

REPORT TITLE: EMPLOYEE STRATEGY

23 NOVEMBER 2017

REPORT OF PORTFOLIO HOLDER: Cllr Stephen Godfrey, Portfolio Holder for Professional Services

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WARD(S): ALL

PURPOSE

As the Council continues through a period of transformation, the workforce needs to adopt a business minded, innovative and entrepreneurial approach to delivering the highest quality of services for residents, businesses and visitors throughout the district. This is set out in the draft Employee Strategy attached to this report. The draft document has informed HR Service Delivery over a number of months and therefore significant progress has been made against some of the priority outcomes.

The purpose of this report is to provide a summary of key Human Resources developments which need to be implemented if the Council is to continue to position itself as an employer of choice and to attract and retain the right staff with the right skills, attitude, motivation and flexibility to deliver modern local government services and support the type of organisation the council wants to become as it moves forward.

Specifically, for this report, the focus is on developments in the areas of pay, employee benefits, business travel and employment policies and contracts. These are part of a wider 'Employee Strategy' which identifies workforce priorities over the next 3 years that are aligned with and support the Council's vision and priorities.

RECOMMENDATIONS:

1. That the Interim Head of Human Resources be given delegated authority (in consultation with the Portfolio Holder for Professional Services and Strategic Director (Resources) as required) to investigate and implement the proposals set out in this paper subject to Cabinet approval for significant financial implications.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The success of delivering the Council Strategy is dependent on being able to recruit and retain the right calibre of staff and having a workforce with the skills, attitude and behaviours required to deliver high quality, effective services and move forward with the Council as it adapts, expands and innovates to meet the challenges of the future.

2 FINANCIAL IMPLICATIONS

2.1 **Pay:**

Grade structure options cannot be cost modelled until the outcome of the review of the NJC pay spine by the National Employers is known.

2.2 **Employee Benefits:**

- i. Health cash plan – research indicates a corporate employer paid scheme typically costs around £1 per week per employee. Schemes allow the employee to reclaim certain health related expenses although the actual amount which can be reclaimed would vary dependent on the actual scheme implemented.

Based on circa 490 employees, this would give an annual estimated contract value of £26,000 assuming 100% take up (typical take up levels are 75%). There would also be some administrative costs associated with implementing and operating the scheme.

There would be no direct cost if the Council were to introduce a corporate voluntary (employee paid) scheme as employees would buy the health cash plan directly from the provider (at discounted rates) although there would be some administrative costs associated with implementing and operating the scheme.

- ii. Annual leave increase – there are no direct financial costs associated with increasing annual leave.
- iii. Buying annual leave – cost savings (i.e. National Insurance and gross pay) would be dependent on level of take up and distribution of take up across grades. The Council would need to identify clear parameters relating to the amount of additional leave which could be bought in any one year.
- iv. Discount cards – indicative costs for an employer paid scheme are £5 per employee per year, giving an annual estimated annual contract value of £2,450 based on circa 490 employees. Voluntary/employee paid schemes are also available, although given the anticipated business benefits of such a low cost scheme, an employer paid scheme would be

the preferred option. The schemes benefit the employee as reduced rates apply (for example a £10 card could cost the employee £8).

- v. Voluntary lease car scheme – there would be no direct financial costs as the lease is between the employee and the provider although there would be some administrative costs associated with implementing and operating the scheme.

2.3 **Business Travel**

Detailed cost modelling has not yet been undertaken although significant savings are anticipated.

2.4. **Workforce policies, procedures and contractual documentation**

Provision of external support is currently being scoped and costed.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Legal advice will be sought as required.
- 3.2 Employee benefit schemes (i.e. health cash plan, discount cards, voluntary car lease scheme) will be procured in accordance with the Council's Contracts and Financial Procedure Rules.

