

Staff & Pensions Committee

Date: Monday, 14 September 2020
Time: 2.00 pm
Venue: Virtual Meeting

Membership

Councillor Kam Kaur (Chair)
Councillor Neil Dirveiks
Councillor Bill Gifford
Councillor John Horner
Councillor Andy Jenns
Councillor Bhagwant Singh Pandher

Items on the agenda: -

1. General

(1) Apologies

(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.
- 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 Code of Conduct. These should be declared at the commencement of the meeting.

(3) Minutes of previous meeting

(I) Minutes of the meeting on 8 June 2020

(II) Minutes of the meeting on 27 July 2020 (Chair and Vice-Chair)

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10. Pensions Administration Activity and Performance Update	103 - 110
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12. Revised Terms of Reference for the Local Pension Board	115 - 126
13. Reports Containing Confidential or Exempt Information	
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 paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972	

Monica Fogarty
 Chief Executive
 Warwickshire County Council
 Shire Hall, Warwick

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Disclosures of Pecuniary and Non-Pecuniary Interests

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The public reports referred to are available on the Warwickshire Web

<https://democracy.warwickshire.gov.uk/uuCoverPage.aspx?bcr=1>

Public Speaking

Any member of the public who is resident or working in Warwickshire, or who is in receipt of services from the Council, may speak at the meeting for up to three minutes on any matter within the remit of the Committee. This can be in the form of a statement or a question. If you wish to speak please notify Democratic Services in writing at least two working days before the meeting. You should give your name and address and the subject upon which you wish to speak. Full details of the public speaking scheme are set out in the Council's Standing Orders.

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Staff & Pensions Committee

Monday, 8 June 2020

Minutes

Attendance

Committee Members

Councillor Kam Kaur (Chair)
Councillor Neil Dirveiks
Councillor Bill Gifford
Councillor John Horner
Councillor Bhagwant Singh Pandher
Councillor Bob Stevens

Officers

Sally Brandrick, Corporate Health, Safety and Wellbeing Manager
Ben Brook, Assistant Chief Fire Officer
Neil Buxton, Technical Specialist Pensions Fund Policy and Governance
Sarah Duxbury, Assistant Director (Governance & Policy)
Andrew Felton, Assistant Director (Finance)
Liz Firmstone, Service Manager (Transformation)
Victoria Moffett, Lead Commissioner Pensions and Investment
Isabelle Moorhouse, Trainee Democratic Services Officer
Chris Norton Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk)
Neville Robinson, Team Lead - Health, Safety and Wellbeing
Rich Thomas Strategy and Commissioning Manager (HROD)
Nichola Vine, Strategy and Commissioning Manager (Legal and Democratic)

1. General

(1) Apologies

None.

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests

None.

(3) Minutes of previous meeting

The minutes of the meeting held on 12 March 2020 were considered and agreed as a true and accurate record for signing by the Chair.

2. Covid-19 Administration Impact and Actions

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk), presented the report. The Covid-19 pension report provided updates on Covid-19 regarding the running of the pensions fund and included the investment and administration side of the fund. He continued that this report focused on the administration side as the investment side was reviewed in the Pensions Fund Investment Sub-Committee.

The report provided a summary of the risk register for the fund itself which included the volatility of the markets, the impact on investments during the Covid-19 period and risks of employer contributions not being paid. Chris Norton continued that employer contributions are as much administration issue as an investments issue, and this is an where risk is significantly higher.

He concluded that the funds had been able to continue critical operations and physically continue to run. The fund itself had finished its restructure and new officer positions had been filled, including a pension administrator manager.

The Chair commended the fund team's ability to carry on working as usual.

Resolved

That the Staff and Pensions Committee notes and comments on the report.

3. Armed Services Support and Foster Friendly Employer

Rich Thomas, Strategy and Commissioning Manager (HROD), presented the report. These items were initially considered at the December 2019 meeting. Recommendations were approved for employees of Warwickshire County Council who are military reservists resulting in development of a new policy. The final matter that required approval was in relation to contracts of employment for mobilised military reservists being operable throughout a period of mobilisation.

The report presented in December 2019 also provided support to these employees who wished to become foster carers. Approval was now sought to provide foster carers with an additional five days of paid leave in each year for the purposes of undertaking learning, development or preparation for the placement of a child or young person.

Councillor Bob Stevens stated that this report is part of the military services covenant that the council had signed up to. He praised the armed forces for their work during the Covid-19 pandemic.

Resolved

That the Staff and Pensions Committee:

1. Approved the Council and will treat the contracts of employment of employees mobilised for Reserve Service as operable throughout the period of mobilisation so that there will be no adverse effect on entitlements calculated in accordance with length of service.
2. Approved the proposal for up to 5 days additional paid leave per annum (pro rata for part time staff) for employees who are approved foster carers in the years following approval as a foster

carer for the purposes of undertaking learning, development or preparation for the placement of a child or young person.

4. WFRS Health, Safety and Wellbeing Annual Report

Ben Brook, Assistant Chief Fire Officer, presented the report. Warwickshire Fire and Rescue Service (WFRS) has a statutory duty to meet requirements set out in several pieces of legislation including the Fire & Rescue Services Act 2004, Fire & Rescue National Framework 2018, Health & Safety at Work Act 1974, National Operational Guidance and the Health & Safety framework for operational guidance. Ben Brook commended the team for their hard work and good performance over last 12 months, especially due to the situational circumstances; the Chair and committee reiterated this.

He continued that the report focused on how the hospital to home activities have become embedded as a part of our service provision to the community, that staff are being trained on analytical risk assessment as well as ongoing work looking at post fire contaminants, which is a local and national area of research, and specifically the contamination of PPE (personal protection equipment) clothing.

Ben Brook concluded that WFRS had carried out an action plan following the Grenfell tragedy, including a 32-metre high turn-table ladder, to protect communities. He added that personal and vehicle injuries are slightly up but there had been no increase in violence towards crews or major injuries. 97% of WFRS staff members passed their health assessment criteria and there are now Health and Wellbeing Ambassadors and a regular newsletter.

In response to a question from Councillor Neil Dirveiks, Ben Brook clarified that all aggression towards the WFRS was made by the public when the fire service was on duty.

Following a question from Councillor John Horner, Ben Brook stated that the majority of vehicles incidents were at slow speed during manoeuvring and that poorly parked vehicles in streets is a problem across the country, and this can prevent access to emergency vehicles.

In response to a query from Councillor Stevens, Ben Brook said that the report figures included whole time and on-call fire service staff and concurred that the WFRS are receiving help for PTSD (post-traumatic stress disorder).

Resolved

That the Staff and Pensions Committee considered and commented on the report.

5. Annual Health, Safety and Wellbeing Report 2019/2020

Sally Brandrick, Health, Safety and Wellbeing Tech Specialist, presented the report. There have been no Health and Safety Executive interventions in 2019/2020, a 50% reduction in all significant accidents and many employee wellbeing actions have been initiated. Last year, a new health and safety auditing process was implemented which had introduced a new measuring and rating formula, so they were able to carry out a new benchmark in auditing services and have a standard format for all wellbeing services. She continued that design services, waste management, construction and children and families had all been successfully audited with positive feedback.

There had been a focus on work safety and workplace inspections for staff which have been improved by the new auditing system.

Sally Brandrick continued that 107 schools and 280 social care workers in Warwickshire signed up or have access to the Employee Assistance Programme before the Covid-19 lockdown, so teachers from these schools and these workers can access counselling and grief support. She stated that work had been carried out on employee wellbeing, to ensure staff knew where support and help was; for example, with home schooling children. Sally Brandrick concluded that they are looking at reinstating and recovery and they can refer to occupational health for Covid-19 to ensure safety for officers when they are reinstated at work.

The Chair endorsed the work done in the report including the 2000 employees who participated in the staff survey, and the staff who provide the mental health advice and help on the intranet.

Following a question from Councillor Dirveiks, Sally Brandrick stated that there is online training and a video on desk exercises on how to use IT equipment safely. Legally the council must provide this information.

Councillor Direveiks and Sally Brandrick conversed about violence involving pupils and support for staff. Sally Brandrick reiterated that schools try to report all incidents even if it involves just one pupil and it is minor; Councillor Dirveiks expressed his concerns with this and its impact on school staff. It was clarified that the Health and Wellbeing service are involved to make sure the appropriate support is in place. Sally Brandrick informed the committee that schools where incidents are a frequent occurrence receive the appropriate guidance.

In response to Councillor Stevens, Sally Brandrick divulged that only officers who work from home contractually worked that way pre-Covid-19 and the council does not have legal responsibility for an officer's home working environment.

The Chair added that a new homeworking policy was recently implemented. Sarah Duxbury, Assistant Director (Governance & Policy), reiterated that several policies have been reviewed due to the vast majority of officers that are homeworking but this will be based on information already provided and £100 has been provided for any officers who need additional equipment to work from home.

Resolved

That the Staff and Pensions Committee:

1. Notes the information contained within this report
2. Endorses and supports a proactive approach to the management of health, safety and wellbeing
3. Endorses and supports the promotion of a positive health, safety and wellbeing culture

6. Administration Activity and Performance Report

Liz Firmstone, Service Manager (Transformation), presented the report. In 2019 a governance review was carried out on the Pension Administration Service (PAS) to improve its management.

54 actions on how to improve the service were produced from this with 36 being completed and four more actions will be finished by early July 2020; some of the outstanding actions are not due yet. Liz Firmstone stated that they are currently finalising the results of the internal audits that were carried out over the last year. She continued that the team have successfully reduced outstanding queries by half despite the current circumstances and that the indexation increases to pensions were all implemented on time. The team are currently obtaining information from the employers for the year end so that annual benefit statements can be issues to the scheme members. Statements have already been issued to deferred members.

Liz Firmstone continued that at the beginning of 2019-2020 there were a lot of vacancies and the PAS went through a service redesign which had increased capacity within the team. The service has reviewed its Key Performance Indicators (KPIs) and has proposed a revised set for adoption from 2020/21, consistent with industry standards for approval by the committee.

It was clarified that if a deadline is missed for data being submitted by an employer, then this is classified as a breach. If employers repeatedly miss deadlines these cases are escalated, and employers are contacted to identify issues and offer assistance; PAS is keeping under review the impact Covid-19 is having on employer performance.

Liz Firmstone concluded that the PAS has a new I-Connect project which allows the service to obtain information straight from their employer's payroll into the pension system which is effective at resolving issues and improves data quality. It will be distributed in three to four phases starting in the autumn of 2020.

The Chair endorsed the work of the PAS for reducing their high volume of queries.

Following a query from Councillor Stevens, Liz Firmstone stated that 100% is a statutory target for the KPIs and some of these are unreachable; for example the "Retirements Lump Sums", the service cannot make payments until notified by the employer that the employee has retired but the service is not normally informed until after the employee had left. Liz Firmstone reiterated that 2019/2020 was when the service had many vacancies and the numbers had improved for the 2020/2021 year as posts have been filled. She stated that they could now achieve the local targets set out as shown in Appendix 2.

Andrew Felton, Assistant Director (Finance), added that the trending performance had improved; for example, for one of the KPIs 89% had been achieved in the last four months although the overall annual performance was 69% due to lower performance earlier in the year, and the extra staff capacity will push this higher.

In response to Councillor Horner, Liz Firmstone said that the service should be able to achieve near 100% of the KPI targets by 2021-2022. The PAS have prioritised the areas which impact on payments to members, so they do not lose out financially.

Resolved

That the Staff and Pensions Committee:

1. Notes the report.
2. Approves the adoption of the amended key performance indicators set out at Appendix 2.

7. Admissions and Termination Policy

Neil Buxton, Technical Specialist Pensions Fund Policy and Governance, presented the report. This report was generated due to changes of government policy in March 2020 which allowed the fund discretion when resolving exit credits. When an employer leaves the fund, the fund will apply the updated policy to determine whether there is an amount of money due to the employer that is exiting. Neil Buxton concluded that the report contained improvements for the admissions policy.

Resolved:

That the Staff and Pensions Committee approves the amended Admissions and Termination Policy.

8. Administration Strategy

Neil Buxton presented the report. The committee approved a draft administration strategy for consultation in March's Staff and Pensions meeting, following this the strategy went to employers for comments. He continued that amendments to the KPIs will be fed into the strategy and this will be published online when approved.

Andrew Felton reiterated that the strategy allows the fund to have more power over employers who are late with information; I-connect will aid this too.

Resolved:

That the Staff and Pensions Committee approves the Administration Strategy at Appendix A.

The meeting rose at 15:10

.....
Chair

Staff & Pensions Committee

Thursday, 23 July 2020

Minutes

2. Election of Chair

Councillor Bob Stevens proposed that Councillor Kam Kaur be Chair of the Committee and was seconded by Councillor John Horner.

There were no other nominations.

Resolved

Councillor Kam Kaur was voted to be Chair and Staff and Pensions Committee for the ensuing municipal year.

3. Election of Vice Chair

Councillor Kam Kaur proposed that Councillor Bill Gifford be Vice-Chair of the Committee and was seconded by Councillor John Horner.

Resolved

Councillor Bill Gifford was voted to be Vice-Chair and Staff and Pensions Committee for the ensuing municipal year.

4. Appointments to Sub-Committees and Bodies

Resolved

Pool of Members to sit on Appointments Sub-Committees and Staff Appeals Sub-Committees:

Conservative Party: Councillors Peter Butlin, Les Caborn, Mark Cargill, Jeff Clarke, Alan Cockburn, Yousef Dahmash, Colin Hayfield, John Horner, Kan Kaur, Jeff Morgan, Wallace Redford, Howard Roberts, Jill Simpson-Vince, Isobel Seccombe, Parminder Singh Birdi, Bhagwant Singh Pandher, Bob Stevens, Heather Timms, Adrian Warwick and Pam Williams

Labour Party: Councillors Helen Adkins, Maggie O'Rourke and Dave Parsons

Liberal Democrat Party: Councillors Sarah Boad, Nicola Davies, Clive Rickhards and Jerry Roodhouse

Green Party: Councillor Keith Kondakor

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Staff and Pensions Committee – 23 July 2020

Proposed Appointments:

1. Pension Fund Investment Sub-Committee

Councillors Bill Gifford, John Horner, Wallace Redford, Bob Stevens and Alan Webb.

2. Appointments and Disciplinary Appeals Sub-Committees-pool of members

Conservative: Councillors Singh Birdi, Butlin, Caborn, Cargill, Clarke, Cockburn, Dahmash, Hayfield, Horner, Kaur, Morgan, Singh Pandher, Redford, Roberts, Seccombe, Simpson-Vince, Stevens, Timms, Warwick and Pam Williams.

Labour: Councillors O'Rourke and Parsons

Liberal Democrat: Councillors Boad, N Davies, Rickhards and Roodhouse

Green: Councillor Kondakor

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Staff and Pensions

14th September 2020

Annual Workforce, Gender and Ethnicity Pay Gap Report

Recommendations

- 1) That the Council's Equality and Diversity Workforce and Gender Pay Gap Report at Appendix A is published on the Council's website, to meet the statutory requirement to publish annually equality information relating to employees, including gender pay gap information.
- 2) That the Council's gender pay gap figures, based on 31 March 2020, are published on the government's gender pay gap website, as required by the gender pay gap regulations.
- 3) That Staff and Pensions Committee notes the previous work undertaken and endorses the next steps outlined in section 6.

1.0 Key Issues

- 1.1 The Council has published workforce diversity data relating to its employees annually, following consideration at Staff and Pensions committee, as required since 2012 under the Equality Act 2010, to demonstrate its compliance with the general equality duty under section 149 (1) that WCC must, in the exercise of its functions, have due regard to the need to:-
 - a) Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.
 - b) Advance equality of opportunity and;
 - c) Foster good relations between people who share a protected characteristic and those who do not.
- 1.2 This report combines both the Council's workforce diversity information, based on the year 1 April 2019 to 31 March 2020, and its gender pay gap data at 31 March 2020. The statutory deadline for publishing both sets of data would normally be 30 March 2021, however, due to the Coronavirus outbreak, the Government Equalities Office and the Equality and Human Rights Commission have taken the decision to suspend enforcement of the gender pay gap deadlines for this reporting year (2019/20), however the Council is publishing ahead of the deadline because it recognises the importance of this data in delivering on the following priorities '**WCC knows and understands the profile of its staff, customers and citizens**' and the outcomes of the Our People Strategy such as a '**Workforce that displays our values and behaviours**' and '**We have a diverse and highly engaged**

workforce'. The gender pay gap reporting is contained at Appendix B with definitions at Appendix B.

- 1.2 In January 2019 the UK government closed its consultation on ethnicity pay gap reporting. We do not yet know what will come of that consultation, but it seems highly likely that in the future this will become a new requirement alongside gender pay gap reporting. We are recommending that from this reporting year onwards the Council voluntarily publishes its ethnicity pay gap data because we believe it's an important step towards ensuring our workforce is diverse, inclusive and fair for everyone. This can be found at Appendix C.
- 1.3 We use the term BAME throughout this report however we recognise its limitations as a term that combines and therefore dilutes the experiences of Black, Asian and other minority ethnic groups.
- 1.4 Key messages from the report can be found at 5.0.
- 1.5 It should be noted that, in 2019, the Council began a programme of transformation, including the redesign and restructure of services. This has resulted in several services moving Directorate which affects the trend data in Appendix A. The implementation of service redesigns is still being undertaken and is expected to be completed by the end of this financial year.
- 1.6 The information excludes schools' employees. Schools workforce data is reported separately via the National Schools Workforce Census. The gender pay gap regulations require the governing bodies of maintained schools with more than 250 employees to publish their own gender pay gap reports. No Warwickshire maintained schools meet this criterion.

2.0 Workforce Diversity Data

- 2.1 This section provides diversity information about the workforce as a whole in terms of workforce profile, workforce arrangements, turnover and promotion, dismissals and disciplinaries, as well as protected characteristics, drawing comparisons with the local population of Warwickshire where relevant.
- 2.2 This section also provides a comparison between year on year figures and identifies any emerging trends.
- 2.3 The data covers the protected characteristics in the Equality Act 2010 of age, disability, race (ethnicity), sex (gender), religion or belief, and sexual orientation.

Workforce profile

- 2.4 The overall number of employees of the Council has increased by 1.5% from 4501 at 31 March 2019 to 4569 at 31 March 2020 (Appendix A, page 1).

- 2.5 The Council's starters and leavers data (Appendix A, page 13), shows that there were, between 1 April 2019 and 31 March 2020, 29 more starters than leavers. This is consistent with 2018/19 figures. During this time the number of employees at the Council overall has remained relatively stable.

Workforce arrangements

- 2.6 61.4% of the Council's employees work full time, and 28.8% part time (Appendix A, page 2). Whilst the percentage of employees working part time has reduced by 1.2% from 30% in 2018/19, the proportion of part time working is higher than the 25.7% in the general working population (Office for National Statistics – ONS). 9.8% of the Council's employees work term time only or are on zero hours contracts.
- 2.7 There has been a slight increase of 1.4% in the proportion of full-time employees and a slight increase of 1.6% in the proportion of employees on a zero hours contract since March 2019.
- 2.8 The proportion of employees on a zero hours contract in the People Directorate has increased by 3.7% since March 2019.
- 2.9 Within the Communities Directorate the proportion of employees on a zero hours contract has stayed the same at 1.4% and increased by 0.3% to 4.6% in the Resources Directorate since March 2019.
- 2.10 Women are much more likely to work part time than men. 35.7% of the female workforce were on Part Time contracts, compared to 13.4% of male staff.

Age

- 2.11 The Council's age profile (Appendix A, page 3) shows WCC to be broadly representative of the local population of Warwickshire, with the exception of the 24 and under age groups, where there is a significantly lower representation of 4.5% in the workforce compared with 13.1% in the local population (economically active aged 16 and over), and the 50-59 age groups where there is a notably higher representation of 29.2% in the workforce compared with 20.1% in the local population. This is relatively similar compared to last year's figures at 31 March 2019.
- 2.12 The largest age group is 50-59 at 29.2%, followed by 25-39 at 28.3%.
- 2.13 This could suggest that more needs to be done to attract a younger generation workforce. As part of the implementation of the Our People Strategy, the Council is starting to embed the use of our employer value proposition (EVP) to attract a diverse and talented workforce. Further work is being undertaken to understand why this might be as part of the EDI project.
- 2.14 In relation to the 24 and under age group the Council has an active apprenticeship scheme as part of its approach of attracting and retaining talent since 2012. Of the 143 apprentices who have completed the

programme, 105 (73%) were retained by the Council at the end of the apprenticeship. 17 secured employment elsewhere, 6 have gone to University / Further Education, 2 have gone travelling and 13 are unknown. It is intended that the apprenticeship programme continues as an important way of continuing to recruit and grow talent. In addition this year will see the launch of a new LGA graduate programme with 3 graduates expected to join the Council in the autumn on a 2 year programme and the potential for us to expand our intake in future years.

Disability

- 2.15 Of employees who have reported whether they have a disability, 7% have reported yes, and 93% no. This is broadly reflective of the general population of Warwickshire (Appendix A, page 4).
- 2.16 A higher proportion of the workforce have reported whether they have a disability at 31 March 2020 (76.1%) than previously at 31 March 2019 (73.2%).

Gender

- 2.17 The Council employs a higher percentage of women (69.2%) than men (30.8%) at 31 March 2020 (Appendix A, page 5). The percentage of women has slightly increased by 0.6% from 31 March 2019.
- 2.18 When compared with Warwickshire's general population, the Council employs a higher percentage of women and a lower percentage of men (69.2% women employees compared with the general population of 46.8% women, and 30.8% men compared with the general population of 53.2% men).
- 2.19 Across the Council and within Directorates the percentage of men and women at 31 March 2020 has remained relatively similar to previous years (2018-2019).

Race (Ethnicity)

- 2.20 The Black, Asian and Minority Ethnic (BAME) profile at the Council, comparing the percentage of White British and other ethnicities (Appendix A, page 9), shows a higher representation of BAME employees (15.3%) compared with the general population of Warwickshire (11.8%).
- 2.21 The proportion of employees who are of BAME origin has stayed the same from 31 March 2019 (15.3%).
- 2.22 The proportion of employees who are of Black and Black British ethnicity has increased from 1.3% in 2017/18 to 2.9% in 2019/20. The proportion of employees who are of Black and Black British ethnicity has increased across all Directorates, whilst the proportion of employees who are of Mixed ethnic groups has decreased.

- 2.23 The proportion of employees who have stated their ethnicity has increased by 5% since March 2018 (81.7% stated in 2016/17 to 86.7% in 2019/20).

Religion or belief

- 2.24 The proportion of the workforce reporting against each religious category is broadly reflective of the population of Warwickshire (Appendix A, page 10). Of employees who have reported a religion or belief (24.5%), 58.6% are Christian, 13.4 % declared a religion other than Christian, or are agnostic, and 28.0% no religious belief.
- 2.25 A high proportion of the workforce, 33.5%, has not disclosed their religion or belief. This has slightly increased from 31 March 2019 (30.3%). This is the only protected characteristic where we haven't seen an increase in disclosure. Further action to address this has taken place and future actions are proposed at 6.1.

Sexual orientation

- 2.26 Of employees who have reported sexual orientation, 95.6% are heterosexual, 2.8% gay or lesbian and 1.5% bisexual (Appendix A, page 11). These figures have remained relatively similar to 31 March 2019. This is broadly reflective of the general West Midlands population.
- 2.27 In 2019/20, 38.1% of all staff declared their sexual orientation. Of the total percentage, 3.5% have chosen prefer not to say. There has been a year-on-year improvement in the percentage of those who have declared their sexual orientation (26.5% in 2018/19, 25.6% in 2017/18 and 14.8% in 2016/17).

Workforce turnover

- 2.28 The Council's overall workforce turnover has decreased by 2.1% from 13.9% in 2018/19 to 11.8% in 2018/19 (Appendix A, page 13).
- 2.29 The UK average employee turnover rate is approximately 15% a year, although this varies drastically between industries.
- 2.30 In 2019/20, the percentage of leavers earning £20,000 or less (24.7%) has significantly reduced by half from 50.4% in 2018/19.
- 2.31 A high percentage of leavers (70.3%) had given 5 years or less service, which is an increase of 8.3% from 2018/19 (62.0%), and an increase of 25.3% from 2017/18 (45.0%). The Council's exit interview process has recently been reviewed and work has been undertaken to better understand why people might leave, enabling us to take evidence-based action.
- 2.32 In 2019/20, 8.3% of starters and 8.3% of leavers had a declared disability. In 2018/19, a higher percentage of leavers (9.7%) had a declared disability than the percentage of starters (6.1%) with a declared disability.

- 2.33 In 2019/20 33.5% of starters and 24.1% of leavers were of BAME origin, compared to 20.8% of starters and 16.8% of leavers in 2018/19.

Promotion rates

- 2.34 In 2019/20, across the organisation, there were 324 promotions. There were 294 promotions in 2017/18 and just 26 in 2018/19.
- 2.35 How a promotion is recorded has changed since 2018/19's report. In 2018/19 the Council defined a promotion as anyone who went from one grade to another grade within the year. In 2019/20 and 2017/18 the Council defined a promotion by the number of employees who have been transferred by the HR Admin team where the transfer reason is 'Promotion' within the year, divided by the headcount at the end of the period.
- 2.36 18.3% of promotions were achieved by employees of BAME origin. 15.3% of the workforce population were of BAME origin in 2019/20.
- 2.37 6.2% of promotions were achieved by employees with a declared disability. 7.0% of the workforce population had a declared disability in 2019/20.
- 2.38 77.2% of promotions were achieved by female employees. 69.2% of the workforce population are female in 2019/20.

Dismissals and disciplinaries

- 2.39 As part of the Council's approach to racial equality the Council has decided to look at its data in relation to dismissals, disciplinaries and ethnicity.
- 2.40 Between December 2017 up until the 31st March 2020, there have been 93 dismissals. Of the 93 Dismissals, 11 were BAME (11.83%). The proportion of staff who are of BAME origin has increased by 2.5% from 12.8% in 2017 to 15.3% in 2020. We are unable to break down further by years as this would be disclosive to do so as the numbers are so small.
- 2.41 In 2018 the Council implemented a new case management system. Since then only 15 disciplinaries have been recorded and less than 5 of these were against BAME staff. Due to the small numbers we are unable to draw any inference and that in order to preserve anonymity our policy is to report 'less than 5' as opposed to an actual number. Managers are relied upon to fill out this information, therefore the numbers recorded don't necessarily reflect the true picture. Further action to encourage managers to utilise the system is being undertaken as part of Your HR Improvement Plan.

3.0 Gender pay gap

- 3.1 The overall gender pay gap is defined as the difference between the average (mean and median) pay of men and women expressed as a percentage of the

mean and median pay of men. See Appendix B for more information about what the Council is required to publish, and the basis of the calculations.

Mean gender pay gap

- 3.2 There is a 2.7% gap between the mean hourly rate of men and women at 31 March 2020 (Appendix A, page 16).
- 3.3 The mean gender pay gap has reduced year on year (10.6% in 2017, 4.2% in 2018 and 3.2% in 2019).
- 3.4 The mean gender pay gap figure is lower than the 2019 national mean gender pay gap of 16.2% by 13.5%, and the public sector as a whole by 13%, where the mean gender pay gap was 15.7% (ONS).

Median gender pay gap

- 3.5 There is an 8.7% gap between the median hourly rate of men and women at 31 March 2020 (Appendix A, page 16). This is because there are higher proportions of women in the bottom two pay band quartiles than the top two pay band quartiles – see proportion by pay band quartiles below.
- 3.6 The median gender pay gap has reduced year on year (15.7% in 2017, 14.9% in 2018 and 11.4% in 2019). This is driven by the proportion of men and women in each pay band quartile below.
- 3.7 The median gender pay gap figure is lower than the 2019 national median gender pay gap of 17.3% by 8.6%, and the public sector as a whole by 8.1%, where the median gender pay gap was 16.8% (ONS).

Proportion by pay band quartiles

- 3.8 More women than men are employed across all pay band quartiles (Appendix A, page 17). This is broadly reflective of the workforce gender demographic as 69.2% of the Council's employees are women.
- 3.9 Similarly to last year's figures the concentration of women is higher, however, the concentration of female employees is higher in the bottom two quartiles than the top two quartiles. The highest concentration of female employees (74.1%) is in the lower quartile.
- 3.10 The proportion of women in the upper middle quartile (65.5%) has significantly increased by 4.9% from 2019 (60.6%), however the proportion of women in the upper quartile (63.9%) has slightly decreased by 1.6% from 2019 (65.5%).
- 3.11 As a consequence the 'middle' woman is in the lower middle quartile and the 'middle' man is in the upper middle quartile, which explains the reason for the median gender pay gap.

