

**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)