

## Notice of Meeting

# People, Performance and Development Committee



**Date & time**  
**Friday, 17**  
**February 2017**  
**at 2.00 pm**

**Place**  
Committee Room C,  
County Hall, Kingston  
upon Thames, KT1  
2DN

**Contact**  
Andrew Baird  
Room 122, County Hall  
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**Chief Executive**  
David McNulty

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**This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Andrew Baird on 020 8541 7609.**

### **Members**

Mr David Hodge CBE (Chairman), Mr Peter Martin (Vice-Chairman), Mr Ken Gulati, Mr Nick Harrison, Ms Denise Le Gal and Mrs Hazel Watson

### **Ex Officio:**

Mrs Sally Ann B Marks (Chairman of the County Council) and Mr Nick Skellett CBE (Vice-Chairman of the County Council)

## **AGENDA**

### **1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

### **2 MINUTES OF THE PREVIOUS MEETING: 24 NOVEMBER 2016**

(Pages 1  
- 6)

To agree the minutes as a true record of the meeting.

### **3 DECLARATIONS OF INTEREST**

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- (i) Any disclosable pecuniary interests and / or
- (ii) Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

#### **NOTES:**

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

### **4 QUESTIONS AND PETITIONS**

To receive any questions or petitions.

#### **Notes:**

1. The deadline for Member's questions is 12.00pm four working days before the meeting ( *13 February 2017*).
2. The deadline for public questions is seven days before the meeting ( *10 February 2017*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

### **5 ACTION REVIEW**

(Pages 7  
- 14)

For Members to consider and comment on the Committee's actions tracker.

### **6 PROPOSED CHANGES TO HR POLICIES**

(Pages  
15 - 40)

Proposed amendments to HR policies are brought to the People, Performance and Development Committee for consideration as the body that determines policy on the terms and conditions of all staff. The Committee is asked to consider and approve changes to the following: Probation Procedures Policy, the Officer Code of Conduct and the Gifts and Hospitality Policy.

- 7 SHORT TERM RESOURCING NEEDS POLICY** (Pages 41 - 52)
- The purpose of this report is to update the People, Performance and Development Committee on a recent report submitted to the Council Overview Board, current progress on agency worker usage monitoring and to present a draft policy on short term resourcing needs for review and approval by the Committee.
- 8 APPRENTICESHIP REFORMS** (Pages 53 - 102)
- The People, Performance and Development Committee (PPDC) acts as the Council's Remuneration Committee under delegated powers, in accordance with the constitution of the County Council. The purpose of this paper is to update members on the changes to the Council's Apprenticeship Scheme as a result upcoming Apprenticeship Reforms. This includes an update on Government policy as well as information on communications and engagement.
- 9 STAFF SURVEY RESULTS** (Pages 103 - 114)
- This report provides an update to members of the People, Performance and Development Committee (PPDC) on the results of the Staff Survey. This is the second Surrey County Council Staff Survey undertaken by Best Companies and provides useful comparison data against last year. The Council Overview Board will also consider the results of the survey at its meeting in March.
- 10 PAY EXCEPTIONS ANALYSIS 2016/17 QUARTERS 1 AND 2** (Pages 115 - 120)
- The People, Performance and Development Committee (PPDC) acts as the Council's Remuneration Committee under delegated powers, in accordance with the Constitution of the County Council. This report provides the bi-annual pay exceptions analysis for consideration by the Committee.
- 11 EXCLUSION OF THE PUBLIC**
- Recommendation:** That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

## **PART TWO – IN PRIVATE**

- 12 PAY POLICY EXCEPTIONS FEBRUARY 2017** (Pages 121 - 124)
- The People, Performance and Development Committee (PPDC) acts as the Council's Remuneration Committee under delegated powers in accordance with the Constitution of the County Council. The purpose of this paper is to highlight decisions taken and recommendations on pay that fall outside the published Pay Policy and amendments to existing Surrey Pay policies.
- This report includes a range of pay exceptions and staff related decisions that require the Committee's decision.

**Confidential: Not for publication under Paragraph 1**  
Information relating to any individual.

**13 PAY AND REWARD STRATEGY REVIEW BUSINESS CASE FOR SCHOOLS STAFF ON SURREY PAY**

(Pages  
125 -  
142)

This report sets out for the People, Performance and Development Committee's agreement, the business case to proceed with Phase 2 of the Pay and Reward Strategy Review for schools based Surrey Pay staff.

**Confidential: Not for publication under Paragraph 4**

Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority.

**14 PUBLICITY OF PART 2 ITEMS**

To consider whether the item considered under Part 2 of the agenda should be made available to the press and public.

**Confidential: Not for publication under Paragraph 1**  
Information relating to any individual.

**15 DATE OF NEXT MEETING**

The next meeting of People, Performance and Development Committee will be on 22 March 2017.

**David McNulty**  
**Chief Executive**

Published: Thursday, 9 February 2017

**MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE**

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It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

*Thank you for your co-operation.*

**MINUTES** of the meeting of the **PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE** held at 10.00 am on 24 November 2016 at Members' Conference Room, County Hall, Kingston upon Thames, KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting.

**Elected Members:**

- \* Mr David Hodge (Chairman)
- \* Mr Peter Martin (Vice-Chairman)
- \* Mr Ken Gulati
- \* Mr Nick Harrison
- \* Mrs Hazel Watson
- Ms Denise Le Gal

\* = in attendance

**Substitutes:**

Mr Mel Few

**In Attendance**

Ken Akers, Head of HR & OD

**117/16 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

Apologies were received from Ms Denise Le Gal.

Mr Mel Few acted as a substitute for Denise Le Gal.

**118/16 MINUTES OF THE PREVIOUS MEETING [27 OCTOBER 2017] [Item 2]**

The minutes were agreed as a true record of the meeting.

**119/16 DECLARATIONS OF INTEREST [Item 3]**

There were none.

**120/16 QUESTIONS AND PETITIONS [Item 4]**

There were none.

**121/16 ACTION REVIEW [Item 5]**

*Nick Harrison arrived during discussions on this item.*

**Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD

Andrew Baird, Regulatory Committee Manager

**Key points from the discussion:**

1. In relation to Action A36/16, the People, Performance and Development Committee (PPDC) was informed that the decision had been taken to postpone the All Member Seminar on the Behaviour's Framework until after the County Council elections in May 2017. Responsibility for determining when this All Members' Seminar would take place following the elections had been passed to the Member Development Group. Members were further advised that any All Member Seminars planned in advance of the County Councils elections in May had been cancelled unless deemed to be absolutely necessary.
2. The Committee discussed Action A47/16 and noted that a Motion had been submitted for consideration at the Full Council meeting scheduled for 6 December 2016 which would ask Members to support investment in key worker housing to assist in the recruitment and retention of key frontline staff such as social workers, occupational therapists and engineers.

**Actions/ further information to be provided:**

None

**RESOLVED:**

That the People, Performance and Development Committee agreed to monitor progress on the implementation of actions from previous meetings.

**122/16 PAY POLICY STATEMENT 2016 - 2017 [Item 6]**

**Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD

**Key points raised during the discussion:**

1. An updated version of the Pay Policy Statement "the Statement" was tabled at the meeting for consideration by the Committee and is attached to these minutes as Annex 1. Members received an introduction to the item from officers who highlighted that it had been necessary to amend the Statement as a result of changes to staff members' terms and conditions of employment arising from the implementation of a new Pay & Reward Strategy. PPDC were advised that Full Council would be asked to formally agree the revised Statement at its meeting on 6 December 2016.
2. Members were concerned that language and formatting made some of aspects of the Statement difficult to understand and a number of

changes to the Statement were therefore requested before it was submitted to Full Council for consideration and approval. Officers stated that the Statement would be amended in accordance with the Committee's suggestions and advised that a final version would be tabled for agreement at Full Council on 6 December 2016.

3. Discussions took place regarding pay progression for political assistants who, due to restrictions on pay imposed by Central Government, had not seen an increase in their pay band maximum since 2006. The Committee stated that it was unfair that political assistants' pay had remained stagnant for such a long period and it was agreed that the Chairman of the Committee should write a letter to the Secretary of State making this point and requesting that consideration be given to increasing the pay band maximum for political assistants.

**Actions/ further information to be provided:**

1. That the following amendments be made to the Pay Policy Statement:
  - a. Condense the Pay Policy Statement by first covering schools based staff, followed by non-schools based staff.
  - b. Details of staff benefits should be removed from the section titled 'Chief Officers Remuneration'. Staff benefits should instead be given its own standalone section.
  - c. A cover sheet to be added to the Pay Policy Statement providing a brief synopsis of what the Statement covers and a brief outline of the changes arising as a result of the revised Pay and Reward Strategy.
  - d. The first paragraph under Surrey Pay should highlight that the negotiations around Surrey Pay terms and conditions are made through collective bargaining.
  - e. Reference to the CEX and senior pay grades should be removed from the Schools based Surrey Pay Staff section
  - f. Further clarity should be provided in respect of what is meant by job-based pay models and career based pay models.

**RESOLVED:** That;

subject to the amendments requested by Members, the People, Performance and Development Committee agreed to recommend publication of the Statement to the next meeting Surrey County Council Full Council on 6 December 2016.

**123/16 APPRAISAL COMPLETION REPORT FOR FINAL APPRAISALS CARRIED OUT IN 2016 (TO COVER PERFORMANCE IN 2015/16) [Item 7]**

**Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD

**Key points raised during the discussion:**

1. Officers provided Members with an update on the figures related to appraisal completion rates in the published report. The Committee was advised that Surrey Fire & Rescue Service (SFRS) had completed 100% of staff appraisals and that there was just a small number of appraisals which remained outstanding across SCC. Members congratulated officers on reducing the amount of time it took for staff appraisals to be completed across the organisation.
2. The Committee requested that the Council Overview Board be given the opportunity to review appraisal completion rate figures.

**Actions/ further information to be provided:**

1. That the appraisal completion rate figures be submitted to the Council Overview Board for possible consideration at a future meeting.

**RESOLVED:**

It is recommended that the People, Performance and Development Committee agreed to:

- i. note the final recorded completion rate for eligible appraisals;
- ii. note that Surrey County Council will now focus on the appraisal year 2017 and the support which services will need in relation to completing high quality appraisals; and
- iii. Continue to request reports providing appraisal completion data in line with the specified appraisal timescales for 2017.

**124/16 HIGH PERFORMANCE DEVELOPMENT PROGRAMME [Item 8]**

**Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD

**Key points raised during the discussion:**

1. The Committee received an introduction to the report from officers who highlighted that SCC had invested heavily in developing its management team as a means of driving improved performance across the organisation. Members were advised that the High Performance Development Programme “the Programme” had been an important part of steps to develop managers throughout the Council and had been successful in improving organisational performance. Officers stated, however, that fewer managers within frontline services had attended the Programme as had been anticipated and so any future changes to it would encourage increased participation by frontline service managers.



2. The Committee expressed concern regarding the limited number of frontline service managers that had attended the Programme and requested further details on how they would be encouraged to sign up to future iterations of the Programme. Officers indicated that frontline service managers hadn't been adequately engaged in the Programme offer and so careful monitoring and management would be put in place to develop the offer and help to tailor it towards the needs of those delivering frontline services. Members were informed that a steering group had already been set up to assist in directing the development of the Programme and that this steering group included frontline service managers so that they were fully engaged in this process. The Committee stated that improved uptake on the Programme may be achieved by discussing the benefits of attending the course with relevant staff members.
3. Further information was requested in regard to the increased resignation rate which has been recorded among staff across the Council since the High Performance Development Programme was introduced. Officers stated that the Programme had empowered managers to tackle entrenched behaviours which ran counter to the expectations of the organisation and that this had resulted in a slight increase in staff turnover.
4. Members were advised that the next iteration of the Programme would aim to link SCC staff with managers from other public sector bodies in Surrey so as to aid collaborative working between organisations across the county.
5. The Committee stated that effective coaching and professional development programmes had enabled SCC to bring on and improve many of its own staff at a time when lots of organisations were choosing to reduce training budgets as a result of financial pressures. Half of managers across SCC had completed the High Performance Development Programme and this was contributing to improvements in service delivery across the organisation.
6. Members requested that the Corporate Leadership Team undertake an evaluation of the Programme and consider what improvements could be made to it for the next cohort managers.

**Actions/ further information to be provided:**

1. Corporate Leadership Team to be engaged on the development of the next iteration of the High Performance Development Programme.

**RESOLVED:** That;

the People, Performance and Development Committee:

- i. note the findings of the University of Surrey's evaluation report of the High Performance Development Programme and the positive difference the investment has made in starting to develop the shift in culture of the organisation; and
- ii. support plans in place to re-focus the leadership and management programme to continue this journey to service excellence; building on areas identified in the evaluation report as needing more attention.

**125/16 DATE OF NEXT MEETING [Item 9]**

The Committee noted that its next meeting would be held on 26 January 2017.

Meeting ended at: 11.10 am

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**Chairman**



People, Performance and Development Committee  
17 February 2017

**Action Review**

**Purpose of the report:**

For Members to consider and comment on the Committee's actions tracker.

**Introduction:**

An actions tracker recording actions and recommendations from previous meetings is attached as **Annex A**, and the Committee is asked to review progress on the items listed.

**Recommendations:**

The Committee is asked to monitor progress on the implementation of actions from previous meetings (Annex A).

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**Report contact:** Andrew Baird, Regulatory Committee Manager

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## ONGOING ACTIONS

Number	Meeting Date	Item	Recommendation / Action	Action by whom	Action update
A49/16	27 October 2016	Pay Policy Exceptions October 2016	The Head of HR & OD to work with the Cabinet Member for Businesses Service to draft a letter regarding adherence to the Council's information governance policies for officers and Members.	Head of HR & OD/ Cabinet Member for Business Services and Resident Experience	This action is currently being taken forward by the Head of HR & OD.  <b>(Updated: 1 February 2017)</b>

## COMPLETED ACTIONS

Number	Meeting Date	Item	Recommendation / Action	Action by whom	Action update
A36/16	30 June	Surrey County Council Behaviours Framework Launch and Plan for Embedding into the Organisation	The Cabinet Member for Business Services and Resident Experience to ask the Member Development group to consider how the Behaviours Framework can be used to improve customer service delivery among County Councillors.	Democratic Services Lead Manager	The Committee agreed that scheduling an All Member Briefing on the Behaviours Framework should be postponed until after County Council elections in May 2017.  <b>(Updated: 25 November 2016)</b>
A43/16	26 September 2016	Apprenticeship Reforms	Members requested that a follow up report on the Apprenticeship Reforms be considered by PPDC detailing what flexibilities there are within the scheme and whether the funding can be used for general staff training and development.	Regulatory Committee Manager/ Head of HR & OD	A follow-up item on the Apprenticeship Reforms will be brought to the People, Performance and Development Committee on 17 February 2017.  <b>(Updated:17 January 2017)</b>

# People, Performance & Development Committee – ACTION TRACKING

## February 2017

A44/16	27 October 2016	Minutes of the Previous Meeting	The Head of HR and OD to circulate a note to Committee Members on Tuesday 1 November detailing the Council's position in regard to the number of completed appraisals across SCC.	Head of HR & OD	This information was included as part of the Appraisal Update report being considered by the Committee at its meeting on 24 November 2016  <b>(Updated: 24 November 2016)</b>
A46/16	27 October 2016	Proposal to introduce a Professional Development Programme within the Environment and Infrastructure Directorate	Senior Managers within the E&I Directorate should draw up proposals for what a welcome bonus for staff joining the Directorate would be structured and brought back for consideration by PPDC once this had been completed	Head of Planning and Development Group	The Committee will consider proposals for a welcome bonus for staff joining the Environment & Infrastructure Directorate at its meeting on 25 July 2017.  <b>(Updated: 17 January 2017)</b>

A47/16	27 October 2016	Proposal to introduce a Professional Development Programme within the Environment and Infrastructure Directorate	Head of HR & OD along with relevant heads of service to draw up proposals for ways in which the Council could invest in property for housing frontline staff who would be otherwise unable to afford the cost of accommodation in Surrey	Head of HR & OD	<p>A Motion regarding key worker housing was agreed by Full Council at its meeting on 6 December 2016. The motion agreed was as follows:</p> <p><i>'The Council notes the difficulties in recruiting and retaining skilled staff to work for the County Council, the high cost of agency staff and that the situation is becoming critical as the council's financial position worsens.</i></p> <p><i>This Council has previously agreed that more emphasis should be given to key worker housing as one approach to dealing with this problem.</i></p> <p><i>The Council now agrees to explore the options available to enhance the provision of key worker housing in Surrey in order to help recruit and retain more skilled staff whilst reducing agency spend.'</i></p> <p>In light of this motion, a review of current schemes regarding the provision of key worker housing has been implemented while a small project team has also been assembled to review options around the provision of key worker housing. The outcome of these reviews will be brought to the PPDC meeting on</p> <p><b>(Updated: 1 February 2017)</b></p>
A48/16	27 October 2016	Proposal to introduce a Professional Development Programme within the Environment and Infrastructure Directorate	PPDC to receive details of the current offer that the Directorate has for engineering and other specialist roles.	Head of Planning and Development Group/ Strategic Business Partner	<p>A briefing was circulated to Members on 25 November 2016</p> <p><b>(Updated: 25 November 2016)</b></p>

# People, Performance & Development Committee – ACTION TRACKING

February 2017

A51/16	24 November 2016	Pay Policy Statement 2016 - 2017	<p>That the following amendments be made to the Pay Policy Statement:</p> <ul style="list-style-type: none"> <li>a. Condense the Pay Policy Statement by first covering schools based staff, followed by non-schools based staff.</li> <li>b. Details of staff benefits should be removed from the section titled 'Chief Officers Remuneration'. Staff benefits should instead be given its own standalone section.</li> <li>c. A cover sheet to be added to the Pay Policy Statement providing a brief synopsis of what the Statement covers and a brief outline of the changes arising as a result of the revised Pay and Reward Strategy.</li> <li>d. The first paragraph under Surrey Pay should highlight that the negotiations around Surrey Pay terms and conditions are made through collective bargaining.</li> <li>e. Reference to the CEX and senior pay grades should be removed from the Schools based Surrey Pay Staff section.</li> <li>f. Further clarity should be provided in respect of what is meant by job-based pay models and career based pay models.</li> </ul>	HR Reward Manager	<p>The requested amendments were made to the Pay Policy Statement and the revised version was approved at Full Council on 6 December 2016.</p> <p><b>(Updated: 6 December 2016)</b></p>
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# People, Performance & Development Committee – ACTION TRACKING

February 2017

A50/16	27 October 2016	Pay Policy Exceptions 2016	The Head of HR & OD to provide confirmation to the Committee that the intention is to delete the SEND Strategic Lead role following the taking on of additional responsibilities by Julie Stockdale.	Head of HR & OD	The Assistant Director for Schools and Learning has confirmed that the SEND Strategic Lead role will be deleted and that these responsibilities have been assumed by the Strategic Lead for School Commissioning.  (Updated: 1 February 2017)
A52/16	24 November 2016	Pay Policy Statement 2016 - 2017	A letter from the Chairman of the Committee to be sent to the Secretary of State highlighting that the pay band maximum for political assistants had not been increased since 2006 and suggesting that this should be addressed.	Head of HR & OD	A letter was sent to the Secretary of State for Communities and Local Government from the Leaders of the Conservative, Labour and Liberal Democrat Groups at the LGA regarding Political Assistants' Pay on 8 February 2017  (Updated: 1 February 2017)
A53/16	24 November 2016	Appraisal Completion Report for Final Appraisals Completed in 2016	That the appraisal completion rate figures be submitted to the Council Overview Board for possible consideration at a future meeting.	Regulatory Committee Manager	The Appraisal Completion figures will be shared with Members of the Council Overview Board via the Board Bulletin for their information at the request of the Chairman of COB.  (Updated: 3 February 2017)
A54/16	24 November 2016	High Performance Development Programme	Corporate Leadership Team to be engaged on the development of the next iteration of the High Performance Development Programme.	Head of HR & OD	The Chief Executive, Chief of Staff and Continuous Review Network have all agreed to contribute to a review into developing the next iteration of the High Performance Development Programme.  (Updated: 1 February 2017)

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People, Performance and Development Committee  
17 February 2017

## Proposed Changes to HR Policies

### Purpose of the report:

Proposed amendments to HR policies are brought to the People, Performance and Development Committee for consideration as the body that determines policy on the terms and conditions of all staff. The Committee is asked to consider and approve changes to the following: Probation Procedures Policy, the Officer Code of Conduct and the Gifts and Hospitality Policy.

### Recommendations:

It is recommended that the People, Performance and Development Committee:

- i agrees to amend contracts of employment to require all new entrants to the Council to be subject to a probation period, usually six months, and to provide for a period one month notice period for all on probation.
- ii recommends the amended Code of Conduct policy for approval at the next full Surrey County Council meeting on 21 March 2017; and
- iii agrees the proposed amendments to Surrey County Council's Gifts and Hospitality Policy.

### Introduction

1. It has been necessary to review a number of HR policies for the following reasons:
  - **Probation Procedure:** a change to the legislation prompted a review.
  - **Officer Code of Conduct:** an internal audit report recommended that the Officer Code of Conduct refer to ethical behaviour more explicitly. Consultation with the Reward Board and service managers identified further amendments which are included in the proposals. Changes to the Officer of Code of Conduct Policy are attached as Annex 1
  - **Gifts and Hospitality:** an internal audit report recommended a number of amendments to the Gifts and Hospitality Policy for the purposes of clarity and completeness. Consultation with the Reward Board and service managers identified further amendments which are included in

the proposals. Changes to the Gifts and Hospitality are attached as Annex 2.

## **Probation procedures**

### **Recommendation**

2. To amend contracts of employment to require all new entrants to the Council to be subject to a probation period, usually six months, and to provide for a period one month notice period for all staff on probation.

