

Public Document Pack



**Assistant Director, Governance and
Monitoring**

Julie Muscroft

Governance and Democratic Services

Civic Centre 3

High Street

Huddersfield

HD1 2TG

Tel: 01484 221000

Direct Line: 01484 221000

Fax: 01484 221707

Please ask for: Steve Copley

Email: steve.copley@kirklees.gov.uk

Wednesday 6 April 2016

Notice of Meeting

Dear Member

Personnel Committee

The **Personnel Committee** will meet in the **Leadership Meeting Room - 1st Floor, Civic Centre 3, Huddersfield, HD1 2TG** at **4.00 pm** on **Thursday 14 April 2016**.

The items which will be discussed are described in the agenda and there are reports attached which give more details.

A handwritten signature in black ink, appearing to read "Julie Muscroft".

Julie Muscroft

Assistant Director of Legal, Governance and Monitoring

Kirklees Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair/Clerk of their intentions prior to the meeting.

The Personnel Committee members are:-

Member

Councillor David Sheard (Chair)
Councillor Jean Calvert
Councillor Andrew Cooper
Councillor David Hall
Councillor Robert Light
Councillor Peter McBride
Councillor Shabir Pandor
Councillor Graham Turner
Councillor Nicola Turner

When a Personnel Committee member cannot be at the meeting another member can attend in their place from the list below:-

Substitutes Panel

Conservative

B Armer
D Bellamy
N Patrick
K Sims
J Taylor
G Wilson
B Armer
D Bellamy
N Patrick
K Sims
J Taylor
G Wilson

Green

K Allison
A Cooper
R Barraclough
K Allison
R Barraclough

Independent

C Greaves

Labour

E Firth
S Hall
K Rowling
M Sokhal
G Turner
S Ullah
E Firth
S Hall
K Rowling
M Sokhal
S Ullah

Liberal Democrat

C Burke
J Lawson
A Marchington
A Pinnock
P Scott
C Burke
J Lawson
A Marchington
A Pinnock
P Scott

Agenda

Reports or Explanatory Notes Attached

Pages

1: Membership of the Committee

This is where Councillors who are attending as substitutes will say for whom they are attending.

2: Minutes of Previous Meeting

1 - 4

To approve the Minutes of the meeting of the Committee held on 19 January 2016.

3: Interests

5 - 6

The Councillors will be asked to say if there are any items on the Agenda in which they have disclosable pecuniary interests, which would prevent them from participating in any discussion of the items or participating in any vote upon the items, or any other interests.

4: Admission of the Public

Most debates take place in public. This only changes when there is a need to consider certain issues, for instance, commercially sensitive information or details concerning an individual. You will be told at this point whether there are any items on the Agenda which are to be discussed in private.

5: Deputation/Petitions

The Committee will receive any petitions and hear any deputations from members of the public.

A deputation is where up to five people can attend the meeting and make a presentation on some particular issue of concern. A member of the public can also hand in a petition at the meeting but that petition should relate to something on which the body has powers and responsibilities.

PART II

6: Exclusion of the Public

To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

7: Kirklees Council and work with the North Kirklees Clinical Commissioning Group (CCG)

To receive an update, following the report to the Personnel Committee on 19 January 2016, on the opportunities to develop the Council's work with the North Kirklees Clinical Commissioning Group (CCG)

Contact: Adrian Lythgo - 01484 221000

8: Succession Planning and Managing Change

To receive an update on developments in the period since the Personnel Committee on 19 January 2016, including news of the changes which the Government is considering introducing on exit payments for public sector employees from April 2016 onwards.

Contact: Adrian Lythgo - 01484 221000

9: Update on Human Resources and Industrial Relations and Trade Union Relationships in the New Council

To receive an update on developments in the period since the Personnel Committee on 19 January 2016.

Contact: Rosemary Gibson - 01484 221000

This page is intentionally left blank

Contact Officer: Steve Copley

KIRKLEES COUNCIL

PERSONNEL COMMITTEE

Tuesday 19th January 2016

Present: Councillor David Sheard (Chair)
Councillor Jean Calvert (Chair)
Councillor Robert Light
Councillor Shabir Pandor
Councillor Graham Turner
Councillor Andrew Marchington

Apologies: Councillor David Hall
Councillor Peter McBride
Councillor Nicola Turner

In attendance: None

1 Membership of the Committee

Apologies for absence noted on behalf of Councillors David Hall, Peter McBride and Nicola Turner

Cllr Andrew Marchington substituted for Cllr Nicola Turner.

