



Meeting	Personnel Committee
Date and Time	Thursday, 22nd November, 2018 at 6.30 pm.
Venue	Walton Suite, Guildhall, Winchester

AGENDA

Procedural items

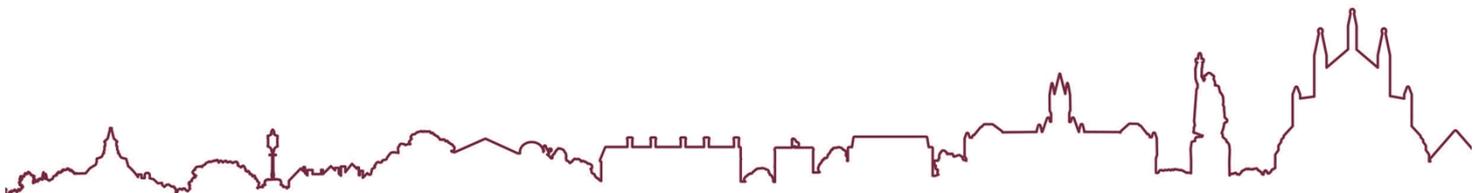
1. Apologies
To note the names of apologies given and Deputy Members who are attending the meeting in place of appointed Members.
2. Disclosures of Interests
To receive any disclosure of interests from Members and Officers in matters to be discussed.

Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests, personal and/or prejudicial interests in accordance with legislation and the Council's Code of Conduct.

If you require advice, please contact the appropriate Democratic Services Officer, prior to the meeting.
3. Minutes of the Previous Meeting of the Committee held on 2 July 2018 (Pages 3 - 4)

Business items

4. Chairman's Announcements
5. Organisational Development Performance Monitoring - Quarter 1 2018/19 PER315 (Pages 5 - 10)
6. Organisational Development Performance Monitoring - Quarter 2 2018/19 PER317 (Pages 11 - 18)
7. Employee Strategy Review PER316 (Pages 19 - 32)



8. Review of Terms and Conditions of Employment PER318 (Pages 33 - 46)

L Hall
Head of Legal Services (Interim)

Members of the public are able to easily access all of the papers for this meeting by opening the QR Code reader on your phone or tablet. Hold your device over the QR Code below so that it's clearly visible within your screen and you will be redirected to the agenda pack.



14 November 2018

Agenda Contact: Dave Shaw, Principal Democratic Services Officer
Tel: 01962 848 221 Email: dshaw@winchester.gov.uk

**With the exception of exempt items, Agenda, reports and previous minutes are available on the Council's Website www.winchester.gov.uk*

MEMBERSHIP

Chairman: Read (Conservative)

Vice-Chairman: Cook (Conservative)

Conservatives

Berry
Cook
Weston

Liberal Democrats

Achwal
Bentote
Cutler

Deputy Members

Lumby

Murphy

Quorum = 4 members

DISABLED ACCESS:

Disabled access is normally available, but please phone Democratic Services on 01962 848 264 or email democracy@winchester.gov.uk to ensure that the necessary arrangements are in place.

PERSONNEL COMMITTEE

2 July 2018

Attendance:

Councillors:

Read (Chairman) (P)

Achwal (P)
Berry (P)
Bentote (P)

Cook (P)
Cutler (P)

Others in attendance who addressed the meeting:

Councillor Godfrey (Portfolio Holder for Professional Services).

1. **APPOINTMENT OF VICE-CHAIRMAN FOR THE 2018/19 MUNICIPAL YEAR**

RESOLVED:

That Councillor Cook be appointed Vice Chairman of the Committee for the 2018/19 Municipal Year.

2. **TO NOTE THE TIME OF FUTURE MEETINGS OF THE COMMITTEE**

RESOLVED:

That the timetable of meetings for 2018/19 be agreed as set out on the agenda.

3. **MINUTES OF THE PREVIOUS MEETING HELD ON 12 MARCH 2018**

RESOLVED:

That the minutes of the previous meeting of the Committee held on 12 March 2018 be approved and adopted.

4. **ORGANISATIONAL DEVELOPMENT PERFORMANCE MONITORING –
OUTTURN 2017/18**

(Report PER314 refers)

Councillor Godfrey introduced the Report.

Members raised questions regarding the following and the officers responded accordingly:

- (i) The number of Apprentices at the Council and how many had been retained.

- (ii) The number of those on work experience and the areas of the Council that they had worked in.
- (iii) The amount of the total training budget and the actual amount spent and had the spend on training been typical (when compared to previous years).
- (iv) The launch date of the Corporate Induction pack.
- (v) The cost of refurbishment of the City Offices.
- (vi) The support provided to staff that had been verbally abused during their role and was the trend of verbal abuse upward.
- (vii) The circumstances that had led to the change in employment of the Council's Occupational Health provider.

RESOLVED:

That the Outturn 2017/18 Performance Monitoring figures for Organisational Development be noted.

The meeting commenced at 6.30pm and concluded at 6:55pm.

Chairman

REPORT TITLE: ORGANISATIONAL DEVELOPMENT PERFORMANCE
MONITORING Q1 2018/19

22 NOVEMBER 2018

REPORT OF PORTFOLIO HOLDER: CLLR GODFREY – PORTFOLIO HOLDER
FOR PROFESSIONAL SERVICES

Contact Officer: Jamie Cann Head of HR (Interim) Tel No: 01962 848 437 Email
jcann@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report sets out a range of performance information relating to the human resources of the Council, including an update covering the first quarter of 2018/19 against performance measures for sickness absence and staff turnover.

RECOMMENDATIONS:

1. That the content of this report is noted.

IMPLICATIONS:

1 COUNCIL STRATEGY

- 1.1 The need to manage and monitor the staff resources at the Council is essential in delivering front line services to the residents of the District and achieving the outcomes as set out in the Council Strategy.

2 FINANCIAL IMPLICATIONS

- 2.1 There are no direct financial implications arising from the content of this report.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None.