4.0 Ethnicity pay gap

4.1 The overall ethnicity pay gap is defined as the difference between the average (mean and median) pay of Black, Asian and minority ethnic (BAME) employees and White British employees expressed as a percentage of the mean and median pay of BAME employees.

4.2 As at 31st March 2020, 15.3% of all employees were from a BAME background.

Mean ethnicity pay gap

4.3 There is a -2.6% pay gap between the mean hourly rate for BAME employees and those White British / unknown at 31st March 2020. A negative measure indicates the extent to which BAME employees earn, on average, more per hour than their White British / unknown counterparts.

Median ethnicity pay gap

4.4 There is a -3.2% pay gap between the median hourly rate for BAME employees and those White British / unknown at 31st March 2020.

Proportion by pay band quartiles

4.5 It is clear that there are more employees of a BAME background in the upper pay band quartiles. The highest concentration of BAME employees is in the upper middle quartile (29.4%). Indeed, the concentration of BAME employees is higher in the top two quartiles than the bottom two quartiles.

5.0 Key Messages

5.1 The proportion of employees working full-time continues to increase (by 13.6 percentage points since March 2017) to 61.4%.

5.2 4.5% of all employees are aged under 25. A decrease of 0.4% from 2018/19.

5.3 The proportion of employees with a recorded disability has increased from 5.3% in 2016/17 to 7% in 2019/20.

5.4 In 2019/20, 69.2% of employees are female. Whilst 35.7% of the female workforce are on part-time contracts, 13.4% of the male workforce work part-time.

5.5 The proportion of staff who are of Black, Asian and Minority Ethnic (BAME) origin has increased by 2.5 percentage points since 2016/17 to 15.3%.

- 5.6 The gender pay gap has reduced, down from 3.2% at March 2019 to 2.7% at March 2020 (mean hourly rate) and down from 11.4% at March 2019 to 8.7% at March 2020 (median hourly rate). However, the concentration of female employees is higher in the bottom two pay band quartiles than the top two pay band quartiles.
- 5.7 The Council's ethnicity pay gap is positive in that there is a -2.6% pay gap between the mean hourly rate and a -3.2% pay gap between the median hourly rate for BAME employees and those White British / unknown at 31st March 2020. A negative measure indicates the extent to which BAME employees earn, on average, more per hour than their White British / unknown counterparts.

6.0 Progress and Next steps

- 6.1 Since December 2018 a range of on-going communications through multiple channels have been used to encourage employees to complete / make sure their diversity data in Your HR is up to date. This included working with areas and managers where employees might not have access to IT to ensure all areas of the Council were reached. Whilst we have seen a slight increase of disclosure for disability, ethnicity and sexual orientation, it's noted that the Council needs to build further trust with employees to feel comfortable in sharing this sensitive information. On-going actions are being undertaken to improve this further.
- 6.2 The Council has developed a comprehensive equality, diversity and inclusion (EDI) communication framework in line with the re-launch and reinvigoration of the Council's EDI group and development of an ambitious EDI project that forms part of the How We Work programme within the Council's change portfolio.
- 6.3 The Council recognises that throughout the organisation there are pockets of great work being undertaken in relation to EDI. The action plan being developed through the EDI group aims to develop an integrated, proactive Council-wide approach to EDI that meets the Council's Public Sector Equality Duty, is informed by sector best practice and supports the Council's values, behaviours and objectives.

7.0 Financial implications

- 7.1 There are no financial implications.

8.0 Environmental implications

- 8.1 There are no environmental implications.

Appendices

1. Appendix A – Equality and Diversity Workforce and Gender Pay Gap Report, April 2019 – March 2020
2. Appendix B – What information the Council is required to publish
3. Appendix C – Ethnicity Pay Gap Information

Background Papers

None

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Report Author	Keira Rounsley	keirarounsley@warwickshire.gov.uk
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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillor Bill Gifford

Equality and Diversity Workforce & Gender Pay Gap Report

1st April 2019 - 31st March 2020



Workforce Profile

Number of employees as at 31st March 2020	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
Heads	4,569	1,492 (32.9%)	1,445 (31.9%)	1,598 (35.2%)

Number of employees - Headcount - 2017-2020

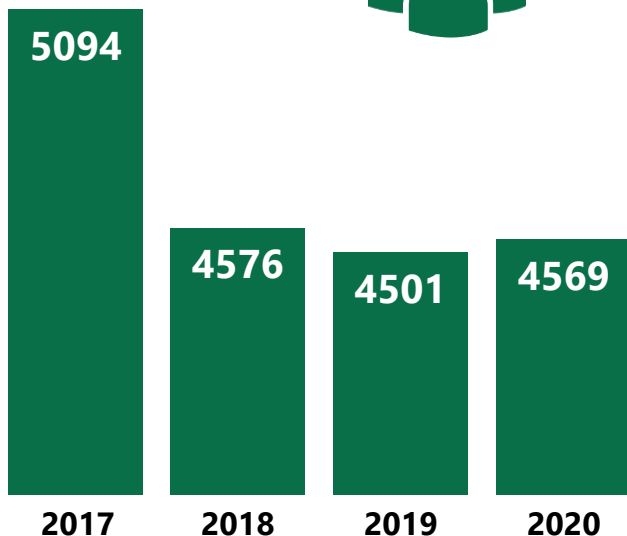
Warwickshire County Council

Reduction in heads of

10.3%

since 31st March 2017.

Between 2019 and 2020, there has been a 1.5% increase in heads

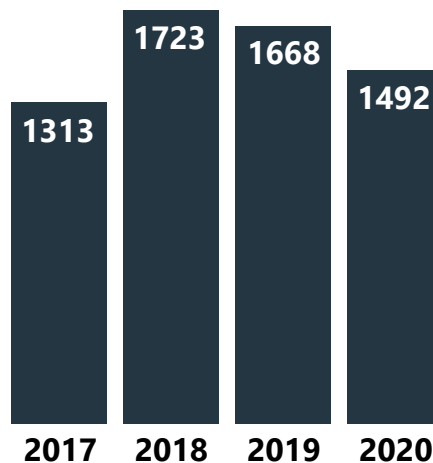


Communities Directorate

Increase in heads of

13.6%

since 31st March 2017. Between 2019 and 2020, there has been a 10.8% reduction in heads

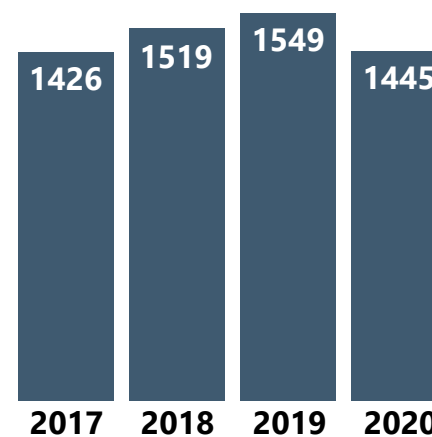


People Directorate

Increase in heads of

1.3%

since 31st March 2017. Between 2019 and 2020, there has been a 6.7% reduction in heads

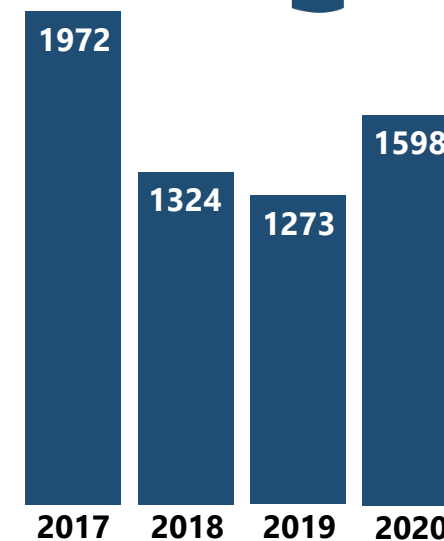


Resources Directorate

Reduction in heads of

19.0%

since 31st March 2017. Between 2019 and 2020, there has been a 25.5% increase in heads



*It should be noted that, in 2019, WCC began a programme of transformation. As part of this, several Services moved Directorate

*In 2018/19, 34 employees were not attached to a specific Directorate in the Your HR system. This figure was 11 in 2019/20

*696 employees in the catering service (Resources Directorate) transferred out of the County Council in September 2017 to form Educaterers, a Local Authority Traded Company

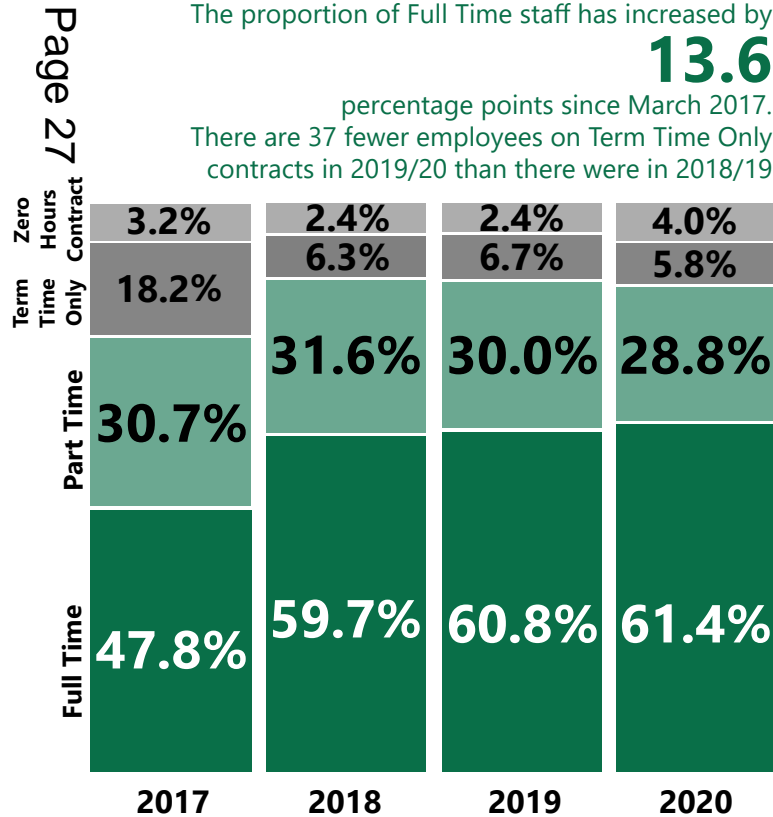
Workforce Arrangements

Number of employees as at 31st March 2020	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
Full Time	2,802 (61.4%)	955 (64.0%)	942 (65.2%)	882 (55.2%)
Part Time	1,317 (28.8%)	315 (21.1%)	403 (27.9%)	594 (37.2%)
Term Time Only	267 (5.8%)	201 (13.5%)	17 (1.2%)	49 (3.1%)
Zero Hours Contract	181 (4.0%)	21 (1.4%)	83 (5.7%)	73 (4.6%)

Working arrangements (percentage of posts) - 2017-2020

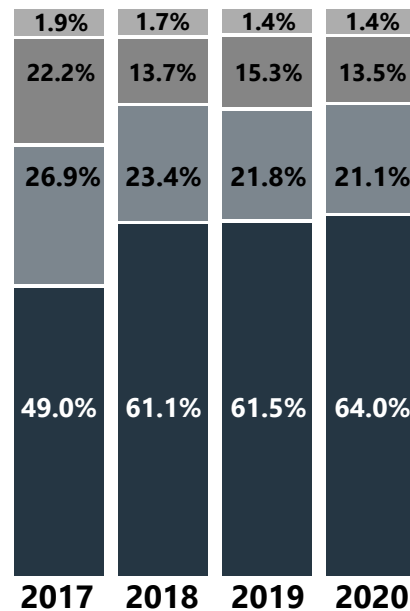
Warwickshire County Council

The proportion of Full Time staff has increased by **13.6** percentage points since March 2017. There are 37 fewer employees on Term Time Only contracts in 2019/20 than there were in 2018/19



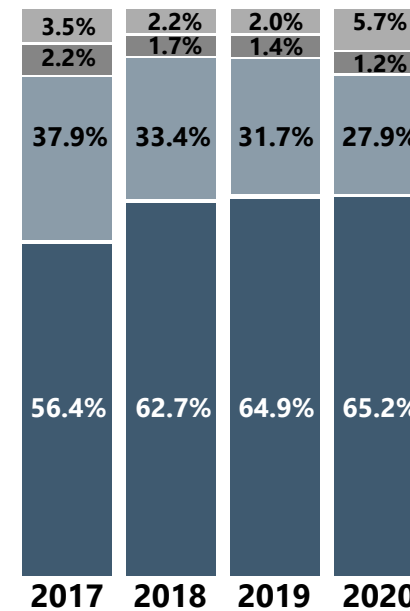
Communities Directorate

The proportion of Full Time staff has increased by **15.0** percentage points since March 2017



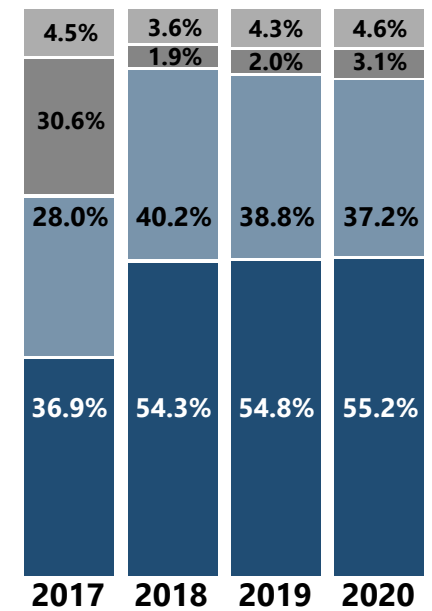
People Directorate

The proportion of Full Time staff has increased by **8.8** percentage points since March 2017

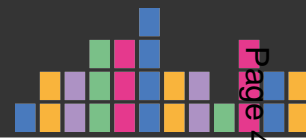


Resources Directorate

The proportion of Full Time staff has increased by **18.3** percentage points since March 2017



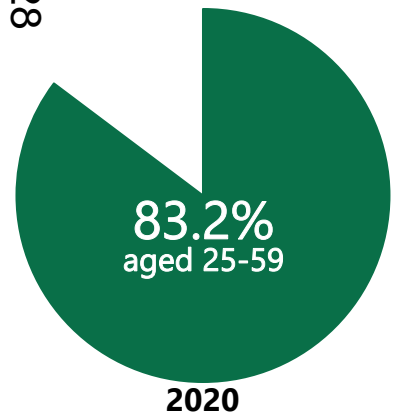
Workforce Demographics - Age



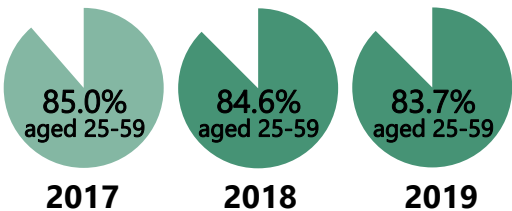
Age Profile as at 31st March 2020	Census 2011 Warwickshire economically active aged 16 and over	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
Under 18	13,485 (4.6%)	6 (0.1%)	2 (0.1%)	0 (0.0%)	4 (0.3%)
18 to 24	24,642 (8.5%)	202 (4.4%)	65 (4.4%)	50 (3.5%)	84 (5.3%)
25 to 39	88,768 (30.6%)	1,295 (28.3%)	409 (27.4%)	492 (34.0%)	389 (24.3%)
40 to 49	74,497 (25.7%)	1,174 (25.7%)	417 (27.9%)	395 (27.3%)	360 (22.5%)
50 to 59	58,364 (20.1%)	1,334 (29.2%)	432 (29.0%)	379 (26.2%)	519 (32.5%)
60 to 64	19,003 (6.6%)	387 (8.5%)	114 (7.6%)	104 (7.2%)	169 (10.6%)
65 and over	11,277 (3.9%)	146 (3.2%)	52 (3.5%)	24 (1.7%)	69 (4.3%)
Not stated	N/A	25 (0.5%)	1 (0.0%)	1 (0.0%)	4 (0.3%)

Age profile - 2017-2020

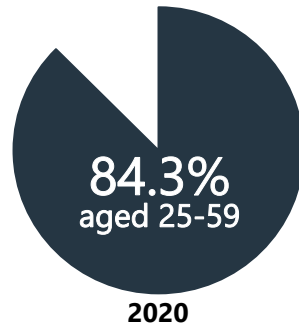
Warwickshire County Council



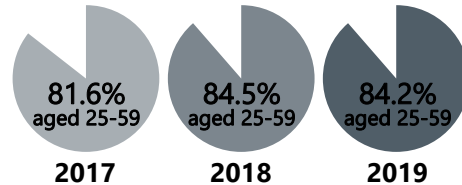
In 2019/20, just **4.5%** of all employees were aged under 25. The proportion of the workforce aged 60+ was 11.7% (up from 11.2% in 2018/19)



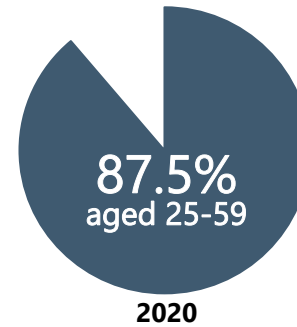
Communities Directorate



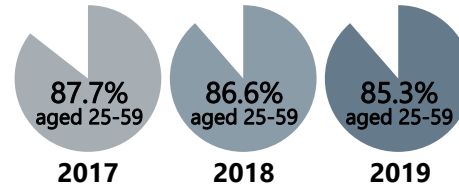
In 2019/20, just **4.5%** of all employees were aged under 25. The proportion of the workforce aged 60+ was 11.1% (similar to the 11.2% in 2018/19)



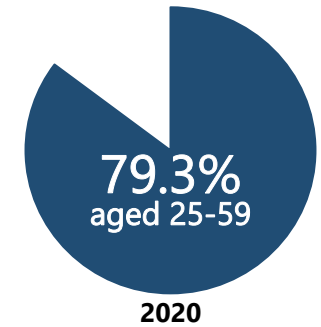
People Directorate



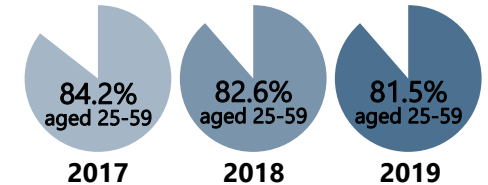
In 2019/20, just **3.5%** of all employees were aged under 25. The proportion of the workforce aged 60+ was 8.9% (down from 9.8% in 2018/19)



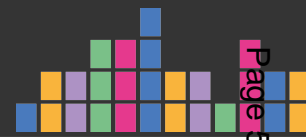
Resources Directorate



In 2019/20, just **5.6%** of all employees were aged under 25. The proportion of the workforce aged 60+ was 14.9% (up from 13.0% in 2018/19)



Workforce Demographics - Disability

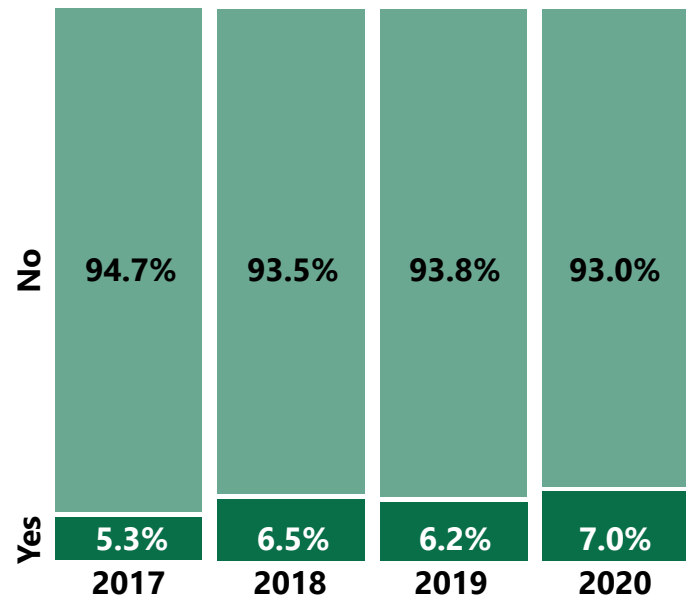


Disability as at 31st March 2020	Census 2011 Warwickshire economically active aged 16 and over	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
Yes	21,315 (7.3%)	235 (7.0%)	51 (4.8%)	80 (7.6%)	103 (8.3%)
No	268,721 (92.7%)	3,120 (93.0%)	1,002 (95.2%)	972 (92.4%)	1,135 (91.7%)
*Not known	N/A	123 (2.7%)	48 (3.2%)	45 (3.1%)	30 (1.9%)
*Not stated	N/A	1,091 (23.9%)	391 (26.2%)	348 (24.1%)	330 (20.7%)

Disability 2017-2020

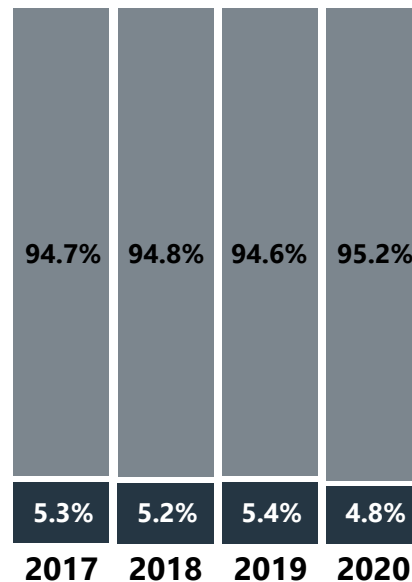
Warwickshire County Council

The proportion of all employees with a recorded disability has remained similar to the 2018/19 figure. In 2019/20, 23.9% of all employees had not recorded their disability status, a slight improvement on the previous year (26.9%)



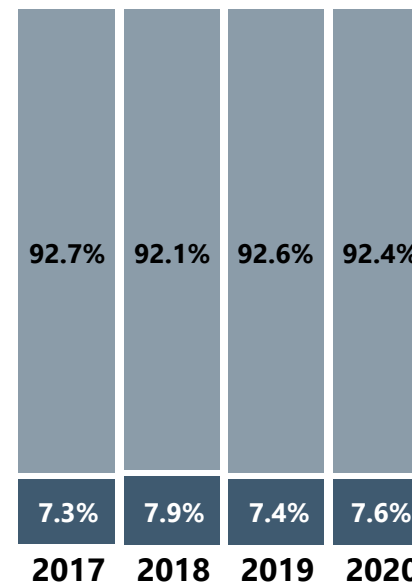
Communities Directorate

The proportion of employees with a recorded disability has remained similar to previous figures



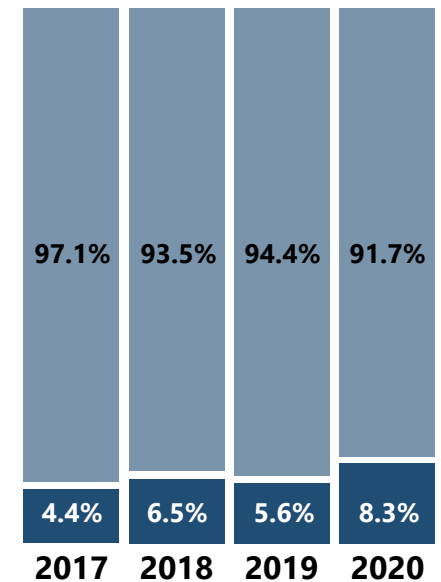
People Directorate

The proportion of employees with a recorded disability has remained similar to previous figures



Resources Directorate

The proportion of employees with a recorded disability has increased by 2.7 percentage points since 2018/19



*Percentages above exclude 'Not known' and 'Not stated' to allow direct comparison to the long-term health problem or disability Census 2011 profile for Warwickshire. The percentage shown for 'Not known' and 'Not stated' disability status is a proportion of the total headcount

Workforce Demographics - Gender



Gender as at 31st March 2020	Census 2011 Warwickshire economically active aged 16 and over	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
Female	135,772 (46.8%)	3,157 (69.2%)	704 (47.2%)	1,271 (88.1%)	1,162 (72.8%)
Male	154,264 (53.2%)	1,407 (30.8%)	788 (52.8%)	172 (11.9%)	434 (27.2%)

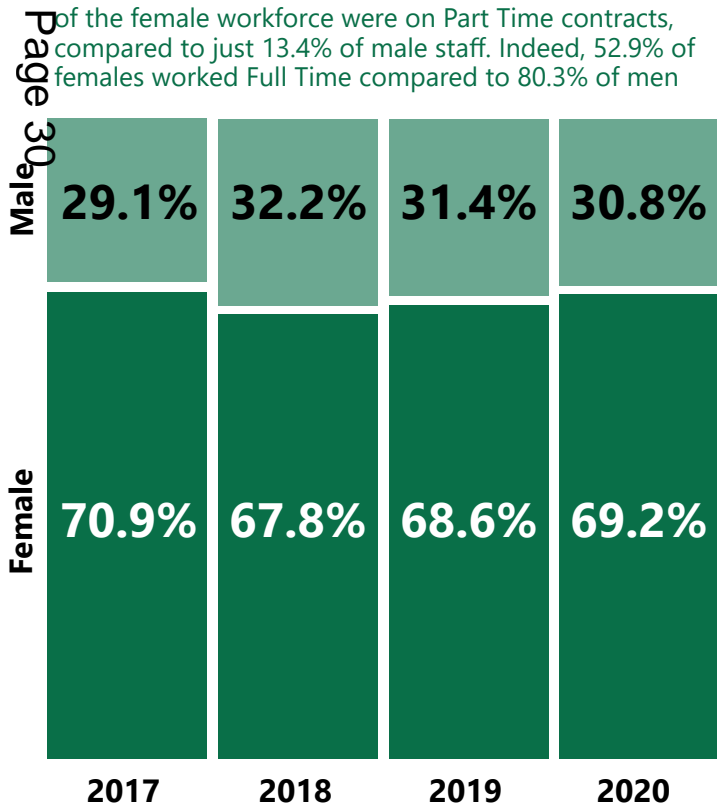
Gender - 2017-2020

Warwickshire County Council

In 2019/20,

35.7%

of the female workforce were on Part Time contracts, compared to just 13.4% of male staff. Indeed, 52.9% of females worked Full Time compared to 80.3% of men

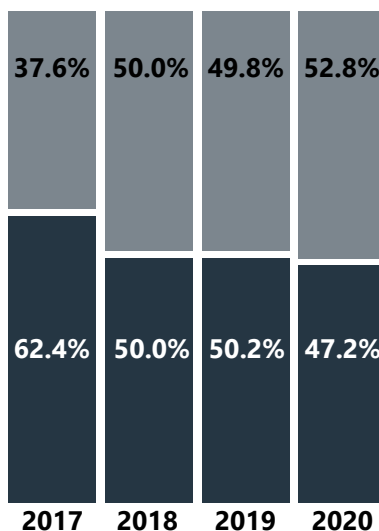


Communities Directorate

In 2019/20,

31.2%

of the female workforce were on Part Time contracts, compared to just 12.7% of male staff. Indeed, 46.6% of females worked Full Time compared to 79.2% of men

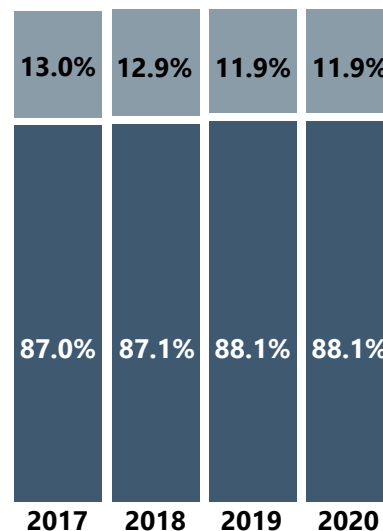


People Directorate

In 2019/20,

29.9%

of the female workforce were on Part Time contracts, compared to just 14.8% of male staff. Indeed, 63.5% of females worked Full Time compared to 77.7% of men

