

LOCAL JOINT CONSULTATIVE COMMITTEE

Minutes of the meeting held at 6.30pm on 12 October 2022

Present:

Employer's Side

Councillor Michael Tickner (Chairman)
Councillor Simon Fawthrop
Councillor Colin Smith (Leader)
Councillor Thomas Turrell
Councillor Nicholas Bennett MA J.P.
Councillor Chris Price

Staff Side and Departmental Representatives

Gill Slater ((Vice-Chairman and Unite Representative)
Thomas Carver, (ECHS-Children's Social Care)
Sara Wright, Children Looked After & Leaving Care (Unison Representative)

15 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies were received from Councillor David Cartwright, Peter Turner, Charles Obazuaye and Emma Downie. Antoinette Thorne acted as substitute for Charles and Emma, representing the Human Resources Department.

Apologies were received from Councillor Andrew Lee and Councillor Nicholas Bennett acted as substitute.

Apologies were received from Councillor Jessica Arnold and Councillor Chris Price attended as substitute.

Apologies were received from Councillor Rebecca Wiffen and Councillor Pauline Tunnicliffe.

From the Departmental Representatives, apologies were received from Billy McIver and Louise Sylver.

16 DECLARATIONS OF INTEREST

Councillor Simon Fawthrop declared an interest as his wife was line managed by the Assistant Director of HR.

17 MINUTES FROM THE PREVIOUS MEETING OF LOCAL JOINT CONSULTATIVE COMMITTEE HELD ON 24th FEBRUARY 2021

The Chairman was not present at the previous meeting of the LJCC that took place on the 24th of February 2021. He therefore asked the Vice Chairman and Councillor Bennett if they would be able to agree the minutes and they responded in the affirmative.

RESOLVED that the minutes of the LJCC that met on the 24th of February 2021 be agreed and signed as a correct record.

18 THE COUNCIL'S RESPONSE TO THE COST OF LIVING CRISIS

The Vice Chairman asked how and in what time frame did the Council propose to respond to the impact of the cost of living crisis on staff in light of the LBB April pay award of 2.25%, which was (in her view) effectively a very significant pay cut with the RPI now currently climbing to 11.8% and the CPI to 9.4% in July. Other factors which were also impacting on the financial security of staff included October's energy price increases which had yet to take effect on heating bills, with the consequential effect of increasing the price of retail goods and services that staff were dependent upon.

The Vice Chairman stated that whilst capped, the new energy cap was still 27% above the summer 2022 cap. In addition, there was the increased cost of borrowing predicted recently.

When the pay award was considered, the CPI was 5.4%--this was noted in a report to the GP&L Committee in February 2022. She said that in August 2022 the data was worse: RPI – 12.3% : CPI – 9.9%. The Vice Chairman referred to the current economic climate and its impact on staff because of the current market uncertainty and the rise in interest rates.

She outlined the following impact on staff:

All Staff:

- Heating: energy costs were rising despite central government intervention
- Food: prices were rising at their fastest rate for 40 years
- Cost of fuel – (car mileage allowance)
- Mortgages / rental costs
- Debt (Loans & credit cards)
- Possible impact on pensions--although it was recognised that LBB had a good track record.

Impact on lowest paid

The 2.25% pay award this April brought the lowest hourly rate (BR3 spinal point 8) within the London Living Wage (LLW) by a penny (then £11.05 /hr), but...

- The LLW was an independent calculation based on what people needed to live on); the annual review reflecting the cost of living crisis was revised last month to £11.95 per hour.
- Now BR3, BR4 and up to spinal point 14 in BR5 fell below the London Living Wage.

- The lower paid spent a greater proportion of their income on basics (shelter, heating & food). The rate of grocery inflation rose to 13.9% last month--its highest level since records began in 2008 (Financial Times).

The Vice Chairman suggested that there would also be impacts upon the Council in terms of the effect on recruitment, retention and staff morale. It was important that in times when it was difficult to recruit staff, that the Council had a good staff retention rate.

The Assistant Director of HR (Human Resources) responded and said that the Council realised and appreciated the difficulties that existed now and that may also develop in the future. She explained that this was an issue that was being looked at nationally. The Council was monitoring the national discussions that were taking place and was waiting to see what the outcome of these discussions would be. One of the unions had accepted a national increase. The Council was also reassessing the 'Real Benefits' programme in an attempt to get more retailers and supermarkets involved. It was noted that the rates of car allowance were set by HMRC and the Council were in ongoing discussions with HMRC concerning this. If the rate went higher it would have a tax impact for staff.