4 WORKFORCE IMPLICATIONS

- 4.1 The proposals in this report are part of a wider workforce strategy to transform the employee relations framework and employment package on offer for job roles to best position the Council to attract and retain the right calibre of staff to meet current and future challenges of modern local government and support the type of organisation the council wants to become as it moves forward.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 An initial discussion has been held with Unison and further consultation will be undertaken as required.
- 6.2 Staff communications will be developed and rolled out as required.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Business travel options will take into account environmental considerations and the recommendations regarding corporate travel in the Councils 'Air Quality Action Plan 2017'.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 There is no differential impact on a specified group as all HR matters are applied consistently.
- 8.2 Employee benefits would be available to all staff who meet the eligibility criteria associated with each scheme. Alternative, additional provision, if available, would be explored if particular groups of staff were to be potentially excluded from a specific benefit.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Financial / VfM</i>		
<i>Legal</i>		
<i>Innovation</i>		Positioning the Council as an Employer of Choice
<i>Reputation</i>		Positioning the Council as an Employer of Choice
<i>Other</i>		

10 SUPPORTING INFORMATION:

Introduction

- 10.1 Winchester City Council is on a journey of transformation, both externally through its investment in the district and internally as it moves towards a business minded, innovative and entrepreneurial approach to delivering the highest quality of services for our residents, businesses and visitors.
- 10.2 Having the right people, at the right time, in the right place with the right skills, attitude, motivation and flexibility to deliver Council priorities whilst providing excellent levels of service to our customers will be key to achieving this transformation.
- 10.3 Specific workforce initiatives will be needed, to identify and address skill shortages, support a different approach to doing business and consider new approaches to pay and reward that will enable WCC to attract and retain the right people as it moves forward.
- 10.4 The Employee Strategy identifies workforce priorities over the next 3 years which are aligned with and support delivery of the Council's vision and priorities. The purpose of the rest of this report is to focus on specific developments within the 'Employment Package' element of the Employee Strategy. The various elements of the 'Employment Package' review are set out in the below paragraphs detailed some of the elements that will be considered.

Pay

10.5 **Outcome:** Having not been reviewed for some 17 years, there is a need to modernise and market-align the current grading structure and pay framework to:

- position the Council as an employer of choice
- aid recruitment & retention and improve employee engagement
- ensure legal and best practice compliance and consistency of approach across the Council
- align with and support corporate strategies and priorities
- drives and rewards performance and productivity

10.6 **Scope:**

- benchmark the Council's employment market position
- develop and model affordable and sustainable grading structure options, with a particular priority on reducing grade length and removing overlaps*
- review additional payments and allowances to ensure current best practice and consistency across the Council
- extend the generic approach to roles already in use in some areas of the Council (i.e. Planning, Environmental Health) through job families, underpinned by broader, flexible job descriptions
- review and update the local NJC job evaluation conventions to ensure they remain relevant

*As part of the 2 year pay deal in 2016, the National Employers committed to reviewing and redesigning the NJC pay spine to ensure it can maintain pay and grade differentials in the face of National Living Wage increases. Implementation of the new pay spine has now been delayed until April 2019 (pay award only will apply in 2018/19) and local authorities are yet to have sight of the new pay spine. With the majority of the Council's staff on NJC terms and conditions, the pay spine review could have significant implications for the affordability of any revised local grading structure. Remaining linked to national pay may therefore need to be revisited as details of the pay spine review emerge although it is anticipated a move away from national pay is likely to be strongly resisted by the unions.

Employee Benefits

10.7 **Outcome:** Enhance the employee benefits offering for job roles to:

- aid recruitment & retention
- increase employee engagement
- improve the health and wellbeing of staff

10.8 **Scope:**

- repositioning, rebranding and promotion of existing employee benefits
- procure and introduce a corporate health cash plan to provide employees' financial assistance with the costs of everyday health care and access to an employee assistance programme and on-line wellbeing resources. Launch early 2018

- moderate increase to annual leave quotas
- introduce a 'buying annual leave' scheme
- introduce a 'discount card' scheme i.e. staff have access to preferential discounts on a range of products, activities and services e.g. major supermarkets, high street retail stores, utilities, insurance, holidays, gyms
- introduce a voluntary (employee paid) car leasing scheme, giving staff access to new cars at a lower cost than retail, normally with all associated motoring costs (except fuel) included
- develop and implement an employee wellbeing strategy, to include specific provision for workplace mental health

