Staff and Pensions Committee

Date: Monday 14 December 2020
Time: 2.00 pm
Venue: Microsoft Teams

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.

12. **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
     4 of Part 1 of Schedule 12A of the Local Government Act 1972

Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

Warwickshire
County Council

Disclaimers

Webcasting and permission to be filmed

Please note that this meeting will be filmed for live broadcast on the internet and can be viewed on line at warwickshire.public-i.tv. Generally, the public gallery is not filmed, but by entering the meeting room and using the public seating area you are consenting to being filmed. All recording will be undertaken in accordance with the Council's Standing Orders.

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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, 14 September 2020

Minutes

Attendance

Committee Members
Councillor Kam Kaur (Chair)
Councillor Neil Dirveiks
Councillor Bill Gifford
Councillor John Horner
Councillor Bhagwant Singh Pandher

Officers
Barnaby Briggs, Assistant Chief Fire Officer
Neil Buxton, Technical Specialist Pensions Fund Policy and Governance
John Cole, Trainee Democratic Services Officer
Sarah Duxbury, Assistant Director Governance and Policy
Andrew Felton, Assistant Director Finance
Liz Firmstone, Service Manager (Transformation)
Victoria Jenks, Pensions Admin Delivery Lead
Victoria Moffett, Lead Commissioner Pensions and Investment
Paul Morley, Area Commander, Fire and Rescue Service
Deborah Moseley, Senior Democratic Services Officer
Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk)
Keira Rounsley, Equality, Diversity and Inclusion Practitioner
Kate Sullivan, Lead Commissioner - Culture, Leadership and Performance

1. General

The Chair opened the meeting and asked those present to reflect on the passing of Councillor Bob Stevens. A number of tributes were paid noting Councillor Steven's longstanding and valued contribution to this Committee. Condolences were expressed to his family.

(1) Apologies

Councillor Andy Jenns.

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

None.

(3) Minutes of previous meeting

Subject to amendment of the appendix to the minutes of 23 July 2020 to reflect Councillor Neil

Dirveiks' membership of the Pension Fund Investment Sub-Committee and the removal of Councillor Alan Webb, the minutes of the meetings held on 8 June and 23 July 2020 were considered and agreed as a true and accurate record for signing by the Chair.

2. Annual Workforce and Gender Pay Gap Report

Keira Rounsley, Equality, Diversity and Inclusion Practitioner, presented the report, which was an annual requirement, for consideration.

In response to comments that the figures being used in the report for the ethnic mix of Warwickshire were from the 2011 Census and therefore unlikely to be representative of current diversity, Keira Rounsley noted that although it would be interesting to see how the demographic changed at the next Census, it was equally important to ensure that disclosure rates were as high as possible to ensure an accurate comparison. The disclosure rate for ethnicity currently stood at around 70% and work was ongoing to increase this. She highlighted the impact that flexible working could have on diversity as this may draw employees from outside the County. In response to queries about why employees left the Council, Members were advised that as part of the People Strategy, the Council had reviewed the leaver's process in order to better develop an understanding of why employees decided to leave. This had only been in place for a few months so there was no hard data available at the time of the meeting although the new processes would enable better data capture for the future.

Additionally, as part of the Council's Equality Diversity and Inclusion Project, one of the high level actions was to get the infrastructure in place to measure progress and identify key issues and barriers. An officer task and finish group had been set up to explore the avenues further, including retention of apprenticeships and an understanding of the increase in zero hours contracts to better understand these emerging patterns.

The Chair invited Barnaby Briggs, the Assistant Chief Fire Officer to comment on the work being undertaken within the Fire & Rescue Service to increase BAME recruitment. Mr Briggs lamented the fact that Covid-19 had derailed recruitment processes. Whilst a recruitment course had not taken place for 6 months, community engagement work continued to raise awareness and engagement with the ethnic population. The Fire and Rescue Service also continue to highlight the benefits of a more diverse workforce to the existing workforce.

Resolved

1. That the Council's Equality and Diversity Workforce and Gender Pay Gap Report at Appendix A to the report 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 of the report.

3. Employers Leaving and Joining the Penson Fund

Vicky Jenks, Pensions Admin Delivery Lead introduced this report which provided the Committee with details of applications to join the Pension Fund. She advised that all of the applicants were academies and were therefore automatically Scheme Employers. All the dates given were provisional as schools were converting between September 2020 and April 2021.

Resolved

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)

4. Fire Cars

Paul Morley, Area Commander, presented the report which noted that the Committee had approved the provision of vehicles for Station Managers and Group Managers in 2018 and, following structural changes, the report sought to formalise vehicle provision for Brigade Manager and Area Manager roles. The proposal involved the provision of a Skoda 4x4 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. If officers responded in their own vehicles, the Fire and Rescue Service had little control over the type, age, condition or appropriateness of the vehicle which raised several concerns. Mr Morley pointed out that the use of the vehicles was for operational response and daily worktime activity which amounted to non-personal use however there were some tax exemptions in place which allowed a low level of personal use without being subject to taxation. The proposal before the Committee would result in slightly higher costs than the previous position but it was confirmed that this could be covered within the WFRS transport budget. The legislative and financial details were set out in full in the report.

In response to a question seeking clarity that officers were protected against malicious claims about personal use, Mr Morley noted that the existing scheme had been running for over two years without issue. Awareness among officers of what vehicles could be used for was high and monthly activity was managed through sample auditing so that it was clear if the vehicles – which were fitted with tacking devices – were being used when not on duty.

In response to questions about mileage expectations, it was confirmed that because some Officers lived around the county borders, 9,0000 miles per annum was a reasonable figure.

Resolved

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

5. Pension Fund Covid-19 Update

Chris Norton, Strategy and Commissioning Manager (Treasury, Pension, Audit & Risk) advised the Committee that Covid-19 continued to affect how the Fund delivered services but that the fund continued to deliver business critical functions. This report focussed on the impact on administration activity whilst a separate report focussing on the funding and investments impact had been reported to the Pension Fund Investments Sub Committee earlier on 14 September 2020.

The Covid Risk Register had been updated to reflect the latest position in relation to both investment and administration and was set out in a table at section 2.1 of the report. This showed that several risk scores had dropped as previous uncertainties had now been informed by intelligence and experience as the lockdown progressed. There were two risk registers – one general and the other Covid specific which had been helpful whilst the lockdown was new but the team would take stock as to whether to revert to a single register for quarter 3.

Members were encouraged by the level of risk reducing but felt that it was helpful to maintain two registers until there was more certainty in the pandemic situation.

Resolved

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

6. Employee Sickness Absence Management Report

Kate Sullivan, Lead Commissioner - Culture, Leadership and Performance presented this report which covered information on sickness absence for the financial year April 2019 – March 2020 and comparison data with previous years. The figures included short and long-term sickness absence but did not include absences for non-sickness reasons such as annual leave, maternity, paternity, or adoption leave, unpaid leave and leave for compassionate reasons. The data showed that the position for 2019/20 was that 10.90 days had been lost per employee FTE (compared to 2018/19 when it was 9.51 days). In comparison, the public service sector average for 2019 was 8.0 days per employee per year (a decrease from the 8.4 days reported in 2018).

An analysis of the specific reasons for sickness absence had shown that the top two reasons for sickness absence remained consistent with previous years - 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 main causes of sickness absence also correlated with the top referral reasons to Occupation Health. A number of actions had been taken to address Mental Health related absences as a priority in accordance with the Health, Safety and Wellbeing Annual Report (presented to the previous meeting of the Committee).

The Chair noted that it had been an unusual year due to the circumstances of the pandemic but that the increasing levels of mental health related absence were of concern. Whilst efforts to provide support for employees were welcomed and acknowledged, it was felt that further work needed to take place, perhaps by seeking best practice ideas from other areas and targeting those who were self-identifying as struggling at an early stage. It was noted that a specific project has been included in the Change Portfolio (Sustainable and Resilient Workforce) to take this work forward. Members reflected on the staff check in surveys to monitor wellbeing but lamented the fact that those who were suffering were often least likely to respond. It was important to create the right culture so that employees were confident to seek help when it was needed. It was suggested that advice could be sought from Springfield Mind.

In response to questions from Members, it was confirmed that the presented data was for the period up to the end of March 2020 and did not include the period of lockdown. It was also not possible to separate out work-related mental health issues and it was often the case that work and home related issues were intertwined. It was also noted that sickness and mental health was often linked to staff morale and this was a topic for inclusion in the next staff check-in survey.

Resolved
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.
2. That the Committee supports a proactive approach to the health and wellbeing of employees in developing a sustainable and resilient workforce.

7. Employee Recognition Report

This report was presented by Kate Sullivan, Lead Commissioner - Culture, Leadership and Performance who outlined the proposals to recognise and to thank all Warwickshire County Council employees for their exceptional response and contribution during the COVID-19 pandemic by awarding an additional day's leave for all employees and a financial adjustment for those staff where this was not practicable.

The Committee welcomed the proposal and noted that the additional day would be added to annual leave allowances.

Resolved

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.

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

Vicky Jenks, Pensions Admin Delivery Lead outlined this report which set out draft response on behalf of Warwickshire Fire and Rescue Service to the government's proposals to introduce legislation that would make changes to pension schemes to remove the age discrimination

identified by the Courts following 2015 reforms for the period 1 April 2015 to 31 March 2022 (known as the remedy period); and to address future service beyond the remedy period.

Members referenced recent media articles questioning the proposals but whilst it was not believed that these applied to the fire pensions scheme, it was clear that there would be an effect on the entire public sector index-linked system.

Resolved

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

9. McCloud - Warwickshire County Council's response to the consultation

Neil Buxton, Technical Specialist Pensions Fund Policy and Governance presented this report which set out the consultation questions in respect of the impact of proposals to remedy the age discrimination and unlawfulness identified by the Courts to the protections afforded to some members of the Local Government Pension Scheme (LGPS) by 2015 reforms.

Changes to the fund pension scheme were introduced in 2014 by way of an underpin. Protection was provided to members in service on 31 March 2012 and who were within ten years of normal pension age which resulted in those members being better off than those who were not within ten years of normal pension age. The scope of the protection was therefore extended as set out in the report. There was an overall expectation that few members would be impacted but a lot of work was required to review all the cases that had happened since 2014, including dependents and deferred pensions issued since that time and a review of transfers in and out.

Members were requested to provide comments over a short period of a few days so that the consultation response could be finalised on 17 September 2020.

Members acknowledged the large-scale administrative task that would result from the proposed changes.

Resolved

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.

10. Pensions Administration Activity and Performance Update

Liz Firmstone, Service Manager (Transformation) presented this report which represented a regular update on key developments affecting pensions administration and the performance of the Pension Administration Service. Overall performance of the team was high and activity was progressing well. Headlines from the report included:
• Good progress continued to be made in implementing the Governance Action Plan
• All year end activity was complete. The year end process had resulted in an upturn in workload as more queries were received but this was now returning to business as usual levels.

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14.09.20

- A new set of Key Performance Indicators were in place for the financial year and the service was performing at or better than target on 50% of indicators and were close to target on others. Where the service was performing below target this was due to a focussing of resource on indicators that resulted in making payments to members or dependents. This meant those below target were indicators where no critical payment was due. Performance was also slightly low on indicators which related to receipt of notification on the death of a member. The number of cases in this indicator were significantly lower than with other indicators which meant that a low number of cases not meeting the performance target would skew the overall figures.
- The I Connect project which would result in the automation of the reporting process by scheme employers leading to a reduction of breaches, was going well. The contract was now in place and work was taking place to get the first tranche of employers on to the system.
- There was a regulatory requirement to issue annual benefit statements to Members by 31 August each year. For deferred members, all statements were issued ahead of deadline. Unfortunately, the team were disappointed to report that although the project had been well-managed and was on track to deliver statements for active members in time for the 31 August deadline, it had come to light that there was an issue with the printers and just under 5000 had not issued on time. The missing statements had been issued on 11 September and this would have to be notified to the regulator. The printers were investigating the problem. The contract was between a local government communications group which provided services to four different authorities, and the contract manager (based at Staffordshire) was looking at the contract to see what remedies existed in the contract.

The Chair expressed sympathy to the team but understood the pressures that the team had been under and expressed her gratitude for continued good performance.

Resolved

That the Committee notes this report.

11. Regulatory Update

Neil Buxton, Technical Specialist Pensions Fund Policy and Governance presented this report, focussing on the major changes to the exit cap which would see any member of the LGPS aged 55 or older retiring on an employer sponsored basis (ie for reasons of redundancy or efficiency of the service), being impacted by proposals to prevent the payment of severance in addition to a pension strain cost. This was a big change for the administration system providers who were not technologically ready for this change. This meant that the administration team would be involved in manual adjustments and any quotes for early retirement could not be honoured. It was unclear which authorities this change applied to - ie whether it applied to academies as well as authorities. The proposals were out for consultation but there was no anticipation of any changes.

Sarah Duxbury, Assistant Director Governance and Policy, added that there was a further consultation expected on the proposals due to the potential disconnect between the cap regulations and the LGPS regulations (eg application of the cap could result in a breach of the pensions regulations). Clearly it was not satisfactory for administrators to be in a position whether either the pensions regulations or the cap regulations had to be breached.

In response to questions on timescale for implementation, Sarah Duxbury recommended that a watchful eye needed to be kept on the situation and that opportunities to engage in the consultation be taken up. The Chair asked that the Committee be afforded sight of the further consultation response.

Resolved

That the Committee notes and comments on the report.

12. Revised Terms of Reference for the Local Pension Board

Neil Buxton, Technical Specialist Pensions Fund Policy and Governance presented the proposed changes to the Local Pension Board Terms of Reference which had been commented on by the Board. The key changes were set out in a table at section 4.1 of the report. Full Council would be asked to approve the changes at its next meeting.

Resolved

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.

13. Reports Containing Confidential or Exempt Information

Resolved

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

14. Exempt minutes of 27 July 2020

Resolved

Subject to amendment as agreed at the meeting, the minutes of the meeting held on 27 July 2020 were considered and agreed as a true and accurate record for signing by the Chair.

The meeting rose at 3.35pm

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Chair

Staff and Pensions Committee

14 December 2020

Our People Strategy 2020-2025 Report

Recommendations

That the Staff & Pensions Committee

1. Endorses the Our People Strategy 2020 – 2025 (contained in Appendix 1)

2. Comments on the proposed delivery priorities set out in Appendix 2 and authorises the Chief Executive to finalise the delivery plan having regard to the views expressed by this Committee and by the Resources and FRS Overview and Scrutiny Committee

3. Endorses the Agile Working Offer and Online Protocols as part of the *How We Work* programme as set out in Appendices 3 and 4, to include the offer made to staff to move onto a new Agile Working Contract with new terms and conditions, with effect from 1st April 2021

1.0 Introduction

1.1 This report presents for members to consider the refreshed Our People Strategy 2020-2025, which details:
   a) Our Culture and People vision.
   b) Our values and behaviours.
   c) The building blocks, strategic outcomes, enablers, measures
   d) Implementation, review and measurement of success

1.2 The report also sets out a series of proposed priority delivery themes for the period up to 2021/22 of the Strategy. The priorities have been reviewed in light of the ongoing requirements for staff to prioritise Covid response and recovery. The delivery themes will be worked up into a detailed delivery plan for 2021/22 and beyond. However, we will need to retain agility in terms of delivery plan and be able to flex the plan subject to the changing needs of our staff and the changing demands on our services. This will be managed by officers within HROD reporting to the Change Portfolio Board (Corporate Board).

1.3 The final section of this report outlines to the Committee a new way of working comprising an Agile Working Officer and Online Protocols which was supported by Cabinet on 10th December. The How We Work Programme considering future use of our office space, maximising use of our technology and developing an agile and flexible workforce had commenced pre-Covid. Covid has enabled those changes to be pursued with greater pace and ambition. The Agile Working Offer and Online Protocols are a fundamental element of the Programme which

1

underpin our new way of working.

