

# Human Resources Panel

11 July 2018

## Human Resources Overview

<b>Head of Service/Contact:</b>	Shona Mason, Head of HR & Organisational Development
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Annexes/Appendices (attached):</b>	None
<b>Other available papers (not attached):</b>	None stated

### Report Summary

This report provides an overview of Human Resource and Organisational Development activity that supports the Council's wider team wellbeing, providing evidence of good practice and up to date employment policy.

### Recommendation (s)

The HR Panel receives the reports and outlines any particular areas for development or further reporting.

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

- 1.1 To ensure that the Council successfully delivers its key priorities, service plans and Sustainable Community Strategy it is imperative that the Council has an engaged, skilled and motivated team.
- 1.2 The team's wellbeing, ensuring that the Council undertakes sound employment practice and has up to date employment policies is important to achieving this.
- 1.3 The activity of the Human Resources and Organisational Development team supports the organisation in achieving its people aims, with its service delivery plan, centred on supporting the service plans of the wider Council to achieve the Council's key priorities.
- 1.4 As an equal opportunities employer, the Council is required to ensure that all its policies, procedures and processes are open and fair and in line with good practice.

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- 1.5 Monitoring all parts of the employee relationship from recruitment, induction, training, employee relations, salary and benefits and HR processes allows the Council to evidence it complies with its legal duties both as an employer and under the Equality Act 2010.

## **2 Background**

- 2.1 In order for the HR panel to consider areas of wellbeing, good practice and policy this report will provide details of the following recent changes:

- Attendance Management
- Pay & Performance Review
- Workforce Profile
- Gender Pay Gap
- Managers Huddle
- Apprenticeships/Internships
- Enterprising Agenda
- Team Engagement

## **3 Attendance Management**

- 3.1 Sickness absence rates have increased steadily over the last three years from an average 6.76 days per employee in 2015/16, to 8.2 days per employee in 2016/17 and 10.56 days per employee in 2017/18.
- 3.2 The increase in sickness is attributable to an increase in long-term sickness cases which in some occasions have taken time to reach conclusion.
- 3.3 Between 1 April 2017 and 31 March 2018, 176 employees (57% of the workforce) had one or more episodes of sickness absence (either long or short term) recorded.
- 3.4 43 employees (13.9% of the workforce) had one or more episodes of long-term sickness absence recorded (long term sickness defined as 10 consecutive days or more). 72.5% of the total sickness absence in 2017/18 was attributable to long term sickness.
- 3.5 152 employees (49.2% of the workforce) had one or more episodes of short-term sickness absence recorded. 27.5% of the total sickness absence in 2017/18 was attributable to short term sickness.
- 3.6 It should be noted that the overlap in the figures quoted above is due to some employees having had episodes of both long term and short-term absence during the year.

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The cost of sickness absence to Epsom & Ewell Borough Council in 2017/18 is estimated to be in excess of £250,000. This figure excludes non-reported sickness, on-costs, the cost of lost productivity, the cost of temporary staffing/backfill arrangements to cover roles, management time and low morale amongst other team members. £250,000 is therefore a conservative estimate; the actual cost of sickness absence to the organisation is likely to be considerably higher.

- 3.7 During 2017/18 the top five reasons for absence were Musculo-Skeletal Disorders (32.2%), Colds/Flu/Viral infections (15.4%), Stress/Depression/Anxiety (8.8%), Operations/Post-Operative Recovery (8.3%), and Cancer (7.2%).
- 3.8 EEBC continues to work with the Occupational Health provider, who provides advice relating to employee absences and their return to work. 24 cases were referred to Occupational Health during the year.
- 3.9 During 2017/18, the HR team worked with Occupational Health to facilitate ill health retirement for four employees. The cumulative number of days lost in respect of these cases was 785, which represents 27.5% of the Council's total sickness.
- 3.10 Following consultation with Leadership Team and the Staff Consultative Group (SCG) a new Attendance Management Policy and Procedure were launched in March 2018 to streamline processes which were previously perceived as complex, inflexible and lengthy.
- 3.11 Key changes include:
  - A change of name from "Sickness" to "Attendance Management", recognising that the scope of the policy is wider than just sickness absence.
  - Guidance split into a new Policy and Procedure. The Policy clarifies the scope and defines respective roles and responsibilities. The Procedure sets out our expectations on what to do and provides guidance on how to do it.
  - Removal of the "informal" review process (Wellness review); a formal Stage 1 review is now initiated where an employee reaches an absence trigger point.
  - Three formal stages instead of the previous four, Stage 3 being the Capability hearing. This change was in response to feedback that suggested that the previous four stage process was confusing and that it was difficult to achieve a conclusion within a reasonable timescale.

