

MINUTES of the meeting of the **PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE** held at 2.00 pm on 25 July 2017 at County Hall, Kingston upon Thames, KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting on 25 September 2017.

Elected Members:

- * Mr David Hodge CBE (Chairman)
- * Mr John Furey (Vice-Chairman)
- * Mr Mel Few
- * Mr Ken Gulati
- * Mr Nick Harrison
- * Mrs Hazel Watson

* = In attendance

Apologies:

None

In Attendance

Ken Akers, Head of HR & OD
Amy Bailey, Employee Engagement Lead
Andy Baird, Regulatory Committee Manager
Rachel Crossley, Chief of Staff
Lavern Dinah, Strategic OPD Manager
Sandie Hamilton, Learning & Development Manager
Gill Kearney, Strategic Business Partner
David McNulty, Chief Executive
Prodromos Mavridis, Senior HR Adviser (Policy)
Julie Smyth, HR Reward Manager

46/17 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

There were none.

47/17 MINUTES OF THE PREVIOUS MEETING [14 JUNE 2017] [Item 2]

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

48/17 DECLARATIONS OF INTEREST [Item 3]

There were none.

49/17 QUESTIONS AND PETITIONS [Item 4]

There were no question or petitions to consider.

50/17 ACTION REVIEW [Item 5]

Declarations of interests:

None

Witnesses:

Ken Akers, Head of HR & OD
Andy Baird, Regulatory Committee Manager

Key points raised during the discussions:

1. Members sought an update on the progress of Action A21/17 and requested a date when the action would be completed by. Officers advised that information was being compiled on the overhead costs to Surrey County Council (SCC) of employing part time staff and that date for completion of this action would be shared with the Committee.
2. Members requested that results of Action A22/17 be added to the Forward Plan for the People, Performance and Development Committee meeting scheduled to take place on 25 September 2017. The Committee stated that the report should clearly demonstrate the number of staff at the top of their pay band within SCC as well as outlining what the implications of the results on the Council.

Actions/ further information to be provided:

1. That a report on the number of staff at the top of their pay band within SCC should be considered at the People, Performance and Development Committee meeting on 25 September 2017 (**Action Ref: A22/17**).

RESOLVED:

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

51/17 FORWARD WORK PROGRAMME [Item 6]

Declarations of interest:

None

Witnesses:

Ken Akers, Head of HR & OD
Andy Baird, Regulatory Committee Manager

Key points raised during the discussion:

1. Attention was drawn to the Council's Policy Statement which was due for consideration by PPDC at its meeting on 25 September 2017. Members stressed that the Pay Policy Statement needed to be considered at this meeting to ensure that it could be put forward to Full Council for approval on 10th October 2017.
2. Discussions turned to the large number of items scheduled for consideration at the PPDC meeting on 25 September 2017 and it was

agreed that the Chairman of the Committee should meet with the Head of HR & OD to review the agenda for this meeting.

3. The Chief Executive's decision to retire meant that it was no longer necessary to assess his performance through a formal appraisal process. It was therefore agreed that the item scheduled for consideration the PPDC meeting on 30 November for PPDC to review the outcome of the Chief Executive's appraisal should be removed from the Committee's Forward Work Programme.

Actions/ further information to be provided:

1. Chairman of the People, Performance and Development Committee to meet with the Head of HR & OD to discuss the agenda for the meeting on 25 September 2017 (**Action Ref: A24/17**).
2. Remove Chief Executives Appraisal from the Forward Plan for the People, Performance and Development Committee meeting on 30 November 2017 (**Action Ref: A25/17**).

RESOLVED:

That the People, Performance and Development Committee reviewed upcoming items due to be considered at future meetings.

52/17 STAFF SURVEY RESULTS [Item 7]

Declarations of interests:

None

Witnesses:

Amy Bailey, Employee Engagement Lead
Rachel Crossley, Chief of Staff

Key points raised during the discussion:

1. Clarification was sought on the Staff Survey scoring system and how it was determined whether the results achieved by a given service were considered to be good or bad. This query was raised specifically in relation to the Adult Social Care (ASC) Operations Team. Officers advised that SCC had been allocated a 'One to Watch' rating which was the equivalent of being assessed as 'Good'. Best Companies, who conducted the survey, analysed the results to arrive at a score for SCC which was then benchmarked against those of other organisations which had participated in the survey. ASC Operations had been identified in the report on account of the fact that its specific score at fallen beneath the 'One to Watch' achieved by the rest of the organisation. An action plan had, however, been developed to target areas of concern highlighted by the survey results which sought to improve staff perceptions of communication, personal growth and wellbeing. It was agreed that the Committee would receive data on the breakdown of the Staff Survey results for the entirety of the Adult

Social Care Directorate as a backdrop to the results achieved by ASC Operations.

