

HUMAN RESOURCES PANEL

Monday 4 July 2016 at 6.00 pm

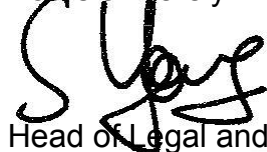
Committee Room 1 - Epsom Town Hall

The members listed below are summoned to attend the Human Resources Panel meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Hannah Dalton (Chairman)	Councillor Guy Robbins
Councillor Alex Clarke	Councillor Jean Steer
Councillor Robert Foote	Councillor Peter Webb

NOTE: The meeting will be preceded by a meeting with staff representatives at 5.00 pm in Committee Room 1. That meeting will not be open to the public.

Yours sincerely



Head of Legal and Democratic Services

For further information, please contact Fiona Cotter, tel: 01372 732124 or email: fcotter@epsom-ewell.gov.uk

AGENDA

1. DECLARATIONS OF INTEREST

Members are asked to declare the existence and nature of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting.

2. MINUTES OF THE PREVIOUS MEETING (Pages 3 - 12)

The Panel is asked to agree as a true record the Minutes of the Meeting of the Human Resources Panel held on 18 November 2014 and the Minutes of the Panel (meeting as the Joint Staff Committee) held on 13 October 2015 and to authorise the Chairman to sign them.

3. ANNUAL REVIEW OF HR MATTERS (Pages 13 - 48)

This report provides an overview of the following HR matters at Epsom and Ewell Borough Council during 2015-16:

- Annex 1 - Recruitment Equal Opportunities Monitoring
- Annex 2 - Recruitment & Selection Spend / Activity
- Annex 3 - Sickness Absence
- Annex 4 - Labour Turnover
- Annex 5 - Workforce Profile
- Annex 6 - Learning & Development
- Annex 7 - Employee Relations (restricted document by virtue of paragraph(s) 2 of Part 1 of Schedule 12A to the Local Government Act 1972)

4. LEGAL UPDATE (Pages 49 - 54)

This report provides an overview of the following employment legislation and the impacts on the Council:

- Shared Parental Leave
- Living Wage
- Exit/Termination Payments
- Gender Pay Gap Reporting

**Minutes of the Meeting of the HUMAN RESOURCES PANEL
held on 18 November 2014**

PRESENT-

Councillor Judith Glover (Chairman); Councillors George Crawford, Humphrey Reynolds (as nominated substitute for Councillor Christopher Frost) and Jean Steer

Apologies for absence: Councillors Sheila Carlson and Anna Jones

Officers present: Shona Mason (HR Business Advice Manager), Paul Byford (HR Business Advisor) and Fiona Cotter (Democratic Services Manager)

- 1 MINUTES. The Minutes of the Meeting of the Human Resources Panel held on 18 November 2013 were agreed as a true record and signed by the Chairman.

- 2 DECLARATIONS OF INTEREST. No declarations of interest were made by councillors regarding items on the Agenda.

- 3 HUMAN RESOURCES UPDATE - Q1 AND Q2 2014/15. The Panel received a report which provided Members with an overview of sickness absence (April – September 2014) and staff turnover (April to current date). The report also informed Members of the result of the benchmarking exercise taken at the request of the Panel regarding the inclusion of an appeals process in the Flexible Retirement Policy and provided an update on the Council's Apprenticeship Scheme and the Work Placement Scheme being run by Operational Services in conjunction with the Job Centre.

The Chairman acknowledged that there had been some discussion regarding whether or not to cancel the meeting as two Panel members and Director of HR would not be available, but reminded Members that HR related information such as sickness and turnover was now presented to the Panel less frequently moving from quarterly to six monthly: deferring its consideration would have meant that the information would have been significantly out of date.

The Panel noted that sickness levels in the Chief Executive's Division, Corporate Risk and Operations were on the higher side. The high levels within the Chief Executive's Division were attributable to one employee who had now returned to work. The situation was similar within the Corporate Risk Division with twenty-one of the lost days attributed to one employee who had undergone an operation but had now returned to work on a phased basis. Within Operations two hundred and sixty seven lost days were attributable to eight employees who had been off work on a long term basis. Out of these eight employees, one employee had now resigned, four employees had returned to work after an operation and the remaining three employees continued to be off work due to either knee injuries (which were not work related) or pre/post-operations.

The Panel was informed that HR continued to work with managers to monitor long term cases and to support employees to return to work as soon as possible. It was highlighted that Council's average number of days lost through sickness (5.7 days per employee per year) was well below the average level of employee absence for the public sector of 8.7 days per employee per year (according to the 2013 CIPD Absence Management Survey).

In respect of staff turnover, the Panel noted that, at twenty-nine employees (9.11%), this was higher than in previous years and that, if it continued at this rate, projected turnover for the year would stand at 18.2 %. This would be significantly above the CIPD 2013 median Labour Turnover rate of 11.9%. However, the report highlighted that these figures included two voluntary redundancies. The Panel was informed that turnover was measured across all Divisions and that there were currently no hot spots – there was no great cause for concern. The Chairman also highlighted that she was well aware that turnover in the private sector was much higher at the moment and that, bordering Greater London, the Council was always susceptible to losing staff to jobs in central London or its environs for reasons of personal development or higher pay. The report also noted that there was currently a Decision Making Accountability review underway looking at layers and spans of control within the Council which might address some issues around opportunities for personal development or to progress within the organisation.

At the Joint Staff Committee on 11 September 2014, it had been noted that there was no appeal process within the new Flexible Retirement Policy and a request was made to obtain benchmarking information in this regard. The Panel was informed that seven responses had been received from Surrey authorities with the majority stating that, within their policies, the decision to allow flexible retirement would be made by the senior management team with no right of appeal. Only one authority, Reigate and Banstead Borough Council had an appeals process and this was because the decision regarding flexible retirement was taken by the line managers and not the senior management team. Accordingly, the Panel agreed that it would not wish to recommend further amendment to the policy to include a right of appeal.

The Panel then went on to discuss the Council's Apprenticeship Scheme and the Work Placement Scheme being run by Operational Services in conjunction with the Job Centre.

In regard to the Work Placement Scheme, seven out of the eight candidates had completed the full eight-week placement. Initial feedback had been excellent from both candidates and the teams within Operational services with whom they were placed. Candidates were aware that permanent placements were not available but one candidate had since been for interview for an internal position and two other candidates had been offered opportunities with local stakeholders. The Panel noted that the success of the scheme was largely down to the hard work and enthusiasm of Emily Harbrecht and wished its appreciation for her work recorded.

Regarding the Apprenticeship Scheme, the Panel discussed the possibility of paying more than the apprentice minimum wage (currently £2.73 per hour) and was informed that, in the light of experience, this was something that HR had been considering in order to attract candidates. The Panel noted that a set budget for the scheme had been approved by Strategy and Resources Committee and the Panel requested that a review of the apprenticeship scheme and future funding arrangements be undertaken. The Panel considered that apprentices ought to be paid above the minimum apprentice

wage and would wish this to be seriously considered by the Strategy and Resources Committee.

Accordingly, the Panel:

- (1) Noted that sickness absence would continue to be monitored in line with Council Policy;
- (2) Noted that labour turnover would continue to be monitored and steps taken to address any areas of concern;
- (3) Did not recommend the inclusion of a right of appeal in the Council's Flexible Retirement Policy;
- (4) Noted that it was envisaged that those Apprentices whom could be supported would be recruited during the next few weeks and that a further update on their progress would be provided to the Joint Staff Committee in January;
- (5) Requested that a review of the Apprenticeship Scheme and future funding arrangements be reported to the Strategy and Resources Committee;
- (6) Noted that the Job Centre work placement programme would continue into its second phase and that, if it continued to be successful within Operational Services consideration could be given to roll it out across the Council.

4 HEALTH AND SAFETY UPDATE, Q1 & 2 2014-15. The Panel received a report which provided Members with an update on accidents/incidents involving employees.

The report informed Members of the following statistics in relation to accidents, incidents and near misses reported during the period April – September 2014. There had been:

- 17 accidents/incidents/near misses involving employees
- 2 accidents/incidents/near misses involving a casual employee and Surrey County Council employee
- 1 incident involving damage to property/vehicle

The Panel noted that the majority of incidents involved grounds maintenance operatives but was assured that proper training and safety equipment were provided and that the number of incidents needed to be put in the context of the regularity of the performance of grounds maintenance tasks. Returns were filed with the Health and Safety Executive but none of the incidents set out in this report were reportable.

The Panel did not identify any areas of particular concern but requested that Pauline Baxter, the Council's Health and Safety Officer, be asked to come to the Panel's March 2015 meeting to outline the measures taken by her and managers in order to prevent and reduce accidents across the Council and specifically within Grounds Maintenance.

The meeting began at 19.30 hours and ended at 20.30 hours.

JUDITH GLOVER
Chairman

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**Minutes of the Meeting of the JOINT STAFF COMMITTEE
held on 13 October 2015**

PRESENT -

Councillor Hannah Dalton (Chairman); Councillors Alexander Clarke, George Crawford, Jean Steer and Peter Webb

Absent: Councillor Neil Dallen

In attendance: Mark Adlington, Sam Beak and Andrew McCuaig (Staff Representatives)

Officers present: Shona Mason (Head of Human Resources and Organisational Development), Fiona Cotter (Democratic Services Manager)

1 MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Joint Staff Committee held on 22 January 2015 were agreed as a true record and signed by the Chairman.

2 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding items on the Agenda.

3 PRESENTATION

Shona Mason, Head of Human Resources and Organisational Development gave a short presentation to give context to the role of the Human Resources Panel, (meeting with staff representatives as the Joint Staff Committee), and the work of the Human Resources team.

The Committee noted that the Council had 313 employees – a diverse workforce spanning 12 divisions. The overall staff complement had remained relatively static over the past 10 years. There had been reductions in some areas but other areas had increased. Staff turnover currently stood at 15.3%, 9.9% being attributable to voluntary resignations. The latter figure was slightly high for a number of reasons, in particular the draw of higher paid jobs in London. However, it was comparable with rates across other Surrey authorities. The Council did not have a voluntary severance policy.

Whilst there had been 9 employee relations cases last year, it was confirmed that no cases had gone to tribunal in recent years. 6.75 days per employee were currently lost to sickness and had been around this figure for the last few years.

This was a good track record taking into account that the public sector average was 8.7 days.

Ms. Mason went on to provide a brief overview of the HR team and what it did, in particular highlighting the integral role of iTRENT – the Council’s on-line HR management tool.

The Staff Consultative Group, currently chaired by Mark Adlington, played a key role in supporting staff and was regarded as the “eyes and ears” of the organisation. The Group was consulted on all matters affecting staff. There was no official Trades Union recognition but the Trade Union had a place on the Group. The key role of the Joint Staff Committee, attended by staff representatives, was to influence fiscal decisions affecting staff.

Finally, the Committee noted the Council’s key employment policies and procedures which the Council operated within the employment law framework:

- Induction and Probation
- Sickness Absence
- Dispute Resolution (Disciplinary/Grievance/Bullying and Harassment)
- Performance Pay
- Appraisal Scheme

4 EEBC PAY AWARD 2016-17

The Committee received and considered a report which provided background information on the management pay offer made to staff and which set out the response to this offer.

The Committee noted that the issue of pay was around managing resources and valuing staff and, at this same meeting, the Committee would also be asked for its views on the Council’s pay policy for the next four years.

In order to afford time for staff consultation, an offer of 1.3% had been made to the Staff Consultative Group in July this year and management wished their thanks recorded to the SCG, and especially to Mark Adlington, SCG Chairman, for their commitment and hard work in managing the consultation with staff. An employee counter claim for 2% was made by the SCG by the requested deadline of 30 September 2015.

The report highlighted factors which were taken into consideration by management when considering pay. In particular, it was highlighted that, whilst not announced at the time of the management offer was made, Central Government had recommended a 1% pay award for public sector workers for the next four years. Whilst this Council was not on the local government national terms and conditions, it was nevertheless a guide to pay in this sector. It was also highlighted that the Government had stated it would introduce a National

Living Wage for employees over the age of 25 from April 2016 of £7.20 per hour. This would replace the current National Minimum Wage of £6.70. It was noted that, whilst not Council policy, the Council had made an unofficial commitment to paying the Living Wage (currently £7.85 per hour) and the Council's bottom pay scales were already above that.

