

Committee: Resources Committee
Date: 20 November 2003
Agenda Item No: 5(i)
Title: Confirmation of Officers Actions – Dunmow Leisure Centre
– Ombudsman case
Author: John Dickson (01799) 510300

Summary

- 1 This Ombudsman case was discussed at the Leisure (PFI) Board meeting on 16 July 20-03. It was agreed to endorse work of up to £6,000 to fund fencing and landscaping work in connection with the issues raised by neighbours to the Helena Romanes School, Great Dunmow involving the siting of the access road to the Leisure Centre.

Background

- 2 The Council's Financial Regulations allow the Chief Financial Officer to approve increases in total capital costs of a scheme by 10% or £100,000 whichever is the lesser. However as the expenditure was in connection with an Ombudsman case it was felt that Members of this Committee should be notified. Therefore Officers have consulted the Vice-Chairman of the Resources Committee and approval was authorised for expenditure of up to £6,000 to be funded from Capital Receipts.

RECOMMENDED that the Committee confirm the action taken by Officers, in consultation with the Vice-Chairman of the Resources Committee.

Committee: Resources Committee
Date: 20 November 2003
Agenda Item No: 6
Title: Variation to Corporate Occupational Health Scheme
Author: Sue Hayden (01799) 510563

Summary

- 1 This report gives details of the Corporate Occupational Health Scheme operated at the three Leisure Centres in the district. It recommends that Members be granted the same opportunity, as Officers, to join the Corporate Occupational Health Scheme.

Background

- 2 In June 1998, Members of the Internal Services Sub-Committee agreed that Council employees be given the opportunity to join the Corporate Occupational Health Scheme then run by DC Leisure and since taken over by Leisure Connection.
- 3 On an annual basis, Officers negotiate with Leisure Connection to determine the level of subscription for the year. On behalf of the employee the Council makes a one off payment to Leisure Connection to cover the subscription fee. The Council recovers the fee by deducting 1/12th of the fee from the employee's salary each month so that the Council recovers the full amount during the course of the year. The monthly deduction is inclusive of £1, which is retained by the Council to cover administration costs and loss of interest over the period of the Membership.
- 4 A contract is made between Uttlesford District Council and the specific officer stating that if they leave the Council's employment then the remaining outstanding balance is recovered from their final salary.
- 5 Some Members of the Council have requested that the same opportunity is afforded to them, with a monthly deduction recovered from their Member Allowance.

RECOMMENDED that Members are entitled to join the Corporate Occupational Health Scheme, operated by Leisure Connection, under the same terms and conditions as Officers.

Background Papers: Report to Internal Services Sub-Committee on 17 June 1998 and Minutes relating to that meeting

Committee: Resources

Date: 20 November 2003

Agenda Item No: 8

Title: Rating revaluation of the Lord Butler Fitness and Leisure Centre and the former Dunmow Leisure Centre

Author: Mike Brean (01799) 510330

Summary

- 1 This report advises Members of developments in the national rating of local authority owned leisure centres for the purpose of National Non Domestic Rates (Business Rates), with particular reference to the Lord Butler Fitness and Leisure Centre and the former Dunmow Leisure Centre.

Background

- 2 The method used by the Valuation Office Agency (VOA) to calculate the rateable value of leisure centre premises was thought to be inappropriate by leading rating professionals. Eastbourne Borough Council and Wealden District Council decided to submit a test case appeal to the Lands Tribunal against the valuation of their leisure centres. As a result of protracted negotiations, the VOA agreed to a new methodology of valuation for leisure centre premises. This resulted in a reduction in the rateable value of the local authority leisure centres subject to the test case appeal and a refund of Business Rates to the local authorities concerned. Other local authorities were encouraged to appeal against their own leisure centre assessments.

Impact on Uttlesford Leisure Centres

- 3 Appeals were lodged in respect of the Lord Butler and Dunmow leisure centres and these were originally scheduled for hearing at the Valuation Tribunal on 20 November 2002. In the test case, the appellant authorities engaged a specialist rating consultant (Wilks, Head and Eve) to act on their behalf in the appeals. In view of the potential savings involved, it was decided we should do likewise and the same company was detailed to start negotiations to reduce the rateable values of our two leisure centres. Due to extensive negotiations between the Head of Revenues Services, the rating consultant and the VOA, it has been necessary to adjourn the appeals on three separate occasions. Agreement has finally been reached between all parties concerned and the appeals have now been withdrawn.
- 4 The rateable values for both leisure centres have been reduced considerably, resulting in a refund of backdated Business Rates up to the date that they transferred to Leisure Connect. Amounts of £120 598 and £97 242 have been

refunded for the Lord Butler and Dunmow leisure centres respectively. As the Council and Great Dunmow school previously each paid 50% of the Business Rates for the old leisure centre, a refund of £48 620 has to be made to the latter leaving a total refund of rates to the Council of £169 218 (£120 598 and £48 620). The consultant's invoice of £4 500 will be met from the refunds.

RECOMMENDED that Members note the content of this report.

Background Papers: Leisure Centre Appeal File

Committee: Resources
Date: 20 November 2003
Agenda Item No: 9
Title: Council Tax – Changes for second homes and long term empty homes
Author: Mike Brean (01799) 510330

Summary

- 1 This report advises Members of the changes contained in the Local Government Act, which will come into effect automatically on 18 November 2003. It confirms the proposals detailed in the report to Resources Committee on 26 June 2003 about the Office of the Deputy Prime Minister's (ODPM's) changes for council tax discounts and exemptions.

Background

- 2 The report on 26 June 2003 explained that owners of second homes and properties, which have been empty for a long time, currently receive a mandatory 50% discount on their council tax bill. The Government proposed to allow local authorities discretion to reduce or end the discount. Also, local authorities would be able to create their own discounts and exemptions in response to local factors.

Main Changes

- 3 The main changes, including financial implications, are contained in appendix 1 to this report. Members are now asked to consider the following: -

a) Discount for second homes

Reduce the existing discount for second homes (defined as furnished dwellings, which are no-one's main residence) from 50% to a minimum 10%.

b) Discount for long-term empty property

Reduce or remove completely the existing 50% discount for unfurnished long term empty homes.

c) Locally defined discounts

To specify any locally defined discounts to allow additional relief in

circumstances that are not already covered by the current national discounts and exemptions in response to local factors. The following are examples: -

i. Discounts for pensioners

The ODPM have confirmed that they have not approved proposals by Kent County Council to offer discounts to pensioners paid for by other council taxpayers. However, the newly created power under section 76 of the Local Government Act 2003 allows a billing authority only to grant such a discount.

ii. Disabled Relief

A recent High Court case, R (Sandwell MBC) v Perks and the West Midlands (West) Valuation Tribunal has resulted in a review being undertaken of all the council tax disabled relief recipients. This will be completed by 31 December 2003 and it will then be possible to gauge the full impact of the High Court decision on the number and amount of disabled relief awarded. A report will be submitted to Resources Committee on 22 January 2004 and Members may then wish to give consideration to allowing additional discount outside the parameters set by the High Court decision, by granting a locally determined discount to those people no longer entitled to disabled relief.

iii. Flooding

A number of council taxpayers have suffered flood damage to their properties in recent years. The current national discounts and exemptions do not allow relief in such circumstances.

Members may wish to make a decision on whether a locally determined discount should apply once all the facts are known. For example, if an area of the district were subjected to flooding, then a detailed report explaining the financial implications would be made to this Committee for consideration.

Administration considerations

- 4 It should be noted that if it is decided to reduce or remove a discount as explained above, then there would be additional expenditure incurred in re-printing information leaflets and council tax demand notices.

RECOMMENDED that Members decide on items 3 a), b) and c) above.

Background papers: Local Government Bill part 6 (Council Tax Provisions)

Discount for second homes (council tax dwellings class A and B)	
Policy	Financial Implication
<p>Billing authorities will be able to change the nationally set 50% council tax discount for second homes to a minimum 10%.</p> <p>Billing authorities will not be able to change the discount for the second homes of people who are liable for council tax on dwellings provided by an employer (tied accommodation).</p> <p>If Members approve the reduction of the discount, the tax base for tax setting purposes must reflect additional capacity to raise council tax in some or all of the area.</p> <p>Local authorities (including major precepting authorities) will retain any additional income from reducing the discount.</p> <p>The council tax bill must show any changed discount.</p>	<p>There are currently 160 dwellings that fall into class A and B. If the current discount of 50% were reduced to the lowest available of 10%, the additional income raised in total would be £81900. By statute, this has to be distributed on a pro rata basis between the major precepting authorities. This means that this Council would receive approximately £7800. However, there have been discussions with Essex County Council regarding a fairer apportionment of the additional income between authorities.</p>

Discount for long term empty property (council tax dwellings class C)	
Policy	Financial Implication
<p>Billing authorities will be able to reduce or remove completely the nationally set 50% council tax discount for long term empty property.</p> <p>If Members approve the reduction or removal of the discount, the tax base for tax setting purposes must reflect additional capacity to raise council tax in some or all of the area.</p> <p>Local authorities (including major precepting authorities) will <u>not</u> retain any additional income received from reducing or removing the discount.</p> <p>Council tax bills must show any changed discount.</p>	<p>There are currently 331 class B dwellings. If the current discount of 50% were reduced to nil, £165419 would be raised but retained at a national level and re-distributed. It is not known how much, if any, would be received locally.</p>

Locally defined discounts	
Policy	Financial Implication
<p>Billing authorities will fund any locally defined discounts, which they wish to create.</p> <p>Any new discount will be treated as a discount/exemption for council tax administration purposes.</p> <p>The council tax bill must show any locally defined discount.</p>	<p>It is recommended that full details be submitted to Members of any circumstances where a locally defined discount may be applied as and when they occur. This will enable the full financial impact of allowing the discount to be taken into account.</p>