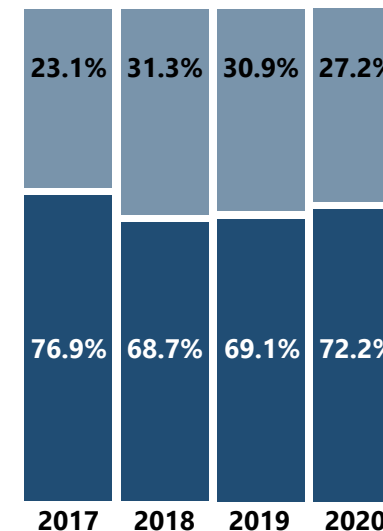


Resources Directorate

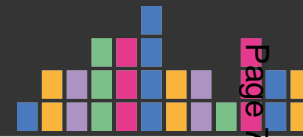
In 2019/20,

45.5%

of the female workforce were on Part Time contracts, compared to just 16.0% of male staff. Indeed, 44.6% of females worked Full Time compared to 82.5% of men



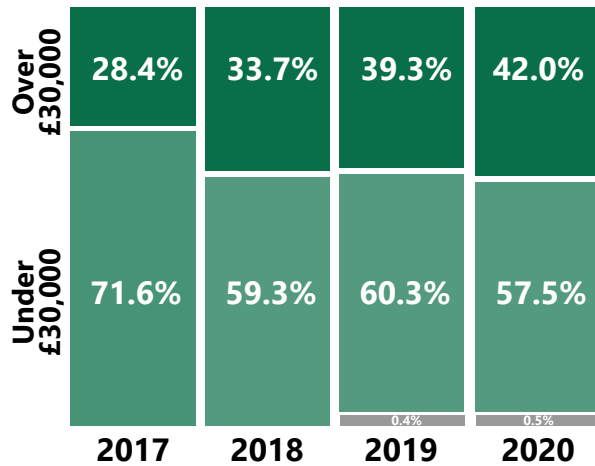
Workforce Demographics - Salary



Salary as at 31st March 2020	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
Under £12,500	141 (3.1%)	126 (8.4%)	4 (0.3%)	10 (0.6%)
£12,500 to £20,000	925 (20.3%)	256 (17.2%)	87 (6.0%)	577 (36.1%)
£20,000 to £30,000	1,559 (34.1%)	402 (26.9%)	620 (42.9%)	529 (33.1%)
£30,000 to £40,000	1,263 (27.7%)	474 (31.8%)	497 (34.4%)	286 (17.9%)
£40,000 to £50,000	437 (9.6%)	145 (9.7%)	162 (11.2%)	123 (7.7%)
£50,000 to £60,000	129 (2.8%)	50 (3.4%)	37 (2.6%)	41 (2.6%)
Over £60,000	90 (2.0%)	34 (2.3%)	21 (1.5%)	32 (2.0%)
No Salary Available	23 (0.5%)	5 (0.3%)	17 (1.2%)	0 (0.0%)

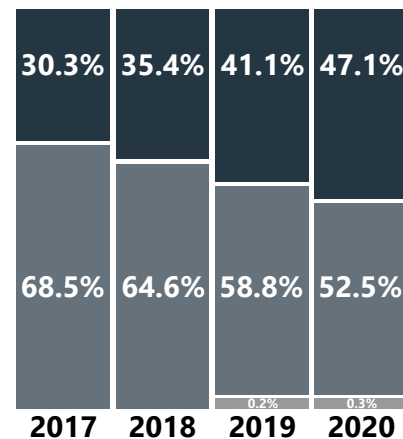
Warwickshire County Council

The proportion of the workforce earning £30,000 or more in 2019/20 has increased by **13.6** percentage points since 2016/17



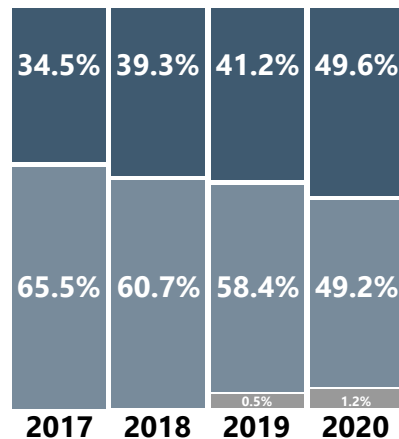
Communities Directorate

The proportion of the workforce earning £30,000 or more has increased by **16.8** percentage points since 2016/17



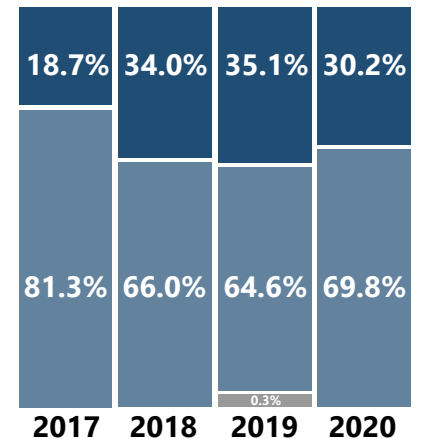
People Directorate

The proportion of the workforce earning £30,000 or more has increased by **15.1** percentage points since 2016/17



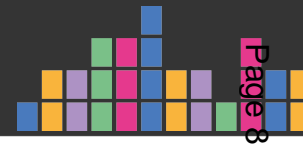
Resources Directorate

The proportion of the workforce earning £30,000 or more has increased by **11.5** percentage points since 2016/17



*The figures above are based on FTE. In 2019/20, there were 23 employees with no salary information available

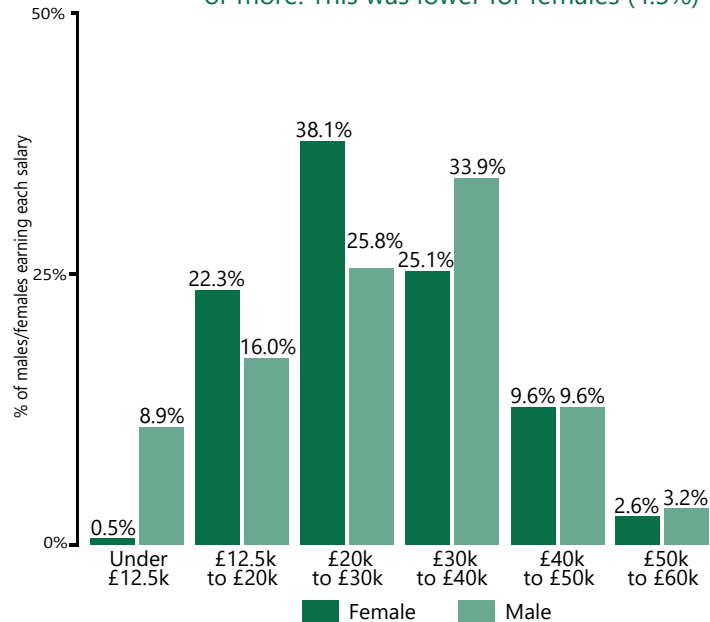
Workforce Demographics - Gender & Salary



Salary as at 31st March 2020	Gender	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
Under £12,500	Female	16 (11.3%)	9 (7.3%)	0 (0%)	4 (40.0%)
	Male	125 (88.7%)	114 (92.7%)	0 (0%)	6 (60.0%)
£12,500 to £20,000	Female	701 (75.8%)	135 (55.1%)	64 (86.5%)	450 (83.0%)
	Male	224 (24.2%)	110 (44.9%)	10 (13.5%)	92 (17.0%)
£20,000 to £30,000	Female	1,196 (76.8%)	228 (58.2%)	513 (90.0%)	380 (75.4%)
	Male	362 (23.2%)	164 (41.8%)	57 (10.0%)	124 (24.6%)
£30,000 to £40,000	Female	788 (62.4%)	179 (38.2%)	377 (86.7%)	162 (58.5%)
	Male	475 (37.6%)	290 (61.8%)	58 (13.3%)	115 (41.5%)
£40,000 to £50,000	Female	302 (69.1%)	82 (58.2%)	123 (87.9%)	68 (56.2%)
	Male	135 (30.9%)	59 (41.8%)	17 (12.1%)	53 (43.8%)
£50,000 to £60,000	Female	82 (64.6%)	26 (52.0%)	23 (74.2%)	25 (65.8%)
	Male	45 (35.4%)	24 (48.0%)	8 (25.8%)	13 (34.2%)
Over £60,000	Female	53 (58.9%)	19 (61.3%)	15 (78.9%)	14 (48.3%)
	Male	37 (41.1%)	12 (38.7%)	4 (21.1%)	15 (51.7%)

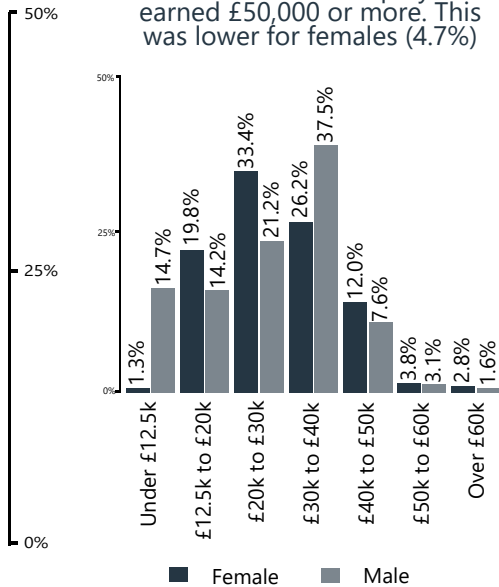
Warwickshire County Council

5.8% of all male employees earned £50,000 or more. This was lower for females (4.3%)



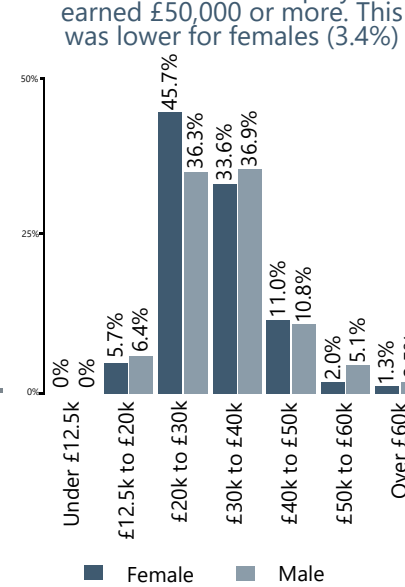
Communities Directorate

6.6% of all male employees earned £50,000 or more. This was lower for females (4.7%)



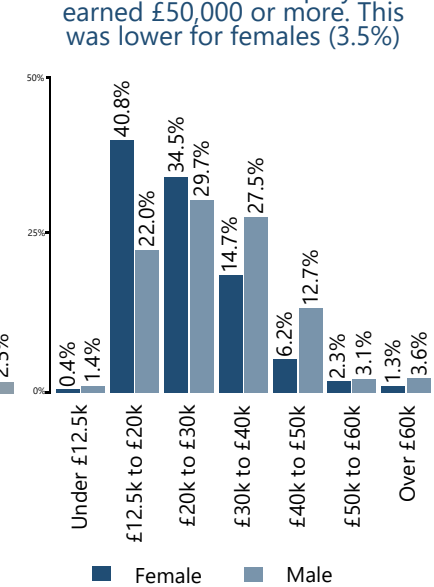
People Directorate

7.8% of all male employees earned £50,000 or more. This was lower for females (3.4%)



Resources Directorate

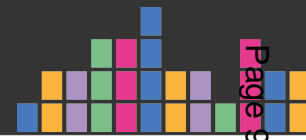
6.7% of all male employees earned £50,000 or more. This was lower for females (3.5%)



*The figures above are based on FTE

*In 2019/20, there were 14 females and 9 males with no salary information available - these employees have been excluded from this analysis

Workforce Demographics - Race (Ethnicity)



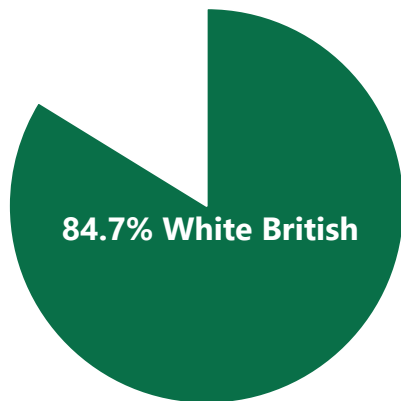
Ethnic Group as at 31st March 2020	Census 2011 Warwickshire economically active aged 16 and over	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
White British	255,845 (88.2%)	3,353 (84.7%)	1,096 (87.5%)	1,024 (82.1%)	1,222 (84.6%)
White Irish and White Other	14,269 (4.9%)	189 (4.8%)	74 (5.9%)	57 (4.6%)	58 (4.0%)
Asian and Asian British	13,468 (4.6%)	287 (7.3%)	61 (4.9%)	93 (7.5%)	131 (9.1%)
Black and Black British	2,535 (0.9%)	113 (2.9%)	20 (1.6%)	67 (5.4%)	26 (1.8%)
Mixed	2,704 (0.9%)	10 (0.3%)	1 (0.1%)	5 (0.4%)	4 (0.3%)
Other Ethnic Groups	1,220 (0.4%)	6 (0.2%)	1 (0.1%)	1 (0.1%)	4 (0.3%)
*Not stated	N/A	609 (13.3%)	239 (16.0%)	198 (13.7%)	153 (9.6%)

Race (Ethnicity) - 2017-2020

Warwickshire County Council

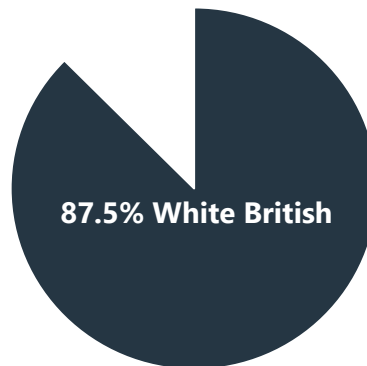
The proportion of employees who are of **Black and Black British** ethnicity has increased from 1.3% in 2017/18 to 2.9% in 2019/20.

The proportion of employees who have stated their ethnicity has improved (81.7% stated in 2016/17 compared to 86.7% in 2019/20)



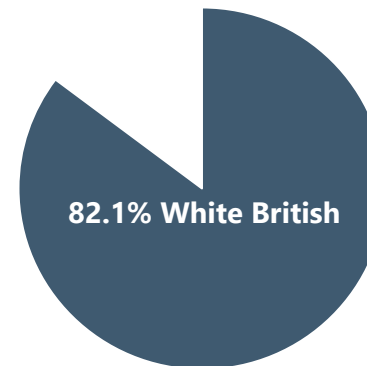
Communities Directorate

The proportion of staff who are of Black and Black British ethnicity has increased from 0.3% in 2017/18 to 1.6% in 2019/20.



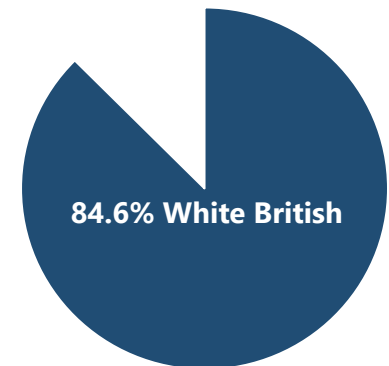
People Directorate

The proportion of staff who are of Black and Black British ethnicity has increased from 2.9% in 2017/18 to 5.4% in 2019/20.



Resources Directorate

The proportion of staff who are of Black and Black British ethnicity has increased from 0.7% in 2017/18 to 1.8% in 2019/20.



*Percentages above exclude 'Not stated' race/ethnicity to allow direct comparison to the Census 2011 profile for Warwickshire. The percentage shown for 'Not stated' race/ethnicity is a proportion of the total headcount

Workforce Demographics - BAME Profile



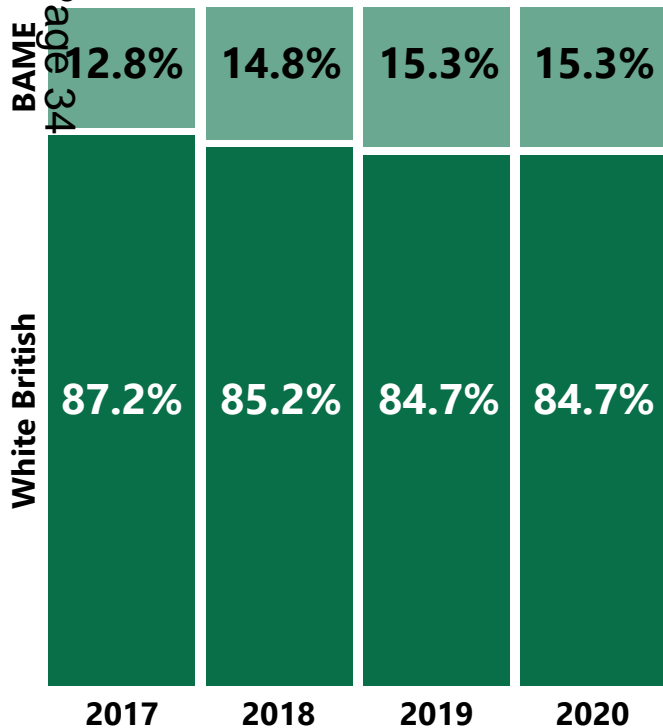
Ethnic Profile as at 31st March 2020	Census 2011 Warwickshire economically active aged 16 and over	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
Black, Asian and Minority Ethnic (BAME)	34,191 (11.8%)	605 (15.3%)	157 (12.5%)	223 (17.9%)	223 (15.4%)
White British	255,845 (88.2%)	3,353 (84.7%)	1,096 (87.5%)	1,024 (82.1%)	1,222 (84.6%)

BAME Profile - 2017-2020

Warwickshire County Council

The proportion of staff who are of Black, Asian and Minority Ethnic origin has increased by

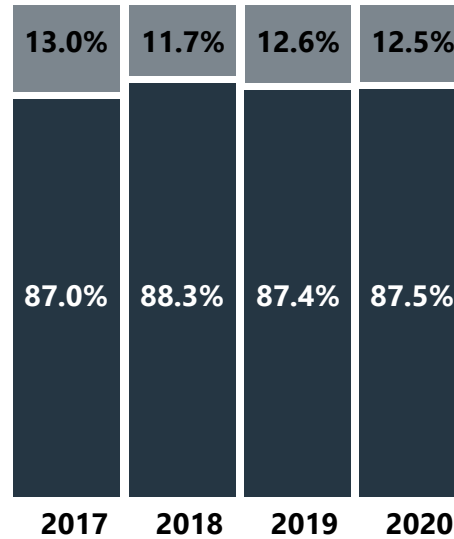
2.5
percentage points since 2016/17



Communities Directorate

The proportion of staff who are of Black, Asian and Minority Ethnic origin has decreased by

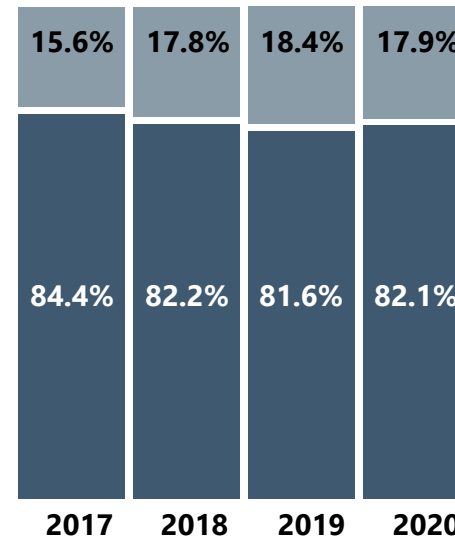
0.5
percentage points since 2016/17



People Directorate

The proportion of staff who are of Black, Asian and Minority Ethnic origin has increased by

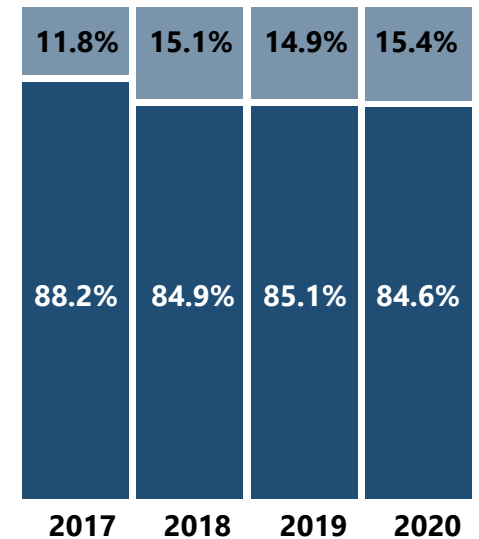
2.3
percentage points since 2016/17



Resources Directorate

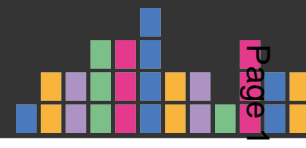
The proportion of staff who are of Black, Asian and Minority Ethnic origin has increased by

3.6
percentage points since 2016/17



*BAME is defined as all known ethnicities which are not White British. White Other and White Irish are both classified as BAME. The exclusion of 'Not stated' ethnicities from percentages allows direct comparison to the Census 2011 profile for Warwickshire.

Workforce Demographics - Religion or Belief



Religion as at 31st March 2020	Census 2011 Warwickshire economically active aged 16 and over	Warwickshire County Council % specifying	% total	Communities Directorate	People Directorate	Resources Directorate
Buddhist	1,054 (0.4%)	0.3%	0.1%	0.4%	0.2%	0.2%
Christian	296,220 (62.4%)	53.4%	17.7%	52.0%	54.9%	53.1%
Hindu	3,289 (1.1%)	1.5%	0.5%	1.1%	1.5%	1.9%
Jewish	282 (0.1%)	0.1%	0.0%	0.0%	0.0%	0.2%
Muslim	2,677 (0.9%)	2.0%	0.7%	2.6%	1.7%	1.7%
Sikh	5,362 (1.8%)	4.5%	1.5%	2.4%	4.0%	6.6%
Other	1,290 (0.4%)	1.5%	0.5%	2.2%	1.0%	1.4%
No religion	76,760 (26.5%)	33.5%	11.1%	35.1%	34.2%	31.6%
Agnostic	N/A	3.3%	1.1%	4.2%	2.5%	3.3%
*Not specified	18,329 (6.3%)		66.8%	69.4%	66.9%	64.0%

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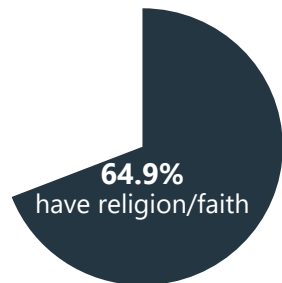
Page 1 of 20

Warwickshire County Council



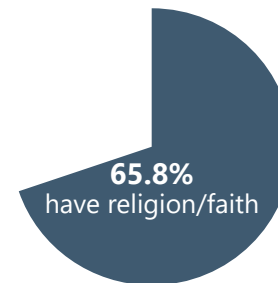
In 2019/20, the proportion of staff who state they have a religious faith or belief was **66.5%** lower than in 2018/19 (**69.7%**), 2017/18 (**71.2%**) and in 2016/17 (**72.6%**)

Communities Directorate



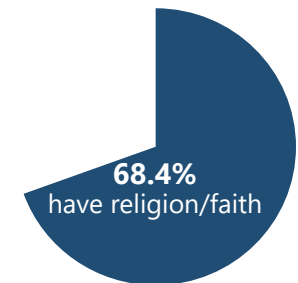
The proportion of staff who state they have a religious faith or belief in 2019/20 was **64.9%** (down from **68.4%** in 2018/19, **72.0%** in 2017/18 and **76.4%** in 2016/17)

People Directorate



The proportion of staff who state they have a religious faith or belief in 2019/20 was **65.8%** (down from **71.9%** in 2018/19, **72.0%** in 2017/18 and **76.4%** in 2016/17)

Resources Directorate



The proportion of staff who state they have a religious faith or belief in 2019/20 was **68.4%** (down from **70.1%** in 2019/20, **69.2%** in 2017/18 and **73.6%** in 2016/17)

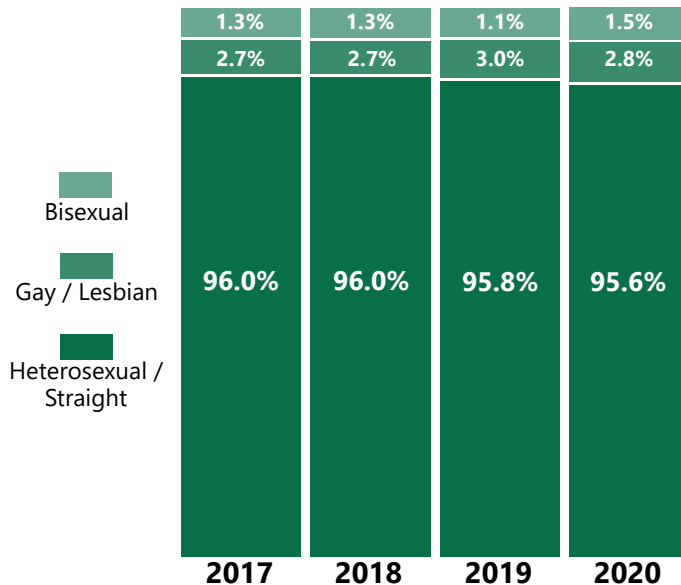
Workforce Demographics - Sexual Orientation

Sexual Orientation as at 31st March 2020	ONS 2017 West Midlands total population	Warwickshire County Council		Communities Directorate	People Directorate	Resources Directorate
		% specifying	% total			
Heterosexual / Straight	4,329,000 (96.9%)	95.6%	33.1%	95.7%	94.5%	96.5%
Gay / Lesbian	50,000 (1.1%)	2.8%	1.8%	3.3%	3.6%	1.8%
Bisexual	50,000 (1.1%)	1.5%	0.5%	1.0%	1.8%	1.7%
Other	39,000 (0.9%)	N/A	N/A	N/A	N/A	N/A
*Prefer not to say	149,000 (3.2%)		3.5%	3.5%	3.5%	3.6%
*Not declared	N/A		61.9%	63.9%	62.3%	59.1%

Sexual Orientation 2017-2020

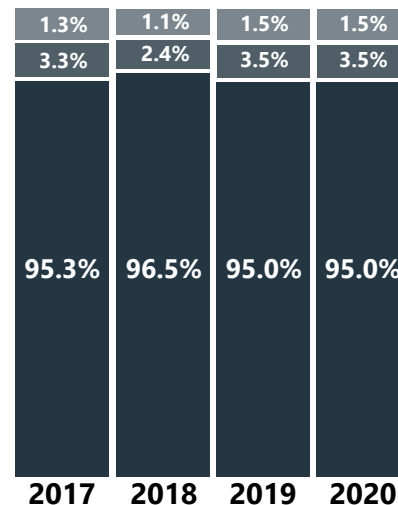
Warwickshire County Council

In 2019/20, 38.1% of all staff declared their sexual orientation. This is a year-on-year improvement (26.5% in 2018/19, 25.6% in 2017/18 and 14.8% in 2016/17)



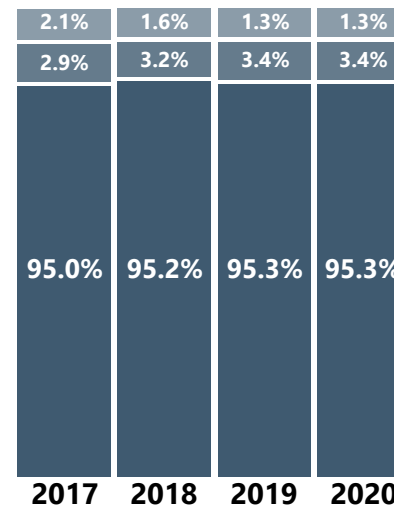
Communities Directorate

In 2019/20, 36.1% of staff declared their sexual orientation (compared to 25.4% in 2018/19, 22.9% in 2017/18 and 11.4% in 2016/17)



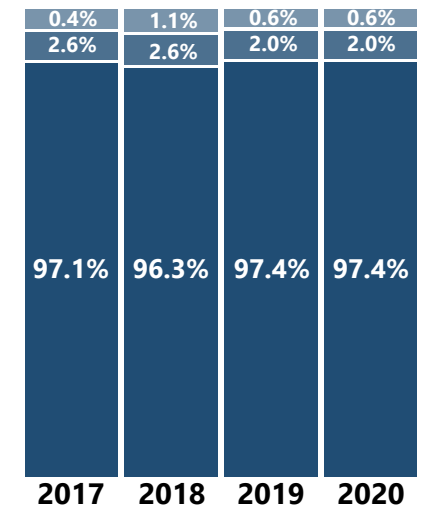
People Directorate

In 2019/20, 37.7% of staff declared their sexual orientation (compared to 25.8 in 2018/19, 26.0% in 2017/18 and 18.0% in 2016/17)