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- Discretion for managers to manage absence outside the formal process (with the agreement of HR) where the circumstances make formal action inappropriate.
  - Occupational Sick Pay limited to one week whilst employees are within their probationary period.
  - A revised suite of template letters and guidance notes.
- 3.12 Feedback on the new Policy and Procedure will be sought over the coming months to ensure its effectiveness.
- 3.13 Attendance Management is a key priority for the HR team. We are working closely with Managers to facilitate their understanding of the new Policy and Procedure and to assist them in proactively managing sickness absence and mitigating its impact on colleagues and services.
- 3.14 Recognising the importance of monitoring sickness absence, the HR team will be presenting its first quarterly absence report to the Leadership Team in June 2018.

#### **4 Pay & Performance Review**

- 4.1 During 2017-18 the Council sought to bring in a new pay structure and performance management scheme as the existing scheme was overly complex for the type of organisation we are.
- 4.2 The Local Government Association (LGA) recommended that the Council reduced the number of Market Anchors from 20 to 12 and bring in an annual increment scheme where team members are able to move freely through the grades.
- 4.3 We undertook a large consultation exercise with the Staff Consultative Group (SCG) during last summer which involved face to face meetings, information about the proposals shared on eHub, FAQ's produced collaboratively and published and drop in sessions held across the Council not just in the Town Hall. This ensured that key messages about the proposals were circulated among team members ensuring that feedback was forthcoming.
- 4.4 The feedback from team members was presented at October 2017 HR Panel and was further presented at November 2017 Strategy & Resources Committee, where it was agreed to implement the new pay structure along with enhancing the pay award for 2019/20 from 0.5% to 1%.
- 4.5 The new pay structure was implemented on 1 April 2018 and all employees assimilated to the nearest point. No team member saw a reduction in their salary with 25% of the team seeing an increase in their salary due to the reduction in the number of grades.

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- 4.6 The new 'My Performance Conversation' scheme was implemented on 1 April 2018 to replace the previous appraisal scheme. The new performance management scheme allows for regular, timely and structured conversations to take place between team members with a focus on service delivery, performance and development.
- 4.7 The Council has run training for all staff on the new scheme during April, May & June to ensure that all colleagues are familiar with the process and are supported in having the conversations.
- 4.8 The next steps will be to obtain feedback from team members on how the new scheme is operating and if there is any further support needed. It is proposed that this will be achieved by surveying team members with a summary of the feedback presented to Leadership Team for consideration and action.

## 5 Workforce Profile

- 5.1 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 exercise was last completed in February 2016.
- 5.2 Key findings:
  - The headcount as at 31 March 2018 was 309. This represents an increase on 2017, where the headcount was 285. A number of TUPE transfers have been undertaken during the year bringing in services such as Cemeteries, the Bar at the Playhouse and the Coffee Shop at Bourne Hall that will have contributed to the increase in head count.
  - 8.5% of the workforce are of Black, Asian or Mixed ethnicity with 82.5% of the workforce of White British/Irish ethnicity. 9% of the workforce have no ethnicity recorded. The residential population of Epsom & Ewell as shown in the 2001 Census, showed 78.6% of residents are recorded as having a White British background.
  - The gender distribution at 31 March 2018 was 143 females (46.3%) and 166 males (53.7%). This is broadly similar to 2017, where the gender distribution was 133 females (46.7%) and 152 males (53.3%).
  - There is little change in the age distribution of our employees, with 44% of employees aged over 50 and only 11% of employees aged 30 and under.
  - There has been a slight increase (7.3% in 2016/17 to 8.1% in 2017/18) in the number of employees who consider themselves to be disabled (as defined by the Disability provisions of the Equality Act 2010).

