

NOTTINGHAM CITY COUNCIL
APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE

Date: Tuesday 3 December 2013
Time: 2.00pm
Place: LB 31/32 at Loxley House, Station Street

Councillors are requested to attend the above meeting on the date and at the time and place stated to transact the following business.



Corporate Director of Resources and Deputy Chief Executive

Constitutional Services Officer: Carol Jackson Direct dial - 8764297

A G E N D A

- 1 APOLOGIES FOR ABSENCE**
- 2 DECLARATIONS OF INTERESTS**
- 3 MINUTES** Attached
Last meeting held on 29 October 2013 (for confirmation)
- 4 EARLY RETIREMENT MONITORING REPORT 2012-13** Attached
Report of Director of Human Resources and Transformation
- 5 TRANSFORMATION / MODERNISATION OF ADULT SOCIAL CARE PROVISION DIRECTORATE COMPLETION OF PHASE 2 AND UPDATE** Attached
Report of Director of Adult Provision & Health Integration
- 6 TO CONSIDER EXCLUDING THE PUBLIC FROM THE MEETING DURING CONSIDERATION OF THE REMAINING ITEM(S) IN ACCORDANCE WITH SECTION 100A(4) OF THE LOCAL GOVERNMENT ACT 1972 ON THE BASIS THAT, HAVING REGARD TO ALL THE CIRCUMSTANCES, THE PUBLIC INTEREST IN MAINTAINING THE EXEMPTION OUTWEIGHS THE PUBLIC INTEREST IN DISCLOSING THE INFORMATION**

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| 7 | RESTRUCTURE OF SPORT, CULTURE & PARKS DIRECTORATE
Report of Director of Sport, Culture and Parks | Attached |
| 8 | BUDGET 2014/15 - WORKFORCE IMPLICATIONS
Report of Director of Human Resources and Transformation | To follow |

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE CONSTITUTIONAL SERVICES OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES.

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NOTTINGHAM CITY COUNCIL

APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE

MINUTES of the meeting held at Loxley House on 29 October 2013 from 2.00 pm to 2.07 pm.

- ✓ Councillor Toby Neal (Chair)
- ✓ Councillor Eunice Campbell
- ✓ Councillor Graham Chapman
- ✓ Councillor Alan Clark (Vice-Chair)
- Councillor Jon Collins
- ✓ Councillor Georgina Culley (minute item 35 only)
- Councillor Nicola Heaton
- ✓ Councillor Nick McDonald
- ✓ Councillor David Mellen
- ✓ Councillor Eileen Morley
- ✓ Councillor Alex Norris

✓ present at meeting

Colleagues, partners and others in attendance:

- Angela Probert - Director of HR and Transformation)
- Della Sewell - Employee Relations Specialist)
- Jo Spilsbury - Head of HR Strategy and Employee Relations) Resources
- Carol Jackson - Constitutional Services Officer)

32 APOLOGIES FOR ABSENCE

Councillor Nicola Heaton – other Council business;
Councillor Georgina Culley for her late arrival.

33 DECLARATIONS OF INTERESTS

None

34 MINUTES

The Committee confirmed the minutes of the meeting held on 3 September 2013 as a correct record and they were signed by the Chair.

35 LIVING WAGE – FULL IMPLEMENTATION 2014

Della Sewell presented the report of the Director of Human Resources and Transformation recommending the full implementation of the Living Wage, to commence on 1 April 2014. The full Living Wage for places outside London is currently £7.45 per hour. This will impact upon approximately 958 centrally based employees, 644 schools-based employees and

1156 casuals. The difference between current pay and £7.45 will be paid as a separate element of pay.

The Living Wage Foundation is likely to review the rate in November 2013 and if it is increased a further decision of the Committee will be required as to whether the increase is implemented.