2.0   Our People Strategy

2.1   In 2018/2019, we developed and launched the first iteration of Our People Strategy to support the transformation programme and the effective leadership review. This Strategy has been refreshed and takes us forward to 2025.

2.2   To support the implementation of the Council Plan 2020-2025, the Our People Strategy focuses on our people and our culture. The Strategy sets out a clear vision for our people (as set out below), which is intended to be a personal and relevant statement about our workforce and how we want to be seen, internally and externally;

"Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best."

2.3   It also identifies five values, underpinning our existing six behaviours. Importantly, it comprises six key building blocks to achieve our vision. Each activity within Our People Strategy will be designed to meet specific outcomes and enable the delivery of Our Council Plan.

2.4   For each building block we have a clear set of outcomes we need to achieve so that we can fulfill our vision and transform as an organisation in a way which is sustainable. We have also defined the enablers, the measures and the key activities we intend to undertake to deliver the intended outcomes.

2.5   Whilst the building blocks enable us to categorise our work, it is important to note that our activities do not always sit neatly into one building block, with many cutting across a number of building blocks. A good example of this is the work within the Equality, Diversity and Inclusion agenda, which features in all that we do.

2.6   The activities will progress through the five years of the Strategy; those that are a priority have been categorised as priority delivery themes up to 2021/2022.

2.7   The Strategy has been developed by the Strategic HR and OD team, with engagement from How We Work Board, Corporate Board, the wider HR community, union colleagues, senior leadership forum and our staff networks,

3.0   Priority Delivery Themes

3.1   The refreshed Our People Strategy sets out an ambitious programme over a 5-year period. The workforce is critical to the delivery of the strategic outcomes set out in the Council Plan. They are the 'face' of the Council in terms of our day to day operations and contact with residents and they are our ambassadors across a whole range of external settings. The Strategy therefore sets out our investment in staff and the areas that we intend to focus on to deliver Our People Vision and support delivery of the Council Plan.

2

3.2 However recognising the impact that Covid is continuing to have on the Council and the need to prioritise Covid response and recovery, the proposed delivery priorities for 2021/22 have been reviewed and re-prioritsed. Each of the Our People Strategy building blocks will continue to have a range of planned activities in support of the Strategy and officers will continue to review and flex the delivery plan to meet changing service demands and staff needs.

3.3 Members are invited to comment on the proposed priority delivery themes set out in Appendix 2. The themes set out have had regard to views expressed by staff through the well-being / check in surveys that have been conducted since the start of the pandemic. They also take into account the comments made by members as part of the Cross Party Member Working Groups which helped to shape the development of the Council's Recovery Plan.

3.4 The priority delivery themes have been categorised as those that must be done and those where work has commenced and should continue within capacity levels. Future themes have also been identified for us to consider including and prioritising in future years

3.5 The proposed priority delivery themes will also be considered by the Resources and Fire & Rescue Overview and Scrutiny Committee at its meeting on 16th December, following which, officers will finalise the delivery plan for 2021/22.

4.0 Agile Working Offer and On-line Protocols

4.1 As part of the Council's organisational wide Design Principles and Transformation plan in 2018, the *How We Work* programme was developed which specifically addresses our business objectives of:

- Adopting a customer focused approach to the delivery of services;
- Creating the conditions to support a high performing culture; and
- Supporting the creation of an agile, modern, fit-for-purpose organisation

4.2 The Covid-19 pandemic saw an unplanned overnight move of 4,500 staff from being predominantly office-based, spending on average 20% of their working week away from the office, to becoming predominantly home-based agile workers.

4.3 The pandemic has accelerated changes in how we work and strengthened our ambition and vision in developing an agile workforce The last 10 months have demonstrated the benefits of agile working in balancing work and home life whilst continuing to deliver business benefits and outcomes for our residents.

4.4 Since the first lockdown we have continued to listen and engage with our staff and based on a significant volume of feedback from check-in and spot check surveys there is a considerable evidence base to support the appetite of our staff to consolidate and capitalise on the changes that we had to put in place rapidly at the start of the pandemic by now implementing supporting processes.

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4.5   Two key products have been developed to address this need:

- WCC Agile working offer; and
- WCC Online protocols.

A summary of each of these is set out below and the full products attached in **Appendices 3 and 4**.

5.   Conclusion and Next Steps

5.1   This report seeks the Committee's approval of the refreshed Our People Strategy. Subject to the approval of the Committee the Strategy will be launched across the whole Council in early 2021, with an annual review and refocus of priorities, so that we can incrementally celebrate its success and that the Strategy can evolve and remain relevant throughout its five year duration.

5.2   The report also seeks the Committee's endorsement of the Agile Working Offer and On-Line Protocols which are also intended to be shared and implemented across the organisation with an offer made to staff to move onto a new Agile Working Contract with new terms and conditions, with effect from 1st April 2021.

5.3   Finally the report seeks members' input to the priority delivery themes which will also be considered by the Resources and Fire & Rescue Overview and Scrutiny Committee on 16th December 2020. Following this the delivery themes and delivery action plan will be finalised and plans for implementation put in place

5.4   A comprehensive communication plan covering all aspects of this work will be put in place. This will include a Council wide launch, as well as ensuring that all our communications going forward reference and are written in the voice and tone of the Our People Strategy

5.5   An Equality Impact Assessment has been undertaken for the Our People Strategy and Agile Working and are provided as background papers. These will be kept under review and updated as our plans develop

Appendices

Appendix 1   Our People Strategy

Appendix 2   Our People priority Delivery Themes

Appendix 3   Agile Working Offer

Appendix 4   Online Protocols

Background Papers

Our People Strategy Equality Impact Assessment

4

Agile Working Equality Impact Assessment

	Name	Contact details
Report Author	Rich Thomas HR/OD Strategy and Commissioning Manager	richthomas@warwickshire.gov.uk
Assistant Director	Sarah Duxbury Assistant Director - Governance & Policy	sarahduxbury@warwickshire.gov.uk
Strategic Director	Rob Powell Strategic Director – Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Kam Kaur	kamkaur@warwickshire.gov.uk

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

Not applicable.

5

Appendix 1

Best Warwickshire

Our People Strategy

Warwickshire
County Council

Maintaining our momentum

Our Council Plan 2020 - 2025 plan sets out our vision, which is supported by two outcomes:

To make Warwickshire the best it can be, sustainable now and for future generations

PRIORITY OUTCOME

Warwickshire's communities and individuals are supported to be safe, healthy and independent

PRIORITY OUTCOME

Warwickshire's economy is vibrant and supported by the right jobs, training, skills and infrastructure

We are clear that because of increasing demand we need to continuously improve the way in which we do things. Central to our success is the development of our leadership capability and empowerment of our management to enable all of our people to be of their best and deliver service excellence.

To ensure that we embed the changes that we have made, we need to continue to drive our culture change.

Our People Strategy focuses on our people and our culture. By culture we mean our vision, values and behaviour. The Strategy sets out a clear vision for our people and identifies **five values**, underpinning our existing **six behaviours**. Importantly it states six key building blocks to achieve our vision.

We have changed our organisation through service redesigns and increased managerial spans of control.

Our response to the global pandemic has demonstrated the very best of Warwickshire and we will continue to build from this. Moving forward we aim to develop an organisation and workforce that is sustainable, resilient and effective. Equipping our people, supporting their wellbeing and empowering them to deliver will be essential in developing the agile and diverse workforce and trust based culture that we need.

Each activity within Our People Strategy will be designed to meet specific outcomes and enable the delivery of Our Council Plan.

Endorsed by the Staff and Pensions Committee in December 2020.

Our culture

The culture we adopt and embed is critical to the successful delivery of our new operating model. It ensures we are all pulling in the same direction to support the delivery of our strategic vision and outcomes.

Our people vision

Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best.

Our people vision is all about what we are striving to be. It is a personal and relevant statement about our workforce and how we want to be seen, internally and externally.

Our values - the Warwickshire DNA

To support the achievement of our vision, five key organisational values have been identified:

High performing	Collaborative	Customer focused	Accountable	Trustworthy

Our values are our fundamental, distinctive, characteristics and qualities. Our ambition is for everyone working for Warwickshire County Council to hold these values in their hearts and minds so that they drive behaviour at work and help us to achieve our strategic outcomes - this is why we are calling our values the Warwickshire DNA.

Our behaviours

Our behaviours were first introduced in 2016 and these haven't changed. Our behaviours frame how we should behave at work. They help us to understand how we should go about our work and the way we should interact with each other and our customers.

do what we say.

move with purpose and energy.

focus on solutions.

help people and communities to find their own solutions.

build strong working relationships.

be the best we can be.

What is our strategy to achieve our vision?

Organisational structure

To embed the structure and maintain the principles. We have done the physical change, but we now need to make the culture change to support the new way of working. Realising the benefits, and equipping people to work in the Commissioning and Delivery Model. Continuous improvement, personal responsibility, empowerment and accountability will all be central to our success.

We have retained our three directorate structure: Resources, People and Communities but as part of our restructure some of our activities will be grouped differently within and between our current directorates.

Resources

People

Communities

Our People Strategy building blocks

The building blocks provide the foundations for the delivery of Our People Strategy vision. We have identified six key building blocks:
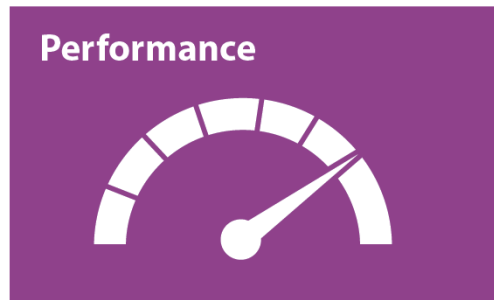
Culture, values and behaviour

Leadership

Organisational Development and Design

Performance

Reward and recognition

Talent development and career opportunities

For each building block we have a clear set of outcomes we need to achieve so that we can fulfill our vision and transform as an organisation in a way which is sustainable.

What outcomes will be achieved

Culture, values and behaviour

Strategic Outcomes

Our people embody and embrace the culture, our values and behaviours and are positive ambassadors of Warwickshire.

Our people are diverse, feel that they belong and can bring their whole self to work.

Our people work with passion and purpose and are engaged to serve and aligned in the delivery of great work.

Building block 1

Enablers

We will embrace an adult to adult working relationship.

We will ensure that the voice and tone of our communications reflect our values and empowered culture and will lead by example.

We will listen, learn and act to create an inclusive organisation with a sustainable and resilient workforce.

Measures

Attendance

Retention

Performance

Engagement

EDI Metrics

Leadership

Building block 2

Strategic Outcomes

Our people take personal responsibility and see leadership as an act rather than a status.

Our leaders are equipped to provide agile and situationally responsive leadership.

Our leaders take personal accountability and act in the interests of one Warwickshire.

Enablers

We will create the environment to enable and drive high performance and accountability.

We will equip our managers with the capabilities and empower them to lead.

We will agree parameters and trust our leaders to act within them.

Measures

Engagement

Progression of our people into and through leadership roles

Percentage of leaders meeting or exceeding their performance objectives

Building block 3

Organisational Development and Design

Strategic Outcomes

Our people are innovative and empowered to take ownership, make evidence based decisions and are responsible for our continued organisational success.

Our structures and resourcing models are flexible and agile in achieving our outcomes.

Our People understand the need to change and embrace it for the future good of Warwickshire.

Enablers

We will maintain the integrity of our organisational design principles, whilst continually reviewing and keeping them fit for purpose.

We enable effective decision making by clear and appropriate governance arrangements.

We will break down barriers to enable a collaborative, innovative and accountable environment.

Measures

Engagement

Retention

Organisational Performance Measures (to be defined)

Management performance against objectives

Performance

Strategic Outcomes

Our people have a clear line of sight from their individual contribution to our business outcomes.

Our people embrace a high performance culture that is measured by organisational and individual outcomes.

Our people are accountable for their behaviours and performance and take every opportunity to improve.

Building block 4

Enablers

We clearly define roles, parameters and expectations.

We will all have regular evidence based performance and development reviews, driven by open and honest conversations.

We recognise high performance and address under performance.

Measures

Individual Performance against objectives

Organisational performance against plan

Engagement

Reward and recognition

Strategic Outcomes

Our people regard our reward and recognition arrangements as fair and equitable.

Our people are recognised for their high performance and personal contribution.

Our offer enables us to attract, retain, engage and motivate a diverse and talented workforce.

Building block 5

Enablers

We have an employer value proposition and reward strategy that reflects what we stand for and what we aspire to be.

We retain and motivate our best talent by recognising performance and personal contribution.

We have recognition arrangements that are accessible to and for all.

Measures

Retention

Engagement

Recruitment metrics

Reward Market Benchmarking

Talent development and career opportunities

Building block 6

Strategic Outcomes

Our people are celebrated for their diversity and bring the capabilities and behaviours to drive a high performance culture.

Our people develop and grow through career pathways that enable them to demonstrate their potential, fulfil their aspirations and be their best selves.

Our people are our primary talent pipeline, enabling delivery of exceptional services today and tomorrow.

Enablers

We will have an effective and timely approach to workforce planning, talent management and succession planning in place.

We continually create the learning and development opportunities to suit the current and future needs of the organisation and encourage our people to explore and further their career

We have flexible resourcing solutions to maximise talent, attraction and retention.

Measures

Engagement

Learning and Development metrics

Staffing mix and profile indicators

Monitoring and measuring our success

Key business measures will be developed so that we can measure our success in achieving our people strategy outcomes and fulfilling our people vision.

Our How We Work Board will help to ensure that Our People Strategy continues to enable of organisational plans. It is the forum for agreeing our people priorities, success measures and monitoring both progress and delivery of outcomes.

Our People Strategy
Priority Delivery Themes to 2021/2022

Building Block	Outcomes
Culture, values and behaviour	Our people embody and embrace the culture, our values and behaviours and are positive ambassadors of Warwickshire.
	Our people are diverse, feel that they belong and can bring their whole self to work.
	Our people are engaged to serve and aligned in the delivery of great work.

Priority Delivery Themes	Aim	Update
Must do:		
Employee Engagement strategy	To provide a framework for how we engage with our workforce that is flexible and future facing	We have already agreed the engagement approach for this year, which focuses on a number of themed check-in surveys. Check in 4, which was themed on engagement has recently closed and we await the results. Check in 5, 6 and 7 are planned every other month until June. We are also considering the future of engagement surveys, looking to move away from the annual Your Say survey and moving towards a more dynamic approach to measuring engagement throughout the year.
Sustainable and Resilient Workforce	To support the wellbeing of our workforce and reduce the level of sickness absence across the council, by providing an infrastructure for managers to proactively support wellbeing and manage absence.	The project group to support this work has already been set up and has representatives from across the directorates and specialism to look at ways in which wellbeing can be supported with the aim of reducing sickness absence. From the data, there has been a consistent improvement in absence since April 2020 and the priority areas for focus are long term sickness and stress and mental health absence. A wellbeing charter is being developed and managers are being asked to ensure that they take some basic actions in tackling absence.
Continuing within capacity levels	Aim	Update
EDI	Warwickshire County Council, a place where everyone feels valued, included, safe, supported and welcome', places our approach to inclusivity at the heart of everything we do.	The council wide action plan is being progressed and we have established a council wide equalities group, with representatives from across the council and our staff networks. EDI is a theme that runs through the whole Our People Strategy and is a particular priority for the organisation.
Future Themes		

- People policy guidance and approach
- Commercial Culture

Building Block	Outcomes
Leadership	Our people take personal responsibility and see leadership as an act rather than a status.
	Our leaders are equipped to provide agile and situationally responsive leadership.
	Our leaders take personal accountability and act in the interest of one Warwickshire.

Must do's	Aim	Update
People metrics for managers	To provide managers with the information they require to understand the issues in their workforce and effectively manage them	Working with the Business Intelligence team, we are developing a consistent approach to provided people metrics data and insight on a regular basis and to enable managers to understand the trends and areas for improvement. DLT pack have already been implemented and work is underway in regards to getting reports down to line manager level. This is also supports the sustainable and resilient workforce and the approach to establishment control, where by in order for managers to be accountable for their people issues, we need to provide them with the necessary information.

