

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE HUMAN RESOURCES COMMITTEE

HELD AT 7.15 P.M. ON THURSDAY, 21 JANUARY 2016

**C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE CRESCENT,
LONDON, E14 2BG**

Members Present:

Councillor Clare Harrisson (Chair)
Councillor Dave Chesterton (Vice-Chair)
Councillor Julia Dockerill
Councillor Khaled Uddin Ahmed
Councillor Ayas Miah

Apologies:

Councillor Rachel Blake
Councillor Shafiqul Haque
Councillor Sirajul Islam
Councillor Rabina Khan

Officers Present:

Simon Kilbey, (Service Head, HR and Workforce Development)
Graham White, (Interim Service Head, Legal Services)
Mark Keeble, (Senior Business Partner)
Tom Scholes-Fogg, (Committee Services Officer, Democratic Services)
Charles Yankiah, (Senior Committee Officer, Democratic Services)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Rachel Blake, Shafiqul Hoque, Sirajul Islam and Rabina Khan and also from Melanie Clay (Corporate Director, Law, Probity & Governance) and Zena Cooke (Corporate Director, Resources)

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

No declarations of pecuniary interests were made.

3. MINUTES OF THE PREVIOUS MEETING

The unrestricted minutes of the Human Resources Committee held on 28 October were presented for approval.

Resolved that the unrestricted minutes of the meeting of the Human Resources Committee held on 28 October 2015 be agreed and signed by the Chair as a correct record of the proceedings.

Matters Arising:

1. 4.2 Human Resources & Workforce Development Update

Councillor Julia Dockerill enquired about the Apprenticeships.

Simon Kilbey informed the Committee that the Apprenticeship programme was not within the remit of the Committee, but that a presentation would be arranged regarding the Apprenticeship programme outside of the Committee but for the Council. He also stated that suitable dates would be canvassed from members of the Committee.

4. UNRESTRICTED REPORTS FOR CONSIDERATION

4.1 Workforce Savings and Employment Options Update

Mark Keeble (Senior Business Partner) presented the update on the progress on delivering workforce changes to implement Service Challenge driven savings and the Employment Options Saving Programme and informed the Committee of the following:

- Approximately £11million of the £28million of savings required by the Medium Term Financial Plan (MTFP) for 2015/16 relate to reducing the size of the Council's workforce;
- Good progress is being made to remove 322 posts from the establishment to deliver savings of £10.791 million;
- 309 of these posts are expected to be deleted by the end of March 2016 to achieve full year equivalent savings of £10.224 million;
- Further contribution to reducing the Council's Full Time Equivalent (FTE) workforce (including both employees and agency staff) by 26% from 5.543 FTE in March 2010 to 4,110 FTE in September 2015;
- CMT have decided not to repeat the Employment Options savings programme, as a result the programme will now end;
- There have been 178 redundancies agreed by People Board Operations to date;
- 174 are VR/ER, all of whom have signed a Settlement Agreement;

- The remaining 4 are compulsory redundancies and are just over 1% of the reduction in posts required (compared to 13% during 2010/11);
- There has been a positive response from staff and Trade Unions during the consultations;
- Failures to agree have cost £897k to date as a result of delayed implementation of savings;
- This estimate takes into account agreed extensions to consultation periods and the vacant posts that would be deleted as a result of implementation;
- A full list of savings proposals has been published and shared with Trade Unions and staff;
- During this consultation process, every member of CMT met with Trade Unions to provide a briefing on their Directorate's proposals and respond to concerns; and
- Initial analysis shows that up to 20 of the proposals will have an impact on the workforce and will deliver savings of approximately £5million with a reduction in the Council's establishment of less than 100 Full Time Equivalent (FTE) employees.

The Chair, Councillor Clare Harrison stated that the Workforce Savings and Employment Options was a clear process and the information has helped everyone including staff and Councillors to understand the process. It is a flexible approach which is transformation drive and it is important to maintain an oversight of the process and to develop it further so that it is clear to everyone and is as smooth as possible.

During discussions members enquired about the following:

- The savings of £11million required by the Medium Term Financial Plan (MTFP) for 2015/16, are the savings being made year on year;
- The £897k referred to in relation to Failures to Agree, where does this money come from; and
- Is the Council looking ahead toward 2017/18 and putting things in place to support the decisions being taken now in relation to organisational reviews, redundancies and restructures.

