

POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

6 JANUARY 2015

Present: County Councillor Howells(Chairperson)
County Councillors Cowan, Goodway, Hunt, Lloyd, Love,
McGarry and Murphy

Apologies: Councillors Walker

17 : APOLOGIES FOR ABSENCE - 4.30 PM

Councillor David Walker

18 : DECLARATIONS OF INTEREST

The Chairperson advised Members that they had a responsibility under Article 16 of the Members Code of Conduct to declare any interests and complete Personal Interest Forms at the commencement of the agenda item in question.

The Chairperson also reminded Members that if they had completed Annual Forms there was still a need to disclose any interest. Members were asked when declaring an interest to clearly inform the meeting of the interest in question, to complete a form and to indicate if they were withdrawing from the meeting.

19 : MINUTES

The Minutes of the meeting held on 2 December 2014 were approved as a correct record subject to an amendment on Page 2.

20 : INVESTMENT PROPERTY REVIEW - 4.35 PM

The Chairperson welcomed The Leader of the Council, Councillor Phil Bale, Chris Sutton and Paul Tarly of JLL, Neil Hanratty, Director of Economic Development and Charles Coats, Corporate Property and Estates Manager.

The Chairperson advised the Committee that this item gave the Committee the opportunity to consider the results of a review of the Council's investment property portfolio, which was commissioned from JLL, and give comments to the Cabinet to help shape the Council's approach to managing the estate.

The Chairperson invited Councillor Bale to make a statement.

Councillor Bale explained this was a comprehensive review of the Council's Investment Property and this was an opportunity for Members of the Scrutiny Committee to provide comments and feedback. This was a key driver towards ensuring that the Council made the best use of its existing assets and re-asses income earning opportunities to generate additional income and investment. It was also essential that the Council analyse its property in order to modernise its estates and prioritise its sites and buildings.

The Committee received a presentation from Chris Sutton, JLL which outlined the following:

Classification of Assets

Generic Classification	Number of Properties
<i>Rack rent shops</i>	84
<i>Ground rent shops</i>	51
<i>Commercial Properties (mainly city centre)</i>	18
<i>Pubs and Clubs</i>	25
<i>Hotels</i>	6
<i>Industrial Ground Leases</i>	96
<i>Workshops</i>	143 units on 9 estates
<i>Community Assets</i>	54
<i>The Central Market</i>	1
<i>Other Properties</i>	83
Total	561

The Committee was provided with information on the Sub Categories of Assets and noted the following:

- Rack rent shops serving estates in Cardiff needed extensive repairs – selective sale recommended.
- Ground rent shops were mainly mixed use which could be maintained but selective sale was recommended.
- Commercial Properties (mainly city centre) had a total net income of £1.3M and was considered to be one of the strongest assets to retain.
- Pubs and Clubs had an income of £360K net, selective sale was recommended with restrictions.
- Hotels 2 international brands based in the city centre £270K net income with a suggestion to retain.
- Industrial Ground Leases located predominantly outside of the city centre income of £1M p.a. with low management
- Workshops, mostly purpose built starter units, £400K p.a. located on out of town industrial sites recommended to sell apart from the units in Cardiff Bay
- Community Assets different forms of ownership, with the possibility of being community asset trusts.
- Central Market was a different class to manage and different type of ownership.
- Other classed as advanced holdings, agricultural properties suggested selective sale in some areas of the city.

Chris Sutton drew the Committee's attention to the Key Recommendations.

Members of the Committee were informed that Cardiff should consider and analyse investment development ideas with these assets with proposals relating to property transactions through the public sector. Streamlining the existing investment portfolio and a future growth agenda focused upon improving the quality and quantity of the portfolio.

The investment mandate was to be informed by a detailed gap analysis. It was recognised there was a lack of properties west of the city. Generous growth had been established in the east such as Wentloog, however the absence of workshops to the west was a concern.