Future Themes
• Leadership offer

Building Block	Outcomes
Organisational Development and Design	Our people are innovative and empowered to take ownership, make evidence based decisions and are responsible for our continued organisational success.
	Our structures and resourcing models are flexible and agile in achieving our outcomes.
	Our People understand the need to change and embrace it for the future good of Warwickshire

Must do's	Aim	Update
Flexible and Agile Working Strategy	To provide a framework so that work is what you do now where you do it, with the customer at the heart.	Following the pandemic response, we have reviewed the existing flexible working offer and have proposed an Agile Working offer, which has a set of principles and expectations. It is proposed that this will be launched in January 2021 following member approval. The new offer has service delivery at the heart, whilst allowing individuals to choose where and when they work. .

Future Themes
• Approach to change management • Approach to Establishment

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Building Block	Outcomes
Performance	Our people have a clear line of sight from their individual contribution to our business outcomes.
	Our people embrace a high performance culture that is measured by organisational and individual outcomes.
	Our people are accountable for their behaviours and performance.

Priority Delivery Themes	Aim	Update
This area is considered business as usual so will continue as is and will be reviewed in the future		

Future Themes

- Tier 0-4 Performance Framework – Tier 0-4
- Appraisal Process – Tier 5

Building Block	Outcomes
Reward and recognition	Our people regard reward and recognition arrangements are fair and equitable.
	Our people are recognised for their high performance and personal contribution.
	Our offer enables us to attract, retain, engage and motivate a diverse and talented workforce.

Continuing within capacity levels	Aim	Update
Recognition Platform	To provide an online and timely recognition platform that is easily accessible	We have recently commissioned and launched the Vivup benefits platform, which gives our people access to a range of benefits.
Employer Value Proposition	To embed the EVP that places the organisation as an employer of choice	Work was undertaken in 2019 to develop our employee value proposition and in line with making Warwickshire the best it can be, we want to ensure that we attract the best people to work in Warwickshire, and seeing Warwickshire as an employer of choice. The EVP is based around 3 themes: working with passion and purpose, explore and further your career and bettering ourselves at every opportunity. Further work is planned to ensure that we sustain the EVP messages and approaches through recruitment and other channel, particularly through our social media channels.

Future Themes

- Reward and recognitions strategy

Building Block	Outcomes	
Talent development and career opportunities	Our people are celebrated for their diversity and bring the capabilities and behaviours to drive a high performance culture.	
	Our people develop and grow through career pathways that enable them to demonstrate their potential, fulfil their aspirations and be their best selves.	
	Our people are our primary talent pipeline, enabling delivery of exceptional services today and tomorrow.	
Must do's	Aim	Update
Recruitment review	To review the overall recruitment experience for potential employees and managers to ensure the best recruitment decisions are made	As part of the pandemic response the recruitment team have taken back a number of management tasks in areas where their main focus has been continuing to provide front line service during this time. This has allowed the opportunity to reflect on the best use of resources and a Your HR recruitment review and a number of recommendations are currently being considered.
Continuing within capacity levels	Aim	Update
T1-4 Assessment review	To provide a refined assessment process for tiers 1-4 to ensure the best people are attracted and appointed.	Following the implementation of the Effective Leadership Review for Tiers 2, 3 and 4, we have taken the opportunity to review the competency framework and recruitment approach, which we are now embedding into business as usual in terms of recruitment and our performance framework.
Induction and Onboarding	To provide an induction and onboarding framework, so that new starters are welcomed and set up to succeed.	We understand that how new employees are welcomed into the organisation is important and determines their success, and we appreciated that this is changing due to working in a more agile way. We are looking at how we induct and onboard new employee and how we can improve the whole candidate experience.
Future Themes		

- Organisation approach to workforce planning
- Learning and Development Offer
- Exit strategy
- Developing Career Pathways and Career Flexibility

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Strategic People Improvement		
Must do's	**Aim**	**Update**
Policy, legal and Compliance	To enable our managers to operate within an empowered environment with frameworks that are modern, legal and enabling. Creating a positive employee experience that aligns with our EVP.	There are also a number of legislative changes that are coming into force over the next few months in terms of Brexit and Exit Cap, new immigration process and complicated pension changes. All of which need to be planned for and implemented.

Appendix 3 – WCC Agile Working Offer

Introduction

The vision of the Our People Strategy is, '***Warwickshire County Council, a great place to work where diverse and talented people are enabled to be their best'***. The strategy describes a culture that embraces an adult to adult working relationship. Therefore, empowering our people to work in the way that enables them to work at their best is key to the strategy.

Prior to the pandemic we were working towards a more flexible working offer. Since the pandemic it has been demonstrated that our workforce can work extremely well from remote locations.

There are many benefits for the council for the agile working offer, in particular:

To individuals	To WCC
• Greater freedom to manage time and tasks • Improved wellbeing, work life balance and resilience. • Reduced unproductive commuting and lower carbon footprint • Fewer co-worker interruptions and distractions • Greater freedom to plan around personal appointments and commitments.	• Is integral to the Our People Strategy, supporting all the building blocks and the culture of trust and empowerment. • Improved productivity • Supports the sustainable and resilient workforce agenda. • Supports the Council Plan's greater emphasis on climate change and environmental benefits • Increase in employee engagement • Better use of and return on our property assets • Supports the employee value proposition of being an employer of choice, by having a more attractive offer to potential new employees, increasing calibre and diversity

In order to meet our full aspirations in terms of the Our People Strategy, our Agile Working Offer is key. Agile working can play a part in delivering against all the building blocks.

Our Agile Working Offer - Principles

- We acknowledge and are mindful that we have a number of positions in the organisation, which due to the nature of the role, may not be able to benefit from Agile Working.

- Work is what you do, not necessarily where and when you do it and where work can be done at home, our people are encouraged to do so.

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- We are fostering a trusting environment, where there is an adult-to-adult relationship between managers and our employees with service delivery at the heart of all that we do.

- We trust everyone to do a great job.

- We want our people to bring their whole and true selves to work, we celebrate their diversity and understand that to achieve this that our people work best in different ways.

- We understand the link between autonomy and performance

- The terms Agile working and Flexible working have been used interchangeably to describe working from home. However Flexible Working is a legal right for people to request to work in a particular way , no matter what contract individuals are on. Agile working is a principle of working where work can be done in an Agile way. Therefore, "agile working" will be used to describe this offer.

Our Agile Working Offer – Employee Expectations

- Agile working, where it meets the needs of the service, remains a choice for our workforce. Individuals who feel that working remotely is not for them either financially or for their personal wellbeing will still benefit from office accommodation. This can be on an agreed frequency between the individual and their manager.

- There will be limited expectations for staff to attend offices except where there is a business need, the need for collaboration space or for face-to-face meetings, unless the employee prefers to attend.

- We will manage by outcomes, so employees have a choice over how, where and when to undertake their work, if outcomes are achieved and where this enables the service to continue to provide exceptional customer satisfaction.

- To mitigate against unintended legal consequences for the Council regarding work locations, the expectation is that our workforce will reside in the UK. Where alternative arrangements are sought, they will be considered by the manager, legal and HR on an individual basis.

- All employees will be given a notional office base, it will remain the employee's responsibility to travel to and from this base, mileage over and above this daily amount will be claimable through the usual expense process.

- All employees will be expected to attend an office location upon request from their manager.

- In order to maintain the health and safety of our employees, those working from home will be expected to complete an annual DSE assessment for their working environment and will be supported with the appropriate equipment. Where this is not reasonable or possible, appropriate office accommodation will be available.

- Flexitime is not an option for agile workers, individuals who wish to remain on a flexitime contract will be expected to work from an office location and follow the flexi-time policy regarding working hours.

- Flexitime has not been an option for new starters January 2020

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- It is proposed that these arrangements are effective 1 April 2021. Staff electing to remain on flexi-time will be required to return to WCC settings at the first opportunity in the event of government advice that people should continue to work from home being withdrawn.

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Appendix 4 – Online working protocols

To support the Agile Working Offer and support our wellbeing at work the following on-line protocols have been developed:

Protocol 1 - We will take ownership of our working day so that we balance work life and home life, whilst meeting the business needs

Here's some examples of what that this could look like in practice:
- Update your working hours in your Outlook calendar
- Block out time in your calendar so that others know when they can and can't book in meetings with you.
- Use the red, green and amber dots to let people know when you are and aren't available
- Set boundaries between work and home life

Protocol 2 - We will prioritise our wellbeing and take regular breaks

Here's some examples of what that would look like in practice:
- Get up, stretch, take exercise
- Block out time in your diary each day to take breaks and have time away from the screen
- Decline meetings if it means you will not have a break
- Try to schedule meetings to allow for breaks between meetings, for example; 25 minutes, 50 minutes
- Complete a DSE assessment for your workspace and remember you can currently claim reasonable in expenses for any additional equipment you may need or arrange to collect equipment from the office

Protocol 3 - We will be considerate of other people's commitments and wellbeing

Here's some examples of what that would look like in practice:

- Check other people's calendars before booking in a meeting with them
- Consider whether your meeting will mean the other person does not have a break
- Remember that other people may be working different hours to your working hours
- Finish meetings 5 or 10 minutes early if you can, to give people a break between meetings
- Be mindful when booking meetings of other individuals start, finish and lunchtimes and if you're unsure check with the individuals first
- Only send emails to people who need them – keep them short, clear, concise
- Share documents you want people to collaborate on (e.g. use OneDrive more) as it is quicker and easier than attaching documents to emails

Protocol 4 - We will stay connected with colleagues

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Here's some examples of what that would look like in practice:

- Organise social meetings, e.g., virtual coffee breaks, team quizzes, use Yammer
- Maintain regular contact with your line manager
- Use Teams channels
- Agree how you will work and communicate together as a team, taking in to account business needs and individual circumstances - link to team principles

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EQUALITY IMPACT ASSESSMENT (EIA)

**Our People Strategy 2020-2025
and Priority Delivery Themes 2021/2022**

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Service/policy/strategy/practice/plan being assessed	Our People Strategy 2020-2025 and Priority Delivery Themes 2021/2022
Business Unit/Service Area	Strategic HR and OD
Is this a new or existing service/policy/strategy/practice/plan? *If an existing service/policy/strategy/practice/plan please state date of last assessment*	Refreshed from the 2018/2019 version of the Our People Strategy New Priority Delivery Themes 2021/2022
EIA Review team – list of members	Kate Sullivan, Kiera Rounsley
Do any other Business Units/Service Areas need to be included?	The Strategy impacts across the whole council
Date of assessment	25 November 2020
Are any of the outcomes from this assessment likely to result in complaints from existing services users, members of the public and/or employees? *If **yes** please let your Assistant Director and the Customer Relations Team know as soon as possible*	No

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Details of service/policy/strategy/practice/plan

Scoping and Defining	
(1) What are the aims, objectives and outcomes of the service/policy/strategy/practice/plan?	The Our People strategy: • Focuses on our people and our culture, the vision, values and behaviour to support the delivery of the Our Council Plan 2020-2025 • Defines the vision - *Warwickshire County Council, a great place to work where diverse and talented people are enabled to do their best.* • Provides 6 key building blocks to achieve the vision, which includes strategic outcome, enablers and measures. • Priority Delivery Themes have been developed for delivery during 2021/2022
(2) Who are the customers?	The main customer will be our people however the impact of the strategy will be applicable to all our customers.
(3) How has equality been considered in the development or review so far?	The strategy has equality, diversity and inclusion at the heart and is a theme that runs through all of the building blocks, particularly in terms of the following statements: • Our people are diverse, feel that they belong and can bring their whole self to work • We will listen, learn and act to create an inclusive organisation with a sustainable and resilient workforce • We will break down barriers to enable a collaborative, innovative and accountable environment • Our people are accountable for their behaviours and performance and take every opportunity to improve

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	- Our people regard our reward and recognitions arrangement as fair and equitable - Our offer enables us to attract, retain, engage and motivate a diverse and motivate diverse and talented workforce. - We have recognition arrangements that are accessible to and for all - Our people are celebrated for their diversity and bring capabilities and behaviours to drive a high performance culture. The success of the strategy will measured using a number of Key business measures, which includes the Council's EDI metrics The Priority Delivery themes 2021/2022 identify the following activities which will support the EDI agenda in the strategy: - Employee Engagement Strategy - Sustainable and resilient workforce - EDI - People metrics for managers - Flexible and Agile Working - Recognition platform - Employer Value Proposition - Recruitment review - T1-4 assessment review - Induction and onboarding, Many of these activity areas, will have their own EIA developed as well.
(4) What is the reason for the change/development?	The Our People Strategy has been refreshed to ensure that is supports the Council Plan 2020-2025. The strategy describes the next stage of the journey in terms of our workforce.

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(5) How does it fit with Warwickshire County Council's wider objectives?	Yes the strategy supports the Council Plan
(6) Why might it be important to consider equality and the protected characteristics?	To: • Ensure fairness • Ensure compliance (equality legislation) • Improve organisational effectiveness The strategy very much concentrates on ensuring fairness, ensuring compliance and Improving organisational effectiveness
Information Gathering	
(7) What sources of data have you used? *You must keep a record of any data you have currently used as supporting evidence*	Business Measures, EDI annual report
(8) What does the data you have tell you about your customers and about protected equality groups?	Our workforce if diverse and all the protected equality groups are represented
(9) What do you need to know more about?	

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(10) How could you find this out and who could help you?	
Engagement and Consultation	
(11) Who have you consulted with from protected equality groups?	In developing the strategy we have engaged with How We Work Board, Corporate Board, staff networks including the Council Wide Equality group, JCC, Senior leadership forum and the wider HR community and members.
(12) Who else could you consult with?	Once the strategy is agreed it will be shared with our current workforce, and will be available and visible for any future employees we employ.
(13) Who can help you to do this?	
Monitor and Evaluate	

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(14) How will you monitor and evaluate the service/policy/strategy/practice/plan?	The strategy and the delivery plan will be reviewed on an annual basis, which will review the Key performance measures, celebrate the success and agree the delivery plan for the following year.

Please note: Further information and advice about the corporate consultation process can be found [here].

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(15) Analysis of impact and potential actions:				
Protected characteristics from the Equality Act 201	**What do you know?** **Summary of data about/feedback from your service-users and/or staff**	**What does this mean?**		**What can you do?** **All potential actions to:** ● **Eliminate discrimination/mitigate negative impact** ● **Advance equality of opportunity** ● **Foster good relations**
		Positive impacts identified (actual and potential)	**Negative impacts identified (actual and potential)**	

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Age	The Council's age profile 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, 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 the	The Priority delivery themes of the Our People Strategy, particularly regarding an Agile Workforce will offer opportunities for individuals who may not have been able to work previously due to other commitments such as caring responsibilities. Offers the opportunity to work fewer hours for those approaching retirement.	Some members of staff and customers may have difficulties adapting to new technology and ways of working	Provide individual EIA's for each delivery theme to ensure equality of opportunity is not compromised Engage with relevant staff networks on the implementation of the Our People Strategy and the associated delivery themes Our Engagement approach will provide us workforce data in terms of engagement and other important questions, which will help us understand how our work is affecting different groups

	last two years figures			

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| Disability | 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.

There has been a slight increase since last year in the number of people reporting whether they have a disability or not (76.1%) and in the number of people indicating that they have.