Committee: Resources
Date: 20 November 2003
Agenda Item No: 12
Title: Personnel Strategy
Author: Carole C W Hughes (01799) 510407

Summary

- 1 Members are requested to consider the attached draft personnel strategy, approve its adoption and if approved agree the development of a costed implementation or work force development plan, linked to the Corporate Plan which will identify:
 - the future skill needs of the organisation, the current skills within the organisation, the gap and the actions needed to manage the gap.
 - indicators for success.
 - lead officers responsible for each action.
- 2 Members may wish to consider that their needs are included within the implementation plan also.
- 3 Members may wish to consider reviewing the sum allocated to training and development and tasking the Head of Personnel and Office Services to make recommendations on an appropriate sum to the next Resources Committee. Alternatively Members may wish to consider funding of future learning and development costs during the work undertaken to implement the Corporate Plan.
- 4 The implementation plan will be developed in line with the Audit Commission best practice advice, the final draft of the Office of the Deputy Prime Minister' Pay and Skills Strategy for Local Government, the Employers Organisation Workforce Development work with Local Authorities. The first draft of the implementation plan to be developed by 31.3.2004 in line with the regional work force development partnership plan. This plan will impact upon the future employee development and may require additional funding to that currently budgeted for. Members may wish to consider that a sum be budgeted for implementation of the plan.
- 5 The attached strategy was developed by the Head of Personnel and Office Services in consultation with Heads of Service, their teams and Unison. If adopted the strategy will be used to influence and direct personnel policy and application, service planning and will become a tool for use in future planning and in the management of change.

- 6 Agreeing a personnel strategy enables Members to state how employees will be managed. A personnel strategy is the means the organisation to link corporate planning processes to people management. The attached recognises that the aims and objectives of the Council can only be met through its people. It outlines our commitment to employees and how we will equip them to meet the challenges of the future by having the right people in the right place at the right time with the right set of skills, behaviours and knowledge, able to offer a responsive, flexible, innovative, high quality customer focused service. By its very nature the strategy will have to be flexible and responsive to change both internally and externally driven.

It is RECOMMENDED that

- (1) Members approve the attached Personnel Strategy.
- (2) Advise whether they wish to be specifically mentioned and included in the strategy and plan.
- (3) Task the Head of Personnel and Office Services to work with Members, Managers, Staff and Unison to develop a costed implementation plan

Uttlesford District Council Personnel Strategy Draft

The Council's mission statement

"Working together we create a better community"

The Council's core values, strategic aims and objectives

In pursuit of the Council's mission statement, the Council has agreed core values strategic aims and objectives by which all of its services will be developed. (See Corporate Plan).

Equal opportunities statement

The Council opposes all forms of discrimination on the grounds of colour, race, gender, nationality or national origin, marital status, disability, sexual orientation, age religious belief or because they are living with HIV/AIDS or have a previous criminal conviction which is legally "spent" in respect of employment and service provision, unless an objective and/or lawful reason(s) prevail(s).

Personnel Strategy

This strategy recognises that the aims and objectives of the Council can only be met through its people. It outlines our commitment to employees and how we will equip them to meet the challenges of the future by having the right people in the right place at the right time with the right set of skills, behaviours and knowledge, able to offer a responsive, flexible, innovative, high quality customer focused service. The strategy aims to support the implementation of Council plans, encourage initiative and innovation, assist the implementation of change and creation of a flexible, innovative, empowered organisation. It will be guided by best practice including the principles of liP, Government guidance and workforce development. By its very nature the strategy will have to be flexible and responsive, reviewed and updated to meet future needs as plans change.

It must be taken as agreed that legislative change, Government initiative, for example Best Value, Comprehensive Assessment or Audit Commission reports will be employed and put in place by this strategy.

The strategy will be developed into a structured action plan that will identify the steps we will take to underpin the new strategic Corporate Plan and indicators to measure success will be developed. The action plan will be developed against the objectives outlined in the Corporate Plan and will be built around the following key areas.

Leadership and Management skills

We will advise our managers and leaders of the behaviours and expertise we expect them to display to meet the current and future needs of the organisation and to reflect the principles outlined above. We will offer training and

development to our managers to meet these expectations. We will support managers and leaders to practise the behaviours expected.

Management of Performance

We will state what our performance measurement requirements are and we will put in place effective management information systems to provide managers with the information to put systems in place. We will provide clear policies that set out the manner in which we expect employees to work and to describe what employment procedures have been put in place. We will deal with discipline fairly.

We will have an effective absence management system that will be monitored and acted upon. We will offer a positive approach to occupational health support. We will develop flexible and work life balance policies to meet the changing needs of work and legislative changes.

We will provide a structured approach to recognising our employees contribution to the organisation and also on advising our employees how they are performing. We will offer a supportive approach to managing low performance.

Learning and Development

To equip our employees to perform their duties to the standards we require, we will identify core competencies and behaviours which we will use to identify individual and corporate learning and development needs. We will **assess** needs in line with the stated aims and policies and priorities of the organisation or to enable an employee to meet the standards required for their post. We will encourage and support our employees to improve their, others and organisational performance. We will encourage managers and employees to consider all options for learning development and to review development opportunities to ensure transfer to the work place. We will develop a Learning and Development Plan and PPN linked to organisational and employee development and to best practice. We will make use of best practice advice and guidance for example from the CIPD, the IDEA and Employers Organisation.

Organisation Development and Culture

We will develop policies to assist culture, organisational change and development and we will communicate these policies to employees. We will respond positively to feedback from employees and adapt our communication style in response, where appropriate. We will encourage and support a flexible, open and participative style of employee involvement.

Resourcing and Planning

In order to recruit and retain a high calibre, high performing, flexible and well-motivated workforce we will identify recruitment and selection approaches to enable the right candidate to be appointed. We will induct them into the role to ensure they are aware of the organisational, service and team expectations. Where possible we will make information available on line to ensure openness and accessibility.

We will develop information systems which will enable managers to develop their services and plan for the future. Working with managers we will develop the workforce planning process to enable future planning, succession planning and problem solving.

Communication

We will develop effective two-way communications with our employees to ensure they are aware of the Council priorities, plans, aims objectives and to enable feedback. We will make employees aware of how we will manage them and the policies and procedures that will be applied during times of difficulty. We will encourage challenge from, and involvement of, employees. We will ensure effective grievance procedures exist to enable employees to raise issues with us in a confidential and effective manner.

We will encourage active team development and open assertive problem solving communication within and between teams.

We will develop effective secure IT based personnel information to deliver immediate personal access to policy and information. We will make effective use of the intranet and publish policies and guidance.

Health and Safety

We will use the legislation and best practice guidance to ensure we provide as safe a working environment as is reasonable and practical. We will respond to employees concerns and issues. We will train and develop our managers and supervisors in risk assessment. We will monitor the data we keep and if trends appear we will offer advice and guidance to our employees on keeping safe and healthy at work.

Occupational Health and Well being

We will work with our employees to promote health and well-being and develop our policies and procedures which support and encourage health and well-being. We will monitor absence to identify trends and act upon our findings to offer advice and guidance and opportunities to our employees in support of maintaining health and well-being.

We will offer where necessary a supportive and confidential approach during change, at times of ill health, disability or personal difficulty.

Employee Relations

We will encourage a co operative, participative consultative style of working together with Unison. We will work actively with them to resolve areas of difficulty or concern raised by employees. We will work with them to develop an effective approach to workforce development.

Equal Opportunities and Diversity

We are committed to equal opportunities in everything we do and we will monitor, consult and learn from our employees. We will only ask for information, checks,

references or vetting where it is relevant and important that we do so and we will advise our employees why we do so.

We will offer learning and development opportunities to employees based on need and we will ensure our training providers follow an equal opportunities code of conduct before contracting with them.

We will challenge discriminatory behaviour and will train our managers and employees to enable them to challenge discriminatory behaviour. We will ensure that an equal opportunities and diversity approach underpins our policies, our procedures and our actions. We will provide confidential opportunities for employees to raise issues with us and monitor issues raised. We will apply legislation and take into account best practice guidelines and codes of practice. We are committed to implementing fully the Equality Standard for local government in England and to the continued updating, review and application of our Race Equality Scheme.

Working with the Community

We will build links with our local community and encourage managers to participate in local schools and colleges through talks, lectures and school governorship. We will encourage our employees to be involved in initiatives, exchanges and secondments and to learn and apply their learning back in the work place. We will encourage our managers and employees to use and develop their current into future skills and expertise by becoming involved within our local community for example with local schools, colleges and voluntary groups. When we work with partners we will seek those that follow best practice in terms of employment law and practice.

Where practicable we will work with other bodies to develop our current employees or to offer development needs for others in the community. Where practicable we will encourage our partners to encourage cross fertilisation of ideas and practice through secondment of their employees or volunteers for example.

Actions we will take to implement this strategy and by when

Once approved we will develop an action plan with specific objectives, target dates, indicators for success and named officers responsible for each objective. We will develop information for managers that will support them in the application of this strategy, in particular the key indicators that show the strategy is effective. We will develop information for our employees on how the strategy will affect them. We will use the strategy to guide and focus personnel policy development to meet the need of the corporate plans, objectives and actions.

How will the Action Plan be developed and consulted upon?

Head of Service, their teams, Members and Unison will be consulted through workshops and team feedback.

It will be by necessity a fluid and flexible document and will be developed to meet future needs or other requirements, as organisational needs change and develop

and when external pressure is exerted. The Corporate Plan will lead and inform this strategy.

How will the strategy be monitored and reported upon?