The Committee was advised that a recommendation for a three month window be agreed for a short sharp asset management programme to include:

- Clean legal title
- Resolution of outstanding lease events
- Planning/ development opportunities
- Collation of technical reports
- Production of Energy Performance Certificates
- Clearance of rental arrears
- Minor repairs and dilapidations
- Other management issues

The Chairperson thanked the witnesses for the informative information received and invited the Committee to ask questions.

Members noted the recommendation that 'community assets' such as scout halls should be retained due to their benefit to community, albeit that community asset transfer should be considered where appropriate. However, Members were concerned that the Review did not pay sufficient regard to the needs of the communities that rack rent shops serve, given that the recommendation was for them to be sold (with a few exceptions). The Committee therefore suggested that the latter recommendation should not be accepted

Where asset transfer was considered for community assets, Members were concerned that this should be very carefully considered and with a clear business plan in place for each transfer. The Council should ensure that communities had a capacity to take these assets on without detrimental effect on provision. As the Committee had stated on several occasions previously, where disposals were proposed, there must also be full engagement with Ward Members.

Members of the Committee were advised that analysing and developing community assets was on-going. Each asset would have to be analysed on an individual basis, addressing specific issues relating to their provision and resources before decisions were made.

Members were supportive of the thrust of the Review's recommendation that strategic sites in the City Centre should be retained, as it was vital to capitalise on their strategic value. The Committee further discussed the future of the Central Market, believing that it was a key historical and cultural asset for the city. The Committee noted that the Review's recommendation was that an alternative management arrangement be found, however officers were clear that this was not yet Council policy and Members were reassured that officers were working with tenants to develop a way forward.

Councillor Bale advised that at this stage of the process it was essential for Cabinet to seek and consider Scrutiny views to test the merits of the various recommendations involving the shaping future decision on the way the Council best uses and manages its non-operational property. The marketing of vacant properties was an area of concern as there was no specific budget allocated for this particular purpose. An appropriate marketing budget was an essential requirement of good agency practice. The inability to carry out a comprehensive marketing strategy with appropriate collateral or to offer financial inducements would obviously impact on the ability to let properties to the best possible tenants on the most advantageous terms. It was recognised that the overall situation was unsustainable in the medium to long term. Without reinvestment of capital receipts, or other injection of investment capital, the portfolio was simply operating as a drawdown facility and would slowly deteriorate over time. To expect to maintain a fixed level of income on this basis into the future was totally unrealistic.

The Committee was informed that £360K was the income for Pubs and Clubs. To date these premises were run by decent tenants and were considered reasonable assets. A selective sale was recommended as they were positioned on decent locations. It was recognised that Committee Members were concerned with these establishments being turned into small supermarkets as a result of Planning Law but these assets could release income and contribute towards community benefit.

The Committee queried whether the Trustees of the Pension Fund had been approached to discuss the opportunities for them to acquire a property element to their portfolio. Officers informed that some discussions had been held in previous years regarding regeneration projects, but that the proposals had been rejected as being too high risk. Members of the Committee understood that Welsh Government was looking to establish a central fund to put this kind of investment in place and hoped that the Council would encourage them to do so.

Members were concerned with the number of out of town business and industrial parks that became vacant and lost to residential development. A number of these areas were located on the edge of the city and classed as large development sites. It was recognised that Cardiff did not necessarily require these manufacturer jobs located out of town and more high quality facilities were sought after. A number of these developments had been sold off and Wentloog was one of the only locations which housed manufacturing and industrial units. It was recognised that demand for industrial space to the west of the city was now proving essential especially since the introduction of supermarkets Click & Collect service which required distribution centres. These emerging trends had resulted in alternative property requirements

and a change in demand should be reflected in the Council's Local Development Plan.

The Committee was advised that it was essential to rationalise service provision including analysing performance of estates. Community development and regeneration was a crucial factor to support these proposals with the creation of modern styled workshops developed through current assets. The Council acknowledged there was a lack of industrial accommodation in some areas of the city resulting towards demands being placed on the Council to provide this.

