

Staff and Pensions Committee

Tuesday 22 July 2014

Agenda

The Staff and Pensions Committee will meet in the **Conference Room, Northgate House, Warwick**, on Tuesday 22 July 2014 at 3pm or on the rising of Cabinet if this is later.

1. General

- (1) **Apologies for absence.**
- (2) **Members' Disclosures of Pecuniary and Non-Pecuniary Interests.**

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. A member attending a meeting where a matter arises in which s/he has a disclosable pecuniary interest must (unless s/he has a dispensation):

- Declare the interest if s/he has not already registered it
- Not participate in any discussion or vote
- Must leave the meeting room until the matter has been dealt with (Standing Order 42).
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests must still be declared in accordance with the new Code of Conduct. These should be declared at the commencement of the meeting.

- (3) **Minutes of the meeting held on 13 February 2014**

Enclosed.

- (4) **Public Speaking**

To note any requests to speak in accordance with the Council's Public Speaking Scheme.

2. **Report on Proposed 1% Pay Award for Warwickshire County Council Employees on School Teachers' Pay and Conditions**
3. **Employee Sickness Absence Management Report**
4. **Any Other Business Considered Urgent by the Chair**
5. **Reports Containing Confidential or Exempt Information**

To consider passing the following resolution:

'That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraphs 1 & 3 of Schedule 12A of Part 1 of the Local Government Act 1972'.

EXEMPT ITEMS FOR DISCUSSION IN PRIVATE (PURPLE PAPERS).

6. **Consideration of exempt minutes of meeting 13th February 2014**

JIM GRAHAM
Chief Executive
July 2014

Membership

Councillors: Izzi Seccombe (Chair), John Appleton, Jeff Clarke, Sara Doughty, Bill Gifford, Brian Moss (Vice Chair)

General Enquiries: Please contact Paul Williams on 01926 418196. E-mail: paulwilliamscl@warwickshire.gov.uk Enquiries about specific reports: Please contact the officers named in the reports.

Minutes of a meeting of the Staff and Pensions Committee held on 13 February 2014

Present:

Members of the Committee

Councillors: Izzi Seccombe (Chair)
Jeff Clarke
Sara Doughty
Bill Gifford

Officers: David Carter, Strategic Director, Resources
Judith Coote, Business Partner (Fire and Rescue)
Sue Evans, Head of HR and Organisational Development
Andrew Lovegrove, Head of Corporate Financial Services
Paul Williams, Democratic Services Team Leader

1. General

(1) Apologies for Absence

Councillor John Appleton and Councillor Brian Moss

(2) Members Declarations of Personal and Prejudicial Interests

None

(3) Minutes of the meeting held on 14 November 2013

The minutes of the meeting of the 14 November 2013 were discussed and agreed as an accurate record.

Under matters arising and in response to a question from Councillor Bill Gifford Sue Evans (Head of HR and Organisational Development) informed the committee that absence information is collected and monitored at team level. She added that where spikes or other anomalies are identified the information is passed to business partners for consideration. In addition Councillor Jeff Clarke is made aware of any such issues in his role as Portfolio Holder. It was agreed that exception reports should also be brought to the committee where appropriate.

Resolved

That the minutes of the meeting held on 14 November 2013 be agreed as a correct record to be signed by the Chair.

2. Pension Fund Investment Sub-Committee Minutes and Membership Update

Andrew Lovegrove (Head of Corporate Financial Services) briefed the committee on the content of the report. He explained that investments are spread across a range of areas to minimise risk and maximise returns. Funds have periods when they perform well and periods when they do not. This is understood but in instances where the performance of fund managers is becoming a cause for concern the County Council is quick to address the matter with them.

Because fund managers are allowed to set their own benchmarks it is necessary to employ a third party to check the validity of those benchmarks.

The Chair referred to the recent meeting of the Pension Fund Investment Sub-Committee and sought clarification over the role of other companies that review the performance of fund managers. The committee was informed that it is necessary to have expert scrutiny of the large body of information provided by fund managers to ensure that less than satisfactory performance is not being missed. Some companies will provide advice on when to sell assets or move investments and when to retain them. This is a useful service to the County Council.

Regarding the membership of the County Council Pension Fund the committee was informed that the growth in membership is good news. However it is necessary to monitor the profile of employees across the authority and of membership of the fund. For example those on fixed term contracts will not join the scheme. Older staff having been in the scheme for many years will receive generous returns but young staff do not necessarily have the experience of their older colleagues. It is also important to be aware of the profile of organisations joining the County Council scheme.

