

Bristol City Council
Minutes of the Human Resources Committee



8 December 2017 at 10.30 am

DRAFT MINUTES

Members Present:-

Councillors – All Committee Members: Kye Dudd (Chair), Paula O'Rourke (Vice-Chair), Richard Eddy, Gary Hopkins, Mike Langley, Jo Sergeant, Jon Wellington and Steve Pearce

Also Present: Councillor Steve Pearce (Agenda Item 12 Only)

Officers in Attendance:-

Mark Williams (HR Business Partner), James Brereton (HR Consultant), John Walsh (Interim Service Director HR & Workforce) and Husinara Jones (Solicitor) (Agenda Item 15 Only)

Other Attendees: Ines Lage – TUC (South West) – Agenda Item 7 Only

1. Welcome, Introductions and Safety Information

The Chair, Councillor Kye Dudd, welcomed all parties to the meeting.

The Committee noted that the Chair had recently been appointed to the Executive as Cabinet Member for Energy, Waste and Regulatory Services.

Councillor Richard Eddy pointed out that there could be potential conflicts of interest for the Chair in his current role as Chair of the Human Resources Committee and in his new capacity as an Executive Member. He suggested that he should consider whether or not it would be appropriate for him to stand down as Chair for this meeting and allow the Vice-Chair, Councillor Paula O'Rourke, to chair the meeting.

The Chair stated that he had taken advice from the Monitoring Officer following his appointment, who had advised him that it would not be inappropriate for him to continue to chair this meeting.

2. Apologies for Absence

None



3. Declarations of Interest

Councillor Jo Sergeant declared an interest in Agenda Item 12 (Avon Pension Fund) since the APF was part of the Brunel Pensions Partnership. She indicated that she was married to one of the Directors of this body.

4. Public Forum

The Committee noted a Public Forum statement from Councillor Richard Eddy concerning alleged recent arrangements for the former Chief Executive, Anna Klonowski, to receive remuneration through a personal service company. Details of this statement are available in the Minute Book.

It was noted that the statement referred to questions asked by Councillor Geoff Gollop at Full Council on Tuesday 12th December 2017, which would be answered for that meeting. In addition, officers could reply directly to Councillor Eddy if appropriate.

Councillor Gary Hopkins also expressed concern that a similar situation might have arisen with another officer. The Chair asked that Councillor Hopkins write to him directly concerning this issue so that he could arrange for the matter to be investigated as appropriate. **Action: Councillor Kye Dudd (Chair) in consultation with officers as appropriate**

The Committee expressed concern about this situation and noted that it was unacceptable if this had happened. It was the view of the Committee that payments to personal service companies should only be permitted for very short-term contracts and that in all other instances agency/interim staff should be employed on Council contracts and paid via the Council's payroll. **Action: the Committee requested a report from officers on the contractual arrangements for agency/interim staff – Mark Jefferson.**

5. Minutes of the previous meeting

Councillor Paula O'Rourke indicated that there were a number of points which she felt had not been properly incorporated into these minutes.

The Committee agreed that these should be incorporated into the minutes for 19th October 2017 minutes to be approved as a correct record at the next meeting.

6. Chair's Business

There was no Chair's business.

7. Better Jobs for all Bristol - presentation by Ines Lage Southwest TUC

Ines Lage (TUC in South West) gave a presentation and made the following points:

- The TUC had a Plan for Bristol to ensure all workers were paid fairly, worked in a safe and healthy workplace and were treated fairly and decently with an opportunity to progress in their work