Members of the Committee felt that some areas north of the city were not being utilised to their full capacity. This was as a result of having no Local Development Plan in place and the continuous issue of lack of housing supply. Land to the west of the city had also been lost to housing developments and Members emphasised the importance of protecting the Ely Spur, along with appropriate infrastructure in place to support these additional developments.

The Chairperson thanked witnesses for their attendance at the meeting.

RESOLVED: The Committee AGREED to outline the following:

- While the Committee was impressed by the comprehensive nature of the Review, it was evident to Members that the key drivers in the Review's findings and recommendations were the potential financial benefits which the estate could bring, either in terms of capital receipts or income. The Committee's principle recommendation therefore reiterates the point it had made on several previous occasions: in any decisions relating to the Council's estate, the Cabinet should pay due regard to the potential social and community benefits which can be derived from our property.
- The Committee asked that when Cabinet decides its way forward for the Investment Portfolio, it should take into consideration community and social benefits of our property as well as financial considerations.
- The Cabinet should not accept the recommendation to sell rack rent shops without giving serious thought to their benefit to the community.
- The Committee were of the view that where community assets were considered for asset transfer, sound business cases should be in place, and there must be community capacity to take the buildings.
- The Committee recommended that there was full consultation with Ward Members where disposals were considered.
- Members support the recommendation that strategic sites in the city centre should be retained.

21 : ORGANISATIONAL DEVELOPMENT AND WALES AUDIT OFFICE
CORPORATE ASSESSMENT UPDATE - 5.15 PM

The Chairperson welcomed Councillor Graham Hinchey, Cabinet Member for Corporate Services and Performance, Paul Orders, Cardiff Council, Chief Executive and Martin Hamilton, Chief Officer Change & Improvement.

The Chairperson reminded Members that this item gave them the opportunity to assure themselves of progress in responding to the findings of the Audit Office's Corporate Assessment and in delivering the Organisational Development Programme.

Martin Hamilton explained that the Wales Audit Office (WAO) Corporate Assessment of the City of Cardiff Council which reported in September 2014, made a formal Proposal of Improvement that the Council should ensure that its Organisational Development Plan, which was established in May 2014, should resolve the range of issues identified by the Assessment.

In order to meet the challenges facing the council and to progress the Cooperative Council agenda, the Cabinet report established a new organisational model for the Council based on cooperative principles, to be delivered via the creation of a three-year Organisational Development Programme (OD Programme).

Martin Hamilton outlined some of the procedures in place to address the outcomes of the assessment.

- Strengthened performance management arrangements had been put in place with a specific emphasis on improving the challenge and interrogation of performance information. This included the creation of an Accelerated Improvement mechanism and also the creation of a specific Challenge Forum through which expert peer support could engage with the Council's improvement work and challenge both approaches taken and progress made;
- Established a Cardiff Manager Programme to ensure that all managers at Grades 8-10 have key skills in performance, financial and service management.
- Children Services Performance Indicators
- PPDR Compliance
- Sickness Absence – downward trends
- Embed Culture of Change into organisation

The Committee noted that the Council's Audit Committee considered the Item on 8 December 2014, as part of that Committee's role to provide high level focus on assurance and the Council's arrangements for governance, managing risk, maintaining an effective control environment and reporting on financial and non-financial risk.

The WAO Corporate Assessment had concluded that with the mounting financial constraints, current service delivery models may be unsustainable. The

Organisational Development programme had addressed this by ensuring evaluation alternative delivery models in key areas and introducing lean reviews which evaluate services from a customer's prospective removing processes which do not add customer value.

The Wales Audit Office were critical of the Council's Property Strategy and procedures were now in place to rationalise this with proposals being put forward to close 6 Council buildings to achieve savings.