Business Travel

10.9 **Outcome:** Move away from historical arrangements to a modern, cost effective, equitable and sustainable approach to business travel

10.10 **Scope:**

- review of essential user eligibility, based on a revised criteria which extends the NJC definition to include annual mileage and/or frequency and nature of business travel (e.g. accessibility, carry heavy equipment/confidential material, reactive/unplanned visits)
- mileage rates for essential and casual users
- review of the legacy car lease scheme
- car parking eligibility and allocations
- exploring external pool car options
- travel reimbursement procedures

Workforce policies, procedures and contractual documentation

10.11 **Outcome:** Review and update of policies and procedures and contractual documentation to ensure they are 'fit for purpose', compliant with current legislation and reflect good practice

10.12 **Scope:**

- learning & development
- employee relations
- health & safety

BACKGROUND DOCUMENTS:-

None.

Previous Committee Reports:- None.

Other Background Documents:- None.

APPENDICES:

Appendix 1 – Employee Strategy

Introduction

Combining a blend of vision and pragmatism, Winchester City Council couples its ambition to look beyond traditional ways of doing things with a distinct focus on making it work on the ground. We want to ensure that sustainable improvement, ambitious innovation and an entrepreneurial approach to managing change are top of our agenda as the district continues to thrive.

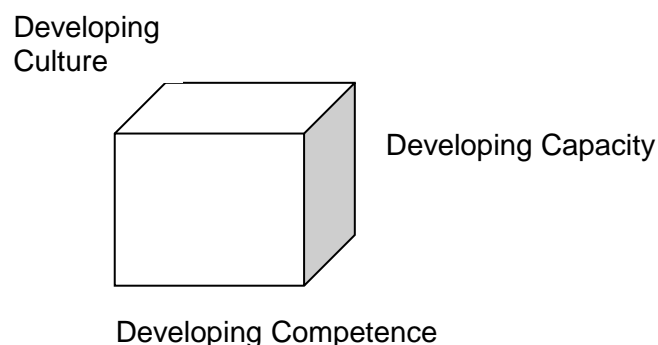
Developing this overarching entrepreneurial approach that creates new revenue opportunities as government grants decline, will underpin the delivery of our organisation's ambitions. We are looking to make the district a premier business location, develop quality housing with a balanced range of tenures, focus on protecting and enhancing our high quality environment and deliver developments that encourage residents to lead healthy and happy lives.

The outcome of all these aims will be a district where everyone has opportunity and a high quality of life. We therefore need the whole of the Council's workforce to adopt a business minded, innovative and entrepreneurial approach to delivering the highest quality of services for our residents, businesses and visitors, and to deliver the outcomes identified in the council strategy.

To achieve this, our workforce must be:

- Guided by our core values
- Aspirational and optimistic, with a 'can do' attitude, resilient to the challenges of delivering modern local government
- Engaged, motivated, talented, competent and skilful
- Curious and open to explore new opportunities
- Agile in their approach and rapidly learn from experience
- Dynamic and responsive to the changing needs of our residents
- Corporate in approach, recognising the needs of the whole district and whole organisation
- Diverse and reflective of the make-up of our residents within the district

Our organisational capability defines our "volume" to deliver; it includes how are resources are aligned, as well as how we adapt, expand and innovate to meet the challenges of the future. Organisational capability is vital and focusses on the following core elements:



This Employee Strategy is linked to the delivery of the Council Strategy 2017-2020; it focuses on having the right people, at the right time, in the right place with the right skills, attitude, motivation and flexibility to deliver Council priorities whilst providing excellent levels of service to our customers. This will include:

- Managers at every level demonstrating strong management and leadership skills including project management, change management, relationship management, communication skills, commercial and negotiation skills
- Employees with the appropriate technical and professional skills for their roles, underpinned by the ability to work collaboratively, and most of all, the ability to communicate and empathise with the local community
- Positioning ourselves an employer of choice in order to recruit and retain the best people

Having an Employee Strategy will enable us to co-ordinate, combine and focus our efforts so that the whole organisation moves forward together on a shared agenda. We need a strategy to guide our work and prioritise the right actions over the long, medium and short term. An effective strategy will also enable us to monitor and measure whether action is delivering the outcomes we need and to make adjustments accordingly.