### **Key amendments**

3. The current contract states that the probation procedure does not apply to bank contracts. The new procedure proposes the introduction of a probation period for those who are new to Surrey County Council (SCC) on a bank contract. This is in line with the result of the pay and reward review which introduced appraisal conversations with bank staff.
4. The current contract states that the probation procedure is discretionary for those with local government service. The proposal is to require all staff new to SCC to have a probationary period before they are confirmed in post.
5. The current policy requires probation to be completed within six months with no possibility to extend. The probation procedure was written at a time when employment rights were gained after only one year's service. It was therefore important to have rules in place to ensure that decisions on the suitability of employment were made within a strict timeframe. Since 2012 the law has changed to increase the length of service needed to acquire such rights to two years. So the new procedure allows an extension of up to three months to provide more flexibility for managers.
6. The current policy explains that the notice period for those on probation is usually a week. For those with continuous service the period of notice they are currently entitled to will include previous continuous service aggregated at half-rate, which may be up to six weeks. This is in line with the current contract which requires the Council to recognise certain contractual provisions, e.g. periods of notice, annual leave, and maternity benefits. This service is not counted for any other rights i.e. the employee will still have to complete two years' service to claim unfair dismissal.
7. Six weeks is a long notice period for someone on probation so the proposal is to amend the contract to provide for a period of one month for all on probation.
8. The proposals provide a simple and consistent approach. They give managers greater flexibility, furthermore those unsuccessful during probation are more likely to be advocates for the organisation if they are given longer than a week's notice.

## **Code of Conduct**

### **Recommendation**

9. recommends the amended Code of Conduct policy for approval at the next full Surrey County Council meeting on 7 February 2017; and

## Key amendments

9. The proposed changes to the Code of Conduct Policy introduce the concept of ethics and strengthen references to the Council's value statements which reflect the importance of the principles of public life.

## Section 2 Organisational Ethics and Personal Conduct

10. To address the internal audit recommendation that the Code of Conduct refer to ethical behaviour more explicitly than in the current policy, it was agreed with the auditor that updating the statement of personal conduct in section 2 would be sufficient to address the concern raised.
11. The wording agreed with the auditor is as follows:
 

“The Council expects all employees to behave ethically and maintain high standards of personal conduct to sustain the good reputation of the Council and its services.”
12. An explanation of the relationship between the values and behaviours, taken from the Council's behaviours framework guide, has been added to highlight their importance to everything the Council does.
13. The summary of the seven principles of public life together with the explicit links to values and behaviours make clear the corporate standards of behaviour required from staff.

## Section 4 Health, safety and wellbeing

15. The word “Wellbeing” has been added to the title to broaden the scope of matters covered in this section.
16. The following paragraphs have been added:
  - the expectation on employees to report to work in a fit and safe state to carry out their duties with a link to the Drug and Alcohol Workplace policy;
  - the Council's commitment to provide a smoke free environment with a link to the Smoke Free Workplace policy.

## Section 5 Governance

17. The title of this section has been changed from Treatment of Information to Governance to broaden its scope.
18. A section has been added on Fraud and Corruption to highlight the importance of employees understanding their responsibilities and duties in this area, with a link to the Council's Strategy against Fraud and Corruption.

## Section 8 Gifts, Hospitality, Sponsorship or Endorsements

19. There is now a brief summary of the key expectations of employees in this area, with a link to the Gifts and Hospitality policy and guidance for the detail and further information. Currently the main gifts and hospitality policy requirements are described in the Officer Code of Conduct and the full Gifts

and Hospitality Policy and guide are separate documents. This risks inconsistencies occurring between what is said in the Code of Conduct and in the Gifts and Hospitality policy, as has been identified in the recent audit of gifts and hospitality (referred to in paragraph 23 below). The proposal to link to the Gifts and Hospitality policy for the policy requirements is considered a safer approach.

20. The amended policy is attached at Annex 1.

## **Gifts and hospitality**

### **Recommendation**

21. To consider and approve the proposed amendments to the Gifts and Hospitality policy.

### **Key amendments are set out below:**

#### **Section 1 Introduction**

22. An introduction to the policy has been added linking the need for high ethical standards to the Council's strategy on fraud and corruption.

#### **Section 4 Registration and approval of gifts and hospitality**

23. The requirements for the registration and approval of gifts and hospitality are set out in paragraphs 4a and 4b of the Gifts and Hospitality policy only, rather than in both this policy and the Code of Conduct. This addresses a slight inconsistency identified in the audit report between the wording used in the Gifts and Hospitality policy and the current Code of Conduct which could potentially impair the effectiveness of the monitoring process and/or the consistency of disclosures made.
24. Paragraph 4b proposes that Heads of Service are responsible for prescribing the appropriate level of management to authorise approvals in their service. This addresses an inconsistency where the current policy states that Head of Service approval is needed, then later that officers should seek approval from their line manager. Giving Heads of Service the ability to prescribe what level of management authorises approvals allows services to operate a process that best suits their environment, this is likely to mean a more robust process.
25. The current policy states that acceptance of hospitality must be authorised in advance of receipt or within seven days where this is not possible. This stipulation has been expanded to cover both gifts and hospitality. This is to make clear that authorisation of both gifts and hospitality must take place on a timely basis.
26. The notional value of items where the value is not known has been changed from £200 to £50. Documentation from 2010 suggests that it should have read £50 and that £200 is an error.
27. It is made clearer that only gifts and hospitality with a value of £25 and over need to be registered and approved, and that anything under £25 does not need manager approval or to be registered unless it is considered that there are good reasons for doing so.

28. Guidance on the non-acceptance of monetary gifts has been added at paragraph 4f. This was a recommendation from the audit report.
29. References to Gifts and Hospitality books held by Heads of Service have been removed as all entries are now made in the online register. The guidance explains that anyone who does not have online access should arrange with their business services team for entries to be made on their behalf. Having all entries in one place enhances reporting and scrutiny of content. For this reason the requirement for a separate register for the Corporate Leadership Team has also been removed. Only members of the Human Resources Leadership team and the officer managing the register will see the full content.

### **Section 5 Employees in social care provider services**

30. Guidance is provided on the receipt of gifts from potentially vulnerable service users due to the complexity and sensitivity of the relationship between providers of care services and vulnerable service users, their carers' and families. This was a recommendation from the audit report

### **Section 7 Bequests and legacies**

31. Guidance on what to do if an employee becomes a beneficiary in a service user's will has been added because there is no advice on this matter in the current policy.

### **Section 8 Monitoring and compliance**

32. The following requirements have been added to strengthen monitoring and compliance:-
33. That managers monitor all offers of gifts and hospitality made to their team members and flag if one third party or organisation seems to be excessively offering "small" gifts which are not being recorded.
34. That an annual reminder will be sent to all Heads of Service that they should communicate gifts and hospitality compliance requirements to officers. The guidance suggests how Heads of Service might do this. This was a recommendation from the audit report.
35. That the Head of HR&OD is the policy owner and responsible for reviewing policy content and for the oversight of compliance with its requirements. This is to satisfy the audit report recommendation to establish responsibilities for oversight and to consider detailing a named officer as policy owner.
36. The amended policy and guidance are attached at Annex 2.

<b>Conclusions:</b>
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37. The proposed change to the probation procedure gives flexibility to managers and ensures that all new entrants to Surrey are treated equally.
38. The proposed changes to the Officer Code of Conduct make explicit the requirement to behave ethically and will link with the new behaviours framework. Explicit links are also made to key policies relevant to the high standards of conduct expected of the Council's staff.

39. The proposed changes to the Gifts and Hospitality policy make clearer the requirements and provide guidance in areas that were not previously covered.

#### **Financial and value for money implications**

40. There is a cost attached to extending the probationary period from one week to one month. However it is not significant and can be met with existing budget provision.
41. There are no financial implications relating to the amendments to the Code of Conduct and gifts and hospitality policies.

#### **Equalities and Diversity Implications**

42. The proposed amendments will not impact on residents or staff with different protected characteristics so an Equality Impact Assessment is not needed.

#### **Risk Management Implications**

43. None

#### **Next steps:**

- To engage with unions on the proposed changes through SCCTU.

#### **Probationary Procedure**

- To amend the probation procedure on Snet.

#### **Officer Code of Conduct**

- To seek full Council approval for the amended policy at the 7 February 2017 meeting.
- To amend the policy and guidance on Snet.

#### **Gifts and Hospitality**

- To amend the policies and guidance on Snet.

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#### **Annexes:**

Annex 1 – Proposed changes to Officer Code of Conduct Policy

Annex 2 – Proposed Changes to Gifts and Hospitality Policy



**Officer Code of Conduct**

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## 1 Welcome to the Code of Conduct Policy

The purpose of this Code is to help employees support the County Council's aim to provide high quality services fairly and efficiently in line with its values of listening, responsibility, trust and respect. Members have their own Code of Conduct and there is also protocol which outlines how members and officers work together.

The Code of Conduct applies to all employees of the County Council, agency workers, contractors and their staff whilst working for, or on behalf of, the Authority.

Employees are expected to apply the Code of Conduct and other Council policies to the performance of their duties, including to their use of work related social media. Where an employee identifies themselves or can be identified as a Surrey County Council employee, the same rules that apply to actions in general apply to conduct online, including on personal social media sites – see [Personal use of social media \(link\)](#) for further information.

Any breach of the Code of Conduct will be regarded as a disciplinary offence. The code may be taken into account in performance appraisal.

## 2 Organisational Ethics and Personal Conduct

The Council needs to ensure its decisions and operations are open, accountable and in line with recognised ethical standards. Officers of the Council are therefore required to be aware of and act in accordance with [The Seven Principles of Public Life](#), which are:

**Selflessness** - Officers and members should act solely in terms of the public interest;

**Integrity** - Officers and members should avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work;

**Objectivity** - Actions and decisions should be taken impartially, fairly and on merit using the best evidence and without discrimination;

**Accountability** - Officers and members are accountable to the public and submit themselves to the scrutiny necessary to ensure this;

**Openness** - Actions and decisions should be taken in an open and transparent manner and information should not be withheld from the public unless there are clear and lawful reasons for so doing;

**Honesty** - Officers and members should be truthful; and

**Leadership** - Officers and members should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

This code is based, and builds, on these seven principles published by [the Committee on Standards in Public Life](#).

The Council expects all employees to behave ethically and maintain high standards of personal conduct to sustain the good reputation of the Council and its services. In doing so employees are expected to be aware of and act in accordance with the Council's [values and behaviours](#) (*link*). Values and behaviours are very much linked. The Surrey County Council values sit at the heart of everything we do. The behaviours are what people see, and express what we value. The values are brought to life in each of the behaviour clusters.

### **3 Compliance with County Council Instructions**

The Council expects all employees to comply with lawful written and oral instructions.

This will ensure that we take a consistent approach across the County Council in relation to how we procure services and goods, carry out people management activities and how we approach financial management.

The relevant procedures and instructions are published on snet – see [related information](#).

### **4 Health, Safety and Wellbeing**

The Council has a legal duty of care for the health, safety and wellbeing of its employees. In addition, all employees must take reasonable steps to protect their own health and safety and that of other people who may be affected by their work. Some employees, particularly managers, have specific responsibilities and these are detailed in the Council's safety policies and procedures. The Council's [Health and Safety Policy and Manual](#) (*link*) is published on the website.

Employees are expected to report for work in a fit and safe state to carry out their duties. They must not drink alcohol or take drugs at any time whilst at work, including during rest or meal breaks spent at or away from council premises. Incidents outside working hours that involve intoxicating substances may be considered a disciplinary offence if the incident breaches the code of conduct. For further detail about the council's expectations regarding drugs and alcohol employees should refer to the [Drug and alcohol workplace policy](#) (*link*).

The Council is committed to providing a smoke free environment for staff and employees are expected to comply with the Council's [Smoke free workplace policy](#) (*link*).

## 5 Governance

### 5.1 Handling and Treatment of Information relating to the County Council

It is generally accepted that open government is best. All employees should be aware as to what information should be made available to Members, auditors, government departments, service users and the public, and **which information should remain confidential**. Any information made available should be provided in a clear and concise way.

Employees should **not use any information** gained in the course of their employment for **personal gain**, or pass it on to others who might use it in such a way. Information concerning a service user, resident, employee's or Member's personal affairs **should not** be divulged without prior approval, except where that disclosure is required or sanctioned by law. It is important that employees take all relevant steps to comply with data protection requirements and ensure that confidential information is kept secure. For further information you should read the [Information governance \(link\)](#) guidance.

### 5.2 Declaring Personal Interests and Outside Commitments

All employees **must declare**:

- i. Any non-financial or financial interest which might conflict with the authority
- ii. Membership of any organisation that is **not open to the public** without formal membership and commitment of allegiance and which has secrecy about rules, membership, or conduct
- iii. Membership of **other groups, clubs and societies**, that an employee believes could be relevant to declare in particular circumstances.

Declarations should be made to Heads of Service who should ensure that a written record is made on the employee's personnel file. Declarations must extend to acknowledging the involvement of a relative or partner of an employee in an organisation in which the County does or seeks to do business, particularly if they are directors, partners or hold senior managerial positions in those organisations.

Employees should be aware of any **contractual restrictions** on taking outside employment. In any case, outside employment should not be taken which conflicts with the council's interests.

For further guidance see [Conflict of interest \(link\)](#).

Where employees are in any doubt about whether any personal relationships, interests, or outside commitments should be declared in particular circumstances, they should either declare the information in any case, or else seek further advice

from their manager or HR by phone on 0208 541 9000 or e-mail [myhelpdesk@hr@surreycc.gov.uk](mailto:myhelpdesk@hr@surreycc.gov.uk).

### 5.3 Declaring Related Party Transactions

The County Council is obliged to fulfil a disclosure requirement in respect of related party transactions. This reporting requirement aims to provide assurance to readers of financial statements that any material transactions entered into between the organisation and those in a position of power to influence its decisions are disclosed and above board.

Senior Managers Levels 1 – 4, must **declare**:

- I. Positions of influence they hold within partnerships, companies, trusts or any entities providing services to the County Council
- II. Positions of influence they hold (in a personal capacity) within organisations receiving grant funding from the County Council

Declarations must extend to a relative or partner of the employee if they have an interest in any such organisation. Senior Managers Level 1 – 4 will be required to declare this and complete an annual return.

### 5.4 Whistleblowing

The Council is committed to the highest possible standards of honesty, openness, probity and accountability. We seek to conduct our affairs in a responsible manner, ensure that our activities are openly and effectively managed, and maintain our integrity and principles of public interest disclosure.

In line with this commitment, where an employee becomes aware of activities which that employee believes to be illegal, improper, unethical or otherwise inconsistent with the code of conduct for employees, the employee is encouraged to report the matter in line with the council's confidential reporting procedure – see [Whistleblowing \(link\)](#).

Employees who raise matters of concern in this way have specific protections afforded them under the Public Interest Disclosure Act 1998.

### 5.5 Fraud and Corruption

The Council maintains a zero tolerance approach to fraud and corruption. All employees need to understand their responsibilities and duties in regard to the prevention and reporting of suspected fraud and corruption as outlined in the Council's [Strategy Against Fraud and Corruption \(link\)](#).

## 6 Working Relationships

Internal and external relationships with colleagues, service users and contractors should be conducted in a professional, friendly and respectful manner. Employees are expected to treat others with fairness and dignity at all times and to work to resolve differences where these exist.

## 6.1 Working with Members

**Mutual respect** between employees and members is **essential** to good local government. **Close personal familiarity** between employees and individual members can damage the relationship and should therefore be **avoided**.

For further information about working relationships between officers and members please see the [Members/Officers protocol](#) (*link*).

## 6.2 Working with Colleagues

Employees must ensure compliance with all the County Council's employment policies. Employees should not be involved in an appointment, or be involved in any decision relating to discipline, promotion or any pay adjustments or conditions of another employee, or prospective employee to whom they are related or have a close personal relationship.

## 6.3 Working with the Local Community & Service Users

Employees should ensure courteous, efficient and impartial service delivery to all.

## 6.4 Political Neutrality

- i. Members are elected to direct the policies and activities of Surrey County Council. **Employees** should ensure they **serve all members**, not just those of the controlling group, and respect their individual rights.
- ii. Employees should ensure that their own **personal or political opinions should not interfere** with any policy of the authority. Where employees advise political groups, **political neutrality must be retained**.

(Political assistants appointed on fixed term contracts in accordance with the Local Government and Housing Act 1989 are exempt from political neutrality).

Certain posts are designated as politically restricted by the Local Government and Housing Act 1989. Your contract of employment will tell you whether you hold one of these posts and, if you do, you will be required by law to observe certain restrictions regarding your out of work activities. For further information see the [Politically restricted posts](#) protocol.

## 6.5 Equality Issues

- i. Employees must ensure compliance with the County Council's **Equalities Statement** and other employment policies in relation to equality issues to comply with high standards of employment practice.
- ii. Employees are expected to be aware of and act in accordance with the Council's [Ending harassment, bullying, victimisation and discrimination](#) (*link*) policy. The Council will not tolerate any form of harassment, bullying, victimisation or discrimination against colleagues, other employees or job applicants. All members of the local community have a right to be treated with **fairness and equality**.

## 7 Contractors and Competitive Tendering

Contractors may include individuals who are temporarily working alongside County Council employees, or employees of an external firm that has been awarded a contract to provide services on behalf of the County Council. All Contractors should be treated with courtesy and respect.

### 7.1 Contractors

Any orders and contracts must be awarded by **fair and open competition** against other tenders. No special favour should be shown to businesses with particular connections to employees.

Employees should **declare any relationship** with a particular contractor, or any potential contractors, to the Head of Service and should not participate in any buying activity where these Conflicts of Interest could arise. See the [Procurement standing orders](#) (*link*) for further information.

### 7.2 Separation of Roles During Competitive Tendering

- i. Employees should be clear on the separation of **client and contractor roles**. Senior employees who have both a client/contractor responsibility must be aware of the need for accountability and openness.
- ii. Employees privy to **confidential information** on tenders of costs relating to contractors should not disclose the information to any unauthorised party or organisation.
- iii. Employees should ensure no special favour is shown to **current or recent former employees**, or associates, in awarding contracts.

## 8 Gifts, Hospitality, Sponsorship or Endorsements

County Council employees should exercise caution concerning the **acceptance of gifts or hospitality** in relation to their role in the Council; and any **involvement in sponsorship events**, or **endorsement of a product or service**, where there may be a **conflict of interest**.

All gifts and hospitality should be properly recorded and employees are expected to be aware of and act in accordance with the Gifts and hospitality policy. For further detail and information about what needs to be recorded see [Gifts and hospitality](#) policy and guidance (*link*).

## 9 Use of the County Council's Materials or Resources



Employees should not make personal use of any County Council property, facilities, materials, or resources unless properly authorised to do so.

### 9.1 Property and Resources

County Council property and resources should be used solely in respect of its work. No improper use should be made of any facility such as vehicles, equipment, stationery or secretarial services which the County Council provides for its own business.

The Authority recognises that there are times when calls must be made during working hours, for emergencies or to utility companies, for example. Reasonable usage of the telephone in these cases is permissible, but employees are expected to keep the length of call to the minimum possible.

### 9.2 Intellectual Property

Employees should follow County rules on the ownership of intellectual property or copyright created during their employment. Any invention, improvement or design made or conceived by you while you are engaged to work for the County Council which is in the existing, or contemplated, scope of the business of Surrey County Council shall become and remain the exclusive property of Surrey County Council.

## Related information

<a href="#">Values and behaviours</a>	<a href="#">Members/Officers protocol</a>	
<a href="#">Equalities information</a>	<a href="#">Conflict of interest</a>	<a href="#">Gifts and hospitality</a>
<a href="#">Politically restricted posts</a>	<a href="#">Disclosing information</a>	<a href="#">Health &amp; Safety</a>
<a href="#">IMT policies</a>	<a href="#">Whistleblowing</a>	<a href="#">Financial governance</a>
<a href="#">Information governance</a>	<a href="#">Procurement guidelines</a>	
<a href="#">Strategy against Fraud and Corruption</a>		
<a href="#">Ending harassment, bullying, victimisation and discrimination</a>		



## Gifts and hospitality policy

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## 1. Introduction

The Council needs to ensure that its decisions and operations are open, accountable and in line with recognised ethical standards.

It is essential that the public can be confident that decisions are made for good and proper reasons and are not influenced inappropriately by the interests of individual employees, their relatives or friends. Therefore employees should not compromise their position as public service workers by accepting gifts or hospitality that might be perceived as having influenced any such decision.

In delivering its objectives the council maintains a zero tolerance approach to fraud and corruption, whether it is attempted from outside the council (the public, clients, partners, contractors, suppliers or other organisations) or within (Members and employees). Employees should exercise caution concerning the acceptance of gifts or hospitality and should refer to the Council's **Strategy on Fraud and Corruption** ([link](#)) for further information.

In support of these objectives this policy details the Council's expectations of employees and those working on behalf of the Council regarding the acceptance of gifts and hospitality in relation to their role in the Council.

## 2. Application

The policy applies to all Surrey County Council employees, except fire fighters, teachers and staff employed directly by schools. It applies to agency workers, and contractors and their staff whilst working for or on behalf of the Council.

## 3. Basic principles

- All officers of Surrey County Council and those working on behalf of Surrey County Council are expected to refuse the offer of inappropriate and disproportionate hospitality and gifts made in relation to their role in the Council unless there are compelling reasons or exceptional circumstances for doing so.
- Accepting a gift or hospitality that does not comply with this policy will breach the code of conduct and may result in disciplinary action.
- Individuals are responsible for deciding whether an offer of a gift or hospitality is "inappropriate and disproportionate and could have the potential to be interpreted as recompense, inducement or endorsement.
- Gifts or hospitality must not be accepted where it might be perceived to influence a decision in respect of purchasing goods or services, awarding contracts, or in the discharge of any other aspect of the Council's business. It is your responsibility to refuse such offers and to report any possible conflict of interest and in cases where you believe that the Council may be compromised.

- It is a criminal offence for officers or those working on behalf of the council to corruptly receive any gift, loan, fee, reward or advantage for doing, or not doing anything, or showing favour, or disfavour, to any person in their official capacity. In no circumstances should any statement ever be made in return for a personal gift, or money.
- It is expressly prohibited for an officer to accept any gift or hospitality from an organisation if the officer is actively involved in a tender process with the organisation on behalf of the Council. This prohibition commences at the point that an invitation to tender is published and extends to a period of three months after a contract has been awarded.
- For reasons of integrity and transparency, the principle of receipt of gifts or hospitality extends to the spouse, partner or immediate family of the officer.
- Officers must follow the policy and procedure for the registration and approval of offers of gifts and hospitality. If there is any doubt about the acceptance of a gift or offer of hospitality, the officer is responsible for discussing this with their manager.

