

PERSONNEL COMMITTEE MINUTES - 1 OCTOBER 2015

Present: Councillor Lovelock (Chair);
Councillors Gavin, Khan (in place of Councillor Terry) and Page.

Also Present: J Boyd, R Hall and K Magee (for items 8 to 11); W King, I Wardle and R Woodford.

Apologies: Councillors Skeats and Terry.

RESOLVED ITEMS

8. MINUTES

The Minutes of the meeting held on 16 July 2015 were confirmed as a correct record and signed by the Chair.

9. PROCEEDINGS OF THE LOCAL JOINT FORUM

The Managing Director tabled the proceedings of the Local Joint Forum meeting held on 15 September 2015.

Resolved - That the proceedings of the Local Joint Forum meeting be received.

10. FAMILY FRIENDLY POLICIES

Warren King, Interim HR/Payroll Services Manager, submitted a report providing the Committee with an outline of the amendments that had been made to the Council's family friendly policies following changes to parental statutory legislation. A copy of the Paternity Leave Scheme was attached to the report at Appendix 1, a copy of the Adoption Leave Scheme was attached at Appendix 2 and a copy of the Parental Leave Scheme was attached to the report at Appendix 3.

The report outlined the as follows:

Paternity Leave Scheme

- Removal of Additional Paternity Leave and reference made to the Shared Parental Leave Policy;
- Included paternity leave now being available for parents using surrogacy arrangements;
- Included paid time off to attend two antenatal clinics or adoption appointments;
- Changes to when paternity leave could be taken - Council policy had previously allowed leave to be taken 'during the period commencing when the mother of the child first attended antenatal clinic, until the time she ceased attending postnatal clinic'. Due to amendments to legislation which allowed partners to attend two antenatal clinics, this had been amended to be in line with the statutory provisions of leave starting after the birth or placement of a child and finished within 56 days of the birth/placement;

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- Changes to how paternity leave could be taken - The Council were unable to claim back Statutory Paternity Pay (SPP) when paternity leave was taken in odd days rather than whole weeks because SPP was a weekly entitlement. This consequently had a financial implication for the Council. The policy had been amended to ensure that paternity leave was taken in blocks of at least one working week and up to a maximum of two working weeks taken consecutively (as per statutory provisions) rather than being staggered;
- Changes to notice period - Council policy previously did not specify a notice period. The policy had been updated to ask employees to give a 'reasonable' amount of notice to allow cover to be arranged, if required.

Adoption Leave Scheme

Adoption leave and pay would be available to surrogate parents who had obtained a parental order. Paid time off would be given to attend up to five adoption appointments and there would be reference to Shared Parental Leave and removal of Additional Paternity Leave.

Parental Leave Scheme

The Scheme had been updated to include the change of legislation in April 2013 which had increased entitlement from 13 to 18 weeks unpaid leave for parents and to include the change in legislation in April 2015 which allowed unpaid parental leave to be taken by parents of any child under the age of 18 (previously it had only been for children with a disability).

The report explained that some minor changes had been made to the Foster Carer Policy and the Maternity Scheme to reflect changed terminology and so these were also attached to the report at Appendices 4 and 5.

Resolved - That the adoption of the revised policies be approved.

11. REDUNDANCY OPTIONS

The Interim HR/Payroll Services Manager submitted a report that sought the Committee's approval to start formal consultation on a proposal to reduce the redundancy pay calculator because of the Council's financial position. A copy of the Equality Impact Assessment - Redundancy Compensation was attached to the report at Appendix A.

The report stated that redundancy compensation was made up of the following four elements:

- Mandatory payment of compensation equivalent to the statutory redundancy compensation scheme;
- Discretionary enhancement of number of weeks compensation paid up to 104 weeks;
- Discretionary enhancement of a week's pay from £464 in 2013/14 to £475 in 2015/16;

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- For staff who were 55 years of age or older and were members of a statutory pension scheme there might be mandatory release of unreduced pension and associated 'capital costs' (capital costs were paid by the Council).

The report stated that in 2011 the Council had agreed to set a framework where it paid a multiplier of two statutory weeks' pay (up to a maximum of 52 weeks) and actual weeks' pay (AWP).

The full costs associated with compensation payments were met by the Council and in addition, where a member of staff was over 55 years of age and a member of the local government pension scheme (LGPS), they were statutorily entitled to release their pension on an unreduced basis. There was an additional 'capitalised cost' of early release of pension which the Council had to pay; this payment was made to the Pension Fund. The LGPS had recently confirmed that although there had been a scheme to pay capitalised costs over three to five years, this had been removed and there was no longer a provision to offset these costs in an attempt to reduce them or defer over a longer period of time.