RESOLVED

- (1) to accelerate those employees paid on Greater London Provincial Council (GLPC) grade A and GLPC grade B, spinal column points (SCP) 8-10 to an hourly rate of £7.45 by way of a separate element of pay with effect from 1 April 2014;**
- (2) that the Director of Human Resources and Transformation bring a further report to a meeting of this Committee after the Living Wage Foundation reviews the rate in November 2013;**
- (3) to note that consultation with schools is now required on how the Living Wage is funded in schools.**

APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE
3 December 2013

Title of paper:	EARLY RETIREMENT MONITORING REPORT 2012/2013	
Director(s)/ Corporate Director(s):	Angela Probert Director of Human Resources and Transformation Carole Mills Deputy Chief Executive & Corporate Director Resources	Wards affected: All
Report author(s) and contact details:	Sam Choudhury, HR Consultant Telephone Number: ext 0115 8763619 Email: sam.choudhury@nottinghamcity.gov.uk	
Portfolio Holder(s):	Cllr Graham Chapman	Date of consultation with Portfolio Holders(s): 25 November 2013
Other colleagues who have provided input:	Jo Clifton – Operations Team Leader (Pensions) Louise Greig – Finance Business Partner John Bernard-Carlin – Team Leader, Legal Services Della Sewell – Employee Relations Specialist Jo Spilsbury – Head of HR Strategy and Employee Relations	
Relevant Council Plan Strategic Priority: (you must mark X in the relevant boxes below)		
World Class Nottingham		
Work in Nottingham		x
Safer Nottingham		
Neighbourhood Nottingham		
Family Nottingham		
Healthy Nottingham		
Leading Nottingham		
Summary of issues (including benefits to citizens/service users):		
This report details the number, type and pension strain cost of early retirements for the period 1 April 2012 to 31 March 2013.		
Recommendation(s):		
1	It is recommended that the committee notes the monitoring information contained within the report and the appendices.	

1. **BACKGROUND**

- 1.1 A breakdown of all retirements for 2012/13 is provided in Appendix 1 including comparator information with previous years. The number of retirement cases with a pension has decreased to 213 in 2012/13 from 308 in 2011/12. This is primarily due to a significant decrease in the number of colleagues leaving the Council because of redundancy with pension, which has reduced by 59%. 78% (167 cases) of all retirements were classed as early retirements, which is also a decrease from 2010/11 where the figure was 85% (262 cases).
- 1.2 Current or former employees aged 55-60 can request access to their pension benefits with the Council's consent of which there were no cases in this reporting period. Employees aged between 60 and 65 can access their pension at any time and can therefore choose their retirement date as they do not require consent. In both cases, if the employee does not meet the '85 year rule' (i.e. their combined age and length of service equating to at least 85 years), the benefits they receive on retirement are reduced on an actuarial basis to take into account the fact that their benefits are being drawn earlier and for longer. The actuarial reduction may be waived at the Council's discretion which was not applied to any case (normally exercised by the Chief Executive). The 85 year rule was amended from 1 April 2008 to be phased out until 2016 for existing members of the pension scheme.
- 1.3 Flexible retirement enables an employee who has reached the age of 55 to draw their pension benefits whilst remaining in employment on reduced hours or pay. Although there is no pension strain cost associated with flexible retirement for colleagues aged 60 or over, employer consent is required in all instances subject to a business case. Out of the 20 flexible retirements approved in this reporting period, there were no cases where pension strain costs were incurred.
- 1.4 Ill-health retirements accounted for 11% (23 cases) of all retirements which has decreased slightly from the previous year (26 cases). There is no pension strain for ill-health retirement where costs are taken into account when the actuarial calculation for employer contributions is made.
- 1.5 In this reporting period, there have been no retirements under the category of efficiency. 26% (56 cases) of all retirements were classed as redundancy where pension strain costs usually applied (dependent on the age of the employee when they retired). This is a significant decrease on the previous year where the figure was 45% (138 cases).
- 1.6 There have been 5 deaths affecting 6 posts in this reporting period (one employee was employed in two posts).
- 1.7 Appendix 2 shows the pension strain cost to the pension fund broken down by department for 2012/13 including comparator information with previous years. All pension strain costs in this reporting period were due to colleagues exiting the Council under redundancy. Both the overall average costs and the overall median cost has decreased from the previous year.
- 1.8 The Council has no control over the associated pension strain costs of redundancy as the pension scheme rules mean that an employee who is aged 55 or over automatically accesses their pension if they are dismissed by reason of redundancy. When dealing with voluntary redundancy requests, the Council takes account of all factors including cost implications such as pension strain costs when considering applications.

2. **REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)**

The report is brought to this Committee for monitoring purposes.

3. **OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

None

4. **FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

Options to pay Pension strain costs to the pension fund are as follows:

1. As a lump sum or
2. Equally over a three year period.

The lump sum option does not incur any interest and is the preferred option however; this is reviewed on an individual business case basis; the business case will include pensions strain costs and supports the decision to make the redundancies.