### 4. Registration and Approval of Gifts and Hospitality

The requirements for the registration and approval of gifts and hospitality are outlined below.

Offers of gifts and hospitality with a value of £25 or less do not need manager approval or to be recorded in the register unless it is considered that there are good reasons for doing so. Employees should speak to their manager if there is any doubt whether an item falls within the definition of a gift or hospitality and/or is acceptable.

Employees working in social care provider services should refer to section 5 below for information about the acceptance of gifts in their service.

- a. Any gifts and hospitality with a value of £25 or more that have been offered, whether accepted, declined or accepted and passed on to charity, must be registered in the **online gifts and hospitality register** ([link](#)). For information on how to do this you should refer to the **Gifts and hospitality Guidance** ([link](#)).
- b. Acceptance of gifts or hospitality with a value of £25 or more must be approved by an appropriate manager. Heads of Service are responsible for prescribing the appropriate level of management to authorise approvals in their service.
- c. Acceptance of gifts and hospitality with a value of £25 or more must be authorised and recorded in advance of receipt. Where this is not possible, it should be recorded and authorised within seven days of the receipt.
- d. Where an officer receives a series of gifts or hospitality from the same individual or organisation in one year with a cumulative value of £100 or over, these too must be registered.

## Annex 2 – Gifts and Hospitality Policy

- e. No officer of the Council should continue to accept gifts or hospitality after the cumulative value of items reached in a single financial year reaches £200 or more. In such circumstances the officer must register that the gift or hospitality has been declined for this reason and advise the relevant manager in their service. Items where a value is not known should be assumed to be worth a notional cost of £50 and be recorded on this basis in calculating the cumulative total received over the financial year.
- f. **Monetary gifts**  
An employee must never accept monetary gifts of any kind, whether in the form of cash or cheques. However, vouchers from service users may be acceptable depending on the circumstances, but should be treated with caution.
- g. **Tokens of goodwill**  
Officers may receive tokens of goodwill when attending conferences or similar events and on occasion, minor articles such as diaries, pens and calendars issued for advertisement that have a value of less than £25. These can be accepted and do not need to be registered, unless it is considered there are good reasons for doing so.
- h. Heads of Service are accountable for ensuring that staff are aware of the arrangements for the registering and approval of gifts and hospitality and the location of the **online gifts and hospitality register** ([link](#)).

### 5. Employees in social care provider services

Special caution should be exercised by employees in social care provider services due to the complexity and sensitivity of the relationship between providers of care services and vulnerable service users, their carers and families. The general principle is that staff should not accept gifts of any kind. However, it is recognised that a refusal may offend or distress the giver, therefore gifts with a value of less than £25 in value may be accepted following discussion the employee's manager. Gifts with a value of over £25 must be registered and approved in the normal way as set out above.

### 6. Hospitality

Hospitality may be defined as anything beyond the offer of non-alcoholic drinks and light refreshment. Officers should only accept such offers if there is a genuine need for Surrey County Council to be represented at a function or there is demonstrable added value to the county council in the officer attending (e.g. sharing best practice between other professional colleagues or other local authorities or relevant organisations).

Acceptance of hospitality through the attendance at relevant conferences and courses is acceptable where it is clear that the hospitality is corporate rather than personal, and such hospitality does not compromise purchasing decisions. Personal hospitality over the value of £25 must be approved by the relevant manager and recorded in the online Register of Gifts and Hospitality.

Officers are responsible for deciding whether an offer of hospitality is “inappropriate or disproportionate”. Further information on this is provided in the **Gifts and hospitality Guidance** ([link](#)).

### 7. Bequests and legacies

If as a result of their employment an employee becomes a beneficiary of a service user’s will, this must always be reported to their line manager and recorded in the **online gifts and hospitality register** ([link](#)). The employee must not accept the bequest, regardless of its size or value, unless granted explicit permission by the appropriate level of management in their service. Permission will only be granted where the legacy is of little financial value, such as a sentimental item.

### 8. Monitoring and compliance

Heads of Service are responsible for ensuring that arrangements are in place for the entry of information into the **online gifts and hospitality register** ([link](#)) for those members of staff who are unable to do so directly.

Managers need to be aware of and monitor all offers of gifts and hospitality made to their team members, and to flag if one third party or organisation seems to be excessively offering “small” gifts which are not being recorded.

Surrey County Council will publish the Registers of Gifts and Hospitality online and it will be open to inspection by the public and internal and external auditors.

On an annual basis the Chief Executive (or a designated officer) will present a report on Gifts and Hospitality to an appropriate committee of the Council for review.

An annual reminder will be sent to all Heads of Service that they should communicate gifts and hospitality compliance requirements to officers.

The Head of HR&OD as the policy owner is responsible for reviewing policy contents and for the oversight of compliance with its requirements.

### 9. Miscellaneous

– other areas which can be associated with receiving gifts / favours/hospitality

#### Using services of contractors

Officers must not knowingly use the services of contractors employed by Surrey County Council for acquiring materials, labour or plant at cost, trade or discount prices for their personal use.

#### Competitions and raffles

Where officers enter competitions and raffles at events attended on official Surrey County Council business and win prizes with a value in excess of £25 they must seek the approval of the relevant manager before taking up any

## **Annex 2 – Gifts and Hospitality Policy**

hospitality, or before retaining possession of any gift, and record the matter in the Register of Gifts and Hospitality. The same principle applies for online raffles and competitions. If the officer has bought tickets for a raffle with their own money, then this requirement is not applicable.

### **Sponsorship of events**

Where the Council sponsors an event, no officer must benefit in a direct way without there being **full disclosure** to the relevant manager of any such interest. Again, the onus is on the individual to take responsibility for making informed judgements about whether any hospitality made to them as part of any sponsorship is not “inappropriate or disproportionate”. Where the Council gives support in the community through whatever means, officers must ensure that there is no **conflict of interest** and the same principles of disclosure apply.

### **Endorsement of a product or service**

Officers must exercise caution before providing any statement endorsing the quality or operation of any product or service that may be used for publicity purposes. Such endorsement may put the County Council at risk of misrepresentation or legal challenge. Officers are therefore advised to apply judgement in terms of appropriateness and if necessary seek further advice from their manager in these instances.

In no circumstances should any statement ever be made in return for a personal gift, money or a gesture of hospitality.



## Gifts and hospitality Guidance

### Why do we have guidance in addition to the policy?

The policy outlines the principles and rules we need to follow in relation to the acceptance of gifts and hospitality. This guidance document will help you make decisions about the acceptance and refusal of gifts and hospitality and follow the correct procedures.

### How do I decide whether or not to accept a gift and/or hospitality?

The guiding principles for acceptance of gifts and /or hospitality should be based on the following questions.

- Would the public question the appropriateness of hospitality or gifts received by an officer of the Council?
- Would the behaviour of individuals create suspicion of any conflict between their official duty and their private interest?
- Would the action of an individual acting in an official capacity give the impression (to a member of the public, any organisation with which they deal, or to a Councillor or colleague) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation?

If you have any doubt about an offer of a gift/ hospitality you are responsible for notifying and discussing this with your manager.

### How do I record gifts and hospitality?

Any gifts and hospitality with a value of £25 or more that have been offered, whether accepted or declined or accepted and passed on to charity, must be registered in the **online gifts and hospitality register** ([link](#)). If you have online access you can do this directly.

### When should entries be made?

Entries should be made at the earliest opportunity and in advance of receipt where accepted. Where this is not possible this must take place within seven days at the latest.

### What should I do if I don't have online access and cannot enter the information online?

You should make sure that your online entry is made on your behalf by a member of your business support or administrative team. Your service will have decided how this is done and some services may ask you to record items in a Gifts and hospitality book to assist with this process.

The information that you will need to provide is as follows:-

## Annex 2 – Gifts and Hospitality Policy

<b>Name(s), job title and email address (if available) of those receiving offer of, or gift or hospitality</b> - Details of all SCC staff and employees (including agency, contractors and their employees employed on behalf of the authority) and names of relative or partner, if appropriate, should be recorded	<b>Date</b> - Date the gift or hospitality was offered	<b>Person or Organisation providing gift or hospitality</b> - Both the name of the organisation and organisation representative or individual as appropriate	<b>Details of the gift or hospitality</b> - Brief description of item, ie, dinner at X, case of wine, holiday
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<b>Value£</b> - If actual value is not known enter estimated. If offered to more than one person enter total value. If value is not known, assume a notional cost of £50.	<b>Reason</b> – a brief explanation of why the gift or hospitality was offered	<b>Decision</b> - State whether offer was 'Declined' 'Accepted and donated to charity' or 'Accepted'. For donations to charity state name of charity	<b>Authorisation</b> – if appropriate state name of authorising officer and date authorised
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### How do I decide whether it is appropriate to accept an offer of hospitality?

You are responsible for making informed judgements that the offer of hospitality is not “inappropriate or disproportionate”. For example reasonable and proportionate catering at an event may be justified whereas an expensive dinner could have the potential to be interpreted as recompense, inducement or endorsement.

When receiving a hospitality invitation, you should be sensitive to its timing in relation to decisions that Surrey County Council may be taking that may affect the organisation(s) providing the hospitality.

### What types of hospitality do not need to be registered?

- Any hospitality provided by Surrey County Council;
- Any hospitality provided by other public sector organisations that is similar to that provided by Surrey County Council;
- Modest hospitality and beverages (to a value of less than £25) provided by any outside organisation or individual whilst on official County Council business;
- Any hospitality provided as part of a course/conference that is included in a conference fee paid by Surrey County Council.

### Can I accept hospitality when undertaking inspection visits?

Where visits are required to inspect equipment or services, or in relation to the award of a contract, you should ensure that the County Council meets the costs of such visits in order to avoid prejudicing subsequent purchasing

decisions. Any arrangement where the company visited meets part or all of the cost must have the prior approval of the relevant manager, and must be recorded in the Register of Gifts and Hospitality.

**I attended an event where myself and a colleague received hospitality that needs to be registered. Do I have to make an entry on the register if my colleague has already done so?**

Yes, each individual that receives a gift or hospitality must record their details separately.

**Is it appropriate to accept what may be considered a luxury item, for example expensive alcohol or perfume?**

When deciding whether or not to accept an offer of a gift, the context is important. An offer from an organisation seeking to provide services to the Council or in the process of applying for permission or some other decision from the Council is unlikely to be acceptable, regardless of the value of the gift. However, a gift given at Christmas by a service user as a gesture of appreciation to an employee will generally be acceptable and could cause offence if returned.

If approval is given for an individual to accept a luxury item, for example an expensive alcohol or perfume, managers may wish to consider whether it is appropriate for it to be distributed by way of a raffle for staff, with proceeds being donated to an appropriate charitable cause, or for perishable goods to be shared with the team.

**When might it be appropriate to register gifts or hospitality with a value of less than £25?**

It is perfectly in order to register gifts or hospitality received that have a value of less than £25 if you wish to do so. This could occur, for example, where a business discussion has taken place with a third party over a meal which has been paid by the third party. You believe that your share of the cost is a little under £25. You have received approval from your manager to accept this hospitality and agreed that for integrity and transparency it should be registered.

**What if I receive a gift of a substantial nature (over £25) from a third party and approval for acceptance is not given?**

If approval is not obtained the gift should be returned with a polite explanation that the Council's policies do not allow their acceptance. If you have any doubts about a gift you have already accepted, you should consult your line manager, who in turn should discuss the matter with a relevant senior manager to determine whether you should retain the gift. The Chief Executive will be the final arbiter on the advisability of accepting or refusing gifts.

**What should I do if I receive a ceremonial gift?**

Where a ceremonial gift is made to you in your official capacity (for instance, when finalising a collaborative agreement between public sector bodies), the gift will be retained by Surrey County Council and may be put on display. At an appropriate time, such ceremonial gifts will be transferred to the Surrey History Centre.

**How should Heads of Service ensure compliance with the policy requirements?**

Heads of Service will receive an annual reminder to communicate policy compliance to officers. Action should then be taken to ensure that officers within their service are aware of the most recent policy and guidance and to check that the requirements are being met. It is up to each Head of Service to decide how best to do this, but an example of good practice would be to send an annual reminder email with a link to the policy and guidance.



People, Performance and Development Committee  
17 February 2017

## Short Term Resourcing Needs Policy

### Purpose of the report:

The purpose of this report is to update the People, Performance and Development Committee on a recent report submitted to the Council Overview Board, current progress on agency worker usage monitoring and to present a draft policy on short term resourcing needs for review and approval by the Committee.

### Recommendations

It is recommended that the People, Performance and Development Committee:

- i. notes the update on agency staffing given to the Council Overview Board (COB) and notes COB's feedback;
- ii. notes work in progress regarding the monitoring of agency worker usage; and
- iii. reviews and approves the draft policy on short term resourcing needs prior to its publication and cascade to all managers.

### Introduction

This report provides the committee with the following:

- an overview on the recent agency staffing update report (December 2016) presented to the Council Overview Board;
- feedback received from the board and subsequent actions;
- an update on the current work in progress regarding agency worker usage; and
- the draft policy on short term resourcing needs for review and approval.

### Agency staffing update report

1. Key data relating to temporary staff (including agency workers engaged via the Adecco contract and agency workers and contractors directly engaged by services) was shared with the Council Overview Board (COB) on 14 December 2016.
2. The following key issues, figures and activities were noted by officers:
  - the Council's overall projected spend on temporary staff for 2016-17 is on target to be £1.4 million less than the equivalent spend in 2015-16;

- the proportion spent on temporary staff in relation to the overall staffing spend will potentially increase from 4.9% in 2015-16 to 5% in 2016-17. This is based on actual spend from the first two quarters of 2016-17;
- the proportion spent on temporary staff across all directorates was broadly proportionate with the council as a whole with the exception of business services which accounted for 33.9% of the overall staffing spend was on temporary staff; and
- within Business Services, £0.59 million has been spent in IMT on temporary workers over the first two quarters of 2016-17 (currently stands at 26 workers) accounting for 85% of non-permanent staff spend.

#### **Feedback from Council Overview Board**

3. Following consideration of this report COB requested a breakdown of direct spend on temporary posts to understand the type of positions filled in this way. COB further requested that officers report to the Board on a six-monthly basis to review data on agency staff usage.
4. Council Overview Board also recommended that the high percentage of agency staff in IT & Digital should be investigated by a Task Group with findings to be reported at the Board's meeting in February. The Board agreed that the membership of the Task Group should be as follows: Eber Kington, Colin Kemp, Denise Saliagopoulos and Hazel Watson. The draft Terms of Reference for the Task Group can be found at Annex 1.

#### **Service workforce plans and agency worker scrutiny – what we are doing to improve monitoring**

5. The reporting capabilities now available with Adecco will provide data on agency spend and tenure to help services with workforce planning and monitoring usage.
6. As of November 2016, HR is reviewing all temporary worker spend and tenure which will include agency workers via the Adecco contract, directly engaged workers and consultants on a quarterly basis.
7. As part of work to improve workforce planning, HR will be working with service leads to ensure that agency workers are being used appropriately. Alongside this HR will circulate to Heads of Services on a quarterly basis reports of temporary worker spend and tenure highlighting any excessive spend and tenure above six months for their review and action.
8. Target usage will be developed with workforce leads based on the data analysis to individual services that will take into account flexibility, recruitment challenges, peaks in demand, unexpected turnover and current development work. HR will work with services to support these plans with the aim of minimising the use of agency workers and tenure of individuals.

#### **Policy and guidance**

9. The draft policy was submitted to COB in December 2016 for review and comment. Further feedback was then sought from service representatives via the Continuous Improvement and Productivity Network HR (CIPN HR).
10. The draft policy and guidance document has been written (see Annex 2) to support managers to determine the most appropriate and cost effective means to

meet a short term need. The document details the options a manager must consider prior to the use of agency workers.

11. Information on the different options is available on snet and the policy will link to these sources.
12. The policy details the implications and risks involved when using regular additional hours (overtime) for permanent staff. These hours could be deemed contractual which would increase the costs of annual leave. Examples of controls that should be put in place to mitigate any risk are included.
13. The document will be available to managers as part of the recruitment snet pages and will be cascaded via leadership meetings and will be taken into account when considering workforce planning considerations.

#### **Conclusions**

14. The committee are requested to note the recommendations and to approve the policy as presented in the paper.

#### **Financial and value for money implications**

15. No costs associated.

#### **Equalities and Diversity Implications**

16. There are no equality and diversity implications resulting in the publishing of this policy.

#### **Risk Management Implications**

17. The policy has been created to aid managers to identify any risks involved when addressing short term resourcing needs and how to control and mitigate those risks; in particular the need for a stable workforce and minimising the resource costs of temporary workers.

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**Report contact:** Ken Akers, Head of HR & OD

**Contact details:** [ken.akers@surreycc.gov.uk](mailto:ken.akers@surreycc.gov.uk)

#### **Annexes:**

Annex 1 – COB Task and Finish Group Scoping Document

Annex 2 – Draft Short Term Resourcing Policy

**Background papers:** None

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## Scrutiny Board Task and Finish Group Scoping Document

The process for establishing a task and finish group is:

1. The Scrutiny Board identifies a potential topic for a task and finish group
2. The Scrutiny Board Chairman and the Scrutiny Officer complete the scoping template.
3. The Council Overview Board reviews the scoping document
4. The Scrutiny Board agrees membership of the task and finish group.

<b>Review Topic: Council Use of Agency Staff</b>
<b>Scrutiny Board(s): Council Overview Board</b>
<p><b>Relevant background</b></p> <p>The Council Overview Board has reviewed the Council's use of agency staff and contract arrangements as this has evolved over the last two years as part of scrutiny of the Council's recruitment strategy and commitment to realise efficiencies.</p> <p>Reporting timetable to COB  November 2015 - Analysis of agency staff use and cost through Manpower data.  Request made for further statistical breakdown of agency staff costs.</p> <p>July 2016 - Update on progress improvements to the council's agency worker arrangements, including implementation of a new framework agreement, historical and current spending, current mark-up rates and controls to manage usage and costs. Agreed to receive data from first 2 sets of quarterly monitoring from the Adecco contract and requested a policy on the use of agency staff for review.</p> <p>December 2016 – Update with new monitoring data as above.</p>
<p><b>Why this is a scrutiny item?</b></p> <p>The Council Overview Board has over the course of 18 months requested data on the cost, type and tenure of agency staff at the Council. The Council has entered into a new framework contract with Adecco with new monitoring arrangements and a new policy on the employment of agency staff. At its December 2016 meeting COB found that there were anomalies in the use of staff amongst the Business Services directorate and that spend on agency staff remains significant.</p>

### What question is the task group aiming to answer?

The initial focus will be what reasons are there for high usage of agency staff in IT & Digital, in terms of:

- cost and length of contract;
- the process and structure of decision making in regard to the employment and continued employment of agency staff;
- whether this is a planned use of agency staff within an agreed and published staffing policy;
- What measures are being taken to reduce this and how will the service work with HR in the future to control off-contract use of agency staff; and
- What are the costs elsewhere in Business Services and how are these being managed?

### Aim

Reduced spend on agency staff and an end to agency staff in non-specialist posts for long periods (define?). Reassurance that workforce planning considers reduced reliance on agency staff.

### Objectives

Objectives:

- Understand the current reasons for high use of agency staff and the plans to manage this
- Reduced percentage of staff employed through the agency contract
- Reduced direct spend by services on agency staff

### Scope (within / out of)

#### In

All instances of direct spend on agency staff including breakdown of position, cost and tenure

Individual directorate use of the Adecco contract

#### Out

Historic spend e.g. Manpower contract use, pre-2016

### Outcomes for Surrey / Benefits

Support the delivery of the corporate priorities of Economic Prosperity (specifically Support young people to participate in education, training or employment) and Resident Experience (deliver £67m savings)

### Proposed work plan

It is important to clearly allocate who is responsible for the work, to ensure that Members and officers can plan the resources needed to support the task group.

<b>Timescale</b>	<b>Task</b>	<b>Responsible</b>
January 2017	Meet with Chief Information Officer to review the services use of direct spend and its current agency staff usage.	Matt Scott Ken Akers Laura Forzani Sergio Sgambellone Ross Pike
February 2017	Review with HR the other Directorates' use of agency staff.	Ken Akers Ross Pike
February 2017	Formulate conclusions and recommendations	Task Group
March 2017	Report to COB	Task Group

#### **Witnesses**

Matt Scott, Chief Information Officer  
Ken Akers, Head of HR & OD  
Strategic Directors, Heads of Service as identified

#### **Useful Documents**

Past COB reports:

[November 2015](#)

[July 2016](#)

[December 2016](#)

#### **Potential barriers to success (Risks / Dependencies)**

- Officer availability
- The IT & Digital restructure
- Local solutions for 'hard to fill' posts such as Social Workers, Educational Psychologists that occur on a national level.

#### **Equalities implications**

Any evidence or emerging recommendations from the Task Group will be assessed and reported as necessary.

<b>Task Group Members</b>	Eber Kington Colin Kemp Denise Saliagopolous Hazel Watson
<b>Co-opted Members</b>	N/A
<b>Spokesman for the Group</b>	To be determined
<b>Scrutiny Officer/s</b>	Ross Pike

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## Short term resourcing needs policy

As part of the wider approach to workforce planning it is important for managers to assess their short term resourcing needs in terms of what impact they could have in the longer term.

Workforce planning is a process to identify how you get the right people, with the right skills, in the right place, at the right time to meet the future needs of our residents. We need to get the most from our limited resources and find alternative ways to provide the best level and breadth of service to our residents we can with the resources we have.

Managers are responsible for ensuring that temporary or short term resourcing needs are met in a cost effective and efficient manner. Managers must be mindful of all cost implications, in particular, when using agency workers or consultants. There must be a clear business case based on the urgency of service needs, potential scarcity of skills and the impact insufficient staffing would place on the service prior to engaging a temporary worker.