The Assistant Director for HR informed the Committee that a seminar for staff was planned for the end of November which was designed to help staff with budgeting and financial management. This had been agreed after one of the 'Ask the Chief Executive' sessions. The Vice Chairman highlighted the pay scales for LBB in 2022 and illustrated the spinal points which now fell below the LLW, pointing out that the lowest pay scale in Bromley now fell in the order of £1,700 a year below the LLW.

It had to be borne in mind that in addition to the severe financial impact staff were facing, there was the additional issue of staff's mental health and well-being. The Leader said that the Council did not recognise and would not be committing to the LLW as a basis for pay consideration. The next pay review was a matter that would be discussed with staff representatives in about a week or so. The date of the meeting would need to be clarified. The Vice Chairman advised that there was a formal pay consultation process between HR and the Trades Unions.

A Member commented that inflation also affected Council finances and contracts. He advised that when the Council made decisions on pay, they relied on the advice of experts and that for next year's pay award we would have to see what grant was received from Government. He also wondered if a two year pay award should be negotiated next time. The Chairman was not keen on the idea of a two year pay deal. He felt it would not take into account inflationary spikes and would be too rigid.

Thomas Carver highlighted the current financial difficulties that staff were already facing and suggested that the negotiations with HMRC with respect to the mileage allowance may need to be escalated. He also said that he did not

require debt management advice but rather more money for his rent. The Leader said that he was very happy to offer his support regarding the fuel allowances.

The Assistant Director for HR said that the debt management seminar had been requested by staff and that Emma Downie was escalating matters with HMRC. Mr Carver suggested that the matter may need to be escalated by the Director for HR or the Chief Executive.

The Vice Chairman commented that although Councils would be affected by inflationary pressures, they would still be required to pay the finally agreed pay award. If LBB paid below whatever was agreed nationally, the Council would be saving money at the expense of staff; they should therefore commit to meeting whatever was agreed nationally.

The Chairman commented that until this year the Council's pay award had matched or exceeded the eventual national pay settlement. The next pay settlement would have to take into account inflation that had occurred since April 2022 as well as what would be provided by the Revenue Support Settlement from central government which was due to be reported upon in December.

RESOLVED that the update regarding the Council's response to the cost of living crisis be noted.

19 UPDATE ON THE ACCOMMODATION STRATEGY

The Staff Side asked for the following matter to be discussed:

The Staff Side request an update on the Council's Accommodation Strategy and its implications for staff. Until it is understood what the Accommodation Strategy looks like, it won't be clear what the implications might be for staff and how this will affect staff working conditions whilst in the office or at home. For example, whilst COVID led to a particular way of working there will be costs for staff associated with a more formal hybrid way of working--not least heating costs over the winter.

The Assistant Director for HR explained that not much information could be shared at the meeting as everything was under review and matters were commercially sensitive. It was anticipated that information regarding the Accommodation Strategy would be available around the end of November. The Leader said it was anticipated that a report on the Accommodation Strategy would go to the meeting of the Executive in November.

Sara Wright asked if there would be any consultation on the matter. The Chairman responded and said it would be a matter for the Members to decide. Thomas Carver asked if there would be scope for a different procedure and Councillor Chris Price was keen that the opinion of staff should be sought and he asked for staff to be involved in a consultation process before Members took matters further and made decisions. The Chairman said that it would be

good for the matter to be on the next LJCC agenda which would be a week after the relevant Executive meeting. It was also the case that the matter would be discussed at Full Council.

The Leader said that the Accommodation Strategy did not need to go for consultation and that staff were likely to be very encouraged by what would be proposed. He said that what was likely to be proposed in the Strategy would provide greater choice and flexibility for staff in terms of their working arrangements than was currently the case. Mr Carver responded and said that this was good news but nevertheless he felt that some form of staff engagement was important. The Leader responded and said that staff would be able to comment when the Executive agenda was published.

A Member mentioned that prior to going to the Executive, and Full Council, the Accommodation Strategy report would be scrutinised by the Executive, Resources and Contracts PDS Committee and there was also a possibility that the matter may additionally go to the Renewal, Recreation and Housing Committee. Staff would be very welcome to come along to these scrutiny committees and ask questions. There would also be a meeting with the Departmental Representatives. It was also important to note that Members had to make a decision and this decision would be in the interests not only of staff but of local residents. The Leader was hopeful that by the time the report came to the PDS committees, the details would be in a Part 1 (public) report. A Member briefed the Committee saying that if it was the case that any information was still in a Part 2 (confidential) report, then staff would still be able to access this as they worked for the Council.

The Vice Chairman responded by saying that the mobilisation of staff to attend committee meetings once proposals had been finally drafted was not an ideal way to engage with staff and that staff should be consulted upon as soon as possible.