4 WORKFORCE IMPLICATIONS

- 4.1 This report presents monitoring data relating to the workforce of the Council including sickness absence, staff turnover and numbers of new starters and leavers. Increased or excessive staff sickness can have an impact on the Council to be able to deliver effective services and deliver the projects and actions that are included in the Council Strategy and Service Plans.
- 4.2 High staff turnover within the Council can lead to increased costs arising from the employment of agency staff used to cover vacancies and the cost of recruitment. It can also be an indication of decreased employee engagement.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 The importance of maintaining a positive relationship with the recognised trade union is acknowledged and quarterly meetings now take place to ensure that regular communication takes place in addition to those meetings to discuss specific issues when the need arises.
- 6.2 The Chief Executive has established regular all-staff briefings where matters of interest or significance are discussed.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The data contained in this report is sufficiently redacted to ensure that individuals cannot be identified. A Data Protection impact Assessment is therefore not required.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i>	n/a	n/a
<i>Community Support</i>	n/a	n/a
<i>Timescales</i>	n/a	n/a
<i>Project capacity</i>	n/a	n/a
<i>Financial / VfM</i>	Regular monitoring of staff costs ensures that actual expenditure is kept within budget. Any exceptional staffing requirement incurring additional expenditure has to be supported by a business case and is subject to senior management approval.	Efficient use of staff resources across the organisation ensures that the Council is providing value for money.
<i>Legal</i>	n/a	n/a
<i>Innovation</i>	n/a	n/a
<i>Reputation – risk of comparatively high levels of sickness</i>	Regular management and reporting of sickness levels enable management to take action to reduce sickness.	Close management and comparatively lower levels of sickness enhances reputation of the Council with stakeholders.
<i>Poor rationale for staff leaving</i>	Mandatory exit interviews to enable action to be taken from leaving staff's feedback.	Improve employment offer through feedback. Enable greater opportunities through reasons for leaving.
<i>Other</i>	n/a	n/a

11 SUPPORTING INFORMATION:

- 11.1 The quarterly performance data for a range of HR related issues is provided in Appendix 1.

Employee Strategy

- 11.2 The Employee Strategy sets out six key strategic priorities which support the Council to coordinate combine and focus efforts to increase the organisation's

capability and competence to deliver efficient local government services in the 21st Century.

- 11.3 A report elsewhere on this agenda (PER316) sets out the performance to date against the priority outcomes included in the Employee Strategy.
- 11.4 A further report on this agenda (PER317) presents the performance data for the second quarter of 2018/2019 and contains commentary of the information presented, including that pertaining to the first quarter 2018/19 as shown in Appendix 1 of this report.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

PER304 Employee Strategy, 23 November 2017

[PER314](#) Organisational Development Performance Monitoring – Outturn 2017/18

Other Background Documents:-

None

APPENDICES:

Appendix 1 Organisational Development Performance Measures Q1 2018/19

Organisational Development Performance Measures

Quarterly Performance Monitoring – Q1 2018/19 update

Performance Indicator	2016/17	2017/18 Data				2018/19	Direction of Travel
	Q4	Q1	Q2	Q3	Q4	Q1	
Establishment & Staff Profile							
Actual number of Full-Time Equivalent (FTE) in post	446.77	439.37	441.08	439.15	440.5	439.95	↕
Total Authority headcount:	499	491	496	494	492	498	↑
- Full Time	361	355	358	363	376	370	↕
- Part Time	138	136	138	131	116	128	↑
Turnover – Number of leavers as a percentage of headcount	3.60%	5.50%	5.70%	4.22%	3.25%	4.44%	↑
Number of actual leavers:	19	27	28	21	16	22	↑
- Full Time	15	20	21	15	9	17	↑
- Part Time	4	7	7	6	7	5	↕
Number of appointments to vacant posts:	23	18	22	34	27	33	↑
- Internal appointment	6	5	8	13	10	8	↕
- External appointment	17	13	14	21	17	25	↕
Attendance & Sickness							
Average Sickness per member of staff (days) – rolling year	6.3	6.4	6.5	6.9	6.4	6.8	↑
Number of employees with no sickness absence (rolling 12 months)	171	169	179	171	192	200	↑
Percentage of employees with no sickness absence (rolling 12 months)	34.3%	34.7%	37.0%	35.0%	39%	40%	↑
Total number of days sickness (quarterly)	832		592	771	855	886	↑

Performance Indicator	2016/17	2017/18 Data				2018/19	Direction of Travel
	Q4	Q1	Q2	Q3	Q4	Q1	
Sickness days by reason (top 5) – rolling 12 month period							
- Infections, including cold & flu	580	560	540	474	527	563	↑
- Stomach, Liver, kidney & digestion	338	294	245	385	360	366	↑
- Stress/ Depression - personal	396	479	544	412	520	777	↑
- Stress/ Depression – work related	140	164	127	263	286	438	↑
- Eye, ear, nose & mouth/ dental	113	105	52	349	310	260	↓

REPORT TITLE: ORGANISATIONAL DEVELOPMENT PERFORMANCE
MONITORING Q2 2018/19

22 NOVEMBER 2018

REPORT OF PORTFOLIO HOLDER: CLLR GODFREY – PORTFOLIO HOLDER
FOR PROFESSIONAL SERVICES

Contact Officer: Jamie Cann - Head of HR (Interim) Tel No: 01962 848 437
Email: jcann@winchester.gov.uk

WARD(S): ALL

PURPOSE

The report sets out by way of a range of performance measures, information relating to the human resources of the Council, including an update covering the second quarter of 2018/19 against sickness absence and staff turnover.

RECOMMENDATIONS:

1. That the content of this report is noted.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The need to manage and monitor the staff resources at the Council is essential in delivering front line services to the residents of the District and achieving the outcomes as set out in the Council Strategy.

2 FINANCIAL IMPLICATIONS

- 2.1 There are no direct financial implications arising from this report.

2.2 LEGAL AND PROCUREMENT IMPLICATIONS

- 2.3 None.

3 WORKFORCE IMPLICATIONS

- 3.1 This report presents monitoring data relating to the workforce of the Council including sickness absence, staff turnover and numbers of new starters and leavers. Increased or excessive staff sickness can have an impact on the Council to be able to deliver effective front line services and deliver the projects and actions that are included in the Council Strategy and Service Plans.

4 PROPERTY AND ASSET IMPLICATIONS

- 4.1 None.

5 CONSULTATION AND COMMUNICATION

- 5.1 The importance of maintaining a positive relationship with the recognised trade union is acknowledged and quarterly meetings now take place to ensure that regular communication takes place in addition to those meetings to discuss specific issues when the need arises.

- 5.2 The Chief Executive has established regular all-staff briefings where matters of interest or significance are discussed; in addition to these briefings, a staff forum is being developed and will be operational from January 2019. The staff forum will include a cross section of staff and will form the basis for seeking views from staff on an informal but regular basis.

- 5.3 As in previous years, the Council has recently engaged in the Best Companies to Work staff engagement survey. This year's survey closed on 07 November 2019. The results are currently being analysed by the external company who ran the survey and will be made available to the Council later this month; a summary of key themes will be presented to a future Personnel Committee.

- 5.4 There are no matters in this report which have required specific consultation.