### Options for covering a short term need

A short term need can include peaks in demand, sickness absence, maternity cover or emergency staffing shortages. To meet the needs of your business in the most cost-effective way, there are a number of options that can be considered.

### Re-allocation or re-scheduling of work within your existing team

This could be managed by:

- adjusting the priority work areas of existing team members to cover the temporary period
- providing time off-in-lieu (if necessary)
- where the FTE establishment permits, you may, by mutual agreement, amend an employee's contract of employment to increase their contractual hours
- an acting-up payment for employees covering all of the duties of a higher graded post for a continuous period of between four weeks and six months
- an honorarium for an employee undertaking some of the duties of a higher graded post
- additional hours - see below for further information.

### Engaging a bank worker

- This could be a known bank worker for your existing team or identifying a bank worker known to a comparative team elsewhere in your service

### A fixed term appointment

- If a fixed term appointment is considered the most appropriate action then this can be by:
  - A fixed term contract employee (for more than 1 month) – Fixed term contracts are for a specified period of time eg to cover maternity leave, or a specified task eg setting up a database
  - A consultant - The definition of a consultant, is a company who engages directly with the council to provide a service, unsupervised and the fee for the whole project is agreed up front.
  - An agency worker (also referred to as a locum or temporary worker) – this is where the worker is covering an established post and could otherwise be carried out by a directly employed member of staff.

## Surrey County Council position statement on additional hours and calculating holiday pay

Surrey County Council does not offer guaranteed or non-guaranteed overtime or additional hours. It is recognised that there may be occasions where employees voluntarily work additional hours, however, the council does not expect any individual to be working regular additional hours over and above their contractual hours. Definitions are provided below for clarification:

- guaranteed overtime or additional hours is where an organisation is obligated to offer additional hours and the employee is obligated to work them.
- non-guaranteed overtime or additional hours is where an organisation is not obligated to offer additional hours, but when they do, the employee is obligated to work them.
- Voluntary additional hours are when a manager invites an employee to work additional hours to meet a temporary need and there is no obligation on the employee to work these additional hours.

Managers should consider alternative options to cover a temporary increase in resourcing need and must remain mindful of the council's position regarding voluntary additional hours

### The use of additional hours

The Council's Reward policy seeks to avoid the need for employees to be required to work hours in excess of their normal contractual hours. In most cases, when additional hours are worked, time off in lieu (TOIL) must be considered first. For example whenever possible any employee who is required to remain on duty in a residential home beyond the hours "rostered", should be given equivalent TOIL over the ensuing seven days.

Where insisting upon TOIL is impracticable you may authorise payment for additional hours but you should satisfy yourself that the additional expenditure represents the most cost effective solution. Additional payments should only be paid if TOIL is genuinely impractical for business reasons.

As a hiring manager, you are accountable for controlling staffing costs. This includes controlling expenditure on additional hours. Approval for these hours should be authorised in advance.

Additional hours can become contractual where the hours are considered to be established, consistent and expected. It is important you understand the implications involved where the use of regular additional hours poses the risk of the hours becoming contractual. Contractual hours are included in any calculations required for pay e.g. to determine holiday or sick pay. However the additional contractual hours are only included for pensionable pay when the contract states explicitly that they should be.

Recommended controls to support this include:

- monitoring monthly claims for additional hours to check whether staff are regularly working
- considering when additional hours are claimed – times of day, particular days of the week – and recruit to cover such shifts through bank workers or part time workers.
- reviewing your establishment to check that it continues to be appropriate for the workload and service user needs
- reviewing your vacancies to consider how these should be filled eg splitting 1 FTE into smaller roles
- when additional hours are worked, consider providing time off in lieu (TOIL) rather than payment for additional hours
- ensuring that additional hours worked are on a voluntary basis
- building a bank worker pool the team can call to cover gaps in the rota.

## The use of agency workers

### What do you need to know?

At Surrey County Council, we have a contract with Adecco to supply all agency workers.

The use of agency workers is associated with high costs. Agency workers should primarily be used as a short term solution to provide cover for unplanned or emergency staffing shortages. Such shortages may include sickness absences, unexpected increases in workload, or covering a vacancy while you go through a formal recruitment process.

Maternity leave is a planned absence and should be back-filled by the usual recruitment process for fixed term positions, not with an agency worker where possible.

If agency workers are being used in excess of 6 months, you should re-consider the business needs and work through the above options. The HR team will monitor tenure of agency workers and will highlight those exceeding 6 months and brought to the attention of the Head of Service for review.

### Monitoring agency worker usage

As part of service workforce planning, targets will be set for the appropriate level of agency worker usage. These targets will take into account the level of flexibility services require, the variability of work, recruitment challenges and any levels of change services are experiencing. Disproportionate spend or workers with extended service will be highlighted to Heads of Services for review and action.

Governance arrangements will be put in place to help services monitor their usage. HR will work with services to support these plans with the aim of reducing agency worker usage.

### The rights of an agency worker

The Agency Workers Regulations 2010 give agency workers the entitlement to the same or no less favourable treatment as comparable employees with respect to basic employment and working conditions, if and when they complete a qualifying period of 12 weeks in a particular job. The regulations do not cover the genuinely self-employed, individuals working through their own limited liability company, or individuals working on managed service contracts.

Where the need for the agency worker is determined as being longer term, a transfer to permanent work should be considered. If the agency worker applies for an advertised permanent post, and is successfully appointed, there is no fee to transfer the worker. If we request they transfer from an agency worker to a permanent employee, there will be a fee applicable if they are within the first 14 weeks of their assignment as an agency worker, thereafter, there is no charge.

For further information, please contact the MyHR Helpdesk.

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People, Performance and Development Committee  
17 February 2017

## Apprenticeship Reforms Update

### Purpose of the Report:

The People, Performance and Development Committee (PPDC) acts as the Council's Remuneration Committee under delegated powers, in accordance with the constitution of the County Council. The purpose of this paper is to update members on the changes to the Council's Apprenticeship Scheme as a result upcoming Apprenticeship Reforms. This includes an update on Government policy as well as information on communications and engagement.

### Recommendations

The People, Performance and Development Committee is asked to note updates on the Apprenticeship Reforms.

### Introduction

Delivering three million apprenticeships by 2020 is a key priority for the Government. Apprenticeships are a great way to progress in work and for employers to improve the skills base of their organisations.

The Government is actively encouraging large and small businesses in the private sector to employ apprentices. They also want to ensure that the public sector is a model employer in this regard and leads by example.

Expanding the number of apprenticeships in the public sector will support growth in the overall apprenticeship programme.

The Enterprise Act 2016 amended the Apprenticeships, Skills, Children and Learning Act 2009 (the 2009 Act) to allow the Secretary of State to set apprenticeship targets for prescribed public bodies. The apprenticeship target relates to the number of apprentices working for a public body in England.

On 26 September 2016, the People Performance and Development Committee were briefed on the Government's planned apprenticeship reforms and the Council's strategy in delivering their requirements. The proposals were noted by members and since then things have progressed.

### Update

#### Schools

1. Schools who come under the Council's payroll will be liable to pay towards the levy. The Leader has written to the Secretary of State for Education, Justine Greening, addressing Surrey's concerns over the additional financial and bureaucratic burdens which the government's apprenticeship levy will impose on state maintained schools and the consequences thereof.
2. Legislation gives all state maintained schools a significant level of independence in respect of financial and staffing matters. They have the right to manage their own budgets, decide their own staffing establishment and decide on their own appointments and training priorities and the Council's influence on those issues is strictly limited. They are not equivalent to subsidiaries of a plc. However, legally the Council is the employer of staff in community and voluntary controlled schools, and for that reason the Government has included staff in these schools with those of the Council for the purposes of calculating the apprenticeship levy. This imposes an additional cost of 0.5% of payroll on community and controlled schools for which neither schools nor SCC will receive any additional funding. SCC has no option but to pass these costs on to individual schools.
3. Apart from being an additional burden the levy unfairly discriminates between schools according to status.
4. The responsibility of paying the Apprenticeship Levy is that of the employer. In order to clarify where this responsibility sits in relations to schools, please see the extract from <https://www.gov.uk/guidance/pay-apprenticeship-levy> which is also summarised below:
  - For other maintained schools, the Local Authority is the employer. The Local Authority remains legally responsible for payment of the Apprenticeship Levy for schools under their control even if they've delegated responsibility for payroll including payment of Class 1 secondary NICs. A community school with a pay bill of less than £3m (most schools) will be liable under SCC's PAYE for the levy.
  - For voluntary-aided schools, foundation schools, free schools and academies the governing body is the employer. Should a local authority maintained school converted to a free standing academy SCC would no longer be liable as they would be their own governing body (but this option is unlikely to be viable for a small school).
  - if it then joined a multi academy trust (in line with what appears to be government policy) it would be liable.
  - The employer for faith schools will be the Local Authority if the school is voluntary-controlled, otherwise it will be the governing body.
  - If a school becomes a voluntary-aided school, foundation school, free school or academy part way through a tax year, the academy's governing body will be responsible for the Apprenticeship Levy from this point
5. Many small schools have a stable workforce and it may not be easy for them to employ apprentices or to find existing members of staff who may be upskilled via apprenticeships. Additionally, HMRC will hold the levy proceeds for the Council and community/controlled schools in the same account and thus SCC will need to administer training claims for community and controlled schools which will impose additional costs and bureaucracy both on schools and on the Council.
6. The Government response to the apprenticeship targets for public sector bodies was released on the 20 January 2017 and can be found in Annex 2.

### **Maximising the Levy**

7. There are benefits to the levy in that it brings increased support for training where training budgets were previously small or unavailable. It can be seen as a solution to

the skills gaps within services by hiring new apprenticeships and it can also boost the skills of the current workforce by using the levy to offer degree-level or higher professional apprenticeships to existing staff.

8. Annex 1 shows the current standards that are ready for delivery or in development. There is the opportunity for services to engage with their sector to create new standards to address any perceived gaps within the current apprenticeship qualification offer by partnering to form a Standard Trailblazer for approval by the Skills Funding Agency.

### **Apprenticeship Targets**

9. Schools and corporate targets can be separated in our annual report to Government.
10. 2.3% target based on headcount and annual apprenticeship and apprenticeship qualification starts over one year, starting May 2017.
11. The Government considers the duty to 'have regard' to the target to mean that, in making workforce planning decisions, a body subject to the duty must actively consider apprenticeships, either for new recruits or as part of career development for existing staff.
12. Workforce Planning Data Packs prepared by HR to help services consider their future needs will include apprenticeships and apprenticeship qualifications for consideration

## **Communications and Engagement**

### **Internal Communications and Engagement**

13. Apprentice Champions are being identified in each service to support the changes and promote apprenticeships
14. Workshops have been organised from February to March to brief managers on the changes and what they need to do as a result of them.
15. Roadshows and Drop-in sessions organised to inform all staff of the development opportunities available via apprenticeship qualifications.
16. Service-level conversations taken place to explore options around apprenticeships.
17. Working with colleagues in Schools on communications and will be seeking support from the Schools Forum, Educational Partnership Programme and Schools & Learning Management Team to ensure that schools are aware of the levy and its implications.

### **External Engagement**

18. An event will be hosted on the 23 March where training providers are invited in to showcase their apprenticeship and apprenticeship qualification offers and plans for delivery ahead of levy implementation. Apprenticeship Champions, District & Borough Representatives have been invited together with HR&OD as well as Learning & Development Teams.

### **Partnership Working**

19. The south east local authorities; West Sussex County Council, East Sussex County Council, Brighton & Hove Council are working in partnership on the commissioning of apprenticeship training providers via the Dynamic Purchasing System.
20. Districts and Boroughs are invited to the Training Provider Event to network and source apprenticeship training providers.
21. Information and best practice is shared with Districts and Boroughs via the Surrey Training Offices Group.
22. The Career Development Team and Adult Community Skills are working together to develop their apprenticeship provision, ensuring best use of the apprenticeship levy.

<b>Next steps</b>
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**Monitoring Methodology**

23. Work with Finance and Payroll Teams to agree the appropriate method for monthly calculations on levy payments.
24. Understand how the Government's Digital Account Service (still in pilot) will be administered and what resources are required to for ongoing monitoring of the DSA for SCC.
25. Establish a process of monthly monitoring and reporting of levy spend and workforce target results for apprenticeship and apprenticeship qualifications by Directorate.
26. Put in place an annual reporting process.

**Contact:** Ken Akers, Head of HR&OD

**Contact Details:** 07792 511083

**Annexes:**

Annex 1 – Apprenticeship Standards

Annex 2 – Apprenticeship Targets for Public Sector Bodies: Government Consultation Response

# Apprenticeship Standards



Groups of employers (trailblazers) are working together to design new world-class apprenticeship standards that respond to the needs of their industries. More than 1200 large and small employers are already involved in a wide variety of industry sectors.

✓ = standard in development  
 ✓ ✓ = standard published  
 ✓ ✓ ✓ = standard approved for delivery (standard and assessment plan approved)

Agriculture, Environmental and Animal Care		Level	Status
Advanced golf greenkeeper	3	✓ ✓	
Animal care and welfare officer		✓	
Animal trainer		✓	
Arborist	2	✓ ✓	
Conservator		✓	
Countryside worker		✓	
Crop technician		✓	
Equine groom	2	✓ ✓	
Farrier	3	✓ ✓	
Forest operative	2	✓ ✓	
Golf course manager	5	✓ ✓	
Golf greenkeeper	2	✓ ✓ ✓	
Historic environment practitioner		✓	
Horticulture and landscape operative	2	✓ ✓	
Horticulture and landscape supervisor	3	✓ ✓	
Packhouse team leader		✓	
Pest control technician		✓	
Poultry technician		✓	
Poultry worker		✓	
Senior equine groom	3	✓ ✓	
Sports turf operative	2	✓ ✓ ✓	
Stock person		✓	
Underkeeper		✓	
Veterinary nurse		✓	
Business and Administration		Status	
Associate project manager	4	✓ ✓ ✓	
Business administrator	3	✓ ✓	
Chartered manager (degree)	6	✓ ✓ ✓	

Entrepreneur	4	✓	✓
HR advisor		✓	
HR consultant / partner	5	✓	✓
HR support	3	✓	✓
Innovation and growth associate		✓	
Junior management consultant	4	✓	✓
Operational delivery officer	3	✓	✓
Operations / departmental manager	5	✓	✓
Project / programme / portfolio manager (degree)		✓	
Recruitment consultant	3	✓	✓
Recruitment resourcer	2	✓	✓
Senior leader		✓	
Team leader / supervisor	3	✓	✓
Voluntary and community sector worker		✓	

Catering and Hospitality	Status
Advanced baker	3 ✓ ✓
Advanced butcher	3 ✓ ✓ ✓
Advanced dairy technician (technologist)	5 ✓ ✓ ✓
Bakery	2 ✓ ✓
Butcher	2 ✓ ✓ ✓
Chef de partie	3 ✓ ✓
Cleaning and support services operative	✓
Commis chef	2 ✓ ✓ ✓
Fishmonger	2 ✓ ✓
Hospitality manager	4 ✓ ✓
Hospitality supervisor	3 ✓ ✓ ✓
Hospitality team member	2 ✓ ✓ ✓
Maritime caterer	✓
Senior chef culinary arts	4 ✓ ✓
Senior chef production cooking	3 ✓ ✓ ✓

Childcare and Education	Status
Academic professional	✓
Assistant equalities named coordinator	✓
Children, young people and families manager	5 ✓ ✓
Children, young people and families practitioner	4 ✓ ✓
Early years centre leader	✓
Early years educator	3 ✓ ✓
Assistant early years practitioner	✓
Education learning mentor	3 ✓ ✓
Further education assessor-coach	4 ✓ ✓
Further education lead teacher	✓
Further education learning and skills teacher	5 ✓ ✓

Health and wellbeing leader	✓
Lead equalities named coordinator	✓
Quality improvement leader	✓
School business director	✓
Senior early years practitioner	✓
Services leader	✓
Teacher	✓
Teaching assistant	✓

Construction	Status
Advanced carpentry and joinery	3 ✓ ✓
Asbestos analyst / surveyor	✓
Asbestos removal operative	✓
Bricklaying	✓
Building services design engineer	✓
Building services engineering craftsperson	3 ✓ ✓
Building services engineering design technician	4 ✓ ✓
Building services engineering ductwork craftsperson	3 ✓ ✓
Building services engineering ductwork installer	2 ✓ ✓
Building services engineering installer	2 ✓ ✓
Building services engineering service and maintenance engineer	3 ✓ ✓
Building services engineering site management (degree)	6 ✓ ✓
Building services engineering technician	4 ✓ ✓
Building services engineering ventilation hygiene technician	3 ✓ ✓
Carpentry and joinery	2 ✓ ✓
Chartered surveyor (degree)	6 ✓ ✓ ✓
Civil engineer	✓
Civil engineering site management (degree)	6 ✓ ✓
Civil engineering technician	3 ✓ ✓
Construction assembly technician	2 ✓ ✓
Construction design and build technician	4 ✓ ✓
Construction design management (degree)	6 ✓ ✓
Construction quantity surveyor (degree)	6 ✓ ✓
Construction site engineering technician	4 ✓ ✓
Construction site management (degree)	6 ✓ ✓
Construction site supervisor	4 ✓ ✓
Construction surveying technician	4 ✓ ✓
Construction technician	4 ✓ ✓
Digital engineering technician	3 ✓ ✓
Dual fuel smart meter installer	2 ✓ ✓ ✓

Electrical, electronic product service and installation engineer	3	✓	✓	
Engineering construction pipefitter	3	✓	✓	
Facilities management supervisor	3	✓	✓	
Facilities manager		✓		
Fire emergency and security systems technician	3	✓	✓	✓
Floorcoverings		✓		
Form worker		✓		
Gas engineering	3	✓	✓	✓
Geospatial survey technician		✓		
Geospatial mapping and science		✓		
Highway electrical maintenance and installation operative	2	✓	✓	✓
Highway electrician / service operative	3	✓	✓	✓
Highways maintenance skilled operative	2	✓	✓	
Highways maintenance supervisor	3	✓	✓	
Housing / property management	3	✓	✓	✓
Housing / property management assistant	2	✓	✓	✓
Industrial coatings applicator		✓		
Installation electrician / maintenance electrician	3	✓	✓	✓
Interiors systems		✓		
Joiner		✓		
Junior energy manager	3	✓	✓	✓
Lifting technician	2	✓	✓	
Metal decking installer		✓		
Moving and erecting capital structures and plant		✓		
Painter and decorator	2	✓	✓	
Piling attendant	2	✓	✓	
Plant hire desk controller		✓		
Plasterer	3	✓	✓	
Plumbing and domestic heating technician	3	✓	✓	
Powered pedestrian door installer and service engineer	2	✓	✓	
Property maintenance operative	2	✓	✓	✓
Railway engineering design technician	3	✓	✓	✓
Roofer		✓		
Sawmilling		✓		
Scaffolder		✓		
Senior / head of facilities management		✓		
Senior housing / property management	4	✓	✓	✓
Shop fitting (level 2)		✓		
Shop fitting (level 3)		✓		
Skilled fencer		✓		
Smart home technician		✓		
Smart systems information and security		✓		



Steel fixer	2	✓	✓	
Stone mason		✓		
Structural steelwork erector	2	✓	✓	
Structural steelwork fabricator	2	✓	✓	
Surveying technician	3	✓	✓	✓
Thermal insulation operative	2	✓	✓	
Trade supplier		✓		
Tunneling operative	2	✓	✓	
Wall and floor tiler		✓		

Creative and Design		Status		
Animator		✓		
Assistant technical director - visual effects	4	✓	✓	✓
Bespoke saddler	3	✓	✓	
Bespoke tailor and cutter	5	✓	✓	✓
Blacksmith		✓		
Bookbinder		✓		
Broadcast and communications engineer		✓		
Broadcast and communications technical operator		✓		
Broadcast and communications technician		✓		
Broadcast production assistant	3	✓	✓	✓
Calligrapher		✓		
Ceramicist		✓		
Clockmaker		✓		
Community arts co-ordinator		✓		
Community coordinator / associate community manager		✓		
Cordwainer		✓		
Creative venue technician	3	✓	✓	
Development researcher		✓		
Fashion studio assistant	3	✓	✓	
Glass maker		✓		
Hand engraver		✓		
Jewellery maker		✓		
Journalist		✓		
Journeyman bookbinder		✓		
Junior 2D artist - visual effects	4	✓	✓	✓
Junior content producer	3	✓	✓	
Junior journalist	3	✓	✓	✓
Leather craftsperson		✓		
Live event rigger	3	✓	✓	✓
Live event technician	3	✓	✓	
Milliner		✓		
Organ builder	3	✓	✓	

Outside broadcasting engineer	7	✓	✓	✓
Photographer		✓		
Props practitioner		✓		
Puppet maker		✓		
Shoemaker		✓		
Spectacle maker	3	✓	✓	
Storyboard artist		✓		
Thatcher		✓		
Watch maker	3	✓	✓	
Weaver		✓		
Wheelwright		✓		
Wood-turner		✓		

Digital		Status		
Aerospace software development engineer (degree)	6	✓	✓	✓
Business analyst		✓		
Cyber intrusion analyst	4	✓	✓	✓
Cyber security technical professional (degree)		✓		
Cyber security technologist	4	✓	✓	✓
Data analyst	4	✓	✓	✓
Digital and technology solutions professional (degree)	6	✓	✓	✓
Digital and technology solution specialist		✓		
Digital business administrator		✓		
Digital business specialist		✓		
Digital marketer (level 3)	3	✓	✓	✓
Digital marketer (level 6)		✓		
Digital user experience (UX) professional (degree)		✓		
Infrastructure technician	3	✓	✓	✓
Internet of things and cyber systems engineer (level 7)	7	✓		
Internet of things and cyber systems engineer (level 6)	6	✓		
Internet of things and cyber systems engineer (level 5)	5	✓		
Internet of things and cyber systems technician (level 3)	3	✓		
IT solution technician		✓		
IT support		✓		
IT technical salesperson	3	✓	✓	✓
Network cable installer		✓		
Network engineer	4	✓	✓	✓
Software developer	4	✓	✓	✓
Software development technician	3	✓	✓	✓

