

Bristol City Council

Minutes of the Human Resources Committee

28 April 2022 at 5.00 pm



Members Present:-

Councillors: Lesley Alexander, Kerry Bailes, Sarah Classick, Richard Eddy, Lorraine Francis, Steve Pearce and Tim Wye

Officers in Attendance:-

Mark Williams (Head of Human Resources), Steph Griffin (Head of Internal Communications and Organisational Development) and James Brereton (HR Business Partner)

54 Welcome, Introductions and Safety Information

The Chair welcomed all parties to the meeting and introductions were made.

The Chair advised members that agenda items 5 & 6 would be swapped round to enable the business to flow more smoothly.

55 Apologies for Absence

Apologies received from Councillor Paula O'Rourke.

Noted Councillor Farah Hussain was not present.

56 Declarations of Interest

Councillors Tim Wye, Sarah Classick and Steve Pearce declared an interest in agenda item 7 as being members of the Avon Pension Fund. Councillor Steve Pearce declared a further interest as a Member of the Avon Pension Fund Board.



57 Minutes of the Previous Meeting

Resolved – That the Minutes of the previous meeting held on 17 February 2022 be agreed as a correct record.

58 Trade Union Forum

UNISON representative Tom Merchant made a statement regarding proposed changes to trade union facilities agreements. It was stated that the TU side could not relinquish or compromise on any of the changes as currently proposed, rather that the TU side were looking to extend wider arrangements having regard to the increased workload anticipated by the City Leap programme and ongoing staff issues in housing services. This would entail more work and quality TU representation would be needed to ensure that employee rights were upheld and protected.

The TU side was seeking a Memorandum of Understanding to update existing facilities rather than create a new policy. The Head of HR advised members that the Cabinet had considered the implications of the City Leap on its employees and had agreed to work closely with the TU side to ensure that appropriate consultation and negotiations would take place, this was anticipated to commence in the autumn of this year.

59 Public Forum

Two statements had been received from Councillor Heather Mack and Councillor Katy Grant regarding the Avon Pension Fund item and its investment strategy regarding fossil fuels. The issues raised were discussed during consideration of the Avon Pension Fund information report at agenda item 7.

60 Work Programme

The Committee received and noted the updated Work Programme for 2021/22. The Work Programme would be updated again for the Human Resources Committee's AGM in July.

61 Avon Pension Fund annual report 2020/21



The Committee received an information report from the Avon Pension Fund (APF) for the financial year 2020/21 and took account of the comments made during the public forum process and separate input from an investment officer of the Avon Pension Fund resulting from questions raised by the Chair of the HR Committee. It was also noted that investment officers were invited to attend today's meeting, but the invitation had been declined due to resource issues. The chair noted his disappointment as BCC was the largest employer in the APF.

The questions and answers raised between the Chair and the investment officer are as set out below –

1. Please could you confirm that Avon Pension fund no longer has investments in companies directly promoting the use of fossil fuels (shell, BP etc). If we still do, please give details

The Fund does not have a policy to divest from the oil and gas sector. However, through our asset allocation and the portfolio construction process (undertaken by Brunel), our exposure is very small. The Fund analyses its fossil fuel exposure by identifying companies that derive some proportion of revenues from either fossil fuel extraction and/or power generated from fossil fuel consumption. This ensures we capture our fossil fuel exposure to the fullest extent possible. The value of holdings, per this definition, equates to 3.4% of the Funds listed equity portfolio and 1.4% of total Fund assets (as at Dec 2021). The majority of the companies contributing to this fossil fuel exposure are in the "solutions camp". The renewable energy company Orsted, for example, still derive 2% of revenues from legacy FF assets. As such removing companies with revenues attached to fossil fuels in the Fund's case would mean withdrawing support for companies that are critical to the transition.