6 ENVIRONMENTAL CONSIDERATIONS

6.1 None.

7 EQUALITY IMPACT ASSESSEMENT

7.1 None.

8 DATA PROTECTION IMPACT ASSESSMENT

8.1 The data contained in this report is sufficiently redacted to ensure that individuals cannot be identified. A Data Protection impact Assessment is therefore not required.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i>	n/a	n/a
<i>Community Support</i>	n/a	n/a
<i>Timescales</i>	n/a	n/a
<i>Project capacity</i>	n/a	n/a
<i>Financial / VfM</i>	Regular monitoring of staff costs ensures that actual expenditure is kept within budget. Any exceptional staffing requirement incurring additional expenditure has to be supported by a business case and is subject to senior management approval.	Efficient use of staff resources across the organisation ensures that the Council is providing value for money.
<i>Legal</i>	n/a	n/a
<i>Innovation</i>	n/a	n/a
<i>Reputation – risk of comparatively high levels of sickness</i>	Regular management and reporting of sickness levels enable management to take action to reduce sickness	Close management and comparatively lower levels of sickness enhances reputation of the Council with stakeholders
<i>Poor rationale for staff leaving</i>	Mandatory exit interviews to enable action to be taken from leaving staff's feedback	Improve employment offer through feedback. Enable greater opportunities through reasons for leaving.
<i>Other</i>	n/a	n/a

10 SUPPORTING INFORMATION:

- 10.1 This report provides in Appendix 1, performance information for the human resources of the Council to the end of the second quarter of 2018/2019 by way of a range of key performance measures.
- 10.2 Progress against the six strategic priorities as set out in the Employee Strategy is given in a separate report on this Committee's agenda (Report PER316 refers)

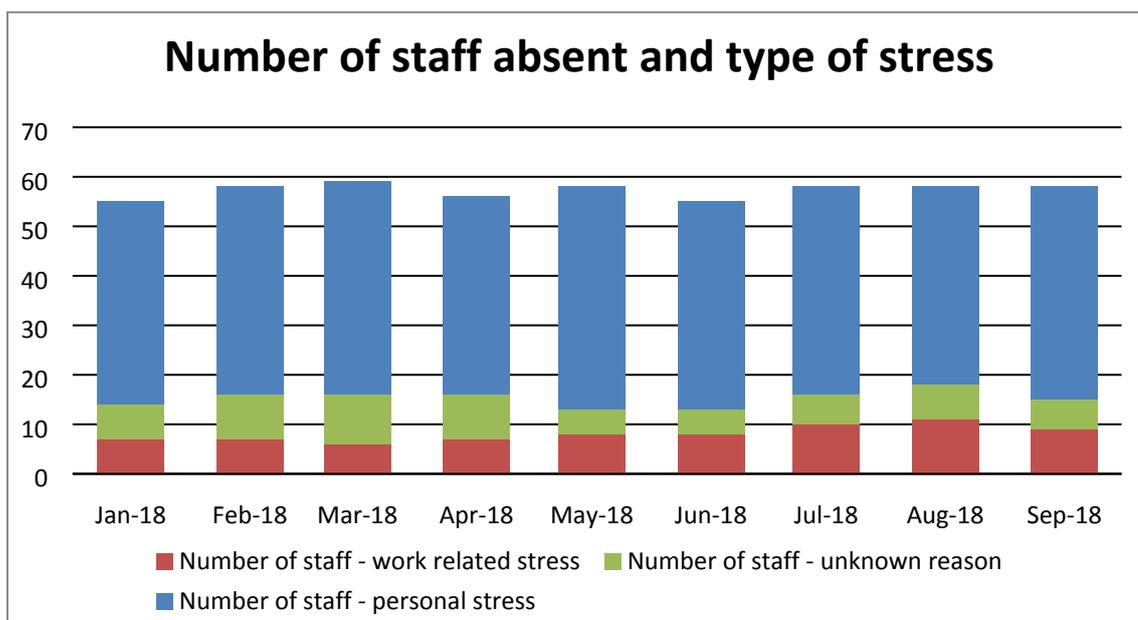
Staff Establishment

- 10.3 The following table provides information covering the reasons for staff leaving during the last four quarterly periods:

Reason for leaving	Oct – Dec 2017	Jan – Mar 2018	Apr – Jun 2018	Jul – Sep 2018
End of Temporary/ Fixed Term Contract	1	1	5	3
Resignation – public sector appointment	4	6	3	7
Resignation – private sector appointment	2	1	7	5
Resignation – other	4	5	5	8
Retirement	0	1	2	2
Redundancy	6	0	0	0
Other	1	2	0	1
TOTAL	18	16	22	26

Attendance and Staff Sickness

- 10.4 Staff sickness continues to be monitored very closely with detailed reports made available to managers after the end of each month. Additional temporary resource has been engaged within the HR team to support managers in addressing sickness absence in their teams.
- 10.5 The data at Appendix 1 shows that the Council continues to have a lower sickness absence rate (7.7 days lost per FTE) than the national average sickness absence across all English district councils (8.1 days lost per FTE), though sickness level have risen recently.
- 10.6 One of main increases in staff sickness by type is in respect of stress. It should be noted that while the number of days lost due to stress related absence has increased, the number of staff absent due to stress remains static as set out in the table below:



- 10.7 This increase reflects a national trend as reported by the Health and Safety Executive (01November 2018) whereby sickness absence due to stress related reasons accounts for 57% of sickness absence. The same report also highlighted that this has increased by 25%, compared with the previous year.
- 10.8 The Council continues to use an interim Occupational Health supplier to provide advice to managers and employees. This service, combined with the continued provision of a free at point of access counselling service, contribute to the effective management of staff absence. There are examples across the workforce where additional counselling sessions have been provided which have facilitated a successful return to work.
- 10.9 The Council has recently undertaken an exercise with Test Valley Borough Council to successfully procure an Occupational Health provider with effect from 01 January 2019.
- 10.10 While the details of the successful supplier remain confidential and subject to contract at this time, they were appointed as they demonstrated more focused pro-active health prevention, better management of complex cases and a significant improvement in the quality of reports provided to managers. The sample reports from the successful supplier included recommendations for pro-active actions the employee could take to improve their health and well-being as well as reasonable adjustments support for the employer to consider.