Cllr David Sheard was late arriving at today's meeting. Therefore, Cllr Jean Calvert took the chair for items 1-6.

2 Minutes of Previous Meeting

The Minutes of the Personnel Committee meeting on 22 September 2015 were approved.

3 Interests

No interests were declared.

4 Admission of the Public

Members resolved to consider items 9 and 10 in private session, as they contain exempt information. The details and reasons are set out at the start of each item.

5 Deputation/Petitions

No deputations or petitions were received.

6 Public Question Time

No questions were submitted.

7 Kirklees Council and work with the North Kirklees Clinical Commissioning Group (CCG)

Following on from a report at the Personnel Committee on 22 September 2015, Adrian Lythgo explained that the current Accountable Officer for North Kirklees CCG has announced that she will retire at the end of March 2016.

In considering the arrangements for her replacement, NKCCG is working with its members to consider options for the future. As part of this work, a number of interviews have taken place within the CCG and with external stakeholders. This work is pointing to (a) the CCG putting in place some short term arrangements to create time whilst it considers longer term options in light of the changing national context and (b) the value of working in the future with other local organisations to further join up the local system leadership.

The work is currently concluding and will be reported to a meeting of NKCCG Governing Body on 20th January 2016 which will also consider the feedback from member practices, external stakeholders and NHS England and take a decision about the appointment process for the Accountable Officer.

Adrian Lythgo explained that, as the scope of the joint working becomes clearer, the Council and local healthcare organisations should consider the opportunities, if and when they arise, for roles that undertake activity on behalf of more than one organisation

Members of the Personnel Committee were asked to note this progress report.

RESOLVED - Members of the Personnel Committee resolved to note this progress report.

8 Exclusion of the Public

The Personnel Committee agreed to exclude the public at this point, to consider items 9 and 10 in private session.

9 Succession Planning, Managing Change and Senior Officer Structure

(Exempt information relating to particular employees. The public interest in maintaining the exemption, which would protect the rights of the individual under the Data Protection Act 1988, outweighs the public interest in disclosing the information and providing greater openness in the Council's decision making)

Further to the Personnel Committee on 22 September 2015, Adrian Lythgo presented a report which outlined the background to a recommendation to create a role, rather than a formal post, for a Deputy Chief Executive

In summary, the report explained that the principle purpose of the designation of Deputy Chief Executive would be to bring consistency and clarity to officer leadership arrangements in support of the Chief Executive. The key components of the role would be:

- To exercise the Chief Executive's delegation on urgent decision making in his absence;

- To represent the Council at regional and sub-regional meetings, particularly those also involving the Leader of the Council, in the Chief Executive's absence;
- To provide a clear point of reference for councillors in the absence of the Chief Executive;
- To lead on specific items of business as delegated by the Chief Executive from time to time.

Members of the Personnel Committee discussed the background and merits associated with the proposal.

RESOLVED -

(1) To approve the Chief Executive's recommendation to create the designation and role of Deputy Chief Executive, as a role rather than a post.

(2) To acknowledge that the role description should not impact significantly on the job descriptions of other Directors or the Chief Executive but should focus on exercising the executive authority of the Chief Executive in agreed circumstances. It was also agreed that the role should not be remunerated in addition to the existing salary of the Director appointed to the role.

(3) That all Directors should be invited to consider applying for the role by setting out what they believe they would gain from holding the role and how they could most effectively carry it out in support of the Chief Executive and the Council. The Chief Executive will also speak to the new Director of Children's Services about the proposal described within today's report.

(4) That a councillor interview panel, based on a membership and ratio of 2.1.1, should be established to consider expressions of interest and to conduct interviews.

(5) That the Chief Executive be asked to review the success of these arrangements by March 2017.