5. **RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

Legal Implications

The Background section of this report reflects the legal framework of the Local Government Pension Scheme ("LGPS") as amended in recent years and demonstrates how the authority has applied this framework via its policies on retirement. Any future changes to the LGPS and/or age discrimination legislation could have an impact on the authority's policies and future early retirements.

6. **EQUALITY IMPACT ASSESSMENT (EIA)**

This is a monitoring report and does not include proposals for new or changing policies, services or functions therefore an EIA is not necessary.

7. **LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

None

8. **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

None

APPENDIX 1

Retirement cases by type 2010-2013

	Retirement type	2010/11	%	2011/12	%	2012/13	%
Normal Retirement	Age 65 or 65+	41	17.5	46	15	46	22
		Flexible (5)		Flexible (1)		Flexible (0)	
Early Retirement	Age 60-65	77	33	89	29	82	38
		Flexible (12)		Flexible (21)		Flexible (20)	
	Efficiency	1	0.5	0	0	0	0
	Redundancy	60	26	138	45	56	26
	Ill-Health	40	17	26	8	23	11
	Death	11	5	4	1	6	3
	Employer Consent (age 55-59)	2	1	5	2	0	0
Total Number of Flexible Retirements		(17)	(7)	(22)	(7)	(20)	(9)
Total		232		308		213	

APPENDIX 2

Pension Strain Costs 2010 - 2013

Departments	2010/11 No of Retirements	2010/11 Average Cost £	2011/12 No of Retirements	2011/12 Average Cost £	2012/13 No of Retirements	2012/13 Average Cost £
Resources	15	£26,670	27	£15,414	15	£21,746
Development	7	£22,936	11	£29,614	6	£9,427
Chief Executive's Group	3	£29,577	0	-	1	£11,637
Communities	10	£15,540	32	£13,929	18	£15,346
Children & Families	19	£21,013	33	£18,148	10	£15,146
Total Average Costs	N/A	£20,476	N/A	£17,345	N/A	£16,441
Total Median Cost	N/A	£15,007	N/A	£14,250	N/A	£11,637

**APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE
3 DECEMBER**

Title of paper:	Transformation / Modernisation of Adult Social Care Provision Directorate Completion of Phase 2 and Update	
Director(s)/ Corporate Director(s):	John Kelly Corporate Director Communities	Wards affected: All
Director(s)/ Corporate Director(s):	Elaine Yardley Director for Adult Provision & Health Integration ☎ 0115 876 3502 ✉ elaine.yardley@nottinghamcity.gov.uk	
Portfolio Holder(s):	Councillor Graham Chapman Portfolio Holder for Resources & Neighbourhood Regeneration Councillor Alex Norris Portfolio Holder for Adults & Health	
Report author and contact details:	Elaine Yardley Director for Adult Provision & Health Integration ☎ 0115 876 3502 ✉ elaine.yardley@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Bridget Donoghue HR Business Partner ☎ 0115 876 3825 ✉ bridget.donoghue@nottinghamcity.gov.uk	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		
Work in Nottingham		✓
Safer Nottingham		✓
Neighbourhood Nottingham		✓
Family Nottingham		
Healthy Nottingham		✓
Leading Nottingham		✓
Summary of issues (including benefits to citizens/service users):		
The purpose of this report is to provide the Appointments and Conditions of Service Committee details of the outcome and learning from Phase 2 of the Adult Social Care (ASC) Provision Transformation, which was formally completed on 16.9.2013 and to outline future objectives and processes to continue the improvement of services.		
Recommendation(s):		
1	To note the outcome of Phase 2.	
2	Note that further work outlined in 2.5 and Section 3 will be undertaken to ensure that Adult Social Care Provision is 'fit for purpose' at all levels in the Directorate.	
3		