Mark Keeble (Senior Business Partner) informed the Committee that the savings of £11m will be an ongoing saving to the General Fund. The VR/ER costs of implementing each restructure could be a maximum of 3 times the full year value of the saving achieved. This is in line with legal advice received. He also stated that feedback on the previous public consultation process was used to engage more with staff and Trade Unions during the recent Your Borough, Your Voice consultation. The £897k referred to in relation to Failures to Agree was covered on a one off basis from the Corporate provision for slippage contained within the 2015/16 budget if services requested to draw on it.

In response to a question from Councillor Chesterton, Simon Kilbey (Service Head, HR & Workforce Development) informed the Committee that initial

discussions are taking place in the Management Team in relation to future planning by taking 2 methods of approach. Firstly by looking at the current approach and secondly learning from other approaches and looking at which model to use as plans for the future of the Council are developed. There are a few things to take into account as well that would influence the approach such as, legislative changes or Government guidance that would directly affect exit plans and redundancies. Nothing has been decided upon yet, but the Management Team are already thinking about it and will put arrangements in place to review policies and make robust plans to develop action plans and move forward. The Committee will be briefed on the proposed changes and the arrangements to manage their implementation.

Resolved that the report be noted.

4.2 Workforce Savings 2015/16 Equality Assessment

Mark Keeble (Senior Business Partner) presented the report on the assessment of the equalities impacts of the workforce changes that took place as a result of the Council's savings programme during the period November 2014 and September 2015 and informed the Committee of the following:

- The assessment was undertaken in line with the requirements of the Equality Act 2010, which places a legal requirement on the Council to have 'due regard' to the Public Sector Equality Duty in all activities undertaken;
- The Council is rated as 'excellent' against the Equality Framework for Local Government;
- There was no significant change to the workforce between November 2014 and September 2015 with regards to age, gender or sexuality of employees;
- There have been small increases in the proportion of employees who are disabled, Muslim or Bangladeshi whilst the proportion of the workforce that is White or Christian has reduced slightly; and
- Between the periods November 2014 to September 2015 there was a total of 409 leavers including resignations and other dismissals as well as VR/ER.

During discussions members enquired about the following:

- What does 'protected characteristics' refer to; and
- All religions and ethnicity groups should be referred to within the report not just White and Blacks and Christian and Muslims;

Mark Keeble (Senior Business Partner) informed the Committee that the 'protected characteristics' referred to the 'equality strands' e.g. ethnicity, religion, age, gender etc. He also referred the Committee to 3.2 and 3.3 of the Equality Assessment that referred to all religions and ethnicities that were identified.

Resolved that the report and actions be noted.

4.3 Pay Policy 2016/17

Simon Kilbey (Service Head, Human Resources & Workforce Development) presented the report on the Council's requirement to adopt a pay policy statement for each financial year and informed the Committee of the following:

- The Council's first pay policy statement was adopted for 2012/13 and subsequent pay policy statements were agreed for 2013/14, 2014/15 and 2015/16;
- No supplementary guidance specifically on the pay policy was published in 2014 or 2015 and to date no specific supplementary guidance has been published in relation to the 2016/17 pay policy statement;
- The pay policy statement sets out a policy on the level and elements of remuneration of each chief officer, a policy on the remuneration of lowest paid employees, a policy on the relationship between the remuneration of chief officers and the remainder of the workforce and a policy on other specific aspects of chief officers' remuneration;
- Pay Multiples, London Living Wage (LLW), Chief Executive Returning Officer Fees and Chief Officer Job Evaluation; and
- Future legislative changes including Repayment of Public Sector exit payments, changes to Tax Treatment of Pensions, Public Sector Exit Payment Cap, Simplification of Tax and NI Treatment of Termination Payments and Trade Union Consultation.

Members enquired about the following:

London Living Wage (LLW)

- When the LLW increase is applied, how much will it add to the annual payroll; and
- What about the staff who are on the 'base point' of the spinal pay point and work for Tower Hamlets, but work outside of London.

Simplification of Tax and NI Treatment of Termination Payments

- With the NI change, what is the figure for the Council?