It was noted that the cost of the recommended pay award of 1.3%, including on-costs but excluding progression and bonuses, would be around £150k. It was confirmed that the cost of progression and bonuses was normally around £60k. For financial planning purposes, provision of £230k had been made to cover the cost of the annual pay award, progression and bonuses. Therefore, an award of over 1.5% would require the identification of additional savings from elsewhere.

The Committee noted a comprehensive paper submitted by the SCG supporting the 2% claim on behalf of staff. Staff had varying views and valued different things - a reflection of the diverse workforce. Mr. Adlington stressed that, whilst mindful of financial constraints, SCG felt that the 1.3% offer could be improved upon and that 2% was not unreasonable. Whilst it was noted that only a very small minority of staff were on the Council's lowest pay scale, it did not mean that staff were not struggling, particularly taking into account the increasing demands put on the workforce because of shrinking resource.

The view was expressed that the Committee should be mindful of the discussion held at the previous meeting of this Committee in January 2015 where the strong minority view was that a 2% pay award should have been implemented.

The view was also expressed that the Council's pay award had been above average for Council's in the South East over recent years and that whilst sympathetic to an improvement on the 1.3% offer, 1.5% was at the maximum of affordability. It was suggested that 1.4% might be acceptable.

Concern was expressed for the lower paid and it was further suggested that £20K (the difference between a 1.3% and 1.5% award taking into account provision for progression and bonuses) would be better targeted at this group rather than an across the board pay award. However, SCG representatives indicated that they considered that this might be potentially divisive and was not something that they could commit to on behalf of the workforce without consultation.

It was felt that a decision on the pay award was intimately linked to the decision on the Council's Pay Policy for the next four years. Having discussed and agreed a way forward on this policy (item 5 refers), and having considered the Staff Consultative Group/Trade Union request for an improved offer, Members agreed to recommend to the Strategy and Resources Committee a pay award for 2016/17 of 1.5% across the board, recognising with regret that financial constraints meant that a higher settlement was unfeasible but that 1.5% was not out of step with the private sector.

5 PAY POLICY 2016-20

The Committee received and considered a report which set out the background to the formulation of the Council's policy on pay, pay rates and the review mechanism which would be used to determine future pay over the next few years.

The Head of Human Resources and Organisational Development highlighted that the Council operated on locally devised terms and conditions and that once agreed, the policy would govern how the Council implemented pay. The Committee's attention was drawn to a table which set out details of the previous four-year pay policy in terms of pay awards and progression payments and what pay levels had been awarded to staff. It was considered that this illustrated that this had been fairly consistent. It was highlighted that it was the Council's current policy not to aim to be in the upper quartile of payment levels locally but near the mid-point or median although it was recognised that the Council's geographic location presented some challenges in terms of the cost of living and competition from higher salaries in London. It was further stressed that, unlike neighbouring authorities, the Council did not have an automatic progression regime. The Council operated without exception performance related pay progression for all staff which required staff to perform effectively and exceed/achieve in their targets as well as in their competencies to be eligible for progression.

Until 2013, the Council operated a six point salary scale with an approximately 3% gap between each spinal column point. However, the recent recession and current economic climate had meant that these levels of payment had become financially unsustainable and progression pay had been suspended for a period of three years in 2010, 2011 and 2012. In 2013 a nine point scale was introduced which made the gaps between the spinal column points smaller and allowed the reintroduction of progression pay. The proposed 2016-20 Pay Policy allowed for across the board pay awards for the four year period together with a review of the nine point scale in 2017/18.

The Committee was informed that SCG and wider staff had been consulted on the proposed policy and the comments of SCG were set out in Annexe 2 to the report. In principle, SCG had agreed the policy but had made some additional comments for management consideration. SCG had requested that consideration be given to a broader based progression scheme and a review of how bonuses were paid. Whilst the Council's pay and appraisal performance schemes were separate policies, they did feed into each other which would require a full review of the Council's pay structure as well as the appraisal scheme.

Mr. Adlington highlighted, in particular, that the Group would like a total review of the underlying principle "that there should be no progression once an employee (had) reached the maximum spinal column point of their Market Anchor". It was pointed out that, more often than not, those at the top of their salary grade were often high performers and experienced staff. In a competitive job market, there was no motivation/incentive.

The Committee agreed that it was imperative to have salary scales fit for purpose and that this could not be divorced from wider issues around the performance scheme. It was confirmed that external resource would be required to undertake such a review and that initial conversations around this had taken place with management. However, this would not be a quick exercise and it needed to be recognised that it would take at least six months for a consultant to be identified and a review to be undertaken. There would also be further time required for consultation with management, staff and for Member approval of any changes. It was confirmed that the aim would be to have any revised scheme (subject to management and Member approval) ready for implementation by 2017/18. However, it was noted that this may not be achievable with the number of processes involved in the review and implementation could be later.

Accordingly, Members endorsed the Council's Pay Policy 2016-20 and recommended its adoption to the Strategy and Resources Committee subject to inclusion of a review of the salary scales & performance appraisal scheme.

The meeting began at 7.00 pm and ended at 8.45 pm

COUNCILLOR HANNAH DALTON
(CHAIRMAN)

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ANNUAL REVIEW 2015-16

Report of the: Head of HR & Organisational Development
Contact: Shona Mason
Annexes/Appendices (attached):
Other available papers (not attached):

REPORT SUMMARY

This report provides an overview of the following HR matters at Epsom and Ewell Borough Council during 2015-16:

- **Annex 1 - Recruitment Equal Opportunities Monitoring**
- **Annex 2 - Recruitment & Selection Spend / Activity**
- **Annex 3 - Sickness Absence**
- **Annex 4 - Labour Turnover**
- **Annex 5 - Workforce Profile**
- **Annex 6 - Learning & Development**
- **Annex 7 - Employee Relations (restricted document by virtue of paragraph(s) 2 of Part 1 of Schedule 12A to the Local Government Act 1972)**

RECOMMENDATION (S)

That the Panel receives the statistical information for the above activities for the financial year 2015/16.

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 In order for the Council to achieve its Key Priorities and to meet the needs of the Community Strategy the Council's workforce plays an important role in the delivery of services to Epsom & Ewell Borough residents. During 2015/16 the focus has been on developing capacity for change, developing leadership, creating a new culture and ensuring trust, fairness, equality and respect for all.
- 1.2 Many of the HR activities that take place across the organisation support the Council to provide the best possible services to be delivered through its people. HR services provided include transactional, service delivery and strategic contribution to the organisation.

2 Background

- 2.1 In April 2015 the Council adopted a new management structure with the deletion of two Directors positions and formed a newly established Leadership Team. This team comprises of the Chief Executive, Director of Finance & Resources and 11 Heads of Service.
- 2.2 Feedback was sought from the organisation in order to inform the future HR service that is offered to staff and managers. It identified that the HR service should integrate further within the business, thereby supporting collaborative working and allowing HR to be more proactive with line managers in dealing with people related issues. In order to support a new way of working the HR team underwent some reorganisation with a move towards a business partnering model with both HR Business Advisors being allocated an area of the Council to partner with and a focus on Organisational Development.
- 2.3 There have been significant budget challenges during the year which have resulted in a number of responses. These have included freezes on recruitment and learning and development.
- 2.4 There are always changes in legislation which will continue to impact on the Council. These have included shared parental leave and the introduction of the living wage. Further changes are anticipated in relation to exit/termination payments and gender pay gap reporting.

3 Recruitment

- 3.1 Throughout 2015/16 HR continued to work with managers to ensure that recruitment practices were undertaken in a fair and a consistent way for all recruitment campaigns. This is to ensure that all applicants have an equal opportunity to apply for Council positions and to make the best of their potential. This involves making proactive statements in our job adverts that the Council welcomes applicants from all backgrounds. Applicants are explicitly advised that job criteria needs to be evidenced in the application form showing where applicants meet the criteria. This statement is also in our email regrets. The removal of names on applications forms for shortlisting also continues. HR continues to coach line managers on best practice, equal opportunities, the Equality Act 2010 and interviewing techniques ensuring managers knowledge and understanding of the subject is at the required level and that EEBC remains an equal opportunities employer. HR delivered a recruitment workshop for managers in March 16.
- 3.2 As part of the budgetary constraints there was a recruitment freeze between August and March 16.
- 3.3 Recruitment is an ongoing activity for the organisation and is reviewed regularly to ensure that vacancies are advertised so as to be attractive to potential candidates and that costs are kept under control.

4 Sickness Absence

- 4.1 The importance of managing absence in line with Council policy is one of the key areas where HR offers support and guidance to managers. The number of days lost per employee is 6.76 for 2015/16 and continues to be lower than the public sector average of 8.2 (CIPD National Average for Local Government).
- 4.2 A new Occupational Health provider was secured during the year and took over the EEBC contract from 1 April 2015. The provider is now supporting the Council in dealing with managing absence in a much more proactive way with significantly reduced timescales. They have supported managers in dealing with absence issues in a timelier manner with clear advice and practical support. It is anticipated that savings of at least 50% will be achieved compared with the previous contract. The Council has also changed Employee Assistance Programme (EAP) provider from 1 April 2015 making a small saving while delivering a comparable advice and counselling service to all staff.

5 Workforce Profile

- 5.1 Statistical information for the Workforce profile is presented in Annex 5 and shows that the Council's workforce remains broadly reflective of the Borough's demographic profile.

6 Learning & Development

- 6.1 Due to the difficult financial year with a large projected deficit there was a training freeze from August 15 – March 16. However essential training activity took place which included First Aid, Health & Safety, CPC Driving.
- 6.2 In the past the Council ran an annual wellbeing event however due to financial constraints there has been no event this year. To address this number of lunch “n” learns took place covering wider wellbeing topics which included:
- Safeguarding (The Care Act)
 - Social media safety
 - Committee report writing
 - Nutrition for healthy ageing
 - Surrey Save
 - Health and Safety Policy Launch – Health & Safety & you
(One at TH and one at Depot)
 - Health and Safety Policy Launch – Risk Assessments
 - Health and Safety Policy Launch – event organising
- 6.3 Flu vaccinations were offered again this year where employees could go to their local Boots store and be given the vaccine at any time. 58 employees took up the offer.

- 6.4 A small part of the savings that were made from the change in Occupational Health provider funded the launch of a new employee benefits portal which provides employees with the opportunity to access discounts and cash back on purchases at high street stores as well as expanding the Council's current salary sacrifice portfolio to include mobile phones.

7 Proposals

- 7.1 In the coming year 2016/17 HR's focus will be to take a more proactive approach to help support and develop the organisation using the statistical information to base decision making on. With the recent senior management restructure bedding in and the launch of a new Council Corporate Plan there will be a need to develop a new Organisational Development/People Strategy. The following projects have been initially planned:

Developing Management Capacity & Skills

- 7.2 It is proposed that the Leadership Team will develop a Managers "Huddle" which will be held up to three times a year. The "Huddle" will focus on developing a collaborative approach between the Leadership Team and Managers focusing on updates on key priorities and projects, networking and practical skills. We are also looking to develop a manager's skills checklist to provide a focus for future development opportunities. A working group will be established and delivery of the first "Huddle" is anticipated in October/November 2016.

Review of HR Policies

- 7.3 Current HR policies such as the sickness, capability, disciplinary, grievance and workforce change are complex, inflexible and lengthy. The sickness and capability policy will be reviewed this year to provide HR policies which are clear, concise and support swift action.

Staff Survey

- 7.4 A staff survey is planned for early 2017 to engage with staff and learn from them how the changes within the organisation have affected them.

Review of the Councils Pay & Performance Scheme

- 7.5 It was agreed by Joint Staff Committee and Strategy and Resources Committee that the Council's Pay and Performance scheme will be reviewed. This review has commenced and will be undertaken by the Local Government Association. The review is estimated to cost £12,000 and its findings will be reported back to the Joint Staff Committee.

Looking at other joint working practices/ opportunities

- 7.6 On an ongoing basis opportunities for joint working will be explored and grown where it makes sense to do so. Current arrangements include Payroll and IT. Currently being explored is a joint Building Control project with Mole Valley, Reigate & Banstead, Tandridge and Epsom & Ewell Borough. This will be developed further this year.

Promotion of Development

- 7.7 We will provide opportunities for collaborative-working, shadowing and on-the job training and continue implementing development plans. We will aim to promote other development opportunities through the Surrey Learn Partnership, local colleges, professional bodies and any national schemes, against the backdrop of the challenging financial position.