The action plan will be developed and integrated into the planning, development and change processes of the future. The action plan will be reviewed yearly, updated and amended as necessary and reported to Members. Outcomes will be reported to Resources and/or Scrutiny Committees (as applicable) on an annual basis. Any subsequent recommendations for change will be reported to Members for approval and reflected in Service Plans and related documents.

Committee: Resources Committee
Date: 20 November 2003
Agenda Item No: 13
Title: Harassment Policy and Procedure PPN 13, update
Author: Carole Hughes (01799) 510407

Summary

- 1 The attached Personnel Policy Note, 13, Harassment Policy and Procedure has been in place since September 2000. The PPN sets out the Council's policy statement and procedure for dealing with complaints of harassment at work. Unlike other Personnel Policy Notes the current PPN applies to both Members and employees and this has been continued in the updated version.
- 2 Members are requested to give consideration to the changes contained in the attached PPN, in particular point 8.3 which applies to Members, and approve the adoption of the updated PPN.

Background

- 3 Harassment is a form of discrimination, which may constitute unlawful behaviour, contrary to the Sex Discrimination Act 1975 and the Race Relations Act 1976. "Intentional Harassment" is also a criminal offence under the Criminal Justice and Public Order Act 1994 and/or under the Protection from Harassment Act 1997. In addition, The Race & Employment Directives detailed in the consultation document "Towards Equality and Diversity" have defined harassment in relation to sexual orientation, religion, disability and age.
- 4 Under the Health and Safety at Work etc Act, 1974, employers have a duty of care to ensure the health and safety of their employees. Harassment and bullying can have an impact on health.
- 5 The PPN has been updated to take into account legislative change, regional and national best practice advice and guidance. The amendments have the full support of Unison. The Local Joint Council endorses the updating of the PPN.
- 6 The main changes in the PPN include:
 - Increased definitions of what constitutes harassment.
 - A definition bullying
 - Monitoring forms.

It is RECOMMENDED that Members approve the updated Personnel Policy Note 13

Background Papers: PPN 13, version 1 dated 1.9.00 and available on the Intranet.

PERSONNEL POLICY NOTE

Title:	Number:	13
HARASSMENT AND BULLYING POLICY & PROCEDURE	Update:	4
	Operational:	1.9.00
	Last updated:	1.8.03

1 THE COUNCIL'S POLICY STATEMENT

Employees of Uttlesford District Council have a right to be treated with dignity and respect, and as an employer the Council has both a legal and moral duty to protect its employees against harassment.

The Council recognises the serious effects which harassment (including bullying) can have on its employees and customers and is committed to expect the highest standards of behaviour which recognise and respect the dignity of all individuals. Harassment in the workplace can lead to illness for the employee being harassed, causing anxiety and tension; it may also prevent an effective working environment. All employees should be given the opportunity to perform to their best abilities, and therefore harassment at work will not be tolerated.

As an employer the Council does not expect its employees to perpetrate, tolerate or condone such behaviour whilst dealing with work colleagues, management, elected members, contractors, or externally in delivering a Council service. Any such behaviour will be dealt with under the Disciplinary Procedure and could lead to dismissal.

The Council would be liable for harassment about which it was aware but failed to remedy. The Council has to take reasonable initiative and demonstrate that it has taken action to remedy and prevent harassment. If this is the case then the perpetrator of the harassment (i.e. the employee) may be held personally liable by a tribunal.

2 LEGAL BACKGROUND

Harassment is a form of discrimination, which may constitute unlawful behaviour, contrary to the Sex Discrimination Act 1975 and the Race Relations Act 1976.

"Intentional Harassment" is also a criminal offence under the Criminal Justice and Public Order Act 1994 and/or under the Protection from Harassment Act 1997. In addition, The Race & Employment Directives detailed in the consultation document "Towards Equality and Diversity" have defined harassment in relation to sexual orientation, religion, disability and age.

Under the Health and Safety at Work etc Act, 1974, employers have a duty of care to ensure the health and safety of their employees

3 WHAT IS HARASSMENT?

Harassment is a complex and sensitive issue. It can be isolated or repetitive behaviour and may be directed at individuals or groups. It may be unintentional on the part of the perpetrator, but it is the impact it has on the recipient which determines harassment.

3.1 Sexual Harassment

The European Community defines sexual harassment as:

Sexual Harassment: “where any form of unwanted verbal, non-verbal or physical conduct of a sexual nature occurs with the purpose or effect of violating the dignity of a person, in particular when creating an intimidating, hostile, degrading, humiliating or offensive environment.”

Sexual Harassment is the creation of an offensive working environment where individuals feel uneasy because of their gender. Sexual harassment is direct, and personal, and causes humiliation, offence and distress to the recipient.

Sexual harassment is perpetrated by men against women and also by women against men. Sexual harassment also includes harassment of transsexuals.

3.2 Harassment in respect of sexual orientation, religion, disability and age:

The Race & Employment Directives now provide a definition of harassment in respect of the reasons above, and in such cases a complainant would have to show that

- a. s/he had been the victim of unwanted conduct based on one of the grounds of discrimination concerned;
- b. the conduct had been intended to violate his or her dignity, or that it actually did have that effect; and
- c. the conduct had been intended to create an intimidating, hostile, degrading, humiliating or offensive environment for him or her, or that it actually did have that effect.

3.3 Racial Harassment

Racial harassment in the workplace creates a hostile working environment; it undermines equality at work and can lead to illness for the employee being harassed. Harassment in this context may be described as **any action by a person (or a group of people) which is unwanted, is found objectionable and causes humiliation, offence and distress.**

Where Racial Harassment occurs, a complainant would have to prove only items a) and b) outlined above.

4 WHAT IS BULLYING?

Bullying is a form of harassment, and is often, but not exclusively, the misuse of position or power which can manifest itself in unpredictable, irrational and unfair attacks on individuals.

Although there is no definition of bullying currently set out in our legislation, Uttlesford District Council has adopted the East of England Regional Council's (EERC) definition, which defines bullying as:

Unreasonable, offensive, intimidating or insulting behaviour, which makes the recipient feel upset, threatened, humiliated or vulnerable, which undermines confidence and which may cause stress.

Bullying can occur at any level with any relationship. It is not confined to management or supervision. Employees have been known to bully colleagues on the same, lower or higher grades and groups of employees have been known to bully individuals. Generally, there is a pattern of behaviour that constitutes bullying, not a single event. Examples are:

- Unfair and unjustified criticism.
- Humiliating or disparaging remarks about individual ability, personality or other characteristics.
- Workloads or deadlines which are deliberately unreasonable.
- Taking credit for other peoples' work; passing blame from one person to another.
- Unreasonably changing duties or responsibilities, eg giving menial or pointless tasks.
- Unreasonable refusal of requests for leave, training, etc.
- Preventing promotion where it would otherwise be due.

5 WHAT ARE THE GROUNDS OF HARASSMENT?

Employees can be subject to harassment on a wide variety of grounds including their :- race; ethnic origin; nationality or skin colour; sex or sexual orientation; religious, political or personal beliefs; willingness to challenge harassment, leading to victimisation; membership, or non-membership, of a trade union; disabilities, impairments or learning difficulties; status as ex-offenders; health, physical characteristics; age; real or suspected infection with AIDS/HIV; social class.

6 WHAT FORMS DOES HARASSMENT TAKE?

Harassment can be expressed in many ways, and it can include actions by individuals or by groups of people against an individual. It can range from extremes such as violence and bullying to less obvious actions like being ignored or singled out for unnecessary deliberate criticism. Whatever the form of harassment, **it will be unwanted behaviour which is unwelcome and unpleasant.**

Examples of harassment include the following, which is not intended to be an exhaustive list :-

Verbal

Sexual innuendo or advances; flirtation; requests for sexual favours in return for work gains; lewd remarks; jokes; offensive language; derogatory comments; racist jokes; gossip; slander; insults; shouting; questions/comments about a person's private life.

Non-verbal

Visual displays of posters, graffiti, offensive photographs; obscene gestures; letters, offensive e-mails, notes or messages; leering or staring; whistling; making sexually-suggestive gestures.

Physical

This can range from violent attack such as physical assault or rape to touching, hugging; pinching; bullying or general threatening behaviour; the removal and mislaying of another's belongings, or sabotage of another's work.

Non-physical

This is often a subtle form of bullying where it is the unjustifiable pattern and consistency of such behaviour which is important, and includes :- talking only through a third party; refusal of a reasonable request; blocking of promotion; colleagues or managers stealing credit for work of others; work being subject to excessive scrutiny; being set up to fail; belittlement; setting of impossible deadlines; over rigorous monitoring of sickness; spying or following; invasion of personal privacy; being set menial tasks; being put continually into stereotypical roles.

Perceptions of what constitutes Sexual Harassment may vary from person to person, and sometimes what is perceived as friendliness by one person may well be interpreted as unwelcome attention by another. The above list includes some examples of behaviour which may be perceived as sexual harassment by a recipient.

7 WHAT ARE THE EFFECTS OF HARASSMENT?

7.1 For the employee:

It can lead to reduced motivation; low energy levels; headaches and depression; physical sickness; digestive and/or nervous disorders; severe weight gain or loss; excessive drinking or smoking; outbursts of anger; irrational behaviour; loss of confidence; feeling of isolation; family problems; feeling of failure; lack of self-esteem; suicide and/or homicidal thoughts; clenching of teeth or fists; accident proneness.

7.2 For the Council:

It can lead to poor work performance; high turnover of staff; increased absenteeism; poor work quality; accidents; friction between teams and/or individuals; poor public relations; financial claims for unfair dismissal and/or breach of employment contract.

7.3 For the Harasser:

It can lead to disciplinary action up to and including dismissal; civil or criminal proceedings.

