

**MINUTES** of the meeting of the **PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE** held at 2.00 pm on 22 March 2017 at Committee Room C, County Hall, Kingston upon Thames, KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting 14 June 2017.

**Elected Members:**

- \* Mr David Hodge CBE (Chairman)
- \* Mr Peter Martin (Vice-Chairman)
- \* Mr Ken Gulati
- \* Mr Nick Harrison
- \* Ms Denise Le Gal
- \* Mrs Hazel Valerie Ann Watson

**Substitutes:**

Mr Mel Few

**In Attendance**

Ken Akers, Head of HR & OD  
Phillip Austen-Reed, Senior Public Health Lead  
Abid Dar, Equality Inclusion & Wellbeing Manager

**16/17 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Mr Peter Martin.

Mr Mel Few acted as a substitute for Peter Martin.

**17/17 MINUTES OF THE PREVIOUS MEETING [17 FEBRUARY 2017] [Item 2]**

The minutes were agreed as a true record of the meeting.

**18/17 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**19/17 QUESTIONS AND PETITIONS [Item 4]**

There were none.

**20/17 ACTION REVIEW [Item 5]**

**Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD

Andrew Baird, Regulatory Committee Manager

**Key points from the discussion:**

1. The People, Performance and Development Committee (PPDC) discussed Action A2/17. Information was requested on what actions would be taken to prepare schools for the introduction of the Apprenticeship Levy and to help them manage the additional pressures that would be placed the budgets on them as a result of the Levy, particularly Local Authority maintained primary schools. Officers explained that Surrey County Council (SCC) is working closely with Babcock 4S to consider what steps can be taken to ensure schools are in a position to benefit from the Levy as opposed to being adversely impacted by it. Members agreed that the Committee would receive a report on how SCC is supporting schools in the successful and effective implementation of the Apprenticeship Reforms at its meeting on 14 June 2017.
2. The Chairman of Committee asked to be provided with information on all the schools in Surrey that would be impacted by the introduction of the Apprenticeship Levy. He further stated that he would write a letter to the Minister of State for Apprenticeship and Skills reiterating concerns around the impact of the Apprenticeship Levy on small Local Authority maintained primary schools.

**Actions/ further information to be provided:**

1. Reply from the Chairman of PPDC to be sent to the Minister of State for Apprenticeships and Skills regarding the details highlighting the implications of the Apprenticeship Levy for Local Authority maintained primary schools and the lack of fairness inherent in the fact that academies with a pay bill lower than £3 million won't be included in the levy.
2. Head of HR & OD to send the Chairman of the People, Performance and Development Committee a list of all the schools in Surrey which will be impacted by the Apprenticeship Levy.

**RESOLVED:**

The People, Performance and Development Committee noted progress on the implementation of actions arising from previous meetings.

**21/17 FORWARD WORK PROGRAMME [Item 6]**

**Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD  
Andrew Baird, Regulatory Committee Manager

**Key points raised during the discussion:**

1. It was agreed that a letter from the Chairman of PPDC be sent to all heads of service highlighting that the Committee would be receiving an update on appraisal completion rates at its meeting on 14 June 2017.
2. Discussions took place regarding preparations for the Chief Executive's Appraisal. The Chairman of the Committee requested that he receive a reminder to initiate the process for conducting the Chief Executive's Appraisal following County Council elections on 4 May 2017.
3. Members further agreed that an item on the termination of the Members' Pension Scheme be considered at the PPDC meeting on 14 June 2017 and that a Pay Policy Exceptions Analysis for Quarter 1 of 2017/18 be reviewed at the Committee's meeting on 25 July 2017.

**Actions/ further information to be provided:**

1. Letter to be drafted on behalf of the Chairman of PPDC to all Heads of Services and Assistant Directors stating that PPDC is looking forward to reviewing staff appraisal completion rates at its meeting on 14 June and expects that all staff appraisals should be completed by the point.
2. Head of HR to remind the Leader of the Council after County Council elections that the preparations need to be made for the Chief Executive's appraisal.
3. Pay Policy Analysis for Q1 should be moved to the July PPDC meeting.
4. The Committee to receive a paper on the termination of the pension scheme for Members and the options available for the pension following the scheme's closure at its meeting on 14 June 2017.

**RESOLVED:**

The People, Performance and Development Committee noted upcoming items that it is due to consider at its upcoming meetings.