Promotion of staff wellbeing

- 7.8 Despite budgetary challenges we will continue to promote staff wellbeing and are currently exploring options for future Lunch “n” Learn session to include Mindfulness, Resilience and Nutrition. Further wellbeing initiatives similar to previous years will also be explored.

8 Financial and Manpower Implications

- 8.1 All HR activities take place within agreed budgets.
- 8.2 Savings will continue to be made where possible ensuring the Council can provide a quality HR service in a cost-effective way.
- 8.3 The costs associated with each of the HR activities which are reported on are outlined in the attached annexes.
- 8.4 ***Chief Finance Officer’s comments:*** *The cost of the review of the Council’s Pay and Performance Scheme will need to be found from within existing budgets.*

9 Legal Implications (including implications for matters relating to equality)

- 9.1 EEBC actively promotes equality of opportunity and values the diversity of its workforce. As an equal opportunities employer, it is vital that the Council ensures that all its policies, procedures and processes are open and fair and that staff are not discriminated against during their employment with the Council.
- 9.2 We monitor all parts of the employee relationship from recruitment, induction, training, employee relations, salary and benefits and HR processes to ensure that discrimination does not take place as outlined by the Equality Act 2010.

- 9.3 All HR practices governed by legislation are done so in line with Council's HR policies which adhere to employment legislation. These are updated to reflect any employment law updates throughout the year.
- 9.4 Over and above the need to ensure legal compliance with the Equality Act 2010 and other relevant statutory measures, the Council recognises the benefits of a diverse workforce and of the creation of a working environment based on dignity, respect and professionalism. As well as being ethical and good business practice, this approach will stand the Council in good stead in the future as the workforce becomes increasingly diverse, not just in the Borough but also-importantly- in neighbouring South West London from where the Council recruits many of its staff.
- 9.5 ***Monitoring Officer's comments:*** *The legal issues are covered in the body of the report.*

10 Sustainability Policy and Community Safety Implications

- 10.1 None

11 Partnerships

- 11.1 None

12 Risk Assessment

- 12.1 It is imperative that the Council follows fair and consistent HR procedures because the potential costs against the Council should it fail to implement a fair and robust process and procedure could be substantial should an Employment Tribunal claim be successful. As well as the financial costs, the reputational damage to the Council as an elected authority and as an employer could be considerable.
- 12.2 It is worth noting that there is no limit on compensation payable in successful claims of discrimination on the grounds of one of the protected characteristics defined in the Equality Act 2010. There are currently no such claims against the Council.

13 Conclusion and Recommendations

- 13.1 The Committee is asked to receive and note the contents of the report and annexes and identify any areas of concern.

WARD(S) AFFECTED: N/A

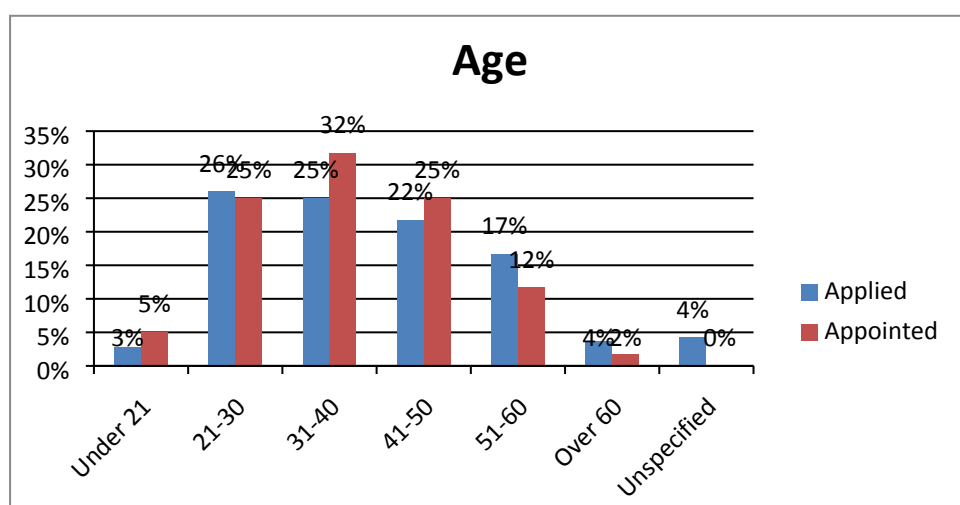
Recruitment Equal Opportunities Monitoring 2015-16

Data is captured for all nine protected characteristics as outlined in the Equality Act however for the purpose of this report a selection of the characteristics have been reported on.

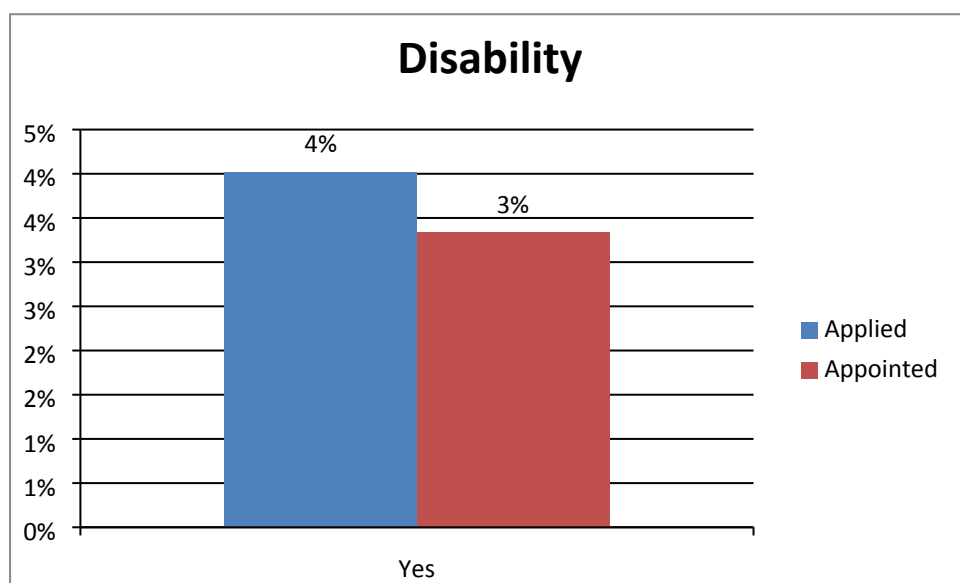
In 2015/16 there were a total of 61 recruitment campaigns. EEBC received a total of 631 applications; 72 offers of employment were made; 65 employees were appointed. Eight campaigns had more than one post vacant.

The charts below provide details of equal opportunities data for each of the categories showing applicants and appointments.

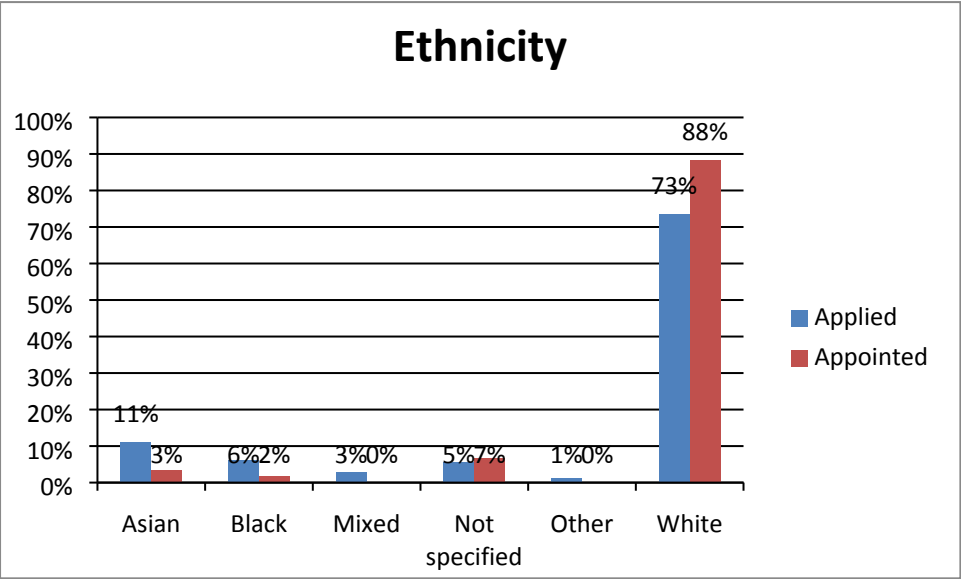
Age



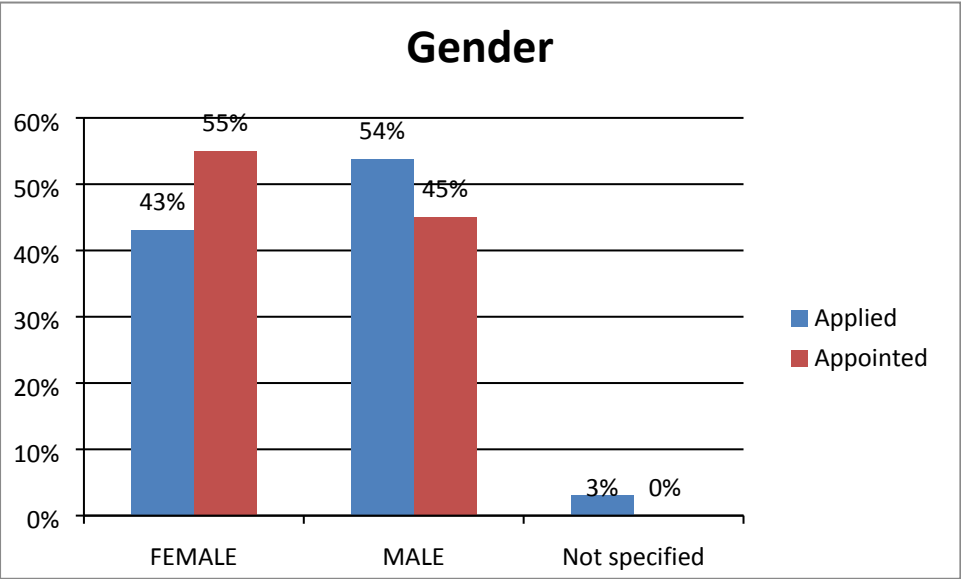
Disability



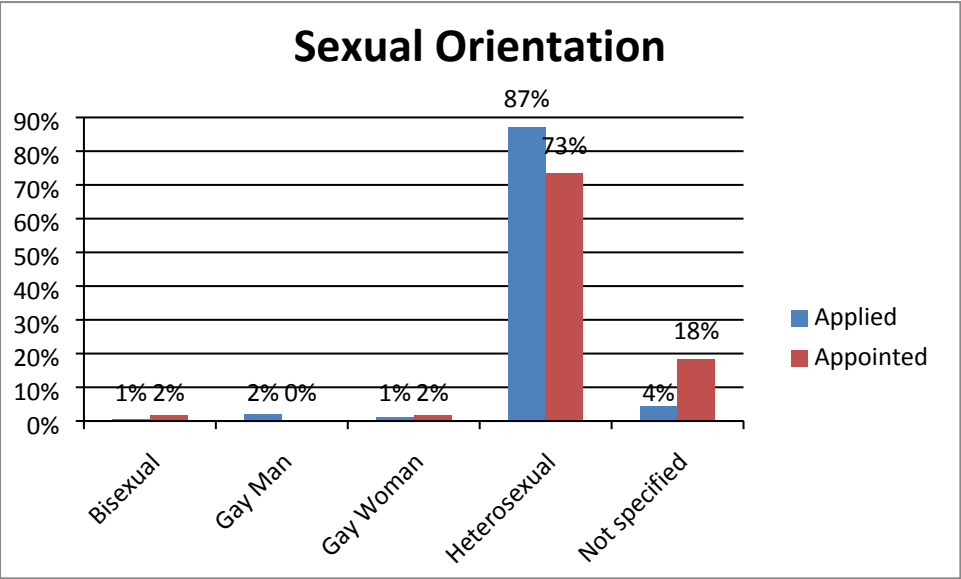
Ethnicity



Gender



Sexual Orientation



The Council renewed its commitments under the ‘2 ticks Positive about Disability’ symbol and recruitment practices continue to be robust to ensure fairness for all.