Approximately 1 in 4 people in the UK will experience a mental health problem each | The Priority delivery themes of the Our People Strategy, particularly regarding an Sustainable and Resilient Workforce will look to support the wellbeing of our workforce. | Our highest reason for sickness absence is stress and mental health reasons, and therefore as an employer we need to understand the reasons for this and look to address this. | Provide individual EIA's for each delivery theme to ensure equality of opportunity is not compromised

Engage with relevant staff networks on the implementation of the Our People Strategy and the associated delivery themes

Our Engagement approach will provide us workforce data in terms of engagement and other important questions, which will help us understand how our work is affecting different groups |
|---|---|---|---|---|

	year. In England, 1 in 6 people report experiencing a common mental health problem (such as anxiety and depression) in any given week. Current figures suggest two million people in the UK experience work related mental health problems at some point in their lives, with stress being the largest cause. Mental health is the highest reason for absence in the council and is a priority to address.			
Gender	The Council employs a higher percentage	As we become a more agile	**None**	Provide individual EIA's for each delivery theme to ensure equality of opportunity is not

	of women (69.2%) than men (30.8.4%) at 31 March 2020 (The percentage of women has slightly increased by 0.6% from 31 March 2019

Our mean Gender pay gap is 2.7% which has reduced from 3.2% in 2019

Our Median Gender Paygap is 8.7%, which has reduced from 11.4% in 2019. | workforce we may see a further increase in the percentage of the female workforce. | | compromised

Engage with relevant staff networks on the implementation of the Our People Strategy and the associated delivery themes

Our Engagement approach will provide us workforce data in terms of engagement and other important questions, which will help us understand how our work is affecting different groups |
| **Race** | The Black, Asian and Minority Ethnic (BAME) profile at the Council, comparing the percentage of white British and other | The Priority delivery themes of the Our People Strategy, particularly regarding | Consideration will need to be given to the exit data regarding race, and ensure that people from | Provide individual EIA's for each delivery theme to ensure equality of opportunity is not compromised

Engage with relevant staff networks on the implementation of the Our People Strategy and |

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	shows a higher representation of BAME employees (15.3%) compared with the general Warwickshire population (11.8%) The proportion of employees who are of BAME origin has remained at the same level compared to March 2019. Our mean ethnicity Pay Gap is -2.6% and the median ethnicity pay gap is -3,2%, meaning that those from a BAME background earn more than White British employees.	recruitment and retention will need to ensure an inclusive culture	minority backgrounds are not leaving disproportionately.	the associated delivery themes Our Engagement approach will provide us workforce data in terms of engagement and other important questions, which will help us understand how our work is affecting different groups Continue to promote and deliver on our EDI programme of activity which is being driven by HROD across the organisation (there is a separate action plan relating to this work)
Religion or belief	The proportion of the workforce reporting	The Priority delivery themes of	None	Provide individual EIA's for each delivery theme to ensure equality of opportunity is not

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	against each religious category is broadly reflective of the population of Warwickshire). Of employees who have reported a religion or belief (66.5%), 53.4% are Christian, 13.2 % declared a religion other than Christian, or are agnostic, and 28.0% no religious belief .	the Our People Strategy, particularly regarding Agile Working may provide greater scope for individuals to structure work around important religious events such as Eid or Ramadan.		compromised Engage with relevant staff networks on the implementation of the Our People Strategy and the associated delivery themes Our Engagement approach will provide us workforce data in terms of engagement and other important questions, which will help us understand how our work is affecting different groups
Gender Reassignment	There is currently no data available	None	None	Provide individual EIA's for each delivery theme to ensure equality of opportunity is not compromised Engage with relevant staff networks on the implementation of the Our People Strategy and the associated delivery themes

				Our Engagement approach will provide us workforce data in terms of engagement and other important questions, which will help us understand how our work is affecting different groups
Pregnancy and Maternity	There is currently no data available	The Priority delivery themes of the Our People Strategy, particularly regarding our legislative framework will ensure that employees who are pregnant or on maternity are treated fairly .		Provide individual EIA's for each delivery theme to ensure equality of opportunity is not compromised Engage with relevant staff networks on the implementation of the Our People Strategy and the associated delivery themes Our Engagement approach will provide us workforce data in terms of engagement and other important questions, which will help us understand how our work is affecting different groups

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Sexual orientation	Of employees who have reported sexual orientation, 95.6% are heterosexual, 2.8% gay or lesbian and 1.5% bisexual. These figures have remained relatively similar to 31 March 2019. This is broadly reflective of the general West Midlands population.	None	None	Provide individual EIA's for each delivery theme to ensure equality of opportunity is not compromised Engage with relevant staff networks on the implementation of the Our People Strategy and the associated delivery themes Our Engagement approach will provide us workforce data in terms of engagement and other important questions, which will help us understand how our work is affecting different groups
Marriage and Civil Partnership **(Note: only in relation to due regard to eliminating unlawful**	No data	None	None	Provide individual EIA's for each delivery theme to ensure equality of opportunity is not compromised Engage with relevant staff networks on the implementation of the Our People Strategy and the associated delivery themes

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| **discrimination)** | | | | Our Engagement approach will provide us workforce data in terms of engagement and other important questions, which will help us understand how our work is affecting different groups |

(16) Outcomes of Equality Impact Assessment		
Action	**Timescale**	**Responsibility**
Regularly review of EDI metric information to assess the success of the strategy	**Annually**	**Strategic HR and OD and EDI**

Date of Next Review	**January 2022**

Warwickshire
County Council

Name and signature of Officer completing the EIA	Kate Sullivan
Name and signature of Assistant Director	Sarah Duxbury – 26.11.2020
Name and signature of Directorate Equalities Champion	

If you would like any equalities support or advice on this completed document, please contact the Equalities Team on 01926 412370 or equalities@warwickshire.gov.uk

NEXT STEPS ONCE COMPLETED:
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2. *Go to Share (top right hand corner) Add Assistant Director and the Directorate Equalities Champion with 'can edit' option to gain their signatures and for recording purposes*

3. *Once signed off, ensure the completed EIA is saved in a secure place*

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EQUALITY IMPACT ASSESSMENT (EIA)

Agile Working Offer

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Service/policy/strategy/practice/plan being assessed	Agile Working Offer
Business Unit/Service Area	HROD Strategy & Commissioning
Is this a new or existing service/policy/strategy/practice/plan? *If an existing service/policy/strategy/practice/plan please state date of last assessment*	This is a new programme of work that brings together new and existing practices. We have revised our existing EQIA so that it takes into account new elements added to the programme. The programme now covers practices and strategies on agile working (process), better use of property and our assets (Space), technology and people.
EIA Review team – list of members	Rich Thomas, Kate Sullivan, Marie Percival, Keira Rounsley
Do any other Business Units/Service Areas need to be included?	The Agile Working Offer is an organisation-wide programme of work that will have an impact on workstyles; behaviour; workspace, processes and technology. On this basis, this assessment is to incorporate the whole organisation.
Date of assessment	Existing Assessment was July 2019. This has now been revised November 2020 to incorporate additional parameters of the offer

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Are any of the outcomes from this assessment likely to result in complaints from existing services users, members of the public and/or employees? *If **yes** please let your Assistant Director and the Customer Relations Team know as soon as possible*	Yes, this has a potential to raise concerns with our employees who are currently on the flexi-time working, as they have a choice as whether to move to an agile working arrangement or to remain on that style of contract in which case they must follow the protocols which are more stringent than an Agile Worker, plus flexi-time workers may still have to attend an office.

Details of service/policy/strategy/practice/plan

Scoping and Defining	
(1) What are the aims, objectives and outcomes of the service/policy/strategy/practice/plan?	• To enable our workforce to provide services to our customers where and when they need them; and • To deliver the Our People Vision 'Warwickshire County Council, a great place to work with outstanding leadership and a talented, agile workforce' • To achieve our outcomes within Our People Strategy including the Vision, Values, Behaviours, Design Principles and building blocks all set the principles for this programme.

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	● To optimise the use of and return on our estate ● To maximise the use of new technology and processes to enable people to work more efficiently and effectively.
(2) Who are the customers?	Corporate Board How We Work Board/How We Will Do Things Board. Staff and Managers Service users/customers Residents/Businesses Trade Unions. Elected Members
(3) How has equality been considered in the development or review so far?	To date, the project has considered any reasonable adjustment requirements. A working team have discussed any unintended consequences of the offer and how to mitigate any risks to individuals and/or teams. Accessibility and availability of resources and/or technology has been considered. The building environment aspects of the project take into account the Equality Act, 2010 and ensures, wherever

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	practicable, that accessibility throughout the building(s) and to the necessary technology and new ways of working are key priorities.
(4) What is the reason for the change/development?	We want to transform the way services are delivered and this means a more flexible and mobile workforce. Following a spot check in June 2020, we learnt that 34% of our people would prefer to permanently work from home, 59% would like to work a hybrid of working from home and from the office and 7% would prefer to work from an office location. The check in survey in September 2020 told us that 86% of people feel that they are either as productive or more productive working from home. The workplace redesign consultations with managers have echoed support for individuals to work in a more agile way. The future offer for Agile Working is an offer which allows for an adult-to-adult relationship within teams to decide when, where and how an individual's work is best carried out, in line with service need. The Agile Working Offer should enhance a service's delivery and increase flexibility within the team, not reduce the number of days/hours employees are available for work. Nearly a fifth of staff who responded to the Your Say survey in 2018 said that we need to improve the working environment and that buildings are dated and no longer fit for purpose. The 2019 Your Say Survey again highlighted that further work needs to be done on our working environment.

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| | | Our recent Survey 2019 also highlighted there we need to continue to improve the accessibility of resources so that people Access information from a variety of location, therefore a review of our processes and technology will improve this requirement.

The Council's customers will experience the benefits of an improved Council as staff will be able to work in a more agile way which will also improve performance and work / life balance and promote customer excellence in all that we do.

By taking a proactive approach and re-shaping our assets and building to meet the needs of our services, staff and customers we will reduce our accommodation costs. |
| | (5) How does it fit with Warwickshire County Council's wider objectives? | The vision is to support the One Organisation Plan (OOP 2020) and the Council's Corporate Plan 2025 by delivering a highly efficient, affordable and cost effective public estate that meets the needs of the Council and supports the communities we serve and to support staff to work in a more modern and flexible way.

The New Operating Model states we will be lean, efficient and agile in the way we work. This programme will review and provide a more integrated, collaborative, secure and efficient way of working.

Equality, Diversity and Inclusion is central and at the heart of this work programme.

This programme is an enabler to the delivery of our People Strategy and it's building blocks Culture, Values and Behaviours, Talent Management, Leadership and Performance, and Organisational Design. |

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(6) Why might it be important to consider equality and the protected characteristics?	A strong culture change and the increased use of mobile IT technology are required to support a new working model for the majority of staff. This model involves creating flexibility in working arrangements and using mobile IT technology to give staff more freedom in their working methods and will mean an acceptance from the majority of staff that they will no longer have a dedicated desk, within an office. The project therefore depends upon an enthusiastic update of the new ways of working and this must be considered in the development stage of the service change to ensure that any impacted staff are supported and feel valued to enable them to embrace change.

We previously identified the following reasons and benefits of an Agile Working offer

To individuals	To WCC
• Greater freedom to manage time and tasks • Better work life balance • Reduced unproductive commuting and lower carbon footprint • Fewer co-worker interruptions and distractions • Greater freedom to plan around personal appointments and commitments.	• Better productivity • Increase in employee engagement Better use of our property assets • More attractive offer to potential new employees, increasing calibre and diversity 1.

Climate Change

In the Council Plan 2025, there is a greater emphasis on action on climate change and therefore the environmental benefits around this can not only be seen individually, but also for the council as a whole, by supporting the action already being taken to respond to climate change.

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Sustainable and Resilient Workforce

We have already seen a reduction in our sickness absence rates since individuals have been working at home. Having a sustainable and resilient workforce is a priority for the council, and the agile working offer can hopefully continue to have a positive impact on attendance at work. It is anticipated, once the threat of coronavirus has passed, that this will be particularly positive in terms of stress and mental health absences, which currently make up a third of our absence reasons.

As part of the Agile Working Offer, it is important that consideration is given to the benefits of the individual and the organisation to ensure they are inclusive of our entire workforce. Equality, Diversity and Inclusion is central and at the heart of this work programme.

It will also be important that we have regard to the Health and Safety of our employees who work in a more agile/ remote way. This will be a lay aspect of the implementation of the new arrangements to ensure that employees when working remotely are doing so from an environment and home 'set up' which meets statutory requirements relating to working conditions.

Information Gathering

(7) What sources of data have you used?	Equalities and Diversity Workforce and Gender Pay Gap Report 2019-2020 Your Say Survey 2018/2019

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You must keep a record of any data you have currently used as supporting evidence	Our People Strategy.(2018/19 and refreshed Dec 2020)

Digital Strategy.

New Operating Model (2018)

Consultation and engagement with Our People Board

Consultation and Engagement with Senior Leadership Forum

Consultation with Our High Performing Culture Volunteers.

Analysis of data gathering in relation to staff location and current working patterns and practice and ICT and equipment requirements

Building Inspections

Consultation with Trade Unions and Staff and Pensions Committee |
| (8) What does the data you have tell you about your customers and about protected equality groups? | Staff within protected characteristic groups are largely representative of the wider population, however there is more we can do to ensure we are inclusive. For example, we recognise the need to provide a better employment experience for our disabled employees. Staff without a disability have an engagement score of 74%, compared to 65% with a disability. Equally, 0% of promotions were achieved by members of staff with a disability in 2018-19. We also had more leavers than starters with a disability. |

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		The Agile Working Offer can bring about additional benefits and improvements to the way we attract, retain and develop staff, including those from Protected characteristics groups. Our data allows us to understand our workforce. By offering Agile Working and enhanced trust in our teams we envisage higher performance and engagement for all staff.
	(9) What do you need to know more about?	Individual needs of employees and their individual remote working environments Service specific technology
	(10) How could you find this out and who could help you?	As we roll out new technology we pick up and are responsive to needs and queries early on by running pilots. We will also engage with key services and managers as part of our change readiness process to ensure we are picking up and assessing requirements and needs early on in the programme. Reasonable Adjustment Questionnaire and/or H&S assessment questionnaire Service-specific EQAs, completed alongside team principles
Engagement and Consultation		

(11) Who have you consulted with from protected equality groups?	We have worked with key stakeholders from services within WCC including our EDI Practitioner who has fed back to our employee forums as and when necessary and will continue to do so throughout this work. As managers roll out flexible working across their teams, they will be asked to develop a service specific EQiA.
(12) Who else could you consult with?	Disability task and Finish Group/ Staff Network and Staff Carers Network Employee Forums Trade Unions – have initially spoken about this at a JCC meeting will continue to inform as the project moves along Specific services within WCC as necessary for expertise and guidance
(13) Who can help you to do this?	Working group has been set up to look at the initial Agile Working Offer including colleagues from Legal, HR, Advisory Services, ICT, Cyber Security & Data Protection, HSW, EDI – this relationship will continue throughout the project should it be identified we need expertise and guidance
Monitor and Evaluate	

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| (14) How will you monitor and evaluate the service/policy/strategy/practice/plan? | Undertake reviews of the project at key stages across the project life cycle to ensure it still offers equality of opportunity and does not exclude any specific group

Review one – part way through development

Review two – pre 'go live'

Review three – post 'go live' |
|---|---|

(15) Analysis of impact and potential actions:

| Protected characteristics from the Equality Act 2010 | What do you know?

Summary of data about/feedback from your service-users and/or staff | What does this mean? | | What can you do?

All potential actions to:

- **Eliminate discrimination/mitigate negative impact**
- **Advance equality of opportunity**
- **Foster good relations** |
|---|---|---|---|---|
| | | **Positive impacts identified (actual and potential)** | **Negative impacts identified (actual and potential)** | |

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Age	The Council's age profile 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, 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 the last two years figures	Increased flexibility may offer opportunities for individuals who may not have been able to work previously due to other commitments such as caring responsibilities. Offers the opportunity to work fewer hours for those approaching retirement.	Some members of staff and customers may have difficulties adapting to new technology and ways of working	Develop programme of training and support for new technology and ways of working

| **Disability** | 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.

There has been a slight increase since last year in the number of people reporting whether they have a disability or not (76.1%) and in the number of people indicating that they have.

Approximately 1 in 4 people in the UK will experience a mental health problem each year. In England, 1 in 6 | Increased flexibility may offer opportunities for individuals with disabilities to work at home which may better suit their needs.

Potentially a reduced requirement to travel to and from a central office will enable more people access to work. | The introduction of hot desk and home working may negatively impact some employees with disabilities if they require specialist equipment to fulfil their role. Likewise, not all staff may be physically able to clear their desk at the end of a working day.