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### 6 Gender Pay Gap

- 6.1 Epsom & Ewell Borough Council was required by law to publish its first annual gender pay gap report by 30 March 2018. The report detailed the Council's position as at the "snapshot" date of 31 March 2017.
- 6.2 The mean gender pay gap for Epsom & Ewell Borough Council was -14.1%. This means that, as at 31 March 2017, women at Epsom & Ewell Borough Council were paid on average 14.1% more than men.
- 6.3 The median gender pay gap for Epsom & Ewell Borough Council was -27.8%. This means that, as at 31 March 2017, the median salary for women at Epsom & Ewell Borough Council was 27.8% higher than the median salary for men.
- 6.4 The vast majority of organisations have a gender pay gap, however, it is recognised that, at -27.8%, Epsom & Ewell Borough Council's median gender pay gap is significantly higher than the median gender pay gap reported by the Office for National Statistics for the whole economy of 18.4%.
- 6.5 Across the UK economy as a whole, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in technical and IT related roles, which attract higher rates of pay than other roles at similar levels of seniority. Women are more likely than men to have had breaks from work, which have affected their career progression, for example to bring up children. Women are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.
- 6.6 However, this pattern from the UK economy as a whole is not reflected in the make-up of Epsom & Ewell Borough Council's workforce, where the majority of front-line Operational Services Operatives within Waste and Recycling are men, and where line management and senior management roles are held by a significant proportion of women.
- 6.7 Gender pay is not a subject about which Epsom & Ewell Borough Council is complacent, and it is committed to doing everything that it can to reduce the gap. However, the Council also recognises that its scope to act is limited in some areas. It has, for example, no direct control over the subjects that individuals choose to study or the career choices that they make.
- 6.8 Epsom & Ewell Borough Council has taken steps to promote gender diversity in all areas of its workforce and undertakes gender monitoring on an annual basis.

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### **7 Managers Huddle**

- 7.1 During 2017/18 we have run three Managers Huddles which continue to prove popular with Managers.
- 7.2 The sessions are run in house by Kathryn Beldon, Chief Executive & Shona Mason, Head of HR & OD with the agenda set in collaboration with the Managers Huddle working group. Other team members also present at the Huddle to provide a varied and interesting agenda.
- 7.3 The aim of the sessions are to provide a development, networking and engagement opportunity where Managers can learn about a specific subjects, meet and learn from other Managers across the Council and provide feedback on topics and projects that are currently being undertaken.
- 7.4 The topics that have been covered include:
- Developing a Managers Network
  - Service Delivery & Performance
  - Self-Awareness & DISC Profiling
  - Practical Budget Exercise
  - Personal Development Themes
  - Communications – Team Brief & Social Media
  - Working with Members
  - Member / Officer Protocol
  - Decision Making
  - Attendance Management & Capability Policies
- 7.5 The Managers Huddle will continue to be hosted during 2018/19 with a further three programmed for June 2018, Nov 2018 and February 2019.

### **8 Apprenticeships and Internships**

- 8.1 From April 2017, the Apprenticeship Levy placed a legal duty on employers with a wage bill of more than £3 million to pay a levy of 0.5 per cent of their salary bill to fund apprenticeships.
- 8.2 In addition, public sector bodies with more than 250 employees in England are required to employ an average of at least 2.3% of their staff as new apprentices between 2017 and 2021. This equates to 7 new apprentices at Epsom & Ewell Borough Council.

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- 8.3 Leadership Team have identified the requirement to future proof our workforce as one of the top 10 risks to the organisation. The need to plan ahead is also highlighted by the most recent analysis of our workforce (April 2018), which shows that 44% of the workforce are aged over 50 and only 11% of the workforce are aged 30 and under.
- 8.4 In the past few months we have also experienced difficulties in recruiting experienced staff in a number of key areas such as ICT and Planning.
- 8.5 The introduction of apprenticeships supports our Corporate Plan and OD Strategy specifically by developing multi-skilled and motivated staff and building capacity and delivering a skilled workforce for the future.
- 8.6 EEBC have budgeted £30k for 2017/18 and 2018/19 and the HR team are working with Managers to identify potential apprenticeship opportunities for both new and existing employees.
- 8.7 To date, we have recruited an ICT Apprentice and a Systems Support Apprentice (Revenues & Benefits) and are working to facilitate training provision for an existing employee in Housing using Apprenticeship Levy funding.
- 8.8 In addition to our apprentices, we are currently recruiting to four summer internship positions within Legal, HR, Customer Services and Sports Development.
- 8.9 These 12 week placements are aimed at university students. As well as providing invaluable work based experience and the opportunity to make a genuine contribution to the work of EEBC, it is hoped that the placements will positively promote EEBC as an employer of choice and increase the talent pool of future job applicants.