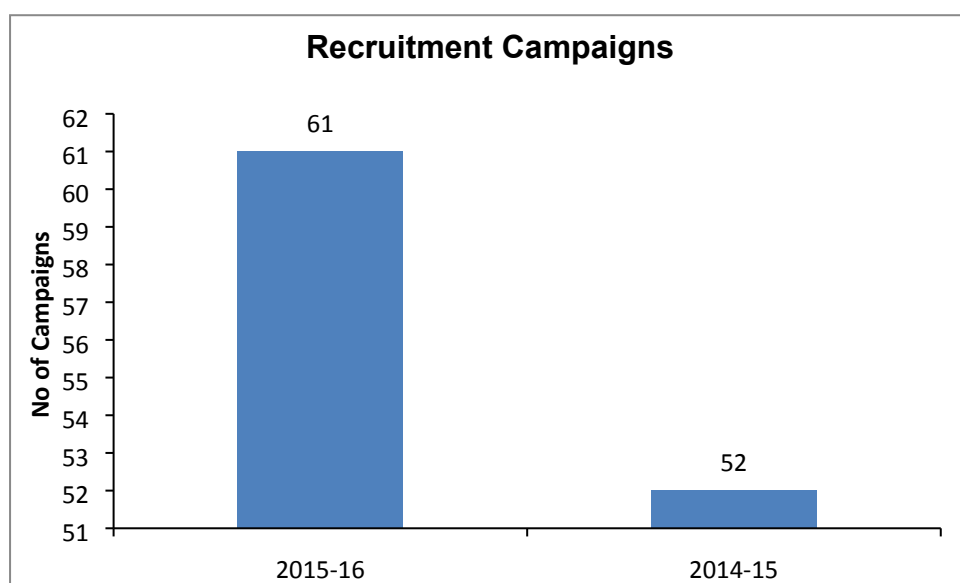
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Recruitment Activity & Spend 2015/16

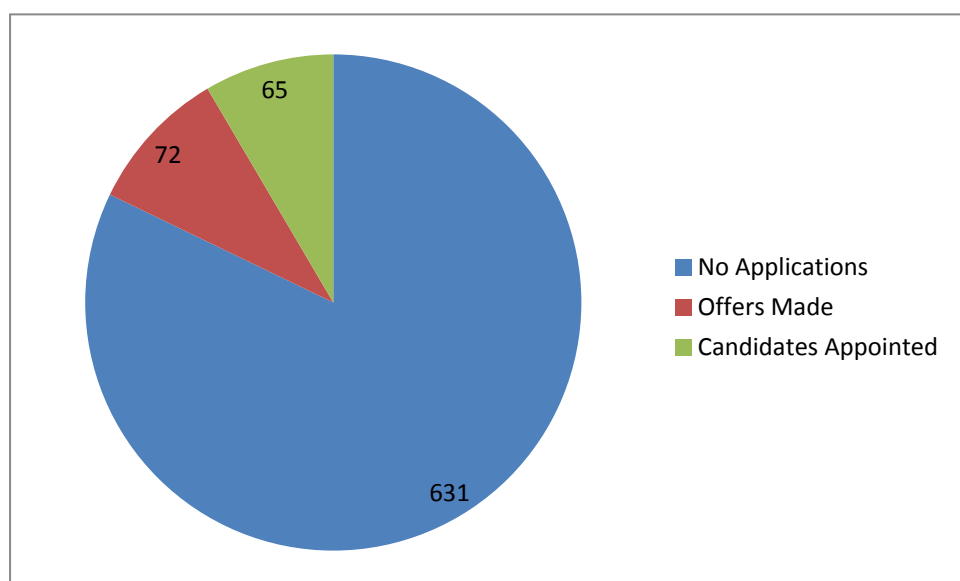
In 2015/16 a total of 61 recruitment campaigns were undertaken by the Council.

In response to the budget constraints there was a freeze on recruitment between August 2015 and March 2016 however some essential roles were recruited during this period and recruitment commenced again in January/February 2016 for appointments to be made from April 2016 onwards.

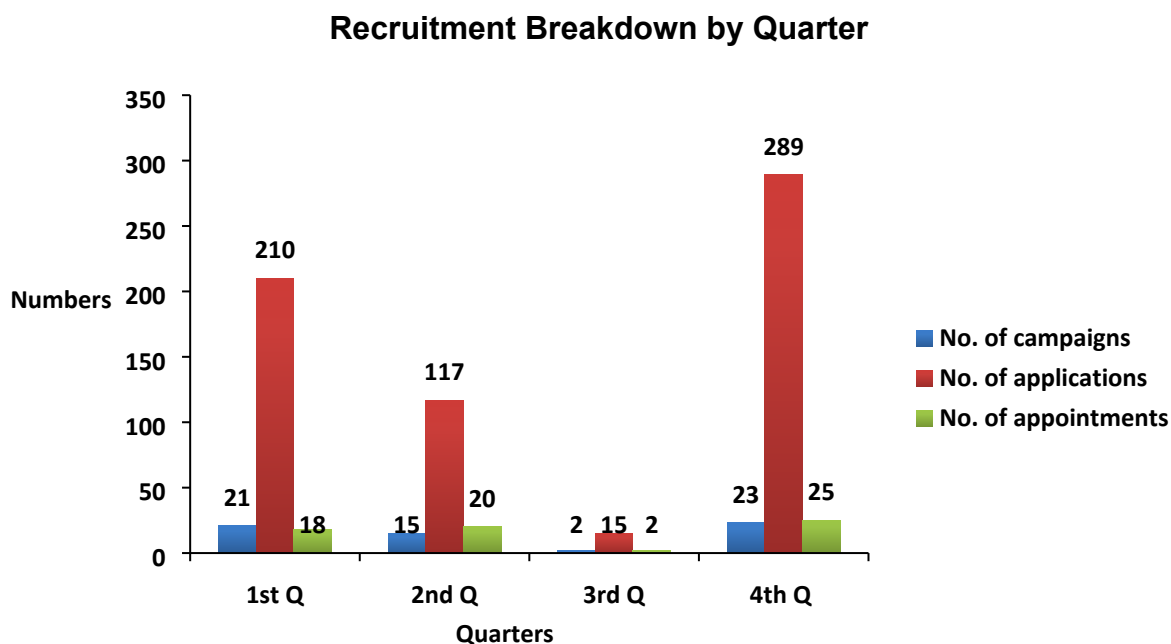
This is a slight increase on 2014/15 figures, when EEBC undertook 52 recruitment campaigns.



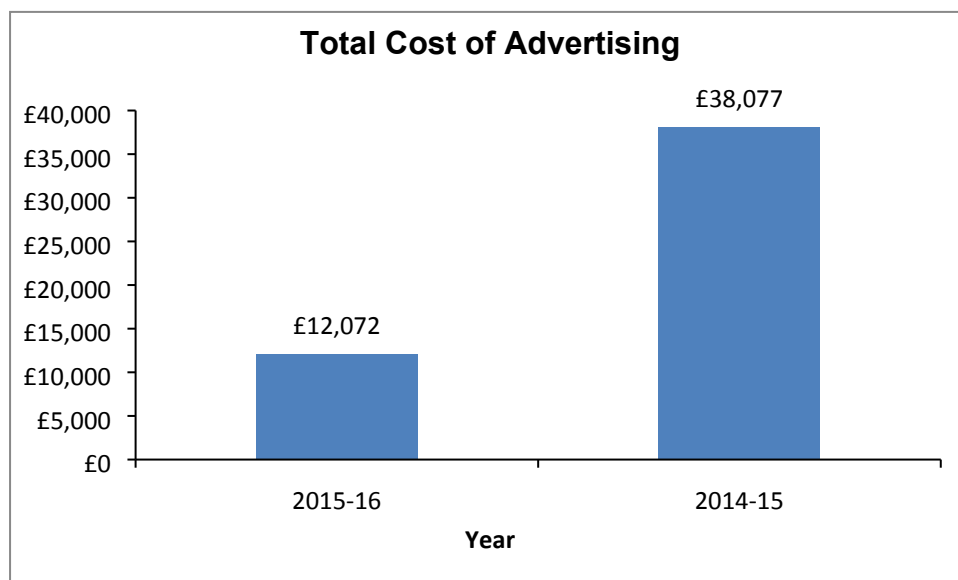
For the 61 campaigns that were undertaken a total of 631 applications were received. This averages 10.3 applicants per campaign.



The following shows a breakdown by quarter.



All posts are advertised on Surrey Jobs and Jobs Go Public at a cost of £12.50 per job advertised. We pay an annual fee of £6426 to contribute to the development, support and usage of the site which advertise local government and public sector jobs



The difference in costs between 2014/15 and 2015/16 can be attributed to the recruitment freeze in 2015/16 and the recruitment of the Director of Finance & Resources which attracted significant costs when advertising.

Out of the 61 campaigns, 11 used specialist websites/publications for advertising media at a cost of £8,605.

2015/15 - An additional £902 was spent on testing for three posts:

- Parking Manager (SHL management competency test)
- Environmental Health Officer (Belbin – management/team style)
- Business Support Supervisor (SHL numerical and verbal reasoning testing)

On occasions we experience difficulties when recruiting. For example, when we advertised for a Conservation Officer on a part-time basis twice during this financial year (April 2015 and February 2016) this resulted in a poor response on both occasions.

This post was advertised on Surrey Jobs, Jobs Go Public, IHBC online and TRA job board. Other local authorities are also experiencing difficulties with this recruitment. It was suggested that EEBC liaise with Kingston and Surrey Councils to utilise their services, however this did not materialise. Some of the work is currently being undertaken by a consultant who works 9 hours a week.

Recruitment continues to be an ongoing activity for the organisation and is reviewed regularly to ensure that advertisements, location of advertisements and the offer to potential employees is attractive. Costs will continue to be reviewed to ensure they remain competitive whilst ensuring that EEBC can attract the best candidates possible.

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Sickness Absence 2015-16

Summary

Sickness absence rates at EEBC have increased from 5.6 days in 2013/14 to 6.50 in 2014/15, to 6.76 in 2015/16 this is mainly due to long term absences, however this is still well below the CIPD's national average for local government which is currently 8.2 days.

HR and Managers will continue to actively manage sickness through the Sickness Absence policy which include measures such as 'Return to Work Interviews', 'Wellness Review' meetings when an employee hits a sickness absence trigger. The current sickness policy has the following triggers:

- 3 occasions within 6 months
- 5 occasions within 12 months
- 2 weeks continuous absence

The Council manages sickness absence in line with the Council's Sickness policy which applies to all staff. Effective absence management involves finding a balance between providing support to help employees with health problems stay in and return to work, and taking consistent and firm action against employees who try to take advantage of organisations' occupational sick pay schemes.

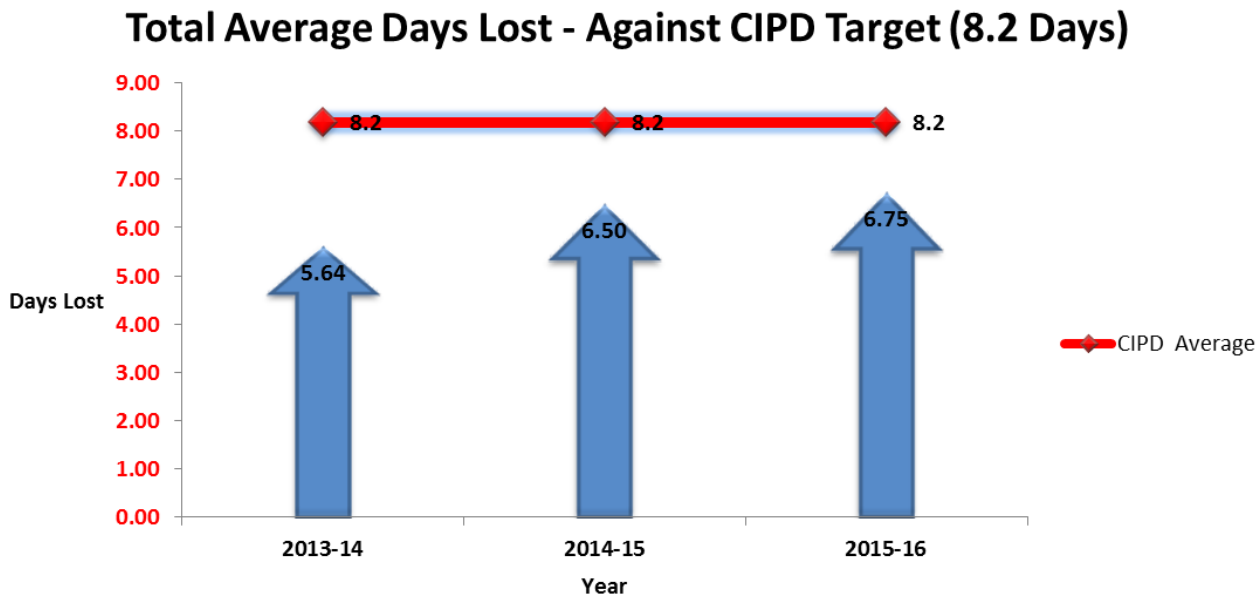
EEBC's Human Resource Management system is used to electronically record sickness absence with the onus placed upon the Line Manager to record the absence through iTrent's manager self service module. Extra reminders have been added to the system to include workflow email reminders going to both Manager and employee to close sickness and forward the correct paperwork electronically to HR for monitoring

EEBC continues to work with the Occupational Health provider Medwyn, who provides advice relating to employees absences and their return to work. There were 23 sickness cases referred during the year.