It is known that social isolation is particularly an issue for people with disabilities. Some disabled agile workers are more likely to feel | Engagement with employee disability groups and/ or key services once detailed design is being developed to review proposals and ways of working to ensure successful deployment when design completed. Technology to be DDA compliant and accessible. As well as making use of the Disability Advisors and specialist disability related training for managers.

Create pilot groups on all strands of work to sense check programme and identify any potential queries, issues that we need to resolve prior to full organisational roll out.

Ensure sufficient blue badge parking

Ensure regular reviews for people with disabilities regarding their wellbeing

Ensure building are DDA compliant - including access, use of materials (such as flooring), use of colour for those with visual impairments and facilities |

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	people report experiencing a common mental health problem (such as anxiety and depression) in any given week. Current figures suggest two million people in the UK experience work related mental health problems at some point in their lives, with stress being the largest cause. Mental health is the highest reason (30%) for absence in the council and is a priority to address.		isolated at the loss of social interaction and this may lead to stress and depression and ultimately a reduction in their quality of life. Disabled people may need accessible equipment to be maintained differently, which may cause problems for their ability to work at home if not properly addressed. As a result, disabled people may be less productive, resulting in more potential	The use of mentors to reduce change related anxiety Allocate a budget for reasonable adjustments and ensure there are appropriate places for these adjustments to be located Link / align work to the Wellbeing Strategy / Workplace Wellness Communications to make clear that Agile Working is about delivering the best possible service with the resources available; the number one priority is service delivery. While staff may well experience benefits in this way of working, it is not an entitlement and must meet the business need. Service specific Team Principles established with EQIa's built into that process so that managers take responsibility to ensure requirements are identified and resolved (where

				capability concerns or lack of ability to meet targets which may impact on future promotions. We also acknowledge that people with a reasonable adjustment may not have the space at home/other locations to work	appropriate). We will guide staff and managers to individual wellness plans and additional support as part of our Information, Advice and Guidance on the Intranet.
				Where people need specialist chairs and office equipment at work this must also be available at home, regardless of the cost – using technology particularly for	

| | | | longer periods, risks exacerbating the conditions of many staff.

For Deaf staff and Deaf customers, it will be necessary to provide at least the same level of accessibility to interpretation as is available now. That must be taken into account for staff working in remote or home locations.

Clients with disabilities still need the same flexibility of | |

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			services and people to meet them as they would have if all the staff were based in an office environment. Remote working could be very difficult for many people with learning disabilities. These people need more regular, short bursts of practical support rather than longer supervision sessions and may also benefit from having a consistent environment rather than remote working or hot desking.	

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| | | | People with speech impairments or who are hard of hearing or Deaf may be limited in some of their tasks if they are not part of a larger team, and may need to make more phone calls; the same may be true for people who have visual impairments and who might have difficulties with written information.

Staff with anxiety or other mental health conditions may find the new | |

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		ways of working difficult		
Gender	The Council employs a higher percentage of women (69.2%) than men (30.8.4%) at 31 March 2020 (The percentage of women has slightly increased by 0.6% from 31 March 2019 Our mean Gender pay gap is 2.7% which has	Increased flexibility may offer better work/life balance opportunities for individuals who may not have been able to work previously due to other commitments and help towards closing our	**None**	As part of Agile Working, WCC must ensure part-time and full-time workers are treated fairly and equally; not doing so will have a disproportionate effect on one sex.

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	reduced from 3.2% in 2019 Our Median Gender Paygap is 8.7%, which has reduced from 11.4% in 2019.	Gender Pay gap when positioning it as an opportunity adopted by men as well as women, and as much for senior roles as junior roles		
Race	The Black, Asian and Minority Ethnic (BAME) profile at the Council, comparing the percentage of white British and other shows a higher representation of BAME employees (15.3%) compared with the general Warwickshire population (11.8%) The proportion of employees who are of	The project will include prayer/multi faith rooms	For those whose English is not their first language there may be issues understanding the language used for new technology	Take this into account when developing a programme of training and support for new technology and ways of working

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	BAME origin has remained at the same level compared to March 2019. Our mean ethnicity Pay Gap is -2.6% and the median ethnicity pay gap is -3,2%, meaning that those from a BAME background earn more than White British employees.			
Religion or belief	The proportion of the workforce reporting against each religious category is broadly reflective of the population of Warwickshire). Of employees who have reported a religion or belief (66.5%), 53.4% are Christian, 13.2 % declared a religion	Introduction of the project may offer greater scope for individuals to structure work around important religious events such as Eid or Ramadan.	None	

	other than Christian, or are agnostic, and 28.0% no religious belief .			
Gender Reassignment	There is currently no data available	None	None	
Pregnancy and Maternity	There is currently no data available	Introduction of new flexible working opportunities will allow increased choice in working arrangements where service demands allow.	Those with family commitments, may arrive later and struggle to find appropriate parking	
Sexual orientation	Of employees who	None	None	

	have reported sexual orientation, 95.6% are heterosexual, 2.8% gay or lesbian and 1.5% bisexual. These figures have remained relatively similar to 31 March 2019. This is broadly reflective of the general West Midlands population.			
Marriage and Civil Partnership **(Note: only in relation to due regard to eliminating unlawful discrimination)**	No data	None	None	

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(16) Outcomes of Equality Impact Assessment		
Action	**Timescale**	**Responsibility**
Tailor the assistance and support, which will be provided to all, to individuals within group who require additional help in the transition to new ways of working.	Following needs assessment	Agile Working Project Manager/Change Manager
Engagement with employee disability groups and specific support services once detailed design is being developed and pilot groups are implemented to review proposals and ways of working to ensure successful deployment when design completed. Technology to be DDA compliant and accessible. As well as making use of the HR/ EDI/HS&W Advisors to ensure appropriate policy, education and training is in place to adopt new technology and new ways of working.	Aligned with detailed design	Agile Working Project Manager/Change Manager
The proposed "bottom up" cultural change approach has the engagement of staff at its heart; this will form the basis of the change in each area. Teams will work together during the participatory design stage to define how they will be organised to work effectively and what the major barriers to change will be	In line with communication plan	Agile Working Project Manager
Team Principles will be developed at Directorate and Service levels to ensure appropriateness of agile working across their service. This will	January 2020 onwards	SDs and ADs

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include the opportunity for appropriate staff to move to the Agile Working offer.		
Each staff member identified as an Agile Worker, either full or part time, will be required to complete a questionnaire to ascertain whether their environment is suitable for working. This will include a means of identifying any barriers to agile working which may need addressing. This could also be used to gather data on the various equality groups such as gender, ethnicity, etc.	When final proposals have been consulted on	Agile Working Project Manager
DSE Assessments – For all Agile Workers and for those workers whose self-assessment identifies a major barrier to agile working	When final proposals have been consulted on	Agile Working Project Manager
Change Agents– The project will identify champions from the business to own and lead the change in their areas.	Change Agents identified and training underway	Agile Working Project Manager
The project will establish a model office to allow staff to see the proposed solution and provide feedback and raise concerns.	In line with communication plan	Agile Working Project Manager
During the initial stages of the implementation for each service the project will aim to define exactly how each service could deliver customer services differently using the new ways of working and associated technology.	ASAP	Agile Working Project Manager

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Undertake reviews of the project at key stages across the project life cycle to ensure it still offers equality of opportunity and is inclusive	Ongoing	Agile Working Project Manager
Each team to complete a mini-EIA of their Team Principles to analyse impact on equalities at department-level. Guidance to be provided.	Jan 2020 onwards.	SDs and ADs

Date of Next Review	**April 2021**

Name and signature of Officer completing the EIA	**Marie Percival**
Name and signature of Assistant Director	**Sarah Duxbury**
Name and signature of Directorate Equalities Champion	**Keira Rounsley**

If you would like any equalities support or advice on this completed document, please contact the Equalities Team on 01926 412370 or equalities@warwickshire.gov.uk

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Warwickshire County Council

Staff and Pensions Committee

14 December 2020

Proposals for Mileage Rates

Recommendations

That the Staff & Pensions Committee

1. approves the recommendation to increase the Warwickshire County Council employee (non-school based) mileage allowance from April 2021, to be in line with the HMRC rate, currently 45p on the proviso that this is a cost neutral recommendation and will not require additional funding.

2. Authorises the Strategic Director for Resources to consult with schools on the proposal that the increase applies to all community and voluntary controlled Warwickshire schools from April 2021 and to finalise those arrangements having regard to the outcome of that consultation

3. Recommends to full Council that the increased mileage rate to align with the HMRC rate be applied to elected members through the Members' Allowance Scheme.

1.0 Introduction

1.1 Since the introduction of the Pay and Conditions review in 2009 all employees covered by the Green Book and Management Terms and Conditions have been entitled to claim the following for business miles that they undertake:
   - 40p per mile for the first 10,000 miles
   - 25p per mile there after

1.2 At the time of implementation these rates were in line with the HMRC tax free approved mileage rate, however in April 2011 the HMRC updated their rate to 45p per mile for the first 10,000 miles and 25p thereafter. Warwickshire County Council did not update their rates at that point.

1.3 As a result of the pandemic response, it is now envisaged that the council will have a more agile workforce, with less business mileage being claimed. This approach supports the Council's climate change commitment. Therefore, it feels the appropriate time to bring the Council's mileage allowance in line with the HMRC rate, as it is proposed that this could be achieved without requiring additional funding.

1.4 There are other employees on different terms and conditions or service, such as Fire and Rescue (Grey Book and Gold Book) and Public Health (NHS Agenda for Change) for which the above does not apply, as their mileage rates are

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negotiated separately.

1.5 It should be noted that travel expenses are not collectively negotiated for Teachers (Burgundy Book) and in Warwickshire, schools have historically been encouraged to apply the rates applied to our Green Book employees for certain types of journey, with other journeys paid at rates determined locally by the school's Governing Body. Governing Bodies retain the overall authority on matters of remuneration for Teachers under the School Teachers' Pay and Conditions Document 2020, which has statutory force.

1.6 The increase in the mileage rate will have implications for schools, particularly for community and voluntary controlled schools who follow the Council's terms and conditions. Whilst schools do not undertake a lot of business miles and we envisage that for the majority of schools the financial impact would be minimal, we consider that engagement with schools should be undertaken before considering applying a mileage increase to school based staff. If the recommendations in this report are approved, appropriate consultation will take place with schools in relation to the financial impact on school budgets and any potential legal considerations which may arise should individual schools be unable to support the recommended increase.

1.7 Elected Members are also reimbursed at the Council agreed rate as part of the Members Allowance Scheme. The review considered by full Council in 2018 did not make any specific recommendations in relation to members mileage rates. However, given that an increase in mileage rates to align with HMRC rates is recommended for members of staff it is considered appropriate that the same rate and arrangements should equally apply to elected members. The next review of the Members Allowance Scheme is not due until 2022. Rather than wait until that review to align the member rates to the staff rates, it is recommended that a report be taken to full Council proposing that the Members' Allowance Scheme be amended to align with the arrangements proposed for staff, such that the HMRC rate as in place from time to time be applicable to mileage claimed by Elected Members.

2.0   Agile Working Offer

2.1   The Agile Working offer sets out several principles and expectations, with a focus on choice. All staff will be given a nominal office base and travel to and from this base, will be the individuals responsibility. When attending other locations, only mileage over and above their home to base mileage will be claimable.

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3.0 Financial Implications

The recommendation has made based on the following modelling:

Mileage Costs	Miles	Full year
Pre pandemic @ 40p per mile	4,407,865	£1,763,146
Costed if mileage claims remained at pre pandemic levels @45p		£1,983,539
Difference (worst case scenario)		**£120,393**
During the Pandemic @40p mile (estimated based on 6 months actuals)	1,586,860	£634,722
Costed if mileage claims were at post pandemic levels @45p		£714,977
Difference from 40p full costs (best case scenario)		**-£1,048,169**
Assume that Agile working reduces mileage halfway between	2,997,363	£1,348,813
Difference - (Costed scenario)		**-£414,333**

Mileage Totals	Full year estimate
Pre pandemic mileage	4,407,865
Pandemic mileage (estimated based on 6 months actuals)	1,586,860
% reduction	**64%**
Assumption post covid- mid way between pre and post pandemic	2,997,363
% reduction	**32%**
Breakeven mileage	3,918,102
Reduction in miles	489,762
% reduction in miles	**-11%**

3.1 During the pandemic WCC has seen a reduction in mileage claims of 64%. However it is likely that post pandemic mileage will increase again, but not reach pre pandemic levels, for cost modelling purposes, the mileage mid way between post and during the pandemic has been used, and should this be the level, would see a 32% reduction in mileage and a cost saving of approximately £400,000.

3.2 The overall principle of the recommendation is to achieve at least a cost neutral plan for moving to a 45p per mile expense rate, therefore services overall would need to reduce their mileage claims by 11% based on the pre-pandemic mileage. It is acknowledged that some services may not be able to sustain a decrease in mileage claims, however it is believed that overall, across WCC an 11% reduction is achievable.

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3.3 In relation to schools, actual mileage data shows that during Jan-19 to Dec-19 the increased rate would have incurred an overall cost increase of £4,700 across community and voluntary controlled schools. Most schools would see a marginal increase of less than £200 for the year should the rate increase to 45p per mile, however these implications will still need to be considered and consulted upon as detailed above.

3.4 In terms of Members mileage, if mileage was not reduced as a result of new ways of working, the additional cost pressure based on 2019 claims, would be in the region of £4,500. This can be accommodated within the existing budget provision for Members Allowances.

4.0 Benefits

4.1 As a result of working in a more agile way, the council has had the opportunity to see how the new technology can support this way of working. Therefore, it is anticipated that the requirement for business mileage will reduce.

4.2 As part of our Employee Value Proposition and Our People Strategy it is important that the council is seen as an employer of choice and therefore should appropriately compensate individuals who are required to travel as part of their job.

5.0 Environmental Implications

5.1 In order to support our climate change commitment, in will be important that individuals only undertake mileage which is appropriate to the role and therefore managers will be asked to ensure that only appropriate mileage is being claimed and encourage their employees to have the climate change commitment in the forefront of their mind, when undertaking business miles.

5.2 The proposals in this report are not likely to have any direct environmental implications. However, the proposals for a more agile workforce, also on this Committee's agenda, will make a positive contribution to our climate change agenda and more detail is set out in that report.

5. Conclusion

5.1 The Council's mileage allowance has not been updated since 2009 and, during this time, the HMRC has increased its tax-free approved rate. Therefore, the Council's rate is out of line with the HMRC rate.

5.2 With a more agile workforce in the future, it is anticipated that the number of miles that will be claimed will reduce.

5.3 Therefore, it appears to be the right time to bring the Council's mileage allowance in line with the HMRC rate. Any future changes to the HMRC

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will automatically be applied to the rate going forward.

5.4   Further consultation with schools will be undertaken before moving forward with the increased mileage rates applying to school based staff.

Background Papers
None

	Name	Contact details
Report Author	Kate Sullivan HR/OD Strategy and Commissioning Manager	katesullivan@warwickshire.gov.uk
Assistant Director	Sarah Duxbury Assistant Director of Governance & Policy	sarahduxbury@warwickshire.gov.uk
Strategic Director	Rob Powell Strategic Director – Resources	robpowell@warwickshire.gov.uk
Portfolio Holder	Councillor Kam Kaur	kamkaur@warwickshire.gov.uk

The report was circulated to the following members prior to publication:
Not applicable.

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Staff and Pensions Committee

Cyber Security Policy

14 December 2020

Recommendation(s)

1.   The Staff and Pensions Committee are invited to comment on and approve the draft Cyber Security Policy in Appendix 1 and the associated Action Plan in Appendix 2.

1.   Executive Summary

1.1   Pension Schemes are required by The Pension Regulator to publish and maintain a Cyber Security Policy (the Policy). A copy of the proposed Policy is attached at Appendix 1 for comment.