10 Update on Human Resources and Industrial Relations and Trade Union Relationships in the New Council

(Exempt information relating to consultations or negotiations, or contemplated consultations and negotiations, in connection with a labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority. The need to maintain confidentiality around negotiations with the trade unions outweighs the public interest in disclosing the information)

Further to the Personnel Committee on 22 September 2015, the Committee received a verbal update from Jacqui Gedman, Director for Place, Ruth Redfern, Director for Communities, Transformation and Change, and Rosemary Gibson, Head of Human Resources, on the progress being made in terms of the discussions and work with the trade unions in dealing with the review of services following on from the completion and acceptance of the collective agreement and memorandum of understanding by the management and trade union sides in 2014/15.

Personnel Committee - 19 January 2016

Today's discussion focused, in particular, on:-

- The important role of the trade unions and the need for good trade union representation in the council
- The need to modernise some of the existing working arrangements in 2016.
- The need to introduce appropriate management support for those council employees who are trade union representatives, where this involves all of their contractual hours
- The costs and time involved in providing "time off" for trade union representatives to undertake duties.

RESOLVED -

(1) Officers to pursue the following issues in order to provide a report back to the Personnel Committee in March 2016:-

- The costs and time involved in providing "time off" for trade union representatives to undertake their duties, and recommendations on what is appropriate and legitimate for 2016/17
- Information on the ratio(s) which the trade unions are using to provide representation for their trade union memberships in Kirklees, and recommendations on what the appropriate ratio(s) should be for 2016/17
- The management support for those council employees who are trade union representatives in Kirklees in 2016/17, where this involves all of their contractual hours

(2) Communications between the management side (councillors and officers) and representatives of the trade unions will involve the use of e-mail from 1 February 2016.

KIRKLEES COUNCIL			
COUNCIL/CABINET/COMMITTEE MEETINGS ETC			
DECLARATION OF INTERESTS			
Personnel Committee			
Name of Councillor			
Item in which you have an interest	Type of interest (eg a disclosable pecuniary interest or an "Other Interest")	Does the nature of the interest require you to withdraw from the meeting while the item in which you have an interest is under consideration? [Y/N]	Brief description of your interest

Signed: Dated:

NOTES

Disclosable Pecuniary Interests

If you have any of the following pecuniary interests, they are your disclosable pecuniary interests under the new national rules. Any reference to spouse or civil partner includes any person with whom you are living as husband or wife, or as if they were your civil partner.

Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner, undertakes.

Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.

Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority -

- under which goods or services are to be provided or works are to be executed; and
- which has not been fully discharged.

Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.

Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.

Any tenancy where (to your knowledge) - the landlord is your council or authority; and the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.

Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -

- (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
- (b) either -

the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.



Name of meeting: Personnel Committee
Date: 14th April 2016

Title of report: Changes to exit payments and access to pensions

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	-
Is it in the Council's Forward Plan ?	No
Is it eligible for "call in" by Scrutiny ?	No
Date signed off by <u>Director</u> & name	Adrian Lythgo – Chief Executive (13 April) Jacqui Gedman – Deputy Chief Executive
Is it signed off by the Director of Resources?	-
Is it signed off by the Acting Assistant Director - Legal & Governance?	-
Cabinet member portfolio	Resources

Electoral [wards](#) affected:
Ward councillors consulted:

Public or private: Private

Private: This report is recommended to be taken in private because the information contained in it is considered to be exempt information under Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, as it contains information relating to any consultations or negotiations, or contemplated consultations and negotiations, in connection with any labour relations matter.

1. Purpose of report

To share with Personnel Committee the approach being taken to managing VR and access to pension whilst at the same time having regard to the skills needed for new council and our obligation to mitigate redundancies

2. Key points

Changes are being introduced to Exit Payments within the public sector and further consultations are ongoing in respect of access to pension.

Whatever the final outcome, the combination of all or some of these would reduce the flexibility and ability to proactively manage exits and mitigate redundancy at a time of significant change and reduction

3. Implications for the Council

Within the context of moving to new council, changes across all areas together with the significant budget challenge, it is essential to have in mind the skills and behaviours needed for the organisation of the future when making any decisions about access to VR, redundancy or pension.

Equally, the organisation's responsibility to mitigate against compulsory redundancy must also always be in view and it is important to understand that balancing these two important priorities is complex.

The introduction of the £95K cap offers both an opportunity and driver. The approach being taken is attached to this paper at Appendix A but it is important to note that the "rules" established would apply to all circumstances, although there has been a current focus around the £95K cap.