1 BACKGROUND

- 1.1 ACOS previously received reports on 21 November 2012, 5 February and 21 May 2013, which outlined how the Council in-house provider service in adult social care was proposing to transform services so that:
- In-house services are as efficient and competitive as possible.
 - Services are shaped to respond to commissioning requirements and service users exercising choice with their personal budgets.
 - The in-house service fully explores opportunities to raise income and deploy staff skills to help secure improved service offer for citizens and that staff skills are deployed to recoup maximum benefit.
- 1.2 Phase 1 of the review (completed on 25 March 2013) focused on management posts at 4th and 5th tier and saw the establishment of new management posts at Service Provision Manager and Care Team Leader levels.
- 1.3 Phase 2 of the transformation programme involved all remaining frontline care workers, approximately 600 people. Phase 2 proposed the introduction of three levels of generic care workers who would work in geographic locations – north, central and south, supported by a peripatetic team who will provide cover in each locality. Collective consultation commenced on 27 March 2013 and was delivered in two parts:
- i) Care Worker Level 3 (involving 86 staff) – the highest grade care worker posts.
 - ii) Care Worker Level 2 and Care Worker Level 1 (involving all remaining care workers).
- 1.4 In addition there was to be a review of Shared Lives (Adult Placement Scheme), the Telecare Service and Health & Wellbeing Team. These reviews continued the focus on the citizen's experiences in approaching the Council to become carers for vulnerable adults, to access simple daily living aids or signposting to appropriate Adult Social Care Provider Services and to deliver better community health outcomes.

2 CURRENT SITUATION

- 2.1 All staff in Phase 2 at Care Worker Level 3, 2 and 1 now have new generic job descriptions across all service areas and have received new contracts of employment, which support the service's ambition to have a flexible, skilled service to enable the 'business' to respond to market changes. The restructure of ASC Provision fully complies with the Council's management alignment.
- 2.2 Arrangements are in place to continue to support colleagues new into post and / or seeking to improve their skills to attend care planning courses, which help improve the general standard and quality of care recording, literacy and confidence in colleagues' abilities across the directorate.
- 2.3 An induction, training and support programme for new Service Provision Managers and Care Team Leaders is in progress and will continue to enable all colleagues to feel more confident in achieving the objective to deliver top quality care and to improve leadership and management of services for the benefit of citizens.

2.4 Quality and Commissioning colleagues will be providing a Service Level Agreement that underpins and supports requirements for the new business going forward and this is subject to discussions at Adult Social Care Big Ticket meetings with Executive Portfolio leads.

2.5 The status of other services reflected in Phase 2 reviews are outlined below:

Service	Comments
1. Health & Wellbeing	30 day consultations commencing 11 November with proposal to disestablish the team and transfer team workers to: i) Public Health x 1 post ii) ASCP x 1 post iii) Business Support (Resources) x 1 post
2. Support Services (Catering, Domestic, Handyperson)	Work has been undertaken to fully understand the current delivery and cost of these support services and to evaluate the possibility of re-commissioning these services to other internal teams, thereby freeing up the new Care Team Leaders to concentrate on care .
3. Shared Lives Service (Adult Placements)	Discussions are ongoing with commissioners, the outcome of these will impact on the current service review. It is anticipated the review will be completed by March 2014.

Benefits of The New Workforce Structure

2.6 There are several benefits that the transformation programme will realise for the future of a large in house service that will assist the journey to becoming more commercial, some more quickly than others.

2.7 The management structure has been aligned to give smaller numbers of employees to manage per head – an average of 15-20. This was previously 40 in some cases. This will clearly give a better manager staff ratio and improve tighter performance management, improving quality of work and reducing overheads such as sickness. ‘Support services’ and building/ maintenance issues will be moved to other council services to allow specialist input and control, this will free up ASC Managers to focus on the management of care and improving care standards.

2.8 Great investment is being given to the management tiers in terms of leadership and commercial awareness, again this will improve the quality and efficiency of the care offer.

2.9 The Care Worker levels have been stabilised and a rational, consistent structure has been embedded. Some of the more ‘expensive’ posts that were being used to deliver care have been converted to more hands on practical care delivery. Further reviews will need to take place to ensure the ‘consistent’ approach works across all services and to take into account the closer working with Health Colleagues.

2.10 Training and investment is also being delivered to care workers to improve basic skills but also to improve specialist skills, e.g. dementia care. An induction programme is

being rolled out to all care workers to ensure they are fully confident in working in all aspects of care. Once this is in place, Care Workers will be able to work flexibly across the estate, thus maximising quieter periods and reducing the need for additional hours and casual workers. Already month on month since April, these costs have reduced, the service has no agency workers and no longer heavily relies on casual workers.

- 2.11 The real benefits will take longer to realise – the service still has high vacancy levels due to the ‘fallout’ of the transformation programme as well as needing time to embed training, new ways of working and cultural changes.