Schools

- There needs to be assurances that schools are incorporated into the consultation on the pay policy.

Simon Kilbey informed the Committee that in relation to the LLW, the financial effect to the Council would not be relatively small. As far as he was aware there were only 2 members of the staff that were on the 'base point' and worked outside London, but it needed to be looked at as soon as practicable.

Mark Keeble reported that the Council provided a model pay policy for Schools that was updated each year in line with changes to School Teachers Pay and Conditions. Consultation took place with Trade Unions and through Headteachers. The content of the Schools pay policy reflects the key principles in the policy produced by the Council for non-schools staff as required by legislation e.g. the model policy for schools includes a commitment to paying LLW. Under arrangements for Local Management of Schools each Governing Body will decide whether they want to adopt the model policy as it stands, make amendments or adopt another policy.

Resolved that:

1. The recommendations as outlined in the report be agreed;
2. The information requested relating to the NI changes and the figure for the Council be circulated to the Committee via Committee and Member Services;
3. The Committee agree in principle that Simon Kilbey look into the members of staff who are on the 'base point' of the spinal pay point and who work outside of London to be included in the LLW increase and inform the Committee of the outcome of the consultation; and
4. Simon Kilbey looks into how the consultation with schools on the model pay policy can be broadened to include Governors as well as Headteachers and involve schools in future consultations regarding the Council's own pay policy and report back to the Committee.

4.4 Repayment of Public Sector Exit Payments

Simon Kilbey (Service Head, Human Resources & Workforce Development) presented the report on the Repayment of Public Sector Exit Payments and informed the Committee that the regulations require public sector employees or office holders earning more than £100,000 per annum, now reduced to £80,000 per annum, to repay exit payments on a pro rata basis if they return to the same part of the public sector within 12 months.

Resolved that the report be noted.

4.5 Senior Management Update/ Recruitment to vacancies

Simon Kilbey (Service Head, Human Resources & Workforce Development) presented the update on the Senior Management recruitment to the Committee and provided up to date information on both permanent and interim positions and the actions being progressed to ensure appointments are concluded as soon as possible.

Councillor Julia Dockerill enquired as to why Penna recruitment agency was being used by the Council again, despite the failings on previous occasions.

Simon Kilbey (Service Head, Human Resources & Workforce Development) presented the update on the Senior Management recruitment to the Committee regarding the selection of recruitment agencies from the Council's Framework agreement and a discussion was held regarding the process for selecting recruitment agencies. Penna provided the Council with the recruitment specialism that was needed for certain senior management recruitment at this time and reassurances were obtained from Penna regarding the processes that they will follow.

Resolved that:

1. The recommendations be agreed;
2. An updated timetable regarding the recruitment of senior management be circulated to the Committee; and
3. The appraisal process for the Chief Executive be agreed subject to the Committee having the opportunity to provide feedback as part of the process by June 2017.

4.6 Human Resources Committee Work Programme 2016/17

Simon Kilbey (Service Head, Human Resources & Workforce Development) presented a proposed Human Resources Committee Work Programme for 2016/17 to assist with agenda planning, to ensure reports submitted to the Committee are planned in advance and are in line with its terms of reference.

The Chair, Councillor Clare Harrisson stated that the work programme should allow for the meetings to have added value regarding the decisions taken and the feedback to Cabinet and Council and should ensure that the Committee performs its role and works with purpose.

Councillor Julia Dockerill enquired if a presentation could be presented to the Committee regarding its functions and its statutory role, similar to the presentation being arranged for the Apprenticeships.

Simon Kilbey informed the Committee that he would feedback to the officer team regarding the request to have a presentation on the function of the HR Committees and being able to map the process.

Resolved that:

1. The proposed draft Work Programme for 2016/17 be agreed; and
2. Simon Kilbey provides feedback to Zena Cooke (Corporate Director, Resources) regarding an officer presentation relating to the role and functions of the HR Committee.

5. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

There was no other business which the Chair considered urgent.

6. DATE OF THE NEXT MEETING

The next meeting will be held on Wednesday 13th April 2016 at 7.00pm in Room MP701, 7th Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG.

The meeting ended at 9.10 p.m.

Chair, Councillor Clare Harrison
Human Resources Committee