1.2   The increasing reliance of pension funds upon systems means that scheme managers, executive committees and pension boards should increase the priority of data security and ensure arrangements remain fit for propose and mitigate risks.

1.3   The Local Pension Board discussed the proposed policy and action plan at its meeting on 20th October.

2.   Financial Implications

2.1   Financial losses are possible if cyber fraud attempts are successful and costs in the form of fines can be imposed if personal / confidential information is accessed by unauthorised individuals.

3.   Environmental Implications

3.1   None

4.   Supporting Information

4.1   Pension Schemes hold large amounts of personal data and assets which can make them vulnerable to significant risks if an error occurs.

4.2 To put this into context the Warwickshire Pension Fund holds personal information for in excess of 50,000 members and over £2bn in assets.

4.3 It is essential therefore, that the Fund and its partners have robust systems and policies in place to ensure that this information and data is held securely.

5. Timescales associated with the decision and next steps

5.1 Appendix 2 details the approach and timescales associated with implementing and reviewing the policy.

Appendices
1. Appendix 1 Cyber Security Policy
2. Appendix 2 Action Plan

Background Papers
None

	Name	Contact Information
Report Author	Neil Buxton Chris Norton	neilbuxton@warwickshire.gov.uk chrisnorton@warwickshire.gov.uk
Assistant Director	Andrew Felton	andrewfelton@warwickshire.gov.uk
Lead Director	Strategic Director for Resources	robpowell@warwickshire.gov.uk
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

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Staff and Pensions Committee

The Local Government Pension Scheme (Amendment) (No 2) Regulations 2020

14 December 2020

Recommendation(s)

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

1. Executive Summary

1.1 The above regulations came into force on 23rd September 2020 and introduced greater flexibility on how funds deal with employers exiting the pension fund and the option to review contributions for employers between valuations.

1.2 Funds however will not be able to take advantage of these new flexibilities unless they have a policy set out in their Funding Strategy Statement (FSS).

2. Financial Implications

2.1 The review of employer contributions allows the Fund to manage and mitigate risk for an employer which has experienced a significant change to their liabilities or covenant. Whilst the spreading of exit payments and deferred debt arrangements for exiting employers enables the Fund and the employer to manage a cessation payment.

3. Environmental Implications

3.1 None.

4. Supporting Information

4.1 The new regulations make it clear that the administering authority is allowed to spread payment of an exit credit over a number of years. This amendment is acknowledging a practice which many funds have followed and the Warwickshire Pension Fund has had such an arrangement with an employer in the past.

4.2 The amending regulations also permit deferred debt agreements which allows an administering authority to defer the exit valuation and the employer is

treated similarly to an employer with active members with liabilities reviewed and contributions set at triennial valuations.

4.3 The ability to review contributions for employers between valuations is subject to a list of conditions, one of which must be met:

- It appears likely to the administering authority that the liabilities arising or likely to arise have changed significantly
- It appears likely to the administering authority that there has been a significant change in the ability of the employer to meet their obligations, or;
- The employer has requested a review.

4.4 We are expecting statutory guidance to be released by the Ministry for Housing, Communities and Local Government (MHCLG) for funds to consider when changing their FSS. Also, funds are expecting the Scheme Advisory Board (SAB) to release more detailed guidance for administering authorities.

4.5 [insert wording that officers (you) gave training to SPC members [+LPB] on LGPS regs, including this, on [insert date] and slides were sent round afterwards]

5. Timescales associated with the decision and next steps

5.1 Once statutory guidance is issued by MHCLG and further advice received from the SAB both the FSS and the Admissions and Termination Policy will be reviewed and amended as appropriate.

5.2 It is anticipated that these amendments will be brought to the March meeting of the Staff and Pensions Committee.

Appendices
1. None

Background Papers
None

	Name	Contact Information
Report Author	Neil Buxton Chris Norton	neilbuxton@warwickshire.gov.uk chrisnorton@warwickshire.gov.uk
Assistant Director	Andrew Felton	andrewfelton@warwickshire.gov.uk
Lead Director	Strategic Director for Resources	robpowell@warwickshire.gov.uk
Lead Member	Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

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

2

Local Member(s): None
Other members: Councillors Kaur & Gifford

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Staff and Pensions Committee

Fire Pension Schemes McCloud -Age Discrimination remedy and immediate detriment guidance

14 December 2020

Recommendation(s)

1.   To note and comment on this report

1.   Executive Summary

1.1   Following a legal challenge to public pension scheme changes effective from 2012, the government is introducing a new remedy to provide underpin protection to affected scheme members, including members of the Fire Pension Scheme.

1.2   The proposals that were set out in the Age Discrimination (McCloud) consultation will apply to all members who were in service on or before 31 March 2012 and on or after 1 April 2015, including those with a qualifying break in service of less than 5 years, across all affected public service schemes. This is irrespective of whether they have submitted a legal claim or not, or whether they are currently an active, deferred or pensioner member.

1.3   Depending on a person's circumstances, many scheme members are likely to be better off in the reformed schemes (CARE) rather than the legacy (Final Salary) schemes. The government believes it is therefore not fair to simply move everyone back into the legacy schemes, even though this would be enough to remove the unlawful discrimination identified by the Court of Appeal.

1.4   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 sought views on that proposal and especially on which of two possible approaches:

    1. An immediate choice

    2. A deferred choice underpin (DCU)

1.5   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.

1.6   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.

1.7   The Home Office have released informal guidance to Fire and Rescue Authorities in England on the processing of 'immediate detriment' cases in advance of a decision on the Government's final approach to removing the age discrimination as found in the McCloud/Sargeant Employment Tribunal litigation.

1.8   Immediate detriment includes those scheme members who were in service on or before 31 March 2012 and on or after 1 April 2015, including those with a qualifying break in service of less than 5 years, and who did not benefit from full protection and were moved into the 2015 Scheme on or after 1 April 2015:

   1. Who become eligible to retire with an ordinary pension and want to have all their benefits paid from their legacy scheme (i.e. do not accept deferred 2015 scheme benefits); OR

   2. Who don't qualify for lower-tier (and therefore higher-tier) ill-health pension under the single pot Ill-Health Retirement (IHR) arrangement BUT would do so under the IHR arrangements in their legacy scheme.

1.9   Any scheme members that fall within either of the two categories above can have their pensions calculated and put into payment according to this guidance.

1.10   If followed, this guidance should not be applied to scheme members who have already retired and are in receipt of their pension payments. These cases are more complex to address, especially due to complexities in rectifying the member's tax position.

1.11   It is important to note that any cases processed using this guidance would need to be revisited once the Government's approach to removing the discrimination has been finalised, due to relevant matters that are currently subject to consultation, to include interest on contributions etc. This is likely to be after April 2022.

2.   Matters for consideration

2.1   Fire and Rescue Authorities (FRAs) now need to understand practically how they could give effect to the guidance, should they chose to follow it. As this is informal guidance only, FRAs can choose to seek individual legal advice. WCC Legal Services have reviewed the guidance and are of the opinion that it should be followed where possible. Information sent out to the member for these cases must include a caveat to explain that the benefits calculated could still be subject to change.

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2.2 FRAs need to take a cautious approach in following the HO guidance and that any legal advice taken would not form protection, against FRAS who act outside of their vires or make incorrect conclusions in the calculation of the value of pension benefits.

2.3 We understand that the Home Office asserts that the legal position which underpins the application of the guidance in the note for non-claimants (those not covered by the interim order) is Section 61 of the Equality Act. The effect of Section 61 is being contested in the FRA's appeal under Schedule 22 of the Equality Act, in which they argue that they were required to follow the pensions regulations and so by law had no choice but to implement the transitional protections for older firefighters.

2.4 If WCC chooses not to apply the guidance at this stage, there is a chance that the members will protectively issue an age discrimination claim in the employment tribunal. It is clear that the pension loss would be remedied in future regardless of whether a claim is made. However, a member could also claim 'injury to feelings' based on the period of inaction. Such awards, if made, are likely to be nominal but even nominal awards can quickly add up where there is a large number of employees affected.

2.5 The County Council's Section 151 Officer has delegated responsibility for payments in respect of all liabilities falling to be discharged by the council which are not otherwise detailed in financial regulations. A briefing is being prepared for his consideration on whether to follow the Immediate detriment guidance issued by the HO.

3. Financial Implications

3.1 There are potential financial implications related to the cost for not following this guidance and potential claims of 'injury to feelings' being made by members. However, there is also the potential that an overpayment of benefits could arise if the regulations are not amended as suggested in the consultation.

4. Environmental Implications

None

5. Supporting Information

None

2

6. Timescales associated with the decision and next steps

As WCC's Section 151 Officer, the Strategic Director for Resources will be required to take a decision on whether WCC should apply the informal guidance issued by the Home Office, taking account of the risks therein.

Appendices

None

Background Papers

1. https://www.fpsregs.org/images/Age-discrimination/Home-Office-immediate-detriment-guidance-21-August-2020.pdf

	Name	Contact Information
Report Author	Neil Buxton, Liz Firmstone, Victoria Jenks	neilbuxton@warwickshire.gov.uk, lizfirmstone@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk
Assistant Director	Andrew Felton	andrewfelton@Warwickshire.gov.uk
Lead Director	Strategic Director for Resources	Robpowell@warwickshire.gov.uk
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: None

Staff and Pensions Committee

Assessing Employer Covenant in the Pension Fund

14 December 2020

Recommendation(s)

1.   The Staff and Pensions Committee are asked to comment on and approve the pension fund's policy and approach to assessing the covenant of employers in the Pension Fund.

1.   Executive Summary

1.1   The Pension Fund should have a considered approach to the viability of scheme employers. The wide ranging and significant impact of Covid on employer organisations raises the profile of this requirement.

1.2   Appendix 1 identifies the different categories of scheme employers in the Pension Fund and how the potential exposure and risk to the Pension Fund can be reduced.

1.3   The Local Pension Board discussed this report at its meeting on 20th October 2020.

2.   Financial Implications

2.1   The failure of a scheme employer to meet its financial commitments to the pension fund could have an impact on the liabilities for other scheme employers.

3.   Environmental Implications

3.1   None.

4.   Supporting Information

4.1   The benefits of employer assessment are:

- Demonstrating good governance and risk assessment;

- Providing management information to prioritise and engage with higher risk employers;
- An action plan to ensure employer covenants are in place and fit for purpose;
- Allowing increased engagement with employers and helping the Pension Fund understand issues faced by employers, and
- Reducing the financial risk exposure of other scheme employers.

5. Timescales associated with the decision and next steps

5.1 The review includes an action plan which schedules activity over the next 9 months.

Appendices
1. Appendix 1, Assessing Employer Covenant

Background Papers
None

	Name	Contact Information
Report Author	Neil Buxton Chris Norton	neilbuxton@warwickshire.gov.uk chrisnorton@warwickshire.gov.uk
Assistant Director	Andrew Felton	andrewfelton@warwickshire.gov.uk
Lead Director	Strategic Director for Resources	robpowell@warwickshire.gov.uk
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 & Gifford

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<div align="right">**Appendix 1**</div>

Warwickshire Pension Fund Employer Covenant Policy

1. Assessing employer covenants in the Warwickshire Pension Fund

There are a number of types of employers participating in the Local Government Pension Scheme (LGPS) administered by the Warwickshire Pension Fund (WPF). As the number of employers increases and becomes more diverse over time and as challenges such as austerity and Covid present themselves, assessing employer covenants is important in order to manage and mitigate risk to the Fund.

The recent valuation gives the opportunity to review the scheme employers in the WPF with regard to any guarantees or security in place and the risks around each employer. An assessment of each covenant demonstrates good governance and the management of risk.

2. Types of scheme employer

The types of scheme employers in the WPF are diverse, ranging from the County Council as the largest employer down to a cleaning contractor at a small academy. Each employer will pose a different level of risk to the pension fund.

Scheme Employers can be categorised in accordance with the Local Government Pension Scheme regulations (LGPSR) and some employers can be sub-categorised depending on the level of risk they may pose to the WPF.

Scheduled Bodies:

Scheduled Bodies are defined in parts 1 and 2 of Schedule 2 of the LGPSR and employees of these bodies automatically have the right to be members of the LGPS

- County and District / Borough councils
- Academies
- Colleges
- Police Authority and Force

Designated Bodies (also known as resolution bodies)

These are bodies (employers) which can nominate employees for access to the LGPS. Designating Bodies include, among others:

- Parish and Town councils
- Local Authority owned companies

Community Admission Bodies (CABs)

These are usually bodies / employers that provide a public service other than for the purpose of gain. They will have links to a local authority which will sponsor their membership of the LGPS.

- Charities
- Bodies providing a service to the community and sponsored by a local authority

Transfer Admission Bodies (TABs)

These are usually contractors providing a service to a scheme employer under a contract of service. Employees transferred from the scheme employer and new employees specified under the admission agreement have access to the LGPS.

- Contractors providing a function on behalf of a sponsoring employer

Former / Defunct Bodies

- Bodies which have terminated membership and are paying a cessation payment

3. Employer commitment to the Fund

All employers have a commitment to the WPF whether that is to pay the assessed primary and secondary rate of contribution or to provide ongoing membership to the Fund for current and (where applicable*) future employees.

The payment of employee and employer contributions is a statutory requirement and failure to do this is a breach of the law and has to be reported to the Pension Regulator, as is the provision of access to the Fund where the regulations require this.

*   *Some employers will have 'closed' agreements where membership is restricted to current scheme members either by way of an admission agreement or a planned exit from the Fund.*

4. Benefit of employer covenant assessment

- Demonstrates good governance and risk management;
- Provides management information to prioritise and engage with riskier employers;
- Identifies those employers where the Fund may require additional security;
- Allows increased engagement with employers and helps the Fund understand issues faced by the employer;
- Increases knowledge of the Fund employers to inform and develop a bespoke funding strategy; and
- Reduces the financial risk exposure for other scheme employers.

5. Assessing employers

The first step is to decide a level of risk or exposure to risk for groups of employers. The Fund may take the view that scheduled bodies (local authorities, academies, etc) are a low risk to the Fund, whereas Colleges (which were previously guaranteed by a government department) present a potential high risk because of the lack of a guarantee for potential liabilities on closure.

The Fund may wish to take into account any sponsors, guarantees, bonds that are in place for employers, whether an employer is open or closed for future membership and whether an employer has a limited time horizon for continued membership.

The Fund may take a more detailed view on specific employers which could involve a financial and non-financial rating by a reputable rating agency.

6. Reducing Risk

The Fund mitigates its exposure to potential risk in respect of employer covenant with the following actions:

- **Community Admission Bodies (CAB)** – In 2017 an exercise was undertaken to support a small number of CABs to cease future membership of the WPF. This action prevented those organisations, who were reviewing their participation in the Fund, continuing to accrue liabilities which were unaffordable to them.

- **Pooling** – The Fund pools Parish and Town Councils and although these are a low risk group pooling helps to offset any unexpected liabilities an individual council may face.

- **Passthrough** – The Fund has a policy to offer a passthrough agreement as the preferred admission route for all new transfer bodies (TABs) whereby the contractor contributes the same primary contribution rate as the ceding employer. At the end of the admission agreement all liabilities (and members) pass back to the original employer.

- **Bonds** – Where possible the Fund will insist on a Bond being put in place for all non-passthrough agreements.

- **Guarantor / Sponsor** – Long standing employers without bond agreements should seek guarantees from their sponsoring local authority.

- **Security** – The Fund should seek additional security for high risk employers to offset any potential unfunded liabilities or for employers exiting the Fund who wish to spread cessation payments.

- **Contributions Stability** – one of the objectives of the Funding Strategy is to maintain stable employer contribution rates, this helps employers to plan financially, and reduces the risk of financial shocks that put the financial positions of employers at higher risk.

- **Escalation –** where an employer does get into difficulty it is important for the issue to be escalated in a timely way in order to minimise the size of the problem that needs to be solved and to maximise the time and opportunities available to solve it.