We have also sought to respond to your question directly by quantifying Fund exposure to the top 5 developed market oil & gas companies (Total, Chevron, BP, Shell and Exxon). The value of holdings across these 5 companies is £4.1m (as at Dec 2021) which equates to 0.2% of the Funds listed equity portfolio and 0.07% of total assets. These companies are held as part of a passive index tracker fund which is used for collateral purposes and is designed to support our wider risk management strategies in the event collateral is required. At present, the suite of products available to use for collateral purposes is limited and selectively divesting from individual stocks in passive products remains challenging. Alongside Brunel, the Fund is actively exploring sustainable alternatives to use in place of this passive index tracker as well as analysing the effectiveness of the engagement activity undertaken over the last 2-3 years, where it has failed and which companies will become candidates for selective divestment.

2. Similarly, can you give the same details for investments in companies that indirectly promote the use of fossil fuels (eg car manufacturers).

This is far harder to quantify as fossil fuels are embedded, to varying degrees, in the supply chains of most sectors. The challenge with singling out a single industry such as auto manufacturers is that it captures companies that have allocated significant capital to transition technology (in this



case the manufacture of electric vehicles and EV infrastructure) as well as companies which proactively seek to reduce the reliance on fossil fuels, such as Tesla. This supports the view that engagement on a case-by-case basis is more effective than wholesale divestment. The Fund's overarching climate change objectives mean the Fund has a natural tilt toward low carbon sectors such as technology and is underweight in carbon intensive sectors such as energy, utilities, and industrials.

3. Steve Pearce reported at full council that the pension fund had either completed or was in the process of divesting from Russian investment. Can we get an update on this please?

The situation is unchanged. Our holdings in Russian assets were very limited at £135k or 0.002% of total assets and were either sold down (where possible due to the sanctions) or have been written down to zero.

4. In these uncertain economic times, what is the current risk analysis of the pension fund that might affect members future pensions or expose authorities to risk of the fund not being able to support members pensions?

The Fund has governance arrangements in place to monitor the investment strategy and identify emerging risks. The Committee reviews the strategy formally at least every 3 years in line with the valuation cycle, with a review taking place this financial year. The objective of the valuation is to ensure the Fund can pay the benefits and to keep the cost affordable for employers. The main risk we currently face is that of rising inflation as the benefits are indexed to inflation and the investment review will analyse how best this risk can be mitigated through our investment strategy. The Fund already has comprehensive risk management strategies in place which partially protects against rising inflation and protects against significant falls in equity markets. In addition, we meet the UAs as part of our valuation process to understand their affordability and funding pressures and build this into the funding plan.

5. In our trade union pre meeting a recently retired member reported it took several months for them to get paid. He was fine but others may not be. Could you address how this can be speeded up?

All retirements are treated as critical processing cases. The Fund administration operates together with individual employers under a joint Service Level Agreement with agreed timescales for delivery. APF task processing and performance is reported to the Local Pension Board and Pensions Committee on a quarterly basis for review. The latest report indicates that 90.2% of 317 cases measured were processed and paid within the agreed KPI benchmark of 15 working days of the Fund having received all the necessary information to proceed. Regular performance review meetings are held with individual employers to identify any issues where cases have been delayed. Members with an active In-House AVC arrangement may be unavoidably delayed due to the timeframe to disinvest the AVC arrangement following the member retirement.



Key points raised during the subsequent debate were –

1. A suggestion made during public forum was that BCC employees could be consulted about whether they wished to see the APF disinvest in Carbon producing companies. Trade Union representative made the point that there was a risk that a comprehensive employee poll regarding investment in fossil fuel companies might not result in support for divestment.
2. An alternative option that could be considered to progress this was to involve the HR Directorate liaising with the TU side via the Trade Union Consultative Committee to initiate a poll with its members.
3. Whilst some members were supportive of divestment an alternative view put forward was that divestment was not a binary issue, and that pursuance of this policy could result in unintended outcomes. This was largely due to fossil fuel companies making significant investment in renewable sources of energy and withdrawal of pension fund investments with these companies could result in a negative impact on future growth of the renewable energy sector. A further reason to not divest was to ensure that the pension fund obtained the best financial returns for its members which was its primary purpose.
4. It was Noted that investment strategy in the pension fund was not part of the HR Committee's remit.
5. Support for a poll of BCC employees was discussed considered but it was acknowledged that that the employers were members of the pension fund too and would have their view own on any changes to the pension fund's investment strategy.
6. Members noted that the amount of investment made by the pension fund in Russian companies was very small and welcomed that procedures were already in place to divest from further Russian investment.