Resolved

That the committee notes the report and thanks the Pension Fund Investment Sub-Committee for its efforts.

3. Equality and Diversity Workforce Report 2013

Sue Evans briefed the committee on the content of the published report. She particularly noted changes to the reporting regime, that the number of staff had declined and that staff turnover had decreased. This latter point is, she suggested, a reflection of the current economic crisis.

Councillor Bill Gifford observed that a significant number of part time staff have left the organisation. He was informed that this because staff who may previously have chosen to work part time are now finding it necessary to seek full time employment.

Regarding self-declaration Sue Evan noted that many employees choose not to declare a disability. The Chair suggested however that many people with impaired function do not regard themselves as have a disability. It was also suggested that there are some conditions that people are reluctant to declare, mental health issues being an example.

The property rationalisation programme has revealed more staff with disabilities as workstations have been designed to accommodate them.

Whilst there is an imbalance in gender it is important to reflect this in terms of progression. To ensure fairness staff sitting on selection panels must be trained. In addition selection patterns are monitored. The key is to make certain that people are aware of ethnicity and gender bias.

Resolved

That the committee note the Equality and Diversity Workforce Report 2013.

4. Any Other Business Considered Urgent by the Chair

None

5. Reports Containing Confidential or Exempt Information

Resolved

That members of the public be excluded from the meeting for the item mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraphs 1 & 3 of Schedule 12A of Part 1 of the Local Government Act 1972.

EXEMPT ITEMS FOR DISCUSSION IN PRIVATE (PURPLE PAPERS)

6. The Deputy Chief Fire Officer

The committee agreed the recommendation as set out in the exempt minutes.

The meeting rose at 17.00.

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Chair

Staff and Pensions Committee

22 July 2014

Report on Proposed 1% Pay Award for Warwickshire County Council Employees on School Teachers' Pay and Conditions

Recommendation

That the Committee agrees to pay a 1% pay award to Warwickshire County Council Staff on School Teachers Pay and Conditions.

1.0 Introduction

- 1.1 The following paper outlines the position regarding a proposed pay 1% pay award to Warwickshire County Council employees on school teachers pay and conditions (known as STPCD).
- 1.2 There is a strong indication given by the Secretary of State for Education (see below) that this pay award will be implemented. Details of how this is to be applied is outlined in this briefing note.
- 1.3 Where staff are employed on STPCD centrally (e.g. IDS Service, Music Service, Early Years etc.) it is recommended to those receiving this paper that a 1% pay award is applied to all levels of teacher pay for the reasons outlined below.

2.0 Proposed 1% Pay Award to STPCD Minima and Maxima

- 2.1 **The Secretary of State for Education (Michael Gove):** The 24th report of the School Teachers' Review Body (STRB) was published on 10 June, responding to the remit issued to it in October 2013.

<https://www.gov.uk/government/publications/school-teachers-review-body-24th-report-2014--2>

- 2.2 The report contains recommendations on how to apply the pay award for teachers that is due to be implemented from September 2014. 2.3 Subject to the views of statutory consultees Mr Gove intends to accept the STRB's recommendations in full.
- 2.4 The STRB has recommended a 1% uplift of the national framework for teachers' pay from September 2014. For the first time the STPCD salary

uplift will **only** automatically be applied to the minima and maxima of all the pay ranges and allowances in the national pay framework, including the:

- Unqualified teachers' pay range;
- Main pay range;
- Upper pay range;
- Leading Practitioner pay range;
- Leadership pay range;
- Headteacher groups;
- Teaching and Learning Responsibility (TLR) allowance pay ranges;
- Special Educational Needs (SEN) allowance pay range.

2.5 The STRB has also recommended that those teachers and school leaders who currently sit on the maxima of the pay ranges should receive a 1% uplift. For all teachers who are paid other than on the minima and maxima the STRB has recommended that schools should determine locally how to take account of the uplift. This has caused much concern and a large number of LA's nationally have expressed equal pay concerns to the DfE, that over time, that if some of their schools were to not apply the 1% to all existing pay levels and some only to the top and bottom of the pay scales, equal pay risks may arise. The DfE has not dispelled these concerns and on the 25 June issued a guidance paper on pay equality issues where paragraph 16 highlights the caution employers must take in these matters.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/322591/200623_Equality_Guidance_Final.pdf

2.6 Other less contentious but nonetheless concerning operational difficulties of not applying a pay award to all current STPCD pay levels, relate to the potentially negative impact on the recruitment and retention of teaching staff and the associated wage drift over time. Schools are currently faced with a number of skill shortage subject areas and leadership vacancies are becoming increasingly challenging to fill.