There are six key areas which are critical to the Employee Strategy:

- Vision and Direction
- Employment Package
- Working Environment
- Wellbeing and Support
- Learning and Development
- Recruitment and Retention

The key areas are linked together and aligned with actions in other areas, as detailed within the HR Service Delivery Plan. Progress against delivering the outcomes defined in this document will be reported to Members and Corporate Management Team, through the HR Performance Outturn Report.

Strategic Priorities



Vision and Direction

Link to Council Strategy: Delivering an entrepreneurial approach to efficient public services			
Link to Organisational Capability: Developing Culture			
	Priority Outcomes		
The Council strives to be as effective and efficient as possible. Leaders and Management need to foster an environment where entrepreneurialism, innovation and the use of customer insight flourishes. Clear direction and prioritisation is cascaded throughout the Council and everybody understands how they contribute to achieving the corporate objectives.	Phase One: <ul style="list-style-type: none"> ➤ Staff are aware of key messages and updates on the Council strategy through regular staff briefings ➤ Staff and Trade Union consultative group established and meeting regularly ➤ A culture that embraces creativity and innovation 	Phase Two: <ul style="list-style-type: none"> ➤ Staff surveyed to measure employee engagement ➤ Employee engagement action plans delivered in a timely manner 	Phase Three: <ul style="list-style-type: none"> ➤ Employee metrics and insight used to refresh Employee Strategy in line with the Council Strategy ➤ Improved levels of employee engagement ➤ Managers at all levels in the organisation demonstrate corporate values and behaviours

Employment Package

Link to Council Strategy: Delivering an entrepreneurial approach to efficient public services			
Link to Organisational Capability: Developing Culture			
Priority Outcomes			
<p>The Council’s reward and employment framework should: position the Council as ‘an employer of choice’; be aligned with and support business priorities and needs; inspire and foster staff performance and engagement; and be fair, transparent and legally and best practice compliant.</p>	<p>Phase One:</p> <ul style="list-style-type: none"> ➤ Benchmark employment market position ➤ “Total Reward” options scoped and modelled ➤ Employee benefits strategy ➤ Health & wellbeing benefits offering for employees extended ➤ Business travel reviewed ➤ Modernised job evaluation conventions 	<p>Phase Two:</p> <ul style="list-style-type: none"> ➤ Business need and best practice based pay policies and practises ➤ Family job groups developed and rolled-out ➤ Streamlined job descriptions and job evaluation process ➤ Business travel strategy implemented ➤ End-to-end process developed for transition on to revised NJC pay spine in 2019/20 ➤ Continued review and roll-out of employee benefits strategy 	<p>Phase Three:</p> <ul style="list-style-type: none"> ➤ Revised NJC pay spine implemented ➤ Job family groups established across the Council ➤ Continued review and roll-out of employee benefits strategy

Working Environment

Link to Council Strategy: Improve the health and happiness of our community			
Link to Organisational Capability: Developing Culture			
	Priority Outcomes		
Establishing a positive working environment is crucial to the delivery of the Council's Strategy. A modern, effective, flexible and digitally enabled working environment will not only promote employee wellbeing and flexible working but also enhance the delivery of and access to our services for our customers.	Phase One: <ul style="list-style-type: none"> ➤ Selima upgraded to improve processes and enable access via tablets and similar devices ➤ Revised flexible working procedures in place 	Phase Two: <ul style="list-style-type: none"> ➤ Ongoing digital service delivery rolled out ➤ Corporate culture and values established across Council 	Phase Three: <ul style="list-style-type: none"> ➤ Office accommodation refurbished

