

# DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

## PERSONNEL COMMITTEE

### MINUTES OF THE MEETING HELD ON MONDAY, 5 OCTOBER 2015

**Councillors Present:** Peter Argyle, Adrian Edwards (Vice-Chairman), Tony Linden, Mollie Lock and Quentin Webb (Chairman)

**Also Present:** Jane Milone (Human Resources Manager and Moira Fraser (Democratic and Electoral Services Manager)

#### PART I

#### 3. Minutes

The Minutes of the meetings held on the 09<sup>th</sup> February 2015 and the 19<sup>th</sup> May 2015 were approved as true and correct records and signed by the Chairman.

#### 4. Declarations of Interest

There were no declarations of interest received.

#### 5. Review of the Redundancy Multiplier (PC3040)

The Committee considered a report (Agenda Item 4) concerning a review of the current multiplier of 2.0 used in redundancy calculations at West Berkshire Council to ensure that it was set at an appropriate level when compared to other local authorities.

Jane Milone in introducing the item explained that Members were being asked to consider the level of enhancement the Council paid under the discretionary redundancy scheme. Redundancy payments were based on a combination of age and years of continuous service. The maximum number of weeks' pay for a redundancy payment was 30 weeks. The maximum lump sum compensation payment that could be made to employees that were made redundant was 104 weeks' pay which equated to a multiplier of 3.46.

Up until October 2011 West Berkshire Council used a multiplier of three times the statutory number of weeks' pay. The Personnel Committee at that time decided to reduce the multiplier to two. Following a comparison with other local authorities it was now being proposed to reduce the multiplier to 1.5 and that the multiplier be further reduced to 1.0 in December 2016. In response to a query from the Chairman the HR Manager explained that, when compared to other authorities, the Council was quite generous in this regard.

*(Councillor Adrian Edwards arrived at 2.35pm. Councillor Edwards stated that as he was not present at the start of the discussion he would take part in the debate but would not vote on this item)*

The Chairman explained that he had received a request from the Unions to address the Committee. In accordance with paragraphs 7.6.2 (Motions which may be moved without notice) and 7.12.4 (speaking) Members agreed to suspend standing orders and afforded the union representative and staff present the opportunity to address the Committee.

## PERSONNEL COMMITTEE - 5 OCTOBER 2015 - MINUTES

David Pearson explained that he had been asked to put forward the joint views of both Unison and GMB. He explained that his comments would be broken down into three areas: a review of staff comments, consideration of facts and figures and then a summary of the views of both Unions.

He explained that given the importance of this item the unions felt that it was crucial to engage the views of all staff. An email had been sent to all members asking for their comments on the proposal. Responses had been received from both Union and GMB members and also from staff who were not members of the unions. Comments had been received from employees at all levels of the organisation. To date 54 responses had been received.

Mr Pearson stated that in general staff felt that the proposals were disgraceful and a betrayal and would impact badly on trust and goodwill. It was also felt that the proposal was hypocritical given that Members had recently awarded themselves a large increase in their own allowances. There was also a degree of cynicism about the timing of the decision in terms of the staff satisfaction survey and that some employees had recently been notified that they were at risk of redundancy.

Mr Pearson also stated that there was a view that the comparator data included in the report was selective and inadequate and that a more robust investigation of multipliers should be undertaken. It was felt that redundancy payments were meant to act as compensation for losing a job. Inadequate payments could result in employees having to go on benefits and they would risk losing their homes and could have a shattering impact on families. Comments also stated that the change in policy would be discriminatory in respect of older staff, female staff and disabled employees.

Mr Pearson reported that staff had commented that these were not the actions of a caring employer and would impact negatively on staff morale and motivation.

The Unions stated that in order to allow a proper comparison with packages offered at other local authorities the entire package needed to be considered. Many authorities that used a lower multiplier than West Berkshire Council (WBC) offered pension augmentation to staff thereby increasing the total value of the package.

Mr Pearson stated that a quick desktop exercise showed that neighbouring authorities used the following multipliers: Basingstoke and Deane (2), Vale of White Horse (1.5), South Somerset (2.5), Aylesbury (1.73) and Wiltshire (2).

Other factors that the unions felt needed to be taken into consideration were that staff had had five years of real terms cuts in their wages which amounted to a 20% cut in their value. The report did not make mention of the government's proposed cap of £95,000 for public sector redundancy payments which would in itself generate considerable savings. During the period 2012/13 to 2014/15 54 employees had been made redundant. The average age of staff made redundant was 53 years with an average length of continuous service of 14 years and average redundancy payments of £19,833. If a multiplier of one had been used this would have reduced the average payment by £6,382 and would have saved the Council £548k. If a multiplier of 1.5 had been applied the Council would have saved £274k. When compared to the level of saving the Council had to make the savings this proposal would yield would be small when compared to the severe impact it would have on the staff being made redundant.

Mr Pearson stated that when the multiplier had been discussed in 2011 the unions had criticised the equality impact assessment (EIA) attached to the report as being inadequate. They were therefore very concerned that no EIA was attached to this report which meant that the proposals could be challenged on equality grounds. The Unions therefore urged Members to ensure that an EIA was undertaken.

## PERSONNEL COMMITTEE - 5 OCTOBER 2015 - MINUTES

The unions also felt that the comparator data was selective and inadequate especially in regard to pension augmentation. Redundancy was a traumatic experience for those involved and Members needed to consider whether the relatively modest savings that would be made was morally the right thing to do. Mr Pearson thanked Members for the opportunity to address them.