The approach described enables consistency whilst providing sufficient flexibility and opportunity to maximise savings. The additional guidance is attached at Appendix B

The approach applies to all staff irrespective of grade. It should be noted that the £95K cap impacts on staff with long service and so a significant number affected are around grade 10 -12

Also attached at Appendix C is a summary of the various additional factors, outside our control, which could impact on individuals' decision-making. As yet these are not sufficiently developed to quantify fully so the summary aims to clarify the current position and what is being considered

4. Consultees and their opinions

Executive Team have approved the approach and the Head of HR has made Unison aware of the approach being taken

5. Next steps

Directors will oversee the approach set out to ensure consistency of consideration.

6. Officer recommendations and reasons

Personnel Committee note the approach being taken.

Personnel Committee authorise the Chief Executive to progress cases affecting staff at AD level and above. Any such cases would be reported to Personnel Committee for information.

7. Cabinet portfolio holder recommendation

Portfolio holder is supportive of the approach being taken

8. Contact officer and relevant papers

Rosemary Gibson. Attached note re potential changes

9. Assistant director responsible

Rosemary Gibson Head of HR

Managing VR (with specific reference to £95K cap)

These “rules” however, would apply to all scenarios where VR, redundancy, access to pensions is being considered.

As with all potential redundancy/voluntary redundancy situations a number of underlying principles apply:-

- The business needs of the organisation will take priority
- The sequence and timelines for any reviews within each directorate
- The likely continuation, or not, of work/role and anticipated timing
- The age and skills of each individual
- The cost and payback period involved in funding any redundancy and/or retirement costs

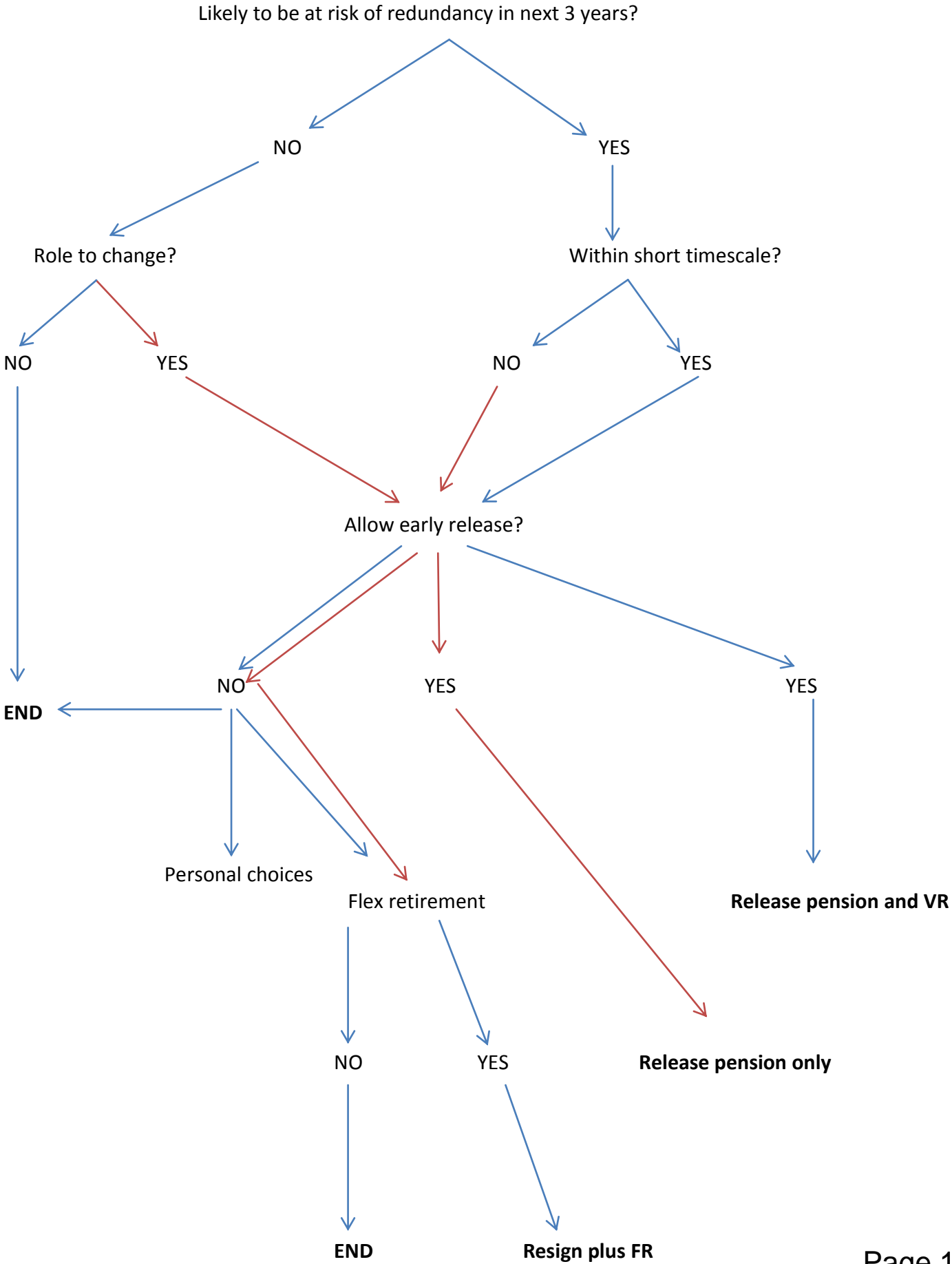
Taking these as a starting point, further questions need to be asked (see flow chart)