Software tester	4	✓	✓	✓
Unified communications technician	3	✓	✓	✓
Unified communications trouble shooter	4	✓	✓	✓
Video games quality assurance technician	4	✓	✓	

Engineering and Manufacturing		Status		
Abattoir workers - red meat		✓		
Accident repair technician	3	✓	✓	
Advanced manufacturing fitter		✓		
Aerospace engineer (degree)	6	✓	✓	✓
Aerospace manufacturing electrical, mechanical, and systems fitter	3	✓	✓	✓
Aerospace manufacturing fitter	3	✓	✓	✓
Aircraft maintenance certifying engineer	4	✓	✓	✓
Aircraft maintenance fitter / technician (fixed and rotary wing)	3	✓	✓	✓
Airworthiness planning, quality and safety technician	3	✓	✓	✓
Automotive engine test engineer		✓		
Automotive engine test technician		✓		
Automotive glazing technician		✓		
Aviation maintenance mechanic (military)	2	✓	✓	✓
Biomass installations engineer		✓		
Boatbuilder	3	✓	✓	✓
Bus and coach engineering manager	4	✓	✓	✓
Bus and coach engineering technician	3	✓	✓	✓
Business improvement technician		✓		
Caster [ceramics]		✓		
Community energy specialist		✓		
Composites technician	3	✓	✓	
Continuous improvement manager		✓		
Continuous improvement technician		✓		
Control / technical support engineer (degree)	6	✓	✓	✓
Decorator [ceramics]		✓		
Electrical / electronic technical support engineer (degree)	6	✓	✓	✓
Electrical power protection and plant commissioning engineer	4	✓	✓	✓
Electronic systems technician		✓		
Embedded electronic systems design and development engineer (degree)	6	✓	✓	✓
Engine room ratings		✓		
Engineering design and draughtsperson	3	✓	✓	✓
Engineering technician		✓		

European refrigeration, air conditioning and heat pump design and applications engineer		✓			
Firing operative [ceramics]		✓			
Food and drink advanced process operator	3	✓	✓	✓	✓
Food and drink process operator	2	✓	✓	✓	✓
Food technologist	3	✓	✓	✓	✓
Food industry technical professional (degree)	6	✓	✓		
Food and drink maintenance engineer	3	✓	✓	✓	✓
Fork lift truck technician		✓			
Furniture manufacturer	2	✓	✓	✓	✓
Gas network craftsperson	3	✓	✓	✓	✓
Gas network team leader	2	✓	✓	✓	✓
Glass manufacturing operator		✓			
Glazing operative [ceramics]		✓			
Heavy vehicle service and maintenance technician	3	✓	✓	✓	✓
Land-based service engineer	2	✓	✓	✓	✓
Land-based service engineering technician	3	✓	✓	✓	✓
Lift / escalator electromechanic		✓			
Locksmith		✓			
Machinist - advanced manufacturing engineering	3	✓	✓	✓	✓
Maintenance and operations engineering technician	3	✓	✓	✓	✓
Manufacturing engineer (degree)	6	✓	✓	✓	✓
Manufacturing operative		✓			
Manufacturing technology engineer		✓			
Marine engineer	3	✓	✓		
Maritime electrical fitter	3	✓	✓		
Maritime fabricator	3	✓	✓		
Maritime mechanical fitter	3	✓	✓		
Maritime pipeworker	3	✓	✓		
Metal recycling general operative		✓			
Mechatronics maintenance technician	3	✓	✓	✓	✓
Military engineer		✓			
Military (Royal Navy) electrical mechanical mechanic	2	✓	✓		
Mineral extraction drilling and blasting operator		✓			
Mineral processing and static plant engineer		✓			
Mineral processing mobile and static plant operator	2	✓	✓		
Mineral products weighbridge operator		✓			
Modeller [ceramics]		✓			
Motor vehicle service and maintenance technician (light vehicle)	3	✓	✓	✓	✓
Motorcycle manufacturer and designer		✓			
Motorcycle technician (repair and maintenance)		✓			
Mould maker [ceramics]		✓			

Non-destructive testing operator	2	✓	✓	✓
Non-destructive testing engineer (degree)	6	✓	✓	
Non-destructive testing engineering technician	3	✓	✓	✓
Nuclear health physics monitor	2	✓	✓	✓
Nuclear operative	2	✓	✓	
Nuclear scientist and nuclear engineer (degree)	6	✓	✓	✓
Nuclear technician		✓		
Nuclear welding inspection technician	4	✓	✓	✓
Papermaker	2	✓	✓	✓
Post graduate engineer		✓		
Power engineer (degree)	7	✓	✓	
Power network craftsperson	3	✓	✓	✓
Power networks engineer		✓		
Print finisher, prepress operative and printer		✓		
Process automation engineer		✓		
Product design and development engineer (degree)	6	✓	✓	✓
Product design and development technician	3	✓	✓	✓
Project controls technician	3	✓	✓	
Rail and rail systems engineer		✓		
Rail and rail systems principal engineer		✓		
Rail and rail systems senior engineer		✓		
Rail engineering advanced technician	4	✓	✓	✓
Rail engineering operative	2	✓	✓	✓
Rail engineering technician	3	✓	✓	✓
Rail infrastructure operator		✓		
Refrigeration air conditioning and heat pump engineering technician	3	✓	✓	✓
Risk and safety management practitioner		✓		
Science industry maintenance technician	3	✓	✓	✓
Science industry process / plant engineer		✓		
Science manufacturing process operative		✓		
Science manufacturing technician	3	✓	✓	✓
Selector [ceramics]		✓		
Slip preparation operative [ceramics]		✓		
Specialist tyre technician		✓		
Stairlift, platform lift, service lift electromechanic		✓		
Survival equipment fitter	3	✓	✓	✓
Systems engineering (master level)	7	✓	✓	✓
Technical support technician	3	✓	✓	
Textile manufacturing operative		✓		
Toolmaker & tool and die maintenance technician	3	✓	✓	
Tyre and autocare technician		✓		
Utilities engineering technician	3	✓	✓	✓
Vehicle damage assessor		✓		

Vehicle damage mechanical technician		✓			
Vehicle damage paint technician		✓			
Vehicle damage panel technician		✓			
Water process technician	3	✓	✓	✓	✓
Water treatment operative		✓			
Water treatment technician		✓			
Welder (level 2)	2	✓	✓	✓	✓
Welder (level 3)	3	✓	✓	✓	✓

Hair and Beauty	Status
Advanced beauty professional	✓
Beauty professional	2 ✓ ✓
Hair professional	2 ✓ ✓ ✓
Senior hair professional	✓

Health and Science	Status
Animal technologist	3 ✓ ✓
Associate ambulance practitioner	4 ✓ ✓ ✓
Community activator coach	✓
Community sport and health officer	3 ✓ ✓
Dental hygiene therapist	✓
Dental laboratory assistant	3 ✓ ✓ ✓
Dental nurse	3 ✓ ✓ ✓
Dental practice manager	4 ✓ ✓ ✓
Dental technician	5 ✓ ✓ ✓
Health and wellbeing leader	✓
Healthcare assistant practitioner	5 ✓ ✓ ✓
Healthcare science assistant	2 ✓ ✓ ✓
Healthcare science associate	4 ✓ ✓ ✓
Healthcare science practitioner	6 ✓ ✓
Healthcare support worker	2 ✓ ✓ ✓
Laboratory scientist	5 ✓ ✓ ✓
Laboratory technician	3 ✓ ✓ ✓
Leisure recreation assistant	✓
Metrology technician	3 ✓ ✓
Nurse (registered nurse degree)	6 ✓ ✓
Nursing associate	✓
Ophthalmic technician	✓
Outdoor sports	✓
Personal trainer	3 ✓ ✓
Pharmacy services assistant	✓
Podiatrist	✓
Rehabilitation worker (visual impairment)	✓
Senior healthcare support worker	3 ✓ ✓ ✓

Senior metrology technician	✓
Senior pharmacy services assistant	✓

Legal, Finance and Accounting		Status
Actuarial technician	4	✓ ✓ ✓
Actuary		✓
Advanced credit controller and debt collection specialist	3	✓ ✓ ✓
Assistant accountant	3	✓ ✓ ✓
Bookkeeper		✓
Chartered legal executive (degree)	6	✓ ✓ ✓
Compliance / risk officer	3	✓ ✓ ✓
Conveyancing technician	4	✓ ✓ ✓
Credit controller / collector	2	✓ ✓ ✓
Financial adviser	4	✓ ✓ ✓
Financial services administrator	3	✓ ✓ ✓
Financial services customer adviser	2	✓ ✓ ✓
Financial services professional		✓
Insurance practitioner	3	✓ ✓ ✓
Insurance professional	4	✓ ✓ ✓
Investment operations administrator	2	✓ ✓ ✓
Investment operations specialist	4	✓ ✓ ✓
Investment operations technician	3	✓ ✓ ✓
Licensed conveyancer	6	✓ ✓ ✓
Mortgage adviser	3	✓ ✓ ✓
Motor finance specialist		✓
Paralegal	3	✓ ✓ ✓
Paraplanner	4	✓ ✓ ✓
Payroll administrator	3	✓ ✓
Probate technician	4	✓ ✓
Professional accountant		✓ ✓
Professional accounting taxation technician	4	✓ ✓ ✓
Regulatory compliance officer	4	✓ ✓
Relationship manager - banking	6	✓ ✓ ✓
Senior compliance / risk officer specialist	6	✓ ✓ ✓
Senior financial services customer adviser	3	✓ ✓ ✓
Small business financial administrator		✓
Solicitor	7	✓ ✓ ✓
Workplace pensions consultant or administrator	3	✓ ✓ ✓

Protective Services		Status
Business fire safety advisor	3	✓ ✓
Emergency service contact handling		✓
HM Forces serviceperson (public services)	2	✓ ✓ ✓

Operational firefighter		✓
Police community support officer		✓
Police officer		✓
Prison officer		✓
Security first line manager	3	✓ ✓
Serious and complex crime investigator		✓
Specialist rescue operative		✓

Sales, Marketing and Procurement		Status
Automotive industry customer service advisor		✓
Bid and proposal co-ordinator	3	✓ ✓
Business to business sales manager (degree)		✓
Customer service specialist	3	✓ ✓
Customer service practitioner	2	✓ ✓ ✓
Estate agent / auctioneer		✓
Event assistant	3	✓ ✓ ✓
Junior estate agent	2	✓ ✓
Leisure duty manager	3	✓ ✓
Public relations assistant		✓
Public relations consultant		✓
Public sector commercial professional	4	✓ ✓ ✓
Retail manager	4	✓ ✓ ✓
Retail team leader	3	✓ ✓ ✓
Retailer	2	✓ ✓ ✓
Travel consultant	3	✓ ✓ ✓
Vehicle parts operator		✓
Vehicle sales advisor		✓

Social Care		Status
Adult care worker	2	✓ ✓ ✓
Lead adult care worker	3	✓ ✓ ✓
Lead practitioner in adult care	4	✓ ✓
Leader in adult care	5	✓ ✓
Social worker		✓
Rehabilitation practitioner		✓

Transport and Logistics		Status
Able seafarer - deck	2	✓ ✓ ✓
Airside operator	2	✓ ✓ ✓
Aviation ground operative	2	✓ ✓ ✓
Aviation ground specialist	3	✓ ✓ ✓
Aviation operations manager	4	✓ ✓ ✓
Deckhand		✓
Express delivery operative	2	✓ ✓



Express delivery manager (level 6) (degree)		✓			
International supply chain manager		✓			
Large goods vehicle (LGV) driver	2	✓	✓	✓	✓
Marine pilot		✓			
Maritime operations officer	3	✓	✓		
Network operations		✓			
Passenger transport driver - bus, coach and rail	2	✓	✓		
Passenger transport onboard and station team member	2	✓	✓		
Passenger transport operations manager	4	✓	✓		
Port marine operations officer		✓			
Port operative		✓			
Supply chain operator	2	✓	✓	✓	✓
Supply chain professional		✓			
Supply chain warehouse operator	2	✓	✓	✓	✓
Transport planning technician	3	✓	✓	✓	✓
Workboat crewmember		✓			

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Department  
for Education

# **Apprenticeship Targets for Public Sector Bodies**

**Government consultation response**

**20 January 2017**

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## Introduction

1. Delivering three million apprenticeships by 2020 is a key priority for the Government. Apprenticeships are a great way to progress in work and for employers to improve the skills base of their businesses.
2. The Government is actively encouraging large and small businesses in the private sector to employ apprentices. We also want to ensure that the public sector is a model employer in this regard and leads by example.
3. Expanding the number of apprenticeships in the public sector will support growth in the overall apprenticeship programme.
4. The Enterprise Act<sup>1</sup> 2016 amended the Apprenticeships, Skills, Children and Learning Act 2009 (the 2009 Act) to allow the Secretary of State to set apprenticeship targets for prescribed public bodies. The apprenticeship target relates to the number of apprentices working for a public body in England.
5. The 2009 Act imposes a duty on all public bodies, which are set a target, to have regard to that target. They must also publish certain information annually on their progress towards meeting the target and send this information to the Secretary of State.
6. The duty applies to England only. Where public bodies also operate elsewhere, the target will be set in respect of the proportion of the public body's workforce that works in England.
7. The Government published a consultation document on apprenticeship targets for public sector bodies on 25 January 2016. The consultation set out that:
  - We would use the Office for National Statistics (ONS) classification for public sector organisations for National Accounts as a starting point for determining organisations in scope;
  - The duty would apply to public bodies that have 250 or more employees in England;
  - The target would be for a minimum of 2.3% apprenticeship starts each year, based on the number of employees working for a body in England.
8. The consultation set out the methodology and rationale behind the target and listed the proposed bodies and reporting arrangements. It proposed a reporting

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<sup>1</sup> <http://www.legislation.gov.uk/ukpga/2016/12/part/4/enacted>

period of the financial year and asked whether headcount was the correct basis for the target.

9. The full consultation document and proposed list of bodies in scope can be found here <https://www.gov.uk/government/consultations/public-sector-apprenticeship-targets>.
10. The consultation was launched on 25 January 2016 and closed on 4 March 2016.
11. The consultation was available on the GOV.UK and Citizen Space websites and was promoted on social media. Government received 180 responses (Annex B) with the majority from local government organisations and NHS Trusts.
12. In addition the Department regularly engaged with stakeholders informally. We met Whitehall departments to discuss their own target and that of their non-departmental public bodies and other bodies within their sectors. We also met with the Local Government Association alongside a number of local authorities, NHS representative bodies, and trade unions.

## Summary of responses received and the Government's response

13. The Government received 180 responses with the majority responding on behalf of an organisation. The highest proportion of responses were from local government, followed by NHS trusts, police, fire and rescue services and schools.
14. Overall, respondents were very supportive of apprenticeships with many stating that they already consider apprentices as part of workforce planning. They commented that the setting of ambitious targets can be helpful and increase aspirations but they must be realistic and achievable.
15. The main areas of comment were regarding the target and reporting period. The Government has taken into account all responses and decided on balance to retain headcount as the basis for the target. We will, however, introduce flexibility by making the target an average from 2017/18 - 2020/21 inclusive. The Government also intends to introduce the target from April 2017 to coincide with the introduction of the apprenticeships levy and the Institute for Apprenticeships.
16. More detail on our decisions is given in the following sections which set out the original questions, respondents' views and the Government response. Where there are linked issues, we have grouped questions and responses by theme. Where there is a number in brackets in the text, this indicates the number of respondents who gave the response being described.



## Question analysis

### Public Bodies within scope

17. A public body is defined at section A9(7) of the 2009 Act as:

- A public authority, or
- A body or other person that is not a public authority but has functions of a public nature and is funded wholly or partly from public funds.

18. The Government identified public organisations and institutions proposed to be in scope with reference to the Office for National Statistics (ONS) National Accounts Sector Classification at [www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html](http://www.ons.gov.uk/ons/rel/na-classification/national-accounts-sector-classification/index.html). A list of the organisations proposed to be in scope was included in an annex to the consultation.

### Question 1: Do you agree that the organisations listed in the Annex and public corporations (at least with a headcount of 250 or more in England) should be in scope and if not, why?

19. The majority of respondents who answered the question (94) said that the proposed list of bodies was the correct one.

### Question 2: Should any organisations listed in the Annex (plus public corporations with 250 or more headcount in England) be omitted and if so, which and why?

20. The majority of respondents who answered the question (71) said that none of the proposed list should be omitted. However, 39 respondents, largely from local government, thought that some bodies should be omitted and these are covered below.

#### Local Authority maintained schools

21. Some respondents said that schools should be omitted. They stated that teaching is a graduate profession so it is not possible to have teaching apprentices. Some respondents also suggested that a large number of school staff only work a few hours per week, so apprenticeships cannot be undertaken. Finally, there was concern that the costs of the targets (salaries, on-costs, training) would divert funds away from their core educational purpose. Some local authorities were concerned about their ability to meet the target as maintained schools have control over their own budget and recruitment.

## Fire and Rescue/Police

22. A small number of respondents commented that some fire and rescue services still come under the responsibility of a county council and so expressed a similar concern to that of local authority maintained schools.
23. One organisation stated that fire and rescue, and police should be omitted until relevant standards are available. A standard for Police Constable has now been approved, and standards for other rescue services are now in development. We expect that standards should take no more than a year to fully develop, and with increasing Relationship Manager support, more standards have been approved in the last year than in the previous two years combined. It is important, however, that organisations think now about what further standards they might need in order to give maximum time for development.
24. In cases where the target has not been met because standards are in development and not yet available for use, this should be explained in the public body's annual report.

## Other Bodies

25. Government received a range of representations about which bodies should be in scope, and has decided to remove the following organisations. This is in addition to those already established as out of scope in the January consultation.
26. As the BBC and Channel 4 are on the ONS list solely for the purpose of producing National Accounts and associated statistical products, we do not judge that they should be in scope of the duty. Channel 4 is also wholly commercially funded.
27. Post Office Limited has a setup where 97% of the approximately 11,500 post offices are run by independent postmasters on an agency basis, rather than by Post Office Ltd employees. We therefore judge it appropriate for them to be outside of scope.
28. As a result of their unique place within the public sector, those financial institutions which come within the definition of "public bodies" will be out of scope of the target.
29. Due to exclusive cognisance and right of the Houses of Parliament to regulate their own proceedings and internal affairs, they are not subject to control or direction of ministers and will therefore not be in scope of the duty.

## Government response

30. Regarding schools, the Government has reflected carefully but believes it is appropriate for schools to be included, given that this simply requires them to actively consider apprentices as part of workforce planning and 'have regard' to the target.
31. The Government is working with the schools sector to address perceived barriers to taking on apprentices. There are now standards in development for Teachers, Teaching Assistants and School Business Directors, as well as a range of other broader standards that could be used by the wider schools workforce.
32. Schools which are maintained by an LA and where the LA is also the employer are expected to be included in the relevant local government target. Other schools will be treated separately and only those organisations with a workforce of 250 or more in England will be in scope.
33. In response to concerns where the Council/Local Authority is the employer, while we think it is necessary for schools and fire and rescue services to be contained within the LA target, we are content for LAs to show the result for these organisations separately in their annual report.
34. Regarding the bodies listed in paragraphs 25-29 above, the Government agrees that these bodies should be out of scope of the duty. These organisations have agreed to independently publish their number of apprentices.
35. A smaller number of other respondents gave information on why they were incorrectly included and the Government will follow up with them separately.

## Question 3: Should any organisations that are not listed in the Annex be included and if so, which and why?

36. The majority of respondents (134) who answered the question said that they didn't think or weren't sure if any organisations not included should be included.
37. However, a number of respondents (34), mainly from LAs, education and health sectors, did think that some other bodies should be in scope, including further education colleges, universities and primary care providers (GPs and dental practices).

## Government response

38. Respondents who said that further education colleges and universities should be in scope stated that as these organisations receive substantial amounts of public funding and are deliverers of apprenticeships, they should lead by example.

However, further education colleges and universities are a unique hybrid of public and private sector and we do not intend to include these bodies in scope.

39. It was stated by a respondent that much work has been undertaken to deliver increased numbers of apprenticeships in primary care settings. While we welcome this work, these organisations typically have far fewer than 250 staff and it would therefore be inappropriate to hold them to the same targets as larger organisations unless they have 250 or more employees in England, at which point they would become in scope of the target.
40. Ten respondents from LAs and NHS Trusts stated that they thought all public sector organisations, regardless of size, should be in scope, especially levy paying organisations. While we will continue to encourage smaller bodies to deliver apprenticeship growth, we do not propose bringing them in scope of the target.

#### **Question 4: Should certain bodies be grouped together for the purposes of the target and if so, which are these and why?**

41. There was a mixed response of those who answered this question as 55 said yes and 57 said no. In both circumstances, respondents were mainly from LAs, followed by health and education sectors. While some could see the advantage of being grouped, for example by region or sector, and the advantage in enabling smaller organisations to be brought on board, others listed the disadvantages. These included the logistics of collecting and reporting information and accountability for the overall numbers.

#### **Government response**

42. Grouping of targets would be done with agreement of the grouped organisations and would require a lead organisation to report on their behalf. Transport for London has requested that it and its subsidiaries are grouped. We agreed to this and will set this out in the regulations.
43. Bodies that are government departments, as well as crown non-departmental public bodies, will also be grouped and this will be reflected in the regulations. These bodies have previously been set an interim annual target, ahead of the legislation, of 2.3% of headcount from 1 January 2016.
44. There was no clear support for other groupings therefore targets will apply individually to bodies.

## Question 5: Do you have any other comments on the list of organisations?

45. One organisation asked why the Construction Industry Training Board (CITB) was in scope but the Engineering Construction Industry Training Board (ECITB) was not. This is because ECITB has a workforce of fewer than 250 employees in England.

### Summary Response – Questions 1-5

46. As a result of the responses to the questions on scope, Government will continue to use the ONS classification of a public body as the basis of those in scope and will not give LA maintained schools their own target. However, Government is content for LAs to show the result either for groups of schools or individual schools alongside from their own overall figures, if preferred.

Further education colleges, universities, primary care organisations with fewer than 250 employees in England, the Houses of Parliament and smaller public bodies will remain out of scope of the duty. The BBC, Channel 4 and Post Office Limited will not be in scope of the duty. A final determination for which bodies will be in scope will be set out in regulations and debated in both Houses of Parliament in due course.