Resources Directorate

In 2019/20, 40.9% of staff declared their sexual orientation (compared to 29.0% in 2018/19, 28.5% in 2017/18 and 13.8% in 2016/17)



*Percentages above exclude 'Not declared' and 'Prefer not to say' to allow direct comparison to the 2017 Annual Population Survey (APS) Office for National Statistics profile for the West Midlands. The percentage shown for 'Not declared' and 'Prefer not to say' sexual orientations are a proportion of the total headcount

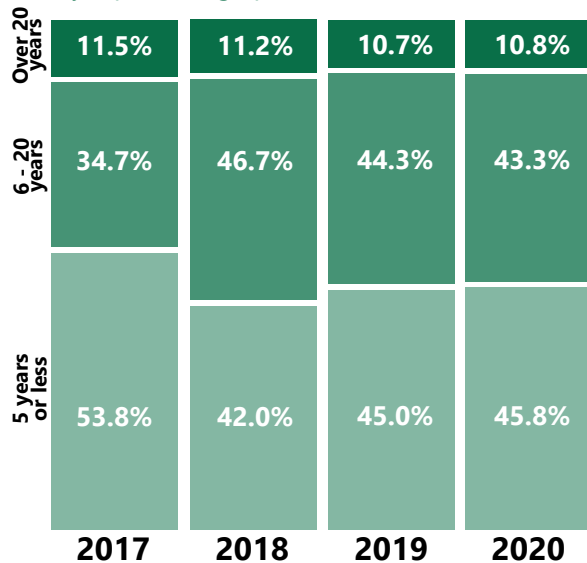
Workforce Demographics - Length of Service

Length of Service as at 31st March 2020	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
Under 1 year	492 (10.8%)	120 (8.0%)	224 (15.5%)	128 (8.0%)
1 to 5 years	1,589 (35.0%)	522 (35.0%)	553 (38.3%)	514 (32.2%)
6 to 10 years	844 (18.6%)	306 (20.5%)	236 (16.3%)	301 (18.8%)
11 to 15 years	575 (12.7%)	169 (11.3%)	173 (12.0%)	230 (14.4%)
16 to 20 years	548 (12.1%)	185 (12.4%)	156 (10.8%)	207 (13.0%)
Over 20 years	492 (10.8%)	190 (12.7%)	83 (5.7%)	218 (13.6%)

Length of Service 2017-2020

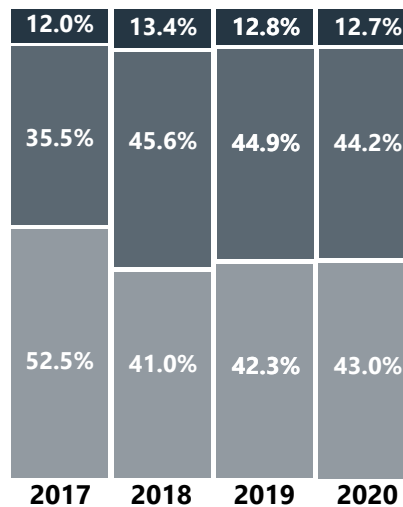
Warwickshire County Council

The proportion of all staff who have been employed for 5 years or less has decreased by 8 percentage points since 2016/17



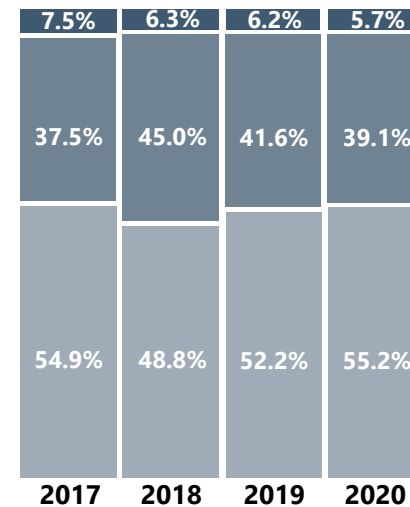
Communities Directorate

The proportion of staff who have been employed for 5 years or less has decreased by 9.5 percentage points since 2016/17



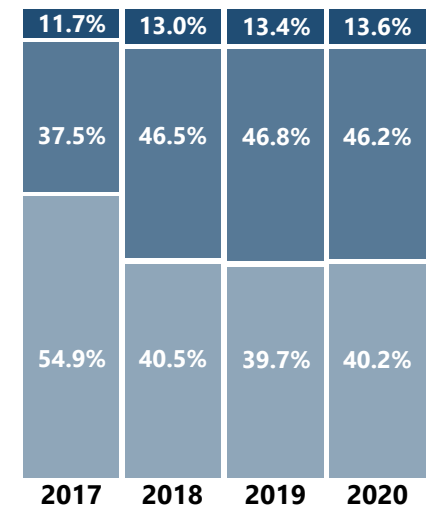
People Directorate

The proportion of staff who have been employed for over 20 years has decreased by 1.8 percentage points since 2016/17



Resources Directorate

The proportion of staff who have been employed for over 20 years has increased by 1.9 percentage points since 2016/17



*Data not available for all workforce

Workforce Turnover - Starters and Leavers

Number of starters and leavers 1st April 2019 to 31st March 2020	Warwickshire County Council	Communities Directorate	People Directorate	Resources Directorate
New Starters (heads)	568	136	272	160
Leavers (heads)	539	160	180	199
Difference	+29	-24	+92	-39

Warwickshire County Council

has seen a

11.8%

staff turnover rate for 2019/20. The rate in 2018/19 was 13.9%

Communities Directorate

has seen a

10.7%

staff turnover rate for 2019/20. The rate in 2018/19 was 12.3%

People Directorate

has seen a

12.5%

staff turnover rate for 2019/20. The rate in 2018/19 was 16.0%

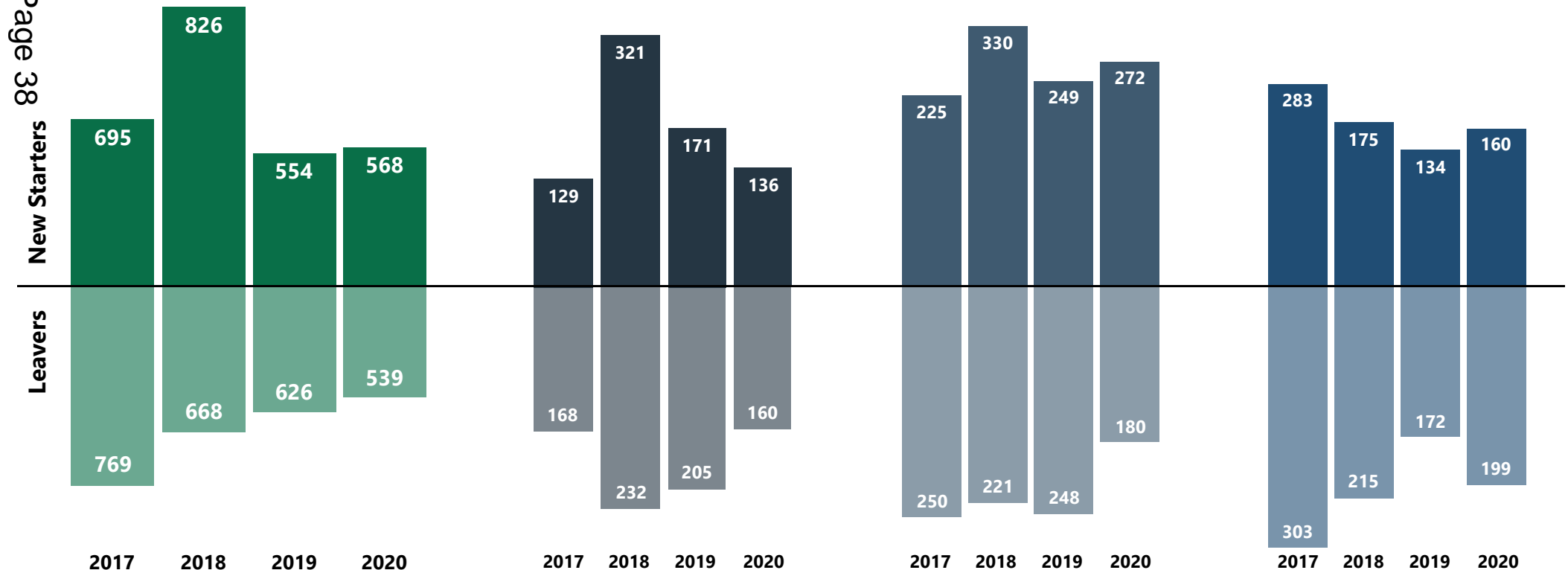
Resources Directorate

has seen a

12.5%

staff turnover rate for 2019/20. The rate in 2018/19 was 13.5%

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*696 employees in the catering service who transferred out of the County Council in September 2017 to form Educaterers, a Local Authority Traded Company, are excluded from the starters and leavers figures.

Workforce Turnover - Starters and Leavers

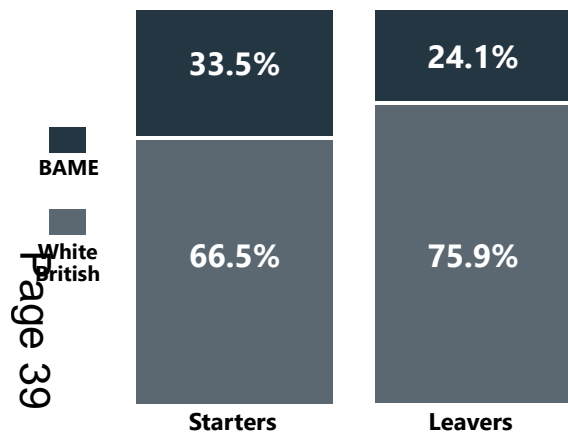


Warwickshire County Council

In 2019/20, 15.3% of the workforce population were of BAME origin. This year,

33.5% of Starters and **24.1% of Leavers** were of **BAME origin**

In 2018/19, 20.8% of Starters and 16.8% of Leavers were of BAME origin

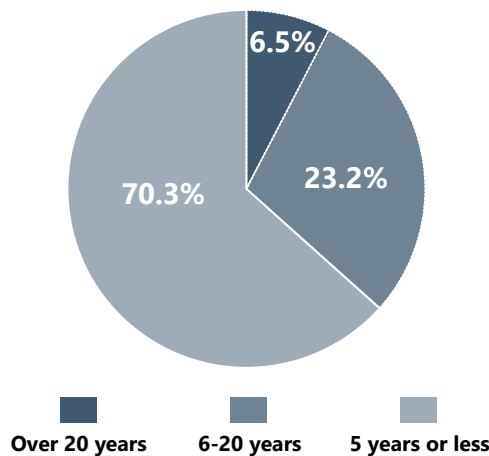


Warwickshire County Council

In 2019/20, 45.8% of the workforce population have given 5 years or less service. This year,

70.3% of Leavers had given **5 years or less service**

In 2018/19, 62.0% of Leavers had given 5 years or less service

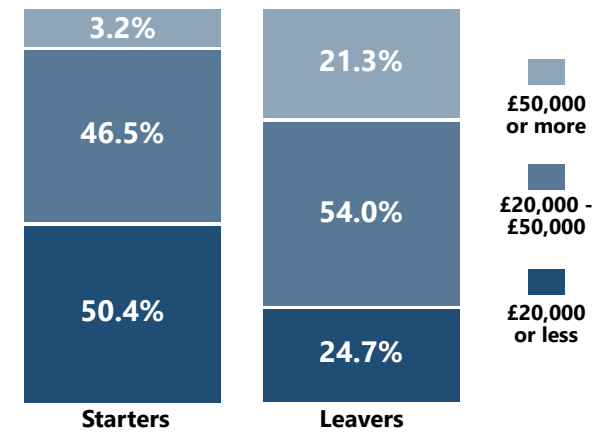


Warwickshire County Council

In 2019/20, 23.4% of the workforce population earned £20,000 or less. This year,

50.4% of Starters and **24.7% of Leavers** earned **£20,000 or less**

In 2018/19, 51.1% of all Leavers earned £20,000 or less



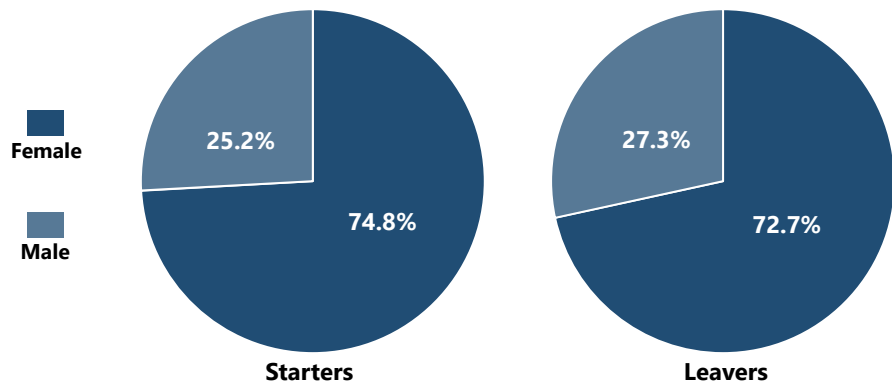
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Warwickshire County Council

In 2019/20, 69.2% of the workforce population were female. This year,

74.8% of Starters and **72.7% of Leavers** were **female**

In 2018/19, 74.4% of Starters and 68.1% of Leavers were female employees

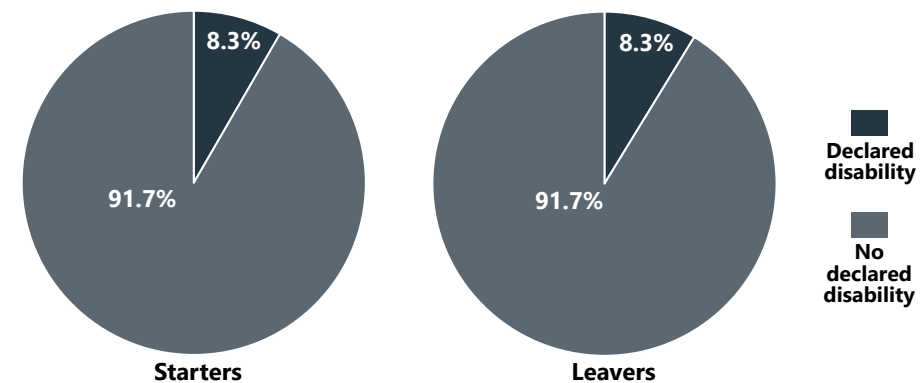


Warwickshire County Council

In 2019/20,

8.3% of Starters and **8.3% of Leavers** had a declared **disability**

In 2018/19, 6.1% of Starters and 9.7% of Leavers had a declared disability



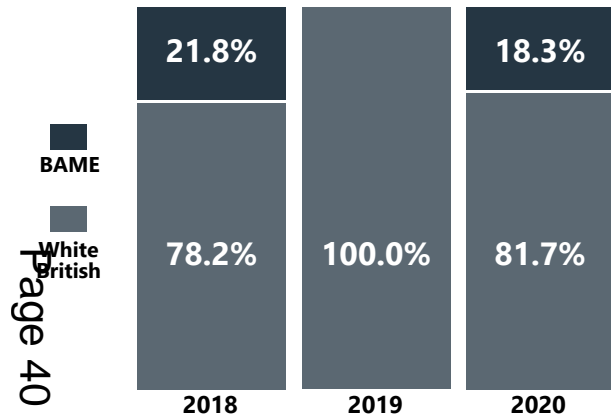
*Percentages above exclude 'Not known' and 'Not stated'

Workforce Turnover - Promotions

Warwickshire County Council

In 2019/20, across the organisation, there were **324 promotions**. There were 294 promotions in 2017/18 and just 26 in 2018/19.

In 2019/20, **18.3%** of **promotions** were achieved by employees of Black Asian and Minority Ethnic origin. (15.3% of the workforce population were of BAME origin in 2019/20)



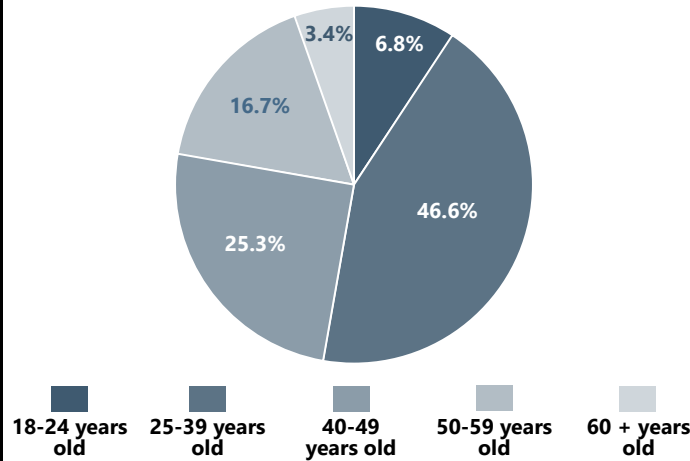
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Warwickshire County Council

In 2019/20,

46.6% of **promotions** were achieved by employees aged **25-39 years old**

This year, 6.8% of 18-24 year olds achieved a promotion - no employees under the age of 25 achieved a promotion in 2018/19

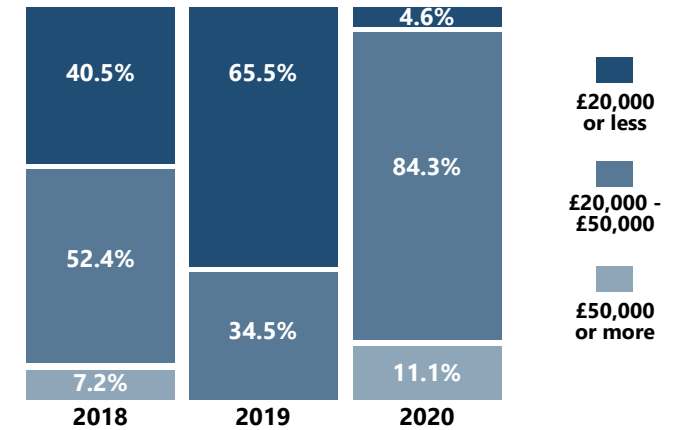


Warwickshire County Council

In 2019/20,

84.3% of **promotions** were achieved by employees earning **£20,000- £50,000**

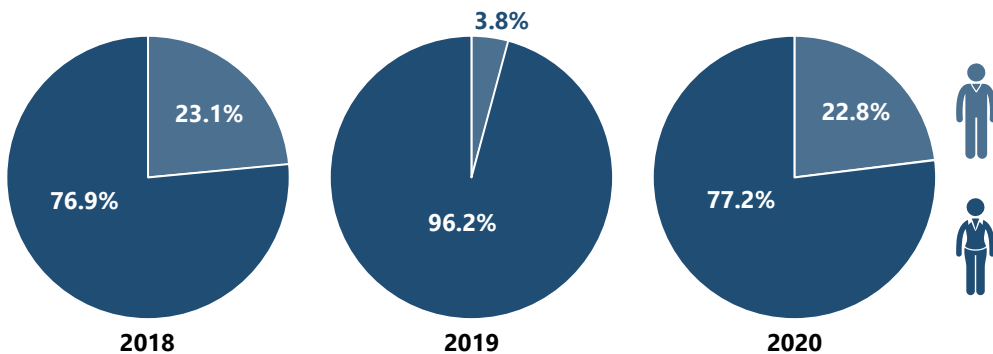
(71.4% of the workforce population earned £20,000-£50,000 in 2019/20). In the previous year just 34.5% of promotions were achieved by employees earning £20,000-£50,000



Warwickshire County Council

In 2019/20,

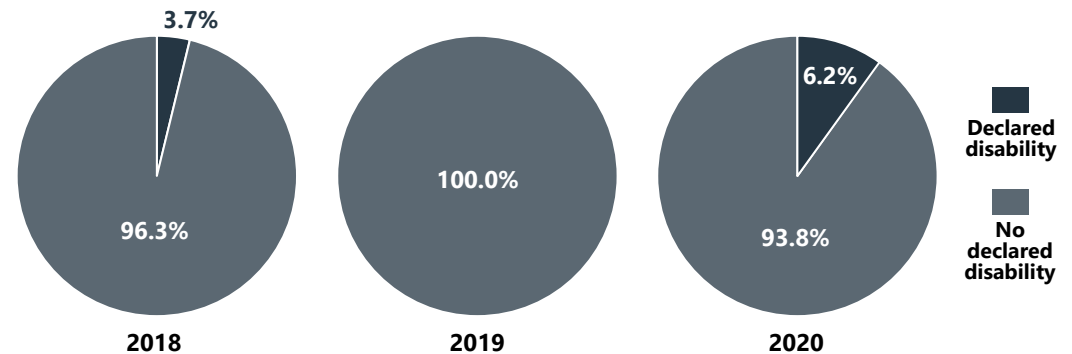
77.2% of all **promotions** were **achieved by female employees**



Warwickshire County Council

In 2019/20,

6.2% of **promotions** were achieved by employees with a declared **disability** (7.0% of the workforce population had a declared disability in 2019/20).



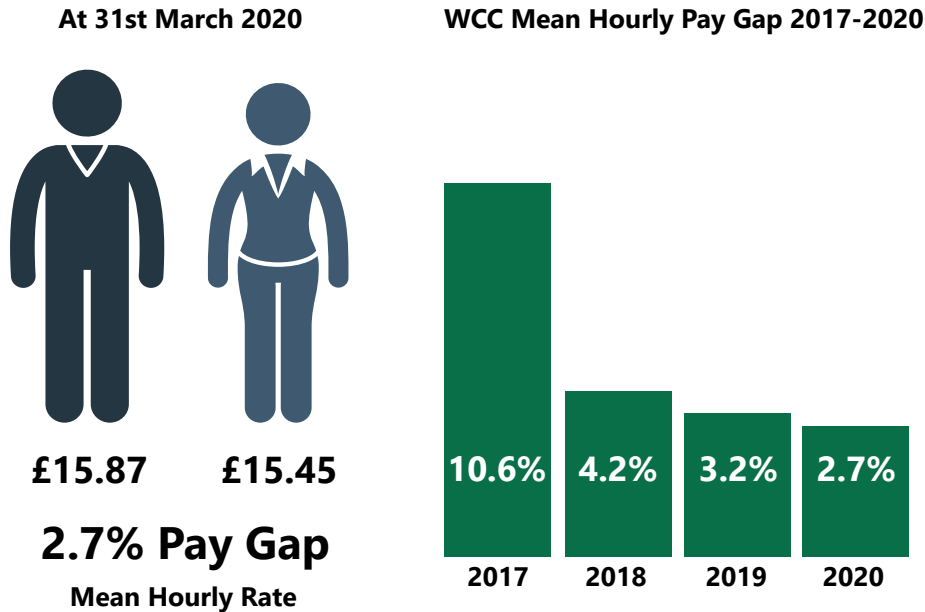
*Percentages above exclude 'Not known' and 'Not stated'
*In terms of age, promotional data refers to an employee's age at the end of the year

Gender Pay Gap

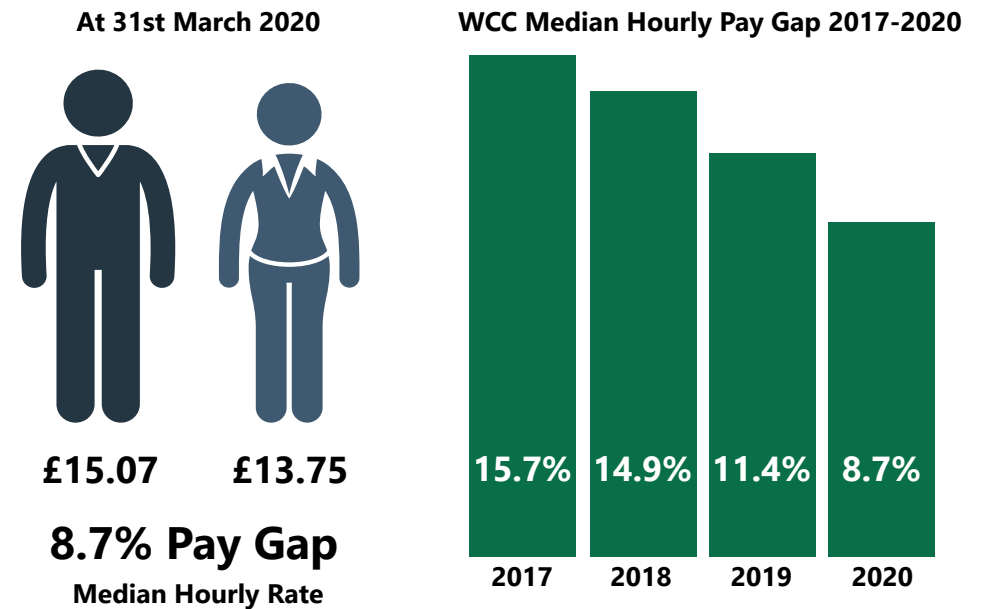
Hourly Pay Rates (with salary sacrifice)

The gender pay gap is an equality measure that shows the difference in average (mean and median) earnings between women and men.

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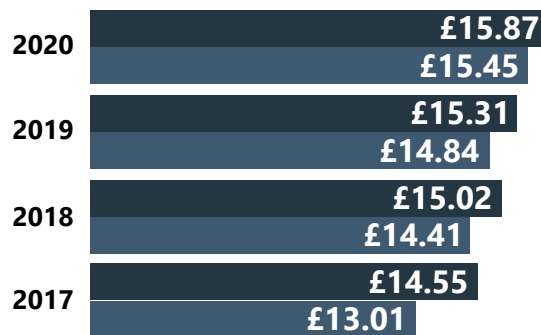


There is a 2.7% pay gap between the mean hourly rate of men and women at March 2020. The pay gap has reduced - down from 3.2% at March 2019 to 2.7% at March 2020.



There is a 8.7% pay between the median hourly rate of men and women at March 2020. The pay gap has reduced - down from 11.4% at March 2019 to 8.7% at March 2020.

Mean Male and Female Hourly Rate



The gender pay gap figures are lower than the 2019 national gender pay gap of 16.2%*(mean) and 17.3%*(median), and the public sector as a whole where the gender pay gap was 15.7%*(mean) and 16.8%*(median) in 2019.

Gender pay gap is not the same as equal pay. Salaries at Warwickshire County Council are determined by the structured job evaluation of each role to ensure equal pay for work of equal value for all employees, irrespective of gender.

