

**BRISTOL CITY COUNCIL**

**HR COMMITTEE**

**14<sup>th</sup> November 2013**

**Report of:** Service Director: Human Resources

**Title:** Follow Up Report on Changes to Human Resources policies arising from the Full Council Budget Meeting in February 2013

**Ward:** Not Applicable

**Officer Presenting Report:** Mark Williams, Service Manager: People Strategy

**Contact Telephone Number:** 0117 92 24838

**RECOMMENDATION**

That the committee note the report and that a further update will be provided at the February 2014 meeting.

**Summary**

The report provides an update on the implementation, costs and impact of discontinuing voluntary overtime for all employees graded at Bristol Grade 11 and above and temporary additional increments above the grade.

**The significant issues in the report are:**

- **The necessary changes to the Council's HR policies have been implemented but there some compliance issues which are being addressed.**
- **Employment budgets have been reduced to meet the requirements of the budget amendment.**

**1. Policy**

1.1 Employees graded at BG11 and above are not eligible to receive voluntary overtime payments for working more than 37 hours per week

and temporary additional increments above the grade are no longer permitted.

- 1.2 Employment budgets have been reduced to reflect the requirements budget amendment approved by Full Council in February 2013

## **2. Consultation**

### **2.1 Internal**

The trade unions have received a briefing on the contents of this report at the CJCC on the 7<sup>th</sup> November 2013.

### **2.2 External**

Not applicable

## **3. Context**

- 3.1 At the Human Resources Committee on 6 June 2013 it was agreed that the progress report would be brought to this committee. The relevant minute of the meeting states:-

### ***“11.6/13 CHANGES TO HUMAN RESOURCES (HR) POLICIES ARISING***

#### ***FROM THE FULL COUNCIL BUDGET MEETING IN FEBRUARY 2013***

*The committee considered a report of the Service Director, Human Resources setting out the action taken to meet the requirements of the budget amendment agreed at the full Council on 26 February 2013.*

*In discussion, the following main points were raised:*

- a. *In relation to the points raised by UNISON and UNITE in their respective public forum statements, the executive member and committee members acknowledged that (whilst complying with the Council’s constitution in budget procedure terms) it was unfortunate that changes to HR policies had been implemented through the approval of a budget amendment, rather than being taken forward via the HR Committee.*
- b. *It was noted that following a careful review across all directorates, certain, identified areas had been exempted from the discontinuation of voluntary overtime payments for employees*

*graded at BG11 and above (as set out in appendix B of the report).*

- c. *Following further discussion, it was agreed that it would be appropriate for update reports to be submitted to the committee after 6 months and 12 months reviewing the implementation, costs and impact of these policy changes.*

**RESOLVED:-**

1. *that the action taken to meet the requirements of the budget amendment agreed at Full Council, as set out in the report, be noted.*
2. *that update reports be submitted to the committee after 6 months and 12 months reviewing the implementation, costs and impact of these policy changes.”*

- 3.2 At the last meeting of this committee, it was proposed that the HR Committee:-

*“Provide delegated authority for the People Panel to authorise payment of additional increments and overtime for staff graded BG11+ where there is a robust business case which as a consequence will save the Council money”.*

- 3.3 The committee considered the request but rejected the proposal as the following extract from the minutes confirms:-

*“Following discussion, it was agreed that the proposal to delegate authority to the People Panel to authorise payment of additional increments and overtime for staff graded at BG11 and above (in circumstances where a robust business case could be demonstrated) should not be pursued /approved. It was noted that the development of this particular proposal had been unrelated to decisions taken at the full Council budget meeting in February 2013 concerning the capital programme”.*

#### **4. Discussion**

Voluntary overtime for staff on BG11 and above who have not been provided with an exemption.

There has been a significant reduction in spend but there are compliance issues in some service areas. Over three months since June 2013, 81 employees have received payments which were not permitted under HR policy and there has been a total spend of £41K. During the same

period in 2012, spend was approximately £160K. Despite the compliance issues, this represents a significant reduction in spend.

People Partners are addressing the areas of non-compliance with service managers.

### Temporary Additional increments above the grade

24 employees are still receiving payments because of agreements put in place prior to 1<sup>st</sup> April 2013. These payments will cease on their natural expiry dates as reported to the Human Resources Committee on 6<sup>th</sup> June 2013

For exceptional business reasons, 8 employees have received temporary payments since the policy changed in April 2013. However, in each and every case the payments will cease by no later than 31<sup>st</sup> December 2013.

Current annual spend on these payments equates to no more than £71K. These costs are being funded from underspends in employment budgets e.g. vacant post. In 2012/13 the annual spend was approximately £140K on temporary additional increments.

## **5. Proposal**

- 5.1 That the committee notes the content of the report. A further report will be brought back in February 2014 and this will provide an update on the compliance issues.

## **6. Other Options Considered**

- 6.1 Not applicable

## **7. Risk Assessment**

- 7.1 HR policy is not being applied consistently and non-compliance needs to be addressed as a priority as set out in the legal advice below.

## **8. Public Sector Equality Duties**

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability,

gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
  - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
    - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
    - tackle prejudice; and
    - promote understanding.
- 8b) This report is for information purposes only so an Impact Assessment has not been completed.

## **Legal and Resource Implications**

### **Legal**

“The Report identifies areas where the Council’s policy has not been complied with. The Council is under a duty to ensure that policies are applied equally to all employees. In light of this it is advisable that any areas of non-compliance are addressed to ensure overtime payments which are not permitted under the Policy or do not fall within an exception are terminated without unreasonable delay.”

**(Legal advice provided by Husinara Jones, Lawyer (Employment))**

### **Financial**

**(a) Revenue**

As at September 2013, non-compliance with the overtime policy has resulted in an overspend of £41,000, and an overspend on temporary additional increments of £71,000 (annual impact). The overspend is compensated by underspends against other pay budgets and the Council should manage the financial consequences of this non-compliance within existing budgets. The introduction of the pay panel should help to tighten financial controls in this area. The budget monitoring report for month seven will highlight the most recent financial position and reinforce the application of this policy.

**(b) Capital**

There are no capital implications arising from this report.

**(Financial comment provided by Shahida Nasim, Finance Business Partner)**

**Land**

N/A

**Personnel**

Where payments have been made outside of council policy this is normally treated as an overpayment. However, it is not appropriate to recover the payments in these cases as the payments have been approved and agreed with the employees concerned by line management.

**(Personnel advice provided by Mark Williams)**

**Appendices:**

None

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985****Background Papers:**

None