7.4 For Both the Complainant and the Alleged Perpetrator

It can lead to considerable feeling of anxiety and stress for both parties following an allegation of harassment. Such an allegation should therefore be investigated sensitively, leading to an early resolution of the situation.

8 WHO IS RESPONSIBLE FOR PREVENTING HARASSMENT?

8.1 You

We all have a duty of care towards our colleagues and can discourage harassment by expressing our disapproval and supporting others who may be suffering such treatment. Ultimately, the cultural values and beliefs of the Council can only stem from the way we respect and treat others as well as ourselves.

As an employee of the Council, you are required to comply with this Harassment Policy and be responsible for your own behaviour. Failure to do so may result in disciplinary action being taken against you.

Furthermore, there may be occasion for you in the role of a "third party" to make a complaint of harassment or bullying about the actions of someone else, if you witness an incident.

8.2 Management

It is the responsibility of all levels of management to take steps to prevent and resolve harassment in all work related situations by :- their own conduct; ensuring all employees are regularly made aware of the Council's policy and procedure; continual monitoring by observation and discussion; ensuring impartiality and equity of treatment; providing support and guidance; dealing with complaints quickly, sympathetically, seriously and confidentially; protecting employees against victimisation for making or being involved in a complaint.

Managers should also ensure that any contractors for whose input they are "responsible" are aware of the Council's Policy, and that their behaviour reflects this at all times, when working on behalf of the Council.

8.3 Council Members

It is the responsibility of Members to ensure that their actions and conduct are beyond reproach when dealing with officers and members of the community and to ensure that the Council's policies and procedures are complied with.

8.3.1 Harassment by Council Members

Elected Members may justifiably comment constructively on officers' performance, where necessary, and this may be done in an appropriate manner by addressing the issue through line management, as in supervisory cases. However, the definitions of harassment and bullying apply equally to the actions of Members towards officers and where employees feel they are suffering harassment or bullying from Elected Members they should register their concern by first using the Confidential Reporting Code (PPN 61).

9 HOW DO I MAKE A COMPLAINT OF HARASSMENT?

It is recognised that to make a complaint requires great courage and much thought. Often people suffering harassment blame themselves, are embarrassed because of the personal or sensitive nature of the complaint, or have a lack of confidence that the complaint will be dealt with seriously, or are worried that it will affect their work and career. The Council recognises these feelings are normal and will take all reasonable steps to help and assure you that a complaint will be dealt with seriously and sympathetically (**see section 15 How can I get help and support?**).

The following procedure has been designed to help you decide which is the best way forward and to provide you with some choice in the matter. If you wish to take action against harassment you have more than one course of action available to you. Some people are unaware that their behaviour is causing distress, and if it is clearly pointed out to them that their behaviour is unacceptable, the problem can sometimes be resolved. With this in mind, the procedure includes informal as well as formal action, to deal with complaints of all forms of harassment.

PROCEDURE

9.1 Seek advice

It is best to seek advice first before deciding the way forward as this can reduce the anxiety and stress on you. You may wish to discuss the matter with your family, manager, voluntary agencies, trade union representative or a work colleague. You should also normally seek impartial advice in the strictest of confidence from Personnel Services; alternatively or in addition, you can choose to seek support from a Unison Representative, as both play a joint role in providing a first point of contact for you, and provide ongoing advice and guidance.

9.2 Record of Incidents

Employees should keep a diary and written record of all incidents of harassment. This should include dates, details of what happened and names of witnesses, if any. A hard copy should be kept of any offensive e-mails or other communications.

9.3 Informal complaint

Depending on the nature of the incident and how confident you feel about personally dealing with it, the following options are available and would normally be used for minor incidents :-

In many cases of harassment at work, it may be sufficient to ensure that the harassment stops. If you feel that you are the target of bullying or harassment you may prefer to use an informal approach because, for example, the prospect of using the formal mechanism is out of proportion to the problem, or you may wish to resolve the matter personally. To take informal action you should raise the matter informally with the person who is creating the problem. Before doing so, you are advised to inform a friend or colleague of your intentions, and you may seek the support of a colleague or trade union representative, or your line manager, to accompany you to this meeting. What would **not** be acceptable is an approach made at your request by a person external to the Council e.g. partner or a professional representative.

It is important that you state which aspect of their behaviour is offensive and unacceptable, and explain how the harassment makes you feel and why it is unwelcome, rather than concentrating on the harasser's suspected motives. You should make it clear that you want it to cease. It may be that the harasser is completely unaware that they are unwittingly a perpetrator of harassment. Even if the case goes no further, you should still make a note for your own records of the key points and the fact that a meeting took place.

The aim of this meeting, or action is to ascertain whether the alleged harasser agrees that the behaviour occurred, irrespective of intention, and to obtain an apology and agreement to cease the behaviour. The confidentiality of all parties must be maintained at all times and no records will be placed on personal files. However, you should record your complaint and informal action taken on the "Confidential Report of Harassment/Bullying" form, and deliver this to the Head of Personnel and Office Services, for monitoring purposes.

If agreement cannot be reached, it may be necessary to move to the formal procedure.

9.4 Informal Action By Managers

As good management practice, the Council would always seek to resolve employment issues, where possible, on an informal basis. As part of this philosophy the day to day supervision of employees is regarded as being outside the scope of formal procedures. An occasion may arise where a manager notices unacceptable behaviour, and where it would therefore be appropriate to instigate informal action; an informal supervisory discussion may be sufficient to prevent a harassment situation arising; in such situations, the matter may be resolved without recourse to the formal procedures. Consideration may be given to offering facilitated mediation by a trained mediator (who may be internal or external to the organisation).

By the very nature of these situations employees will normally be unaccompanied. Where appropriate, the manager should record the details of the unacceptable behaviour on the form: "A Confidential Report of Harassment/Bullying".

9.5 Formal complaint

If the incident is of a more serious nature, or previous informal action failed to stop the harassment you should normally take the issue up formally. To do this you should lodge your complaint on the form “Confidential Report of Harassment/Bullying” to the Head of Personnel & Office Services, giving as much information as you can. The envelope containing the letter should be boldly marked **STRICTLY PRIVATE & CONFIDENTIAL** and ideally hand delivered. On receiving your complaint, the Head of Personnel & Office Services will commission a formal investigation team to examine your complaint within strict time-scales (**see: How will my complaint be formally decided?**).

9.6 Third party complaint

If you have witnessed an incident of harassment or bullying and you wish to alert a senior manager to a situation, you should lodge a formal, confidential complaint on the form “Confidential Report of Harassment /Bullying” with the Head of Personnel and Office Services, giving as much information as you can. You would be deemed to be a witness during the investigation of your complaint.

9.7 What protection will I have?

9.7.1 The Council recognises that the decision to report a harassment complaint can be a difficult one to make. The Council will not tolerate any harassment or victimisation, and management will take necessary action to prevent this and to protect employees from intimidation, victimisation or discrimination related to filing a complaint or being party to an investigation. Under the Confidential Reporting Code - PPN 61 staff are protected against victimisation or intimidation, and the Council will take action to protect you when you make a complaint in good faith.

Retaliation against an employee who makes a complaint about, or assists in, an investigation of harassment or bullying, will be dealt with under the Disciplinary Procedure.

9.7.2 What protection will colleagues/witnesses have?

It can be stressful for colleagues who work with someone complaining of harassment or bullying; nevertheless, anyone who is identified as having valuable input will be expected to participate at all stages of the Investigation, and may be required as part of his/her duty to contribute in a hearing. In extreme cases, witnesses' identity will be protected from the alleged perpetrator.

9.8 Can an incident be progressed without my consent?

Although the general principle is that it will be your decision to progress a complaint, there may be situations in which this principle has to be balanced against the Council's responsibility to ensure the general welfare of its employees.

This could occur where a serious complaint is made which you are unwilling to pursue and/or a criminal offence is suspected of having been committed. For example a woman complains to her manager stating that she has been raped by a work colleague but wants no further action to be taken. In this case your Chief Officer must act upon the information given as a criminal act has allegedly taken place. Such action against the alleged harasser will be dealt with in accordance with the Council's Disciplinary Procedure (**see Personnel Policy Note 1**).

9.9 What happens if I make a malicious complaint of harassment?

This policy and procedure has been implemented to provide employees who have or are suffering from genuine harassment with a quick, confidential and effective system to resolve it. Malicious and unfounded complaints will undermine this process to the detriment of those who may need to rely on it. Therefore, any attempt to use the policy or procedure maliciously will be treated as a disciplinary matter against you.

9.10 How will my complaint be formally decided?

On receipt of a formal complaint **the Head of Personnel & Office Services will :-**

9.10.1 Consider suspension of alleged harasser

In consultation with the employing department or the Chief Executive, consider whether the alleged harasser should be suspended with contractual pay (as applying at the time) for the duration of the impending investigation and whether the police should be formally consulted. In cases where the allegations are so serious that gross misconduct is implied, the Disciplinary Procedure rules on suspension will apply immediately. Similarly, in certain cases, (eg where hard evidence may be erased before a full investigation can take place, it may be necessary to suspend an alleged harasser; any such suspension will be without prejudice and on full pay.

9.10.2 Provide help and support:

9.10.2.1. By arranging, if necessary, professional support, i.e. counselling in consultation with you.

9.10.2.2 Remind you of this policy and procedure, outlining the stages and time-scales that will be followed.

9.10.2.3 In consultation with you and your employing department or the Chief Executive, consider the need for you to take time off work to rest and relieve stress by granting special leave with contractual pay (as applying at the time). You would be under no obligation to take this special leave and suspension of the alleged harasser would always be a primary consideration.