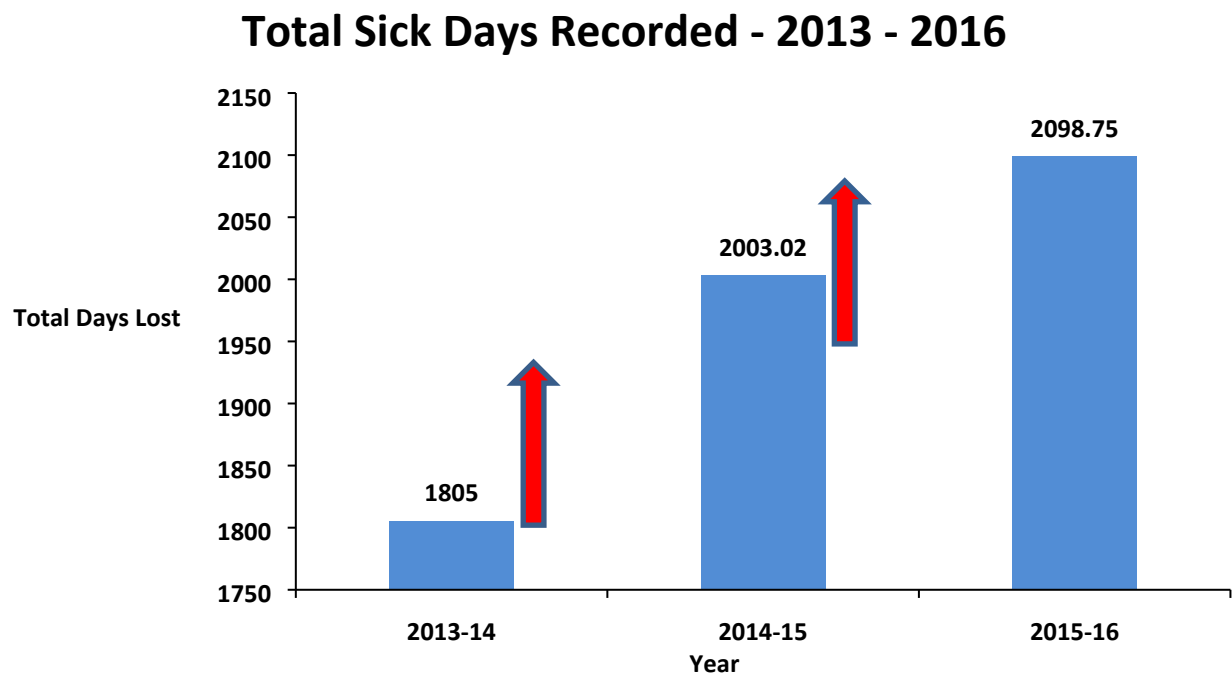
The total number of working days lost in 2015/16 was 2098.75 compared to 2003.02 in 2014/15. This represents an increase of 95.73 days, or 4.7%, on working days lost in 2014/15.

56% of the workforce had one or more spell of sickness absence in 2015-16.

The table below shows the average days lost for the past three years:

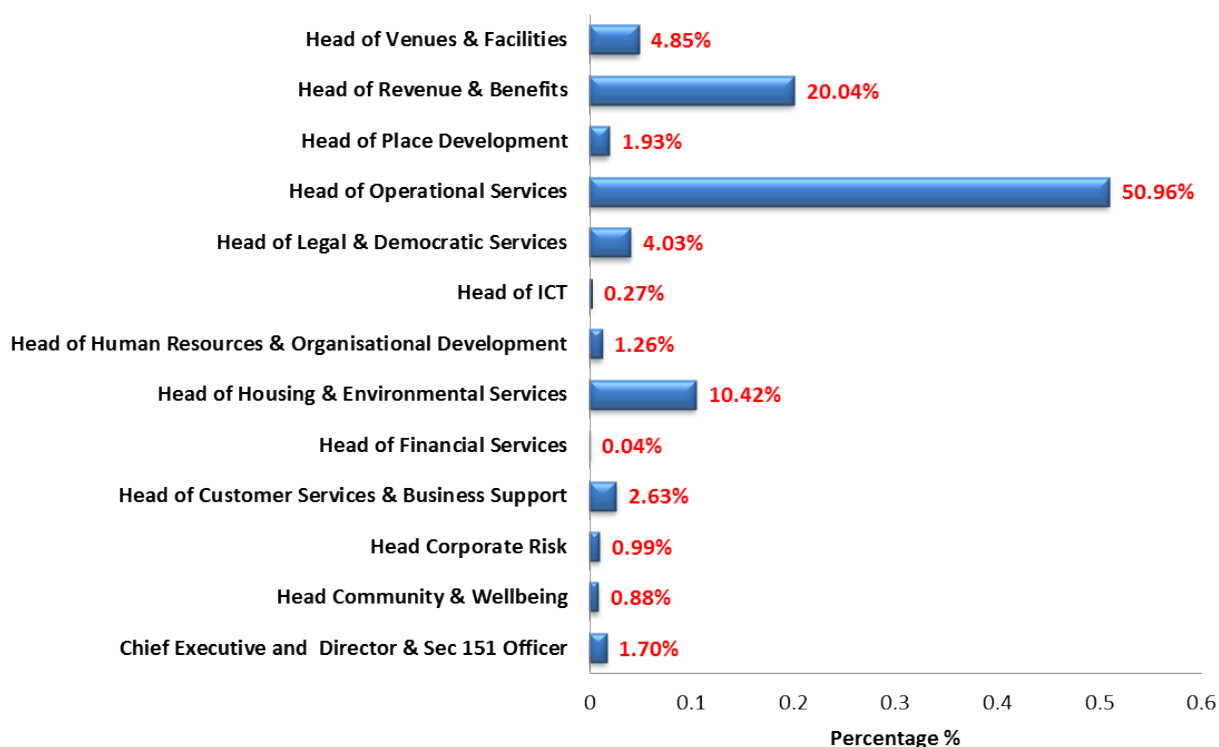


The table below shows the actual days lost per month for the past three years



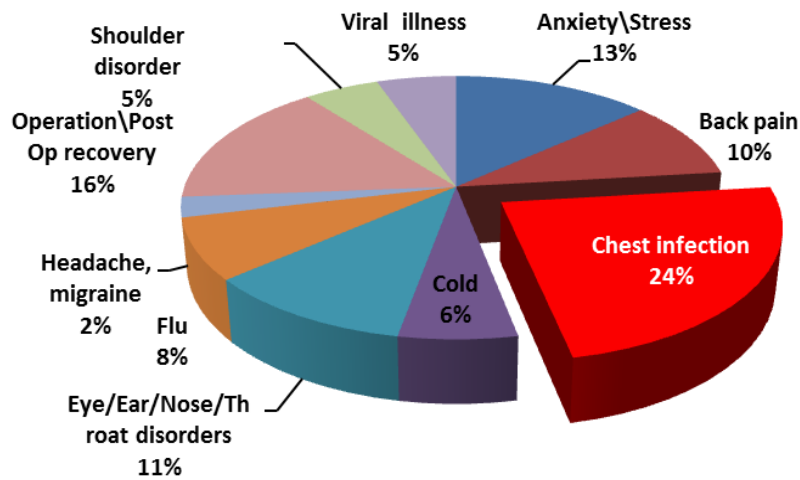
The chart below shows a breakdown by department.

Sickness % Split across EEBC 2015-16



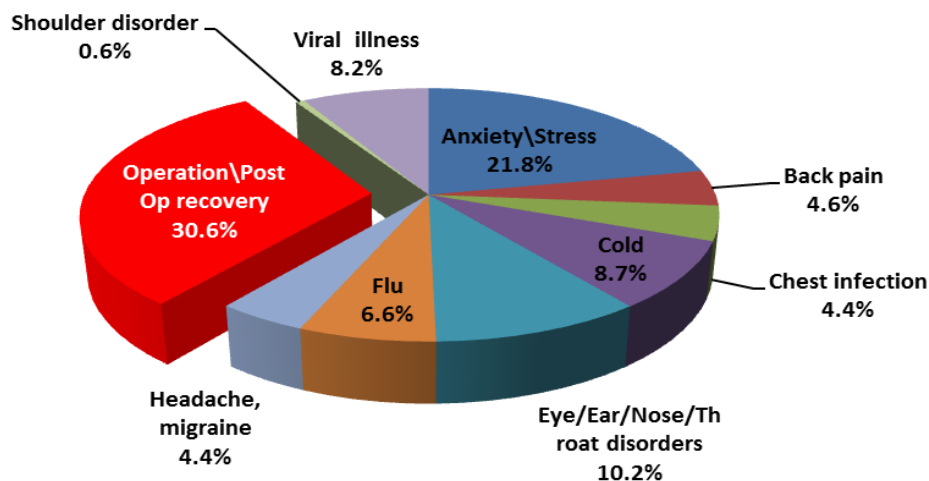
Just over half of the sickness is attributed to Operational Services which makes up a large part of the Council's workforce. This particular group of staff undertake manual work which can impact on sickness levels. Both Revenues & Benefits and Housing & Environmental Health have larger percentages of sickness absence. This can be attributed to a number of long term cases.

Top 10 Absence Reasons -2015-2016



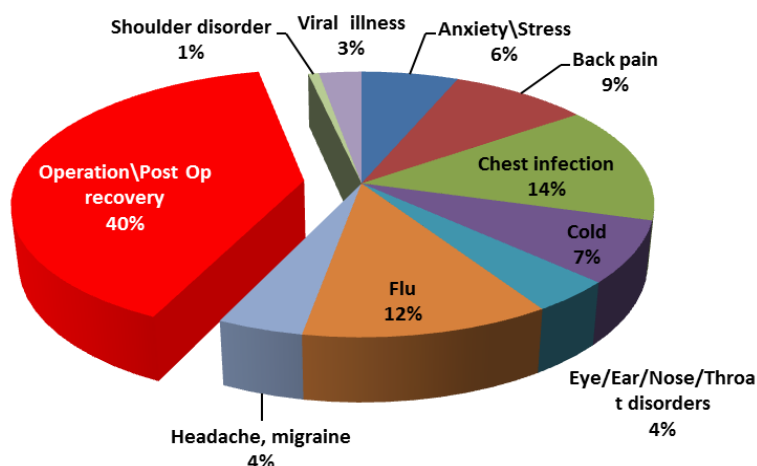
Chest Infections has risen in 2015-2016 by 19% this mainly attributed to one case of long term sick

Top 10 Absence Reasons - 2014-2015



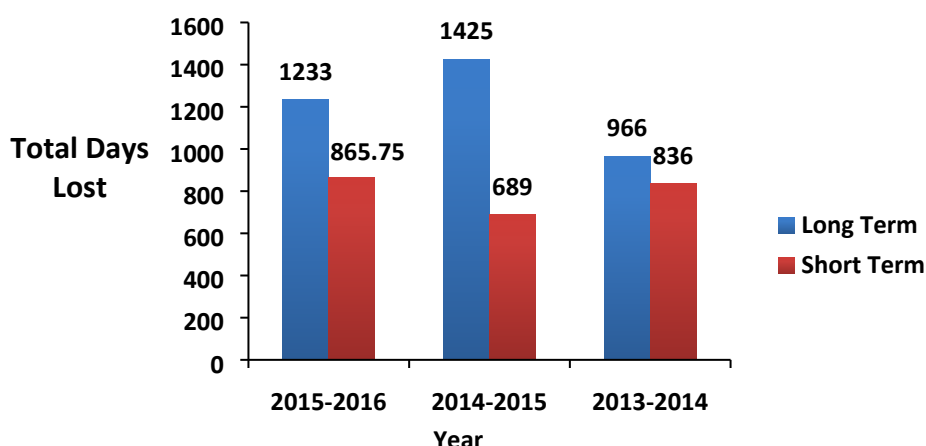
Absence Type	2015-2016 Total number of Days Lost	2015-2016 Average Days Lost per Employee	2014-2015 Total Number of Days Lost	2014-2015 Average Days Lost per Employee	2013-2014 Total Number of Days Lost	2013-2014 Average Days Lost per Employee
Long Term	1233	3.94	1425	2.2	966	3.07
Short Term	865.75	2.77	689	4.5	839.5	2.67