The Chairman then asked if there were any other members of the audience that wished to address the Committee. Steven Chandler felt that the proposal was hard to justify given that Members had recently awarded themselves a 16.5% increase in their basic allowance. He stated that cutting the multiplier in half could mean that those made redundant might lose their homes and that they could have difficulties feeding their children. He stated that Members needed to be aware of how an important an issue this was to staff.

The Chairman explained that an Independent Remuneration Panel had recommended the increase in the Members Allowances based on a number of factors including comparator data.

David Lowe commented that Members had still voted to accept the increase and it was inevitable that the comparisons would be made.

Mark Cole stated that the timing of the proposed changes was immoral. Some employees had recently been made aware that they were at risk of redundancy and they were now also being told that any redundancy payments made to them would be decreased. As an illustration he explained that he had been employed in local government for 40 years and had been employed by WBC for 15 years. If the proposed changes were implemented the level of payment he would receive would be decreased by 66%. This could mean that employees could lose their homes.

Melvyn May stated that historically staff relations at this Council were viewed as being open and honest. This proposal was not an intelligent solution and he was horrified that it had been brought forward.

Members thanked staff for their participation and felt that they had garnered a good understanding of the strength of feeling on this issue. They voted to resume standing orders.

The Chairman asked Officers to respond to the comments about consultation and the EIA. Councillor Peter Argyle also asked if staff were aware of the multiplier level when they were employed.

Jane Milone explained that the report had been sent to the unions at the same time as it had been sent to Operations Board. This was as early in the process as possible. The unions had also been made aware of the amendment that had been made to the report post Operations Board. The author of the report (the Head of HR) had determined that an EIA was not needed. It would be possible to undertake an EIA if Members deemed it necessary but it was not possible to predetermine what, if any, impact it would have. The Council already had a Discretionary Compensation Statement in place and this would not require a significant amendment. Mrs Milone noted that the multiplier was not included in contracts of employment so new employees would be unlikely to be aware of the level at which it was set.

Councillor Tony Linden asked the HR Manager to comment on pension augmentation. She explained that rules around augmentation had changed in 2006 as a consequence of changes made to age equality legislation. She was not aware of any authorities that made additional pension payments although it was possible that some might still do so.

## PERSONNEL COMMITTEE - 5 OCTOBER 2015 - MINUTES

The Chairman asked Mrs Milone to respond to the comments about the lack of comparator data. She explained that responses had been received from 23 authorities within the comparator group. In her opinion it would be reasonable for this information to form the basis of a decision.

Councillor Peter Argyle commented that he could appreciate that a reduction in the multiplier level could be seen as a betrayal by existing employees but felt that a reduction could be implemented in respect of new employees. Councillor Mollie Lock concurred with this view.

Councillor Adrian Edwards questioned the ethics of changing the multiplier. He accepted that this payment was not included in terms and conditions of employment but that it was something that both the staff and unions would be aware of. Councillor Tony Linden concurred with the views expressed by his colleagues.

Councillor Quentin Webb therefore proposed deferring the decision until an EIA had been undertaken and also so that any additional information could be presented to Members. He also felt that it would be useful to have the author of the report present at the meeting. Jane Milone stated that if the decision was deferred HR would not be able to provide employees at risk of redundancy with the information they required and this would be construed as being unfair. Deferring the decision would therefore mean that the reduced multiplier could not be applied to those employees that had already been notified that they were at risk of being made redundant.

**RESOLVED that the decision would be deferred for the reasons set out above and that it would be reconsidered by the Personnel Committee in four weeks time.**

*(Post meeting note: following discussions with the Chairman of the Committee, the relevant Portfolio Holder and the Leader it had been agreed that the proposed meeting would no longer take place.)*

*(The meeting was adjourned from 3.15pm to 3.16pm)*

### 6. Succession Planning in West Berkshire Council (PC3041)

The Committee considered a report (Agenda Item 5) concerning a systematic approach to succession planning as part of service planning following discussion of this subject at the Corporate Management Team on the 06<sup>th</sup> May 2015. The Committee was also asked to consider if they supported a proposal that services be permitted to designate a 'deputy Head of Service' to help with succession planning.

Jane Milone in introducing the item explained that due to the requirement for all vacancies to be advertised succession planning was difficult to put into practice in local authorities. However the proposed approach would afford senior managers the opportunity to develop the necessary skills prior to applying for a Head of Service role. HR had produced a set of guidance notes on how to implement the scheme.

The scheme was being trialled in the Culture and Environmental Protection Team with the role of deputy to be rotated on an annual basis by the senior managers. Officers would be expected to attend training and would be afforded the opportunity to shadow the Head of Service. In addition, they would be expected to take on some responsibility when the Head of Service was not at work and could be paid a small honorarium to reflect the additional responsibility. All payments would have to come from within existing service budgets.

Members were supportive of the proposals.

**RESOLVED that:**

## PERSONNEL COMMITTEE - 5 OCTOBER 2015 - MINUTES

1. Heads of Service include a systematic approach to succession planning based on the concept of risk management (likelihood and impact) and that this approach forms part of the overall approach to business continuity;
2. Services be permitted to designate a 'deputy Head of Service' to help with succession planning.

*(The meeting commenced at 2.30 pm and closed at 3.22 pm)*

**CHAIRMAN** .....

**Date of Signature** .....