information which is likely to reveal the identity of an individual (Para 2 to Schedule 12A refers)
	• Review of Environment Team Client Side Staff) Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority. (Para 4 to Schedule 12A refers)

9. **EXEMPT MINUTES**

RESOLVED:

That the exempt minutes of the previous meeting of the Committee held on 17 April 2007, be approved and adopted.

The meeting commenced at 6.45pm and concluded at 8.50pm.

Chairman