2.7 Birmingham, Solihull, Coventry and Dudley to name but a few Local Authorities have all confirmed they will be seeking to apply (once confirmed by DfE) the 1% pay award to all teachers employed on STPCD in central Council departments and to advise their schools that similarly this action is applied and pick up by exception those that ask for this not to be applied.

3.0 Summary

- 3.1 To note the Secretary of State for Education intentions on a 1% pay award to Warwickshire County Council staff on STPCD.
- 3.2 To note the potential risks in terms of equal pay matters if such a pay award is applied inconsistently.
- 3.3 To note the potential impact of recruit and retention and Warwickshire County Council as an employer of choice.
- 3.4 To be advised that in respect of Warwickshire County Council employees that the 1% pay award is applied only to those staff on Teachers Pay and Conditions.

| | Name | Contact Information |
|--------------------|---|---------------------|
| Report Author | Gordon Latham HR Business Partner for Schools | 2770 |
| Head of Service | Sue Evans Head of HR and OD | 2314 |
| Strategic Director | David Carter | 2045 |

Staff and Pensions Committee

22 July 2014

Employee Sickness Absence Management Report

Recommendations

- 1) That the Committee notes and supports the performance information in relation to the management of employee sickness absence during 2013/14
- 2) Supports a proactive approach to managing absence which includes on-going training of managers.

1.0 Introduction

- 1.1 This report covers information on sickness absence for:
- a) the financial year April 2013 – March 2014 and
 - b) compares data with previous years at Corporate level only
 - c) the figures exclude absence for non-sickness reasons such as annual leave, maternity, paternity, or adoption leave, unpaid leave and leave for compassionate reasons.

2.0 Sickness days lost per employee (FTE)

- 2.1 A summary of corporate comparative sickness absence figures since 2006/07 is as set out below: -

| Year Ending | 2006/ 2007 | 2007/ 2008 | 2008/ 2009 | 2009/ 2010 | 2010/ 2011 | 2011/ 2012 | 2012/ 2013 | 2013/ 2014 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Days Lost per Employee* | 9.51 | 8.51 | 8.50 | 8.32 | 8.80 | 8.82 | 9.61 | 9.60* |

* The 2013/14 figure excludes schools. Those figures in the above table up to 2012/13 include schools. The overall sickness absence level for the County Council during 2013/14 when including schools was 8.47 FTE days per employee.

The public service sector average is 8.7 days per employee per year (CIPD2013).

- 2.2 The high levels of change and uncertainty still being experienced by staff make it essential for the County Council to have a proactive focus on employee wellbeing in order to reduce sickness absence levels.

- 2.3 Warwickshire County Council continues to offer flexible working opportunities to

help respond to the different needs of the workforce. Examples of these include older employees wanting to work in different ways and hours as they approach retirement, staff with disabilities who may require reasonable adjustments to their working patterns, and staff with caring responsibilities needing to work more flexibly.

2.4 Sickness absence levels by Group and by Business Unit are as follows

| | |
|--------------------------------|-------|
| WCC (excluding schools) | 9.60 |
| WCC (including schools) | 8.47 |
| Communities Group | 8.51 |
| Economic Growth | 7.46 |
| Transport & Highways | 8.90 |
| Localities & Community Safety | 8.95 |
| Public Health | 4.55 |
| People Group | 12.38 |
| Business Management | 3.91 |
| Early Intervention | 14.88 |
| Learning & Achievement | 9.65 |
| Safeguarding | 10.83 |
| Social Care & Support Services | 12.58 |
| Strategic Commissioning | 11.79 |
| Resources Group | 8.41 |
| Customer Service | 7.01 |
| Finance | 6.66 |
| HR &OD | 10.10 |
| Information Assets | 7.08 |
| Law & Governance | 8.48 |
| Physical Assets | 8.91 |
| SICM | 6.67 |
| Fire & Rescue | 5.58 |

Please note all the data for the Fire and Rescue Service excludes operational Firefighters

3.0 Percentage of employees with no absences

- 3.1 The average percentage of employees with no absence has risen from 36.3% previously reported in 2013 to 39.9% in 2014.