RESOLVED that the update on the Accommodation Strategy be noted and that a further update on the Accommodation Strategy be added as an item to the next LJCC agenda.

20 PENSION FUND UPDATE

The Chairman had requested an update on the solvency of the pension fund as he was aware that because of the current economic climate (with spikes in inflation and gilts and bonds having issues), it was important to discuss the solvency of the fund. The Senior Accountant (Pension Fund) was in attendance to provide advice as required and assured that the LBB Pension Fund was in a good place and was one of the better performing funds.

Councillor Simon Fawthrop (who sat on the Pension Committee) provided an update regarding the CIV (Collective Investment Vehicle).

Web link: <https://londonciv.org.uk/>

Councillor Fawthrop expressed the view that the London Collective Investment Vehicle was not one of the best. He said that the Council had put £700,000 into the CIV and had got nothing in return. He said that the LCIV had trade union representation on the management board but apparently had not queried why the CIV was not performing well. He therefore asked the trade union representatives attending the LJCC meeting if they could ask their representatives on the London CIV to look at this.

In terms of the Bromley Pension Fund he said that Councillors acted as 'Trustees' and tried to maximise returns for pensioners. Every three years there was a tri annual review of the pension fund and one was due in November. The review was undertaken by an actuary and looked at the investment strategies of the fund and how it could be shaped for the future. The aim of the Pension Committee was to avoid any future financial 'black holes' and to make sure that pensions were protected.

The Chairman asked if the £700,000 was a management fee or if it was an investment that had been wasted in some way. It was noted that the £700,000 was made up of annual membership fees and purchased share capital. It was explained that the Council had not invested money in the schemes themselves because if they had done so, the Council would not be able to determine how the funds should be invested and would probably have lost money.

The Chairman asked if there was anything that the Staff Side could do in view of the fact that there was trade union representation on the CIV Management Board. The Vice Chairman responded by saying that the Staff Side union representatives did not have the relevant knowledge and expertise to comment on the matter. However, Sara Wright offered to raise this issue with the Unison Branch Secretary to escalate it and get more information and feedback for the next LJCC meeting.

Councillor Simon Fawthrop informed the Committee that the London CIV had a shareholders committee and there was union representation on that. He said he would have expected them to feedback to the union branches. He said that there was a union representative on the Pensions Board and it used to be the case that the trade union sent representatives to the Council's Pensions Committee. It was important that they took an interest in these things as pensions was a big part of the remuneration package for Council employees. The Chairman asked the Senior Accountant (Pension Fund) to supply Sara Wright with some information and the make-up of the London CIV which may help with her inquiries. The Chairman also said that the matter should be an item on the agenda of the next meeting of the LJCC.

The Vice Chairman asked if members of the pension fund were protected from stranded assets. The Senior Accountant (Pension Fund) answered and said it was true, as reported in the press, that some funds were struggling and had lost money, largely because they had invested in liability driven investments. He said that the 2019 valuation of the Bromley Pension Fund

indicated that it was 110% funded which meant there were more assets than required to meet the liabilities of the fund.

Councillor Fawthrop stated that the Bromley Pensions Committee had much foresight and a long term vision. In 37 years' time there was a massive asset that they could call on if required. Thomas Carver said that some members of staff had opted to withdraw from contributing to the pension scheme as they needed the money to pay bills.

RESOLVED that the Pension Fund Update be noted and that a further update regarding the LCIV be brought to the next LJCC meeting.

21 THE NEXT MEETING

The date of the next meeting was confirmed as the 7th of December. The Chairman requested that, in view of the poor attendance, the times of the meeting be changed. He suggested that the pre-meetings should commence at 7:00 pm, with the main meeting commencing at 7:30 pm, a timing used successfully by the Development Control Committee.

The matter of AOB was raised and it was noted that this was not normally an item that was on any Council agendas, as officers needed notice of issues to be raised. However the Chairman allowed Councillor Price to ask about the Staff Survey, as this was in the minutes of the previous meeting. Thomas Carver informed the Committee that there was going to be a meeting the following Monday for the findings of this year's Staff Survey to be fed back to staff. This would be reported to committees in due course. The Leader asked if someone could inform him of the date that Councillors were due to meet with the Departmental Representatives

The following items were suggested for the next meeting:

1. An update on the Accommodation Strategy
2. An update on Pensions and the CIV
3. An update on the Staff Survey
4. An update on the block grant from central government.

In conclusion, the Leader informed the Committee that at the recent meeting of Full Council there had been cross party agreement that the Council was not in a position to bear the burden of any more cutbacks from central government and that the Council would not be able to deal with additional responsibilities without sufficient funding. The Staff Side completely agreed that Local Authorities must be appropriately funded by Central Government.

Chairman