11 OTHER OPTIONS CONSIDERED AND REJECTED

11.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

PER304 Employee Strategy, 23 November 2017

PER316 Organisational Development Performance Monitoring – Q1 2018/19

Other Background Documents:-

None

APPENDICES:

Appendix 1 Organisational Development Performance Measure Q2 2018/19

Organisational Development Performance Measures

Quarterly Performance Monitoring – Q2 2018/19 update

Performance Indicator	2017/18 Data				2018/19		Direction of Travel
	Q1	Q2	Q3	Q4	Q1	Q2	
Establishment & Staff Profile							
Actual number of Full-Time Equivalent (FTE) in post	439.37	441.08	439.15	440.5	439.95	441	↑
Total Authority headcount:	491	496	494	492	498	489	↓
- Full Time	355	358	363	376	370	376	↑
- Part Time	136	138	131	116	128	113	↓
Turnover – Number of leavers as a percentage of headcount	5.50%	5.70%	4.22%	3.25%	4.44%	5.3%	↑
Number of actual leavers:	27	28	21	16	22	26	↑
- Full Time	20	21	15	9	17	15	↓
- Part Time	7	7	6	7	5	11	↑
Number of appointments to vacant posts:	18	22	34	27	33	21	↓
- Internal appointment	5	8	13	10	8	9	↑
- External appointment	13	14	21	17	25	12	↓
Attendance & Sickness							
Average Sickness per member of staff (days) – rolling year	6.4	6.5	6.9	6.4	6.8	7.7	↑
Number of employees with no sickness absence (rolling 12 months)	169	179	171	192	200	192	↓
Percentage of employees with no sickness absence (rolling 12 months)	34.7%	37.0%	35.0%	39%	40%	39%	↓
Total number of days sickness (quarterly)		592	771	855	886	1133	↑

Performance Indicator	2017/18 Data				2018/19		Direction of Travel
	Q1	Q2	Q3	Q4	Q1	Q2	
Sickness days by reason (top 5) – rolling 12 month period							
- Infections, including cold & flu	560	540	474	527	563	518	↓
- Stomach, Liver, kidney & digestion	294	245	385	360	366	340	↓
- Stress/ Depression - personal	479	544	412	520	777	783	↑
- Stress/ Depression – work related	164	127	263	286	438	497	↑
- Eye, ear, nose & mouth/ dental	105	52	349	310	260	226	↓

REPORT TITLE: EMPLOYEE STRATEGY UPDATE

22 NOVEMBER 2018

REPORT OF PORTFOLIO HOLDER: CLLR STEPHEN GODFREY – PORTFOLIO
HOLDER FOR PROFESSIONAL SERVICES

Contact Officer: Jamie Cann Tel No: 01962 848 437 Email
jcann@winchester.gov.uk

WARD(S): ALL

PURPOSE

This paper sets out the progress made in implementing the Council's employee strategy (2017-20). The original strategy was adopted in 2017 and this report sets out progress over the past twelve months.

RECOMMENDATIONS:

1. To note the progress against the employee strategy

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. We require a staff team 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 There are no direct financial considerations arising from this report.

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 There are no direct legal or procurement implications arising from this report.

4 WORKFORCE IMPLICATIONS

4.1 The employee strategy is designed to develop staff to deliver the council strategy and aspirations. Individual implications to the staff team have been considered to date on individual projects and consultation has occurred throughout.

5 PROPERTY AND ASSET IMPLICATIONS

5.1 None

6 CONSULTATION AND COMMUNICATION

6.1 This paper has been considered by the Portfolio Holder for Professional Services.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 The Council is exploring further cycle related schemes for employees to encourage greater cycling to work. As part of the car leasing scheme being explored, the Council is seeking to encourage the greater use of low emitting vehicles.

8 EQUALITY IMPACT ASSESSEMENT

8.1 The Council is an equal opportunity employer and as such there is no differential impact on a specified group as all HR matters are applied consistently.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 All staff details are stored on a confidential and secure HR system. There is therefore no need to undertake Data Protection Assessment relating to this report.

10 RISK MANAGEMENT

10.1 See table below

Risk	Mitigation	Opportunities
<i>Property – staff facilities not fit for purpose and increase turnover</i>	City Offices work undertaken to improve the layout and look of the offices	Free up space for more co-location and meeting rooms

<i>Community Support – n/a</i>		
<i>Timescales – implementation of the NJC pay scales late</i>	Early engagement with staff, the union and members on the proposals	
<i>Project capacity</i>		
<i>Financial / VfM</i>		
<i>Legal</i>		
<i>Innovation</i>		
<i>Reputation</i>		
<i>Other</i>		

11 SUPPORTING INFORMATION:

- 11.1 The employee strategy was adopted in 2017. There are two main drivers for the Council to put in place an effective employee strategy. Firstly, as the major part of how the Council delivers services to residents, business and visitors to the district, it is important that we set out how we are going to develop, reward and motivate our employees to deliver the ambitions of the Council Strategy. Secondly, previous external reviews of the Council highlighted how important an overarching employee strategy is, specifically the LGA (Local Government Association) peer review in 2017.
- 11.2 The employee strategy set out six priority outcomes to deliver improvements per the below:



Key developments over the past year

11.3 Significant progress has been made in the delivery of the Employee Strategy over the past year including:

- Regular All Staff Briefings hosted by Chief Executive and Directors to improve staff engagement
- Regular meetings with Unison to discuss key issues
- Introduction of a health care cash plan – this has been taken up by 160 employees
- Introduction of an employee discount scheme promoting increased participation in a wide range of leisure pursuits (55+ members to date)
- Bespoke Leadership Development programme for Senior and Middle Managers
- Complete refurbishment of City Offices. This was a key issue from the 2016 employee survey.
- Established corporate values through engagement with all staff at All Staff Briefing followed by focus groups

- 11.4 Overall there has been good progress made against the employee strategy. The majority of elements of the strategy are either delivered or on track and are set out in Appendix A.
- 11.5 A review of business travel was also undertaken over the past year which addressed the lease car scheme, staff parking, mileage rates and a range of historical non business related allowances.

Priorities for the coming 6 months

- Implementation of the new NJC spinal points (PER318 refers)
- Increase in annual leave provision to encourage greater work-life balance (PER318 refers)
- The introduction of a holistic benefits package that allows private car leasing options, childcare vouchers and other benefits through salary sacrifice within a single platform.
- Introducing the ability to use salary sacrifice for additional voluntary contributions into a pension scheme
- Rolling out the management development programme
- Improving internal communication through a Staff Forum
- Significant upgrade to Selima to improve digital service provision
- Developing a coaching culture to promote career development and staff retention
- Further development of the appraisal process to incorporate succession planning and talent management
- Embedding corporate values and developing a range of associated corporate behaviours through a range of HR activities
- Relaunch staff recognition scheme

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

PER304 – November 2017: The Employee Strategy

Other Background Documents:-

NJC pay scales 2019-20

APPENDICES:

Appendix A – Progress against priority outcomes

Appendix A - Progress against the six priority outcomes

The employee strategy set out three phases of actions against each of the six priority outcomes. The table below highlights progress against these actions, with the following key:

-  Blue = delivered
-  Green = on track
-  Amber = expected to deliver but some delay
-  Red = not expected to deliver or significant delay

The strategy was put into three phases for each of the priority outcomes that broadly relate to the years of the strategy (phase 1 being 2018, phase 2 2019 and phase 3 2020)

Outcome	Key Actions	Progress	Comments
Vision and Direction Phase 1	Staff are aware of key messages and updates on the Council strategy through regular staff briefings		Executive Leadership Board host a staff briefing three times a year with updates on key issues.
	Staff and Trade Union consultative group established and meeting regularly		Regular meetings are held with the Branch Secretary and Branch Chair of Unison A staff engagement forum will have its inaugural meeting in November 2018
	A culture that embraces creativity and innovation		A leadership development programme has been delivered to all senior and middle managers across the organisation A staff innovation scheme has been launched
Phase 2	Staff surveyed to measure employee		Best Companies to Work Survey launched on 22

	engagement		October 2018
	Employee engagement action plans delivered in a timely manner		2016 actions delivered, 2018 action plan follows on from 2018 Survey closing
Phase 3	Employee metrics and insight used to refresh Employee Strategy in line with the Council Strategy		
	Improved levels of employee engagement		staff survey 2020 to test engagement levels
	Managers at all levels in the organisation demonstrate corporate values and behaviours		Leadership development programme based on corporate values. Staff Survey for 2018 includes 360 feedback for managers
Employment package – Phase 1	Benchmark employment market position		PER318 refers.
	Total Reward options scoped and modelled		
	Employee Benefits Strategy		
	Health & Wellbeing benefits offering for employees extended		Health Care Cash Plan launched. Only 1 other Hampshire district offers this benefit
	Business Travel reviewed		The consultation period for the business travel review closed in September 2018.
	Modernised job evaluation conventions		
Phase 2	Business need and best practice based policies and practices		

	Family job groups developed and rolled out		
	Streamlined job descriptions and job evaluation in place		
	Business Travel strategy implemented		Proposals implemented during period January 2019 – September 2019
	End to end process developed for transition on to revised NJC pay spine 2019/2020		As set out in Pers310
	Continued review and roll out of employee benefits strategy		
Phase 3	Revised NJC pay spine implemented		PER318 refers.
	Job family groups established across the Council		
	Continued review and roll out of employee benefits strategy		
Working Environment			
Phase 1	Selima upgraded to improve processes and enable access via tablets and similar devices		Target implementation date June 2019
	Revised flexible working procedures in place		As set out in Pers 310
	Ongoing digital service delivery rolled out		
	Corporate culture and values established across Council		Corporate values defined through staff consultation and published.
Phase 2			
	Office accommodation refurbished		City Offices refurbished, costings for West Wing being prepared
	Rolling programme of wellbeing initiatives in place		Ongoing programme managed by Health at Work Group

	Proactive Occupational Health and Counselling provision in place		Joint tender process with Test Valley Borough Council; new provider to be in place from January 2019
Phase 3	Staff demonstrate ability to balance demands and demonstrate improved resilience		
Learning & Development Phase 1	Improved learning skills in relation to key services and Council priorities		
	The entrepreneurial training programme in place and developed for all staff		Leadership development programme delivered for all senior and middle managers. New provider for ongoing programme of management development appointed from January 2019.
	Increased use of learning technologies and E-learning across the workforce		
	High levels (90%) of compliance with essential/mandatory training requirements		New software provision in place which enables managers to monitor completion rates within their teams
	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		New provider for ongoing programme of management development appointed from January 2019.
	Increased mentoring and coaching		

	participant rates across the Council		
	Increased opportunities for young people through apprenticeships, work experience placements and the graduate scheme		National Graduate Trainee appointed
Phase 2	Ongoing improved learning in relation to key services 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		Delivered – July 2018
	Talent Management strategy in place		
	Apprenticeship programme extended, including increase in number of higher level apprenticeships		
	Appraisal process reviewed		Initial review of paperwork completed; new software provision to be in place to support 2019 appraisal round

Phase 3	Ways of Working and behaviours established in the Council		Values defined; ongoing roll out across the Council
	High levels of compliance with mandatory training requirements maintained		
	High satisfaction levels with career development opportunities; ongoing achievement of government public sector apprenticeship targets		
	Increased career progression within the Council		
	Increased staff retention rates; high level of satisfaction with the appraisal process		
Recruitment and Retention Phase 1	Sole provider for agency working in place to achieve identified savings		
	Selima upgraded to include e-recruitment module		Target implementation date July 2019
	Safe Recruitment principles in place to support delivery of statutory S11 Audit (safeguarding)		Feedback from most recent S11 Audit anticipated in November 2019
	Effective induction process for all new starters		Induction process reviewed and draft corporate induction guide produced
Phase 2	Place-based branding in place for all recruitment related marketing		Linked to roll out of e-recruitment module (target date July 2019)
	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		
Phase 3	Recruitment governance reviewed		
	Ongoing workforce planning in place to address any recruitment and retention issues		

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REPORT TITLE: REVIEW OF TERMS AND CONDITIONS OF EMPLOYMENT

22 NOVEMBER 2018

REPORT OF PORTFOLIO HOLDER: CLLR STEPHEN GODFREY – PORTFOLIO
HOLDER FOR PROFESSIONAL SERVICES

Contact Officer: Jamie Cann Tel No: 01962 848 437 Email
jcann@winchester.gov.uk

WARD(S): ALL

PURPOSE

The Council's Employee Strategy was approved by Personnel Committee on 23 November 2017; it set out a number of key HR priorities to enable the Council 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.

This paper sets out proposals to improve the overall employment offer of the Council through an increase in annual leave allowances and a review of salary scales, linked to the national pay assimilation requirement.

RECOMMENDATIONS:

To Personnel Committee:

1. That the Head of Human Resources (Interim) be given delegated authority to:
 - a. implement the revisions to annual leave set out in this report with effect from 01 April 2019;
 - b. implement the revisions to the Council's Flexible Working ("Flexi-Time") arrangements as set out in this report;
 - c. amend the Council's Policies accordingly
2. That the commitment to ensure the Council sets its salaries at market median is supported

3. That the salary scales set out in Appendix B which meet the requirements of the 'national assimilation requirement' are approved and recommended to Cabinet for the financial implications.

To Cabinet:

4. To approve the financial implications of the Personnel Committee's proposals for the Council's pay scales of an estimated £227k, as set out in Appendix B, and recommend the increased budget provision to Council

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. We require a staff team with the skills, attitude and behaviours required to deliver high quality, effective services and move forward with the Council as it adapts, and innovates to meet the challenges of the future.