The report provided details from the most recent Local Government Association survey 2013 'Early Retirement and Compensation Survey' setting out what other Councils used and a comparison of what local Councils across Berkshire used. Details of redundancy and efficiency costs were also set out in tables in the report and it had been estimated that the proposed changes to the redundancy payments would help the Council avoid costs of approximately £5m.

It had been forecast that based on the current multiplier the Council would need to significantly increase the Organisational Change Reserve to meet the potential liabilities, this meant the Council would have to save a further £30-£40m over the next three years.

The report stated that what could not be measured accurately were the non-cost/indirect impacts of the reduction options, in particular the affect that such reductions might place on employees volunteering for redundancy or efficiency releases in the course of the change or other programmes. Issues of overlap between the start of one scheme and the ending of another might be created.

The report explained that there were contractual and legal issues that had to be taken into account when considering the reduction in redundancy compensation as follows:

- Terms and conditions of employment that were incorporated into employment contracts;
- Two 'levels' of national conditions of service;
- Local Council terms and conditions which had developed over time.

A proposal to reduce the redundancy compensation could therefore be considered and this would not impact on, or require a departure from the Council's decision to remain within the NJC national conditions. In terms of good practice there would need to be a period of staff consultation followed by a reasonable requirement of three months' notice for the new arrangements to come into force.

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K Magee, Unite, stated that the concerns of his members had been outlined and expressed concern over the possible knock-on effect on future employment and requested that should the financial climate change in the future then the arrangements could be reviewed.

Resolved - That the commencement of formal consultation to reduce the payment calculator to a multiplier of one of the statutory calculator be approved.

12. EXCLUSION OF THE PRESS AND PUBLIC

Resolved -

That pursuant to Section 100A of the Local Government Act 1972 (as amended) members of the press and public be excluded during consideration of the following items, as it was likely that there would be disclosure of exempt information as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A (as amended) to that Act.

13. EARLY RETIREMENTS AND REDUNDANCIES (INCLUDING VOLUNTARY RELEASE SCHEME APPLICATIONS)

The Interim HR and Payroll Services Manager, the Monitoring Officer and the Head of Finance submitted a joint report, which set out a request for termination of employment on the grounds of redundancy.

The proposal, together with the financial implications, were set out in a schedule appended to the report on the following basis:

- The financial case was given which represented the highest cost to the Council. In most cases this included discretionary added years on pension (where payable), as this represented a direct and ongoing cost to the Council. This was in accordance with the Council's current practice of considering redundancy and retirement terms up to the maximum limit of discretion, where applicable. The Committee was asked to approve individual proposals subject to a maximum ceiling on the exercise of discretion;
- The financial implications were costed on the basis of the estimated figures, which were subject to final confirmation. The figures might be affected by changes to final salary, pensionable service, age or date of leaving. The Committee was asked to approve the proposals on the basis of the estimated figures, subject to any individual proposal being brought back to Committee if the confirmed costs were more than 10% in excess of those reported;
- The costs of early retirement on the grounds of ill health were met by the Local Government Pension Scheme or the Teachers' Pension Scheme.

The report sought approval for the payment of a compensation package in the case of proposed termination of employment or early retirement on grounds of redundancy, efficiency of the service or ill health subject to the conclusion of all outstanding

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matters in each case, including ongoing consultation with employees and their representatives, and efforts to secure alternative employment, where appropriate.

Resolved -

- (1) That the termination of employment on the grounds of redundancy of employee A be approved on the terms set out in the schedules appended to the report subject to the conclusion of all outstanding matters in each case, including ongoing consultation with the employees and their representatives and efforts to secure alternative employment, where appropriate;
- (2) That the proposal set out in (1) above be approved on the basis of the financial implications set out in the report, and that authority to conclude the proposal be delegated to the Head of Finance, Monitoring Officer and HR and Payroll Services Manager (acting jointly) within that framework, and subject to the maximum ceiling identified for the proposal;
- (3) That the current terms for agreeing compensation packages in specific cases of early retirement or termination of employment on the grounds of redundancy or efficiency be confirmed.

14. MANAGING DIRECTOR APPRAISAL

The Interim HR/Payroll Services Manager submitted a report asking the Committee to note the Managing Director's progress against objectives and to set new objectives for the forthcoming 12 months.

Resolved - That the objectives set out for the Managing Director for 2015/16 be approved.

(Exempt information as defined in Paragraphs 1 and 2).

(The meeting commenced at 6.30 pm and closed at 6.51 pm).