7. Next Steps

Title	Actions	Completion Date
Admission Agreements	Check all employers have an admission agreement in place.	December 2020
	Identify admission agreements that are not fit for purpose	June 2021
	Check that arrangements are in place to ensure employers are aware of their admission agreements and understand the requirements of them	March 2021
Security	Review existing bond and security arrangements provided by employers	June 2021
Covenants	Specify and procure a provider of employer covenant reviews who can then be called upon to provide this service when required.	March 2021
	Undertake a high-level assessment of the ability of employers to pay pension fund contributions, identifying employers who may benefit from targeted support.	February 2021
	Implement targeted support for employers where required, for example undertaking a formal employer covenant review, negotiating bonds, security, or sponsor guarantees, or planning cessation.	Schedule to be determined arising from the action above

An important part of the approach will be to objectively identify issues and support the resolution of them. The fund will seek to avoid approaches to Covenant reviews that by their nature may encourage or precipitate the problems they are seeking to manage.

8. **Covid**

The Covid pandemic has had significant implications for all employers. The impact of Covid on employers is not yet fully understood and scheme employers, who have previously been considered low risk, may become higher risk. The action plan identified above will encompass having regard to Covid and any other circumstances affecting the ability of employers to pay their contributions.

Staff and Pensions Committee

Schedule of Pension Fund Policies

14 December 2020

Recommendation(s)

1.   The Staff and Pensions Committee are asked to review and comment on the attached schedule of Pension Fund policies.

1.   Executive Summary

1.1   The Pension Fund is required to have in place a number of policies to meet governance requirements and ensure the sound operation of the Fund's activities.

1.2   Policies should be reviewed periodically, usually annually or when there is a material change to circumstances such as changes in legislation which would require an amendment.

1.3   Attached at Appendix 1 is a schedule of Fund policies setting out when each was last reviewed and the current plan for when each is next reviewed. This is being used to generate a forward plan of policy activity.

1.4   Policy reviews could be in-depth or light touch depending on the circumstances. Policies may change significantly or not change at all as a result of a review. The important point, however, is that reviews are undertaken and that no policy is left to drift over time, becoming inappropriate for the Fund and its circumstances.

1.5   The amount of time being put to ensuring policies are kept up to date is increasing significantly. The new structure has some regard to this however officers will keep under review capacity to maintain policies and will look to schedule reviews to be as efficient as possible by distributing them throughout the year, and in line with any changes to associated activities or regulation.

1.6   The Local Pension Board discussed the schedule at its meeting on 20th October.

2.   Financial Implications

2.1   None at present but policy review workload and capacity will be kept under review.

1

3. Environmental Implications

3.1 None

4. Supporting Information

4.1 None

5. Timescales associated with the decision and next steps

5.1 Policy reviews will be incorporated into the forward plans of pension fund committee meetings and the Local Pension Board as appropriate.

Appendices

1. Appendix 1 schedule of pension fund policies.

Background Papers

None

	Name	Contact Information
Report Author	Neil Buxton Chris Norton	neilbuxton@warwickshire.gov.uk chrisnorton@warwickshire.gov.uk
Assistant Director	Andrew Felton	andrewfelton@warwickshire.gov.uk
Lead Director	Strategic Director for Resources	robpowell@warwickshire.gov.uk
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 & Gifford

Policy	Description	Forum for Approval	Last Review Date	Frequency of Review	Next Review Date	Notes
Administration Strategy	This policy sets out the respective responsibilities of employers and the Fund in the delivery of the administration of the pension fund. This statement seeks to promote good working relationships and ensure agreed standards of quality in the delivery of the pension administration service.	Staff and Pensions Committee	June 2020	Annual	June 2021	
Admissions and Termination Policy	This policy sets out the basis upon which employers may join and leave the pension fund, having regard to the Regulations and the discretion afforded under them.	Staff and Pensions Committee	June 2020	Annual	December 2020 / March 2021	Annual review ordinarily, but next review is less than a year due to amendments to Local Government Pension Scheme Regulations. Policy amendment due March 2021 once statutory guidance received from MHCLG and the Scheme Advisory Board.
Breaches Policy	This policy sets out the approach taken to reporting breaches of the law.	Policy	December 2019	Annual	December 2020 / March 2021	Currently being reviewed
Communications Policy	This policy sets out how Fund communicates with stakeholders.	Staff and Pensions Committee	November 2018	Annual	March 2021	Update required – last updated in 2018 when reported to the Local Pensions Board
Conflicts of Interest Policy	This policy ensures conflicts of interest are manged appropriately in respect of Pension Fund affairs.	Staff and Pensions Committee	March 2020	Annual	March 2021	
Cyber Security Policy	This is a new requirement expected by The Pension Regulator, required to provide assurance that the Fund is protecting members' records and pension fund assets.	Staff and Pensions Committee	n/a	Annual	December 2020	New policy to be approved in December 2020
ESG, Climate Change and Responsible Investment Policy	The policy sets out the Fund's on Responsible Investment and Environmental, Social, and Governance aims. A specific climate change policy is a new requirement from the Pension Regulator.	Pension Fund Investment Sub Committee	March 2020	Annual	March 2021	
Funding Strategy Statement	This policy sets out the fund's approach to meeting its liabilities.	Pension Fund Investment Sub Committee	June 2020	Annual	December 2020 / March 2021	Annual review ordinarily, but next review is less than a year due to amendments to Local Government Pension Scheme Regulations Policy amendment due March 2021 once statutory guidance received from MHCLG and the Scheme Advisory Board.
Governance Statement	This statement sets out how the administration of the Fund is governed, considering best practice principles issued by The Department of Communities and Local Government.	Staff and Pensions Committee	tba	tba	Estimate March 2021	A new requirement pending Government guidance
Investment Strategy	This strategy sets out how the fund manages its investments.	Pension Fund Investment Sub Committee	March 2020	Annual	March 2021	
Risk Register	The risk register is a tool used to effectively identify, prioritise, manage and monitor risks associated with the Fund.	Pension Fund Investment Sub Committee and Staff and Pensions Committee	March 2020	Annual	March 2021	
Voting Policy	This policy sets out the approach to exercising our voting rights in respect of investments where the Fund has voting rights.	Pension Fund Investment Sub Committee	September 2019	Annual	March 2021	
Business Plan	The Fund sets out a business plan each year summarising high level business objectives.	Staff and Pensions Committee	March 2020	Annual	March 2021	
Accounting Policies	The Fund is required to adopt accounting policies in line with appropriate accounting standards.	County Council	July 2019	Annual	October 2020	As set out in the annual accounts. The accounts for 2019/20 are signed off later than the previous year due to Covid.

| Fund Discretions | All scheme employers are required to maintain a policy document on the discretions under the Local Government Pension Scheme Regulations. For defunct employers the Fund acts as a scheme employer. | Staff and Pensions Committee | tba | tba | tba | |
| Local Pension Board Terms of Reference | This document sets out the objectives and operations of the Local Pension Board and how the Board operates in order to deliver them. | County Council | 2015 | As Required | 2020 | Revised terms being approved at Council in October 2020 |

Staff & Pensions Committee

Pensions Administration - Preparations for McCloud

14 December 2020

Recommendation(s)

1. Note and comment on the report.

1. Background

1.1 When the Local Government Pension Scheme changed from a final salary to a career average pension scheme in 2014, protections for older scheme members were introduced. Similar protections were provided in other public sector pension schemes. The Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them. The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS and Fire Pension Schemes, to remove this age discrimination. This ruling is often called the 'McCloud judgment'.

1.2 The Government will be making changes to remove the discrimination from the LGPS and Fire Pension Schemes. If scheme members qualify for this new protection it will automatically be applied and they do not need to claim.

2. Implications for LGPS and Fire Pension Scheme Members

2.1 The protection takes the form of an 'underpin'. For LGPS members, instead of having benefits based simply on CARE from 1 April 2014, affected members will have their benefits calculated as the best of CARE and Final Salary until the cut-off date, 31 March 2022. The effect will be retrospective, meaning that benefits dating back to April 2014 will need to be recalculated for leavers.

2.2 For Fire Pension Scheme members, depending on a person's circumstances, many scheme members are likely to be better off in the reformed schemes (CARE) rather than the legacy (Final Salary) schemes. The government believes it is therefore not fair to simply move everyone back into the legacy schemes, even though this would be enough to remove the unlawful discrimination identified by the Court of Appeal.

2.3 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. Recent government consultations sought views on that proposal and especially on two possible approaches:

1. an immediate choice
2. a deferred choice underpin (DCU)

2.4   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.

2.5   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.

3.   Implications for Pensions Administration and Payroll

3.1   For the Pensions Administration service this will mean a change to how benefits are calculated going forward and the need to recalculate benefits for a large proportion of members who have left the scheme since 2014; even though the new underpin is not actually expected to increase the benefits for most, a check for those members will need to be undertaken.

3.2   Whilst the impact on members is not expected to be material, this is likely to impact significantly on pensions and payroll administration processes and systems as well as requiring a robust communication exercise with employers and scheme members. The additional resource and administration budget requirements to implement the remedy will be substantial.

3.3   A Full Business Case was considered and approved by the Portfolio Change Board on 11 November and work has now commenced on establishing project governance arrangements, commissioning of technical project management and activity on the various workstreams.

4.   Financial Implications

4.1   This is a significant project, and there is expected to be a considerable cost to implementing the McCloud remedy for both the LGPS and Fire Pension Schemes. The cost relating to the LGPS will fall to the Pension Fund, while the work relating to Fire Pension Schemes will fall on the Council's revenue budget. In addition to the extra staffing that will be needed in the Pensions Administration and HR / Payroll functions, technical project management is required to ensure that the remedies are being implemented in a way that meets our statutory obligations. There will also be costs relating to

communications with scheme members and employers, to data quality management and to the changes needed to pensions software.

4.2 The total estimated cost of implementing the McCloud remedy for LGPS and Fire Pension Schemes is £500,000, as summarised below:

	LGPS £'000	Fire Pensions £'000	Total £'000
Additional staffing	321	9	330
Project management	101	3	104
Communications	10	1	11
Data quality management	6	8	14
Pensions software	29	1	30
Contingency	11	0	11
Total	**478**	**22**	**500**

4.3 The likely ongoing impact of the McCloud remedy on LGPS contribution rates was taken into account in the 2019 triennial valuation process and will need to be updated in the next valuation. However, it is not likely to be material.

4.4 Similarly, the impact on employer contribution rates for Fire Pensions is expected to be minimal, and these costs and any immediate detriment costs are, in any case, effectively reimbursed by the Home Office. The next valuation of the Firefighters Schemes is due to start in December 2020, based on data up to 31 March 2020, and this will take account of the likely impact of McCloud.

5. Project Management

5.1 In order to manage this project, stakeholders and workstreams have been identified. The workstreams will be delivered by both internal and external resources. The workstreams are:

1. Data collection
2. Communications, members, employers and other stakeholders
3. Systems
4. Benefit rectification
5. Review of administration processes and documentation
6. Specialist areas (complex benefit cases)
7. Funding, accounting, investments and cashflows
8. Governance

5.2 Due to the significance of this work, and the potential legal consequences, it has been established that a subject matter expert from outside of the Pensions Administration team is required to manage the project and ensure all the key deliverables are identified, documented and reported to relevant stakeholders. This cannot be undertaken internally due to the amount of work

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involved and the need to ensure BAU work is not impacted. Therefore, it is proposed that work will be contracted out to manage this project.

6. Timescales associated with the decision and next steps

6.1 The PAS have started work on identifying affected members and initial communications have been sent out to employers regarding the data collection exercise.

6.2 A workshop will be held in December for the PAS and internal stakeholders to look at workstreams. Following this the PAS management team will meet to identify team members who will be working on the McCloud project and the need to backfill these posts.

6.3 Data collection from employers will need to begin in January 2021. Data collection templates have been received from the Local Government Association (LGA), Scheme Advisory Board (SAB). Heywood the supplier of the pensions administration system is developing a tool to upload data collected onto pension scheme members records, this should be available in early 2021.

7. Environmental Implications

None.

Background Papers
None

	Name	Contact Information
Report Author	Liz Firmstone, Victoria Jenks, Victoria Moffett, Chris Norton	lizfirmstone@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk, victoriamoffett@warwickshire.gov.uk, chrisnorton@warwickshire.gov.uk
Assistant Director	Assistant Director Finance	andrewfelton@warwickshire.gov.uk
Lead Director	Strategic Director for Resources	robpowell@warwickshire.gov.uk
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 & Gifford

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Staff & Pensions Committee

Administration Activity and Performance update

14 December 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 Pensions Administration Service (PAS).

2.   Financial Implications

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

3.   Environmental Implications

3.1   None

4.   Governance Action Plan

4.1   Good progress has been made in implementing the Governance Action Plan, with 52 actions out of 54 now completed. The actions outstanding out of the original 54 are:
- the implementation of i-Connect, our first Live data transfer has taken place on 19th November for 17 employers.
- Cyber security policy – going to Staff and Pensions Committee for approval 14 December.

5.   GMP reconciliation

5.1   GMP reconciliation is the process used to ensure that the Local Government Pension Scheme (LGPS) 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.

5.2   A project has been established to review the data received from HMRC and

identify where data doesn't match. This is being done alongside a project to ensure the Pensions Administration system and Pensioner payroll system match up values of pensions in payment.

5.3   The data comparison work has now been completed and a total number of 4,541 records have been identified as not matching. The benefits team are now working through these cases and have set a deadline of 31 January 2020 to get this work completed.

6.   Key Performance Indicators (KPIs)

6.1   Appendix 2 shows KPIs for the period 1st May to 31st October 2020.

6.2   Where the PAS have not met 95%, these should be for KPIs where there is no payment due. KPIs where payments are due are treated as a priority.

6.3   In July there was a dip in the total number of transfers completed due to a key member of staff being assigned to the Annual Benefit Statements project and a new member of staff receiving training.

6.4   It has also been identified that better processes are needed to help cover priorities when a member of staff goes off unexpectedly. The team will introduce these new processes going forward.

6.5   In September we saw an influx of new scheme members joining and a greater number of retirements. Which impacted on the number of cases processed in the target timescales.

6.6   We have also noted a spiked increase in deaths in April, which has impacted on the number of death grant and dependants benefits we are currently processing. This has also impacted on the number of cases processed in the target timescales.

7.   Workloads

7.1   The PAS has been monitoring the tasks outstanding and completed by the service since the 1 March 2020. The chart at appendix 2 shows the volume of outstanding work across the service and indicates that the service reduced this figure to just 2,774 tasks as at the 31st October 2020. Since March, 32,130 tasks have been completed.

7.2   On an average weekly basis, we create between 800-1000 tasks and we are starting to see the team complete slightly more than what is coming in. As more of the team become fully trained, we expect to see the number of tasks being completed exceeding the number being created by a greater number.

8. Breaches

8.1 In 2020 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. This had been caused by the printing company used to print and post out Annual Benefit Statements on behalf of Warwickshire Pension Fund. The issue was identified by a member of the Pensions Team, an investigatory report completed, and remedial actions taken. A total number of 4,989 statements were sent out on 11th September 2020. The tPR have already confirmed that no further action is required.

8.2 All other 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	No Breach	Total
Number of Employers	1	104	20	70	194

8.3 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.

8.4 The red breach relates to the issue with a number of Annual Benefit Statements not being sent out by 31st August deadline, reported in 8.1.

8.5 tPR have clarified that a breach does not necessarily need to be reported for non-issue of an Annual Benefit Statement where a member's home address is listed as "gone away". We should, however, record the breach if we deem it to be of material significance. The PAS is taking steps to trace "gone-aways" (see section 10 below).

9. i-Connect

9.1 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.

9.2 The project is progressing well; Aquila Heywood, the system provider, has now completed the handover to the PAS and employers onboarding for the first phase is being rolled out. The first live data transfer was completed in November. This was for 27 employers, with a further 10 employers expected to complete their live transfer in December. The team is now working with

employers to prepare them to start submitting data via i-Connect. It is expected that WCC as a Scheme employer will go live in Phase 2 of the project, well ahead of their original schedule. This is down to the successful collaboration between the pensions and payroll teams.