- When taken as a city, rather than a region, there was significant inequality in Bristol. It was ranked the seventh out of 348 local authorities in terms of BME inequality: the worst of all the Core Cities. There was also inequality in education and mortality rates and significant in-work poverty.
- Multiple deprivation was worse regionally than nationally
- Productivity was flat-lining, wage growth was the worst since the 19th century and there had been a marked shift towards insecure employment, including zero hour contracts
- Following an assessment of 100 firms by size and “anchorage” in communities, some of the larger law firms were not paying a fair wage
- 24% of work was low skill, low wage (care, sales, elementary occupations) which was likely to reduce in future. In addition, one third did not hold the minimum employer requirement
- The responsibility for adult skills rests with the Metro Mayor. It was unclear what future role in this area they would have.
- There was a need for local politicians and political parties to work together to tackle key issues (eg, employers not paying the minimum wage)
- The Modern Slavery Act was very weak with little enforcement
- Mental Health at work. Stress remained the top concern for Health and Safety representatives in the south west. Thrive Bristol – this model was being developed along the lines of New York to identify where poor practices are leading to poor mental health
- Employment Charter – development of this would require significant leadership and would be very resource-intensive, though it would set a baseline of values

In response to Councillors’ questions, Ines Lage made the following points:

- It was disappointing to see the opposition to the Nail Bar campaign. Agency and app working were creating some additional problems, although Trade Unions were using social media to address this (for example with delivery cyclist in London)
- In Bristol, house prices are 11.8 times the median average salary (as opposed to 6/7 times which was the average across the country). More affordable housing was required, better regulation of rent and increased pay
- In obtaining this information, trade unions had spoken to local advice centres, employers and other groups to capture data. However, it was more important to hear what people were telling them
- Concerns about the appropriateness of having the same minimum wage across the country and a greater emphasis on quality of life and mental health were noted. However, there was no longer a stream of progression within Companies for staff to progress and earn more

8. Standing item - Training and Development issues for staff

There was nothing to report for this item.



9. Standing Item - Industrial Relations Issues

There was nothing to report for this item.

10 Work Programme

The Committee noted the Work Programme.

Councillor Paula O'Rourke referred to a report prepared in 2017 concerning benchmarking information on the size and cost of the Council's HR function, which indicated that this was below the median. She suggested that a report to examine the impact of this situation on future savings was required.

Action: Add to the Work Programme for a future meeting

11 Workforce Policy & Conditions Review - update

Officers confirmed that appropriate actions were being taken across the Council to ensure the required savings were made.

It was noted that revised redundancy and pay protection schemes were being prepared and that trade unions would be consulting on these in the near future. It was Council policy to retain staff wherever possible. In addition, tighter controls were being brought in concerning interim managers and consultants.

As part of the budget savings, staff would be encouraged to consider other forms of transport such as pool cars. The mileage rates being paid by the Council were similar to other organisations and there were no plans to reduce these.

In response to Councillors' questions, officers made the following points:

- (1) The Annual Leave Top-Up Scheme was discretionary but supported by the Council and part-time work was encouraged where requested by staff (subject to service delivery implications)
- (2) It was acknowledged that there were some occasions when a strict interpretation of travel policy was a false economy if it meant staff were more tired and less enthusiastic concerning their work. However, there were alternative options now available for staff, such as flexible working arrangements following recent developments in IT
- (3) The concerns about staff located in B Bond Warehouse were noted.



12 Avon Pension Fund - information item

Councillor Steve Pearce (Avon County Council's representative on the Avon Pension Fund) introduced this item and made the following points:

- The assets of the Avon Pension Fund (APF) had increased by £615 Million to £4.3 Billion
- There had been significant rise in equity markets and further falls in EU Bond yields following the EU Referendum
- The Government had announced in 2010 pooling arrangements to reduce costs but, whilst savings had been made, these were not as dramatic as originally anticipated
- Currently, 98% of the APF was self-funded
- The APF has 12 voting members with one from Bristol – BANES had the largest number (5) since they were the administering local authority
- The investment strategy was determined by investment principles. The fund was a signatory to the financial reporting Councils' UK Stewardship Code
- There were a total of 305 companies, with 107,000 members in total. There was some concern about the very small size of some participating employers
- The fund was a member of the Pension Fund Forum which met quarterly
- The objective of the APF was not to maximise returns but to achieve an investment return to fund the pension liability
- 3,000 resolutions had been approved by external fund managers in the last quarter, whilst 85 had been refused
- The scheme's approach was to continue to remain engaged with companies where there were concerns about the way they operated in order to influence their approach, rather than not continuing with them ie TOTAL (France) had moved slightly away from their use of fossil fuels recently from 50/50 to 40/60