2.12 Learning

Collective consultation meetings with Trade Unions continued to be active and constructive and feedback from Trade Unions was incorporated into arrangements for Phase 2. Additional support was given to Trade Union stewards to help them to support lead Trade Unions representatives to manage the potentially very large number of requests for one to one consultations during Phase 2. In the event there were few requests received, with frontline staff feeling supported by Trade Unions, who were aware of and engaged with the change process.

- 2.6 Trade Unions provided feedback in relation to Phase 2 that they felt communication was not always cascaded quickly or accurately. They also have stated their concern that appropriate literacy skills were not in place earlier within the service. The offer of literacy skills has been available to employees for some time and it is recognised that historically there has been a stigma attached to such training. The transformation programme has highlighted to employees that the provider services are aiming to set a higher standard of quality for in house care and employee interest in course availability has increased.
- 2.7 Trade Unions have welcomed engagement with front line staff that continues to support a solution focused approach to redesigning services to meet users’ needs.

3 FUTURE ACTION

- 3.1 The scale and pace of change for ASC Provision has been significant and lessons from the Directorate’s experience will and have been taken into the Council’s:

- i) Transformation Steering Group (TSG), which oversees major projects
- ii) Commercialism Big Ticket.

- 3.2 The Directorate is now in a better position to:

- Respond to commissioner and market changes i.e. grow or shrink the business based on demand.
- Work with NHS commissioners and providers vis-à-vis the government’s policy to integrate health and social care services to improve outcomes for citizens and reduce duplication / bureaucracy.

- 3.3 Further discussions will take place with Trade Union colleagues regarding the need to continually review services, including the proposal to work closer with Health colleagues on the integration agenda.

3.4 The financial challenge facing the council, like all other Local Authorities, will require ongoing reviews of management at SLMG and Director level and this will be presented in a future report(s) to ACOS by the CEO and Corporate Director for Communities in the new year.

4 TRADE UNION COMMENTS

4.1 No further comments to add by GMB. No response from Unison and no response from Unite.

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

5.1 None specifically arising from this report, which notes the progress to date.

6 FINANCIAL IMPLICATIONS

6.1 The cost in phase 2 of the restructure can be summarised as:

	Old	Proposed	Change
	£m	£m	£m
Residential	2.456	2.827	0.371
Home care	5.783	5.369	(0.414)
Day care	2.465	1.858	(0.607)
Total	10.704	10.054	(0.650)

6.2 The costs of the new structure are generally based on the cost at the bottom of grades. However, exact costs will depend on the value of pay protection and the scale points at which colleagues are appointed.

6.3 The changes in costs in the table above will be reflected in the prices charged by the Adult Provider service under the various SLAs with Adults' Commissioning. The changes will also reduce the net subsidy that has to be met by the general fund and will in this way contribute towards the adult big ticket target saving.

7 HR OBSERVATIONS

7.1 HR actively supported the leadership team in Adult Social Care with this large-scale transformation programme. Consultation with the Trade Unions has been appropriately challenging and both sides worked well together to minimise the impact on the workforce whilst recognising the need to improve the quality of care standards and the ability to sustain a foot in the market place. Taking time to implement this programme in phases has hugely mitigated the need for redundancies. No employees at Care Worker level have been made redundant, all have been offered suitable alternative employment.

7.2 Changes to contractual working patterns have been negotiated and a new structure implemented, however cultural changes in working practices will be critical to ensuring that new ways of working are embedded and full efficiencies are realised. A transition plan has been written to support the management team and the workforce during the cross over from the old world to the new - including a full induction programme for all new managers, further training and development offers for all colleagues and particular

emphasis on literacy and numeracy skills. A full time Business Change Consultant continues to work with the management team to support this transition.

- 7.3 The Trade Unions have played an important role in ensuring that staff are supported and that questions and challenges were raised with management side. Key to learning has been ensuring meaningful communication takes place at all levels.

Management has committed to formally review the new service with Trade Union colleagues in December.

8 EQUALITY IMPACT ASSESSMENT (EIA)

An EIA was previously submitted for the change programme. There are no new issues requiring a refreshed EIA in this report.

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 9.1 Report to ACOS Committee – 21 November 2012.
- 9.2 Report to ACOS Committee – 5 February 2013.
- 9.3 Report to ACOS Committee – 21 May 2013.

Elaine Yardley
4 November 2013