Median Male and Female Hourly Rate



*National and public sector gender pay gap figures are from the ONS 'Gender pay gap in the UK: 2019' release

Gender Pay Gap

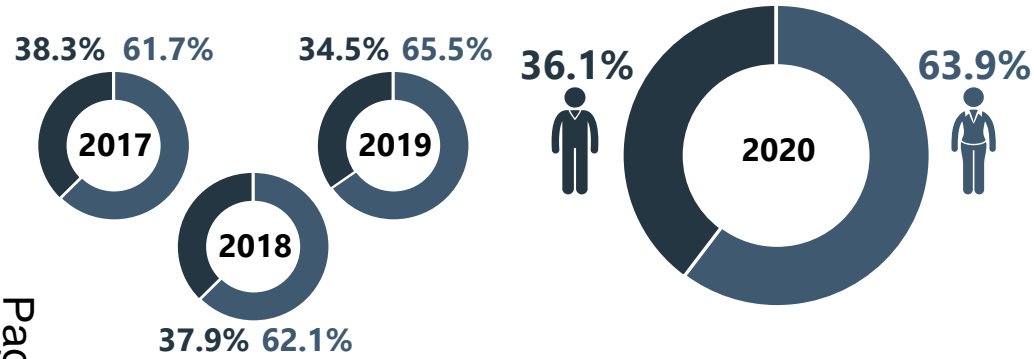


Proportion by Pay Band Quartiles

At 31st March 2020

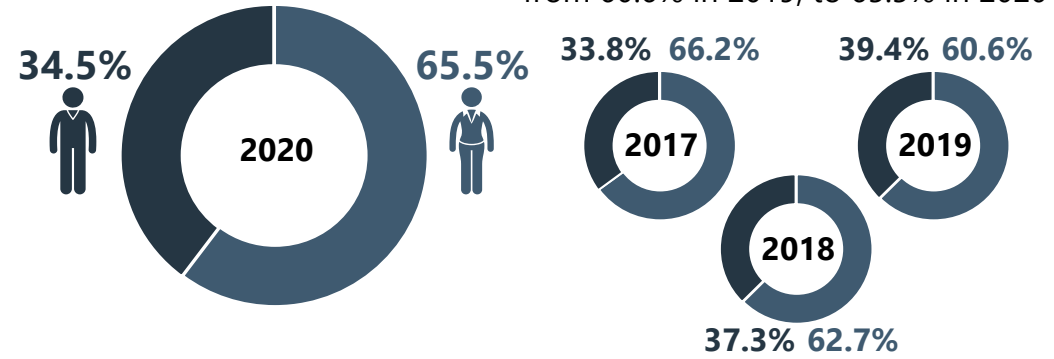
The proportion of women in the Upper Quartile has reduced slightly from 65.5% in 2019 to 63.9% in 2020

UPPER



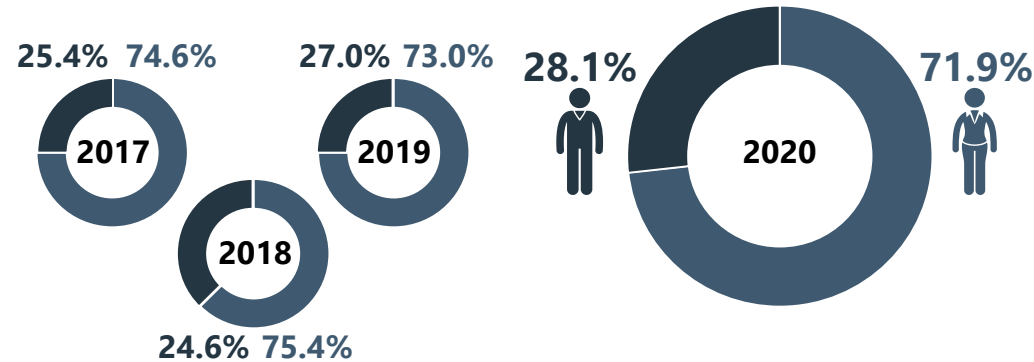
UPPER MIDDLE

The proportion of women in the Upper Middle Quartile has increased from 60.6% in 2019, to 65.5% in 2020



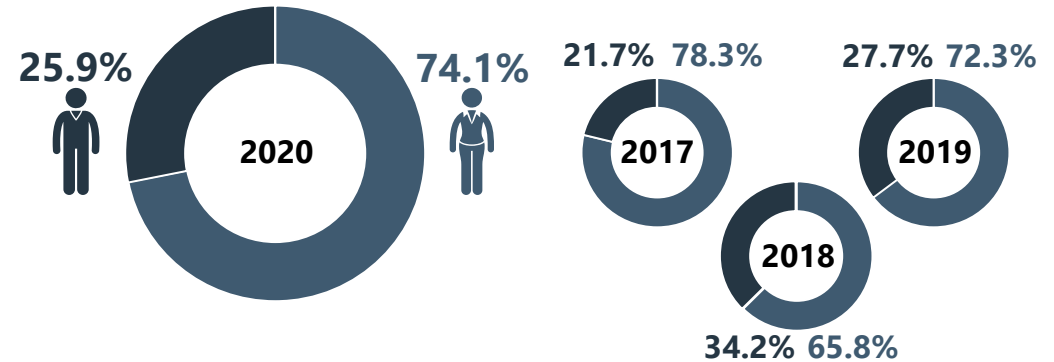
The proportion of women in the Lower Middle Quartile has reduced slightly from 73.0% in 2019 to 71.9% in 2020

LOWER MIDDLE



LOWER

The proportion of women in the Lower Quartile has increased slightly from 72.3% in 2019 to 74.1% in 2020



More women than men are employed across all pay band quartiles. This is broadly reflective of the workforce demographic as 69.2% of Warwickshire County Council's employees are women at 31st March 2020. At the Council overall, the concentration of female employees is higher in the bottom two quartiles than the top two quartiles. The highest concentration of female employees is in the lower quartile and the lowest concentration is in the upper quartile. The proportion of women in the upper middle quartile has increased by 4.9 percentage points between 2019 and 2020.

*National and public sector gender pay gap figures are from the ONS 'Gender pay gap in the UK: 2019' release

Conclusion and WCC Statement

Conclusion

The key messages from the 2019/20 Equality and Diversity Workforce & Gender Pay Gap report include:

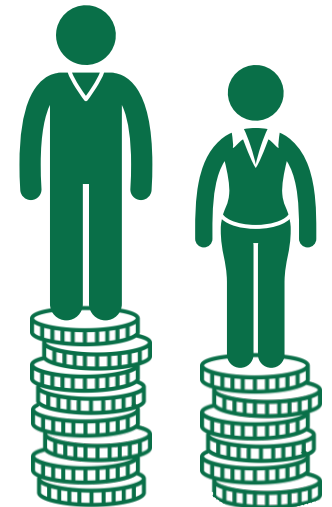
- The proportion of employees working full-time continues to increase (by 13.6 percentage points since March 2017).
- Just 4.5% of all employees are aged under 25.
- The proportion of employees with a recorded disability has increased from 5.3% in 2016/17 to 7.0% in 2019/20.
- In 2019/20, 69.2% of employees are female. Whilst 35.7% of the female workforce are on part-time contracts, just 13.4% of male staff work part-time.
- The proportion of staff who are of Black, Asian and Minority Ethnic origin has increased by 2.5 percentage points since 2016/17.
- The gender pay gap has reduced, down from 3.2% at March 2019 to 2.7% at March 2020 (mean hourly rate) and down from 11.4% at March 2019 to 8.7% at March 2020 (median hourly rate). However, the concentration of female employees is higher in the bottom two pay band quartiles than the top two pay band quartiles.

WCC Statement

The Council recognises that throughout the organisation there are pockets of great work being undertaken in relation to equality, diversity and inclusion (EDI). Whilst it is positive that the Council's gender pay gap compares favourably with national and regional figures, Warwickshire County Council (WCC) has an ongoing commitment to continually address the gender pay gap.

As part of the Council's change programme an EDI project, aligned to Our People Strategy, has been developed which aims to drive an integrated, proactive approach to EDI that meets the Council's Public Sector Equality Duty, is informed by sector best practice and supporting of the Council's values, behaviours and objectives. Our action plan is a clear declaration of our commitment to EDI and is supported by a number of strategies, including Our People Strategy and our Council Plan 2020-15. To achieve Our People Vision, 'Warwickshire County Council, a great place to work with outstanding leadership, and a talented, agile workforce', we recognise that diversity and inclusion across the Council plays a role in this and that we all have different talents, different attributes and bring different skills to the table, and without this we won't be able to develop, adapt, innovate and progress. EDI plays an important role in delivering the outcomes of the Our People Strategy such as a 'Workforce that displays our values and behaviours' and 'We have a diverse and highly engaged workforce'.

In addition, the Council has developed a comprehensive EDI communication framework in line with the launch of the reformed Council's EDI group. Further action will also be taken to encourage employees to complete their diversity data on the Council's HR information system to assist with future workforce data analysis.



Clarification of Terms

HEADS / HEADCOUNT

The headcount is defined as the physical number of people irrespective of the number of positions held or the number of hours worked by the individual. It is possible for an individual to be employed within different roles within the WCC structure, therefore the headcount for Warwickshire will not necessarily be equal to the total headcount for each Group.

FULL TIME EQUIVALENT (FTE)

Full Time Equivalent relates to the number of hours an employee is contracted to work each week as a proportion of the number of hours per week defined as full-time as per contracts of employment. Thus a full-time employee would have an FTE of 1.0 and an employee working 18.5 hours per week in a role based upon a 37 hour contract would have an FTE of 0.5.

BLACK, ASIAN AND MINORITY ETHNIC (BAME)

BAME is defined as all known ethnicities (excludes refused) which are not White British. White Other and White Irish are both classified as BAME.

NEW STARTERS

New starters are defined as employees starting employment within the organisation (and not those changing roles).

LEAVERS

Leavers are defined as employees leaving the organisation (and not those leaving an individual post but remaining employed).

PROMOTION

A promotion is the advancement of an employee's rank or position in the organisational hierarchy system.

GENDER PAY GAP

The gender pay gap is an equality measure that shows the difference in average (mean and median) earnings between men and women. The gender pay gap is not the same as equal pay. Salaries at Warwickshire County Council are determined by the structured job evaluation of each role to ensure equal pay for work of equal value for all employees, irrespective of gender.

Appendix B

Gender pay gap

What information the Council is required to publish

Employers with more than 250 employees must publish the results of the following six calculations based on the pay period in which 31 March (the 'snapshot' date for local government employers) falls in each year from 2017 onwards:-

Mean gender pay gap	% difference between the mean hourly rate of pay of male and female employees
Median gender pay gap	% difference between the median hourly rate of pay of male and female employees
Mean bonus gender pay gap	% difference between the mean bonus pay paid to male and female employees*
Median bonus gender pay gap	% difference between the median bonus pay paid to male and female employees*
Bonus proportions	% of male and female employees who were paid bonus pay during the relevant period*
Quartile pay band proportions	Proportions of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands

*Please note that the calculations relating to bonus pay are not required for WCC.

Key points about the basis of the calculations:-

- The mean average involves adding up all the numbers and dividing the result by how many numbers are on the list. The median average involves listing all of the numbers in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers.
- The data is based on 'full time relevant employees' i.e. those employed on the 'snapshot date' and paid their usual full basic pay during the relevant pay period.
- The data is based on 'ordinary pay', defined as basic pay, allowances, pay for piecework, pay for leave and shift premium pay but not overtime pay; redundancy or other termination payments, pay in lieu of leave, or non-cash benefits.
- The calculations are based on head count and not on 'full time equivalent' (FTE) numbers of employees.

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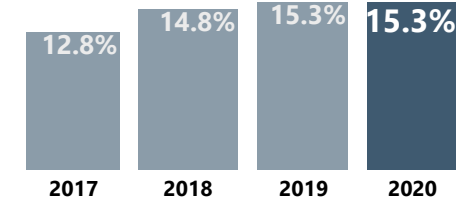
Ethnicity Pay Gap



Warwickshire County Council

As at 31st March 2020, 15.3% of all employees were of Black, Asian and Ethnic Minority (BAME) background. The proportion of all BAME employees has increased by 2.5 percentage points between 2017 and 2020.

Proportion of all BAME employees 2017-2020



Hourly Pay Rates (with salary sacrifice)

At 31st March 2020



£15.95 £15.53

-2.6% Pay Gap

Mean Hourly Rate

There is a -2.6% pay gap between the mean hourly rate for BAME employees and those White British / unknown at March 2020.

In terms of mean hourly bonuses, those of BAME background earn more (£569.84) than White British / unknown employees (£536.77). The gap is -5.8% in favour of those BAME employees.

Mean Hourly Bonus



There is a -3.2% pay between the median hourly rate for BAME employees and those White British / unknown at March 2020.

In terms of median hourly bonuses, those of BAME background earn the same as White British / unknown employees (both £596.04). The gap is therefore 0.0%.

Median Hourly Bonus



At 31st March 2020

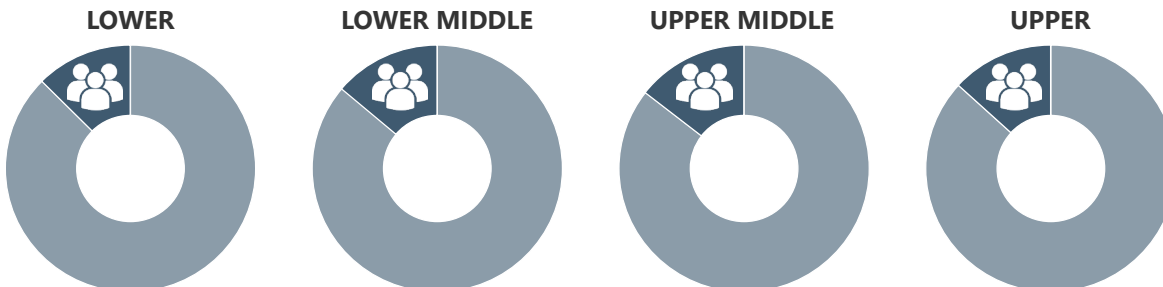


£14.91 £14.45

-3.2% Pay Gap

Median Hourly Rate

Proportion by Pay Band Quartiles



11.2%

The proportion of employees with a recorded ethnicity in the Lower Quartile was 11.2% in 2020

13.0%

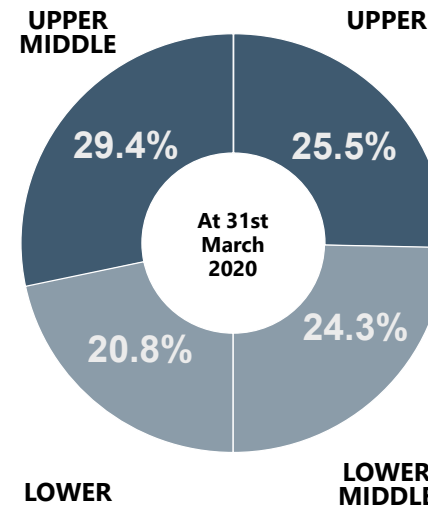
The proportion of employees with a recorded ethnicity in the Lower Middle Quartile was 13.0% in 2020

15.7%

The proportion of employees with a recorded ethnicity in the Upper Middle Quartile was 15.7% in 2020

13.6%

The proportion of employees with a recorded ethnicity in the Upper Quartile was 13.6% in 2020



At 31st March 2020

It is clear that there are more employees of a BAME background in the upper pay band quartiles. The highest concentration of BAME employees is in the upper middle quartile (29.4%). Indeed, the concentration of BAME employees is higher in the top two quartiles than the bottom two quartiles.

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Staff & Pensions Committee

Employers Leaving and Joining the Pension Fund

14 September 2020

Recommendation

That the Staff and Pensions Committee delegates authority to the Strategic Director for Resources to approve applications from the listed employers subject to the applications meeting the criteria:

- Arden Fields (MacIntyre Academy Trust, 1st September 2020)
- Studley High (becoming Lead Academy in new Multi Academy Trust, 1st September 2020)
- Kingsway Community Primary School (Converting to Academy status, 1st November 2020)
- Lillington School (Converting to Academy status, 1st November 2020)
- Trinity Catholic School (Our Lady Lourdes Academy Trust, 1st January 2021)
- All Saints C of E junior School (Coventry Diocese Multi Academy Trust, 1st January 2021)
- Wellesbourne and Tysoe (Converting to joint Academy Trust, April 2021)

1. Executive Summary

- 1.1 The Pension Fund must accept applications from scheduled bodies where the requirements of the regulations are met.
- 1.2 An academy is automatically a Scheme Employer on the basis that it meets the criteria of paragraph 20 of Part 1 of Schedule 2 of the Local Government Pension Scheme Regulations 2013 i.e. it is a 'scheduled body'.
- 1.3 When submitting an application for membership each academy will be required to confirm:
 - That it has internal authority to be admitted to the Pension Fund.
 - The number of members to join the Pension Fund.
 - That the academy will comply with the relevant LGPS Regulations.

2. Financial Implications

- 2.1 New entrants to the scheme will be required to cover their own costs and the actuarial process will ensure that employer contributions are appropriate to ensure this is the case.

3. Environmental Implications

3.1 There are no direct environmental implications resulting from this proposal.

4. Supporting Information

4.1 Warwickshire Pension fund, Admissions and Terminations Policy, June 2020

5. Timescales associated with the decision and next steps

5.1 At the moment the dates for the listed admissions are provisional, next steps will be decided once the admission date is confirmed.

6. Background Papers

Warwickshire Pension Fund, Admissions and Terminations Policy, June 2020

	Name	Contact Information
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Lead Member	Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillors Kaur and Gifford

Staff and Pensions Committee**14th September 2020****Warwickshire Fire and Rescue Service – Vehicle Provision****Recommendations**

That the Staff and Pensions Committee confirms the existing arrangements for vehicle provision and approves the additional provision of vehicles to include all Brigade Managers and Area Managers responding to operational incidents and for daily worktime activity, on terms and conditions acceptable to the Strategic Director for Resources

1.0 Key Issues

- 1.1 The Fire and Rescue Service is an emergency response service which relies on having in place reliable and roadworthy vehicles to ensure that officers can attend incidents both quickly and safely to protect Warwickshire residents.
12. Historically, the Service has followed a variety of operating arrangements ranging from the Authority providing vehicles for emergency and operational use to officers using their own vehicles to attend emergency incidents.
- 1.3 The Chief Fire Officer has a provided for vehicle as part of his employment package (which was advertised and appointed to in early 2019). However other senior managers (Assistant Chief Fire Officers) have not historically been provided with a vehicle.
- 1.4 In June 2018 the Staff and Pensions Committee approved the provision of 16 vehicles for fire officers at Group Manager and Station Manager level. Since that time there has been a structural reorganisation within the service. This has led to the creation of two new Area Managers posts. (See structure chart at Appendix A). Although these posts have access to vehicle provision, similar to the two Assistant Chief Fire Officers, this has not been formalised as part of their working arrangements. This report therefore seeks to confirm existing arrangements and harmonise vehicle provision for those service fire officers at Brigade Manager and Area Manager level who are required to attend emergency operational incidents as part of their role.

2.0 Proposal

- 2.1 The proposal involves the provision of a vehicle for those most senior fire officers who, in addition to their day job, could be required to attend an operational incident, particularly those classed as serious or significant incidents, and be required to take 'command' of the situation. This could be during the day from work, or from home at night and weekends. In addition to this, 'recall to duty' may also take place when there is significant operational

activity. Recall to duty may also occur when the national threat level is raised to critical or during times of industrial action, because on these occasions, greater officer availability is a necessity.

- 2.2 The Health and Safety at Work Act 1974 requires employers to ensure the health, safety and welfare of all employees at all times, and to all other persons who may be affected by their acts or omissions. With officers responding in their own vehicles, WFRS has little control of the type, age, condition and appropriateness of the vehicle an officer chooses to use and raises the following concerns;
- (i) National guidance on blue light vehicle specification and maintenance place a higher standard on such vehicles in technical areas such as engine capacity and tyre tread depth etc. than normal cars. Use of officer owned vehicles limits the ability of the service to ensure operational vehicles conform to the higher standard recommended by national guidance;
 - (ii) The operational nature of the service frequently requires officers to use their own cars for in 'non normal' circumstances. For example, in inclement weather such as flooding, to drive off road or position their vehicles in hazardous situations such as at motorway incidents. Police and Ambulance services attending the same incidents stipulate far higher standards for their own vehicles in terms of role requirements, equipment and visual markings etc;
 - (iii) The use of privately-owned vehicles limits the ability of the service to deploy the latest new technology and safety equipment in the vehicles used to respond to incidents (such as operational radios not being installed in officer owned vehicles);
 - (iv) Officers' own vehicles are not insured by WFRS's motor fleet insurance and the individual officers are responsible for ensuring their own private car insurance provides cover for personal business use which extends to provide cover whilst the vehicle is being driven under blue light conditions. Securing appropriate insurance cover or the necessary cover notes to allow WFRS's fleet insurers to provide contingency blue light cover for named officers has proved problematic over the years;
 - (v) WFRS has limited control of the contamination of fire kit with the previous officer car provision. There could be a number of post incident contaminants on fire kit, not least carcinogens, which, if stowed in an uncontrolled fashion, could be inhaled by the passengers of the vehicle, extending the risk beyond that of the fire officer;
 - (vi) The officers concerned owned a wide range of different vehicle types, styles, ages and condition and these all differ from the standard service vehicles used for officer emergency response driving courses. This creates an inconsistency between a training environment and a real environment;

- (vii) There are reputational concerns with officers using their own vehicles. As the service has little control over what vehicles are purchased by individuals, it means that an officer could own anything from an ageing unsuitable vehicle, to an extremely expensive prestige vehicle; both being inappropriate either from service provision or a public perception perspective.

2.3 The majority of FRS's across the country, operate some form of provided or lease car schemes and in a number of cases no longer accept any use of staff owned vehicles as they feel it represents an unacceptable level of risk to staff and the service. A similar approach is taken by Warwickshire Police and West Midlands Ambulance Service.

3.0 Vehicle Provision

3.1 As previously approved by the Committee it is proposed that due to their cost and specification, Skoda 4x4 vehicles are provided for the remaining officers. These vehicles are insured and maintained by WFRS, thereby giving the WFRS control of the safety element of the vehicles.

3.2 In addition to an officer's general response kit and PPE, the vehicle is fitted with the following items included for the safety of the individual and the organisation:

- **DashCam** – To assist with investigations and insurance claims which protects the individual and the organisation.
- **Handsfree kit** – To enable officers to talk to Service Control whilst responding to an incident.
- **Tracking System**
- **SatNav**
- **Charging Bank** - For mobile phones, San J radios.
- **Load protection/Restraint** – To protect occupants from flying objects in the event of a collision
- **PPE storage** - To protect occupants from contaminants from fire kit

3.3 Taking into account the existing fleet available to the service this would involve the acquisition of a further 5 vehicles.

4.0 Taxation Position

4.1 The use of the vehicles by the officers would be for operational response and daily worktime activity. This is essentially non-personal use however emergency vehicles benefit from exemptions from tax where certain conditions are met.

4.2 The legislation exempts an emergency vehicle from tax where it is used for 'on call commuting' (responding to an incident when on call) and 'ordinary

commuting' (to and from place of work even if not on call) and 'freedom of movement' (private journey mileage when on call). This means that the exemption remains applicable where the employee uses the emergency vehicle for business travel in the normal course of their job. There would be no taxable benefit and no reporting requirements to HMRC.

- 4.3 These exemptions would allow the officer to have some level of 'permitted use' (personal use) without being subject to the tax regime. The exemptions would allow the officer to make local personal journeys when the criteria above are met provided those journeys do not compromise the ability of the officer to respond to emergency incidents. Under the tax regime this does not give rise to a 'benefit in kind'. All other private use is prohibited, as previously reported. As WFRS, does not allow private use of these vehicles outside of the arrangements provided for under tax regime, this proposal does not compromise existing County Council policy.

5.0 Financial Implications

- 5.1 All costs for the additional provision would be covered by WFRS's Transport Department using existing budgets, the increased costs being offset by the removal of the essential car user allowance for those officers who would be provided with a vehicle and the fact that business mileage would not be a claimable expense.
- 5.2 The vehicles that were sourced following the 2018 Staff and Pensions Committee decision have been leased. The additional 5 will be self-financed over 5 years but have a Useful End Life (UEL) of 7 years when replacement will be required.
- 5.3 With this in mind, although the operating costs of self-finance borrowing are higher in the first 5 years, the average cost over the 7 years works out at £38,085 per annum which is £4,529 more than the £33,556 allocated under the previous essential user scheme. This excess will be covered from the existing Transport budget within the Fire & Rescue Service. At the end of the UEL, the vehicles will be sold, and the income reinvested.
- 5.4 The table below sets out the costs associated with the provision of the additional vehicles proposed in this report.

Skoda Superb	Annual Cost Per Vehicle	Year 1 (5 vehicles)	Year 2 (5 vehicles)	Year 3 (5 vehicles)	Year 4 (5 vehicles)	Year 5 (5 vehicles)	Year 6 (5 vehicles)	Year 7 (5 vehicles)
Self- Finance Borrowing	£5,960.00	£29,800.00	£29,800.00	£29,800.00	£29,800.00	£29,800.00	£0.00	£0.00
Maintenance, Tyres etc	£600.00	£3,000.00	£3,000.00	£3,000.00	£3,000.00	£3,000.00	£3,000.00	£3,000.00
Insurance	£1,050.00	£6,300.00	£6,300.00	£6,300.00	£6,300.00	£6,300.00	£6,300.00	£6,300.00
Fuel Costs (assuming 9000 miles p.a. @ £0.15)	£1350.00	£5,400.00	£5,400.00	£5,400.00	£5,400.00	£5,400.00	£5,400.00	£5,400.00
CFQ Fuel Costs (assuming 14000 miles p.a @ £0.15)	£2,100	£2,100	£2,100	£2,100	£2,100	£2,100	£2,100	£2,100
Total	£11,060.00	£46,600.00	£46,600.00	£46,600.00	£46,600.00	£46,600.00	£16,800.00	£16,800.00

6.0 Environmental Implications

- 6.1 The vehicles chosen have been selected for their performance and suitability for the function they are required to do but also because they use 'selective catalytic reduction' (SCR) to reduce harmful emissions. The engines feature direct injection, stop-start, brake energy recovery and meet the Euro 6 emission standards whilst having low running costs over the life of the vehicles

Background papers

None

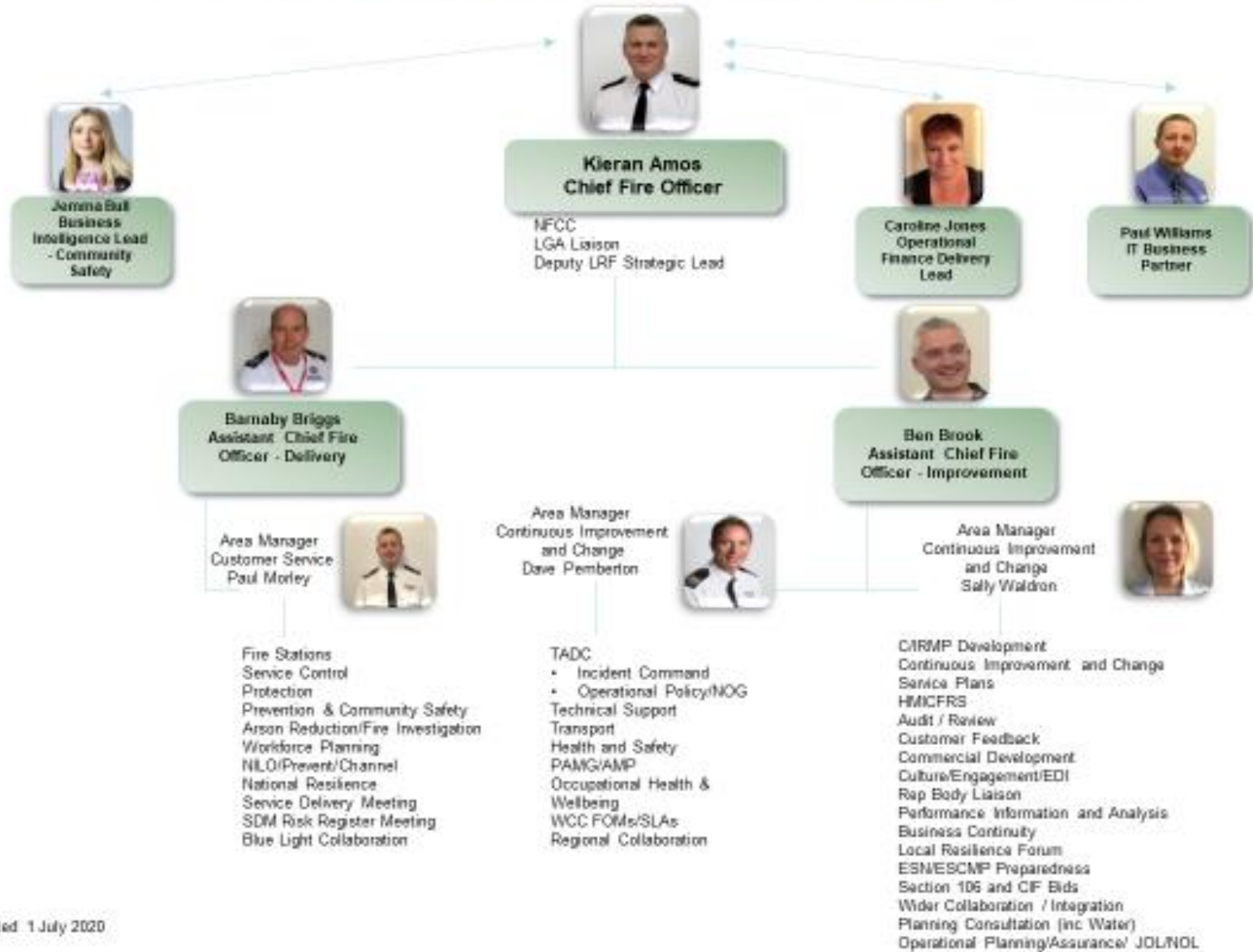
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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillors Kaur and Gifford

Warwickshire County Council – Warwickshire Fire and Rescue



Updated 1 July 2020

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Staff and Pensions Committee**14th September 2020****COVID-19 – Pension Fund Administration Impact and Actions****Recommendations**

1. That the Staff and Pensions Committee notes and comments on the report.

1 Executive Summary

1.1 Covid-19 continues to effect how the Fund goes about delivering services however the fund continues to deliver business critical functions. This report focuses on the impact on administration activity. A separate report focusing on the funding and investments impact is being reported to the Pension Fund Investments Sub Committee.