1.2 In order to recruit and retain the required calibre of staff, pay and conditions need to be market aligned to effectively compete within a highly competitive market.

2 FINANCIAL IMPLICATIONS

2.1 The financial cost of moving to a six spinal point pay scale structure alongside an increased pay grade for scales 6 to 9 (with two increases for grade 8) is estimated at £227k (this will vary depending on postholders in place at a given time). This is the estimated cost of the Council positioning salaries at the average rate to near neighbours.

2.2 If the proposal for the highest level of comparative salaries to be adopted the estimated cost to the annual staffing budget is at least circa £900k.

3 LEGAL AND PROCUREMENT IMPLICATIONS

3.1 There are no specific procurement or legal implications arising from this report.

4 WORKFORCE IMPLICATIONS

4.1 In the 2016 staff survey, pay and conditions was one of the top issues raised by staff. Another paper on this agenda sets out the work undertaken over the past year to improve the benefits on offer to staff.

4.2 In exit interviews undertaken, pay has been frequently mentioned as a reason for an employee moving to another council, even as a sideways move.

5 PROPERTY AND ASSET IMPLICATIONS

5.1 None

6 CONSULTATION AND COMMUNICATION

6.1 The Leader of the Council and the Leader of the Liberal Democrats have been briefed on the proposals to improve terms and conditions to become a market median level. The paper has been discussed with the portfolio holder with responsibility for human resources.

6.2 The paper has also been reviewed by the recognised trade union at the Council, Unison' with the following comments:

UNISON are pleased to note the proposed positive changes to the terms and conditions. The additional leave and flexibility of working fits well with UNISON's campaigns for better work life balance and improved conditions for all staff.

7 ENVIRONMENTAL CONSIDERATIONS

7.1 None directly identified.

8 EQUALITY IMPACT ASSESSEMENT

8.1 The Council has utilises a Job Evaluation scheme which identifies the scale for individual job roles. This assessment is gender blind.

8.2 In addition, the Council declared a Gender Pay Gap of 12.41% which is below the national average of 17.4% (i.e. the Council is performing better than the national average).

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 All staff details are stored on a confidential and secure HR system

10 RISK MANAGEMENT

10.1 See table below

Risk	Mitigation	Opportunities
<i>Property – n/a</i>		
<i>Community Support – n/a</i>		
<i>Timescales – implementation of the amended NJC pay scales late</i>	Early engagement with staff, the union and members on the proposals	Proposals are well received and raise levels of staff morale

- Failure to improve paycales	The Council is at risk of losing staff to neighbouring councils as current salary levels are below market median	
<i>Project capacity – suitably qualified and skilled personnel are not available to deliver complex projects</i>	Maintain a competitive position in the relevant job markets	An innovative and proactive council, undertaking a number of interesting projects, is an attractive place to work for skilled employees
<i>Financial / VfM – impact on the MTFS</i>	Contained within budget growth forecasts in the MTFS	
<i>Other</i>		

11 SUPPORTING INFORMATION:

- 11.1 The Personnel Committee approved an employee strategy at the end of 2017. One of the purposes of the strategy is to ensure that the employment offer is improved to enable improvements to recruitment and retention at the Council.
- 11.2 There are a number of drivers for the review of the employment offer:
- (i) for recruitment and retention the Council's pay needs to be at the local median
 - (ii) The most recent staff survey highlighted pay and conditions as an issue
 - (iii) The Council needs to implement the national pay scales from 1st April 2019
 - (iv) The current pay scales are too long and need to be reduced as progression takes too long for individuals to progress through the grade and to comply with equal pay requirements
 - (v) There needs to be a clear break between different pay grades
- 11.3 This paper contains some proposed enhancements to the overall package for employees. Wherever possible, these have been contained within existing resources, though there are certain levels of pay that the Council is a significant outlier (at grades 6-9) compared to neighbouring authorities, and financial investment is required. In order to continue to attract the best staff and to continue to provide high quality services, the Council does need to become more competitive in the market. In certain areas, most notably within the Development Management team in recent months, the Council has seen a significant loss of staff to other near neighbour councils.

Proposed changes to annual leave

- 11.4 It is proposed to increase annual leave levels.
- 11.5 The Council's current leave arrangements are set out in the table below. These meet the minimum requirements of the Green Book but are substantially below the annual leave allowances awarded by near neighbours.

11.6 **Table 1.1: Current Annual Leave entitlements**

Grade 1 – 10

Less than 2 years' service ¹	23 days
After 2 years' service	24 days
After 3 years' service	25 days
After 4 years' service	26 days
After 5 years' service	27 days
After 20 years' service	30 days
Chief Officers and Chief executive	30 days

- 11.7 Having reviewed the annual leave allowances from neighbouring authorities as shown in Appendix A the annual leave rates are the second lowest of twelve comparator organisations. The proposal is for a substantial increase over current allowances, and would place the Council positively compared to near neighbours comparative amounts. As a recruitment and retention tool, especially in those professional service areas where recruitment and retention are difficult, this could be a powerful incentive to work for the Council. Though there could be a productivity loss, this is difficult to quantify as this proposal would also likely lead to increased employee engagement and promotes employee wellbeing which are beneficial for productivity.
- 11.8 The proposed rates compare well across all grades, though at the most senior level the proposals are lower than other senior management teams from the higher comparator councils.
- 11.9 It is also proposed that the Council close for the period between the Christmas/New Year holiday which is 3 working days on an ongoing basis with emergency cover put in place. Again a comparison with near neighbours indicates that other local authorities do close over that period and award extra days to staff for that period or award 1.5 days leave and require staff to make a contribution from leave allowances.

¹ Annual leave entitlements are based on continuous local government service

- 11.10 This has been carefully considered and it is proposed to award one and a half extra days at Christmas 2018 and require staff to allocate leave to cover the other one and a half closure days, if applicable.
- 11.11 As with other councils, emergency out of hours arrangements will be put in place to ensure any urgent matters can be addressed during the period of closure.
- 11.12 It is recommended that leave allowances are implemented with effect from 1 April 2019 and incorporate Christmas closure within ongoing arrangements.

Table 1.2: Proposed Annual Leave² from 1.4.2019

Grade	Basic	After 2 years	After 5 years
1-7	25 days	28 days	32 days
8-10	26 days	29 days	34 days
ELB	30 days	33 days	34 days

Plus: 8 Public Holidays and an additional day and a half awarded to be taken during the Christmas closure.