### The Target

47. In the consultation document, Government proposed using a public body's headcount in England for illustrative purposes but we asked if this was the correct basis for the target.

## Question 6: Do you agree that headcount is the correct basis for the target and if not, why?

48. The majority of respondents to the question (128), including the Local Government Association, said that they thought that Full Time Equivalent (FTE) should be used as the target basis. This was mainly due to FTE being considered a more proportionate measure for organisations that have high levels of part time staff. The responses were from a range of organisations including LAs, NHS trusts, police, and fire and rescue services

### Government response

49. The target has been calculated to ensure that the public sector delivers a fair share of the 3 million target. If the headcount target were to be replaced with an FTE basis, then the current 2.3% target would result in a lower number of starts, meaning that the public sector wouldn't be delivering their fair share. In addition, headcount data is more readily available across the whole of the public sector and therefore the Government has decided on balance to stay with headcount.

50. To achieve the same number of starts using FTE, Government anticipates that the target would need to be raised to approximately 2.8%. This would mean other organisations with a lower ratio of part time workers would have a higher target.
51. The Government appreciates that this is an ambitious target and acknowledges that those with a high proportion of part time workers could feel that the target is overly stretching. For example, in local government the percentage of FTE staff is around 70% of the headcount and approximately half of employees are part time. By contrast, in the NHS the percentage of FTE staff is around 90% of the headcount. However, the Government expects the public sector to lead the way, and organisations who believe their staffing structure has acted as a material barrier to achieving the target can say so in their reporting. In particular, in meeting these concerns we suggest that bodies with a high proportion of part time workers should use FTE in parallel with headcount to report and explain any under-achievement of the target as necessary.
52. The Government also received responses which stated that the target should not be based on annual starts, but rather should be 'in post' apprentices. There was concern, particularly from the health sector that the proposed annual starts target risks organisations simply churning low level apprentices.
53. The Government has concerns that by counting 'in post' information, apprenticeship duration could be artificially extended to cover multiple years. This would result in poor outcomes for apprentices, and fewer apprentices being delivered towards the 3 million target and embedded in workforce planning. Government therefore plans to maintain the target on an annual starts basis.
54. Government will, however, introduce greater flexibility by making the target an average across the years that it applies, so that in scope bodies can manage peaks and troughs in recruitment. Further details will be set out in guidance.

## **Question 7: Do you think there is any further information that should be provided by us?**

55. 84 respondents, mainly from local government and then the health sector agreed that further information should be provided. They stated that they needed more information on implementation of the target, particularly the consequences of not meeting the target and support available if they do not. They also asked if reporting was purely about starts or if further information would be collected.
56. Information on how organisations should interpret the duty to have regard to the target, and the consequences of not meeting it, are covered below. All other issues are covered along with the responses to Question 9 and in Annex A.

## **‘Have regard’ to the Target**

57. The Government considers the duty to ‘have regard’ to the target to mean that, in making workforce planning decisions, a body subject to the duty must actively consider apprenticeships, either for new recruits or as part of career development for existing staff.

58. The Government understands that 2.3% is a stretching target. The Government also recognises that other objectives, including quality and good outcomes for apprentices, are important. That is why we are making the target an average of 2.3% starts across the years that the target applies, from 2017/18 to 2020/21.

59. The annual information returns will provide an opportunity for organisations to explain any factors which they feel have hindered their efforts to meet the target. These could include:

- Where a relevant framework or standard is not currently available but the organisation is involved in developing new standards and has plans for individuals to start on these; or,
- Where an organisation has a large number of part time workers whose Full Time Equivalent makes it difficult to meet the numbers of apprentices needed and/or due to the number of hours they work are not eligible for apprenticeships; or,
- Where an organisation employs a higher proportion of apprentices on two or more year apprenticeship programmes; or,
- Where an organisation is planning a major recruitment the following year which would bring their average number of apprenticeship starts up to or beyond the target.

60. The Government expects that all organisations will strive to meet their target and will take steps to improve apprenticeship take-up year on year. The Government hopes that the transparency provided by the publication of information regarding which organisations have and have not met the target will provide an encouragement for organisations to engage fully in the apprenticeships programme.

61. Organisations will be expected to have regard to the target in each year of their workforce planning and as such Government would expect organisational planning to actively consider apprenticeships, either for new recruits or as part of career development for existing staff. Government would also encourage public bodies that are looking to establish further apprenticeship standards to engage with the Institute for Apprenticeships to establish these. Government is



considering how we might celebrate the success of those who have met the target.

### Information on apprentices

62. The information Government expects organisations to report is listed in the 2009 Act<sup>2</sup> and is described at Annex A – Frequently Asked Questions. This includes apprenticeship starts and average percentages across the years that the target applies.
63. Information is already collected through completion of Individualised Learner Records (ILR) on the gender and ethnicity etc. of apprentices and reported through the Further Education and Skills Statistical First Release<sup>3</sup>. However, this information cannot currently be reported by a public/private sector split. With the introduction of the Digital Apprenticeship Service (DAS) Government is aiming to collect information for public sector levy paying organisations from April 2017 and for all public sector organisations using DAS by 2020, on a monthly basis.
64. The annual Apprenticeship Employer<sup>4</sup> and Learner<sup>5</sup> surveys already collect follow-up information on destination of apprentices. The surveys will continue to take place and will include a sample of public sector organisations.

### Government response

65. Government appreciates the concerns raised by those organisations which would prefer full time equivalent as a basis for the target and/or that the target is based on apprentices 'in post'. However, on balance, Government has decided to stay with headcount by annual starts as the basis for the target. We will however introduce flexibility by making the target an average across the years that it applies.
66. Government has listened to the call for more information and this is contained within paragraphs 74 to 89 and Annex A – Frequently Asked Questions.

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<sup>2</sup> <http://www.legislation.gov.uk/ukpga/2016/12/part/4/enacted>

<sup>3</sup> <https://www.gov.uk/government/statistics/learner-participation-outcomes-and-level-of-highest-qualification-held>

<sup>4</sup> <https://www.gov.uk/government/publications/apprenticeships-evaluation-employer-survey-2015>

<sup>5</sup> <https://www.gov.uk/government/publications/apprenticeships-evaluation-learner-survey-2015>



## Target Period

67. Government proposed that the target period is the same for all bodies in order for information to be collated and compared. We looked at two options for the target period; the financial year (1 April to 31 March) and the academic year (1 August to 31 July) and proposed the financial year but asked for feedback as part of the consultation.

### Question 8: Do you agree that the target periods listed (financial year of 1 April to 31 March) are correct?

68. Just over half of respondents (93) said they thought that this was the correct target period. These respondents were mainly from local government with NHS, police, fire and rescue close behind.
69. Most who didn't agree with the proposed target periods preferred the academic year as an alternative, as this is when they tend to start their apprentices, often employing young people who go to college. They are also used to this reporting period for the Individualised Learner Record which currently records apprenticeship starts. However, this period would conflict with organisations who have co-ordinated their workforce planning with the financial year.
70. A number of respondents suggested that to allow bodies time to prepare for its introduction, the target should not start until April 2017 along with the introduction of the levy. Many of the respondents stated that they had already undertaken their workforce planning for the 2016-17 financial year and it would be challenging to try to implement monitoring systems and secure additional financial resource to employ more apprentices this year. Some respondents also stated that they recruit apprentices to the academic timetable so to start the target from September/October in the first year would mean that they wouldn't be able to count apprentices that they had only just taken on.

## Government response

71. The Government appreciates the fact that a number of respondents are used to using the academic year to report apprenticeships. However, in order to link with organisations' usual reporting timetables for other issues, as well as the apprenticeships levy, we will use the financial year as the target period.
72. The Government has listened to feedback raised in response to the consultation and will therefore introduce the target from April 2017 to coincide with the introduction of the apprenticeships levy and the establishment of the Institute for Apprenticeships.

## Other Supporting Information

### Question 9: Do you have any other comments about the contents of this consultation?

73. A large number of respondents (112), largely made up from local government and then the health sector, asked for further information to support them to prepare for the introduction of the target. Where there have been questions specifically about the target, these are covered in the Frequently Asked Questions at Annex A. The following paragraphs cover other areas where information was requested.

## Government response

### Levy Information

74. On 25 October 2016 Government published:

- Our policy on [apprenticeship funding in England from May 2017](#). The SFA has also published the [detailed funding rules](#) that underpin the policy.
- [A revised apprenticeship funding calculator](#) to help employers understand what levy they will pay and the role of the new digital service.
- Updated guidance on the [apprenticeship levy: how it will work](#).
- Our final policy on [the approach to the Register of Apprenticeship Training Providers](#). The SFA have also launched applications for the register and the associated procurement exercise for apprenticeship training provision for employers who don't pay the levy.

75. In December 2016, Government published [further employer guidance](#) from HM Revenue and Customs (HMRC) on how to calculate and pay the apprenticeship levy.

### Apprenticeship Standards

76. As part of the apprenticeship reforms, employers are designing apprenticeship standards that are more responsive to the needs of business. This process has been underway since October 2013 when the first eight "Trailblazers" were launched. Government envisages a migration from apprenticeship frameworks to standards over the course of the Parliament, with as much of this to take place by 2017/18 as possible.

77. A number of apprenticeship standards [have already been developed or are currently being developed by groups of employers \(trailblazers\)](#).

78. [Guidance is available](#) to help employers through the process of applying for and developing a new standard. It typically takes a Trailblazer around a year to get an apprenticeship standard approved for delivery, but some groups have achieved this in as little as six months.

### Marketing Campaign

79. Government launched a new apprenticeships communications campaign in May 2016 promoting the benefits of apprenticeships and traineeships. More information can be found via the following link: <http://www.getingofar.gov.uk>.

### Institute for Apprenticeships

80. The Institute for Apprenticeships is being established to ensure the quality of apprenticeships in England, as the regulator of apprenticeship standards and assessment plans. The Institute will become a key feature of the apprenticeships landscape, providing a business voice and a sustained focus on quality.
81. It will be responsible for overseeing the development of apprenticeship standards and assessment plans; reviewing, approving or rejecting them; advising on the maximum level of Government funding available for standards; and quality assuring some end point assessments.
82. Government expects the Institute for Apprenticeships to be fully operational by April 2017 to support the implementation of the new apprenticeships levy.

### Provider Readiness

83. A small number of respondents were concerned about provider readiness to support the apprenticeship reforms and increased number of apprenticeships anticipated.
84. Government will continue to support training providers in the short term in their preparations for delivering new apprenticeships and preparing for the introduction of the levy. The Education and Training Foundation (ETF) has commissioned a series of programmes to support training providers in their preparations to deliver the new standards, improve teaching and learning within apprenticeships and engage with employers.

### Equality Impact Assessments

85. Four respondents asked if an Equality Impact Assessment had been undertaken for the duty. We have given due regard to the public sector equality duty. As set out previously, we would not want the target to lead to perverse incentives which may have a negative impact on equality; if organisations are unable to meet the target for these reasons, they can set this out as part of their annual information returns. As such there should be no impact on protected groups.

86. Equality Impact Assessments have already been undertaken on the apprenticeship programme as a whole in November 2011<sup>6</sup> and the apprenticeship reforms in September 2014.<sup>7</sup>

### Support available to organisations

87. The Skills Funding Agency act as account managers and have links with identified leads in Whitehall Departments to help deliver departmental implementation plans, record activity, share best practice and support departmental reporting. They also support development of wide-ranging apprenticeship programmes to meet apprenticeship targets and support supply chain strategy.
88. There is a range of general support available to employ an apprentice or advertise a vacancy, including [An Employer Guide to Apprenticeships and Traineeships](#) and through the National Apprenticeship Service, either by calling 08000 150600 or [online](#).
89. More information [about apprenticeship training providers in your locality can be found online](#). From April 2017 the Digital Apprenticeship Service will be available to support employers whether or not you pay the apprenticeship levy.

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<sup>6</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/32301/12-577-equality-impact-assessment-changes-apprenticeship-programme.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32301/12-577-equality-impact-assessment-changes-apprenticeship-programme.pdf)

<sup>7</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/357005/Bis-14-970-Reformed-apprenticeships-equality-impact-assessments1.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/357005/Bis-14-970-Reformed-apprenticeships-equality-impact-assessments1.pdf)

## Next steps

90. Government will draft regulations which will indicate those in scope and provide more information on the reporting arrangements. The regulations are subject to affirmative resolution and will be debated in both Houses of Parliament. This will take place in due course. We will issue further guidance for employers before the measure takes effect.
91. The regulations will come into force in March 2017 with first reports due in 2018. Government will set out exact timings in the guidance for employers.

## Annex A: Frequently Asked Questions

As some details will need to be worked through as the regulations are drafted, we will publish a document setting out further information ahead of the target taking effect.

### Who is in scope of the target?

Having used the Office for National Statistics classification for public sector organisations for National Accounts as a starting point, bodies with a headcount of 250 or more employees in England will be subject to the duty. The bodies in scope will be detailed in regulations which will be published in due course and debated in both Houses of Parliament.

### What if my headcount falls below 250 employees in England?

A body will be in scope if it has 250 or more employees in England on 31st March in each of 2017, 2018, 2019 and 2020. If headcount reduces during the year the organisation would still be subject to the target, and will have to report on the extent to which the target has been met at the end of that reporting year.

### What happens if an organisation is not listed in scope of the target but their headcount increases to 250 or more employees in England?

A body will be in scope of the target if it has 250 or more employees in England on 31st March in each of 2017, 2018, 2019 and 2020. A body which was not in scope by virtue of that criterion but whose headcount exceeds 250 during the year would not be subject to the duty and reporting arrangements for the remainder of that reporting year.

### What is the target?

The average target across the years the target is in operation is 2.3% apprenticeship starts based on the headcount of an organisation in England. It is a percentage of the total workforce in England and not just new employees that year. See examples in the table below:

	Year 1	Year 2
Overall average % target	2.3	
Headcount	1000	1000
Cumulative headcount	1000	2000
Apps required to meet average target (2.3%)	23	21 (23 this year – 2 over delivered last year)
App delivered	25	

	Year 1	Year 2
Overall average % target	2.3	
Headcount	1000	1000
Cumulative headcount	1000	2000
Apps required to meet average target (2.3%)	20	26 (23 this year + 3 under delivered last year)
App delivered	20	

## How is this worked out?

Employers will record their headcount number at 31st March each reporting year and will work out the apprenticeship figures required to meet 2.3% average annual starts.

## Why is it an average target?

Enabling public sector bodies to achieve an average target across the years 2017/18 to 2020/21 will give flexibility to organisations to manage peaks and troughs in recruitment.

## Does headcount include those on temporary contracts, casual workers, agency staff and apprentices?

Headcount includes anyone on an employer's payroll, including temporary staff.

## We contract a lot of our support services out. Can apprentices as part of these contracts count towards the target?

No. Apprentices employed by sub-contractors who supply goods and services to a public body cannot be counted towards the target.

## We employ some apprentices through an Apprenticeship Training Agency (ATA) but they actually work for us. Do these apprentices count towards the target?

Apprentices who are working for an organisation but employed by ATAs can count towards the organisation's target. However, the apprentices also need to be included in the organisation's headcount in the annual returns.

## Is the target new starters only?

The target is new 'apprenticeship starts'; this can include both existing employees who start on an apprenticeship, as well as newly employed apprentices.

## What is classed as an apprenticeship?

In order to count towards the target, the apprenticeship must be an approved English apprenticeship agreement, or an apprenticeship agreement within the meaning given in section 32 of the Apprenticeships, Skills, Children and Learning Act 2009 as it applies in relation to England by virtue of provision made under [section 115\(9\)](#) of the Deregulation Act 2015.

## If someone undertakes a level 2 apprenticeship, completes this and starts a level 3 apprenticeship straight away or later but still before 2020, does this count as 1 or 2 starts?

As the apprenticeships are different and will be on different standards/frameworks, and assuming that the first apprenticeship was completed successfully, this would be 2 starts.

## When will it come into force?

We intend for the duty to come into force from 1 April 2017 with first reporting in 2018.

## What period does it cover?

It will cover the financial year 1 April to 31 March. So for the following periods:

1 April 2017 to 31 March 2018

1 April 2018 to 31 March 2019

1 April 2019 to 31 March 2020

1 April 2020 to 31 March 2021.

## When will annual reports be due?

Reports will be due within six months of the end of each reporting period so by 30 September each year:

30 September 2018

30 September 2019

30 September 2020

30 September 2021.



## What format does the report need to be in and what information does it need to contain?

We will set out in employer guidance exactly what information is needed and if this needs to be in a specific format. It will however include as a minimum the information set out in the Enterprise Act 2016:

- A The number of employees whose employment by the body began in the reporting period in question
- B The number of apprentices who began to work for the body in that period and whose apprenticeship agreements also began in that period

Figure B expressed as a percentage of figure A;

- C The number of employees that the body has at the end of that period
- D The number of apprentices who work for the body at the end of that period

Figure D expressed as percentage of figure C. (This will indicate whether the target is being met).

If that reporting period is the first reporting period in the target period, the number of apprentices who worked for the body immediately before that period.

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We currently anticipate additional information will be:

- Action that the body has taken to meet the apprenticeship target (i.e. how it has 'had regard').
- If the target has not been met then an explanation of why.
- Information about action the body proposes to take to meet the apprenticeship target in future.
- From year 2 of the target onwards, cumulative headcount and starts information and the average percentage starts delivered.

## Where will I have to publish the information?

Bodies in scope will be required to publish the numerical information above but do not have to publish the narrative information. We are not being prescriptive about how the information should be published but it should be accessible to the public.

## **How will I send it to the Secretary of State?**

We will be setting up an electronic mailbox purely for the receipt of the annual reports and will give details of this later in the year.

## **What happens if I haven't met my target?**

In their annual report, bodies should set out how they have considered their target, for example in workforce planning, recruitment, and the results of this. If this means that the target has not been met to date then the body should set out what their plans are to redress this. For example, if there were no relevant standards available but a body has become part of a Trailblazer group to develop new ones to enable them to meet the target in the future, then they would have met the duty to have regard to the target.

However, if a body cannot show that they have 'had regard' to the target we will work with them to see what support is needed to enable them to meet the target in future years.

## Annex B: List of organisations that responded to the consultation

180 responses were received to the consultation. Please note that a number of respondents have asked for their response to be treated as confidential and these names have been omitted from the list. Names of individuals responding to the consultation have also been omitted from this list.

- Active Learning Trust
- Airedale Academies Trust
- Anglian Community Enterprise (ACE) Community Interest Company
- Apprenticeship Working Group - SCR Combined Authority LEP
- Arts Council England
- Association of Colleges
- Association of School and College Leaders (ASCL)
- Association of Teachers and Lecturers
- Barnsley MBC
- BBC
- BFI
- Bolsover District Council
- Brent Council
- Bury Council
- Cambridgeshire Fire and Rescue Service
- Central Manchester University NHS Foundation Trust
- CfBT Schools Trust
- Channel 4
- Cheshire West and Chester Council
- Cheshire West and Chester Schools Forum
- Chesterfield Borough Council
- City & Guilds
- Community Academies Trust
- Competition and Markets Authority

- Corby Borough Council
- Core Cities
- Cornwall Council
- County Durham and Darlington Fire and Rescue Authority
- Cumbria Partnership Foundation Trust
- Cumbria Partnership NHS Foundation Trust
- Derbyshire County Council
- Devon County Council
- District Council's Networks
- Doncaster Metropolitan Borough Council
- Dudley & Walsall Mental Health Partnership NHS Trust
- Durham County Council
- Ealing Council
- East Riding of Yorkshire Council
- East Sussex County Council
- EEF
- English Heritage
- Essex County Council
- Freedom and Autonomy for Schools National Association (FASNA)
- Gloucestershire County Council
- Gloucestershire County Council
- Greater Manchester Combined Authority
- Greater Manchester Police
- Guy's & St Thomas' NHS Foundation Trust
- Hampshire Constabulary
- Hampshire Fire and Rescue Service
- Health Education England
- Health Education England NCEL / GOSH
- Heart of England NHS Foundation Trust
- Hereford & Worcester Fire and Rescue Service

- Hertfordshire County Council
- Historic England
- Homerton University Hospital NHS Foundation Trust
- Homes and Communities Agency
- HTAE
- Hull Training Adult Education
- Isle of Wight Council
- Kent County Council
- Kirklees Council
- Lancashire Care Foundation NHS Trust
- Lancashire Teaching Hospitals NHS Foundation Trust
- Learning and Work Institute (formerly NIACE and Centre for Economic and Social Inclusion)
- Leeds City Council
- Leicester City Council
- Leicestershire County Council
- Lincolnshire County Council and Lincolnshire Fire and Rescue Authority
- Local Government Association
- London Borough of Bexley
- London Borough of Camden
- London Borough of Hackney
- London Borough of Lambeth
- London Borough of Lewisham
- London Councils
- London North West Healthcare NHS Trust
- LTE Group
- Magnox Limited
- Manchester City Council
- Mid Cheshire Hospitals NHS Foundation Trust
- Milton Keynes Council

- National Association of Schools Business Management (NASBM)
- National Association of Head Teachers
- National Schools Training
- National Skills Academy for Health
- NHS Employers
- NHS Providers
- Norfolk and Norwich University Hospitals NHS Foundation Trust
- Norfolk County Council
- North East Combined Authority
- North East Derbyshire District Council
- North Essex CCG
- North Somerset Council
- North Staffordshire Combined Healthcare NHS Trust
- North Warwickshire Borough Council
- North West Ambulance Service NHS Trust
- North Yorkshire County Council
- North Yorkshire Fire and Rescue Service
- Northampton General Hospital
- Northgate High School
- National Police Chiefs' Council (NPCC) Workforce Committee
- Nuclear Decommissioning Authority
- Osborne Primary School
- Oxford City Council
- Oxfordshire County Council
- Pennine Care NHS Foundation Trust
- Peterborough City Council
- Portsmouth City Council
- Public Sector People Managers' Association (PPMA)
- Rotherham NHSFT
- Royal Borough of Greenwich

- Royal College of Nursing
- Royal Liverpool and Broadgreen University Hospitals NHS Trust
- Salford CCG
- Salford City Council
- Salford Royal NHS Foundation Trust
- Sandwell Metropolitan Borough Council
- Science Council
- Senta
- Sevenoaks District Council
- Somerset County Council
- South Lakeland District Council
- Southend University Hospital NHS Foundation Trust
- Spiral Partnership Trust
- Staffordshire County Council
- Staffordshire Fire and Rescue
- Stockport NHS Foundation Trust
- Stockport NHS Foundation Trust on behalf of the Greater Manchester NHS HR Directors Forum
- Surrey and Sussex Healthcare NHS Trust
- Swindon Borough Council
- Tate
- Tees Valley Unlimited
- The Clatterbridge Cancer Centre NHS Foundation Trust
- The Education Village Academy Trust
- The Greater London Authority (GLA) Group of Functional Bodies (GLA group); Including GLA, Transport for London (TfL), London Fire Brigade (LFB), London Legacy Development Corporation (LLDC) and The Mayor's Office for Policing and Crime (MOPAC) including the views of the Metropolitan Police (MET).
- The Sheffield College
- Tonbridge & Malling Borough Council
- Trades Union Congress

- Transport for London
- UK Atomic Energy Authority
- Unison
- Unite the Union
- University Hospital Southampton NHS FT
- University Hospitals Coventry & Warwickshire NHS Trust
- University Hospitals Morecambe Bay NHS Trust
- University of Derby
- Walsall Healthcare NHS Trust
- Warwickshire County Council
- Waverley Borough Council
- Weightmans LLP
- West Midlands Ambulance Service NHS Foundation Trust
- West Midlands Police
- West Sussex County council
- West Yorkshire Combined Authority
- Westhoughton High School
- Westminster City Council
- Wirral University Teaching Hospital NHS Foundation Trust
- Woodfield Academy
- Wrightington, Wigan & Leigh NHS Foundation Trust
- Wyre Forest District Council
- Young Women's Trust





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People, Performance and Development Committee

17 February 2017

## Staff Survey Results

### Purpose of the report:

This report provides an update to members of the People, Performance and Development Committee (PPDC) on the results of the Staff Survey. This is the second SCC Staff Survey undertaken by Best Companies and provides useful comparison data against last year. The Council Overview Board will also consider the results of the survey at its meeting in March.