Significant achievements had been made based on Customer Focus with the introduction of Share Point and Mobile & Scheduling programmes to achieve enhanced online customer support. Enablers were being put in place to identify key priority areas with focus being directed towards Children Services and Health, Social Care & Wellbeing. The way forward was to work alongside the Challenge Forum with both Cabinet recommendations being taken forward with Scrutiny input.

The Chairperson thanked the Officer for information provided and invited the Committee to ask questions.

Members welcomed the update. This was an important issue given the imminent return of the Wales Audit Office and the Committee had committed a significant portion of its work programme for this year to scrutinising the Programme. Officers informed Committee that the Programme had reached a certain point in delivering the objectives which were originally set in May 2014 and that these to a great extent had been front-loaded. Therefore the Committee noted that the Programme would now be re-focussed on a smaller number of functions and services in order to drive forward change in the medium term.

Members of the Committee requested that minutes of the Challenge Forum had not been made available.

The Committee explained that they had previously asked if the Peer Advisors sitting on the Challenge Forum could brief Committee on their work and advice. Members of the Committee were concerned that the Challenge Forum should be as open as possible and asked for regular updates on the Forum's work with quarterly performance reports providing more detail and recommendations with Quarter Three.

Councillor Graham Hinchey explained that significant progress had been made since the WAO assessment and drew attention to the following:

- Higher Education attainment – higher foundation phase
- PPDR's improvement to 90%
- Development of Property Strategy
- Operational Community Asset Transfer

Performance Management indicators had improved annually and measures were being established for accountability purposes. A pro-active communication strategy was being driven forward to enhance staff engagement and wellbeing. Employee Roadshows had been a success and staff contribution was taken on board. Staff

demonstrated a willingness to engage in workshop activities with Ambassadors taking a lead on providing feedback.

The Chief Executive emphasised the importance of staff engagement at all levels. This was an extremely difficult time and staff concerns were being addressed due to uncertainties. Following staff consultation it was apparent that employees could deal with uncertainty but also needed to be supported by effective management.

The Chief Executive acknowledged that uncertainty in areas such as Play and the Youth Service would be difficult for staff but that work on going to develop a way forward to enable these services to progress and meet the demands they faced. Performance information was critical for improvement and this would be taken forward at the end of January 2015 by Members of the Forum.

Members were concerned with the number of processes being put in place to deal with performance improvement and asked how many outcomes had been achieved as part of these processes.

Martin Hamilton drew attention to the robust performance management process in place, concentrating on outcomes and achievements. Children Services had demonstrated accelerated improvements on specific processes and the benefits were being recognised. Share Point added value for customers with improvement to records access. Mobile & Scheduling would contribute towards time management for staff and support tighter work programmes.

The Committee was advised that the introduction of these new enhanced technical systems would contribute towards improved service delivery. High demands in specific service areas were being assessed along with partnership support. These demands were not unique to Cardiff and experienced throughout local authorities in Wales.

Members of the Committee were advised that a Senior Management Review was underway and this would be dealt with in the budget process. The Medium Term budget position needed attention in order to analyse the way forward for 2016/2017. Concerns were already being directed towards the levels of financial resilience in order to reconstruct the issues and bridge the short fall.

The Committee was concerned with the number of organisational changes that were proposed and asked what further fundamental changes could be considered that were sustainable.

The Council had taken significant steps to address these issues including:

- Adopted a clear vision for the city - to become Europe's most liveable capital city
- Joined the UK Core Cities group, positioning Cardiff to help shape the national debate about the future of cities and city regions in the UK.
- Adopted the Co-operative Council agenda for Cardiff, and developed, through a programme of staff engagement, adopted clear values for the Council;

- Strengthened corporate planning arrangements had been put in place, with a focused set of priorities linked to clear objectives and measures.

Members were advised that improvements were visible with PPDR's compliance up to 90%. Feedback from the PPDR process was essential for development and these change initiative models could be fed into a tool kit for managers.