In response to Councillors' questions, Councillor Pearce made the following points:

- The situation with APF had greatly improved and was now close to being fully funded. Members of the APF would be working to ensure the recent gains were fully locked in
- It would be appropriate for employers to contribute a little less. He would shortly be recommending to the Mayor to engage with the Pension Fund Committee to reduce BCC's contributions at the next valuation
- Whilst it was acknowledged that deferred membership was now at 25% which could cause a strain on the APF, deferred members did not accrue additional benefits
- There had been a significant change in asset type over the years with an increased allocation towards those companies promoting renewables and to those who were less damaging to the environment
- In response to concerns that there continued to be engagement with companies such as TOTAL rather than companies adopting a pragmatic approach and promoting clean energies, investment in this area was now at 2.5% which was £100 Million



Councillors also made the following points:

- Concerns that the wording in the investment policy was too woolly and that a conscious approach was required to take decisions for ethical reasons rather than financial
- Whilst it was not the APF's responsibility to have detailed knowledge of all those organisations listed in the report as being members, it remained a concern that there were such a large number
- The Chair stated that he did not believe it was appropriate to reduce employer's contributions in view of the experience of Royal Mail where a similar approach had been taken and this had ultimately led to the closure of the scheme.

Councillor Pearce requested that any further questions be sent to him to provide a response.

13 HR Corporate dashboard - information item

The Committee noted that workforce FTE and the head count for BCC were now reduced, with turnover having fallen from 21% to 19.7%. However, the average number of sick days had increased to 9 days in Quarter 2.

Councillors made the following comments:

- The increase in the average number of sick days was a cause for concern, especially since the average in the country was much lower (6.9).
- It was noted that, due to the type of work carried out by some frontline staff, a disproportionate number of staff suffered from physical injuries

Action: Officers to provide a written response to the query regarding why workforce spend had reduced – Mark Jefferson

14 Exclusion of the Press and Public

Resolved - that under s.100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item(s) of business on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in paragraph(s) 1 (respectively) of Part 1 of schedule 12A of the Act.



15 Exempt report - Senior Management re-structure

(containing exempt information in accordance with Paragraph 1 of Part 1 of Schedule 12A of Section 100 (4) of the Local Government Act 1972)

The Committee considered a report from the Interim Service Director (HR and Workforce) requesting voluntary severance for the Service Director (Housing Services) with effect from 31st December.

It was noted that the current occupant of this post worked on a job share basis and for health reasons did not believe that she could carry out the job on a full-time basis. It was further noted that the job share partner had already left the organisation. Officers did not believe that it would be possible to recruit to this post on a job share basis.

Councillor Paula O'Rourke expressed concern at officers' advice on this issue and stated that attempts should first be made to appoint someone part-time to the post before voluntary severance was approved by the Committee. Officers reiterated their view that it would be very difficult to appoint part-time to the post.

Councillor Eddy moved, seconded by Councillor Jo Sergeant and, upon being put to the vote, it was RESOLVED (5 for, 1 against, 1 abstention) " that the voluntary redundancy of the Service Director (Housing Services) be approved with effect from 31st December 2017."

The Committee considered a recommendation from officers for voluntary redundancy for the Service Director (Strategic – Housing) to take voluntary redundancy with effect from 31st December 2017. The Committee's legal adviser confirmed that, since this had been agreed as part of a voluntary severance exercise, there was a binding contractual commitment in place.

Councillors expressed concern that Councillors had not been made aware of the contractual arrangements in this case. Councillor Gary Hopkins stated that he had been made aware of a similar situation for another former employee and requested that officers investigate this and report back to the Committee at a future date.