### Executive Summary:

1. In 2015, Best Companies was appointed by Surrey County Council (SCC) to administer a three year programme of annual employee surveys. Best Companies are recognised as being associated with 'The Sunday Times Best Companies' report and providing expertise in the areas of employee engagement and advocacy which was felt to fit well with the organisation's values and culture. The first survey was undertaken in October 2015 with the second survey a year later. This report summarises the key findings from this most recent survey.
2. 49% of employees responded to the survey in 2016, which is above the average response rate for a similarly sized not-for-profit organisation and provides the best evidence we have of how staff are feeling. Overall, Best Companies have again allocated us to their "Ones to Watch" category. This means that we have achieved an accredited status and a rating of "good" by Best Companies standards.
3. The survey was made up of 70 questions or statements which employees were asked to rate on a scale from strongly agree to strongly disagree. These were then given a score and categorised against one of the eight factors of engagement (Leadership, My Company, My Manager, Personal Growth, My Team, Well Being, Fair Deal, Giving Something Back). Of these factors, the County Council scored highest against My Team, My Company and My Manager and lowest against Leadership and Fair Deal. This profile is consistent with last year's results.
4. Looking at the questions that scored most highly, it is evident that employees believe that they can make a valuable contribution to the success of this organisation. They also feel that people in their team go out of their way to help and care for each other. Again, this is consistent with last year's survey.

5. The areas of focus in 2015 were:

- a. Fair Deal, in particular issues around pay and benefits
- b. Coping better with pressures of work
- c. Continuing to build our leadership culture, with a particular focus on listening.

Looking at the results, these remain the key focus although there is evidence that things are improving. In terms of Leadership, there are increasing scores across all job levels around having confidence in the leadership skills of the senior management team, senior managers truly living the values and senior managers doing more listening. On Fair Deal, the pay and reward review seems to have had an impact, with an increase in the scores for most areas, particularly senior managers, managers and team leaders but a need to continue to focus on this at a team member level. In relation to the pressures of work, there is less evidence of an improvement and given the current financial pressures and challenges, this is a risk that this may continue to decline.

6. The Council's two largest directorates - Adult Social Care & Public Health (ASC&PH) and Children, Schools and Families (CSF) – have shown strong improvements in their scores. CSF results show an overall increase in 4 of the 8 factors (My Company, My Manager, Fair Deal and Personal Growth) and ASC & PH show an increase in seven of the eight factors (with the remaining factor 'Giving Something Back' remaining stable). This is a strong result for SCC's front line teams.
7. Members are asked to review the key findings in the report and the areas identified for further focus.

<b>Recommendations:</b>
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The People, Performance and Development Committee is asked to note the results of the 2016 Surrey County Council Staff Survey.

<b>Introduction:</b>
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8. In 2015, Best Companies was appointed by Surrey County Council (SCC) to administer a three year programme of annual employee surveys. Best Companies are recognised as being associated with 'The Sunday Times Best Companies' report and providing expertise in the areas of employee engagement and advocacy which was felt to fit well with the organisation's values and culture. The first survey was undertaken in October 2015 with the second survey a year later. This report summarises the key findings from this most recent survey.
9. The survey went live on 12 October 2016 and closed on 15 November. During the period of the survey being open, reminders were sent to all staff who had not completed their email survey and the Extended Leadership Team took an active role in encouraging their teams to complete the survey through team meeting discussions, newsletters and email cascades.
10. The survey was made up of 70 questions or statements. The majority of these are categorised against one of the eight areas detailed below, with each area having between 4 – 12 questions or statements assigned to it. The remaining questions look at general feedback and don't contribute to our overall engagement score. In addition, all

surveys include the option of providing free text to the following two questions: *what makes this a great workplace?* and *what would make this a better workplace?*

11. All surveys included a unique code which identified the specified employee and allowed results to then be grouped according to the relevant details of the employee, such as team, job grade, contracted hours and length of service. The organisation is not able to identify individuals from the results but can analyse the data based on different demographics to identify trends.
12. The survey results are grouped into eight areas as follows:
  - i. **Leadership** – measures how staff feel about the head of their organisation, the senior management team and organisational values.
  - ii. **My Company** – focuses on how much employees value their organisation, how proud they are to work there and whether they make a difference.
  - iii. **My Manager** – measures whether staff feel supported, trusted and cared for by their immediate manager.
  - iv. **Personal Growth** – examines whether employees feel challenged by their job, whether their skills are being utilised and there are perceived opportunities for advancement.
  - v. **My Team** – includes encouraging team spirit, having fun and feelings of belonging within a group of direct colleagues.
  - vi. **Well Being** – measures stress, pressure, the balance between work and home life as well as the impact of these factors on personal health and performance.
  - vii. **Fair Deal** – includes how well employees feel they are treated and how their pay and benefits compare to similar organisations.
  - viii. **Giving Something Back** – explores to what extent staff think their organisation is socially responsible and whether they believe this effort is driven by appropriate motives.

## 2016 Staff Survey Results:

### Response rate

13. The overall response rate for the County Council was 48.94%, a significant increase on last year's rate of 34.46%. According the Best Companies, large (3,500+ employees) not-for-profit organisations have an average response rate of 40.44% and large private sector organisations, 49.49%.
14. Given the concerns raised last year at the low response rate, this was a key priority for the leadership team and it is encouraging to see that this has had an impact. This year's response rate is broadly in line with the average achieved by large private sector organisations and given our complex staff base covering a large geographic area with large numbers of bank employees or local staff without access to email, this is a great achievement and one we hope to build on in the third year.

15. The response rate can also be broken down by Directorate, as summarised in the following table, and by service (**Annex 1**).

Directorate	Headcount	Responses	Response Percentage
* Adult Social Care & Public Health	1942	1067	54.94%
O Business Services	184	151	82.07%
b Children, Schools and Families	4213	1452	34.46%
i Customer & Communities	145	101	69.66%
s Environment & Infrastructure	1268	711	56.07%
n Legal, Democratic and Cultural Services	1346	586	43.54%
c Orbis*	1383	1004	72.60%
s <b>SCC Total</b>	<b>10363</b>	<b>5072</b>	<b>48.94%</b>

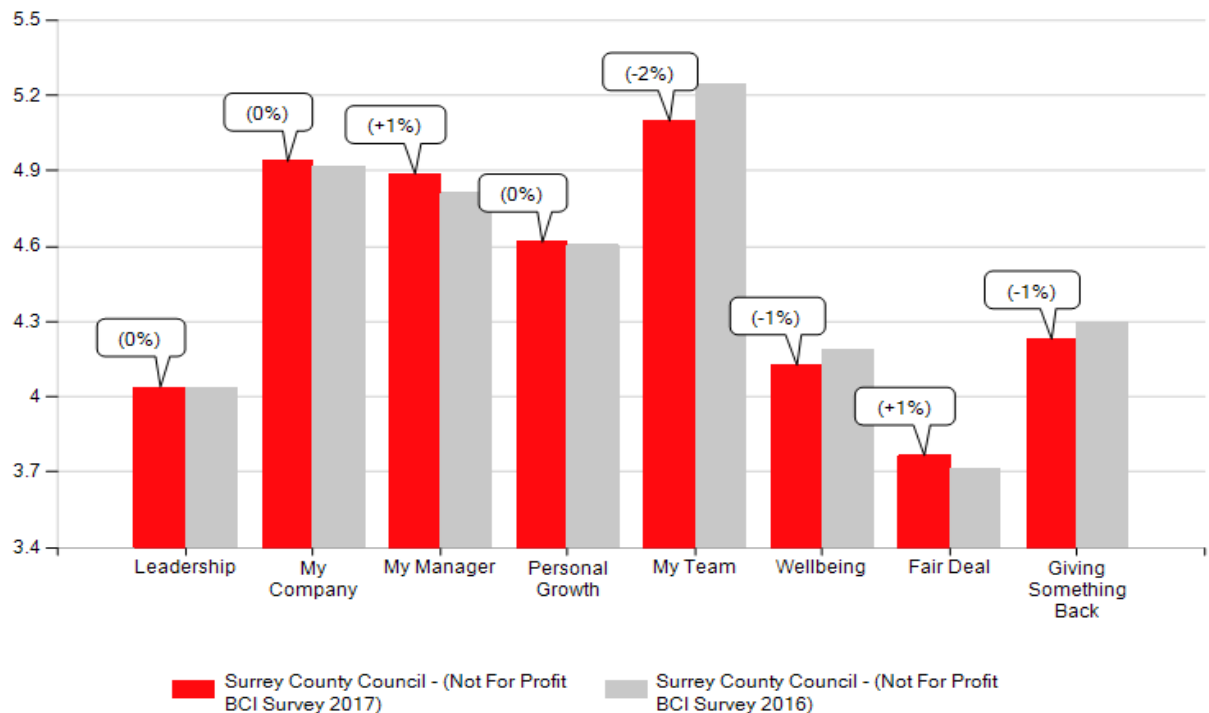
t  
aff from both Surrey and East Sussex County Councils

## Findings

16. In answering the questions in the survey, staff were asked to rate each question on a scale from strongly disagree to strongly agree. These are then given a score by Best Companies on the following scale:

Strongly disagree	Disagree	Slightly disagree	Neither agree not disagree	Slightly agree	Agree	Strongly agree
1	2	3	4	5	6	7

17. Each of the eight factors then receives an 'average' score based on all responses to the questions or statements that relate to that factor. Graph 1 shows the distribution of scores against all factors, along with the comparison to 2016.



**Graph 1** – distribution of average scores against all eight factor areas for Surrey County Council

18. My Team, My Company and My Manager scored highest, with the three highest scoring questions within the organisation falling within these factors:

- i. I believe I can make a valuable contribution to the success of this organisation (5.62 – My Company)
- ii. People in my team go out of their way to help me (5.54 – My Team)
- iii. My work is an important part of my life (5.47 – My Company)

19. Fair Deal, Leadership and Well-being scored lower on average and the following questions scored the lowest overall within the organisation:

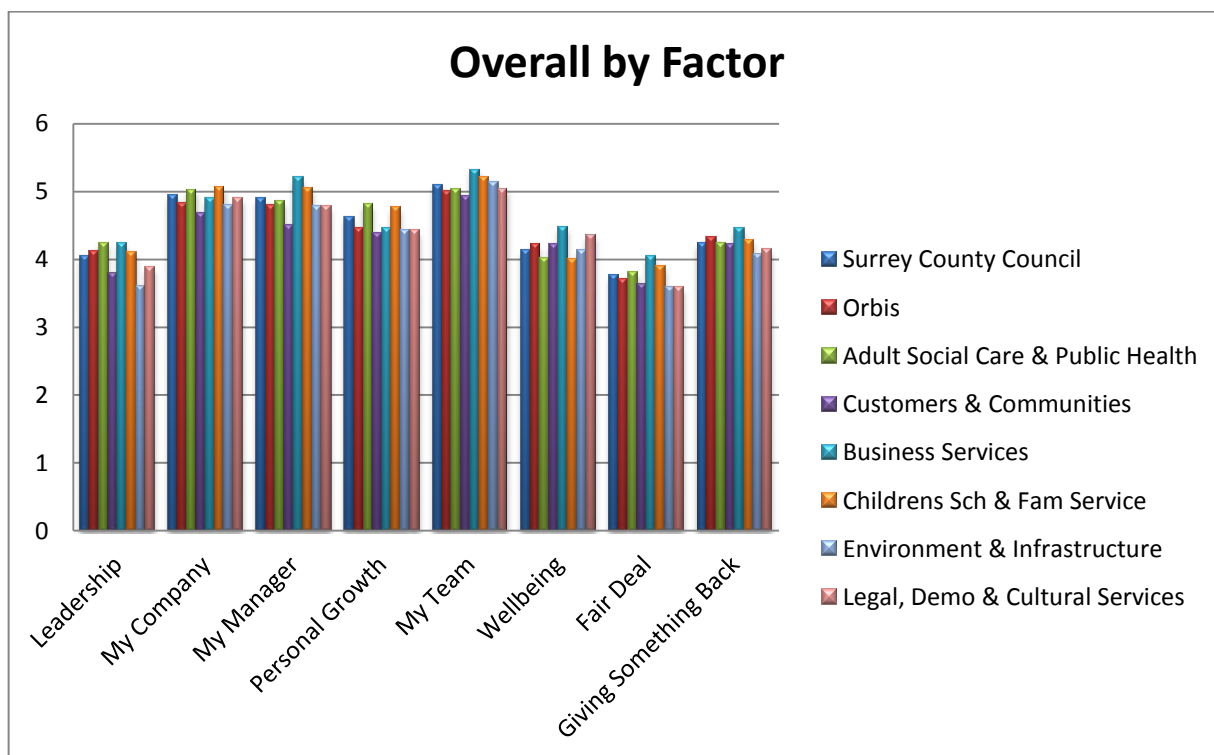
- i. I feel I receive fair pay for the responsibilities I have in my job (3.66 – Fair Deal)
- ii. Profit/budget concerns are the only things driving this organisation (3.55 – Giving Something Back)
- iii. Most days I feel exhausted when I come home from work (3.20 - Wellbeing)

20. The two highest scoring questions are the same as last year (with almost identical scores). The lowest scoring questions are also similar with the exception of *“Profit/budget concerns are the only things driving this organisation”* which all levels of the organisation felt had become a stronger driver, perhaps reflecting the challenging financial environment the Council is operating within.

21. The results this year show that there has been a positive increase in staff having more confidence in the leadership of the organisation, with the highest level of confidence growing within the senior manager community. Alongside this, there was

a clear increase in living the values and principles of the organisation, with a significant increase of 6% in staff feeling that managers are listening more and asking staff for their views and opinions. This result may be linked with the recent High Performance Development Programme (HPDP) which has focused on leadership and values.

22. The factors can also be compared at a Directorate level, as illustrated in graph 2. This shows that scores are fairly consistent across areas, with My Team the strongest factor in all areas.



**Graph 2** – distribution of average scores against all factors by Directorate

23. Adult Social Care Directorate has increased against 7 of the 8 factors and remained the same on Giving Something Back. Children, Schools and Families has also shown some increases, particularly in Children's Services. There has been a decrease in the scores across all the factors for Orbis and the majority of the factors for both Legal, Democratic & Cultural Services and Environment & Infrastructure.

### Results by Service

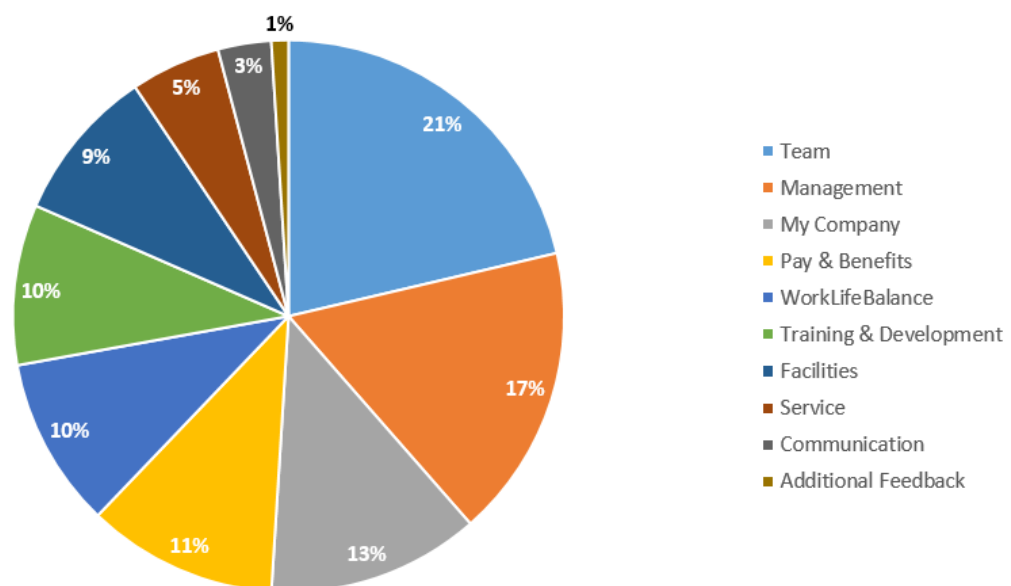
24. A full breakdown of scores across all services is attached at **Annex 1**. This shows the scores for each factor, the response rate and the service's overall engagement score (out of 1000) which then translates onto Best Companies ranking - unclassified (0-599), One To Watch (600-659.5), 1star (659.5-696.5), 2star (696.5 – 738) and 3star (738+.)
25. On the factors in Annex 1, a RAG rating has been applied to identify areas of strength (scoring above 5 - green) and potential areas of focus (scoring below 3.75 - red.) From this data, services where there are two or more areas scoring below 3.75 include Adult Social Care Operations, Mental Health, Trading Standards, Fire and Rescue, and Legal Services. All of these areas scored below 4 for Fair Deal and at least one other factor.



26. The highest single overall factor score was for Democratic Services, who scored 5.69 against 'Personal Growth'. Four of the eight factors scored above 4 across all service areas – My Manager, My Company, My Team and Personal Growth.
27. There are caveats with comparing services year on year due to changes in the structure. However, there are some notable increases including Children's Services which has become a One To Watch this year and increased its overall score from 596.8 to 631.8, due to increased ratings across Leadership, My Company, My Manager, Fair Deal, Personal Growth and My Team.

### Summary of Comments Section

28. In addition to the 70 multiple choice questions, there are two free-comment questions – “*What makes this a great workplace*” and “*What would make this a better workplace*”. The pie chart below shows how these split across improvement themes.



29. The three largest themes relate to the team, management and My Company, with the following coming out as the key areas to address:
- One Team: avoiding duplication of work; improving communication; understanding what we can achieve together.
  - Management: listening and accepting everyone's views; more contact with teams; timely decisions; open and honest communication.
  - My Company: Clear direction and goals; less uncertainty about the future; more proactive rather than reactive approach.
30. The feedback gathered from the open-ended questions provides a rich evidence base around the issues underlying the factor scores and the survey team will be working with teams to understand this analysis.

## **Progressing Staff Ideas**

31. Given the strong feeling among staff that they have a valuable contribution to make to the organisation and the themes above around communication, it is important that the organisation continues to improve the mechanisms available to staff to generate ideas and progress them. This is a theme PPDC has recommended in the past and one the organisation is continuing to work on.
32. There are examples of this being effective in some areas, for example in Orbis, as part of their Ingenuim talent management approach, colleagues worked together to come up with ideas which were presented through a Dragon's Den scenario and the best ideas taken forward. This created a project looking at developing a skills portal to help share skills and joined people up across the organisation. We have also been trialling a number of online collaboration platforms including Jive which is currently being rolled out across the organisation. Early pilot projects have shown that this can be invaluable in providing forums for staff to share ideas and solutions (for example in the recent transfer of Adult Social Care to a new technology platform.)
33. There has also been a discussion forum within chatzone actively encouraging colleagues to contribute their ideas to help address the Council's financial challenge, sharing best practice examples on where they have made savings as well as suggestions for further savings. This has generated around 80 responses to date which finance are following up, both with the individuals and in supporting services and the senior leadership team to act upon them.
34. We recognise that our staff are a valuable asset and will continue to look at ways we can engage with and support them to share and generate ideas, making use of IT solutions where most appropriate.