| | |
|--------------------------------|-------|
| WCC (excluding schools) | 39.9% |
| WCC (including schools) | 41.4% |
| Communities Group | 41.3% |
| Economic Growth | 43.6% |
| Transport & Highways | 39.8% |
| Localities & Community Safety | 41.2% |
| Public Health | 57.1% |

| | |
|--------------------------------|-------|
| People Group | 40.0% |
| Business Management | 0.0% |
| Early Intervention | 30.3% |
| Learning & Achievement | 44.5% |
| Safeguarding | 46.2% |
| Social Care & Support Services | 29.3% |
| Strategic Commissioning | 31.0% |
| Resources Group | 36.6% |
| Customer Service | 40.8% |
| Finance | 35.7% |
| HR &OD | 38.4% |
| Information Assets | 35.7% |
| Law & Governance | 47.2% |
| Physical Assets | 41.1% |
| SICM | 37.0% |
| Fire & Rescue | 50.8% |

4.0 Average number of episodes of sickness per employee

4.1 The average number of episodes of sickness absence per employee in 2013/14 is reported in the table below.

| | |
|--------------------------------|------|
| WCC (excluding schools) | 1.42 |
| WCC (including schools) | 1.44 |
| Communities Group | 1.42 |
| Economic Growth | 1.32 |
| Transport & Highways | 1.43 |
| Localities & Community Safety | 1.52 |
| Public Health | 1.14 |
| People Group | 1.51 |
| Business Management | 2.63 |
| Early Intervention | 1.66 |
| Learning & Achievement | 1.34 |
| Safeguarding | 1.21 |
| Social Care & Support Services | 1.71 |
| Strategic Commissioning | 1.68 |
| Resources Group | 1.45 |
| Customer Service | 1.50 |
| Finance | 1.66 |
| HR &OD | 1.86 |
| Information Assets | 1.43 |
| Law & Governance | 1.42 |
| Physical Assets | 1.32 |
| SICM | 1.36 |
| Fire & Rescue | 0.83 |

5.0 Percentage of time lost due to short term / long term sickness

- 5.1 Short term absence is defined as an absence of below 20 working days. Long term absence is defined as absence of longer than four weeks and which often requires a medical intervention to aid recovery and return to work.
- 5.2 All figures within this report relate only to sickness absence as reported through the appropriate procedures and managed through the Council's management of attendance procedure. In the very rare occasions where there is strong evidence that employees are not genuinely sick then this would be dealt with as a disciplinary issue and would not be included in the sickness figures.
- 5.3 Overall, 40.1% of working time lost to absence is accounted for by short-term absences whilst 59.9% is attributed to long-term absences (20 working days or more).

| WCC | Short Term | Long Term |
|---------|------------|-----------|
| 2013/14 | 40.1% | 59.9% |

| Group | Communities | | Fire & Rescue | | People | | Resources | |
|---------|-------------|-----------|---------------|-----------|------------|-----------|------------|-----------|
| | Short Term | Long Term | Short Term | Long Term | Short Term | Long Term | Short Term | Long Term |
| 2013/14 | 47.7% | 52.3% | 44.5% | 55.5% | 32.6% | 67.4% | 49.8% | 50.2% |

The rate of long term absence is consistent with trends within other public sector and larger private sector organisations.

With the support of the HR Service, managers across all of the Groups are working to proactively manage sickness absence in accordance with the Council's Management of Absence Policy. Throughout 2013/14, 13 employees were dismissed due to sickness absence or reasons related to the absence triggers. Added to that, a further 17 employees left the County Council on ill health retirement grounds (NB. These figures exclude Fire & Rescue and Schools).

6.0 Reasons for sickness absence

- 6.1 The reasons for sickness absence during the last 3 years are reported below.

| WCC | 2011/12 | 2012/13 | 2013/14 |
|-----------------------|---------|---------|---------|
| Chest or Respiratory | 4.2% | 5.0% | 5.0% |
| Digestive System | 7.5% | 7.7% | 6.3% |
| Eye, Ear, Nose, Mouth | 4.2% | 3.9% | 3.3% |
| Heart & Circulation | 1.6% | 1.4% | 2.0% |
| Musculo-skeletal | 19.0% | 16.8% | 18.0% |

| | | | |
|------------------------|-------|-------|-------|
| Neurological | 4.0% | 4.0% | 3.9% |
| Operation or Post-Op | 10.4% | 12.3% | 11.1% |
| Stress / Mental Health | 20.2% | 17.4% | 23.7% |
| Viral | 12.5% | 14.4% | 12.8% |
| Swine Flu | NIL | NIL | NIL |
| Other reason | 9.4% | 11.1% | 7.5% |
| Reason Withheld | 7.0% | 6.6% | 6.5% |