Top 10 Absence Reasons - 2013-2014



The chart below shows the breakdown between long term and short term sickness for the past three years

Long & Short Term Sickness - Last 3 Years



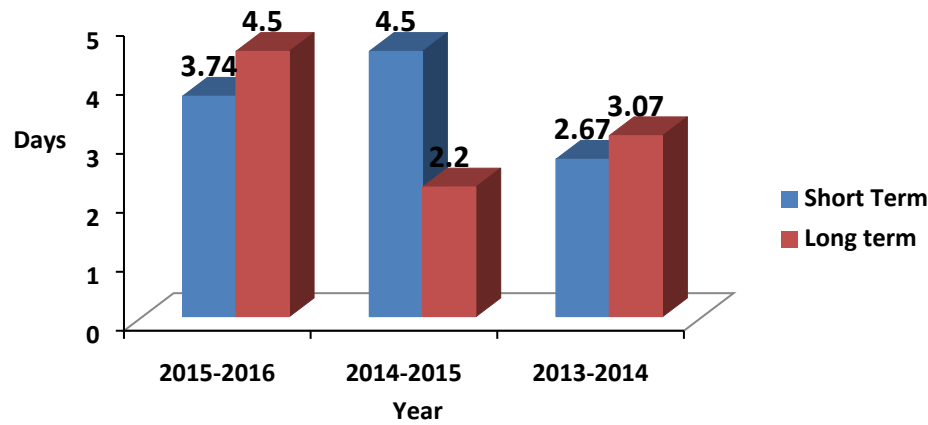
During 2015/16 there were 35 employees that had a long term absence which is an increase of 8 from 27 employees in 2014/15. The average long term absence was 22.5 days down from 32.40 days in 2014/15.

Out of the 35 employees 7 had 2 episodes of long term sick and 2 had 3 episodes of long term sick

As of report date 4 employees are on long term sick for which 2 employees are absent due to anxiety. HR is working with these individuals and occupational health to support their return to work as soon as possible.

The chart below shows the average number of days lost per employee by month for both long and short term sickness.

Average Days Lost per Employee



Labour Turnover

EEBC's turnover is 16.6% and remains above the UK average according to the most recent data available from the Chartered Institute for Personnel & Development (CIPD). In terms of Epsom & Ewell's higher turnover, it should be borne in mind that the borough adjoins Greater London which is the country's largest employment market and this is likely to always impact upon EEBC's recruitment and retention of staff. In addition, EEBC is a small authority by local government standards and consequently opportunities for promotion and development may be fewer than in larger public sector organisations. Finally, despite continuing retrenchment in the public sector, the employment market in other sectors improved significantly during the year, increasing the number of job opportunities available to those with transferable skills.

An exit interview (conducted by a member of the HR team) is held with employees who are leaving the Council. The purpose is to explore the reasons for leaving and to establish if there are any issues, good and bad, concerning employment with the Council. Any specific departmental issues raised are fed back to the line manager concerned, with the specific consent of the employee. It should be noted that exit interviews are not carried out for non-voluntary leavers (dismissals, redundancies etc.) or where employees leave by mutual agreement and not all employees wish to participate in an exit interview.

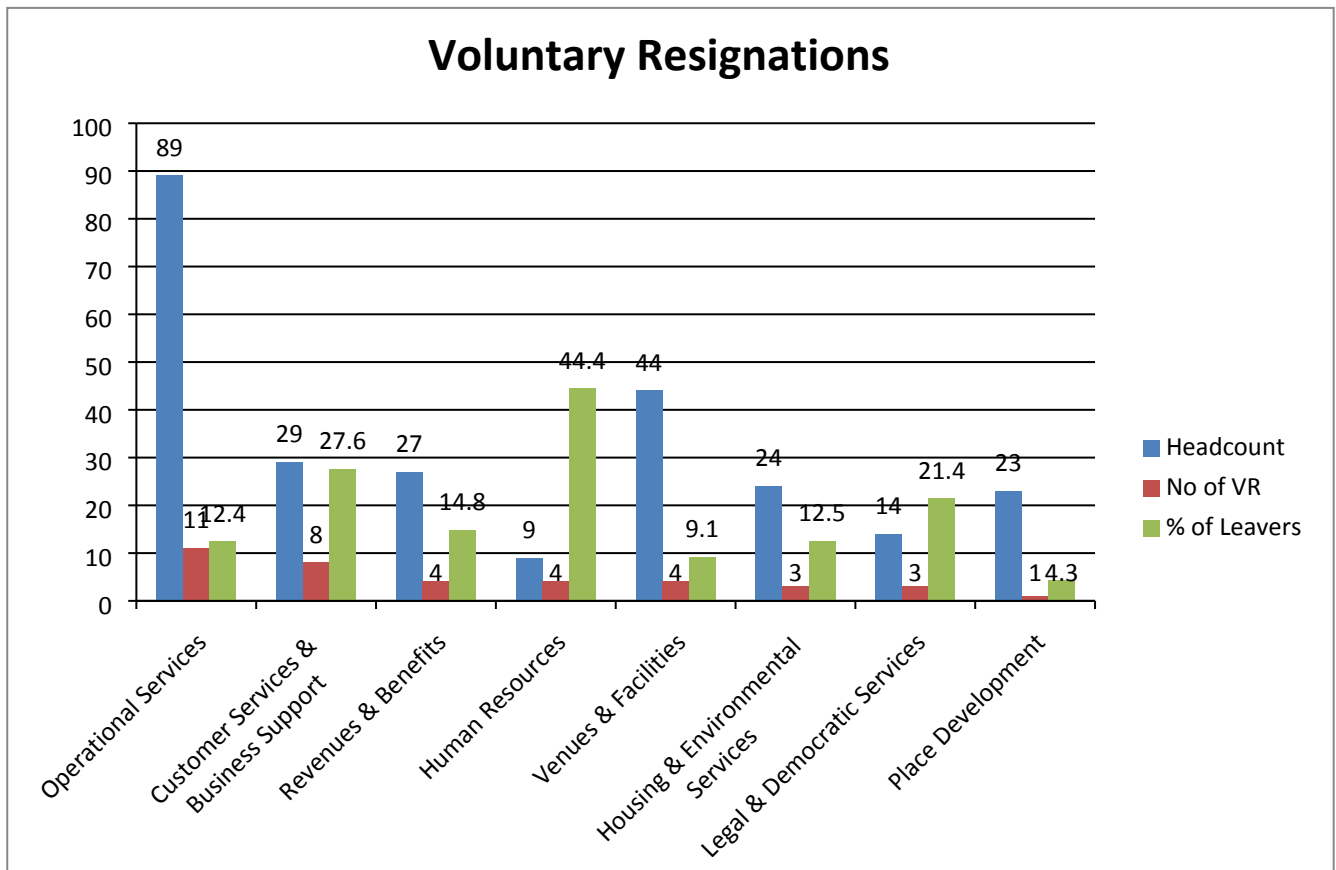
In the last 12 months (1 April 2015 to 31 March 2016) there have been 52 permanent leavers in total. This is an increase of 6 leavers for the same period last year. A breakdown of the reasons for leaving is provided below:

Dismissal	6
Mutual termination	1
TUPE	2
Redundancy	1
Resignation	38
Retirement	4
Total	52

	Resignations only	Total Leavers	CIPD Median Labour Turnover
EEBC 2013-14	31 (9.8%)	45 (14.2%)	11.9%
EEBC 2014-15	31 (9.9%)	48 (15.3%)	9.8 %
EEBC 2015-16	38 (12.1%)	52 (16.6%)	13.6%

In 2015/16 Turnover has increased to 16.6% an increase of 1.3% upon last year.

The chart below shows voluntary resignations by department.



A summary of the main reasons for leaving is detailed below:

Reasons for leaving cited	Numbers
Better job prospects longer term / promotion / responsibility	4
Pay	2
Travel difficulties	1
Relationship with Manager/Supervisor	1
Relationships with colleagues	2
Hours of work / work conditions	2
Retirement	1
Dissatisfaction with job	3
Change in career	5
Other (includes childcare/travelling/personal reasons)	1

NB: Some employees indicated more than 1 reason for leaving.

Notwithstanding the labour market conditions described earlier, EEBC carries out regular pay benchmarking exercises to ensure that its pay rates are competitive and comparable with similar authorities. The most recent benchmarking exercise was carried out to inform the 2015/2016 pay offer. An updated 4-year pay policy has been agreed with a full review of the salary scales & performance appraisal scheme

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EEBC Workforce Profile

Data is captured for all nine protected characteristics as outlined in the Equality Act however for the purposes of this report a selection of the characteristics have been reported on. The data in this report has been extracted from the council's HR system (iTrent) Periodically, HR arrange for employees to review and update their data. This was last completed in February 2016.

The data is consistent and accurately reflects the residential population in Epsom and Ewell according to the Epsom & Ewell Census Information 2011.

- The average headcount of 313 remains consistent with the previous year of 315
- The largest ethnicity within the council remains the same, White British
- The gender distribution has changed slightly from 146 females and 167 males in 2014/15 to 149 females and 164 males in 2015/16
- There is a 0.6% increase in female managers from last year
- The age range has not changed with the largest representation aged over 40 years old
- There has been a 0.97% fall in the number of employees who consider themselves disabled.

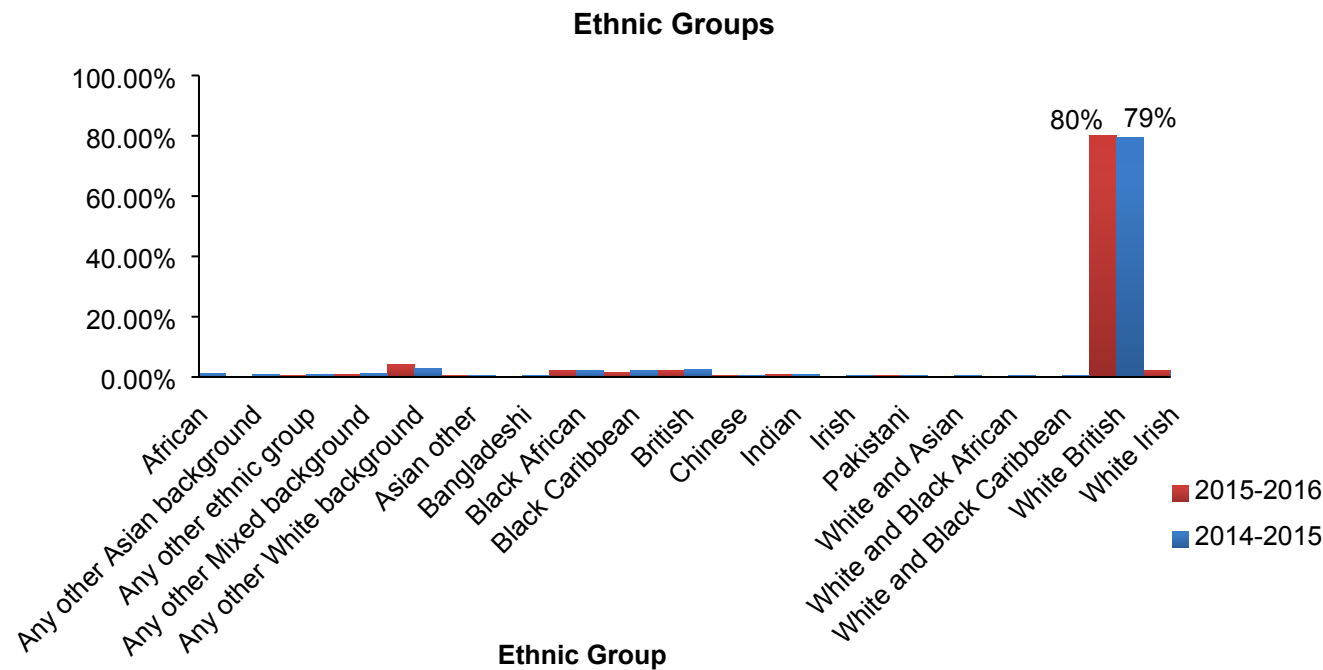
Key Findings

- EEBC workforce has an average headcount of 313 employees
- 48.9% of the workforce is female and 51.1% male
- 19.31% of the female workforce are Managers
- 10.98% of the male workforce are Managers
- 80% of the workforce are of White British ethnicity which has increased by 1%
- 60% of the workforce are aged over 40
- 6% of employees stated they have a disability
- 49% of employees are married
- 22.68% are of Christian Religion
- 33.55% have no religion or belief captured
- 61% are heterosexual/straight
- 5 employees have taken or are on Maternity Leave during 2015/16