Members discussed the issue of staff morale at some length. It was noted local government was in an unprecedented situation and that the extent of change required would inevitably have an impact on morale. It was clear to the Committee that the Council needed positive leadership through this period along with how change was managed and communicated. The manager training which was now in place, along with efforts to improve internal communication, formed only a part of the response to the situation. The Committee hoped that momentum in this area was not lost as budgetary considerations took priority.

The Committee felt that in order to satisfy the Wales Audit office and themselves that the shortcomings identified by the Corporate Assessment were being addressed and the Council's overall performance was improving, a greater evidence base than was presented at this meeting was needed. The Committee therefore, welcomed the offer of an additional scrutiny session prior to a further report being presented to Cabinet in March or April 2015 to set out the new direction for the Organisational Development Programme.

The Chairperson thanked the witnesses for attending.

RESOLVED: The Committee AGREED to outline the following:

- The Committee had discussed the critical issue of how directorate budgets, and more specifically directorate overspends would be managed. Given the emphasis laid by the Auditor General on achievability of savings in the current financial year, Members would like more detailed understanding of how the Cabinet was challenging senior managers to ensure that budget issues were addressed.
- The Committee looked forward to receiving a more detailed update on progress in March or April 2015, prior to a refreshed Organisational Development Programme being presented for Cabinet approval. The Committee would look for clear evidence of delivery against intended outcomes at this meeting, and would like to hear directly from the Challenge Forum Peer Advisors.
- The Committee requested a detailed report regarding the work and recommendations of the Challenge Forum with the Quarter Three Performance Report in order to ensure transparency in its work.
- Members anticipated receiving more detailed evidence of how directorates' overspends were being challenged and managed.
- The Committee recommended that staff morale and the positive management of change remain high up the Cabinet's and Chief Executive's agendas.

- The Committee noted that the Chief Executive's review of senior management was almost complete and looked forward to considering this part of the 2015/16 Budget Proposals.

22 : CONTROL OF EMPLOYEE COSTS - DESK BASED SCRUTINY
RESEARCH REPORT AND COMPARATIVE ADVICE FROM WELSH
LOCAL GOVERNMENT ASSOCIATION - 5.55 PM

The Chairperson welcomed Christine Salter, Corporate Director Resources; Marie Rosenthal, County Clerk and Monitoring Officer; Anna Freeman, Director of Employment at the Welsh Local Government Association; Councillor Graham Hinchey, Cabinet Member for Corporate Services and Performance; Philip Lenz, Chief Human Resources Officer and Gladys Hincgo, Principle Research Officer, Scrutiny Research Team and Luke Catterson, Research Assistant, Scrutiny Research Team.

The Chairperson reminded Members that the Budget Strategy for next year included planning assumptions relating to a review of employee costs, in order to deliver savings of £5.75 million. This item would give the Committee information about how other local authorities have made savings from employee costs, in preparation for the Budget Scrutiny meeting in February 2015.

The Scrutiny Team has carried out research into practices across the Core Cities and actions recommended by bodies like the Audit Commission and Local Government Association.

Anna Freeman had been invited to attend to give a Welsh perspective.

Marie Rosenthal explained to the Committee that the Budget Strategy for 2015/16 agreed on 17 July 2014, included planning assumptions relating to a review of employment costs to deliver savings of £5.75 million. This was also highlighted in the 2015/16 Budget Proposals for Consultation report to Cabinet on 20 November 2014. The Strategy also reiterated that this would include a further review of the Council's Voluntary Severance Scheme.

The report outlined recommended actions to reduce employee costs from The Department for Communities and Local Government (DCLG), The Local Government Association (LGA), Audit Commission and some statistics demonstrating the popularity of certain approaches as provided by the Chartered Institute of Personnel & Development (CIPD).