6.2 The top 4 reasons for sickness absence in 2013/14 are shown in the table below.

| Days Lost (%) | Musculo-Skeletal | Stress & Mental Health | Viral | Operation or Post-Op |
|--------------------------|------------------|------------------------|-------------|----------------------|
| Communities | 1105(19.4%) | 1314(23.1%) | 827(14.5%) | 550(9.6%) |
| People | 3611(16.7%) | 6221(28.7%) | 2592(12.0%) | 1905(8.8%) |
| Resources | 1731(14.9%) | 2066(17.7%) | 1687(14.5%) | 1844(15.8%) |
| Fire & Rescue | 1059(40.2%) | 157(6.0%) | 223(8.5%) | 350(13.3%) |

6.3 The most common cause of short-term absence is minor illness, including colds, flu, stomach upsets, headaches and migraines. Acute medical conditions, stress, mental ill-health and musculoskeletal injuries are most commonly responsible for long-term absence.

6.4 A breakdown of the specific reasons for sickness absence shows that the “top four” reasons for sickness absence remain unchanged from the previous year. These relate to absences categorised as being for stress/mental health issues (23.7%), musculo-skeletal disorders (18.0%), viral infections (12.8%) and operation or post-operative conditions (11.1%).

6.5 Musculo-Skeletal Disorders (MSD) remains the second main reason for sickness absence across the Council accounting for 18.0% of all absences.

7.0 Occupational Health & short term support and counselling

7.1 Team Prevent, the Occupational Health service, provides pre-employment health assessment, management referrals, medicals, health surveillance and monitoring where necessary. This is a proactive service to ensure that employees are protected against risks of work-related ill health, to assist with reducing sickness absence, and to get people back to work sooner.

7.2 To assist with this proactive approach, Team Prevent works closely with the HR and OD Service, including the HR Advisory team, the Health & Safety & Wellbeing team and the Staff Care Service.

- 7.3** The Fire & Rescue Service has its own in-house Occupational Health service which includes counselling support provided by the Staff Wellbeing Adviser & Counsellor.
- 7.4** For those staff who were seen by Occupational Health, the top 5 reasons for new referrals were musculo-skeletal, medical conditions, depression, work-related stress, and non-work related stress.
- 7.5** In 2013/14 the Staff Care Service received 241 new referrals (down from 257 in 2012/13), and the Fire & Rescue Staff Wellbeing Adviser and Counsellor received 36 new referrals (up from 32 in 2012/13).
- 7.6** The top 4 reasons for referral to the Staff Care Service and the Staff Wellbeing Adviser & Counsellor in the Fire Rescue Service were:-
- Relationships/Personal,
 - Stress/anxiety
 - Depression, and Bereavement

8.0 Support and Advice for Managing Absence

- 8.1** The Health, Safety and Wellbeing Service has procured and introduced the 'Tackling Work-Related Stress - A Manager's Role' training, and 'Developing Resilience' training sessions to the corporate training menu. This training is provided to support the WCC Management of Work-Related Stress and Wellbeing Policy. Both courses have been well attended and well received.
- 8.2** In response to the organisational changes, and the impact it has had upon the workforce, the HR and OD Service has responded by offering a wide range of face to face e- learning activities and bite-size programmes. These include the 'The Skills of Managing Change', 'Delivering the Message', 'Supporting Teams Through Change', 'Crest the Curve' and 'Developing Personal Resilience'.

9.0 Conclusion

- 9.1** This report has compiled all relevant and available statistics for sickness absence management within WCC. The statistics demonstrate that the monitoring and management of sickness absence remains essential.
- 9.2** The average sickness absence levels of WCC staff (excluding schools) in 2013/14 were 9.60 per employee.
- 9.3** As with 2012/13, stress and mental health remains the top reason for sickness absence. The economic pressures that have resulted in redundancies and the continuous changes in the workplace have a clear impact on the anxiety and stress levels experienced by staff. As a consequence, the County Council must remain committed to the health and wellbeing of its staff.

- 9.4** The focus will remain on managing absence, ensuring managers are aware of their roles and responsibilities, and proactively managing cases before employees are absent from work on long term sick. The County Council will continue to train its managers to develop their capability in managing sickness absence effectively, including conducting effective return-to-work interviews.

Background Papers

None

| | Name | Contact details |
|---------------------------|---|--|
| Report Author | Andy Dunn HR Business Partner - Communities | andydunn@warwickshire.gov.uk |
| Head of Service | Sue Evans, Head of HR & OD | sueevans@warwickshire.gov.uk |
| Strategic Director | David Carter Strategic Director for Resources Group | |
| Portfolio Holder | Councillor Kam Kaur | |