

**Minutes of a Meeting of the Employment Committee
held at the Town Hall, Peterborough on 22 March 2010**

Members Present: Councillors Cereste (Chairman), Holdich, Fitzgerald, Swift and Sandford

Officers Present: John Harrison, Executive Director – Strategic Resources
Mike Kealey, Acting Head of HR
Helen Edwards, Solicitor to the Council
Gemma George, Senior Governance Officer

1. Apologies

Apologies were received from Councillors Lamb (Vice Chair) and Croft.

2. Declarations of Interest

There were no declarations of interest.

3. Culture Trust

A report was submitted to the Committee which sought its views on an executive proposal to transfer services to Peterborough Culture & Leisure Trust.

A decision had been taken by Cabinet on the 12 October 2009 to move forward a proposal to create a trust for the delivery of cultural services. The formal decisions taken by Cabinet were:

- To give authority to the Director of Operations to commence the process of establishing a not-for-profit distributing organisation (a 'trust') subject to the decision of cabinet and the appropriate TUPE consultation with staff.
- To approve the inclusion of the following services within the scope of this work: Arts (including the Key Theatre and Gallery), Heritage (including the Museum), Library (all existing services) and Sports Services (all existing services).
- To approve a detailed full options appraisal of bereavement services (including the crematorium), to identify the optimum way of delivering this service.
- To agree to the formation of a shadow board as part of the process of establishing a not-for-profit distributing organisation (a 'trust').

Members were advised that Cabinet had considered a number of ways that the Council could deliver and develop cultural services. The optimum delivery method for Peterborough had been the subject of consideration since the Council's Best Value review in 2004. Key to this review was a study by KPMG (2005) which was enhanced by a report produced by Deloitte in October 2006. This work had recently been refreshed by leading leisure trust solicitors Lawrence Graham.

These reviews considered, amongst other options, in-house delivery, tendering for a commercial operator, a mixed approach to delivery of services and the formation of a trust. The first two reports focused on key evaluation criteria including enhancing quality of service, promoting Peterborough, improving levels of participation and value for money. Their conclusion was that a trust would provide the best delivery option to meet the Council's

aspirations. The work of Lawrence Graham had re-confirmed the suitability and deliverability of this option.

As with all management options there were advantages and disadvantages in delivering services through trust status, and these were due to be considered in detail by Cabinet at its meeting on 22 March 2010.

Members were advised that extensive consultation had been taking place with staff and Trade Unions, including formal staff consultation over the potential transfer to a trust under The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Members were further advised that there would be a financial implication in respect of the need to ensure that employees were provided with the same or broadly comparable pension rights prior to any TUPE transfer. An application for "Admitted Body Status" had been made and approved, subject to legal agreement sign off in respect of existing employees who were members of the Local Government Pension Scheme. It was intended that new employees joining the Trust would not be able to access the LGPS pension scheme, but would be able to access a Defined Contributions Scheme, with an "employer" contribution level of 6%.

Following on from the consultations which had taken place thus far, no objections had been received from the Trade Unions and the feedback which had been received from staff members had been positive.

Members were invited to comment on the report and the proposals contained within it and the following issues and observations were highlighted:

- Members queried how the Trade Unions would work alongside the trust. Members were advised that in the short term the situation would remain the same but going forward discussions would need to take place regarding the changes in working practices. A separate Trade Union recognition agreement would also need to be prepared.
- Concern was expressed at the transfer of the city's libraries over to a trust. What guarantee of medium to long term employment could employees of the libraries be offered. Members were informed that the employment prospects would be determined by the Council as the Council would ultimately be responsible for setting out the funding.
- Concern was also expressed regarding the pension proposals for current and future employees. It was queried why only the staff to be transferred and not future employees were to be protected. Members were further informed that the pension proposals which had been outlined were not unusual for these schemes. Future employees would not be employees of Peterborough City Council and would therefore not be for the Council to take into consideration.
- Members commented that Peterborough City Council would be one of the only Conservative Councils in the UK to transfer these services over to a trust. It was highlighted in response to this comment that the services to be transferred needed to be protected and the only method of achieving this would be to reduce the cost of delivery, hence the transfer to a trust. Risk management would be monitored closely and the reasons behind the failure of other Council's transferring similar services over to a trust would be examined.
- Members questioned what would happen to employees and their pensions if the trust failed, would they transfer back to the Local Government Pension Scheme (LGPS) and would new employees have the right to also join the LGPS. Members were advised that if for any reason the trust failed, the Council would take back responsibility for all of the services and employees would TUPE back to the Council. All employees would be entitled to transfer back to the LGPS and this entitlement would also be extended to new employees.

After further discussion, Councillor Sandford wished for it to be noted in the minutes that he would be abstaining from making any recommendations on the proposals to transfer the specified services to Peterborough Culture & Leisure Trust (PCLT).

RESOLVED:

1. to consider the executive proposals to transfer the delivery of the following services to Peterborough Culture & Leisure Trust (PCLT):
 - Arts Services (to include the Key Theatre and the Gallery)
 - Heritage Services (to include Peterborough Museum)
 - Library Services (all services)
 - Sports Services (all services)
2. to note that the transfer would take place on a future date to be determined, anticipated to be 1 May 2010 and would involve the transfer of all staff in those services under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). This would include second tier posts and therefore must be considered by Employment Committee under its delegation at Part 3, section 2.3.1.5 of the Constitution.

4. Conclusion of Business – Formal Record of Time

Business was concluded at 7.25pm.

7.00pm – 7.25pm
Chairman

This page is intentionally left blank