- 11.13 The intention is to increase annual leave levels to increase rates more quickly than other near neighbours of councils.
- 11.14 From the 1st April 2019, it is also proposed to allow staff to buy up to five days of annual leave with agreement by their line manager. There is an employee benefit of this, as well as employer benefit through reduced national insurance and LGPS costs. Such requests to buy additional annual leave would need to be approved only in line with the business needs of the organisation.
- 11.15 In July 2015, the Council moved away from a fixed annual leave year based on 01 April to 31 March and introduced a flexible leave year to reflect the month in which an employee commenced employment with the Council. The Council also moved away from having fixed core hours for staff.
- 11.16 This is not universally seen as a benefit to staff but to enable the implementation of the proposed increase in annual leave and the option to buy additional leave, there will be consultation with staff at upcoming all staff briefings on whether to revert to a fixed leave year (April – March) so that there is consistency across the Council. The annual leave calculation will also be considered as to whether days rather than hours for full time staff are more appropriate.

Proposed changes to flexible working arrangements

- 11.17 The current policy allows employees to accrue an additional 8 hours per calendar month (“Flexi time”) and to take the accrued time off, capped at one day per month. The purpose of having flexible working hours is to promote

² Pro rata for part time staff

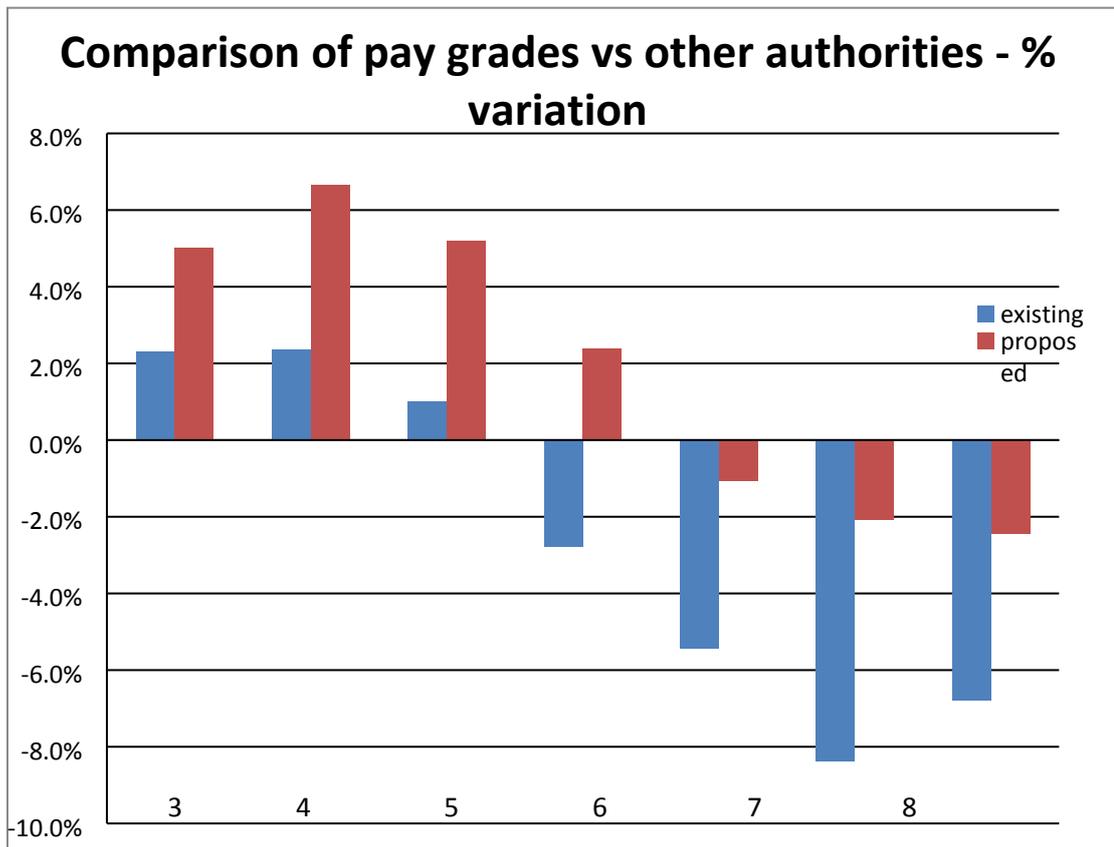
work-life blend and help employees to manage both their work and domestic commitments.

- 11.18 It is also proposed to move to fully flexible hours in common with other councils, in that staff may work at any time over a 24 hour period if necessary for the business. This also enables staff to manage personal appointments etc and still work 'a full day'.

Proposed changes to salary scales and assimilation to new pay scales

- 11.19 The NJC pay scales have been set nationally and as an employer who follows the national pay regime, the Council must ensure that staff are moved to this new pay scale. The Council must assimilate staff onto new nationally agreed pay scales from the 1st April 2019. The new pay scales include an uplift of 2% across the scale to comply with the national pay bargaining position and these have been agreed nationally by the unions.
- 11.20 As part of the movement to a new pay scale there is an opportunity for the Council to modernise the pay structure. The proposals set out in this paper remove the excessively long grades that currently exist, with many grades having nine spinal points, and move all grades up to scale 9 to a six spinal point model. Reduction to a six point pay scale is essential to ensure the Council meets equality of pay requirements. The proposals for moving the grades to be more competitive from grade 6 and above are covered elsewhere in this paper.
- 11.21 The existing salary scales were established in the late 1990's but are now recognised as poor compared to other local authorities both financially at points and due to long nature of the grades as set out in Appendix B and as highlighted in the graph below (blue bar):

Graph 1: Comparison of pay grades



11.23 The number of staff at different grades is outlined below in table 1. This provides some context for the number of staff who could be impacted by changes at different levels. However, not all staff will be impacted by the change; it will only be those at the top of certain grades, and those in the bottom three spinal points of a grade.

Table: 1 Headcount by Grade

Grade	Headcount	Impact
Scale 1	1	Living Wage
Scale 2	7	Living Wage
Scale 3	115	Removal of bottom 3 spinal points
Scale 4	130	Removal of bottom 3 spinal points
Scale 5	87	Removal of bottom 3 spinal points
Scale 6	82	Removal of bottom 4 spinal points and increase of spinal point at the top of grade
Scale 7	24	Removal of bottom 4 spinal points and increase of spinal point at the top of grade
Scale 8	18	Removal of bottom 5 spinal points and increase of two spinal points at the top of grade
Scale 9	6	Removal of bottom 4 spinal points and increase of spinal point at the top of grade

- 11.24 However, there is a cost to this as the bottom grades of spinal points will be removed, so staff on those lower spinal column points will move up to the new bottom point in the scale.
- 11.25 There is also a proposal to move the scales for 6, 7, 8 (with two points at this grade to prevent any overlap of grades) and 9 SCP so they are one spinal point higher at the top of grades. This places the Council salaries at market median but as shown at the graph, some of the salary grades are still slightly below market median. However, at grade 7 this is £500 below median, £1,100 at grade 8 and £1,500 at grade 9. At present, grades 8 and 9 are over £4,000 below the median levels. It is expected that this improvement, alongside other benefits highlighted in this paper, such as the increase of annual leave, will improve the Council's overall market position.
- 11.26 Grades 3, 4 and 5 are showing comparative increases to the median even though the top of the scale is not proposed to increase. This is because the bottom scale points have been removed, so that the middle of the pay scales are more competitive. With such long grades currently, it can take up to nine years for a member of staff to progress through the pay grade.
- 11.27 The proposed revised spinal points are included in appendix B and can be implemented at a cost of £227K.