9.10.3 Appoint an Investigation Team

Appoint an independent Investigation Team comprising :-

a) Two independent advisors, chosen from a list of Managers authorised to undertake this role and, if considered appropriate to the complaint, preferably of the same sex as the employee concerned.

b) A Personnel Advisor

In exceptional circumstances, which will be recorded and reasons noted, an external advisor may be brought onto the Investigation Team. This decision will be taken by the Head of Personnel and Office Services in conjunction with either the Head of Legal Services or a Chief Officer.

Members of the Investigation Team shall :- (a) have as little connection with the circumstances as possible, (b) have an understanding of the area of harassment being considered (where possible), (c) have undertaken relevant training, and d) be able to present the management's case at any ensuing disciplinary hearing.

9.11 The role of the Investigation Team

9.11.1 The employee who has been accused of harassment will be informed that a complaint has been made, and of the procedure which will be followed, and of the right to be accompanied at any stage (but see below, end of paragraph 9.11.3).

9.11.2 The Investigating Team will interview separately the complainant and the person against whom the complaint has been made and any witnesses, (including people the complainant and the alleged harasser reasonably request).

9.11.3 **Where possible, within 4 weeks* of its appointment, the Investigation Team will prepare an impartial and objective Report; please see paragraph 9.11.5 for the evidence which should make up the contents of the Report.**

* If it is not possible within the prescribed timescale, in order to demonstrate the full commitment of all parties, the reason should be recorded in the report and both you and the alleged harasser will be informed.

The investigation will be undertaken in the strictest confidentiality. Throughout this procedure, both you and the alleged perpetrator have the right to be represented or accompanied by a Trade Union Representative or a friend, or colleague, but this may not be anyone in a paid or professional capacity.

9.11.4 In circumstances where the alleged harasser denies that the matter took place or that it was unwelcome, the investigation will be based on assessing whether or not there is sufficient evidence to support your complaint. Unless there are witnesses to the actual event(s) it will be

necessary to examine any corroborative evidence. Such evidence may include :-

- witnesses' statements of the effect the alleged harassment had on you;
- recorded changes in your health or attendance;
- witness statements from others who may have shared the same experience and
- medical reports.

Evidence shall not include :-

- character assassinations by you or witnesses;
- any canvassed views or statements, and
- statements from a welfare counsellor.

9.11.5 The Report: After the investigation has been completed the Investigation Team will report the findings to the relevant Chief Officer and The Head of Personnel and Office Services. The Report will contain:

- statements of interview from the alleged harasser, you the employee concerned; any witnesses, and if relevant and reasonable, any other people whom you as the complainant or the alleged harasser so request;
- a summary of action taken, and
- a recommendation for action, which may range from: no case found, to a recommendation for disciplinary action against the alleged harasser; the recommendation will be based on the balance of probabilities, and on action sought by you as the complainant.

In support of the above statements, the Report should also provide information on:

- Staff morale in the areas of work concerned
- Management style
- Sickness levels of the 'subject' of the harassment or bullying, before and after the incident in question
- Staff turnover in the relevant service
- Any changes in behaviour
- Any points deemed necessary or important to the investigation.

9.11.6 The Head of Personnel and Office Services, and the relevant Chief officer will review the Report, and decide upon the appropriate course of action to be taken, including any action under the Disciplinary Procedure.

9.12 The Head of Personnel & Office Services will :-

Be responsible for circulating a copy of the Investigation Team's report under confidential cover to

- you the complainant.
- the alleged harasser.
- nominated representatives of both parties (if any).

- The relevant Chief Officer and Head of Service, (in cases where a Disciplinary Hearing results from the investigation).

9.13 Your right of appeal

If you disagree with the recommendation(s) of the Report or are unhappy with the way the investigation was conducted, you may appeal in writing to the Head of Personnel & Office Services within 5 working days from the date it was sent to you. Your appeal will be considered by an independent Chief Officer (or representative) within 10 working days. There will be no further right of appeal after this stage.

The alleged harasser has no right of appeal at this stage as the Investigation Teams Report would form part of the management's statement of case if disciplinary action were to be pursued.

10 RECOMMENDATION FOR DISCIPLINARY ACTION

10.1 If the Investigation Team's Report recommends disciplinary action be taken against the alleged harasser, and the Chief Officer decides that this is the appropriate course of action to take, the Head of Personnel & Office Services will write to instruct the employee to attend a disciplinary hearing. The employee will be notified in writing of: the date, time and place of the hearing, and the officer hearing the case; details of the allegation; the right to produce written statements, which must be circulated to all parties at least three working days before the hearing; the right to state the case, to produce witnesses and to be represented. The alleged harasser must be informed that s/he may only speak to potential defence witnesses under strictly controlled arrangements; any questions to the complainant or witnesses will be made during the disciplinary hearing.

The hearing will be conducted in accordance with the Council's Disciplinary Procedure (**see Personnel Policy Note 1**) and should be held no later than 1 month following completion and notification of the Report.

10.1.1 If action of a disciplinary nature is taken, the harasser will have a right of appeal against the decision in accordance with the Council's Appeals Procedure (**see Personnel Policy Note 2**).

10.1.2 You as the complainant will receive a copy of the disciplinary hearing decision but the information is confidential and must not be divulged to any other party by the complainant.

10.2 Would I have to face my alleged harasser?

Not necessarily. If you are called upon to appear as a witness your evidence may be given in the absence of the alleged harasser. However, any representative of the alleged harasser may remain and cross-examine you.

Separate waiting rooms will be provided at all times to ensure that no intimidation or harassment may arise; alternatively, in appropriate situations, shuttle diplomacy may

be conducted for all parts of the hearing so that distressed complainant/witnesses do not have to face the alleged perpetrator.

11 COULD ACTION RESULT IN A TRANSFER?

In the first instance, the transfer of the perpetrator will be considered, although depending on the circumstances, and the nature of the positions of the employees concerned, it may not be possible for an individual to be placed satisfactorily elsewhere in the organisation. However, if the complainant expresses a wish to transfer to another Head of Service, without any disadvantage, this request will be given priority.

If the circumstances are such that a transfer is not appropriate, then careful consideration will be given to what efforts are needed to bring about a reintegration and reconciliation of both parties in the work place, and appropriate steps will be implemented. This may be formal mediation, undertaken by an external consultant if deemed necessary.

12 WHAT HAPPENS TO ME IN THE LONGER TERM?

Whatever the outcome of your complaint, on-going monitoring by your Chief Officer (or his/her representative) will take place to check that the harassment has stopped, and to ensure there is no victimisation. In addition, the Head of Personnel & Office Services will undertake a formal review approximately six months after your complaint has been heard.

13 WHAT ELSE IS BEING DONE TO ENSURE THE EFFECTIVENESS OF THIS POLICY?

13.1 Formal Monitoring

The Head of Personnel & Office Services will corporately monitor all complaints, regardless of the degree of severity, to identify any particular trends or problem areas. This Policy Note will be reviewed regularly in the light of monitoring.

13.2 Training

The amended Policy will be brought to the attention of all employees, and a familiarisation session offered to ensure that all employees are aware of the issues. All Chief Officers and Heads of Service will be trained on understanding and awareness of harassment and this personnel policy note.

13.3 Documentation

The Policy document will be included in the Induction of all new Council employees, and line managers will also provide a verbal explanation and answer queries which may arise. Assertiveness training for women and men alike will be actively encouraged in pursuit of an harassment free environment.

14 WHAT IF MY ALLEGED HARASSER IS A COUNCIL CUSTOMER?

If alleged harassment arises from a person who is not an employee of the Council, whilst you are carrying out your official duties, you should report this immediately to your Head of Service and complete the Health and Safety "Incident Report Form". Your Head of Service (or his/her representative) will formally investigate your complaint and action will be taken in accordance with the procedure. If a criminal offence is suspected the police will be formally consulted and the Council may help you to pursue your case.

Clearly, the Council's response to non-criminal allegations against a member of the public is limited. However, action available to your Head of Service (or his/her representative) includes :- (a) sending a letter of complaint to the alleged harasser warning him/her of the serious view taken by the Council on such matters; (b) withholding a non-statutory service or (c) ensuring that another member of staff deals with the alleged harasser.

In seeking a resolution to your complaint, your Head of Service will have full regard to your health and safety and ensure that a written record of your complaint and action taken is kept for future reference on your personal file.

15 HOW CAN I GET HELP AND SUPPORT?

Depending on the nature of your complaint and the degree to which you are dealing with it, a range of corporately- funded help and support is available including access to trained and qualified counsellors.

If you feel that you need help please get in touch with any member of staff from Personnel Services. Any approach will be treated with the utmost confidentiality.

16 WHAT SUPPORT IS AVAILABLE FOR A PERSON AGAINST WHOM AN ALLEGATION IS MADE?

The Council recognises that an allegation of bullying or harassment can place an alleged perpetrator under considerable stress, and therefore a range of corporately-funded assistance or counselling is available to such employees. An initial request for support of this nature should be made confidentially to a member of Personnel Services.

**CONFIDENTIAL REPORT
OF
HARASSMENT/BULLYING**

This form should be completed when a complaint is made (or by a Manager acting informally).

Name of person making complaint.....
Workplace.....
Telephone.....

Name(s) of alleged harasser(s).....
.....

Date or period of incident(s):.....

Place(s):.....
Please give an outline of what took place (continue on a separate sheet if necessary)

Names of anyone else who witnessed the behaviour complained of: (DO NOT GIVE THESE DETAILS TO THE PERSON CAUSING OFFENCE)

If you have chosen not to discuss the incident(s) with the person causing offence, please record below your reason for not doing so. (This may be helpful if the harassment continues and further action is needed).

Have you discussed this matter with anyone? Yes/No If so, whom?.....

Please state what action you would like management to take. (You may state 'none' and the reason why).

I have been informed about the Council's Harassment and Bullying at Work Policy and Procedure.

Signed:.....
Date:.....