9.3   It has been encouraging that engagement with employers has been positive and working through COVID has not led to any delays in this project. The only task we would have done differently would have been to hold face to face sessions with employers to provide information and training. However, we have been able to successfully deliver this online.

10.   Tracing service

10.1   JLT Mercer have been appointed as a 3rd party tracing service and work commenced on this project on 22nd October, Information to track 2,654 deferred benefit members who the fund has lost contact with has been prepared and forwarded to JLT Mercer. There are also approximately 75 pensioners whose pension payments are currently suspended because we do not have a current address for them. In the next meeting we will be able to confirm the success rate for tracing members using this service.

11.   Internal Dispute Resolution Procedure (IDRP)

11.1   The IDRP procedure for WCC members and members previously employed by an employer who has since become defunct is currently being updated with input from the PAS and legal services. The stage one process is being formalised to identify clearly the key contacts. This should be completed ready for the March Staff and Pensions Committee meeting.

12.   Appointment of Chair to Warwickshire Fire Pensions Board

12.1   Following early notification of a desire to resign from the current Chair of the Warwickshire Fire Pensions Board, a robust process has been undertaken to find a suitable replacement. This process included a meeting of the preferred candidate with representatives from the Staff and Pensions Committee and the Chair of the Resources and Fire Overview and Scrutiny Committee. The recommended candidate is Mr Martin Reohorn, who is the Director of Finance and Treasurer at Hereford and Worcester Fire and Rescue Service. Approval to this appointment will now be sought from the County Council at its meeting on 15th December 2020.

Appendices

1. Appendix 1 – KPIs
2. Appendix 2 – Outstanding tasks

Background Papers

None

	Name	Contact Information
Report Author	Liz Firmstone, Victoria Jenks, Victoria Moffett, Chris Norton	lizfirmstone@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk, victoriamoffett@warwickshire.gov.uk, chrisnorton@warwickshire.gov.uk
Assistant Director	Andrew Felton	Andrewfelton@warwickshire.gov.uk
Lead Director	Strategic Director for Resources	Robpowell@warwickshire.gov.uk
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 & Gifford

Appendix 1   KPIs

Key Performance Indicator	Fund Target (95%)	May 2020	June 2020	July 2020	Cumulative
1.Letter detailing transfer in quote	10 days	94%	88%	27%	69.81%
2.Letter detailing transfer out quote	10 days	91%	89%	71%	83.51%
3.Process and pay a refund	10 days	89%	97%	79%	88.43%
4.Letter notifying estimate of retirement benefits (Active)	15 days	97%	94%	95%	95.38%
5.Letter notifying actual retirement benefits (Active)	15 days	95%	100%	100%	98.25%
6.Process and pay lump sum (Active)	10 days	95%	95%	100%	96.58%
7.Process and pay death grant	10 Days	80%	100%	91%	90.30%
8.Initial letter notifying death of a member	5 days	91%	83%	90%	88.16%
9.Letter notifying amount of dependents benefits	10 days	88%	89%	71%	82.46%
10.Divorce quote letter	45 days	100%	100%	100%	100.00%
11.Divorce settlement letter	15 days	No cases	No Cases	No Cases	No cases
12.Send notification of joining scheme to member	40 days	99%	99%	98%	97.38%
13.Deferred benefits into payment	15 days	99%	98%	98%	97.83%
14.Calculate and notify deferred benefits.	30 days	91%	98%	63%	84.03%
15.Average days from retirement to payment of lump sum.	Measure of member experience	39 Days	34 Days	34 days	36 days

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Key Performance Indicator	Fund Target (95%)	August 2020	September 2020	October 2020	Cumulative
1.Letter detailing transfer in quote	10 days	90%	100%	100%	96.67%
2.Letter detailing transfer out quote	10 days	91%	100%	100%	97.10%
3.Process and pay a refund	10 days	92%	78%	85%	84.82%
4.Letter notifying estimate of retirement benefits (Active)	15 days	93%	100%	80%	90.95%
5.Letter notifying actual retirement benefits (Active)	15 days	100%	100%	100%	100.00%
6.Process and pay lump sum (Active)	10 days	100%	91%	100%	97.10%
7.Process and pay death grant	10 Days	100%	80%	91.3%	89.17%
8.Initial letter notifying death of a member	5 days	100%	100%	80%	97.78%
9.Letter notifying amount of dependents benefits	10 days	93%	67%	100%	71.70%
10.Divorce quote letter	45 days	100%	100%	100%	100.00%
11.Divorce settlement letter	15 days	No Cases	No cases	No cases	No cases
12.Send notification of joining scheme to member	40 days	96%	100%	100%	98.81%
13.Deferred benefits into payment	15 days	97%	93%	97%	95.68%
14.Calculate and notify deferred benefits.	30 days	88%	100%	94%	96.96%
15.Average days from retirement to payment of lump sum.	Measure of member experience	55 days	54 days	45 days	51 days

Appendix 2   Workloads

Total Outstanding Tasks
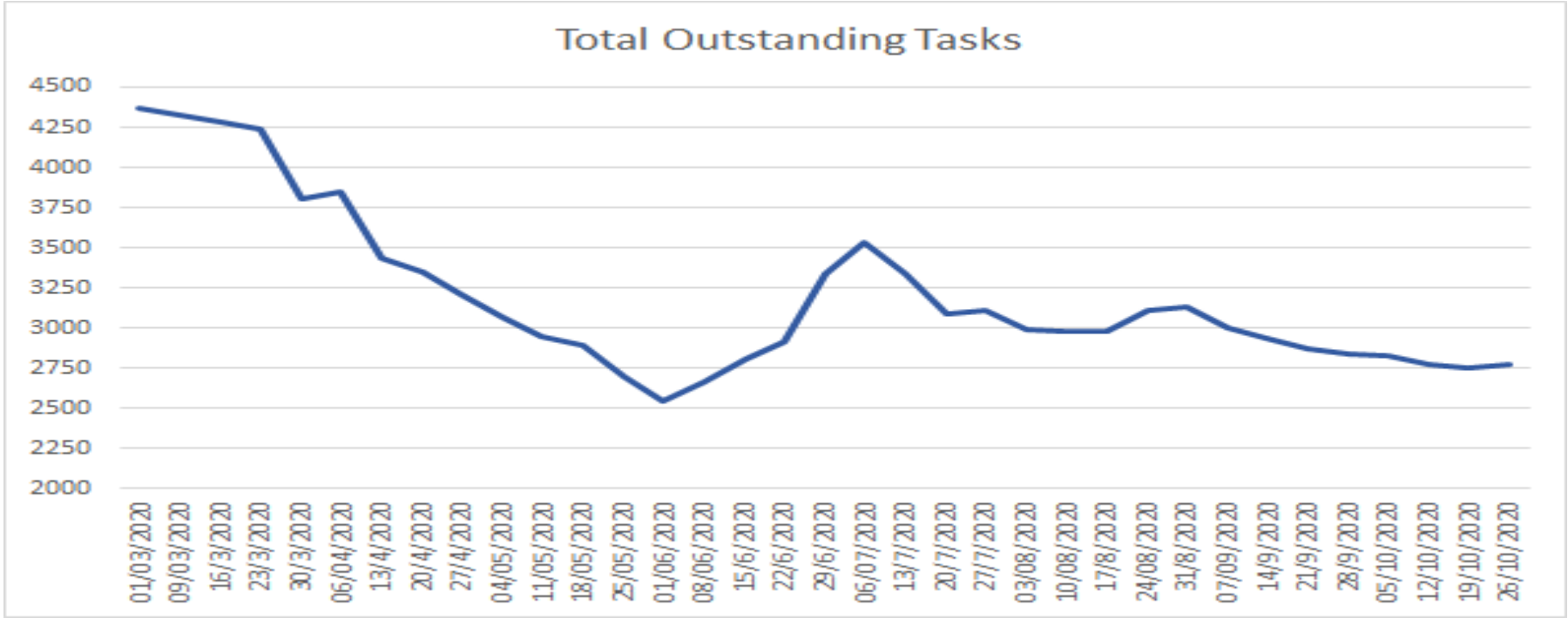
Staff & Pensions Committee

Briefing note for £95K exit cap regulation change

14 December 2020

Recommendation(s)

1.   That the Committee note and comment on the report.

1.   Background

1.1   The Restriction of Public Sector Exit Payments (RPSEP) Regulations 2020 apply a cap on exit payments that may be made to employees in most public sector organisations. This cap applies not only to money paid directly to the employee on exit, but also other payments due, such as pension strain payments. In some situations, the pension strain payments can be well in excess of the cap on their own. The cap may be disapplied only in very narrow circumstances and with the consent of HM Treasury.

1.2   The RPSEP Regulations were approved by Parliament on 30 September 2020 and came into force on 4 November 2020. In spite of strong representations from the local government sector, this was before corresponding changes have been made to Local Government Pension Scheme (LGPS) Regulations. Consequently, in taking decisions regarding leavers aged 55 and over, local authorities will be forced into non-compliance with either one set of regulations or the other.

1.3   A consultation by the MHCLG on changes to the LGPS Regulations (together with the redundancy payments legal framework), closed on 9 November 2020. WCC responded to the technical consultation as part of West Midlands Employers (WME). WCC has also submitted a separate response highlighting key overarching concerns (see appendix A).

2.   Implications for Warwickshire Pension Fund

2.1   Local authorities are awaiting guidance on how to deal with affected individuals aged 55 or over, who will now be impacted by the new RPSEP Regulations.

2.2   The RPSEP Regulations and regulatory changes are likely to make early retirement / voluntary redundancy significantly less attractive for employees, who may now have to choose between:

i.)   forgoing some or all of their non-statutory redundancy payment;
ii.)   foregoing an element of their pension benefits;

iii.) deferring their pension to normal pension age; or

iv.) making an up-front payment to offset reduced pension benefits.

2.3 This in turn is likely to impact on future reorganisations, where we can expect greater resistance to change, less flexibility in terms of acquiring volunteers for redundancy and increased potential for legal challenges in the employment tribunal or civil courts. In addition, there may be a spike in legal challenges in the short term, if employees are offered an exit package which then has to be retracted.

2.4 Further, the advent of the cap on exit payments will lead to a review of our current discretionary redundancy payments policy which was implemented in 2011. The scheme currently applies a taper in terms of the multiplier applied to a week's pay, according to age, for LGPS members over 55. Any discriminatory impact of this taper has previously been offset by the immediate access to unreduced pension for those members and the taper is intended to avoid a windfall in those circumstances. A cap on pension strain costs which affects a member's pension will need to be taken into account in considering the proportionality of the taper.

2.5 Currently Pension Funds are advised by their own actuaries on the factors to apply to calculate pension strain costs. The new Regulations will require a consistent national set of factors to be applied, and Funds' pension system software will need to be updated for these new factors. The Government Actuary's Department (GAD) has issued draft national pension strain factors.

3. Immediate Proposed Actions

3.1 Until the LGPS Regulations have been altered in line with the Exit Cap Regulations there is no clear way forward either on the sums to be paid to members aged 55 and over who are impacted by the exit pay cap, or on the pension strain costs payable by employers to the Pension Fund. In any event, there is a risk of challenge.

3.2 Following discussions with the Pension Fund's actuaries, it is now proposed that the following interim arrangements are put in place:

- As a default position, where a member exceeds the £95,000 exit pay cap, they will be offered either a deferred pension or paid a fully reduced pension under LGPS regulation 30(5);
- If there are specific circumstances that need to be taken into account, these will be dealt with on a case by case basis.
- Pension strain costs will be calculated using the draft pension strain factors as issued by (GAD). As soon as the new LGPS Regulations come into force, any cases dealt with under the interim arrangements will be reviewed to ensure compliance and accuracy, and adjustments made as required.
- These interim arrangements will be communicated to all Scheme Employers immediately to ensure they understand the issues and how they are being managed.

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3.3   The driver for the proposed approach is that it brings prudence to the amounts paid out such that once there is certainty around the required treatment, where there are amendments required to be made it is easier for the Fund to control and make good corrections where additional benefits are required to be paid as opposed to corrections that require clawing money back from Members due to overpayments. This is also the suggested approach to be taken by both the Fund's Actuary and Local Government Association, Scheme Advisory Board.

4. Financial Implications

4.1   The exit payment restrictions have the potential to reduce costs to the local authority, through capped redundancy costs, and the longer-term impact on employer pension contribution rates.

4.2   However, set against these potential cost reductions are the implications arising from the difficulties they are likely to create in, for example, the implementation of restructures, cost of employment tribunals, cost of implementing change and additional workloads, management of changes with other employers in the LGPS, communication with LGPS scheme members.

5. Environmental Implications

None

6. Supporting Information

None

7. Timescales associated with the decision and next steps

None

Appendices

- Appendix 1 – Response to Government consultation on the reform of exit payments in local government

Background Papers

1. Portfolio Holder Decision Making 8 September 2020 - Response to Government Consultation on the McCloud Remedy for the Local Government Pension Scheme

2. Portfolio Holder Decision Making 8 September 2020 Response to Government Consultation on the McCloud remedy and its impact on the Fire Fighters' Pension Scheme

	Name	Contact Information
Report Author	Liz Firmstone, Victoria Jenks, Victoria Moffett, Chris Norton	lizfirmstone@warwickshire.gov.uk, vickyjenks@warwickshire.gov.uk, victoriamoffett@warwickshire.gov.uk, chrisnorton@warwickshire.gov.uk
Assistant Director	Andrew Felton, Assistant Director-Finance	andrewfelton@Warwickshire.gov.uk
Lead Director	Strategic Director for Resources	robpowell@warwickshire.gov.uk
Lead Member	Portfolio Holder for Finance and Property	peterbutlin@warwickshire.gov.uk

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Response to MHCLG Consultation: Reforming local government exit pay - A consultation on the reform of exit payments in local government

Thank you for the opportunity to respond to the consultation on the reform of exit payments in local government.

While the consultation is seeking views about implementation issues regarding the exit payment regulations, we would like to take the opportunity to flag that it had been understood that changes to the regulations were targeted towards higher earners leaving public sector employment with high value packages. The impact assessment conducted by the Government Actuary's Department indicates that in fact, these changes will affect 86% of people leaving on the grounds of redundancy, and that the average salary of those affected is less than £30,000. This penalises those who have worked loyally for public sector employers for many years and through no fault of their own are having benefits they could have expected to be entitled to withdrawn.

Warwickshire County Council also asks the government to note that the impact of these changes to regulations is taking place at a time when local government is already under major pressure in responding to local COVID-19 issues and is dealing with the considerable financial burden that has created.

Warwickshire County Council is part of a consortium of West Midlands Employers which will be submitting detailed responses to the specific consultation questions. However, we would like to take this opportunity to provide a broader, strategic response in order to make the following points:

1. The Restriction of Public Sector Exit Payments Regulations were approved by Parliament on 30 September 2020. In spite of strong representations from the local government sector, it appears that they are likely to come into force before corresponding changes can be made to Local Government Pension Scheme (LGPS) Regulations. This presents a significant issue for local authorities, who will be forced into non-compliance with either one set of regulations or the other.

2. Local authorities are now in a position where they cannot reliably determine the outcome of individual cases, without risking legal challenge. This will seriously inhibit their ability to complete reorganisation and redundancy exercises, and to the considerable detriment of those individuals who are part way through such processes.

3. Additionally, where local authorities operate their Local Government Pension Scheme on behalf of other employers who fall within the scope of these regulations, they are now unable to provide advice on how to proceed with redundancy cases, and are therefore unable to fulfil their duties as Scheme Manager.

4. As a result, councils may have to retain staff who they would otherwise have exited from their organisations. This will have the effect of:
   a) increasing costs at a time when local government can ill afford it;
   b) increasing the likelihood of legal challenge from those individuals being made redundant; and
   c) if staff are exited there is a real risk that they will be disadvantaged after years of service to local government.

5. Councils will also have to meet the additional costs of changing their pension administration systems and software to implement changes to pension strain factors, as and when a national strain factors scheme is introduced.

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