Resolved -

- 1. That the report be noted.**
- 2. That the comments made during public forum, from pension fund investment officers and the subsequent debate be taken forward by the Chair to discuss with the mayor's office with a request to Cabinet to consider consulting staff on their views on divestment with equal weight given to the different viewpoints of total divestment versus keeping investments in some companies to encourage them to develop sustainable energy.**

62 Recruitment update report

The Committee received a report of the Head of Human Resources updating the committee on the work of the HR recruitment team on recruitment since the last report in December 2020. A presentation was also given at the meeting. This would be circulated to members after the meeting.

Key facts emphasised in the report were –



1. Improvements in the diversity of the organisation had been achieved through attracting, promoting, and retaining diverse talent as a key priority in the Workforce Strategy.
2. Since the last report to the committee in December 2020, there had been an increase in the number of people joining the council who were Disabled, from Black, Asian, and Minority Ethnic communities and LGBTQ groups. There had also been a significant improvement in the number of Young People joining the council.
3. Over the period April 2021 to March 2022, 38% more roles had been advertised compared to the reporting period in 2020/21. Despite more jobs being advertised, there had been a significant reduction in the overall numbers of job applications received. There had also been an increase in turnover rate 14.2% (6.8% 31 March 2021). This was due to the labour market returning to pre pandemic levels with higher levels of vacancies in the wider economy.
4. Despite the overall trend of job applications falling, more applications had been received from disabled people and more disabled people were securing employment with the Council.
5. Sampling of recruitment practice in the organisation had highlighted that there was good practice in relation to shortlisting candidates. However, there was some limited evidence to show that practice in relation to interview and selection methods could be further improved.
6. The recruitment advertising contract was recommissioned in July 2021 to deliver social value, expert diversity knowledge and cost efficiencies.

Following discussion and in response to Members questions the following points were raised/clarified:

1. The Council had established an exit survey to understand why employees had decided to leave the council, in addition information was also collected vis the regular staff survey.
2. More information was awaited to see the full effects of the pandemic on recruitment and retention in the Council.
3. Poor recruitment and retention performance could be broken down on a directorate basis for future reports.
4. Recruitment and turnover could be displayed as a percentage as well as by actual numbers for future reports.

Resolved – That the report be noted.

63 Workforce Strategy refresh

The Committee received a report from the Head of Internal Communications and Organisational Development regarding the emerging priorities for the next refresh of the Workforce Strategy.

Key facts emphasised in the report were –



1. The Workforce Strategy sets out actions that would help achieve the Council's vision to create an inclusive, high-performing, healthy and motivated workplace and become an employer of choice.
2. The plan was reviewed and refreshed annually, and this was now getting underway for 22/23. The strategy and associated action plan were set against significant progress in the Council's transformation journey and would be shaped by core priorities of developing talent, health, and wellbeing, living with Covid, and embedding equality and inclusion in everyday practice.
3. There were six workforce strategy themes:
 - An empowering organisation – Creating a shared purpose and a positive environment where people are confident and enabled to do their best every day.
 - Equality and inclusion – Building an inclusive organisation where the workforce reflects the city we serve and the needs of all citizens, and where colleagues feel confident about being themselves at work.
 - Performance and talent development – Developing careers and managing performance in a meaningful way.
 - Workforce health and wellbeing – Keeping our workforce safe and healthy, and our workforce engaged and resilient
 - Structure, pay and policy – A clear framework to help redesign our council and improve employee relations.
 - Brand and recruitment – Becoming an employer of choice; attracting, developing, and retaining the best talent.
4. The strategy would be aligned with the priorities in the new Corporate Strategy 2022-27, the equality and inclusion programme and the results from this year's employee survey, which closes on 10 May 2022.
5. The strategy would involve consultation with a range of stakeholders, including staff led groups and trade union learning reps.