A summary matrix of some of the approaches used or planned by the core cities in reducing employee costs included:

- No additional vacancies
- Changes to Voluntary Severance
- Use of Agency Staff
- Changes to Sickness Management
- Management Restructure

- Unpaid Leave

Anna Freeman provided the Committee with an overview of what was transpiring in other Welsh local authorities. It was accepted that £900 million had been removed from local authority budgets in Wales and additional savings would have to be found through alternative channels. Workforce costs had been analysed in detail, with Single Status contributing towards increased workloads and pressures. Cuts to Terms & Conditions had also been applied, along with reductions in overtime allowances. Voluntary Severance packages had been condensed; they still remained an attractive option but were not so generous. Unpaid leave had been considered, including the suggestion of compulsory leave. Local Authorities had reduced the number of working hours in the week and some local authorities provided the opportunity for staff to purchase up to 10 days extra leave. The Chairperson thanked officers for the informative advice and invited the Committee to ask questions.

Members of the Committee asked if a Workforce Agreement 2 was being considered as part of the budget savings and if so would a Trade Union ballot be conducted within the respective budget timeframe. Further, the language used to promote the purchase of leave led to an assumption that staff were being forced into taking time off.

Councillor Hinchey explained to the Committee that negotiations in relation to employee cost savings were on-going and no decisions had been made. The necessary timeframes could be met if a Trade Union ballot were to take place and this would be part of the discussions being held with the Trade Unions that week.

It was emphasised to Members that in light of the budget savings change in the organisation was fundamental to moving forward. Change Management throughout the organisation was being developed and new systems such as Mobile & Scheduling would deliver significant savings by the use of new technology. It was imperative that staff had the relevant tools to access these facilities whilst working towards and embracing alternative deliver models.

The Health & Wellbeing Policy was under review with reductions in Sickness Absence being recorded across the authority. Staff morale differed across the Council and the introduction of Employee Roadshows was a way forward to encourage inclusivity whilst concentrating on staff feedback and progression. Joint working was also being encouraged, with collaboration taking place with neighbouring authorities on certain Council functions.

It was clarified that the purchase of leave scheme referenced by Anna Freeman was a personal choice not compulsory. Staff welcomed the option of purchasing additional leave during busier times of the year such as school holidays.

Members of the Committee were informed that all budget savings options were being considered at this stage. There was a possibility that a Workforce Package proposal could be imposed but all savings alternatives were being explored.

The Committee welcomed the detail narrative outlined in the report but inquired as to if any local authorities had asked for Cardiff's proposals on the control of Employee Costs and if so what was provided. Cardiff had shared information to other local

authorities and the Employee Cost proposals were all very similar. Leeds Council had recently approached Cardiff about the Pay Policy and Workforce Agreement.

The Chairperson thanked the Witnesses for attending.

RESOLVED: The Committee AGREED to outline the following:

- Commend the Committee's research into Employee costs and look forward to considering the issues further in February 2015.
- The Committee recognised the limited number of options for achieving the required level of savings. Members were concerned that negotiations between the Council and Trade Unions were scheduled to take place a few days following the meeting. The Committee understood that given this, it was not possible to put details of any potential Workforce Agreement into the public domain. However, whilst noting that a constructive dialogue would take place, Members hoped that negotiations would have progressed further by this point.

23 : VOLUNTARY SEVERANCE REVIEW - 6.20 PM

The Chairperson welcomed Councillor Graham Hinchey, Cabinet Member for Corporate Services and Performance; Christine Salter, Corporate Director Resources and Philip Lenz, Chief Human Resources Officer.

The Chairperson reminded the Committee that as part of the Workforce Agreement in place for 2014/15 it had been agreed to review the Council's Voluntary Severance Scheme. This item would give Members a chance to comment on a number of issues relating to the Scheme, as the 2015/16 Budget Proposals were being developed.

Councillor Hinchey asked the Scrutiny Committee for its views on the proposals in the report in order to provide comments to the Cabinet in relation to the Council's Voluntary Severance Scheme. This was an opportunity to look at what other local authorities in Wales were proposing in light of the extensive budget issues being faced across the country.