- Is the role/work the individual carries out at risk in the next 3 years*
- If so can the individual be released within a short timescale?
- the basis would be VR with early release of pension (effectively bringing forward the anticipated redundancy)
- If not within a short timescale, basis is early access to pension only
- flexible retirement is only available in exceptional circumstances for example if a strong case can be made in terms of a bridge to new arrangements. This is on the basis of the individual retiring in advance

- If risk of redundancy is unlikely, is the role subject to significant change?
- If so can the individual be released early?
- Basis would be early access to pension only
- flexible retirement is only available in exceptional circumstances for example if a strong case can be made in terms of a bridge to new arrangements where there is a time limited specific task to be undertaken usually within 6 months. This is on the basis of the individual retiring in advance

- There needs to be clear, consistent and fair application of the rules once agreed with ET having the overview and decision making on each case at all levels

*indications are that post age 58, cap should no longer be an issue (with the exception of some PH colleagues)



Managing VR and Skills – Guidance

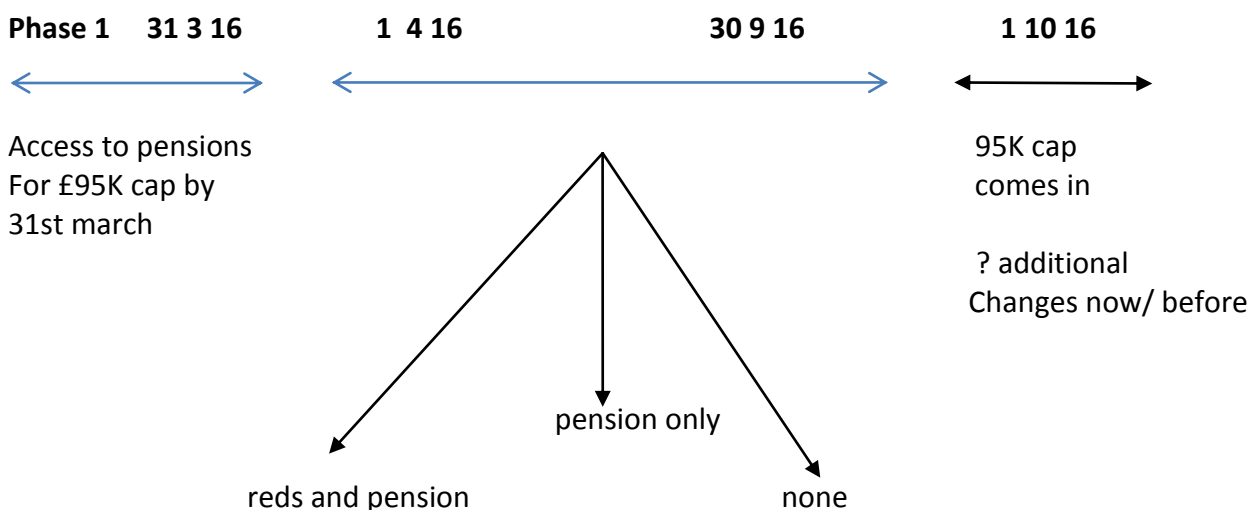
There is recognition of both the need to make savings and the impact of the £95K cap and other possible changes. Therefore with this in mind, ET has agreed that:-

Directors to meet with those affected by £95K cap as a priority to explore with individuals if they would wish to access pension at 31st March 2016 where Directors’ initial assessment is that this could be managed from an organisational point of view.