- 11.28 If the Council wishes to pay at the top level of pay, and assuming all staff are currently at the top of scales (which they are not), the increased cost above the proposed increases would be a minimum of £900k.
- 11.29 A revised salary scale for grade 10 and Director, CX scale was implemented in 2017 as part of the senior level restructure. These roles are classed as Chief Officer and no further assimilation is required as the revisions put the comparative grades at just above the median point.

Implementation Timetable

02 November 2018	Initial discussion with Unison
02 November 2018	Initial discussion with Portfolio Holder for Professional Services
22 November 2018	Consideration by Personnel Committee
End November / early December	All Staff Briefings
12 December 2018	Consideration by Cabinet
Early January 2019	Feedback to Unison
Mid January 2019	Notify staff of agreed pay spines
February	Notify staff of individual changes
February/March 2019	Amend Payroll and simulate pay run using new data
01 April 2019	New Pay Scales in place

Conclusion

- 11.30 Proposals are included as recommendations for the Personnel Committee and then to Cabinet to enhance the overall employment package but within an affordable financial envelope. This recognises the Council's financial position and enables a comparative pay package with best in class other elements of the employment package to improve recruitment and retention and the offer to Council staff.
- 12 **OTHER OPTIONS CONSIDERED AND REJECTED**
- 12.1 Retain the employment package as it currently stands. This option is rejected as the employee strategy sets out to change the overall package to increase the Council's competitiveness in the market and to enhance the Council's recruitment and retention levels. There are many examples across the Council

where there are recruitment and retention concerns and the Council has little in its existing package to differentiate itself.

- 12.2 Pay scales could be increased to top quartile. However, this has been rejected as it is only being applied where the SCP is significantly away from the comparator average and so impacting on recruitment and retention. Almost all pay scales now are within 5% above or below the median pay range of comparative councils. Pay anomalies at senior staff grade 8 have been addressed to bring the mid point of this grade much closer to the average.
- 12.3 The Council could opt for an average annual leave comparative figure, with no further exploration of other employee benefits; i.e. the status quo with a small enhancement to annual leave. This has been rejected, as the pay amounts are around the average across grades; an average offer for non pay benefits is unlikely to make any impact in attempting to recruit staff from other councils and the private sector, nor will it assist retention significantly when neighbouring councils have a substantially better pay and benefits offer.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

PER304 – 27 November 2017: The Employee Strategy

Other Background Documents:-

NJC pay scales 2019-20

APPENDICES:

Appendix A – comparative pay data

Appendix B – proposed revised pay scales

Appendix A – Comparative annual leave

GRADE	BASIC	With Previous Continuous Local Government Service		
		After 5 years	After 10 years	After 15 years
1 - 8	24 days (177.6 hours)	28 days (207.2 hours)	30 days (222 hours)	32 days (236.8 hours)
9 - SM3	26 days (192.4 hours)	29 days (214.6 hours)	31 days (229.4 hours)	34 days (251.6 hours)
Chief Executive/ Directors	28 days (207.2 hours)	31 days (229.4 hours)	33 days (244.2 hours)	36 days (266.4 hours)

LENGTH OF SERVICE					
Salary Point	Up to 5 Years	After 5 Years	After 10 Years	After 20 Years	After 30 Years
Up to Pt 17	22	27	28	30	32
Pt 18-28	23	27	28	30	32
Pt 29-32	24	27	28	30	33
Pt 33+	26	27	29	32	35
JNC Grades	Up to 5 Years	After 5 Years	After 10 Years	After 20 Years	After 30 Years
11 - 14	32	33	34	35	36
CD's/CX	33	34	35	36	37
+ 8 x public holidays					

Grade	Period of Continuous Service		
	0 - 5 years	5 - 20 years	Greater than 20 years
Hourly Paid Employees	21	25	28
Grades 1-4	21	25	28
Grades 5-6	21	26	29
Grades 7-11	22	27	30
Managers Grade	25	30	33
Directors	30	35	38

Appendix B – Comparative pay data

Source: Comparison against neighbouring councils³ as at 2017 pay amounts

WCC Grade	2017 Salary range	Comparison against the mean average	Comparison against the mean average – new salary range in 2017 figures⁴
3	17,681 – 21,074	2.3%	5%
4	21,074 – 27,358	2.3%	6.7%
5	27,358 – 34,106	1%	5.2%
6	34,106 – 40,858	-2.8%	2.4%
7	39,661 – 46,965	-5.4%	-1.1%
8	44,697 – 52,813	-8.4%	-2.1%
9	52,813 – 61,389	-6.8%	- 2.4%

³ Comparator Councils – Rushmoor, New Forest, Chichester, Fareham, Eastleigh, Test Valley, Basingstoke

⁴ Modelled on 2017 comparative amounts with other Councils, but on the proposed pay scale ranges (but in 2017 salary ranges) as comparator Council 2019 pay ranges are unknown at present

Appendix C – Table Revised spinal points and grades – only showing SCP used

Model 7 - Assimilation + grade length reduced to 6 scps							
+ 1 scp uplift @ Scales 6,7 & 9							
+2 scp uplift @ Scale 8							
18,426	4						
	4						
18,795	5						
	5						
19,171	6						
	6		SC3				
19,554	7						
19,945	8						
20,344	9						
20,751	10						
21,166	11						
21,589	12						
24,799	19						
25,295	20						
25,801	21						
26,317	22						
26,999	23						
27,905	24						
30,507	27						
31,371	28						
32,029	29						
32,878	30						
33,799	31						
34,788	32						
37,849	35						
38,813	36						
39,782	37						
40,760	38						
41,675	39						
42,683	40						
43,662	41						
44,632	42						
45,591	43						
46,749	44						
47,904	45						
49,113	46						
50,337	47						
51,591	48						
52,885	49						
53,869	50						
54,918	51						
55,958	52						
58,040	54						
59,078	55						
60,116	56						
61,154	57						
62,617	58						
63,860	59						