Business as Usual Activity

1.2 Home working continues to be the default position for Pension Fund staff, although some office presence is required for example to deal with physical post.

1.3 Normal business activity has continued, for example payroll runs, collection of contributions, and the generation of annual benefits statements. A separate report on the agenda sets out current administration activity and performance in detail.

1.4 No new adverse issues have been experienced relating to Covid that have impacted on operations, however the potential long-term effect of remote working on physical and mental health is an issue to keep under review.

Staffing & Operations

1.5 A key focus continues to be the welfare of staff. The administrating authority offers a range of support facilities for staff that are available to all pension fund staff and has run wellbeing questionnaires from time to time since the lockdown to assess the position.

1.6 New permanent members of staff have continued to settle in well.

1.7 The administration team continue to use Microsoft Teams and other similar platforms to work together and with external colleagues and agencies, and the functionality is working well.

- 1.8 The iConnect project continues to progress and more detail is provided in the Administration update.

2 COVID-19 Risk Assessment

- 2.1 The Covid Risk Register has been updated to reflect the latest position (this covers bot investment and administration). The table below shows how the risk assessment has changed. Experience

Ref	Description	Original Risk Assessment (February 2020)		Change In Gross Risk		Quarter 2 Risk Assessment		Commentary of Direction of Travel From Original Covid Assessment to Quarter 2
		Gross Risk	Net Risk	Gross Risk	Net Risk	Gross Risk	Net Risk	
1	Cashflow - Delayed Employer Contributions	12	12	-3	-3	9	9	Experience to date has not presented any systematic issues with employer contributions
2	Cashflow - Investments Impact	16	12	-4	-3	12	9	Cashflow has remained relatively neutral and the cashflow strategy is working positively
3	Losses in Investment Values and Returns	16	12	-4	0	12	12	Risk remains high however the funding strategy does not assume high risk/return on investments
4	Governance Disruption	12	9	-6	-3	6	6	Implementation of governance review actions
5	Health and Safety of Members	12	6	0	0	12	6	Experience has been positive to date but no change in risk assessment
6	Health and Safety of Staff	16	9	-4	0	12	9	Likelihood of an issue is lower given experience to date, however potential impact remains high and net risk remains the same
7	Loss of continuity working with advisers, partners, fund managers, and Border to Coast	9	6	0	-2	9	4	Experience to date is that partners and external advisers have proved to be resilient
8	Administration Service Disruption	16	9	-4	-3	12	6	Implementation of governance review actions
9	Inability to Recover	9	6	0	0	9	6	Critical operations continue effectively, and this reduces the reliance upon recovery
	Average	13.1	9.0	-2.8	-1.6	10.3	7.4	

- 2.2 Overall risks are assessed to be slightly lower and this is driven by developments and experience over the last 3 months. It is important to note that the scoring mechanism only facilitates 4 options for likelihood and impact (refer to Section 5.2) therefore changes in individual scores cannot show small granularity, either staying the same or appearing to jump. For example, on risk 3, management actions will lower the net risk but the scoring does not have the granularity to show this. However the objective of the risk assessment is to promote an active discussion and awareness of risk, and to assist the Fund with understanding where it needs to give its attention, rather than presenting a perfect set of risk scores.

2.3 The notes below provide additional commentary on administration related issues and actions:

- senior management posts in the pensions administration team are all now filled, and the team is effectively now up to business as usual staffing capacity;
- there have not been a significant number of problems presented by employers and contributions performance continues to be broadly normal. The Fund is considering policies to manage systematic employer issues if they do present.

2.4 The actions identified in the generation of the original Covid-19 risk assessment and action plan remain valid, with some having been progressed and some being ongoing. Appendix 1 also details the revised risk scores.

3 Financial Implications

3.1 The key potential administration related financial implication is in respect of the collection of employer contributions, however this risk has to date not materialised systematically.

4 Environmental Implications

4.1 There will be reductions in CO2 emissions from staff working from home.

5 Supporting Information

5.1 The risk register scores set out above are based on the following convention:

- Gross risk – risk before mitigating actions
- Net risk – risk after mitigating actions

5.2 Risk probability and impact are classified into 4 categories as follows:

		Likelihood			
		Unlikely 1	Possible 2	Likely 3	Very Likely 4
Impact	Very High 4	4	8	12	16
	High 3	3	6	9	12
	Medium 2	2	4	6	8
	Low 4	1	2	3	4

5.3 Risk impact and likelihood are multiplied together to provide an overall risk score. Red risks are those with scores of 10 or higher, green risks have

scores of 3 or lower, and the remainder are amber.

6 Timescales and Next Steps

- 6.1 This is the second quarterly report dedicated to Covid risks and actions and having this has provided transparency and focus. However the Fund currently has 2 risk registers (the other being main fund risk register, which is reported to the Pension Fund Investment Sub Committee), and which complicates the overall assessment of risk. The intention is for Quarter 3 to simplify back to a single risk register and action plan incorporating Covid issues as appropriate.

Appendices

Appendix 1 – COVID-19 Risk Register

Background Papers

None.

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillors Kaur and Gifford

Ref	Risk	Cause	Effect	Gross Risk		Risk Level	Existing Actions(in place or completed)	NET Risk		Risk Level	Further Risk Actions
				Likelihood	Impact			Likelihood	Impact		Description
1	Cashflow - Delayed Employer Contributions	Employers choose to delay contributions to protect their cash position. Employers cannot pay their contributions because of business continuity failure, for example systems do not work remotely, or key staff off sick. Government directives to pension funds to support employer cashflow	Negative impact on fund cashflow Fund may need to sell assets in unfavourable circumstances in order to service cashflow needs Asset weightings may move significantly out of balance, changing the risks the Fund is exposed to	3	3	9	Investments and cash reserves available to cover a period of delays in contributions Ensure cashflow management is prioritised	3	3	9	Review employer base and mitigating approaches for different employer types, prioritising employers and employer groups with weak covenants or that are more heavily impacted by covid Review securities and guarantees from employer, and guarantor arrangements Consider longer term maximisation of contributions not short term maximisation Review options to reduce or delay contributions in certain circumstances Engage with employers on options and to understand their plans and position
2	Cashflow - Investments Impact	Significant losses in asset values Companies choosing to stop issuing dividends to protect the company cash position Government directing companies to stop paying dividends to protect company viability Reduction in yields from income generating assets as safer assets are more in demand Gating of funds at risk of mass withdrawals	Refer to Risk 1	3	4	12	Cash reserves available to cover a period of time Focus on cashflow initially Holding higher cash balances Other related actions as per Risk 3	3	3	9	
3	Losses in Investment Values and Returns	Economic shock / slowdown Volatility in financial markets Losses in economic supply and demand and productivity / GDP globally	Funding level worsens materially Investment weightings move outside of tolerance levels Current Investment Strategy is no longer suitable Fire sale of assets	4	3	12	Maintain close liaison with Investment Consultant, Fund Managers, and Border to Coast Maintain existing strategy and asset classes unless there are very good reasons for deviating. Cashflow strategy recently reviewed Prioritisation of cashflow management in the immediate term	4	3	12	

Ref	Risk	Cause	Effect	Gross Risk		Risk Level	Existing Actions(in place or completed)	NET Risk		Risk Level	Further Risk Actions
				Likelihood	Impact			Likelihood	Impact		Description
4	Governance Disruption	Loss of existing means of governance meetings Lack of appropriate remote working hardware or software The potential need to make significant decisions very quickly	Inability to make significant decisions quickly enough - losing money or opportunities in the process Decisions being made without adequate oversight and governance Sub optimal decisions being made	2	3	6	Issue remotely of of joint briefing notes to the two pension committees and the local pension board to maintain communications and transparency/assurance around pension fund activity and the response to the Covid issue Signing/authority of decisions and transactions remotely using Surface Pro tablets instead of physical wet signatures on paper where this is possible Engage with committees and boards to understand priorities Review of arrangements to be able to run boards and committees remotely	2	3	6	Review of options to delegate decision making to facilitate quick decisions where necessary (e.g. to s151 or to an emergency response group, etc) Review and rephase project work Continue the implementation of governance review actions but review prioritisation where necessary
5	Health and Safety of Members	Inability to pay pensions to pensioners Paper based systems Lack of informaiton available to members about the impact on their pension	Pensioners not able to buy essentials if pensions are not paid Paper based systems causing infection transmission risk Mentail health risk if members are worrying about pensions	3	4	12	Post updates on website regarding pension payments Administration actions in Risk 8	2	3	6	Review and update any communications and documentation for members Administration actions in Risk 8
6	Health and Safety of Staff	Lack of adequate remote working facilities Paper based systems Pressure to deliver business as usual whilst dealing with the crisis Lack of contact with colleagues	Paper based systems causing infection transmission risk Mental health impact Delivery of key priorities	3	4	12	Mandatory working from home unless exceptional reason to go to office Microsoft 356, Surface Pros and ability to work from home Council flexible working policy Rapid capture and sharing of lessons learned about effective remote working	3	3	9	
7	Loss of continuity working with advisers, partners, fund managers, and Border to Coast	Inability to operate remotely Loss of business continuity	Delays in investment operations Delays in fund launches Delays in closure of accounts	3	3	9	Liaison and meetings with external agencies have largely continued remotely, e.g. through Microsoft Teams and webex seminars Maintaining close liaison with key organisations, in particular Border to Coast, Hymans Robertson, and Bank of New York Mellon	2	2	4	Continue to engage with BCPP, fund managers, and custodian about their continuity plans

Ref	Risk	Cause	Effect	Gross Risk		Risk Level	Existing Actions(in place or completed)	NET Risk		Risk Level	Further Risk Actions
				Likelihood	Impact			Likelihood	Impact		Description
8	Administration Service Disruption	Lack of remote working facilities Staff lost to sickness Disruption to employer admin and payroll functions Disruption to systems and system suppliers Disruption to actuary service provision	Reduction in performance against KPIs that impact adversely on fund members and sustainability Incorrect or missing pensioner payments Data quality deterioration Delays to administration improvements e.g. iConnect	3	4	12	Remote working facilities have been set up with almost all work done from home Use of video conferencing Prepared to move resources around the team to protect the payment of pensions now Review priorities for KPIs and ensure protection of those that support the most vulnerable Engage with key contacts to plan how we work Expediting the use of IT to replace paper based systems	2	3	6	Review activities, procedures, signatories, etc. Cross train staff
9	Inability to Recover	Loss of continuity in staff Loss of systems Significant gaps in data or data quality develop during the crisis Significant backlogs in data submissions develop	Poor data quality for a significant period of time Significant costs to get data back to acceptable standards Inability to review and update investments for the new circumstances, and so missing opportunities	3	3	9	Regular review of the situation, instigating a recovery group when circumstances permit Keeping recovery in mind when taking actions during the crisis	2	3	6	

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Staff and Pensions Committee

Employee Sickness Absence Management Report

14 September 2020

1.0 Recommendations

- 1.1 That the Committee notes the performance information in relation to the management of employee sickness absence during 2019/20, and endorses an overall target reduction of 7% for 2020/21, with service level target reductions ranging between 5% and 10% to be applied, in managing sickness absence levels.
- 1.2 That the Committee supports a proactive approach to the health and wellbeing of employees in developing a sustainable and resilient workforce.

2.0 Executive Summary

- 2.1 This report covers information on sickness absence for: -
- a) the financial year April 2019 – March 2020
 - b) compares data with previous years
 - 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.
 - d) unless otherwise stated, the sickness data provided in the report includes both short and long-term sickness absence as defined in Section 5.1.

3.0 Supporting Information

- 3.1 A summary of days lost at County Council level (excluding schools) through sickness absence per full time equivalent (FTE) employee since 2013/14 is set out below: -

Year Ending	13/14	14/15	15/16	16/17	17/18	18/19	19/20
Days Lost per Employee FTE	9.60	10.08	10.26	9.90	9.87	9.51	10.90

- 3.2 In terms of comparative data, the public service sector average for 2019 was 8.0 days per employee per year, compared to 8.4 days reported in 2018. (Source: Chartered Institute of Personnel and Development, 2019).

The mean average figure for local government in 2018 was 9.8 days (Source: Chartered Institute of Personnel and Development, 2018). Data for 2019 is currently unavailable.

In the private sector, the average for 2019 was 4.3 days, whilst in the non-profit sector it was 5.2 days. (Source: Chartered Institute of Personnel and Development, 2019).

Benchmark data on average days absence has been obtained from the Shire Counties network in previous years in order to provide comparative data. Some data has been received and is included below. Please note that anonymity has been requested. Datasets should be considered as illustrative as the precise method for calculation, together with absence strategies, may differ. Some authorities have previously indicated an element of under reporting and 2019/20 data remains outstanding in a number of cases.

Local Authority	2016/17	2017/18	2018/19	2019/20
Warwickshire CC	9.90 days	9.87 days	9.51 days	10.90 days
Authority A	8.4 days	9.1 days	9.4 days	9.80 days
Authority B	13.2 days	11.9 days	12.4 days	Not available
Authority C	7.8 days	9.1 days	8.1 days	Not available
Authority D	9.57 days	8.2 days	8.2 days	Not available
Authority E	7.3 days	7.3 days	7.3 days	Not available
Authority F	6.9 days	7.3 days	7.5 days	8.02 days
Authority G	Not available	Not available	Not available	9.48 days
Authority H	10.4 days	11.4 days	11.3 days	Not available
Authority I	Not Available	Not Available	Not Available	10.92 days
Authority J	9.1 days	8.8 days	9.7 days	Not available
Authority K	7.5 days	8.3 days	6.7 days	Not available
Authority L	12.9 days	13.6 days	13.0 days	13.6 days
Authority M	Not available	Not available	Not available	7.42 days
Authority N	Not available	10.6 days	10.7 days	Not available
Authority O	Not available	Not available	Not available	6.39 days

3.3 The County Council continues to have a proactive focus on employee health and wellbeing in order to reduce sickness absence levels. Further details on this area of work are contained in Section 9 of this report.

3.4 Sickness absence levels (days per employee FTE) by Directorate and by Business Unit are reported in the table below and include headcounts: -

	Headcount 2019/20	Average days absence per employee 2019/20
WCC (excluding schools)	4593	10.90
Communities Directorate	1509	9.65
Environment Services	329	7.02

Communities	271	7.27
Education	480	7.83
Fire & Rescue	429	14.34
People Directorate	1468	14.11
Children & Families	822	13.12
Adult Social Care	569	16.22
Strategic Commissioning	63	7.98
Public Health	14	6.22
Resources Directorate	1616	9.94
Business & Customer Services	712	13.50
Governance & Policy	198	6.08
Commissioning Support Unit	119	5.73
Enabling Services	419	7.98
Finance	168	7.18

3.5 The table below provides sickness absence levels (days per employee FTE) by Directorate and by Business Unit for the previous 4 years for comparative purposes. Please note that due to structural changes it is not possible to make direct comparisons across the whole of the organisation.

	2015/16	2016/17	2017/18	2018/19
WCC (excluding schools)	10.26	9.90	9.87	9.51
Communities Directorate	9.28	9.21	9.05	8.44
Transport & Economy*	-	7.34	9.87	8.43
Community Services	10.19	11.12	8.31	7.12
Education & Learning	8.54	9.62	9.09	7.07
Fire & Rescue	8.42	7.91	10.22	10.09
People Directorate	13.16	13.12	12.12	12.12
Children & Families	12.86	11.45	12.40	11.66
Adult Social Care	16.0	15.37	13.35	13.38
Strategic Commissioning	13.0	11.24	4.03	7.98
Public Health	6.56	7.49	7.95	15.15
Resources Directorate	8.87	8.36	7.05	8.25
Customer Service	11.55	10.15	9.95	9.43
Finance	7.35	7.18	8.81	7.30
HR & OD	9.46	7.77	5.03	8.04
ICT	6.89	5.27	5.55	7.71
Law & Governance	7.95	5.92	6.77	5.49
Property Services	9.07	10.07	6.37	12.26
Performance	4.98	4.82	3.70	2.66

* Please note the Transport and Highways and the Economic Growth business units were combined in April 2016 to form the Transport and Economy Business unit.

3.6 The sickness absence figures for the Fire and Rescue Service (FRS) since 2017/18 include absence for operational Firefighters, whereas in previous years

the figures only referred to Green Book staff. The absence figures for FRS are calculated on a monthly basis using information provided by the FRS and the Your HR system. This is because the shift systems for operational Firefighters are varied and, for several stations, arranged on a self-rostering basis.

- 3.7** The percentage of employees with no absence in 2019/20 is reported in the table below. In excess of 50% our people took no sickness absence in the year to 31 March 2020. Even when adjusted to reflect those in post both at the beginning and end of the year, over 45% of employees have no sickness absence at all.

	All Employees (Including part year service)	Full Year Service Only
WCC (excluding schools)	50.25%	45.13%
Communities Directorate	53.73%	49.08%
Environment Services	47.18%	45.33%
Community Services	51.95%	44.98%
Education & Learning	57.14%	52.07%
Fire & Rescue	55.75%	50.77%
People Directorate	50.94%	44.15%
Children & Families	57.73%	51.93%
Adult Social Care	41.12%	34.66%
Strategic Commissioning	51.56%	48.21%
Public Health	27.78%	0.00%
Resources Directorate	46.24%	42.05%
Business & Customer Services	42.41%	38.69%
Finance	41.58%	45.51%
Governance & Policy	44.13%	36.47%
Enabling Services	48.63%	45.43%
Commissioning Support Unit	56.59%	53.57%

- 3.8** 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 a return to work.
- 3.9** All of the figures within this report relate only to sickness absence as reported through the appropriate procedures and managed through the County Council's Sickness Absence Management Procedure. On the very rare occasions where there is strong evidence that employees are not genuinely sick, this would be dealt with as a disciplinary issue and would not be included in the sickness figures.
- 3.10** In 2019/20, at WCC level, 33.5% of working time lost to absence is accounted for by short-term absences, whilst 66.5% is attributed to long-term absences as detailed in the tables below: -

WCC	Short Term	Long Term
2015/16	37.3%	62.7%

2016/17	39.7%	60.3%
2017/18	36.6%	63.4%
2018/19	37.4%	62.6%
2019/20	33.5%	66.5%

	Communities		People		Resources	
	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
2015/16	41.1%	58.9%	33.8%	66.2%	40.0%	60.0%
2016/17	38.9%	61.1%	37.3%	62.7%	45.6%	54.4%
2017/18	39.8%	60.2%	33.6%	64.4%	44.7%	55.3%
2018/19	39.0%	61.0%	32.4%	67.6%	44.2%	55.8%
2019/20	33.1%	66.9%	30.2%	69.8%	39.0%	61.0%

3.11 With the support of the HR Service, managers across all Directorates are working to proactively manage sickness absence in accordance with the Council's Sickness Management of Absence Procedure. During 2019/20, a total of 9 employees left the County Council on ill health retirement grounds and one employee was dismissed due to sickness absence, or for reasons related to the absence triggers, during this period. This compares with 6 ill health retirements and 7 dismissals in 2018/19.

In addition, during 2019/20, 3 employees were successfully redeployed to alternative roles with WCC due to health reasons. This compares with one in the previous year.

3.12 The top reasons for sickness absence by percentage days in 2019/20 are reported in the table below: -

Reason	2019/20
Mental Health	29.1%
Musculoskeletal	17.0%
Chest or Respiratory	7.9%
Digestive System	6.8%
Reason Withheld	6.1%
Neurological	5.0%
Viral	3.5%

3.13 For comparative purposes, the top sickness absence reasons by percentage days for the previous 4 years are reported in the table below: -

Reason	2014/15	2015/16	2016/17	2017/18	2018/19
Mental Health	19.9%	25.4%	25.3%	24.6%	25.7%
Musculoskeletal	17.7%	18.6%	16.0%	18.1%	19.6%
Chest or Respiratory	5.9%	4.6%	5.1%	9.9%	9.6%
Digestive System	6.9%	6.7%	7.0%	4.5%	6.4%
Reason Withheld	6.6%	3.9%	5.5%	0.9%	5.9%
Neurological	4.0%	4.2%	3.4%	3.7%	4.1%
Viral	13.9%	13.2%	12.3%	4.8%	3.5%

- 3.14** An analysis of the specific reasons for sickness absence shows that the top two reasons for sickness absence remain consistent with previous years and are Mental Health at 29.1% (an increase from 25.7% in 2018/19) and Musculoskeletal disorders at 17.0% (a decrease from 19.6% in 2018/19). These factors are consistent with benchmark comparators.

4.0 Occupational Health Support

- 4.1** The following is a summary of the use of the Occupational Health (OH) provision from July 2019 to April 2020 (2018/19 referrals): -
 People Directorate – 222 (181)
 Resources Directorate – 78 (79)
 Communities Directorate - 111 (78)
- 4.2** The top two reasons for new referrals to the Occupational Health service were:
 Mental health issues - 47% (40% in 2018/19)
 Musculoskeletal - 20% (21% in 2018/19)
 The top referral reasons are consistent with the main causes of sickness absence across the Council.
- 4.3** The Occupational Health statistics are monitored both from a contract management perspective, and to identify trends in order to take appropriate action.

5.0 Employee Support

- 5.1** The Employee Assistance Programme provision is available to all WCC employees (excluding WFRS who have their own in-house provision) and has continued to be extensively communicated and promoted to employees. It is worth noting that during 2020, this has also made available to all WCC's 260 foster carers and to the staff of 280 WCC commissioned social care providers.
- 5.2** The COVID-19 pandemic has seen a range of activities and resources being introduced in order to support staff. These included a "Keeping you well at work" intranet page that formed a vital section within the Coronavirus intranet pages; providing up to date information on staff wellbeing services.

In April 2020, the first wellbeing check-in survey in response to the COVID-19 situation was conducted. The response rate from employees was 46%, with 88% of respondents informing that they were coping with working remotely.

A “Thrive at Work Toolkit” designed to support managers in having conversations about mental health with their staff was developed and introduced. Furthermore, several additional activities have been developed to support staff to stay well, remain socially connected and to provide tips on working from home.

A range of learning and development activities have been on offer to staff; including Developing Personal Resilience, Mental Health Awareness, Leading with Resilience, and Work-Life Balance.

6.0 Absence Management Strategies

6.1 As detailed in the Health, Safety and Wellbeing Annual Report presented to the Staff and Pensions Committee on 8th June 2020, the priority actions from the first phase implementation plan has now been completed. The key actions progressed and implemented are as follows: -

- Your Wellbeing intranet page being regularly updated with information and resources from OH and EAP, health topics, training, support and information.
- Continuation of Wellbeing Wednesday (WW) intranet slots which promoted health and wellbeing campaigns, information and signposting to EAP and Year of Wellbeing initiatives.
- The method of communication has now been updated since January 2020, based on read rate of the WW articles and, as a result, general wellbeing updates are being included in Directorate briefings and Working for Warwickshire to maximise audience reach.
- The recruitment, training and promotion of WCC Wellbeing Champions to support teams and staff with positive health and wellbeing. There are now 31 trained Champions in WCC.
- The recruitment, training and promotion of WCC Listening Mates to replace the Dignity at Work contacts; with a remit to support and signpost staff if something is wrong at work, or at home, and it is affecting them at work. The Listening Mates received mental health first aid training, bullying, harassment and discrimination training, as well as active listening training.
- WCC has signed up to the Thrive at Work commitment, and is working on attaining the Bronze Level to benchmark against best practice and identify gaps within WCC; this now has 83% completion.
- Wellbeing and mental health awareness sessions delivered to teams:
 - Wellbeing sessions: Communities (x7); People (x13); Resources (x6); Apprentice inductions (x2); Corporate HSW training (x2); Schools HSW training (x1).
 - Mental Health sessions: Communities (x3); People (x3); Resources (x3) plus bespoke training at 5 libraries; Learning at Work sessions (x4); Mental

Health Awareness training for managers (x1); Mental Health Awareness training for staff (x2).

- Additional resilience and mindfulness training sessions have been offered.
- New work-life balance training sessions have been made available.
- Health, Safety and Wellbeing service attendance at all building user group meetings to identify any wellbeing/work environment issues for advice and support.
- Development of Individual and Team Wellness Plans to replace the Stress Risk Assessments as a proactive and preventative tool available to all staff, not just those who are absent.
- There was a 4% increase in the 2019 Your Say survey response for the question “employee wellbeing is promoted at work”, which is an overall increase of 9% since 2017 and demonstrates staff awareness of positive wellbeing across WCC.

6.2 Musculoskeletal continues to be one of the top reasons for sickness absence. In order to address this and reduce the potential musculoskeletal health issues experienced by staff working at their workstations, the Health, Safety and Wellbeing Service undertakes a programme of display screen equipment assessments.

A total of 93% (2018/19: 87%) of staff who have had an assessment reported that the recommendations made have improved their workstation set-up and, therefore, eliminated or reduced the issues raised.

6.3 Sickness absence levels continue to be reported to managers on a monthly basis in order that they are in receipt of timely management information relating to sickness absence. Advice and support in managing both long and short-term sickness absence is provided by the HR Advisory Service, with particular emphasis where sickness absence hotspots have been identified in order that a targeted approach can be taken. A successful pilot has been undertaken in this regard across the Resources Directorate.

In conjunction with this, managers now have access to a case management facility within the Your HR system that includes sickness absence, which allows them to record and keep track of actions taken in relation to managing absence.

6.4 The wellbeing of staff is a priority for the organisation and, as a result, a Wellbeing Pledge has now been developed for implementation as part of our refreshed People Strategy. It starts with the premise that:

- Everyone who works for Warwickshire County Council wants to do a good job and embodies our values and behaviours
- We support our people to bring their whole selves to work.
- We care about our workforce, understand the link between wellbeing and productivity and manage all our people in an inclusive way.

As part of the Wellbeing Pledge, the HR Service commits to provide the following information and support to enable leaders and manager to manage the wellbeing of staff as a priority: -

- Provide all managers with a core data set to enable them to manage their team's attendance.
- Provide Senior management and DLT's with the information they require to support and constructively challenge their direct reports.
- Support managers with timely occupational health referrals and the stages of the sickness absence procedure
- Support new managers to navigate the sickness absence procedures and the hand-over of cases between managers.
- Identify the members of staff who require an action plan and support the manager with the creation of these plans.
- Ensure our wellbeing and sickness absence support offer is clear and easy to find and will target interventions for particular areas.
- Ensure that our wellbeing and sickness management offer is "best in class" and is continually developing to meet the needs of the organisation.

Similarly, in accordance with the Wellbeing Pledge, managers / leaders will make the commitment to:

- Utilise the wealth of resources available to support the wellbeing of their people and enable their attendance.
- Make regular contact with members of staff who are off sick.
- Hold return to work discussions within 3 days of staff returning and follow the sickness absence procedure as appropriate.
- Refer staff who are struggling with stress or their mental health reasons to the occupational health service, either before they go off sick, or on the first day of sickness.
- Have an action plan to end the absence, for all staff who are off sick longer than 3 months, which will be regularly reviewed. This will be co-created with HR Advisory and will be shared with the relevant (Tier 3) service manager.
- Ensure that sickness absence dates and reasons are recorded in Your HR in a timely and accurate way.

6.5 A Sustainable and Resilient Workforce Project Team is being established; consisting of a cross section of managers/leaders, HR, Health and Safety, Occupational Health, Business Intelligence and Communications representatives. The Project Team's remit will be to support the management of wellbeing and absence facilitate learning and best practice. The Project Team will focus on three main workstreams: -

1. **Data and insights** - ensuring managers/leaders have the necessary data to manage attendance
2. **Culture** - ensuring the organisation promotes the right culture regarding wellbeing and managing attendance
3. **Skills and behaviours** - ensuring that managers are aware of, have access to, and are engaged in the available resources to increase wellness in work.

The Project Team's terms of reference are to: -

- Commission sickness absence data for the group to monitor

- Review sickness absence trend data and wellbeing initiative utilisation; commissioning investigation in priority areas, including understanding the reasons to for increases in absence in particular areas.
- Recommend attendance targets for the organisation.
- Review policy documentation
- Review the success of the wellbeing pledge and other initiatives in order to develop progressive strategies.
- Holistically targeting the areas with the most significant issues
- Recognising/ celebrating many services with low/improved sickness
- Agree the communication plan to publicise the project outcomes
- Future scope wellbeing and attendance management initiatives to ensure our approach is “best in class” and enables a sustainable and resilient workforce

7.0 Financial Implications

- 7.1** The cost of days lost due to sickness absence during 2019/20 is reported at £4.05m. This figure is based on Occupational Sick Pay through the Your HR system. Please note that this figure does not include any cover costs where cover arrangements may have been put into place.