PLEASE ALSO COMPLETE THE MONITORING FORM ATTACHED

CONFIDENTIAL MONITORING FORM OF HARASSMENT/BULLYING COMPLAINT

*NOTE: The details on this page are **strictly confidential** and will only be used for overall **monitoring purposes**; details will not be divulged during any proceedings, and **individuals will not be identified**.*

Details of the person making the complaint:

Service Section

Complainant's grade.....Type of job.....

Gender: M/FDisabled: Yes/No..... Age

Ethnic origin: classification based on the 2001 census (Please tick how you would describe yourself)

WHITE	British Irish Any other White background (please write in)	Please tick one box only <input type="checkbox"/> <input type="checkbox"/>
MIXED	White and Black Caribbean White and Black African White and Asian Any other mixed background (please write in)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
ASIAN OR ASIAN BRITISH	Indian Pakistani Bangladeshi Any other Asian background (please write in)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
BLACK OR BLACK BRITISH	Caribbean African any other African background (please write in)	<input type="checkbox"/> <input type="checkbox"/>
CHINESE OR OTHER ETHNIC GROUP	Chinese Other (please write in)	<input type="checkbox"/>

Working relationship with harasser:.....
(eg the harasser is my colleague/line manager/supervisor/subordinate)

CONTINUED OVER PAGE

The Nature of the Harassment

Please tick which one of the following seems to apply:

Sexual Racial Disability
Sexuality Religion Age
Bullying Other (Please specify).....

Details about the alleged harasser(s)

ServiceSection.....

Harasser's Grade.....Type of Job.....

Sex: M/F Disabled: Yes/No
Age.....

Ethnic origin (Please describe the alleged harasser's likely ethnicity as best you can using the classifications over page

.....

Was the harassment dealt with: informally by you?
OR Formally via management?

**MONITORING FORM (B)
OF
HARASSMENT/BULLYING
COMPLAINT**

The form will be given by hand in confidence to the complainant by the Head of Personnel and Office Services (or a depute) approximately 6 months after receipt of the Monitoring Form .

Name of person who complained.....

Workplace.....

Date of initial complaint:.....

Was the complaint dealt with informally? Yes/No

Please state when/...../.....

If Yes, was the matter resolved satisfactorily as a result? Yes/No

(You may wish to give further details):

Was a formal complaint made? Yes/No

Please state when/...../.....

Has the situation improved? Yes/No

(You may wish to give further details):

What was the outcome?

Date of completion of this form:/...../.....

Please now return the completed form direct to the Head of Personnel and Office Services

Committee: Resources
Date: 20 November 2003
Agenda Item No: 14
Title: Race Equality Scheme
Author: Carole C W Hughes (01799) 510407

Summary

- 1 Members are asked to consider and approve the attached draft Race Equality Scheme (RES), Appendix A, as required by the Race Relations (Amendment) Act 2000 (RRAA 2000).
- 2 The attached RES has been developed following Commission for Racial Equality advice and guidance and general advice on approaches to race equality where a small black and ethnic community are represented.
- 3 Members are asked to approve the action taken by the previous Chief Executive, in conjunction with other Essex Chief Executives to jointly offer funding support to the Essex Race Equality Council (EREC) in order for effective Essex wide consultation to be undertaken. Members are asked to approve a yearly contribution of £1100 towards the EREC which represents Uttlesford District Councils contribution.

Background

- 4 **The RRAA 2000 placed a general duty on all local authorities to work with the local community to promote race equality. This means that, in everything we do we are bound by the duty to:**
 - Eliminate unlawful racial discrimination;
 - Promote equality of opportunity; and *(for purposes of immigration and nationality the general duty does not include the words 'equality of opportunity and')*
 - Promote good race relations between people of different racial groups.
- 5 The RRA A 2000 also placed a specific duty on all authorities to develop and publish a Race Equality Scheme (RES). A RES is a written strategy and plan to outline how Uttlesford District Council intends to meet its duties under the Race Relations (Amendment) Act 2000.
- 6 In an area which could be deemed to have a low ethnic minority population of under 2% it would be easy to perceive the RRAA 2000 duties placed upon this authority to have limited meaning. Members may wish to consider that the Stephen Lawrence Inquiry termed such an approach as a 'colour blind' approach. The Inquiry found that where there exists a small number of black

and ethnic minority groups they often appear to make relatively few demands and are thought to require little from service providers. The Inquiry found however that the demands may be few or non-existent because the groups may not have a recognised nor encouraged voice, their culture may not be understood and their needs not recognised nor met. The attached Racial Equality Scheme does not recommend a colour blind approach to Members.

- 7 In order to undertake effective consultation in an area with a low ethnic minority population, and to avoid consultation overload it was important to consider building an effective partnership to undertake Essex wide consultation. The Essex Chief Executives have agreed to work with the Essex Race Equality Council to develop an approach which is least invasive, uses minimum but effective consultation but produces maximum impact. In return the EREC will receive a funding package, shared by the various authorities. The share of this funding agreement agreed with partners by the previous Chief Executive is £1100.

It is RECOMMENDED that

- 1 Members approve the attached draft Race Equality Scheme.
- 2 Members approve the annual sum of £1100 to be paid to the Essex Race Equality Council as part of an Essex wide partnership funding agreement.
- 3 Members approve that a similar sum is built into the budget for following years.

Background Papers: Commission for Racial Equality statutory code of practice on the duty to promote race equality.

Uttlesford District Council

Race Equality Scheme

Draft

Introduction

A Race Equality Scheme (RES) is a written strategy and plan to outline how Uttlesford District Council intends to meet its duties under the Race Relations (Amendment) Act 2000. Uttlesford District Council's Mission statement 'Working together we create a better community', reflects the requirement of the Race Relations (Amendment) Act 2000.

Race Relations (Amendment) act 2000.

The Race Relations (Amendment) Act 2000 places a general duty on all local authorities to work with the local community to promote race equality. This means that, in everything we do we are bound by the duty to:

- Eliminate unlawful racial discrimination;
- Promote equality of opportunity; and *(for purposes of immigration and nationality the general duty does not include the words 'equality of opportunity and')*
- Promote good race relations between people of different racial groups.

There are four guiding principles:

- promoting race equality is obligatory.
- the duty to promote race equality must be met by all relevant functions.
- the weight given to race equality should be proportionate to its relevance. *(For example greater weight may be given to external community and leisure work than internal IT services unless those services exclude).*
- all elements of the duty are complementary and are necessary to meet the whole duty.

The duty aims to make the promotion of race equality central to the way public authorities in general and Uttlesford District Council in particular work. It is not intended that the duty duplicates existing work but is intended that it is taken into consideration for example during policy making and consultation. It is intended that the RES will, in future, be a part of an overall equal opportunities strategy. By developing in this way we will demonstrate that the general duty and principles are considered and applied but are not bolt on or viewed as an external part of process and procedure or provision to the community.

RRA 2000 requirements

The RRA Amendments Act 2000 required a properly timetabled and realistic RES and plan to be in place by 31 May 2002. The scheme must set out the range of our duties and powers and the policies used to carry out the functions. In addition employment procedures and practice specifically must be monitored and reported upon.

Liability under the scheme rests with the groups or individuals liable or legally responsible for the authority's acts or omissions. If a private or voluntary organisation undertakes any of the authority's functions in the future Uttlesford District Council will continue to be responsible for meeting the duty concerning the functions and will ensure that when contracting with the provider the requirements are included.

To undertake an organisational wide assessment and identify whether race equality is key to performing the functions, for example; planning, policymaking, service delivery, regulation and enforcement. If key then it is intended by the regulation that we should do everything we can to meet the duty. Action taken to improve will not be a stand alone or bolt on to the current performing of our functions but a means of improving and providing the function in a more inclusive and effective manner to all of the community.

A Small Black and Ethnic Community: Our Approach

In an area which could be deemed to have a low ethnic minority population of under 2% it would be easy to perceive the RRA 2000 duties placed upon us as an authority to have limited meaning. We recognise it is important for Members and Officers to avoid this perception as we do not wish to be follow what the Stephen Lawrence Inquiry termed a 'colour blind' approach. Such an approach could lead us to ignore the existence of the small number of black and ethnic minority communities within Uttlesford District and we will fail to meet their needs. The Stephen Lawrence Inquiry found that where there exists a small number of black and ethnic minority groups they often appear to make relatively few demands and are thought to require little from service providers. They found however that the demands are likely to be few or non-existent because the groups may not have a recognised voice and their culture may not be understood and therefore their needs will not be met.

We do not believe that having a small BEM population will require little in time and effort from us. We recognise and agree with the expectations of the RRA and we will encourage dialogue however small the community to inform our decision making.

We will consider how to develop the opportunities that we, including when we work with our partners, provide, and encourage understanding to ensure issues and voices can be heard.

Uttlesford will demonstrate our commitment to RRA by following an anti racism approach. We will set targets to encourage our workforce and our services to reflect the multi cultural nature of our community locally and society at large. We accept racism is a problem regardless of population numbers and diversity and will put plans in place to develop as an organisation to enable us to deal with our whole community and any incidents that arise.

What have we done so far?

For example:

- We have an equal opportunities policy and service level equality policies and as part of this scheme we intend to review and revise as necessary during 2004.
- Members agreed Uttlesford District Council Charter for Public Services.
- Our applications forms have been adapted to follow census-monitoring categories and our internal monitoring of staff also follows the same categories. A new access database has been developed to capture recruitment monitoring.
- We provide equal opportunities training to managers and staff.
- Hate Crime has been a recognised issue by the Government and as such features as an Aim in the Community Safety Strategy 2002-2005. The Community Support Group – a sub group of the Uttlesford Community Safety

Action Team, in particular is addressing this aim. Essex Police have drawn up procedures to enable and encourage third party reporting of racist incidents.