Ethnicity

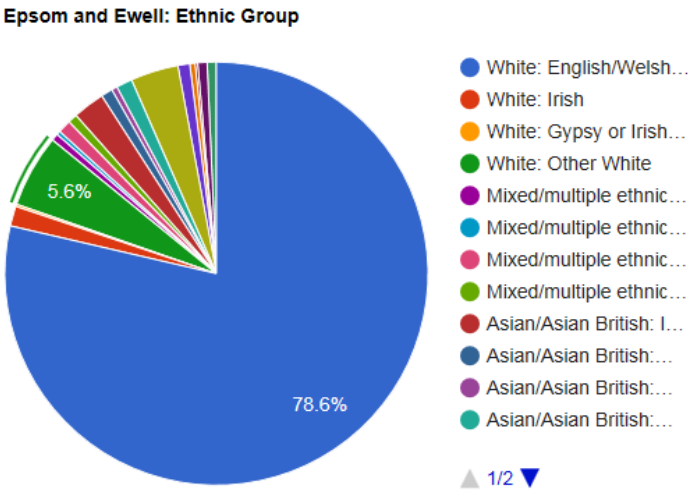
80% of EEBC employees are of White British ethnicity and are the largest representation of the council's employees, which has increased 1% from 2014/15.

This is reflective of the residential population of Epsom & Ewell which is 78.6%.



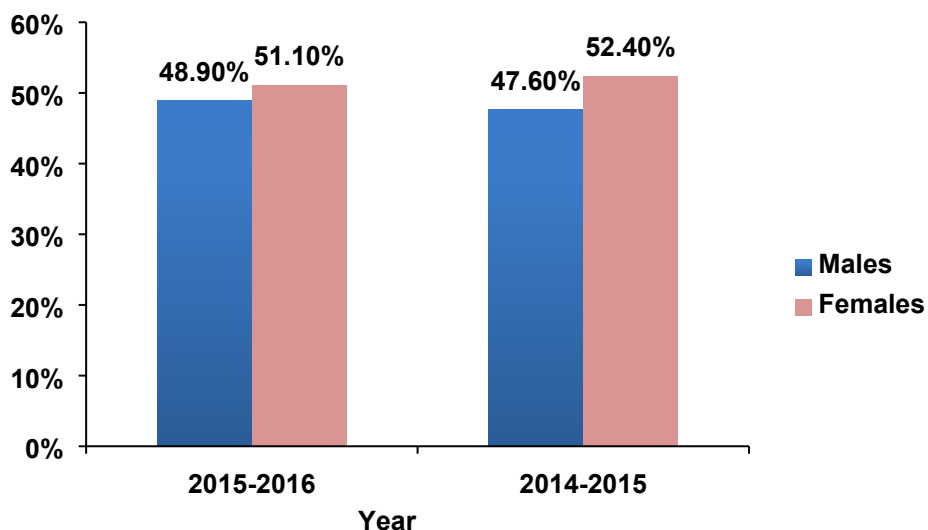
Residential population Epsom & Ewell Source UKCensusdata.com 2011

Epsom and Ewell: Ethnic Group



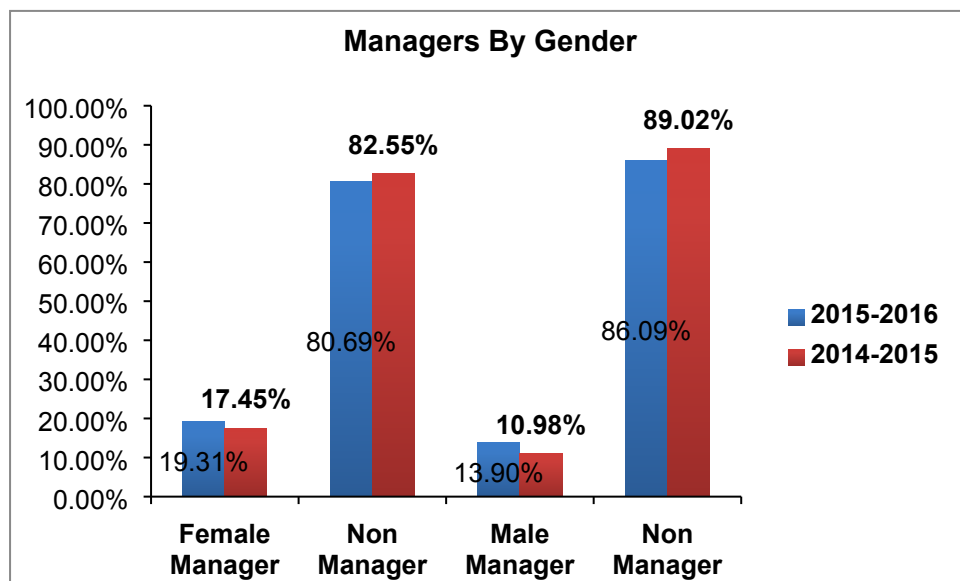
Gender

The Council employs more females than males but this has evened further in 2015/16



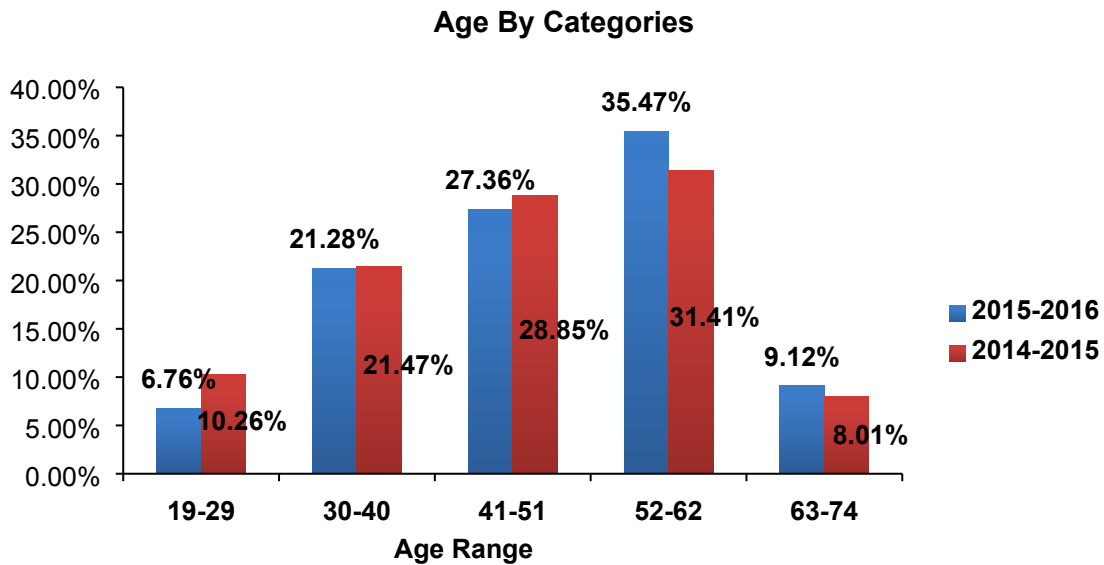
Managers by Gender

19.3% of the female workforce are managers and 13.9% of the male workforce are managers.



Age

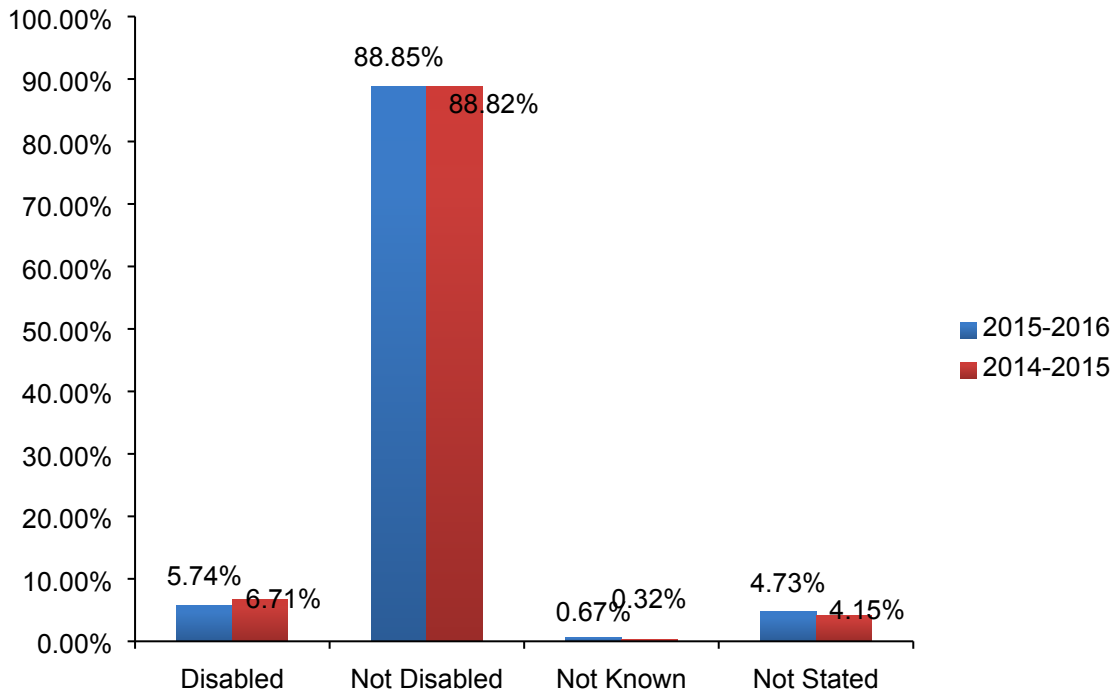
The age profile of the Council in 2015-16 has remained relatively the same as last year again with the highest age range of staff between 52-62 of age, and the lowest in the 19-29 age group.



Disability

5.74 % of the Council's workforce state that they meet the Equality Act definition of disability (previously Disability Discrimination Act definition). This represents a slight decrease from the previous year.

Disability



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Learning & Development 2015/16

Spend

The budget for the past three years is detailed below:

	2013/14		2014/15		2015/16	
	Budget Amount	Budget Spend	Budget Amount	Actual Spend	Budget Amount	Actual Spend
	£	£	£	£	£	£
Professional	22631	9644	22631	6846	15000	10239
Skills	18388	21636	18388	45920	18388	21556
Corporate	30500	19871	30500	19899	16000	13554
Total	72130 *	51749 **	71829***	72889****	49802*****	45349

* Inclusive of £611 Central charges to services

** Inclusive £598 Central charges to services

*** Inclusive £310 Central charges to services

**** Inclusive of £224 Central charges to services

***** Inclusive of £414 Central charges to services

In response to the financial challenges faced by the Council there was a freeze on training between August 2015 – Mar 2016. This action was taken to address the deficient that had been identified at the beginning of the year. This resulted in limited development opportunities for staff although some essential training took place such as first aid and health and safety.

It should be noted that the budget amounts for 2015/16 were reduced as a result of the training freeze. The number of employees as at 31 March 2016 was 299 resulting in a spend of £152 per employee compared to £214 per person in 2014/15 which again has been affected by the freeze. The CIPD Annual Survey Learning & Development report stated that the median annual training budget per employee was £238 in 2014 for the public sector which has reduced from £250 in 2013.

In 2015/16 the staffing budget was C£11,000,000 and the training budget was £49,802 which is 0.45% of the staffing budget a reduction from 0.65% in 2014/15 but impacted by the training freeze.

Individual and team development needs are analysed by HR and a training needs analysis is undertaken to identify appropriate budget. During the analysis for 2015/16 the following broad training needs were identified:

- Professional Courses
- Management Skills
- Practical & Operational
- Office Skills
- Legal Updates
- Health & Safety/ First Aid/ Fire

This paper will take you through the 2015/16 training activity which includes:

- Induction Training for New Employees (Corporate and HR specific)
- Professional, Skills and Corporate Training
- E Learning – statutory and legislative awareness
- Leadership Training / Coaching
- IT Skills Training
- Statutory Skills Training (eg Health & Safety, driver skills etc)

Remodelled Induction

Induction of new employees is structured over a six month period to ensure that all new employees to the Council have a sound understanding of what is expected as a Council employee and what skills and behaviours are necessary to undertake their job.