8.0 Environmental Implications

None

9.0 Timescales associated with the decision and next steps

- 9.1** This report has compiled all relevant and available statistics for sickness absence management within the County Council. The statistics demonstrate that the monitoring and management of sickness absence remains essential.
- 9.2** The average sickness absence levels of Warwickshire County Council staff (excluding schools) in 2019/20 equate to 10.90 average days per employee. This has seen an increase from 9.51 days in 2018/19. An overall target reduction for the organisation is proposed at 7% for 2020/21, with service level target reductions ranging between 5% and 10% to be applied. These targets are considered stretching, given continued focus on redesigning our services coupled with the global pandemic, but achievable.
- 9.3** As with 2018/19, the top reasons for employee sickness absence in 2019/20 remain as Mental Health and Musculoskeletal. These conditions can typically result in longer term absences which account for around two-thirds of total time lost.
- 9.4** The focus remains on managing attendance, ensuring managers are aware of their roles and responsibilities, and proactively managing employee sickness absence cases. The focus is also very much upon preventative strategies and measures and includes the health and wellbeing initiatives.

- 9.5** This report identifies that there is a significant proportion of employees who do not have any sickness absence throughout the year. In recognition of this, it is our intention to positively reframe attendance as we move forward whilst continuing to provide comparative data to enable absenteeism to be measured and addressed.

Background Papers

None.

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The report was circulated to the following members prior to publication:

Not applicable.

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Staff and Pensions Committee**Employee Recognition****14 September 2020****Recommendation(s)**

That the Committee agrees to granting all Warwickshire County Council employees (excluding schools) an additional day off as recognition and appreciation for their exceptional response to the COVID-19 pandemic, with a financial adjustment for staff for whom this is not a practical option.

1. Executive Summary

- 1.1** This report considers a proposal for Warwickshire County Council (WCC) to provide a tangible gesture that recognises and shows appreciation for the response and contribution of its employees to the COVID-19 pandemic.
- 1.2** At its meeting on 15 July 2020, Corporate Board considered a report on a wider staff recognition piece which included an option to recognise and to thank all WCC employees for their exceptional response and contribution during the COVID-19 pandemic.
- 1.3** Nationally, there has been a call from some trade unions to pay a bonus to local authority employees. To date, it is known that two councils have made a payment to 'frontline' employees. However, the majority have chosen not to.
- 1.4** The issue of additional payment is both controversial and divisive. WCC has been at pains to emphasise the contributions of all its employees, choosing not to make an artificial and inappropriate distinction between 'frontline' and 'other', and instead choosing a 'One Council' approach. In addition, at a time when services are increasingly under financial pressure, and with very considerable uncertainty about the medium term financial outlook, recognition that has a direct financial cost to the Council, such as a payment or a gift, may be viewed negatively by some, including the public.
- 1.5** In view of the above considerations, an alternative method of recognising all employees, and the significant contribution they have made in response to the pandemic, has been explored.

2. Financial Implications

- 2.1** The *actual* cost to the organisation of an additional day off for those staff where a small discretionary payment is proposed would be £65,567. This represents a pro-rata payment for term time only staff, sessional workers, retained firefighters and firefighters for whom it is not possible or practicable to have an additional day's leave.
- 2.2** The *notional* cost of a day off would be £456,296. This represents the salary paid to staff for this day's leave.
- 2.3** By comparison, if a cash payment were made to all staff of £50 (pro-rata for part-time staff), for example, the *actual* cost to the organisation would be £185,461.
- 2.4** The actual cost of a cash reward exceeds the actual cost of a day's leave and, arguably, may also have a lower perceived value

3. Environmental Implications

None.

4. Supporting Information

- 4.1** The proposal is to grant all WCC employees an additional day's leave to be added to their annual leave entitlement for 2020/21.
- 4.2** The granting of an additional day's leave is regarded as having a high perceived value to employees, whilst at the same time is relatively low in terms of direct costs. It is also a way of 'giving back' to the family and friends of staff who may also have had to make sacrifices during this time.
- 4.3** Any working time lost is likely to be compensated through increased good will, and the feeling of being recognized and appreciated.
- 4.4** Those staff who are unable to take an additional non-working day, a small discretionary payment is proposed as the most equitable way to recognise their contribution (see Appendix 1).
- 4.5** The proposal does not apply to agency or casual workers, and does not apply to staff employed by schools or other agencies

5. Timescales associated with the decision and next steps

- 5.1** Options for providing employees with a tangible token of recognition are limited by cost and the difficulty in implementing without disruption to the business. As a consequence, it is felt the one option being proposed will be perceived as having value to employees, whilst at the same time having a low actual cost and disruption to the business. Any working time lost is likely to be mitigated through the increased goodwill, and the feeling of being recognised and valued for the work done.

Background papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: Councillor Bill Gifford

Appendix 1

Type of Employment	How the Additional Leave is Applied	Notes
Full-time and part-time staff.	A day is added to the annual leave entitlement. This is pro-rata for part time staff.	
Term time only staff paid by WCC.	A small discretionary payment, equivalent to the day's leave the staff member is unable to take, is given.	<p>There may not be scope for term time only staff to take an additional day off, given the fewer number of weeks worked. For reasons of fairness, a pro-rata payment will be made instead.</p> <p>In certain circumstances, the manager may, at their discretion, decide to grant an additional day off instead of making a payment, for example, if a service employs a large number of term time only staff and this would have significant budget implications.</p>
Sessional workers	A small discretionary payment is made equivalent to the day's leave they are unable to take.	As for TTO staff above.
Retained Fire Fighters	A small discretionary payment is made equivalent to the day's leave they are unable to take.	Not practical to take a day's leave, due to the need to fulfil rotas. Payment is made for reasons of fairness above.
Fire Fighters	A discretionary payment is made equivalent to a day's leave.	Conversations with the Fire Service have stated this as the preferred option, due to the difficulty and cost of covering rotas.
Staff employed by schools and other agencies (e.g. Educaterers)	Day off does not apply to this group.	We are unable to make a payment as they are not paid from the Council's budget.
Casual / agency workers	Day off does not apply to this group.	These people are employed for set hours according to business need.

Staff & Pensions Committee

Response to HM Treasury consultation on McCloud/Sargeant remedy for Fire Pensions Scheme

14 September 2020

Recommendation(s)

The Staff and Pensions Committee note and comment on the HM Treasury consultation questions and the draft response on the proposed amendments to the Firefighters Pension Schemes

1.0 Executive Summary

- 1.1. As part of the 2015 reforms, those within 10 years of retirement remained in their legacy pension schemes. This transitional protection was provided following negotiations with member representatives and was intended to protect and give certainty to people who were close to retirement.
- 1.2. In December 2018 the Court of Appeal found that this part of the reforms unlawfully discriminated against younger members of the judicial and firefighters' pension schemes in particular, as transitional protection was only offered to older scheme members. The Courts required that this unlawful discrimination be remedied by the government. This document sets out the government's proposals for doing so.

2.0 Financial Implications

- 2.1. There is likely to be a cost to the Fire Service, but this ultimately depends on the demographic of the scheme members. The Government Actuaries Department (GAD) have included a request for additional information for members in scope, so that the cost of increasing benefits can be factored into the 2020 valuation of the Firefighter schemes.
- 2.2. Because the proposed amendments are retrospective to April 2015 there are additional administrative costs in recalculating the benefit entitlement for retired and dependant members, early leavers with a preserved entitlement and members who have transferred their entitlement to other pension schemes. An early indication is that this work will cost in the region of £32,000, but this figure will be refined as work progresses and the number of members in scope is

confirmed. This cost will need to be funded by Warwickshire Fire & Rescue Service.

3.0 Environmental Implications

3.1. None

4.0 Supporting Information

4.1. The government proposes to introduce legislation:

- i.) to make changes to the schemes to remove the discrimination identified by the Courts for the period 1 April 2015 to 31 March 2022 (the remedy period); and
- ii.) to address future service beyond the remedy period. In relation to the remedy period, simply extending the transitional arrangements to all eligible members - effectively placing them all back in their legacy schemes - could make many members worse off.

4.2. The government proposes to provide members with the option to choose between receiving legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022. This is referred to as the remedy period. This consultation seeks views on that proposal and especially on the two possible approaches:

- i.) an immediate choice; or
- ii.) a deferred choice underpin (DCU)

4.3. Under the immediate choice exercise, members would make this decision in the year or two after the point of implementation in 2022. For many members, this will be some years prior to retirement, and at a time when there is still some uncertainty over the precise benefits that would accrue to them in the alternative schemes.

4.4. In contrast, under DCU, this decision would be deferred until the point at which a member retires (or when they take their pension benefits). Until that deferred choice is made, all members would be deemed to have accrued benefits in the legacy scheme, rather than the reformed scheme, for the remedy period.

4.5. The government is therefore consulting on further changes that would ensure members can keep or choose benefits in the reformed schemes if they wish. This would mean those who did not have transitional protection (and so moved to the reformed schemes in 2015) could choose to keep those benefits they have accrued in the reformed schemes, and those who did have transitional protection (and so did not originally have access to the reformed schemes) can now choose to have such access.

- 4.6. A coordinated response to the 24 questions raised in the consultation document will be submitted on behalf of WCC. Representatives from Pensions Administration, HR, payroll, finance and the Fire Service will all take part in this exercise.

5.0 Timescales associated with the decision and next steps

- 5.1. This consultation will run for 12 weeks and will close at midnight on Sunday 11 October.

6.0 Appendices

- 6.1 Appendix 1 – Consultation questions and draft responses.

7.0 Background Papers

- 7.1. None.

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: None

Appendix 1

Public Service Pension Schemes: Changes to the transitional arrangements of the 2015 schemes.

Questions

Question 1: Do you have any views about the implications of the proposals set out in this consultation for people with protected characteristics as defined in section 149 of the Equality Act 2010? What evidence do you have on these matters? Is there anything that could be done to mitigate any impacts identified?

Question 2: Is there anything else you would like to add regarding the equalities impacts of the proposals set out in this consultation?

Question 3: Please set out any comments on our proposed treatment of members who originally received tapered protection. In particular, please comment on any potential adverse impacts. Is there anything that could be done to mitigate any such impacts identified?

Question 4: Please set out any comments on our proposed treatment of anyone who did not respond to an immediate choice exercise, including those who originally had tapered protection.

Question 5: Please set out any comments on the proposals set out above for an immediate choice exercise.

Question 6: Please set out any comments on the proposals set out above for a deferred choice underpin.

Question 7: Please set out any comments on the administrative impacts of both options

Question 8: Which option, immediate choice or DCU, is preferable for removing the discrimination identified by the Courts, and why?

Question 9: Does the proposal to close legacy schemes and move all active members who are not already in the reformed schemes into their respective reformed scheme from 1 April 2022 ensure equal treatment from that date onwards?

Question 10: Please set out any comments on our proposed method of revisiting past cases.

Question 11: Please provide any comments on the proposals set out above to ensure that correct member contributions are paid, in schemes where they differ between legacy and reformed schemes.

Question 12: Please provide any comments on the proposed treatment of voluntary member contributions that individuals have already made.

Question 13: Please set out any comments on our proposed treatment of annual benefit statements.

Question 14: Please set out any comments on our proposed treatment of cases involving ill-health retirement.

Question 15: Please set out any comments on our proposed treatment of cases where members have died since 1 April 2015.

Question 16: Please set out any comments on our proposed treatment of individuals who would have acted differently had it not been for the discrimination identified by the Court.

Question 17: If the DCU is taken forward, should the deferred choice be brought forward to the date of transfer for Club transfers?

Question 18: Where the receiving Club scheme is one of those schemes in scope, should members then receive a choice in each scheme or a single choice that covers both schemes?

Question 19: Please set out any comments on our proposed treatment of divorce cases.

Question 20: Should interest be charged on amounts owed to schemes (such as member contributions) by members? If so, what rate would be appropriate?

Question 21: Should interest be paid on amounts owed to members by schemes? If so, what rate would be appropriate?

Question 22: If interest is applied, should existing scheme interest rates be used (where they exist), or would a single, consistent rate across schemes be more appropriate?

Question 23: Please set out any comments on our proposed treatment of abatement.

Question 24: Please set out any comments on the interaction of the proposals in this consultation with the tax system

DRAFT FOR COMMENT

Pensions Remedy Project Team

HM Treasury

2/Red 1 Horse Guards Road

London

SW1A 2HQ

Public Service Pension Schemes

Changes to the transitional arrangements of the 2015 schemes

Responses on behalf of Warwickshire Fire and Rescue Service

Question 1: Do you have any views about the implication of the proposals set out in this consultation for people with protected characteristics as defined in section 149 of the Equality Act 2010?

Response:

Choices over which is the best benefit is made more complicated by the fact that the 1992 scheme does not provide dependent benefits for unmarried partners. Is there any consideration to amending 1992 scheme rules to allow for this?

Question 2: Is there anything else you would like to add regarding the equalities impacts of the proposals set out in this consultation?

Response:

No response

Question 3: Please set out any comments on our proposed treatment of members who originally received tapered protection. In particular, please comment on any potential adverse impacts. Is there anything that could be done to mitigate any such impacts identified?

Response:

As per question 1, taper members who were previously members of the 1992 scheme, can provide dependent benefits for unmarried partners as part of the 2015 scheme. They can not in the 1992 scheme is there any consideration to change the 1992 scheme rules to allow for dependent benefits for unmarried partners.

DRAFT FOR COMMENT

Question 4: Please set out any comments on our proposed treatment of anyone who did not respond to an immediate choice exercise, including those who originally had tapered protection.

Response:

The default option, to place members who do not respond, into the legacy scheme may not be beneficial for some members (particularly 2006 and dependents of 1992 scheme members) unmarried partners in the 1992 scheme are not entitled to dependents benefits. This could be challenged later. Should the default not be the most beneficial scheme for the member/dependent depending on status of the member, retired/deceased. DCU option would mitigate this.

Question 5: Please set out any comments on the proposals set out above for an immediate choice exercise.

Response:

What if information supplied to a member on which they based their decision is later found to be incorrect? Would there be any vires to allow a change of decision in these circumstances?

Members may choose the option that is not the most beneficial (based on correct assumptions) where should members go for advice and guidance? Administrators can provide information but are not financial advisors.

Question 6: Please set out any comments on the proposals set out above for a deferred choice underpin.

Response:

- Where members are making the choice when the benefit is due for payment on known benefit entitlements, there is more certainty and less chance of challenge later.
- How will the compensation where AA tax charges arise be calculated?

Question 7: Please set out any comments on the administrative impacts of both options

Response:

Immediate choice - This option would impact on administrators immediately and create a huge demand for information to be provided by members in a short time frame shortly after the legislation is passed. Software would need to be developed to cope with the change to the regulations and development of on-line calculators to allow members to produce their own forecasts would be needed.

If software is not developed in time for change this could mean administrators would need to calculate pension benefits manually, increasing the time it takes and the possibility of human error. This also creates delays in being able to deliver responses to members.

DRAFT FOR COMMENT

Deferred choice underpin - this option allows administrators more time to deal with member requests for information, however, increases administrator workload over a longer period. It also creates complexities in dealing with collection of underpaid pension contributions and retrospectively adjusting tax for tax relief on contributions and tax charges where a member exceeds annual allowance.

Question 8: Which option, immediate choice or DCU, is preferable for removing the discrimination identified by the Courts, and why?

Response: DCU

- DCU allows administrators to spread the work, therefore more time to develop systems and procedures to cope with the additional workload.
- There is less risk with member decision making as they are not having to make a predictive choice. Therefore, reducing risk of future legal challenge.
- Fewer errors with a greater implementation period
- Longer term implementation may have a smoothing effect on cost

Question 9: Does the proposal to close legacy schemes and move all active members who are not already in the reformed schemes into their respective reformed scheme from 1 April 2022 ensure equal treatment from that date onwards?

Response:

Yes

Question 10: Please set out any comments on our proposed method of revisiting past cases.

Response:

- Death cases are extremely complex for members who had service in 1992 and 2015 schemes. If a member has died should the remedy option be given to a partner? Unmarried partners in 1992 scheme are not eligible for dependent benefits. There may be difficulties tracing dependents where no dependent benefit is in payment.
- Potential for challenge on death grant payments – where they are paid to representatives of the estate and not a partner
- Additional administration burden on the collection of overpayments and underpayments
- Additional administration burden on correcting the tax position for members going back over statutory 4- year time limit.

The Home Office Immediate Detriment Guidance would mitigate some of these issues

DRAFT FOR COMMENT

Question 11: Please provide any comments on the proposals set out above to ensure that correct member contributions are paid, in schemes where they differ between legacy and reformed schemes.

Response:

- There is an additional administration burden for the calculation and collection of additional contributions and the refunding of any excess contributions. It would make sense to try and follow the process used in the 2006 Special member exercise on the collection of contributions, however claiming tax relief would need to be simplified.
- Under the DCU option, any balance of contributions owed could be collected from lump sum due upon retirement.
- Access to legacy System to enable calculation of over/underpayment of calculations, what are the requirements for the calculation is this on a year by year basis

Question 12: Please provide any comments on the proposed treatment of voluntary member contributions that individuals have already made.

Response:

Point A.16, allowing members to exceed the limit on purchase of additional AP, could lead to members to take up the option to purchase additional pension in the remedy period before regulations are changed, in order to benefit from this. Experience of members taking up the option to purchase additional pension is that it is rarely taken up by members as it is seen as too expensive, so the risk of this happening may be small.

Question 13: Please set out any comments on our proposed treatment of annual benefit statements.

Response: The proposed treatment of Annual Benefit Statements is acceptable, even though it would again increase administration burden having to show two sets of benefits based on different schemes. However, administrators are reliant on software providers making the necessary changes in time for 31 August deadline following the change in regulations, to be able to provide this information to members. This would not be achievable if we must do manual calculations.

Question 14: Please set out any comments on our proposed treatment of cases involving ill-health retirement.

Response: For immediate cases of ill-health where a member may have a terminal illness it would make sense to allow that member to make the decision at the time of their retirement and not have to wait. Changes to the exiting regulations should be made quicker for these cases.

Processing these cases based on the members choice of scheme, would reduce the stress and anxiety caused to members and potential for having to adjust benefits in payment.

DRAFT FOR COMMENT

Question 15: Please set out any comments on our proposed treatment of cases where members have died since 1 April 2015.

Response:

Some of the complexities of these cases could be reduced if the provision of partner benefits was made equal across all schemes.

Question 16: Please set out any comments on our proposed treatment of individuals who would have acted differently had it not been for the discrimination identified by the Court.

Response:

Explicit guidance would be required as members choices on retirement dates and remaining in the scheme are going to be based on individual circumstance at the time they made the decision.

Question 17: If the DCU is taken forward, should the deferred choice be brought forward to the date of transfer for Club transfers?

Response:

Yes

Question 18: Where the receiving Club scheme is one of those schemes in scope, should members then receive a choice in each scheme or a single choice that covers both schemes?

Response:

A single choice that covers both schemes

Question 19: Please set out any comments on our proposed treatment of divorce cases.

Response: Agree the approach suggested

Question 20: Should interest be charged on amounts owed to schemes (such as member contributions) by members? If so, what rate would be appropriate?

Response: Interest should be charges at the same rate as that applied to the 2006 special members exercise

Question 21: Should interest be paid on amounts owed to members by schemes? If so, what rate would be appropriate?

Response: Interest did not form part of the payments made to members who were due arrears as part of the 2006 special members exercise, to pay interest on payments owed to members now would be inconsistent to that.

DRAFT FOR COMMENT

Question 22: If interest is applied, should existing scheme interest rates be used (where they exist), or would a single, consistent rate across schemes be more appropriate?

Response:

A single consistent rate would seem appropriate.

Question 23: Please set out any comments on our proposed treatment of abatement.

Response: Abatement apply going forward but not retrospectively.

Question 24: Please set out any comments on the interaction of the proposals in this consultation with the tax system

Response:

In previous exercises where, retrospective changes have had to be made to the amount of tax due or tax relief applied, it has been difficult to co-ordinate and drawn out when members are claiming tax relief on an individual basis. This process would be far easier if it could be done on the members behalf by the administrator/payroll provider with a central contact at HMRC.

Staff & Pensions Committee

Consultation on the Impact of the McCloud Remedy on the Local Government Pension Scheme

14 September 2020

Recommendation(s)

1. That the Staff and Pensions Committee note the consultation review and comment on the response (when shared) to the Government consultation on proposed amendments to the Local Government Pension Scheme Regulations.

1. Executive Summary

- 1.1 The Courts determined that the protections afforded to some members of the Local Government Pension Scheme (LGPS) and other public service pension schemes, following the review by Lord Hutton and introduced in 2014 (for the LGPS and 2015 for other schemes), were age discriminatory and unlawful.
- 1.2 The Government accepted the findings of the Court and has issued a consultation as to how best to amend the LGPS regulations.
- 1.3 Appendix 1 sets out the questions asked by the consultation, and a link to the consultation itself is provided below:

[MHCLG LGPS McCloud Remedy Consultation](#)
- 1.4 A response is being drafted and will be shared virtually with the Staff and Pensions Committee for comment before being approved by portfolio holder. A response will be drafted from the perspective of the Warwickshire Pension Fund and from the perspective of the County Council.
- 1.5 In parallel to the MHCLG consultation on the impact on the LGPS, HM Treasury are undertaking a consultation on the impact of McCloud on the Fire pension scheme and this is considered in a separate report.

2. Financial Implications

- 2.1 Although the Pension Fund's Actuary made an allowance in the assumptions used in determining the results of the 2019 triennial valuation of the Warwickshire Pension Fund, there is likely to be a cost to employers depending on the demographic of their LGPS members. Costs will vary by

employer but on average are expected to amount to a fraction of one percent of total liabilities.

- 2.2 Because the proposed amendments are retrospective to April 2014 there will be additional administrative costs in recalculating the benefit entitlement for retired and dependant members, early leavers with a preserved entitlement and members who have transferred their entitlement to other pension schemes.

3 Environmental Implications

- 3.1 None

4 Supporting Information

- 4.1 The original protection was provided to members in service on 31 March 2012 and who were within ten years of normal pension age (NPA). These members were therefore better off than those who were not within ten years of NPA. It was therefore proposed that the protection is provided to those in service on 31 March 2012 who have membership in the 2014 CARE scheme and who are not within ten years of retirement.

5 Timescales associated with the decision and next steps

- 5.1 The period of consultation ends on 8th October 2020
- 5.2 A draft response to questions may be shared / tabled prior to meeting if timing allows, or will be shared virtually prior to submission. The final response will be approved by portfolio holder.

Appendices

1. Appendix 1 Questions from the Consultation

Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members:

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Ministry of Housing, Communities and Local Government

Local Government Pension Scheme (England and Wales)

Amendments to the statutory underpin

July 2020

This document summarises the McCloud consultation questions in respect of the Local Government Pension Scheme. The full consultation document can be found via the link below.

[MHCLG LGPS McCloud Remedy Consultation](#)

Question 1 – Do you agree with our proposal to remove the discrimination found in the McCloud and Sargeant cases by extending the underpin to younger scheme members

Question 2 – Do you agree that the underpin period should end in March 2022?

Question 3 – Do you agree that the revised regulations should apply retrospectively to 1st April 2014?

Question 4 – Do the draft regulations implement the revised underpin which we describe in this paper?

Question 5 – Do the draft regulations provide for a framework of protection which would work effectively for members, employers and administrators?

Question 6 – Do you have other comments on technical matters related to the draft regulations?

Question 7 – Do you agree that members should not need to have an immediate entitlement to a pension at the date they leave the scheme for underpin protection to apply?

Question 8 – Are there any other comments regarding the proposed underpin qualifying criteria you would like to make?

Question 9 – Do you agree that members should meet the underpin qualifying criteria in a single scheme membership for underpin protection to apply?

Question 10 – Do you agree with our proposal that certain active and deferred members should have an additional 12 month period to decide to aggregate previous LGPS benefits as a consequence of the proposed changes?

Question 11 – Do you consider that the proposals outlined in paragraphs 50 to 52 would have 'significant adverse effects' in relation to the pension payable to or in respect of affected members, as described in section 23 of the Public Service Pensions Act 2013?

Question 12 – Do you have any comments on the proposed amendments described in paragraphs 56 to 59?

Question 13 – Do you agree with the two-stage underpin process proposed?

Question 14 – Do you have any comments regarding the proposed approaches outlined above?

Question 15 – Do you consider there to be any notable omissions in our proposals on the changes to the underpin?

Question 16 – Do you agree that annual benefit statements should include information about a qualifying member's underpin protection?

Question 17 – Do you have any comments regarding how the underpin should be presented on annual benefit statements?

Question 18 – Do you have any comments on the potential issue identified in paragraph 110?

Question 19 – Do the proposals contained in this consultation adequately address the discrimination found in the 'McCloud' and 'Sargeant' cases?

Question 20 – Do you agree with our equalities impact assessment?

Question 21 - Are you aware of additional data sets that would help assess the potential impacts of the proposed changes on the LGPS membership, in particular for the protected characteristics not covered by the GAD analysis (age and sex)?

Question 22 – Are there other comments or observations on equalities impacts you would wish to make?

Question 23 – What principles should be adopted to help members and employers understand the implications of the proposals outlined in this paper?

Question 24 – Do you have any comments to make on the administrative impacts of the proposals outlined in this paper?

Question 25 – What principles should be adopted in determining how to prioritise cases

Question 26 – Are there material ways in which the proposals could be simplified to ease the impacts on employers, software systems and scheme administrators

Question 27 – What issues should be covered in administrative guidance issued by the Scheme Advisory Board, in particular regarding the potential additional data requirements that would apply to employers?

Question 28 – On what matters should there be a consistent approach to implementation of the changes proposed?

Question 29 – Do you have any comments regarding the potential costs of McCloud remedy, and steps that should be taken to prevent increased costs being passed to local taxpayers?

Staff & Pensions Committee**Pensions Administration Activity and Performance Update****14 September 2020****Recommendation(s)**

1. Staff and Pensions Committee notes this report.

1. Executive Summary

- 1.1 This report updates the Committee on key developments affecting pensions administration and the performance of the Pension Administration Service.

2. Financial Implications

- 2.1 All financial implications are dealt with in the main body of the report.

3. Environmental Implications

- 3.1 None

4. Governance Action Plan

Good progress continues to be made in implementing the Governance Action Plan, with 36 actions out of 54 now completed. An updated summary is included at Appendix 1.

5. Annual Benefit Statements

- 5.1 There is a regulatory requirement for the Pensions Administration Service (PAS) to issue all members with an Annual Benefit Statement by 31st August each year.
- 5.2 For deferred members Annual Benefit Statements have already been issued, this is significantly ahead of the deadline. There are 3000 deferred members for whom we do not hold a current home address. A tracing service has been procured which will seek to provide up-to-date addresses for these members. Once addresses have been updated statements will be sent out.
- 5.3 The Service is working towards the regulatory deadline for all active scheme members, and an update of the numbers of statements that have been produced will be confirmed at the meeting.

6. Year End

- 6.1 Annual Returns from employers have been completed. The process generated validation queries that have been referred back to and resolved by the employers.

7. GMP Reconciliation

- 7.1 GMP reconciliation is the process used to ensure that LGPS scheme records agree with those of the National Insurance Contribution Office (NICO, part of HMRC). This enables a scheme to consider its data as clean and reliable.
- 7.2 After some delay, HMRC has now sent final data to Funds to start the reconciliation process with their own records. A project is being established to ensure that data held by HMRC matches that held in both the Pensions and Payroll systems. The results of this exercise will be presented to a future meeting.

8. Key Performance Indicators (KPIs)

- 8.1 At its meeting in June, the Committee approved a new set of KPIs to bring the service in line with industry standard measures and to reflect those listed in our Administration Strategy. Appendix 2 sets out performance against these measures at 31st July 2020.
- 8.2 Where the PAS have not met 95% these will be for KPI's where there is no payment due. KPIs where payments are due are treated as priority. 90% was achieved for payment of all death grants. In May there was only 1 case where this was not paid within the KPI target and this has skewed the figures for this because we do not process a large volume of these cases.

9. Workloads

- 9.1 The PAS has been monitoring the tasks outstanding and completed by the service since the 1 March 2020. The chart at appendix 3 shows the volume of outstanding work across the service and indicates that the service reduced this figure to just 2542 tasks as at the 7 June 2020. This has increased since the deferred annual benefit statements were issued, and end of year returns were actioned, as a result of queries generated. The figure is now starting to reduce again, but we are expecting an increase in the volume in excess of 500 queries again when active annual benefit statements are issued. Appendix 3 shows the total of outstanding tasks up to 31 July 2020.