- Recently a joint bid to the Home Office was made by Uttlesford, Maldon and Braintree Districts to fully research rural racial issues and begin addressing them. When the residents' survey for the Community Safety Strategy was undertaken it was observed by Uttlesford District in particular, that almost a nil response was received from the ethnic community when invites to focus groups, private interviews and face-to-face interviews were offered.
- We have agreed to join other Essex Authorities in supporting the Essex Race Equality Council

How we will meet the General Duty

We acknowledge that racial discrimination exists and is likely to exist, even when it is unintentional and where a small black and ethnic minority community exists and that it can result in members of our community being racially disadvantaged. We also recognise that it can result in members of our community being harassed.

We will actively work to become more aware of the take up of our services by the communities we serve and to identify their needs. We will decide how we can best approach the challenge disadvantage and discrimination sets us and ensure our services are accessible to all.

We will decide how we will deal with discriminatory or harassing behaviour and how we will challenge harassment and prejudice that we become aware of.

We will train our Members, managers and our employees to ensure all are confident that they can deal with issues positively and effectively if discrimination and/or harassment takes place. We will advise the community and our employees how we will deal with instances of discrimination and harassment, how we will deal with formal complaints and how we will publicise and inform when we have dealt with complaints and incidences of discrimination and harassment. We will use the Stephen Lawrence Inquiry's definition of a racist incident being '*any incident which is perceived to be racist by the victim or any other person*'.

What will we do?

The RES will be publicised as will the arrangements made for assessing and consulting with any groups who could be adversely affected by our functions or policies.

We will identify the functions which are relevant to the duty. Each of the Heads of Service will be responsible for listing the functions their teams provide. Each of the functions will be assessed during 2004 for relevance and allocated a High, Medium or Low/Nil allocation. Those with a High allocation will be given priority and assessed to find out the impact / likely impact that policies / decision making processes have on ethnic minorities and on our ability to deliver our services to them. Those with a high or medium allocation will be considered during 2004 and policies will be reviewed and developed. The assessment will also include an examination of whether policies need to be amended or developed further to meet the expectation of the general duty.

Following an impact assessment of functions and policies for any adverse **impact on**

the promotion of race equality, an action plan will be developed and will form part of this document. Members will be asked to approve the action plan and officers will report on the action plan by an annual RES review report to Members.

The manner in which reports to Council are produced will be reviewed and consideration given to an amended format requiring each report to indicate that the requirements of the RRA 2000 have been taken into account and what the outcome of the assessment is.

Uttlesford District Council has an equal opportunities policy and each service has a statement which it applies. The overall equal opportunities statement and service statements will be reviewed and developed during 2004 using the Employers Organisation Equality Standard. A review of service statements will follow. We will follow the Commission for Racial Equality Code of Practice in Rented Housing and the Code of Practice for Social Landlords.

The RRA 2000 also requires the Council to monitor policies, decision making and service provision which impact adversely on ethnic minorities. In order to do this it will be necessary to build on our understanding of the needs of our local ethnic minority community and apply that understanding when monitoring and assessing. We will work with our partners to devise the best way to reach and communicate with all parts of our community especially those harder to reach, including black and ethnic minority communities. We will encourage and promote community cohesion and take active steps to do so.

We will publicise the outcome of assessment, consultation and monitoring we undertake. In particular the area of employment we will collect ethnic monitoring data, analyse and identify any areas of inequality for example recruitment, training, grievances and discipline. It is a requirement of the Act that this information be reported to Members on an annual basis.

The RRAA 2000 requires that a Race Equality Scheme must be reviewed and updated every three years. The next full review will take place during 2005 in readiness for adoption in 2006.

Agenda Item No: 15
Date 20 November 2003
Title: Staffing Update
Author: Carole Hughes (01799) 510407

Summary

- 1 The table below shows each vacancy that has arisen since the last date of the table prepared for Resources Committee. It shows the date the vacancy arose, the job title, the relevant Service and the decision taken. The decision taken section refers to whether the vacancy was to be advertised and recruited to and on what basis or whether it is frozen.

Date	Job Title	Service	Decision
15/09/03	Solicitor/Barrister	Legal	To advertise and recruit on a permanent basis
29/09/03	Support Analyst	IT	Ditto
29/09/03	Housing Support Officer (Homelessness)	Housing	Ditto
06/10/03	Planning Officers x 2	Planning	Ditto
06/10/03	Planning Technician	Planning	Ditto
06/10/03	Mechanical Sweeper Operatives x 2	DSO	Ditto
20/10/03	Trainee Enforcement Officer/Administrator	Planning	Advertise on initial one year contract
20/10/03	Clerical Assistant (Development Control)	Planning	To advertise and recruit on a permanent basis
27/10/03	Solicitor/Barrister/FILEX	Legal	Ditto
3/11/03	Clerical Assistant	Planning	Ditto
10/11/03	Housing Officer	Housing	Ditto

Background Papers: Resources Committee Meetings
Vacancy recruiting forms

Committee: Resources Committee
Date: 20 November 2003
Agenda Item No: 16
Title: Essex Marketplace – Application for Membership
Author: Ian Orton (01799) 510402

Summary

- 1 The purpose of this report is to seek authority for Uttlesford District Council to join the Essex Marketplace. The Marketplace is the countywide initiative enabling on-line procurement. Membership of Essex Marketplace will be instrumental in the implementation of e-procurement within the Council.

Background

- 2 The Council joined the Essex Procurement Agency in July 2003. Membership of the agency has allowed the Council access to specialist skills in contract procurement, consultation, research, development and other opportunities associated with the strategic role of procurement. The membership fee of the Essex Procurement Agency is £8000 per year which will be payable from April 2004.
- 3 Membership of the Essex Procurement Agency has enabled the Council to identify ways to obtain greater benefits from our existing procurement arrangements. However the Council has not yet started the process towards e-procurement and this is an essential part of the commitment by the authority to achieve the eGovernment target of delivering 100% of transactions (where it is possible) electronically by 31ST December 2005.
- 4 To assist all Essex authorities meet the eGovernment requirement Essex County Council and the IDeA developed an electronic procurement package that will allow authorities to share the procurement opportunities that are:
 - High transactions
 - Low value raising orders
 - Simple procurement
 - Paperless purchase
 - Electronic catalogues & contracts
 - Short term contracts
- 5 From this development brief emerged Essex Marketplace aiming to establish robust supply contracts for the benefit of all participants. As the database will hold details of all contractors etc for all members the opportunities for procurement are potentially enormous. Sharing purchasing power and staff

expertise through a partnership like Essex Marketplace immediately delivers better value from contracts and frees up financial resources.

- 6 Essex Marketplace was launched in January 2003, By March 2003 the County Council and five districts had signed up to generate a community of Marketplace users. The remaining Essex authorities are in various stages of joining Marketplace. The costs of membership over three years are:

2004/05	£10,600	This includes £13,000 Year One Subsidy
2005/06	£23,600	2006/07 £23,600

- 7 The Council has to introduce electronic procurement as a matter of urgency. Membership of Marketplace will allow the authority to meet a major part of eGovernment plus obtaining the benefits of greater purchasing power throughout the Council. This will be in line with Council policy of greater local authority partnerships whenever it is to the advantage of the authority. The Council Member Procurement Task Group discussed Essex Marketplace on 15 October 2003 and the bid for membership was agreed by the Task Group.

Financial Implications

- 8 The costs of joining Essex Marketplace during the three years 2004/05 to 2006/07 inclusive needs to be included in the draft budget for 2004/05. It is anticipated that the savings in procurement costs and meeting eGovernment requirements will offset the subscription costs. However membership of Essex Marketplace will be reviewed by the Procurement Task Group to ensure on-going value for money.

RECOMMENDED that

Resources Committee:

- 1 The Council become a member of the Essex Marketplace during the three years 2004/05 to 2006/07 inclusive
- 2 That the subscription fees of £10,600 for 2004/05, £23,600 for 2005/06 and £23,600 for 2006/07 for the three year membership are included in the budgets for the relevant years.
- 3 That membership of the Essex Procurement Agency and Essex Marketplace is reviewed by the Procurement Task Group on a regular Basis.

Background Papers: Internal Procurement Files

Committee: Resources
Date: 20 November 2003
Agenda Item No: 17
Title: Internal Audit Partnership
Author: John Dickson (01799) 510300

Summary

- 1 This report recommends that the internal audit partnership with Stevenage Borough Council (SBC) is made permanent from the 1 April 2004.

Background

- 2 The internal audit partnership with SBC began on 1 October 2002. The partnership was initially subject to a two-year trial period that has since been reduced to eighteen months. This means the partnership will need to be made permanent from 1 April 2004. A similar report has been submitted to the Executive at SBC.
- 3 Previous reports to Members highlighted the benefits that would accrue to both councils if partnership took place. These included consolidating budgetary savings and more sustainable service delivery. Opportunities for expanding the partnership may also be improved when it is operating on a permanent basis. It was considered desirable to reduce the partnership's trial period to 18 months so that permanency is aligned with the annual audit plan and the financial year.
- 4 The partnership delivers an internally focused service. Nominated officers at both Councils have considered events during the trial period and wish the partnership to now be made permanent. Staff within the two Councils have integrated very well and share this view. Opportunities for expanding the partnership may also be enhanced once it is operating on a permanent basis.
- 5 In making the partnership permanent, good practice from the North Yorkshire Audit Partnership and recent guidance from CIPFA recommends that one authority should be nominated as a host authority. The main function of the 'host' in this context is to be the provider of support services eg accountancy and legal advice to the partnership. It is not anticipated that there will be any staff transfers into the host authority at this point in time. It is proposed that Stevenage Borough Council will act as the host authority, and will re-charge this Council a fair proportion of costs incurred in performing this role.
- 6 Members may recall that a Joint Audit Partnership Committee was established on the commencement of the partnership to oversee its development and to receive reports on future partners, budget monitoring and progress against

each authority's audit plan. It is recommended that this agreement continues with Cllrs Gayler, Jones and Lemon being the nominated Uttlesford Members for the remainder of this civic year.