**22/17 SURREY COUNTY COUNCIL SEVERANCE AND CHANGE MANAGEMENT POLICIES [Item 7]**

**Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD

**Key points raised during the discussion:**

1. Members sought clarity on the changes to fixed term contracts arising from revisions to SCC's Severance Policy. Officers advised that the law effectively considers the ending of a fixed term contract as a dismissal meaning that, in certain instances, those staff who had not had their fixed term contract renewed once it had come to an end could be entitled to a redundancy payment from SCC. The proposed

changes to the Severance Policy would bring the Council in line with existing legislation. The Committee was further informed that it was necessary to give the use of fixed term contracts careful consideration to ensure that SCC does not breach employment regulations or cause uncertainty among staff regarding job security. Members asked that officers create a policy which limited future Fixed Term Contracts entered into by SCC to 22 months.

2. The Committee inquired as to why it was necessary for SCC to have separate Change Management and Severance policies and asked officers to consider the possibility to amalgamating these into a single policy.
3. Clarity was sought on the difference between efficiency and redundancy as identified in SCC's Severance Policy. Officers stated that whereas redundancy applies to the removal of a specific position or positions within the structure of an organisation, efficiency related specifically to the staff member holding a particular post. A termination of employment arising from efficiency would take place where the post was being retained but it was deemed that a post holder no longer had the skills to carry out their job. This could be through the introduction of new technology or software that substantially changed the technical requirements of their position.
4. Members discussed the potential for redundancies as a result of significant savings programmes being introduced by SCC over the next few years in an effort to create a sustainable budget. PPDC agreed that it should receive a report at a future meeting to consider the impact of any redundancies on staff morale and to ensure that SCC retains good employees.

**Actions/ further information to be provided:**

1. The Committee requested that HR review options for merging the Severance and Change Management policies into a single policy.
2. Head of HR & OD to review options for a policy limiting employee Fixed Term Contracts at Surrey County Council to a maximum of 22 months.
3. An item to be added to the Forward Plan for the Committee to consider how many redundancies are likely in light of the Council's financial position and what steps will be taken to ensure staff morale is not significantly affected by the redundancies.

**RESOLVED:** That;

the People, Performance and Development Committee agrees:

- i. the proposed revisions to Surrey County Council's Severance Policy; and
- ii. the proposed revisions to Surrey County Council's Change Management Policy.

**23/17 POLICY ON SAFEGUARDING (DISCLOSURE & BARRING SERVICE) CHECKS [Item 8]**

**Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD

**Key points raised during the discussion:**

1. An introduction to the report was provided by officers who informed the Committee that the policy had been revised at the behest of the Adult Social Care Directorate whose experienced social workers were being prohibited from working while undergoing renewal of their DBS check. This had placed additional pressure on budgets due to the need to employ locums to cover caseloads.

**Actions/ further information to be provided:**

None

**RESOLVED:**

The People, Performance and Development Committee agreed to substitute the Safer Recruitment Policy with the new Policy on Safeguarding (Disclosure & Barring Service) Checks.

**24/17 SURREY COUNTY COUNCIL SMOKEFREE POLICY [Item 9]****Declarations of interest:**

None

**Witnesses:**

Abid Dar, Equality Inclusion & Wellbeing Manager  
Phillip Austen-Reed, Senior Public Health Lead

**Key points raised during the discussion:**

1. Officers informed the Committee that it was proposed to introduce a smokefree policy on all SCC sites as allowing smoking on SCC property was deemed to be at odds with the Council's stance on smoking. Council-run schools in Surrey already had a smokefree policy and officers recommended that, where possible, this policy be adopted across the remaining SCC sites. Staff would therefore be asked to move away off Council grounds if they wished to smoke although Members were informed that the policy would permit vaping within designated areas. The Committee advised that the objective was to move the Council to smokefree grounds within a year should the recommendations be agreed by PPDC and that it would be introduced in conjunction with messaging on support for smoking cessation.
2. Members asked whether it would mean that staff smoking breaks would take longer as a result of them having to leave Council property. Officers advised that SCC already has a policy on smoking which includes provision for staff to make up time if their breaks took an

excessive amount of time and stated that this policy would continue to be applied where it was deemed necessary to do so.

3. Officers were asked to review where smokers should be directed to when leaving Council property for a cigarette to ensure that it minimises the impact on the health of others

**Actions/ further information to be provided:**

1. Locations of where smoking should be allowed within Council premises in the year prior to the introduction to the ban should undergo review to ensure that it minimises the impact on the health of others.