10. Breaches

- 10.1 In 2019 the Service reported a breach to The Pensions Regulator (tPR) relating to the failure to meet the regulatory deadline for issuing Annual Benefit Statements to members. Following close collaboration with tPR on resolution of this breach, it has now been confirmed that this can be closed.
- 10.2 All recorded breaches this year relate to the late submission of data or contributions by employers. Where an employer submits more than one week late on more than three occasions in one year, or more than five weeks late on one occasion, then a Green breach is escalated to Amber. Table 1 below summarises the number of employer breaches to date for 2020/21:

Table 1: Breaches 2020/21	Red	Amber	Green	None	Total
Number of Employers	0	100	21	73	194

- 10.3 In accordance with the Breaches Policy, any Amber breach results in direct contact with the employer to resolve the issue, and further escalation if required.
- 10.4 With the implementation of the new i-Connect system it is anticipated that the number of breaches will reduce significantly.

11. i-Connect

- 11.1 The i-Connect project will provide a digital platform for employers to submit monthly member data on-line. This is an automated process, and should therefore remove the issue of late submissions, which is a key cause of employer breaches.
- 11.2 The project is progressing well, with governance arrangements in place, a contract with i-Connect for the provision of the software nearing completion, and an employer communication and engagement plan in place. Rollout to the first tranche of employers is expected to start in the third quarter of the financial year.

12. McCloud / Sargeant Remedy

- 12.1 Papers elsewhere on this agenda address the current government consultation regarding the remedies relating the McCloud / Sargeant age discrimination case.
- 12.2 Whilst the final remedies are subject to the outcomes of the consultation, their implementation will be a significant piece of work for the Pensions Administration Service, with an estimated 25% of members being in scope. Planning is underway to manage this project which will involve the following:

- Identification of members of LGPS and Fire Pensions Scheme who are in scope;
- Obtaining member data from employers;
- Calculation of retrospective underpin;
- Communication with scheme members;
- Payment of backdated benefits; and
- Rectification planning.

12.3 Further reports will be brought back to the committee as work progresses.

13. Employers Leaving and Joining the Fund

13.1 A report is included elsewhere on the Committee’s agenda providing details of employers leaving and joining the Fund.

14. Timescales associated with the decision and next steps

14.1 None.

Appendices

Appendix 1 – Governance Action Plan Summary, updated 7th August 2020
 Appendix 2 – Key Performance Indicators at 31st July 2020

Background Papers

Pensions Administration and Performance Update. Staff and Pensions Committee, 8th June 2020

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The report was circulated to the following members prior to publication:

Local Member(s): None
 Other members:

Appendix 1: Governance Action Plan Summary, Updated 7th August 2020

The Pensions Regulator Code of Practice 14	Complete	Red	Amber	Green	Notes
Knowledge & Understanding	5	1	1	0	Training logs being maintained, and training opportunities circulated to Board Members. 2 training days scheduled for 2020 (will need to be rescheduled due to Covid19). Training Needs Analysis underway and will inform content of training days. Training for new Board member can't be completed until they are appointed.
Conflicts of Interest	1	0	0	0	LPB Policy approved at SPC March 2020
Publishing Information	2	0	0	0	LPB Terms of Reference review was deferred to July 2020 meeting and will move to completed once approved by Council. ESG Policy was approved by PFISC in March 2020.
Managing Risks	3	1	0	3	Risk register now being reviewed at each LPB meeting. Managed handover of work to permanent Pensions and Investment Manager and Pensions Delivery Lead.
Record Keeping	7	3	5	1	Approval of Admin Strategy and subsequent training for Employers will help to ensure they understand and are carrying out their roles and responsibilities. Project Full Business Case submitted for approval. Aim is to roll out in 3 phases starting in October 2020.
Maintaining Contributions	9	0	1	1	New Admin Strategy and subsequent training to communicate and improve performance of employer obligations, roles and responsibilities.
Providing Information to Members	0	0	0	0	Governance requirements being met.
Internal Dispute Resolution	0	0	0	0	Governance requirements being met.
Reporting Breaches	7	1	0	0	Breaches Policy in place and breaches log maintained and reviewed regularly. Training completed for Pensions Admin Staff. Employers to be reminded of their responsibilities regarding breaches via new Admin Strategy and related training. Training/workshops have been delivered by Actuary to employees at risk of exceeding allowance thresholds, and project plan is in place for managing 2020 Annual Allowance process.
Developing Areas	2	0	0	0	RI/ESG/Climate Change policy approved at PIFSC March 2020
	36	6	7	5	
Total Actions				54	

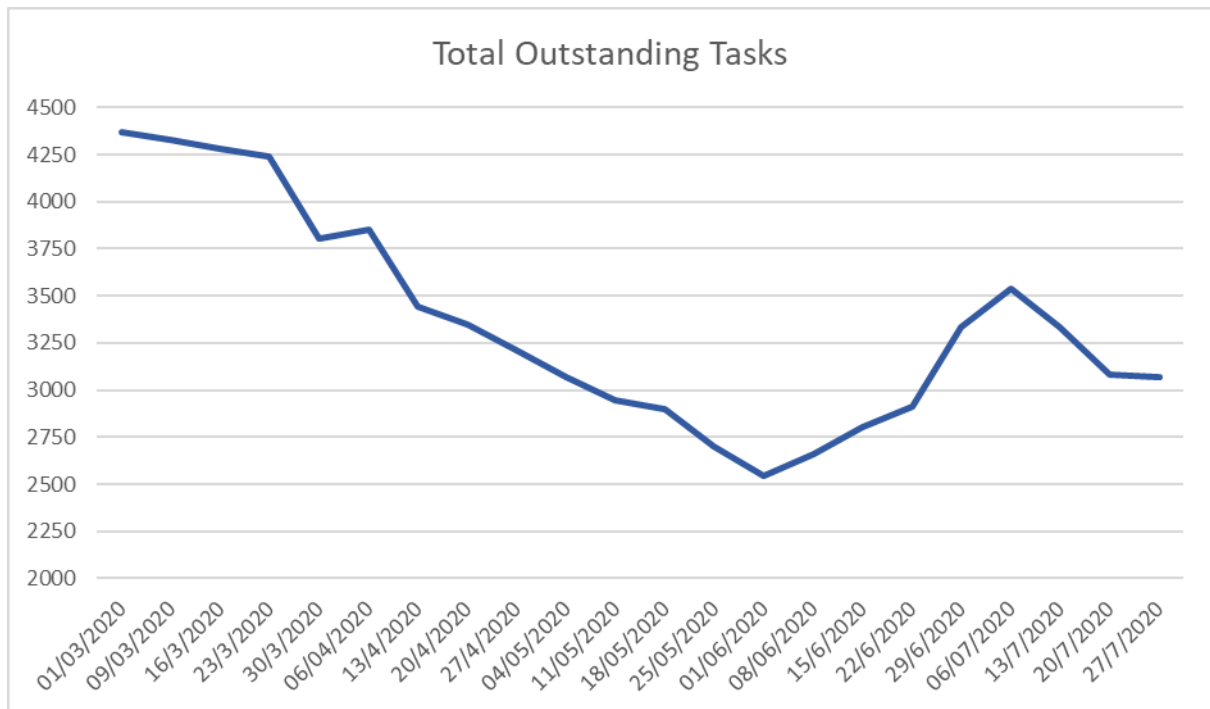
Appendix 2: Key Performance Indicators at June 2020

Key Performance Indicator	Fund Target (95% service level)	May 2020 Performance on Fund Target	June 2020 Performance on Fund Target	Cumulative
Letter detailing transfer in quote	10 days	94.34%	88.09%	91%
Letter detailing transfer out quote	10 days	90.62%	89.19%	90%
Process and pay a refund	10 days	89.29%	97.06%	93%
Letter notifying estimate of retirement benefits (Active)	15 days	97.33%	94.23%	96%
Letter notifying actual retirement benefits (Active)	15 days	94.74%	100%	97%
Process and pay lump sum (Active)	10 days	94.74%	95.00%	95%
Process and pay death grant	10 Days	80.00%	100%	90%
Initial letter notifying death of a member	5 days	90.91%	83.33%	87%
Letter notifying amount of dependents benefits	10 days	87.56%	89.23%	88%
Divorce quote letter	45 days	100%	100%	100%
Divorce settlement letter	15 days	No cases	No Cases	No cases
Send notification of joining scheme to member	40 days	98.74%	98.55%	99%
Deferred benefits into payment	15 days	97.78%	97.67%	98%
Calculate and notify deferred benefits.	30 days	91.16%	98.13%	95%
Average days from retirement to payment of lump sum.	Measure member experience	38.8 Days	34 Days	Dependant on receipt of information from employer and member

Notes:

1. Days are working days only.
2. Payments relate to sending payment, not receipt in member account.
3. Service Levels commence when PAS have full and accurate information to process the case.

Appendix 3 Workloads – Outstanding tasks



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Staff & Pensions Committee Regulatory Update

14 September 2020

Recommendation

That the Committee notes and comments on the report.

1. Executive Summary

- 1.1 This report seeks to update the Committee on current and future developments in the LGPS and Firefighter Pension Schemes.

2. Financial Implications

- 2.1 Although there are no immediate costs identifiable, provision was made in the valuation on the level of prudence used in employer funding plans to make allowance for McCloud.

3. Environmental Implications

None

4. Supporting Information

- 4.1 **McCloud**; Responses to the Government consultations on the proposed remedy for the McCloud judgement are being prepared and will be communicated separately.
- 4.2 **Exit payment cap**; Government has issued a response to the consultation and has confirmed it intends to issue regulations capping exit payments on early retirement to £95,000. No timescale has been provided as to when regulations will be issued, although indications are that these will be in force by the end of 2020.

The Exit payments cap cover the following payments:

- redundancy payments
- severance payments

- pension strain costs – which arise when an LGPS pension is paid unreduced before a member’s normal pension age

What isn’t included:

- death in service payments
- ill health retirement
- pay in lieu of holiday
- payments made as a consequence of an order made by a court or tribunal
- pay in lieu of notice which do not exceed a quarter of the persons salary

Although statutory redundancy pay is included this cannot be reduced and if the cap is exceeded other elements that make up the exit payment must be reduced.

The major impact is on members over the age of 55 who qualify for an unreduced pension under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. Changes to those regulations will prevent the payment of severance in addition to a pension strain cost.

This raises questions around the inequity of lack of choice as well as the situation of different strain costs between LGPS funds resulting in different reductions being made for the same length of service and pay. This is because the strain cost is calculated at a local level based on the demographic make-up of the members in each fund. It also appears to be the intent to provide a facility for the member to buy out the reduction.

The Scheme Advisory Board understands that the Ministry for Housing, Communities and Local Government is looking at options to introduce choice for members to take a deferred benefit rather than a reduced pension. Also, guidance on the calculation on standardised strain costs and the option to purchase the shortfall. Any changes to the LGPS regulations would be subject to a further consultation.

There are circumstances, set out in draft Treasury Directions, when the cap must be or may be relaxed by a minister or the authority. However, most are subject to consent by Treasury even if passed by full council.

4.3 **Cost Cap mechanism;** following the consultation document being issued on McCloud, the Government has confirmed that it intends to continue with the cost cap mechanism for public service pension schemes

- a. For the LGPS this will involve the Scheme Advisory Board and the Ministry for Housing, Communities and Local Government reviewing the cost of McCloud and the affordability of the proposed changes which may or may not see some of the proposals being taken forward.
- b. The proposed changes are:
 - i. Removal of tier three ill health retirement

- ii. minimum lump sum death in service benefit of £75,000 per member
- iii. enhanced early retirement factors for members in service on 1 April 2019
- iv. a review of member contribution bands

5 Timescales associated with the decision and next steps

5.1 Officers will keep the Committee updated on future developments.

Background Papers

None

	Name	Contact Information
Report Author	Neil Buxton	neilbuxton@warwickshire.gov.uk
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Lead Member	Peter Butlin	peterbutlin@warwickshire.gov.uk

The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: This will be members of the Fire and Resources OSC

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Staff & Pensions Committee

Revised Terms of Reference for the Local Pension Board

14 September 2020

Recommendation(s)

1. The Staff and Pensions Committee are invited to review and comment on the updated Terms of Reference for the Local Pension Board before forwarding to the Council for approval.

1. Executive Summary

- 1.1 At its meeting of 21 July 2020, the Local Pension Board reviewed and commented upon their proposed updated Terms of Reference (Appendix A).
- 1.2 Item 4 below, details the relevant amendments.

2. Financial Implications

None

3. Environmental Implications

None

4. Supporting Information

- 4.1 The Local Pension Board operates within defined terms of reference which were put in place when the Board was first formed in 2015. The key changes to the document are highlighted in the table below:

Section	Change
3.9	Protocol introduced for employer representatives if an employer leaves the fund
3.10	Protocol introduced for identifying and selecting employer and member representatives
4.2	Protocol introduced for chairing the board if the Chair is not in attendance
7	Additional clarification around roles of officers and advisers
7.4	Protocol introduced for setting the terms of reference of sub groups
9.1	Meeting frequency updated to quarterly
9.2	Annual schedule of meetings must now include a forward plan of future agenda

	items
9.4	Protocol introduced for meeting location and timing
9.5	Protocol introduced for exempt / confidential reports
9.6	Protocol introduced for calling special meetings
10.2	Code of conduct updated in respect of County Councillor responsibilities
14.3	Reference for added training costs
14.4	Protocol introduced for claiming expenses
14.5	Protocol introduced for setting budget for Board costs
16	Scope of the reporting breaches section broadened to encompass breaches or wider concerns, including specification for reporting to the Scheme Administrator, pension fund committees, and scheme members and employers

5. Timescales associated with the decision and next steps

- 5.1 Following the meeting the Staff and Pensions Committee will refer the Terms Reference for the Local Pension Board to the Council at its next available meeting.

Appendices

1. Terms of Reference for the Local Pension Board

Background Papers

None

	Name	Contact Information
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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members:

Terms of Reference for the Local Pension Board of Warwickshire Pension Fund

Reviewed and Updated February 2020 - Draft

1) Introduction

1.1 The Public Services Pensions Act 2013 (the '2013 Act') requires the establishment of a Pension Board with responsibility for assisting the Scheme Manager in securing compliance with all relevant pensions laws, regulations and directions and the Pension Regulator's codes of practice.

1.2 This document sets out the terms of reference for the Local Pension Board of the Warwickshire Pension Fund (the 'Pension Board').

2) Role and Responsibilities of the Pension Board

2.1 The role of the Pension Board (as defined by sections 5 (1) and (2) of the 2013 Act) is to –

2.1.1 Assist the Scheme Manager –

a. to secure the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) for the Warwickshire Pension Fund by effectively and efficiently complying with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator;

b. to secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS;

c. to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator; and d. in such other matters as the LGPS regulations may specify.

2.1.2 Provide the Scheme Manager with such information as it requires to ensure that any member of the Pension Board or person to be appointed to the Pension Board does not have an inappropriate conflict of interest.

2.1.3 Produce an annual report to the Scheme Manager outlining the work of the Board throughout the scheme year.

2.2 The Pension Board shall meet sufficiently regularly to discharge its duties and responsibilities effectively.

2.3 The Pension Board will not have decision making powers in relation to the Warwickshire Pension Fund save as to refer issues to the Scheme Administrator, Pension Fund Committees, or the Pension Regulator. It will have the ability to hear disputes employers may have with the Fund.

3) Membership

3.1 The membership of the Pension Board shall consist of seven (7) members each to include –

- a. Scheme Member Representatives x 3
- b. Employer Representatives x 3
- c. Independent Representative x 1

3.2 Scheme Member Representatives nominated by Scheme employers need to ensure a broad representation of scheme membership - for example to include deferred and active pensioner representation.

3.4 Employer representatives nominated by categories of employers to include:

- a. 1 x Elected Member (acting for WCC)
- b. 1 x Precepting Employer
- c. 1 x non-precepting employer.

3.5 The Independent Representative shall be appointed by the Scheme Manager following a recruitment and selection process involving role specification, application form, shortlisting and interviews accordance with current Warwickshire County Council's policy and procedure.

3.6 The Chair of the Pension Board shall be the Independent Representative.

3.7 Attendance is expected of Board members at all meetings; no substitution is allowed.

3.8 In the event of consistent non-attendance, or failure to achieve and maintain the required level of knowledge and skills by any Board member, then the tenure of that member should be reviewed by the Chair in liaison with the Scheme Manager. The Scheme Manager will have the final decision on whether to remove the Board member.

3.9 Other than by ceasing to be eligible as set out above, a Board member may only be removed from office during a term of appointment by the Scheme Manager:

1. after consultation with the Board members
2. in the case of an Elected Member of Warwickshire County Council acting as a Board Member, ceasing to hold office as an Elected Member.
3. in the case of other employer representatives in the case of the employer no longer being in the pension fund.

3.10 The Scheme Administrator will be responsible for identifying and evaluating employer representatives from the pool of employers, and scheme members from the membership. The Scheme Administrator, after consulting with the Chair of the Board, may determine and undertake an evaluation process to ensure that potential

new Local Pension Board members understand and are able to undertake the role.

4) Quorum

4.1 3 members of the Pension Board will represent a quorum for Board meetings to go ahead.

4.2 In the absence of the Chair of the Board at a meeting, the meeting may be chaired by a senior officer of the Scheme Administrator. Officers may not chair the meeting whilst presenting agenda items.

5) Conflicts of Interest

5.1 The 2013 Act requires that members of the Pension Board do not have conflicts of interests. As such all members of the Pension Board will be required to declare any interests and any potential conflicts of interests in line with legal requirements in the Act and the Pension Regulator's code. These declarations are required as part of the appointment process, as well as at regular intervals throughout a member's tenure to the Scheme Manager's satisfaction.

5.2 A Conflicts of Interest policy with which Local Pension Board Members must comply is included at Annex A to these Terms of Reference.

6) Board Review Process

6.1 The Board will undertake each year a formal review process to assess how well it and the members are performing with a view to seeking continuous improvement in the Board's performance.

7) Role of Officers and Advisers

7.1 The Pension Board will receive appropriate reports, information, and advice from fund officers in support of meeting its objectives.

7.2 The Pension Board will have access to pension fund officers, the Fund's Section 151 Officer, and the Fund's Legal Adviser as required to carry out its duties.

7.3 The Pension Board may be supported in its role and responsibilities through the appointment of professional advisers and shall (subject to any applicable regulation and legislation from time to time in force) consult with such advisers to the Board and on such terms as it shall see fit to help better perform its duties.

7.4 This will be done on an 'as required' basis; any advisor attending a Board meeting is not a Board member and does not have a vote. Professional advisers will be commissioned by the Scheme Manager. If required, sub-groups may be established to assist the Board. The terms of reference for sub groups will be set by the Local Pension Board in consultation with the Scheme Manager.

7.5 Officer and professional advisers shall support the Pension Board in delivering the Board's responsibilities by;

- a. providing advice as requested by the Board;
- b. having regard for the need to ensure the effective and efficient governance and administration of the scheme;;
- c. having regard for the need to secure compliance with, requirements imposed by the Pensions Regulator, the LGPS regulations, and any other legislation relating to the governance and administration of the LGPS;
- d. notifying the Board of any matter which they decide the Board may need to know to carry out its responsibilities; and
- e. providing the Board with access to information necessary to perform its functions;

8) Knowledge and Skills

8.1 Members of the Pension Board must have full capacity to act and will be expected to have good sound knowledge of the LGPS rules and administration adopted by the Warwickshire Pension Fund, pension law and regulations as set out in the 2004 Pensions Act.

8.2 The performance of Board members will be assessed on a periodic basis by the Scheme Manager to ensure that all members are adequately meeting their duties. Poor performance will result in corrective action being taken, and in exceptional circumstances the removal of the Board member.

8.3 Pension Board members must be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Board members are therefore required to maintain a written record of relevant training and development.

8.4 Board members will comply with the Scheme Manager's training policy.

8.5 Board members will undertake a personal training needs analysis undertaken on behalf of the Scheme Manager and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.

9) Board Meetings

9.1 The Pension Board will meet quarterly with meetings timed to follow after the pension fund executive committee meetings so that the Local Pension Board can review and scrutinise Pension Fund activity in a timely way. The Scheme Administrator may from time to time review this arrangement to ensure that it provides sufficient capacity to enable the delivery of the Board's key responsibilities.

9.2 The Scheme Manager will undertake the committee secretariat functions for the Board and will ensure that:

- a. facilities are available to hold meetings;
- b. an annual schedule of meetings and forward plan of agenda items is organised and shared with members;
- c. suitable arrangements are in place to hold additional meetings if required - ensuring adequate notice;
- d. papers are distributed at least 5 clear working days before each meeting except for exceptional circumstances;
- e. a formal record of meetings is maintained; and
- f. following the approval of the minutes by the Chair, they are circulated to all Board members.

9.3 Meetings will be open for Scheme members and employers to observe.

9.4 Board meetings may be held at the Scheme Manager offices in Warwick, or remotely, with the specific location or meeting method published with the agenda. Meetings will be held during normal office hours.

9.5 Agenda items will normally be public papers. However an agenda item may meet the criteria to be exempt from publication and be heard in private session. Reports must meet the Council Council's standards for being made exempt. Local Pension Board Members must maintain the confidentiality of exempt reports and discussions.

9.6 Additional special meetings of the Local Pension Board may be convened at the request of the Scheme Administrator or by the Local Pension Board through a majority vote.

10) Standards of Conduct

10.1 The role of Pension Board members requires the highest standards of conduct and the "seven principles of public life" will be applied to all Pension Board members and embodied in their code of conduct. These are

- a. Selflessness;
- b. Integrity;
- c. Objectivity;
- d. Accountability;
- e. Openness;
- f. Honesty; and
- g. Leadership.

10.2 Any elected Member scheme representative is also responsible for adhering to the County Council Member code of conduct.

11) Decision Making and Voting

11.1 The Pension Board is expected to operate on a consensus basis; however each Scheme Member Representative and Employer Representative member will have individual voting rights. Independent Members shall have no voting rights. In the event that consensus cannot be reached, a vote will be taken. The Chair should report to the Scheme Manager when a decision is reached in this manner.

11.2 It will be the role of the Chair to ensure that all members of the Board show due respect for process, that all views are fully heard and considered and to determine when consensus has been met.

12) Publication of Pension Board information

12.1 Scheme members and other interested parties will want to know that Warwickshire Pension Fund is being efficiently and effectively managed. They will also want to be confident that the Pension Board is properly constituted, trained and competent in order to comply with Scheme regulations, the governance and administration of the Scheme and requirements of the Pension Regulator.

12.2 Up to date information will be posted on the Warwickshire Pension Fund website showing –

- a. The names of the Pension Board members;
- b. How the Scheme members are represented on the Pension Board;
- c. The responsibilities of the Pension Board as a whole;
- d. The full terms of reference and policies of the Pension Board and how they operate;
- e. The Pension Board appointment process;
- f. Who each individual Pension Board member represent; and
- g. Any specific roles and responsibilities of individual Pension Board members.

12.3 The Pension Board papers, agendas and minutes of meetings will be published on the Warwickshire Pension Fund website. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 2018.

12.4 The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

13) Accountability

13.1 The Pension Board will be collectively, and members individually, accountable to the Scheme Manager. The Board will also be given the opportunity to present its findings at the Fund's annual meeting.

14) Remuneration and Expenses

14.1 Remuneration for Board members will be limited to a refund of actual expenses incurred in attending Board meetings. The Chair's remuneration will be agreed on appointment and reviewed every three years.

14.2 The expenses of the Board are to be regarded as part of the administration costs of the Pension Fund.

14.3 Training and associated costs will be met by the Pension Fund.

14.4 Any costs / expenses must be claimed within 3 months of being incurred.

14.5 The Scheme Manager will set a budget each year for Local Pension Board costs including expenses, remuneration, training, professional advice, and costs incidental to conducting the business of the Board.

15) Tenure

15.1 Tenure period for Board members will be for a 3 year period on a rolling appointment basis - up to a maximum of 9 years.

15.2 The term of office for the Chair will also be for a three (3) year period at which point it will be the decision of the Scheme Manager to confirm re-appointments.

15.3 Resignation of Board members will be documented in writing to the Chair. A suitable notice period must be given which is no less than one (1) month.

16) Reporting Breaches and Concerns

16.1 Any breach brought to the attention of the Pension Board whether potential or actual shall be dealt with in accordance with the procedure set out in the policy document.

16.2 The Local Pension Board may report concerns to the Scheme Administrator and may report concerns to decision making pension committees.

16.3 Breaches and concerns will be documented and made available to scheme employers and scheme members with the published Board papers, except where a

report is exempt.

17) Review

17.1 These Terms of Reference may be reviewed and amended at any time by the Scheme Manager, in consultation with the Board, and any changes communicated to the Pension Board in advance of the next Board meeting.

18) Definitions

18.1 The undernoted terms shall have the following meaning when used in this document:

“Pension Board” or “Board” Means the local Pension Board for the administering authority for the Warwickshire Pension Fund as required under the Public Service Pensions Act 2013

”Scheme Manager” Means Warwickshire County Council as administering authority of the Warwickshire Pension Fund.

“Chair” Reference to duties to be performed, or authority exercised, by the Chair.

“LGPS” The Local Government Pension Scheme as constituted by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009.

“Scheme” Means the Local Government Pension Scheme as defined under “LGPS”

19) Interpretation

19.1 Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Scheme Manager.

Annex A to Terms of Reference for the Local Pension Board for the Warwickshire Pension Fund

Conflicts of Interest Policy

Introduction

The Public Sector Pensions Act 2013 requires that members of the Local Pension Board (the Board) do not have conflicts of interests. As such all Board Members (Members) will be required to declare any interests and any potential conflicts of interests in line with legal requirements in the Act and the Pension Regulator's code. These declarations are required as part of the appointment process, as well as regular intervals throughout a Member's tenure to the Scheme Manager's satisfaction.

Conflict of Interests – General Principles

A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board. The basic principle in relation to conflicts of interest can be found in the High Court case of *Re Thompson's Settlement* [1986] where the Court held that:

'...a man must not put himself in a position where duty and [personal] interest conflict or where his duty to one conflicts with his duty to another unless expressly authorised'

Conflicts of interest may arise for Members and their advisers. This simply reflects the fact that individual Members and their advisers will have a variety of other roles and responsibilities outside the Board.

Members and their advisers must be able to identify potential conflicts of interest and have procedures in place to manage them. This document outlines the procedure the Members have adopted to do this.

Procedure

For this procedure to work the Members have agreed that they must:

- declare any actual or potential conflict of interest they may have;
- be open with each other on any conflicts of interest they may have;
- provide information reasonably requested to assess whether there is any actual or potential conflict of interest;
- adopt practical solutions; and
- plan ahead and agree on how they will manage any conflicts of interest which arise.

With these objectives in mind the Members have adopted the following procedure:

1. Maintaining a register of Members' interests which could give rise to a conflict.
2. Maintaining a register of interests which could give rise to a conflict covering the Members' advisers.
3. Each Member and adviser will sign an annual return confirming that their information contained in the register of interests is correct. The updated register will then be circulated to all Members and the Scheme Manager. These two events will be added to the Members' calendar of events distributed with each set of Member meeting papers.

4. The Board's Administration Manager is to identify any potential or actual conflicts of interest and to advise the Chair. The Chair in conjunction with the Scheme Manager is to decide on the action required and to advise the Members of any actions taken.

5. Any Member who feels that they, another Member or adviser has a conflict of interest must seek early advice from the Administration Manager.

6. Any member or advisor must withdraw from a Board meeting if they have a conflict of interest. The conflict of interest and the action taken must be recorded in the minutes.

7. If a conflict is identified outside of a Board meeting the Chair shall consult with the other Members prior to making a decision. The conflict of interest and the action taken must be recorded.

Management of Confidential Information

With regard to Members sharing confidential information received by them in their capacity as a Board Member with other parties, it is important to remember that each Member has a fundamental responsibility to act on behalf of the Board and this duty should not be compromised by acting on behalf of other groups.

Advisors

There may be circumstances where advisors are asked to give advice to the Board but this can only happen where there is no conflict of interest. All of the Board's advisors have a professional responsibility to advise the Members if any circumstances arise in which they feel they are conflicted. These responsibilities and guidelines for dealing with actual or potential conflicts of interest are covered by rules of their respective professional bodies.