Financial Implications

- 7 Income and expenditure for the partnership is already integrated in both Council budgets. No new financial implications have been identified at the current time, apart from some likely changes to individual budget heads. This merely reflects one council acting as host authority. It is therefore anticipated that this matter will be cost neutral.

Legal Implications

- 8 An agreement reflecting the partnership's operation, influence and duration will be drawn up by 1 April 2004 in order to provide the appropriate protection for both Councils.

Staffing implications

- 9 Members have previously agreed staff should not be disadvantaged as a result of this initiative. This principle has prevailed successfully to date and should continue from 1 April 2004.

Other implications

- 10 A new strategic audit plan will be drafted and presented to Scrutiny 2 Committee for approval before 1 April 2004.

RECOMMENDED that

- a) The internal audit partnership with SBC is made permanent from 1 April 2004.
- b) That Stevenage Borough Council act as host authority for the partnership.
- c) That both authorities jointly draw up an agreement reflecting the partnerships operation.
- d) That Cllrs Gayler, Jones and Lemon remain on the joint audit partnership committee for the remainder of this civic year.

Background Papers: - Structures for Partnerships (Strategic Partnership Taskforce, ODPM, 2001)
Report to Resources Committee (September 2002)

Committee: Resources Committee

Date: 20 November 2003

Agenda Item No: 19

Title: Capitalisation of Pension Fund Deficiency Contribution

Author: John Dickson (01799) 510300

Summary

- 1 Following on from the recommendation from Resources Committee on 26 June 2003 to further investigate the opportunities available to the council to make a capital payment towards the Pension Fund deficit, this report recommends that approval is given to the Director of Resources in consultation with the Chairman of the Resources Committee to write to the Office of the Deputy Prime Minister (ODPM) requesting a direction to permit the capitalisation of a pension fund contribution.

Background

- 2 After the June Resources Committee, the firm of Watson Wyatt, who is the actuary for the Essex Pension Fund, were requested via Essex County Council to provide updated information regarding the Fund's position applicable to Uttlesford as at 31 March 2003. A very informative Members Workshop was held on 6 October 2003 covering the latest position.
- 3 A key part of the actuarial assessment was whether the assets of the Fund were sufficient to meet past service liabilities. Where the Fund's liabilities (payments the Fund is statutorily obliged to make to its pensioners or dependents of deceased pensioners) exceed its assets (investments and their subsequent returns that are made with contributions to the Fund) a deficiency payment by the relevant Employer has to be made into the Fund.
- 4 The Actuary calculated Uttlesford's funding level as at 31 March 2003 as follows:-

	£
Uttlesford assets	20.4m
Uttlesford liabilities	30.2m
Deficiency as at 31 March 2003	9.8m
Funding level	68% (statutory requirement 100%)
Previous deficiency as at 31 March 2001	4.1m

- 5 The ramification of this worsening deficiency position at revenue budget level is as follows:-

Uttlesford Deficiency Payment
Per Annum
£

2002/3)		250,000
2003/4)	Based on 31 March	304,000
2004/5)	2001 actuarial valuation	359,000
2005/6 onwards for next 12 yrs based on 31 March 2003 valuation			1,120,000

- 6 Therefore the above figures show that the deficiency is estimated to increase by £761,000 pa from 1 April 2005 which is equivalent to a 25% increase in Council Tax. It is therefore recommended that in order to get to a sustainable budget position prudent financial management requires positive action be taken sooner rather than wait until the statutory increases have to be enforced.
- 7 Local Authorities can request a direction under S40(6) of the Local Government & Housing Act 1989 allowing them to capitalise deficits in their pension funds. The directions are given in accordance with subsequent Government letters which make clear that the scheme is time limited and strictly a one-off exercise. It is still unclear whether these directions will be allowed under the Capital Prudential System included in the Local Government Act 2003. However as the new rules do not come into force until 1 April 2004 there is still an opportunity to make a capitalisation payment under the previous 1989 Housing Act as long as the lump sum payment is made before 31 March 2004.
- 8 The ODPM are prepared to only consider applications prompted by the adverse local implications of events entirely beyond each authority's control and influence and where the Government is satisfied that these events have a significant financial effect on the Local Government Pension Scheme (LGPS) employer contribution rate as determined by the relevant Pension Fund Actuary.
- 9 Amongst the criteria which has to be submitted to the ODPM for approval are the following:-

Availability of capital receipts – (estimate as at 31 March 2004 £11.72m).
A direction will not be given unless the authority would find it unaffordable to meet the lump sum from revenue resources. The threshold is that the payment must exceed both 5% of available revenue reserves and 0.25% of total budgeted revenue expenditure for the financial year in question – estimate for 2003/4 is as follows:

	£	£'000
Gross estimated revenue expenditure	26.40m	0.066
0.25% of revenue expenditure		
Estimated available reserves	3.11m	0.155
5% of reserves		
		221,000

- 10 Therefore for ODPM approval any capitalised payment has to exceed £221,000. The Actuary estimated the following payments would be required to clear the deficit:-

Single payment of £3.106m at 31 March 2004 to totally cover three years deficiency

Single payment of £10.2m as at 31 March 2004 to cover the entire deficiency over twelve years.

It is important to understand that the deficiency value will alter. Assumptions used by the Actuary reflect asset and liability conditions which are only applicable as on the review date. Factors such as estimated investment growth and statistical assumptions concerning numbers of Members and pensioners, mortality rates, withdrawal from service and early retirements are constantly changing. It is the principal of both making a capital payment together with the number of years it covers by way of reduced annual deficiency payments which is crucial.

Although the Actuary only estimated two figures for Uttlesford which covered the minimum and maximum period of years, Members should note that there is total flexibility over the size of the lump sum payment (provided it is over £221,000) and also the length of period between 3 – 12 yrs (current maximum) to spread the impact of reducing the annual deficiency payment by making a capital payment.

- 11 Watson Wyatt the current Fund actuary calculates the deficiency payment period as the average remaining working life of active members in the Authority. Currently this figure is twelve years. However a new Actuary has been appointed as from 1 December 2003 and they have informally suggested that they might be prepared to consider spreading the deficiency over longer periods say 12 – 20 years due to the extreme position in the stock market. This would increase the total costs as interest would be added to cover the extended payments but would provide new flexibility to assist in tackling the deficiency.

- 12 Watson Wyatt estimated future deficiency costs for Uttlesford as follows:-

Estimated Annual figures covering 12 year period	£	
	1.12m	(if no lump-sum payment)
	0.72m	(if £3.106m lump-sum payment)
	0.40m	Average savings pa

Therefore using the £3.106m lump-sum payment as an example the savings spread over twelve years would be as follows:-

£400,000 x 12	£4.80m
Lump-sum payment	<u>£3.106m</u>
	Saving
	£1.694m (over 12 yrs)
	or £0.141m pa

The figures have to be adjusted on an annual basis by RPI minus 2.5%.

- 13 The Actuary has assumed average investment growth over the twelve year period of 8.10%. This is equivalent to 5.46% in real terms. This has to be compared with cash returns on interest on balances. Over the period 1992-2002 the comparable performances are as follows:-

Essex Pension Fund Investment	10.8%
Average LA Cash Return	5.9%

- 14 Therefore the opportunity cost of £3.106m being invested in the Pension Fund should have a much greater impact on reducing the deficiency payment of the Council than simply earning interest on the capital receipts. Currently Uttlesford is only receiving about 3.5% interest on cash deposits. However future interest rate movements are extremely difficult to predict.

- 15 As can be seen from paragraph 9 above the Council has an estimated £11.72m capital receipts. Due to a combination of:

possible initiatives in the Council's Quality of Life Corporate Plan involving capital expenditure;
the increase in the stock market since 31 March 2003; and
the Government probably going to change the LGPS rules

it is suggested that a figure within the range of £3m to £5m is considered.

For information, the likely changes to LGPS from April 2005 include the following:

Earliest retirement age increased from 50 to 55
Normal retirement age increased from 60 to 65
Employees contribution rates increased from 6% to 7%

- 16 A lump-sum payment of £3.106m will reduce the estimated deficiency payment to £720,000 over 12 years as from April 2005. However this is still £361,000 more than the actual payment for 2004/5. Therefore Members may wish to consider applying the capital payment to a shorter period than the maximum 12 years. It is anticipated that the Local Government Act 2003 will not adversely affect the capitalisation procedure and therefore additional lump sum payments could be considered at future dates.

Conclusion

- 17 At the Workshop on 6 October 2003 there was a very clear Member view that a capital lump-sum payment was a prudent way forward to assist in addressing the projected huge increase in annual pension deficiency payments which will have to be met by the Council. An affordable sum of £3m to £5m was suggested together with asking the new Actuary to investigate the impact of extending the deficiency period above the current maximum 12 years.

It is recommended that

- 1) The Director of Resources in consultation with the Chairman of Resources Committee submits a request to the ODPM for a direction under S40(6) of the Local Government and Housing Act 1989 to take effect before 31 March 2004;
- 2) The capital lump-sum payment to be between £3m and £5m;
- 3) The period covered by the lump sum payment should be less than the current maximum of 12 years;
- 4) The Actuary be requested to provide a report as required by the ODPM together with a statement confirming the Actuary's view that the deficiency has arisen due to matters outside the Fund/Council's control.

Background Papers: [\[Click here to type in background paper details\]](#)