Philip Lenz explained that when agreeing for someone to exit the Council on the grounds of Voluntary Severance, the Council has for some years required the employee to sign a Settlement Agreement (previously known as a Compromise Agreement). These are legally binding contracts which can be used to end an employment relationship on agreed terms. They can also be used to resolve an ongoing workplace dispute. Once a valid settlement agreement has been signed, the employee will be unable to make an Employment Tribunal claim about any type of claim which is listed on the agreement. The current amount that the Council contributes to the cost of funding the legal advice is £225 plus VAT. Recent advice has confirmed that the Council cannot reclaim the VAT element in these circumstances and therefore the true cost to the Council per settlement agreement was £270. This fee was paid to independent solicitors.

In schools, Settlement Agreements had not been used routinely for voluntary severance, only when HR People Services were made aware that there had been

issues with the employment relationship. Instead the employee taking voluntary severance signs a form stating their agreement to this mutual agreement.

The Committee was advised that in light of the limited risk, the cost incurred at a time of considerable budgetary pressure and the practice in other Local Authorities, the proposal was to stop the use of Settlement Agreements on a routine basis and only use them where there had been difficulties with the employment relationship. Where they are used in these circumstances, the Council would continue to contribute to the legal costs.

Members were made aware of issues that had been raised following persons accepting a voluntary severance package from the Council, terminating their employment only to return to another post. From information gained from other local authorities in Wales a variety of approaches were in place in relation to those who had taken Voluntary Severance from the council and who then sought re employment back with the same authority in some other capacity. The policies and practices currently in place included:

- Not to re employ
- Not normally to re employ but Chief Executive can agree exceptional (business) cases.
- Re employment only possible after a period of time has elapsed (6 months/ 12 months/ 24 months/ number of weeks pay received as part of the VS)
- No restriction on re employment – (Cardiff's current position)

The Committee noted the Multiplier of Statutory Redundancy Scheme:

14 Councils use a multiplier of up to 1.5
6 Councils use multiplier of between 1.5 and up to 2
2 Councils (including Cardiff) use multiplier of 2.5 and above

The Chairperson thanked the Officers for the informative advice and invited the Committee to ask questions.

The Committee was advised that last year 9 persons returned to seek employment within the authority.

Members of the Committee asked for assurance that a safeguard of some category would be in place in order to protect the Council in case of employment tribunal issues. It was recognised that in previous years a number of highly paid staff had taken a VS package and returned to work for the Council as a consultant, to which was deemed unacceptable. However, younger persons who saw an opportunity to leave employment with the Council, who in later years decided to return was satisfactory.

Philip Lenz drew attention to the proposed mutual agreements and how these would operate. Once the settlement agreements were stopped it was felt that limited risk would occur when a contract of employment was terminated on the grounds of voluntary severance unless it was highlighted as a potential threat of employment tribunal.

The Trade Unions had been made aware of these proposals and had provided input. The Trade Unions had issues with people returning to work for the Council once accepting and receiving a VS package and welcomed an alternative of possibly no employment with the Council for 12 months following acceptance of a VS package.

RESOLVED: The Committee AGREED to outline the following:

- The Committee recommended that employees allowed to leave on voluntary severance should not be re-employed for a period of 12 months.
- The Committee recommended that settlement agreements should not be used on a routine basis, henceforth, if officers' advice was that the Council would be adequately protected.
- The Committee did not wish to make a recommendation about the Scheme's provisions in terms of the multiplier of the Statutory Redundancy Scheme, the level of weekly pay of the number of weeks service used for calculating severance payments.

24 : CORRESPONDENCE - INFORMATION REPORT - 7.15 PM

The Chairperson advised Members this report was for information only but may have noted that some points in recent letters have not been addressed.

The Committee noted the report and were of the view that Cabinet Members were responding sooner than previously.

25 : WORK PROGRAMME UPDATE 7:20PM

The Committee noted the information contained in their Work Programme and agreed that the Organisational Development Programme would be delayed for one month.

26 : DATE OF NEXT MEETING -7:25PM

Tuesday 10 February 2015 – 12:00PM