The Corporate induction event has been updated with a more interactive approach where new employees get the opportunity to network with other employees in other areas.

During 2015/16 two Corporate Induction session was held in December 15 with 19 attendees and February 16 with 7 attendees. The Corporate Induction has undergone significant change with the change in Leadership. It took some months in the early part of 2015 to revamp and invite key individuals across the organisation to develop and participate in the event. The remodelled Corporate Induction will be held on a rolling basis throughout the year.

Six HR Inductions were held with 37 attendees. Out of our 54 appointments during 2015/16 fifteen posts were filled by internal applicants. They did not attend the

induction sessions as they would have attended previous sessions when they first joined EEBC. This resulted in 2 new starters not attending.

Professional Training

Professional training is for staff in professional roles and usually results in a recognised qualification. These courses tend to be role specific and can be expensive but the Council is committed to ensuring those in professional roles have the relevant qualifications. During the year we have supported staff in gaining their professional qualification in:

- Certificate of Professional Competence (CPC) – Driver Training
- CIPD / LGA Aspire HR Business Partnering Programme
- CIPFA Whole Government Accounts
- CIPFA Institute of Revenues Rating and Valuation Technician
- Citrix Administration Management
- MS Server 2012
- NVQ Team Leader
- iShare GIS

Skills Training

Skills training covers a broad range of subject areas and is applicable to a diverse range of roles or can be applied to the development of the individual. This type of training is mostly offered through the Surrey Learn Partnership (SLP) shared programme. SLP is made up of HR/Training practitioners from the 11 authorities throughout Surrey and meets 6 times a year to develop training strategies and share best practice. Economies of scale mean that the Boroughs and Districts can take advantage of shared training programmes at a very reasonable cost.

In 2015/16 16 employees attended SLP courses totalling a spend of £1739. The cost per delegate was £92. This is exceptional value for money for these types of courses. This is a significant reduction from last year due to the training freeze.

Corporate Training

The usual practice is that Corporate training is identified at the beginning of each year by managers and HR and a programme is put in place. With the training freeze in place there was limited corporate training undertaken. This year it included:

- Leadership Development
- Appraisal Training for Staff and Managers

E Learning

EEBC changed provider in 2015 to offer e-learning through a company called Learningpool. The course platform is externally hosted so courses can be accessed by staff from any computer at work or at home.

There are 6 mandatory courses which form a part of the Induction programme. These courses must be completed by the 2 month probation point. The mandatory induction courses are Health & Safety, Data Protection, Fire Safety, Equality & Diversity Manual Handling and VDU Workstation Assessment. The cost of the e-learning package for an unlimited number of users is £3600 pa which is a very cost effective £11.50 per person.

Management Training

SLP provide a Management Development Programme on a modular basis. Due to the training freeze this year no staff have undertaken this programme.

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LEGAL UPDATE

Report of the: Head of HR & Organisational Development
Contact: Shona Mason
Annexes/Appendices (attached):
Other available papers (not attached):

REPORT SUMMARY

This report provides an overview of the following employment legislation and the impacts on the Council:

- **Shared Parental Leave**
- **Living Wage**
- **Exit/Termination Payments**
- **Gender Pay Gap Reporting**

RECOMMENDATION (S)

That the Panel receives the information and identifies any area of concern.

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 In order for the Council to achieve its Key Priorities and to meet the needs of the Community Strategy the Council's workforce plays an important role in the delivery of services to Epsom & Ewell Borough residents.
- 1.2 It is imperative that the Council adheres to all employment legislation and is abreast of any legal or regulatory changes.

2 Shared Parental Leave

- 2.1 With effect from 5 April 2015, a new statutory employment right to Shared Parental Leave came into force. This allows employees to convert some of their maternity or adoption leave and share it with the other parent. In the light of this new legislation, and to ensure legislative compliance, a
- 2.2 Shared Parental Leave policy has been developed and implemented. To date we have received no applications for shared parental leave. The Government is considering extending shared parental leave to grandparents however further consultation is expected on this.

3 National Living Wage

- 3.1 With effect from 1 April 2016, the Government introduced a new minimum wage rate for those age 25 and over which will be called the “National Living Wage” (NLW), at £7.20 per hour and will increase to £9 per hour by 2020 (approx. 45p per year). This affected a number of casual workers and cost the Council an additional total of £666.

4 Recovery of Exit Payments

- 4.1 In June 2014, a consultation on the proposal to recover exit payments when high earners return to the same part of the public sector within 12 months of leaving was published by the Conservative and Liberal Democrat Coalition Government. This was followed by a response to the consultation and draft regulations. Subsequently, the current Government issued another consultation on a revised set of regulations. This proposal is expected to be implemented in July 2016.
- 4.2 Recovery of the exit payment will apply where the individual returns to any part of the public sector, not just a sub-sector of it (e.g. local government). The provisions will apply to those that earn £80,000 per annum, rather than £100,000 as was originally planned. The costs associated with pensions on exit under the LGPS regulations will now be included as part of the recovery.

5 Cap on Exit Payments

- 5.1 The current Government issued a consultation on capping exit payments in the public sector on 31 July 2015. The Government issued a response to its consultation on 16 September 2015. This provision is expected to be implemented from October 2016.
- 5.2 The proposed cap of £95,000 is anticipated to apply to the following:
- 5.2.1 Redundancy payment
 - 5.2.2 Costs associated with early access to an unreduced pension
 - 5.2.3 Non-financial and other benefits, for example, where an employer offers other benefits such as additional, paid annual leave at the end of employment
 - 5.2.4 Payments in lieu of notice
 - 5.2.5 Payments relating to the cashing up of outstanding entitlements, such as untaken leave or allowances
- 5.3 The Council can agree to waive or relax the cap.
- 5.4 The exit payment cap is most likely to affect staff with long local government service as well as senior staff. It will also affect those at the expensive end of their pensions entitlements (e.g. 55).

- 5.5 Only two payments in recent times have exceeded this amount. In any case the Localism Act required termination payments exceeding £100k to be approved by Full Council, therefore this is only an increase of £5k.
- 5.6 Removing the ability to retain management discretion would impact our ability to manage efficiencies particularly with the removal of a default retirement age (this made it unlawful for employers to instigate retirement at a predetermined age).
- 5.7 It also impacts our ability to encourage settlements in contentious cases. Therefore some problematic capability cases (such as those that are based on behaviours) may not be resolved.

6 Further Reforms to Exit Payments

- 6.1 The Government issued another consultation on further reforms to exit payments in February 2016. The policy proposals include options for further caps on exit payments, as well as removing or limiting employer-funded 'top up' pension payments, to enable early access to a pension.
- 6.2 The government proposal is to take forward some or all of the following elements:
 - 6.2.1 Setting the maximum tariff for calculating exit payments at three weeks' pay per year of service.
 - 6.2.2 Capping the number of months used to calculate redundancy payments at 15 months. In respect of this, the consultation suggests that where employers have different arrangements for voluntary and compulsory redundancies, there may be a case for maintaining that difference by applying a lower limit (presumably for compulsory redundancies). In the same way where employers offer exit packages that are not classed as redundancy, then there might be a case for applying a slightly higher limit.
 - 6.2.3 Setting a maximum salary for the purpose of calculating an exit payment. For example, this could potentially align with the NHS limit of £80,000.
 - 6.2.4 Tapering the amount of lump sum compensation an individual is entitled to receive as they get closer to pension retirement age.
 - 6.2.5 Reducing or ending employer-funded early access to pension. This could include:
 - a) capping the amount of employer funded pension contribution top ups to no more than the redundancy lump sum the individual would be entitled to (as applies in the NHS now)

- b) removing the ability of employer top ups altogether, while giving the individual the option of deciding whether to use any lump sum exit payment to increase their pension entitlement
 - c) increasing the minimum age at which an employee is able to receive an employer funded top up, so it is more closely aligned with the individual's Normal Pension Age (NPA) (in most cases 67 or 68) under their pension scheme. The minimum age could be set at 5 years before the individual's NPA, or at a minimum age of 55 or 58 across all public sector pension schemes.
- 6.3 It will impact our ability to manage the workforce, reducing the attractiveness of early retirement. Employees are unlikely to agree to termination payments in the event that their pension is adversely impacted therefore our ability to proactively manage exits outside redundancy or formal casework is severely impacted.
- 6.4 Our ability to conduct restructurings or redundancies (and to include those at the expensive age of potential retirement, e.g. 55) is enhanced if we do not have to make expensive pension payments.
- 6.5 Since the abolition of the default retirement age, we are better able to make any necessary redundancies without being financially penalised for long serving members of staff very near (or past) retirement age.

7 Gender Pay Gap Reporting

- 7.1 The Government has issued a consultation on draft regulations to require employers with 250 or more employees to publish gender pay gap information in line with the powers under section 78 of the Equality Act 2010. However the requirement will only apply to private sector and voluntary organisations so is not relevant for local authorities who will already be publishing pay information as part of complying with the Public Sector Equality Duty.
- 7.2 The draft regulations require large employers to publicly publish certain measures which outline differences in pay between male and female employees. The government believes that increasing pay transparency will lead to employers taking more action to address pay inequality.
- 7.3 The regulations will come into force on 1 October 2016 and will apply to all employers with 250 or more relevant employees on 30 April 2017, and each subsequent anniversary of that date thereafter. The information to be published will relate to pay as at 30 April in the relevant year, and the information will then have to be published within 12 months of that date. Therefore, the first date information will have to be published by is 30 April 2018.

- 7.4 What counts as pay under the regulations is clearly important, as ultimately that may impact on the size of the gender pay gap. Under the draft, pay includes:
 - 7.4.1 basic pay
 - 7.4.2 paid leave
 - 7.4.3 maternity pay
 - 7.4.4 sick pay
 - 7.4.5 area allowances
 - 7.4.6 shift premium pay
 - 7.4.7 bonus pay (including productivity pay and long term incentive plans)
 - 7.4.8 other pay including car allowances, on call and standby allowances, clothing, first aider or fire warden allowances
- 7.5 However, pay does not include:
 - 7.5.1 overtime pay
 - 7.5.2 expenses
 - 7.5.3 the value of salary sacrifice schemes
 - 7.5.4 benefits in kind
 - 7.5.5 redundancy pay
 - 7.5.6 arrears of pay
 - 7.5.7 tax credits
- 7.6 The regulations require the employer to publish their overall average mean and median gender pay gaps, based on gross hourly rates of pay. This approach is in line with the one used by the Office for National Statistics. In addition employers will have to publish the average mean difference between bonus payments made to men and women. Only those employees who receive a bonus will be included in the calculation.
- 7.7 Employers will have to publish the number of men and women in each pay quartile. The quartiles will be calculated by ranking each relevant employee in order of their gross hourly rates of pay, and then dividing those employees into four equal groups from the lowest paid to the highest paid.

8 Proposals

- 8.1 HR will continue to closely monitor changes in employment legislation and update relevant policies and implement monitoring as and when required to ensure compliance with legislative changes.

9 Financial and Manpower Implications

- 9.1 ***Chief Finance Officer's comments:*** None

10 Legal Implications (including implications for matters relating to equality)

- 10.1 All HR practices governed by legislation are done so in line with Council's HR policies which adhere to employment legislation. These are updated to reflect any employment law updates throughout the year.
- 10.2 ***Monitoring Officer's comments:*** The legal issues are addressed in the body of the report

11 Sustainability Policy and Community Safety Implications

- 11.1 None

12 Partnerships

- 12.1 None

13 Risk Assessment

- 13.1 It is imperative that the Council follows fair and consistent HR procedures because the potential costs against the Council should it fail to implement a fair and robust process and procedure could be substantial should an Employment Tribunal claim be successful. As well as the financial costs, the reputational damage to the Council as an elected authority and as an employer could be considerable.
- 13.2 It is worth noting that there is no limit on compensation payable in successful claims of discrimination on the grounds of one of the protected characteristics defined in the Equality Act 2010. There are currently no such claims against the Council.

14 Conclusion and Recommendations

- 14.1 The Panel is asked to receive and note the contents of the report.

WARD(S) AFFECTED: N/A