However, a conversation needs to be held with all those affected by the cap in line with the diagram below, even if 31st March is not feasible from an organisational point of view as the other options may apply and even if not, the conversation still needs to be held

All proposals go back to ET to ensure consistency of approach and decision, noting that the final decision sits with Chief Exec.

So as to have a full conversation, Directors need to talk through the illustration below and have reference to the “rules “ and note re the current situation – both attached



Please note that Flexible retirement is not an option in the first phase and a view will be taken by ET re PILON

Consideration needs to be given to whether the skills are key and whether or not they can be recruited to and I have set this out below

<i>Does the person have the skills needed for new council</i>	<i>Do we need the role</i>	<i>Can we fill it</i>	<i>outcome</i>	
X	Y	Y	Allow to go but refill	
Y	Y	X	Can't let go	
Y	X		Let go	
X	Y	X	Judgement call	

Finally, conversations will be held more widely in due course

Guidance on proposed changes to pensions and 'exit payments' – potential impact on employees:

1) 95K cap

It is **anticipated** that this legislation will be implemented at the earliest with effect from 1 October 2016. The impact of this legislation will limit the amount of money the council can use to fund an individual's early retirement via a voluntary or compulsory arrangement to £95,000.

(Any early retirement package, with a leaving date prior to the new legislation being implemented will not be affected.)

Incorporated within this £95K cap, will be the sum total of any redundancy / Pilon payment, and any cost to release an individual's pension benefits prior their normal retirement age. The release of pension benefits is only applicable for employees aged 55 or over.

Under Teachers pensions regulations there is no automatic right to pension access under redundancy

What if the total cost exceeds £95K?

Under these circumstances, it is **anticipated** that the individual will have the following choices:

- a) To take a reduced annual pension, to take account of the excess cost over £95k, or
- b) To pay for the excess in part or full, so as to take an unreduced pension or lower the overall reduction applied.

The Council has tried to ascertain those employees who will be aged 55+ and who may be affected by this proposed legislation. HOS's will be looking at these individual cases to determine whether or not they may be at risk of redundancy within the next 3 years. Taking account of business needs, options to take an early retirement package in advance of the proposed legislation may be available.

2) Further consultation on exit payments within the Public Sector

A further consultation is on-going whereby the government is considering capping the amount of redundancy / exit payments that an individual can receive. However, the amounts that have been proposed are in excess of what Kirklees Council currently pay under our redundancy policy.

The main area being considered which will have an impact on Kirklees employees are **potential changes** to the payment of unreduced pension benefits under redundancy:

Changes that are being considered:

- a) The removal of the provision to access unreduced pension benefits under an early retirement / redundancy package or,
- b) An increase to the age as to when unreduced pension benefits can be paid under an early retirement / redundancy package.

As yet **we do not have any indication as to the timescales or what changes may be implemented.**
The consultation closes on 3 May 2016.

Appendix C continued

3) Recovery of 'exit payments'

Draft regulations regarding the recovery of exit payments for those earning £80k + who return to work in the public sector within 12 months of receiving an exit package, were due to come into effect on 1st April 2016. It is now expected to **be 1st May 2016** There will now be a tapering of the recovery. In these circumstances, an individual will be required to pay back some or all of their 'exit payment'

It has been confirmed that the implementation date is forward looking – i.e. only exits taking place on or after implementation date will potentially be caught by the requirements. If a person leaves a public sector employment prior to 1st April 2016 and then re-joins after this date (but within 12 months of their original exit), they will not be covered by the exit payment recovery regulations.

Sub sections within the overall public sector are being defined

Further communications will be issued as and when any definitive changes are known.

David Blackburn
HR Partner - Pensions

This page is intentionally left blank