Wellbeing & Support

Link to Council Strategy: Improve the health and happiness of our community			
Link to Organisational Capability: Developing Capacity			
	Priority Outcomes		
<p>The Council's aspirational wellbeing agenda recognises the positive link between employee well-being and long term organisational health, reduced sickness absence, increased employee engagement and productivity. Underpinning employment and working practises and initiatives, the Council's health and well-being culture provides a supportive and flexible working environment, helping staff maintain a healthy work-life balance, navigate life's journey and take positive steps towards improving their own health.</p>	<p>Phase One:</p> <ul style="list-style-type: none"> ➤ Reduction in work related sickness absence ➤ Rolling programme of workplace wellbeing initiatives in place 	<p>Phase Two:</p> <ul style="list-style-type: none"> ➤ Proactive Occupational Health and Counselling provision in place ➤ Continued rolling programme of workplace wellbeing initiatives 	<p>Phase Three:</p> <ul style="list-style-type: none"> ➤ Staff demonstrate ability to balance demands and demonstrate improved resilience

Learning & Development

Link to Council Strategy: Delivering an entrepreneurial approach to efficient public services			
Link to Organisational Capability: Developing Competence			
	Priority Outcomes		
<p>Developing our employees will enable us to build a future workforce that is engaged, motivated, has the right knowledge, skills and behaviours, is cost effective and focussed on delivering the right outcomes for the citizens of Winchester.</p>	<p>Phase One:</p> <ul style="list-style-type: none"> ➤ Improved learning skills in relation to key service and council priorities ➤ The entrepreneurial training programme in place and developed for all staff ➤ Increased usage of learning technologies and E-Learning across the workforce ➤ High levels (90%) of compliance with essential/mandatory training requirements ➤ All new employees have received an induction ➤ Regular career conversations embedded in the council ➤ Leadership programmes in place for Aspiring, and New leaders to the council ➤ Increased mentoring and coaching participant rates across the council 	<p>Phase Two:</p> <ul style="list-style-type: none"> ➤ On-going improved learning in relation to key service and council priorities Employees demonstrate entrepreneurial ways of working and behaviours ➤ Use of learning technologies embedded in the council ➤ High levels of compliance with mandatory training requirements maintained ➤ Career pathways developed across job/family groups Online career platform options scoped ➤ Senior management leadership programme in place Talent Management strategy in place ➤ Apprenticeship programme extended, including increase in number of higher level apprenticeships 	<p>Phase Three:</p> <ul style="list-style-type: none"> ➤ Entrepreneurial ways of working and behaviours established in the council ➤ High levels of compliance with mandatory training requirements maintained ➤ High satisfaction levels with career development opportunities On-going achievement of government public sector apprenticeship targets ➤ Increased career progression within the council ➤ Increased staff retention rates High satisfaction levels with the appraisal process

	➤ Increased opportunities for young people through apprenticeships, work experience placements and the graduate scheme	➤ Appraisal process reviewed	
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Recruitment and Retention

Link to Council Strategy: Improve the health and happiness of our community			
	Priority Outcomes		
<p>We need to attract and select the right candidates with the right skills at the right time. To recruit and retain the best people, foster employee engagement and a sense of belonging, we need to continue to develop effective innovative and agile recruitment and “onboarding” processes.</p>	<p>Phase One:</p> <ul style="list-style-type: none"> ➤ Sole provider for agency workers in place to achieve identified savings ➤ Selima upgraded to include e-recruitment module ➤ Flexible, effective and efficient recruitment in place ➤ Safe Recruitment principles in place to support delivery of statutory S11 Audit (safeguarding) ➤ Effective induction process for all new starters 	<p>Phase Two:</p> <ul style="list-style-type: none"> ➤ Place-based branding in place for all recruitment related marketing ➤ Flexible workforce in place to meet business needs. ➤ Increased recruitment and retention of a more diverse workforce reflective of the make-up of the residents of the district. 	<p>Phase Three:</p> <ul style="list-style-type: none"> ➤ Recruitment governance process reviewed ➤ On-going workforce planning in place to address any recruitment and retention issues