Following discussion and in response to Members questions the following points were raised/clarified:

1. The Council was proactively pursuing its goal of being an empowering organisation, creating a shared purpose and a positive environment where people are confident and enabled to do their best every day. This would ultimately embed itself throughout the organisation and be kept under continuous review to ensure that standards remained high.
2. Performance and Development was being given particular emphasis with focus on internal talent and development of careers via coaching, leadership development and self-help facilities such as the 'Career Check-in and personal development plan' and the recently launched 'Grow your career' hub to support colleagues to identify their strengths and aspirations, signpost to development opportunities and provide advice for applications and interviews.
3. It was essential to work with a range of stakeholders to refine priorities and actions. Feedback from stakeholder sources included staff led groups, trade union learning reps, Mayor, Cabinet members, HR Committee, and the senior leadership team.
4. Important to include 'green skills' in the development of talents regarding current and emerging climate change issues.



5. Workforce health and wellbeing were even more important regarding the pandemic and the increasingly identified mental health issues arising from lengthy lockdowns.
6. Celebration of success was considered an essential component. One of the mechanisms for this was the Council's 'Extra Mile' initiative, however there were many other ways of doing this such as through team meetings and one to one meeting's where simply saying thanks to employees was actively encouraged. In addition to this, members were informed of informal 'thankyou' cards based on the organisational values.

Resolved – That the emerging priorities for the next refresh of the Workforce Strategy be noted.

64 Trade union facilities agreement

The Committee received a report from the Head of Human Resources on work that had recently started to update the Council's approach to facilities for trade union representatives.

Key facts emphasised in the report were –

1. The Council had legal duties in relation to trade unions, however its approach had exceeded statutory limits for time off and the arrangements had not been reviewed for many years.
2. The review was separate to the recent proposal to reduce the budget for corporate trade union duties but might lead to a reduction in 2023/24.
3. From the employer's perspective, the aim of the work was to properly account for the time off for trade union representatives between duties (paid) and activities (unpaid) and between service-based and council-wide activities. The update proposals would also be seeking to agree minimum and maximum levels of representation across the organisation.
4. A first draft of an agreement had been proposed as a starting point for discussions with Single Status trade union representatives.
5. It was envisaged that any changes to current arrangements would be in place by the start of the 2023/24 financial year.

Following discussion and in response to Members questions the following points were raised/clarified:

1. The Chair noted the advantage of having approximately up to a year to make progress on this matter regarding the envisaged start date of the next financial year.
2. The employer representative clarified that this was not a budget issue but improving best practice for industrial relations in the 21st century. As there was common ground between the parties it was considered possible to reach agreement in the coming weeks. To facilitate this, it was planned to have two weekly meetings until the end of June this year to reach an agreement.
3. The trade union representative felt however that there were several fundamental issues that remained to be resolved however if the emphasis was on strong social values and key core areas



were retained then current arrangements could be amended rather than produce a new agreement.

4. Current arrangements had evolved over time without written agreement, so it was the intention now to formalise arrangements in a written agreement notwithstanding the basic requirement of trade union representatives having some time off work for their duties.

Resolved –

1. **That the report be noted.**
2. **That an update report be brought to the HR Committee at its AGM in July 2022.**

65 HR Update

The Head of Human Resources gave a brief verbal update on current HR issues. These were:

1. The employee Travel Policy completion had been delayed until 1 July 2022.
2. Employees accessing the Tusker Salary Sacrifice Scheme would need to comply with the Clean Air Zone (CAZ) regulations.
3. Access to the Council's 'car club' would be encouraged to help reduce travel.
4. The National Pay settlement had been agreed at the end of March this year.
5. The staff survey would be closed on 10 May 2022.
6. Mileage claims from staff showed that 75% of vehicles complied with CAZ requirements with approximately 130 to 150 vehicles (c25%) needing to change to comply with the CAZ.
7. Under the Tusker salary sacrifice scheme employees sacrificed a fixed amount of their salary each month in exchange for a brand-new car. The amount was taken before income tax and National Insurance, so both employees and employers could save on the contributions they pay. There was no set target for take up of this scheme and there was no extra cost to the Council.
8. An update report on employee mileage claims, Tusker and the CAZ would be brought to the HR Committee in approximately six months' time.

Meeting ended at 7.00 pm

CHAIR _____