**RESOLVED:**

That the People, Performance and Development Committee approved the proposed changes to Surrey County Council's Smokefree policy.

**25/17 FUTURE SALARY SACRIFICE SCHEME [Item 10]**

**Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD

**Key points raised during the discussion:**

1. The report was introduced by officers who highlighted the significant changes that Central Government had made to the tax benefits arising from salary sacrifice schemes. Members were advised that all tax benefits arising from salary sacrifice schemes were being withdrawn by Central Government with the exception of those for Ultra Low Emissions Vehicles (ULEVs) and the cycle to work scheme. The Committee was informed that SCC did make representations to Central Government concerning the impact of these changes on Surrey where the cost of living is particularly high. The Committee was further advised that officers were also considering ways that the Council could help to mitigate the impact of these changes.
2. Members noted that tax benefits for salary sacrifice schemes associated with training loans were also being withdrawn and asked whether staff will be taxed on the interest from these loans. Officers advised that staff would not be taxed on interest arising from these loans but that PAYE would be applied before salary sacrifices were taken into account rather than afterwards.

**Actions/ further information to be provided:**

None

**RESOLVED:**

That the People, Performance and Development Committee Members note the changes to the My Benefits Salary Sacrifice Schemes arising from the Finance Bill 2017 and the steps being taken by Surrey County Council to avoid detriment to staff members already taking part in a salary sacrifice scheme.

**26/17 OFF-PAYROLL WORKING IN THE PUBLIC SECTOR: REFORM OF INTERMEDIARIES LEGISLATION (IR35) [Item 11]****Declarations of Interests**

None

**Witnesses**

Ken Akers, Head of HR & OD

**Key points raised during the discussion**

1. Members sought clarity regarding who specifically the policy applied to. Officers stated that the policy primarily applies to self-employed locums many of whom work in Adult Social Care and Children's Services. They elaborated highlighting that many locums establish limited companies and pay themselves through dividends which are taxed at a lower rate than PAYE. The Government had changed legislation so that self-employed locums would pay a similar rate of tax to that imposed by PAYE. The Committee was further informed that SCC would outsource responsibility to Adecco for ensuring that locums were compliant with tax law. Adecco were in the process of engaging all companies currently delivering services on behalf of the Council to ensure compliance with the new arrangements.
2. Officers advised that SCC could benefit from these changes by providing additional leverage to put locums on permanent contracts and could therefore help to reduce the considerable amount of money that SCC spent on locums.

**Actions/ further information to be provided**

None

**RESOLVED:**

That the People, Performance and Development Committee note the new duty on the Council in relation to tax deductions for individuals providing their services to the council through an intermediary and the Council's response to this.

**27/17 PAY POLICY EXCEPTIONS ANALYSIS QUARTER 3 2016/17 [Item 12]****Declarations of Interests**

None

**Witnesses**

Ken Akers, Head of HR & OD

**Key points raised during the discussion**

1. The Committee requested that, to aid comparison, Pay Policy Exceptions Analysis reports should include information on the number of people employed in each service for the quarter to provide a percentage on the number of those employed have received pay exceptions.

**Actions/ further information to be provided**

1. Reports should include information on the number of people employed in each service for the quarter to provide a percentage on the number of those employed have received pay exceptions

**RESOLVED:**

That the People, Performance and Development Committee review and comment on the analysis of pay exceptions for the period April 2016 to December 2016

**28/17 EXCLUSION OF THE PUBLIC [Item 13]**

**RESOLVED:** That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

**29/17 PAY POLICY EXCEPTIONS REPORT MARCH 2017 [Item 14]**

**Declarations of interests:**

None

**Witnesses:**

Ken Akers, Head of HR & OD

**Key points raised during the discussions:**

The Head of HR & OD introduced the report. The Committee asked a number of questions which were responded to by the officers present before moving to recommendations.

**Actions/ further information to be provided:**

None



**RESOLVED:**

The Committee approved the recommendations set out in the confidential report.

**30/17 PUBLICITY OF PART 2 ITEMS [Item 15]**

It was agreed that the information in relation to the Part 2 items discussed at this meeting would remain exempt.

**31/17 DATE OF NEXT MEETING [Item 16]**

The Committee noted that its next meeting would be held on 14 June 2017.

Meeting ended at: 3.30 pm

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**Chairman**

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