## **Other Opportunities arising**

35. As part of the reporting on the survey results, Best Companies undertakes a more detailed analysis, both to interpret the results as outlined above but also to identify opportunities open to the Council to improve engagement further.
36. There a number of strengths identified from our results around the support people receive from their manager and also from their team more generally and it is reassuring to see this continue to be reflected in this second year. Amongst team members, supervisors and managers, there is a feeling that their manager takes an active interest in their wellbeing and does not take advantage of them. Given the pressures staff are experiencing at work, this is positive feedback and hopefully provides some of the pastoral care needed.
37. Another strength identified by Best Companies is that Managers and Directors feel that what is expected of them in their work is made clear and that Surrey County Council is making use of their skills. This provides a strong base and an area that managers are encouraged to focus on with their teams to ensure they gain the same clarity.
38. From Best Companies wide experience, they identify three factors as the most critical for organisations to influence if they wish to increase engagement overall – Leadership, My Manager and Personal Growth. Whilst there is an improvement on the scores relating to the leadership skills of the senior management team and their commitment to living the values, Leadership is the factor where Best Companies still felt there was real potential to increase engagement. They recognised that with the environment we are operating within, this can be extremely challenging, noting that the financial challenges

and the impact this has on the organisation has led to an overall lack of excitement about where the organisation is going, concerns about the future plans and a feeling of job insecurity. This is a significant threat for the organisation and should not be underestimated so in response to this, Best Companies felt there were three key areas to focus:

- Continuing to encourage managerial engagement at all levels, especially amongst senior managers
- Helping managers to understand that their behaviour matters
- Reinforcing organisational clarity by establishing and communicating strong principles across all job grades.

39. In reviewing the results and listening to Best Companies, the Chief Executive and his direct reports have endorsed these recommendations and will be working with the Extended Leadership Team during February and March to agree how best to work on addressing these three areas.

<b>Conclusion:</b>
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40. This report details the key results of the 2016 staff survey and the resulting proposed areas of focus. Nearly half of our employees responded, providing the best evidence we have of how staff are feeling and having completed the survey twice, an understanding of how the organisation is evolving and changing.

41. Using Best Companies provides us with a detailed understanding of our engagement and allows us to be benchmarked against other organisations. For the second year running, Best Companies have classified us as good and allocated us to their “Ones to Watch” category, praising our increased response rate and our consistent My Manager scores in particular.

42. Looking at the questions scoring most highly, employees believe that they can make a valuable contribution to the success of this organisation. They also feel that people in their team go out of their way to help and care for each other. However, there is evidence to show that the environment we are working within and the challenges this produces continues to impact on colleagues.

43. In terms of looking ahead, there has been some improvement on the key themes identified last year - particularly around Fair Deal and Leadership - but these are likely to remain the focus for the next year, looking at how we ensure managers are equipped to support their teams through the pressures and challenges of work, providing clarity on expectations and continuing to focus on role modelling our values and behaviours.

### **Financial and value for money implications**

44. The Section 151 Officer confirms that there are no financial and value for money implications associated with this report.

### **Equalities Implications**

45. In engaging Best Companies to undertake our staff survey, we are using an experienced and established methodology which has been rigorously tested to ensure a fair and consistent approach which does not discriminate or differentiate against any known protected characteristic.

<b>Next Steps:</b>
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- i. Directors and management teams have been provided with packs detailing their own results, including comparisons with last year's results as well as other teams and services. This will now be cascaded across the organisation, supported through David McNulty's weekly emails and discussions with the Extended Leadership Team.
- ii. Individual teams have been encouraged to use the data to have conversations about the results and agree what areas they most want to work on between now and the next survey, focussing on how we support each other at times of change.
- iii. The next survey will be undertaken in October 2017, providing a further opportunity to compare results year-on-year.

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**Annexes:**

**Annex 1** – Overview by service

**Sources/ background papers:**

Item 6 – Staff Survey Results: People, Performance & Development, 5 April 2016.

	Leadership	My Company	Personal Growth	My Team	My Manager	Wellbeing	Fairdeal	Giving Something Back	Response Rate	Engagement Score (if avail)	Best Companies ranking
<b>Surrey County Council Overall</b>	<b>4.04</b>	<b>4.94</b>	<b>4.62</b>	<b>5.1</b>	<b>4.89</b>	<b>4.13</b>	<b>3.77</b>	<b>4.23</b>	<b>49%</b>	<b>612.2</b>	<b>OTW</b>
Adult Social Care & Pub Health	4.25	5.02	4.86	4.81	5.03	4.02	3.81	4.25	55%	618.2	OTW
Business Services	4.24	4.9	5.19	4.46	5.32	4.47	4.04	4.46	82%	642	OTW
Childrens Sch & Fam Service	4.1	5.06	5.05	4.77	5.2	4	3.91	4.24	34%	625.9	OTW
Customer and Communities	3.79	4.69	4.5	4.38	4.92	4.21	3.64	4.21	70%	582.1	--
Environment & Infra	3.61	4.8	4.78	4.43	5.14	4.13	3.6	4.07	56%	590.4	--
Legal, Demo & Cultural Service	3.88	4.89	4.78	4.43	5.04	4.36	3.59	4.14	43%	601.1	OTW
Orbis	4.11	4.83	4.8	4.46	5.01	4.22	3.71	4.33	72%	606.2	OTW
<b>Service Level Results:</b>											
ASC Operations	4.14	4.87	4.74	4.68	5.04	3.73	3.7	4.17	66%	596.5	--
Mental Health	3.71	4.98	4.98	4.87	5.07	3.62	3.71	3.99	39%	597.1	--
Public Health	4.84	5.19	5.34	5.01	5.34	4.38	4.03	4.61	100%	675.6	1star
Service Delivery	4.56	5.35	5.03	5.05	4.95	4.69	4.03	4.44	41%	661.9	1star
Communications	3.97	4.57	5.41	4.34	5.43	4.25	3.69	4.53	96%	624.4	OTW
Customer Services	4.22	4.97	5.1	4.32	5.33	4.41	4.02	4.33	75%	633.5	OTW
New Models and Bus Imp	4.58	5.1	5.46	5.17	5.62	4.88	4.55	4.93	92%	709.7	2star
Strategy & Performance	4.35	4.92	5.17	4.68	5.11	4.66	4.18	4.56	91%	651.7	OTW
Trading Standards	3.61	4.61	4.31	4.4	4.71	4.23	3.54	4.21	67%	566.6	--
Community Partnerships	4.24	4.91	4.99	4.34	5.46	4.15	3.89	4.2	78%	622.7	OTW
Childrens Services	4.13	5.13	5.08	4.97	5.19	3.95	3.94	4.21	39%	631.8	OTW
Commissioning & Prev	4.07	5.08	5.06	4.75	5.1	4.06	3.94	4.29	50%	625.8	OTW
Schools & Learning	4.09	4.98	5.02	4.61	5.29	3.99	3.84	4.22	25%	620.4	OTW
Economy, T&P	4.23	5.14	5.13	5	5.31	4.53	4.48	4.46	90%	667	1star
Emergency Mgt & Projects	4.07	4.78	4.79	4.69	5.56	4.4	3.94	4.22	100%	629.8	OTW
Environment	3.96	4.93	4.96	4.46	5.21	4.49	4.06	4.24	61%	626.1	OTW
Fire & Rescue	3.08	4.78	4.54	4.34	5.0	3.74	3.16	3.8	43%	547	--
Highways	3.9	4.68	4.88	4.37	5.2	4.3	3.65	4.19	69%	601.9	OTW
Cultural Services	3.8	4.85	4.69	4.35	5.02	4.42	3.57	4.08	40%	594.3	--
Democratic Services	4.2	5.12	5.69	4.92	5.54	4.74	4.29	4.48	80%	685.4	1star
Legal Services	4.43	5.15	4.97	4.83	4.79	3.45	3.22	4.51	74%	601.6	OTW
Orbis Business Ops	4.02	4.6	4.59	4.25	4.91	4.12	3.23	4.21	77%	573.6	--
Orbis Finance	4.23	4.85	4.9	4.43	5.13	4.33	4.09	4.53	81%	626.6	OTW
Orbis HR & OD	4.39	5.08	5.29	4.85	5.38	4.48	4.19	4.42	83%	663.1	1star
Orbis IT	4.01	4.79	4.72	4.39	4.87	4.12	3.8	4.19	64%	593.5	--
Orbis Procurement&Comm	4.38	4.94	5.01	5.04	4.96	4.27	3.93	4.72	80%	642.3	OTW
Orbis Property	3.96	4.93	4.71	4.38	4.99	4.2	3.49	4.3	63%	596.2	--
Orbis Strategic Directorate	4.83	5.6	5.24	5.6	5.32	4.12	4.86	4.7	100%	705.3	2star

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People, Performance and Development Committee  
17 February 2017

## **Pay Exceptions Analysis 2016/17 Quarters 1 and 2**

### **Purpose of the report:**

The People, Performance and Development Committee (PPDC) acts as the Council's Remuneration Committee under delegated powers, in accordance with the Constitution of the County Council. This report provides the bi-annual pay exceptions analysis for consideration by the Committee.

### **Recommendations:**

It is recommended that Members of the People, Performance Development Committee review and comment on the analysis of pay exceptions for the period April 2016 to September 2016.

### **Introduction:**

Member agreed that the People, Performance and Development Committee would receive a report providing analysis of exceptions to Surrey County Council's Pay Policy.

This report covers the following areas:

- all pay exceptions for staff on grades above and below PS13 for each directorate;
- for 2016/17 data only for Quarter 1 and Quarter 2;
- starting salary where an employee commences employment above the minimum of the pay band;
- permanent pay progression where an employee receives a permanent increase in pay within the pay band or to another pay band through a promotion;
- temporary pay progression including honoraria payments, extensions to honoraria payments and recognition awards above the amounts stated in the Reward Policy.

### **Pay Exceptions Analysis for Starting Salary**

1. This section includes details of pay exceptions above the pay band minimum.

**Table 1 – Summary trend Starting Salary by Directorate – PS12 and below**

Directorate	PS12 and below							
	2013/14		2014/15		2015/16		2016/17 (Q1 & Q2)	
	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception
ASC	23	£2,302.84	22	£2,899.37	6	£3,856.33	3	£2,011.67
BUS	2	£2,264.00	26	£2,598.88	39	£2,940.95	3	£1,954.33
C&C	0	£0.00	4	£2,637.75	1	£1,185.00	1	£2,687.00
CEO	0	£0.00	14	£1,521.07	18	£3,109.00	0	£0.00
CSF	24	£3,063.75	21	£2,378.45	75	£3,636.17	50	£3,207.02
E&I	1	£1,210.00	7	£1,172.93	23	£1,886.98	0	£0.00
LDC	0	£0.00	0	£0.00	0	£0.00	5	£3,679.40
<b>Total</b>	<b>50</b>	<b>£2,210.15</b>	<b>94</b>	<b>£3,302.11</b>	<b>162</b>	<b>£4,153.61</b>	<b>62</b>	<b>£3,384.86</b>

2. Table 1 shows the number of pay exceptions that are being paid above the pay band minimum for PS12 and below, along with the average pay increase for each financial year beginning from 2013/14. The data shows an overall increase per financial year for starting salary pay exceptions. It is to be noted that the number of starting salary pay exceptions in the Children Schools and Families Directorate (CSF) is quite high and this is because they are mostly social workers.

**Table 2 – Summary trend Starting Salary by Directorate – PS13 and above**

Directorate	PS13 and above							
	2013/14		2014/15		2015/16		2016/17 (Q1 & Q2)	
	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception	No. Starting Salary Pay Exceptions	Average Pay Exception
ASC	3	£663.67	1	£1,405.00	1	£3,082.00	1	£500.00
BUS	4	£10,043.75	3	£4,569.67	0	£0.00	2	£8,634.50
C&C	0	£0.00	0	£0.00	1	£3,002.00	1	£4,515.00
CEO	4	£6,704.75	0	£0.00	2	£7,578.50	0	£0.00
CSF	0	£0.00	0	£0.00	2	£4,611.50	1	£2,479.00
E&I	0	£0.00	0	£0.00	1	£8,107.00	0	£0.00
LDC	0	£0.00	0	£0.00	0	£0.00	0	£0.00
<b>Total</b>	<b>11</b>	<b>£4,353.04</b>	<b>4</b>	<b>£1,493.67</b>	<b>7</b>	<b>£6,595.25</b>	<b>5</b>	<b>£4,032.13</b>

3. Table 2 shows the number of pay exceptions that are being paid above the pay band minimum for PS13 and above along with the average pay increase for each financial year beginning 2013/14. The data shows that in 2013/14, 11 starting salary pay exceptions were approved and in 2015/16, seven starting salary pay exceptions were improved. In Quarter 1 and Quarter 2 of the current financial year five have been approved so far.

#### **Pay Exceptions Analysis for Permanent Pay Progression**

4. This section includes details of pay exceptions for permanent movement within pay band or into another pay band.



**Table 3 – Summary trend Permanent Pay Progression by Directorate – PS12 and below**

Directorate	PS12 and below							
	2013/14		2014/15		2015/16		2016/17 (Q1 & Q2)	
	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception
ASC	2	£604.00	2	£972.00	0	£0.00	0	£0.00
BUS	4	£866.00	6	£3,858.12	9	£1,505.54	0	£0.00
C&C	3	£2,554.00	1	£800.00	2	£643.00	0	£0.00
CEO	1	£2,599.00	4	£975.00	0	£0.00	1	£9,204.00
CSF	10	£1,617.70	7	£1,610.86	5	£1,646.81	3	£1,812.67
E&I	1	£1,325.00	0	£0.00	4	£2,547.70	0	£0.00
LDC	0	£0.00	0	£0.00	0	£0.00	1	£1,555.00
<b>Total</b>	<b>21</b>	<b>£2,391.43</b>	<b>20</b>	<b>£2,053.99</b>	<b>20</b>	<b>£1,585.76</b>	<b>5</b>	<b>£3,142.92</b>

5. Table 3 shows the number of pay exceptions that are being moved within the pay band or to another pay band for PS12 and below along with the average pay increase for each financial year beginning from 2013/14. The data shows that the total number of permanent pay progressions has been 21 in 2013/14 and then 20 in 2014/15 and 2015/16. It shows that currently in 2016/17(Q1&Q2), there has only been five permanent pay progressions.

**Table 4 – Summary trend Permanent Pay Progression by Directorate – PS13 and above**

Directorate	PS13 and above							
	2013/14		2014/15		2015/16		2016/17 (Q1 & Q2)	
	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception	No. Perm Pay Progression Pay Exceptions	Average Pay Exception
ASC	3	£9,030.35	1	£10,250.00	1	£22,423.00	0	£0.00
BUS	4	£3,213.00	9	£5,315.10	1	£9,065.00	1	£6,597.00
C&C	3	£7,230.00	1	£7,067.00	0	£0.00	0	£0.00
CEO	2	£6,861.50	2	£7,708.00	4	£7,594.00	0	£0.00
CSF	5	£3,303.60	1	£3,401.00	0	£0.00	3	£3,620.00
E&I	1	£4,390.00	4	£6,240.75	1	£5,000.00	0	£0.00
LDC	0	£0.00	0	£0.00	0	£0.00	0	£0.00
<b>Total</b>	<b>18</b>	<b>£8,507.11</b>	<b>18</b>	<b>£9,995.46</b>	<b>7</b>	<b>£11,020.50</b>	<b>4</b>	<b>£2,554.25</b>

6. Table 4 shows the number of pay exceptions that are being moved within the pay band or to another pay band for PS13 and above, along with the average pay increase for each financial year beginning from 2013/14. The data shows that the total number of permanent pay progressions has stayed steady at 18 and decreased in 2015/16 to seven. This financial year currently has four permanent pay progressions and the average pay exception is at its lowest.

#### Pay Exceptions Analysis for Temporary Pay Progression

7. This section includes details of pay exceptions for temporary pay progressions like honoraria, extensions to honoraria and recognition awards.

**Table 5 – Summary trend Temporary Pay Progression by Directorate – PS12 and below**

Directorate	PS12 and below							
	2013/14		2014/15		2015/16		2016/17 (Q1 & Q2)	
	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception
ASC	1	£550.00	4	£836.05	0	£0.00	1	£4,200.00
BUS	0	£0.00	5	£1,762.07	4	£1,635.50	1	£2,458.00
C&C	1	£2,600.00	0	£0.00	0	£0.00	0	£0.00
CEO	2	£2,400.00	5	£2,318.20	1	£1,495.50	0	£0.00
CSF	3	£1,666.67	3	£472.44	9	£1,560.11	1	£2,688.00
E&I	0	£0.00	0	£0.00	0	£0.00	4	£3,160.75
LDC	0	£0.00	0	£0.00	0	£0.00	0	£0.00
<b>Total</b>	<b>7</b>	<b>£1,804.17</b>	<b>17</b>	<b>£1,347.19</b>	<b>14</b>	<b>£1,172.78</b>	<b>7</b>	<b>£3,126.69</b>

8. Table 5 shows the number of pay exceptions that are receiving a temporary pay progressions, along with the average pay increase for each financial year beginning from 2013/14. The data shows that the total number of temporary pay progressions has been 7 in 2013/14 and then 17 in 2014/15 and 14 in 2015/16. It shows that currently in 2016/17(Q1&Q2), there has only been 7 temporary pay progressions. The average pay exception has been highest this year with £3,126 compared to other financial years.

**Table 6 – Summary trend Temporary Pay Progression by Directorate – PS13 and above**

Directorate	PS13 and above							
	2013/14		2014/15		2015/16		2016/17 (Q1 & Q2)	
	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception	No. Temp Pay Progression Pay Exceptions	Average Pay Exception
ASC	2	£5,000.00	2	£9,343.75	1	£9,750.00	2	£2,700.00
BUS	0	£0.00	1	£12,000.00	1	£1,398.00	0	£0.00
C&C	0	£0.00	0	£0.00	0	£0.00	0	£0.00
CEO	5	£1,596.24	2	£1,020.10	0	£0.00	0	£0.00
CSF	0	£0.00	0	£0.00	0	£0.00	0	£0.00
E&I	0	£0.00	0	£0.00	3	£3,591.67	0	£0.00
LDC	0	£0.00	0	£0.00	0	£0.00	0	£0.00
<b>Total</b>	<b>7</b>	<b>£1,649.06</b>	<b>5</b>	<b>£5,590.96</b>	<b>5</b>	<b>£3,684.92</b>	<b>2</b>	<b>£675.00</b>

9. Table 6 shows the number of temporary pay progressions for PS13 and above, along with the average pay increase for each financial year beginning from 2013/14. The data shows that the total number of temporary pay progressions in 2013/14 is 7 and in 2014/15 and 2015/16 have had 5 temporary pay progressions. This financial year currently has two temporary pay progressions and the average pay exception is at its lowest. The average increase this financial year is £675 compared to 2016/17 which was £3,684.

<b>Percentage of Pay Exceptions by Directorate</b>
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10. This section is the percentage of expenditure on pay exceptions according to the directorates in each financial year.

**Table 7 – Percentage Pay Exceptions by Directorate**

Directorate	2013/14	2014/15	2015/16	2016/17 - Q1 & Q2	Total Percentage
ASC	30%	20%	4%	8%	14%
BUS	12%	32%	25%	8%	22%
C&C	6%	4%	2%	2%	3%
CEO	12%	17%	12%	1%	12%
CSF	37%	20%	42%	68%	39%
E&I	3%	7%	15%	5%	9%
LDC	0%	0%	0%	7%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

11. Table 7 indicates that the CSF and Adult Social Care (ASC) directorates had the most pay exceptions in 2013/14 whilst Environment & Infrastructure (E&I) had 3%. In 2014/15, Business Services (BUS) had the most pay exceptions with 32%. 2015/16 had CSF with 42% and BUS with 25%. Customers & Communities (C&C) had the least that year with only 2% of pay exceptions. In the current year, CSF have had 68% of pay exceptions and Chief Executive's Office has the least with 1% so far. It is to be noted that the Legal Democratic and Cultural Services Directorate had its first pay exceptions in 2016/17. Overall, since the beginning of the financial year of 2013/14 to currently, it can be noted that CSF have had 39% and BUS have had 22%, ASC have had 14%, E&I with 9% and C&C with 3% along with LDC with 1%.

<b>Total Additional Pay Awarded – 2016/17 Q1 and Q2</b>
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12. This section is the total cost of the additional pay awarded in Quarter 1 and Quarter 2 of 2016/17, according to Directorate and pay exception type.

**Table 8 – Total additional pay awarded by Quarter and Directorate for 2016/17**

Directorate	Total Additional Pay Awarded							
	Starting Salary		Permanent Pay Progression		Temporary Pay Progression		Total per Directorate	
	2016/17 Q1	2016/17 Q2	2016/17 Q1	2016/17 Q2	2016/17 Q1	2016/17 Q2	2016/17 Q1	2016/17 Q2
ASC	£500.00	£6,035.00	£0.00	£0.00	£5,400.00	£4,200.00	£5,900.00	£10,235.00
BUS	£23,132.00	£0.00	£0.00	£6,597.00	£2,458.00	£0.00	£25,590.00	£6,597.00
C&C	£4,515.00	£2,687.00	£0.00	£0.00	£0.00	£0.00	£4,515.00	£2,687.00
CEO	£0.00	£0.00	£0.00	£9,204.00	£0.00	£0.00	£0.00	£9,204.00
CSF	£98,028.00	£64,802.00	£14,165.00	£2,133.00	£0.00	£2,688.00	£112,193.00	£69,623.00
E&I	£0.00	£0.00	£0.00	£0.00	£12,143.00	£500.00	£12,143.00	£500.00
LDC	£4,031.00	£14,366.00	£0.00	£1,555.00	£0.00	£0.00	£4,031.00	£15,921.00
<b>Total</b>	<b>£130,206.00</b>	<b>£87,890.00</b>	<b>£14,165.00</b>	<b>£19,489.00</b>	<b>£20,001.00</b>	<b>£7,388.00</b>	<b>£164,372.00</b>	<b>£114,767.00</b>

13. Table 8 shows that CSF has the highest total additional pay awarded and this is because of the recruitment of social workers as the demand to recruit these positions are high. The total for 2016/17 Q1 is £164K and in 2016/17 Q2 is £115K which represents a 30 percent decrease.

<b>Conclusion</b>
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14. The following conclusions have been made:
- CSF have the highest amount of pay exceptions, this is due to social workers being hard to recruit.

- b. Temporary pay progressions seem to be decreasing in number.
- c. Currently 2016/17 (Q1&Q2) has shown that pay exceptions could be decreasing and the next report will show whether a decline has occurred.

<b>Financial and value for money implications</b>
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- 15. Awaiting Section 151 Officer commentary.

<b>Equalities and Diversity Implications</b>
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- 16. There are no equality and diversity implications.

<b>Risk Management Implications</b>
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- 17. None

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**Annexes:** None

**Background Papers:** None

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