Action: Mark Williams to report back to Committee at a future date

It was moved, seconded and, upon being put to the vote, it was RESOLVED (Voting – 5 for, 1 against, 1 abstention) "that the Committee notes the voluntary redundancy of the Service Director Strategic Housing with effect from 31st December 2017, which was agreed as part of the 2016/17 voluntary severance exercise".

The Committee then considered arrangements for the ring-fence selection process where existing job holders were required to attend an interview.



The Committee expressed concerns that, in addition to the Interim Head of Paid Service and member of the Executive, the third member of the Panel should be a Councillor from an opposition party to the Executive.

It was RESOLVED (Voting – 6 for, 1 abstention) “that where existing job holders are required to attend an interview as part of the ring-fence selection process, the panel members will be the Interim Head of Paid Service, a member of the Executive and a Councillor from an opposition party to the Executive”. The Committee NOTED that this resolution was subject to consideration by the Selection Committee as the proper Council body responsible for selecting JNC chief officers.

The Committee then discussed the need for officers to be authorised to issue contractual notice of redundancy to remaining Strategic Directors and Service Directors where they are not successful in securing a role in the new structure. The Interim Service Director (HR and Workforce) confirmed that officers hoped to speak to affected individuals by the end of the week commencing Monday 11th December 2017.

Councillors agreed that it was important that rigorous efforts were made to ensure that suitable alternative employment was provided wherever possible. Officers agreed to ensure that all relevant information was provided to Human Resources Committee members as soon as existing job holders had been advised of the process. **Action: Mark Williams/John Walsh**

Officers also confirmed that any job holder unhappy with the classification of their job or the methods of appointment could raise a challenge via the Appeals Committee.

Upon being moved and seconded, the Committee RESOLVED (6 for, 1 abstention) “that in consultation with the Chair, the Interim Service Director HR and Workforce be authorised to issue contractual notice of dismissal on grounds of redundancy (with no pay in lieu of notice) to remaining Strategic Directors and Service Directors where they are not successful in securing a role in the new structure.”

RESOLVED:

- (1) That the voluntary redundancy of the Service Director (Housing Services) be approved with effect from 31st December 2017;**
- (2) That the Committee notes the voluntary redundancy of the Service Director Strategic Housing with effect from 31st December 2017, which was agreed as part of the 2016/17 voluntary severance exercise;**
- (3) that where existing job holders are required to attend an interview as part of the ring-fence selection process, the panel members will be the Interim Head of Paid Service, a member of the Executive and a Councillor from an opposition party to the Executive (noting that this resolution is subject to consideration/ratification by the Selection Committee);**
- (4) that in consultation with the Chair, the Interim Service Director HR and Workforce be authorised to issue contractual notice of dismissal on grounds of redundancy (with no pay in lieu of notice) to remaining Strategic Directors and Service Directors where they are not successful in securing a role in the new structure;**



- (5) that officers investigate how contractual arrangements for the Service Director (Strategic – Housing) had been agreed and also concerns of a similar situation for another former employee and report back to the Committee at a future date;
- (6) that all relevant information concerning the selection process is provided to Human Resources Committee members as soon as existing job holders had been advised of the process.

15A Exempt Item - Pay Reform

This report contains exempt information in accordance with paragraph 1 of Part 1 of Schedule 12A of Section 100A (4) of the Local Government Act 1972.

Officers stressed the need to address the issue of recruitment and retention of staff. It was noted that a great deal of work had been carried out concerning this issue with the trade unions.

The Committee was advised that the employers had recently offered 2% for 2018/19 and also for 2019/20. Officers had drawn up local options with a view to introducing pay reforms in April 2019. The primary concerns on this issue related to cost.

Resolved – that the report be noted.

16 Exempt Minutes - 28 September 2017

These minutes contain exempt information in accordance with paragraph 1 of Part 1 of Schedule 12A of Section 100A (4) of the Local Government Act 1972.

Resolved – that the minutes for this meeting be approved as a correct record and signed by the Chair, including the proposed amendments from Councillor Gary Hopkins.

Meeting ended at 12.40 pm

CHAIR _____