## **9 Enterprising Agenda**

- 9.1 Epsom and Ewell's approach to commercialisation seeks to build on the positive commercial thinking and practice that already exists within the Council and further develop an enterprising commercial culture.
- 9.2 Four specific work streams have been identified:
  - Understanding the needs of residents, businesses and visitors in the market in which the Council operates. This would involve undertaking some analysis of demographic and business trends to help form a thorough profile that would identify market opportunities in both the short and medium term.
  - Income Generation – by providing services which customers are prepared to pay for which generates revenue that can be reinvested back into Council services.

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- Reviewing key policies and processes to identify opportunities to enable the Council to respond more quickly and efficiently to market opportunities in a way that reflects the realities of operating in a more commercial market. This includes enabling staffing and procurement decisions to be made more quickly to enable the service to respond more effectively in a competitive environment.
- Creating a more enterprising culture – building the skills, policies and processes to enable staff to embrace a more commercial approach in their work drawing on the best examples of high performing customer focused commercial organisations.

9.3 As part of developing an enterprising culture Aylesbury Vale District Council held a Commercial Culture workshop with the Leadership Team to support strategic thinking and showcase some of the work they have done in this field. This provided an opportunity for the Leadership Team to learn from experience of what had gone well and what had not gone so well. This work will also feed into the Behaviours to ensure that team members are connected to the enterprising agenda.

9.4 The Council has recently established a new Marketing Officer role to maximise current and future opportunities. The Marketing Officer will be responsible for developing a marketing strategy and working closely with service managers to maximise opportunity.

9.5 In the coming year the focus will be on developing a commercial approach and identifying opportunities within Wellbeing Day Care+, Building Control, Trade Waste and Grounds Maintenance.

## 10 Team Engagement

10.1 Team engagement is important to provide team members with the opportunity to direct, influence and support the development of the Council. The main forum for this to be achieved is through the Staff Consultative Group who deal with all issues affecting team members but also take on the more formal consultation activity which may be linked to terms and conditions of employment or workforce change.

10.2 This group is made up of team member representatives from across the Council who meet on a regular basis with the Head of HR & OD to discuss topical issues in a collaborative way. The group are dedicated and hardworking and strive to ensure that all team members' views and opinions are represented. The meetings are minuted with a focus on communicating You Said / We Did to showcase the positive action the Group have taken.

10.3 During 2017/18 we have worked on the following:

- Flexitime & TOIL
- Pay & Performance Review

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- Vending Machines
- Tax Codes
- Appraisal Targets
- E-Hub
- Pay Consultation
- My Performance Conversation Consultation
- Attendance Management & Capability Policy Consultation
- Team Members Discounts
- Key Worker Accommodation
- Development of Artifax – Room Bookings
- Single Use Plastics – Plastic Cups
- Pay implementation

10.4 The collaborative approach with the Staff Consultative Group and Unison ensures that employee relations are positive and an open dialogue is maintained at all times.

### **11 Financial and Manpower Implications**

11.1 All HR activities take place within agreed budgets.

11.2 Savings will continue to be made where possible ensuring the Council can provide a quality HR service in a cost-effective way.

11.3 **Chief Finance Officer's comments:** *None for the purposes of this report.*

### **12 Legal Implications (including implications for matters relating to equality)**

12.1 **Monitoring Officer's comments:** *None arising from this report.*

### **13 Sustainability Policy and Community Safety Implications; Partnerships**

13.1 None

### **14 Risk Assessment**

14.1 As a public sector employer, it is important the Council follows fair and consistent HR procedures. The financial costs and potential reputational damage to the Council, as an elected authority and as an employer, could be considerable.

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**15 Conclusion and Recommendations**

15.1 The Panel is asked to receive and note the contents of the report and identify any areas for development.

**Ward(s) Affected:** (All);