2. Specific concerns were raised regarding the results achieved by Surrey Fire & Rescue Service (SFRS) and clarification was sought on the steps being taken to improve leadership. Members were advised that an action plan had been created to address the concerns highlighted by the survey which included introducing measures to improve staff perceptions of leadership. The Committee requested that the Chief of Staff reflect Members' concerns on SFRS's Staff Service results back to the Strategic Director of Environment & Infrastructure and seek assurances on how the action plan will improve leadership and communication across the Service.
3. The Committee highlighted that staff perceptions of leadership were relatively low across SCC and asked what steps could be taken to change this. Officers stressed that the Council was, by necessity, a diverse and disparate organisation due to the range of services it provides over a large geographical area which meant that a degree of disconnection from senior leaders was inevitable. Work had, however, been done with to improve how senior managers from across SCC engage with staff which it is hoped will improve how staff feel about the way in which SCC is led. Members emphasised the importance of collaborating with the Internal Communications Team to demonstrate that SCC is listening to staff by showing what steps the Council will take to ameliorate concerns articulated in the survey.
4. Discussions took place regarding whether it was necessary for the Council to conduct a Staff Survey annually. Officers indicated that it was important to have some means of understanding staff perceptions of the Council to determine the need to make improvements in how individual services or the organisation as a whole functions. Officers did, however, stress the need balance the cost of the Staff Survey against the benefits it provides to the Council to determine whether a full survey is required every year.

Actions/ further information to be provided:

1. Committee Members to receive data on the breakdown of the Staff Survey results for the Adult Social Care Directorate (**Action Ref: A26/17**).
2. Chief of Staff to reflect Members' concerns on SFRS's Staff Service results back to the Strategic Director of Environment & Infrastructure and seek assurances on how the action plan will improve leadership and communication across the Service (**Action Ref: A27/17**).
3. Officers to speak to the Head of Communications to ensure that there is effective communication to staff about next steps following analysis of the results of the staff survey (**Action Ref: A28/17**).

RESOLVED:

That the People, Performance and Development Committee notes the work underway to respond to the staff survey results in the service areas identified.

**53/17 HUMAN RESOURCES POLICY UPDATE - INDUSTRIAL ACTION POLICY
[Item 8]**

Declarations of interests:

None

Witnesses:

Ken Akers, Head of HR & OD
Prodromos Mavridis, Senior HR Advisor (Policy)

Key points raised during the discussion:

1. The report was introduced by officers who advised the Committee that SCC's Industrial Action Policy had been updated to reflect changes in legislation and that these were outlined within the revised Policy as outlined in Annex 1 of the report.

Action/ further information to be provided:

None

RESOLVED:

That the People, Performance and Development Committee notes the amendments to Surrey County Council's Industrial Action Policy which have been made in response to changes in relevant legislation.

**54/17 HUMAN RESOURCE POLICY CHANGES - CHANGES TO ANNUAL
LEAVE ACCRUAL AND CARRY-FORWARD ARRANGEMENTS [Item 9]**

Declarations of interests:

None

Witnesses:

Ken Akers, Head of HR & OD
Prodromos Mavridis, Senior HR Advisor (Policy)

Key points raised during the discussions:

1. The report was introduced by officers who informed Members that amendments to SCC's Annual Leave Policy had been instigated by case law which had demonstrated that there was a clear expectations amount the time that employees were able to carry forward annual leave accrued during a protracted period of absence. This changes also sought to remove an existing provision in the policy which enabled members of staff who were leaving the SCC to take up a position with a different employer to take their remaining annual leave allowance with them to their new employer. This was not consistent with existing employment practices and could potentially lead to extra costs for the Council.

2. The Committee suggested that amendments to the Annual Leave Policy which enabled members of staff to carry forward accrued annual leave for up to two years was generous. Officers suggested that the Policy be revised to enable staff who had been on an extended period of sick leave to carry annual leave forward for up to a year but to include a further provision within the Policy allowing this to be extended by a further year in exceptional circumstances to be agreed by the relevant strategic director as well as the Head of HR & OD. The proposed amendments to the Annual Leave Policy were agreed by the Committee and the recommendations were updated to reflect these changes.

Actions/ further information to be provided:

1. Policy to be updated to state that staff who have been on an extended period of sick leave to carry forward accrued annual leave up to a year following the period of absence. This can be extended for up to two years in exceptional circumstances with agreement from the Head of HR & OD and the relevant Strategic Director. **(Action Ref: A29/17)**.

RESOLVED:

That the People, Performance and Development Committee agrees to the proposed changes to Surrey County Council's Annual Leave Policy specifically regarding the accrual of annual leave when officers are absent due to sickness and the facility for them to take such leave during subsequent years. The updated policy allows those who have been on an extended period of sick leave to carry forward accrued annual leave up to a year and a day following the period of absence. This can be extended for up to two years in exceptional circumstances with agreement from the Head of HR & OD and the relevant strategic director. The Committee is also asked to note that the updated policy includes a codification of restrictions which apply to transferring annual leave between employers.

55/17 KEY WORKER HOUSING [Item 10]

Declarations of interests:

None

Witnesses:

Ken Akers, Head of HR & OD
Gill Kearney, Strategic Business Partner

Key points raised during the discussions:

1. Some Members expressed disappointment at the recommendations contained within the report and challenged officers on whether the proposals would deliver any tangible benefit in addressing staff shortages in key positions. Evidence from officers on the recruitment and retention of frontline staff at a previous PPDC meeting had stated that the cost and accessibility of housing in Surrey was making it more difficult to attract applications for vacant positions which seemed to be at odds with the conclusions drawn in the report.

2. Discussions turned to the cost of operating a key worker housing scheme given the financial resources that were required to run a similar initiative by SCC in the past. A Member of the Committee suggested that the provision of key worker housing could help to reduce the costs associated with employing locums and agency staff by improving retention of permanent staff. This was challenged by the Committee who stressed that the amount spent on locums constituted a relatively small part of SCC's staffing budget and that the cost of operating a key worker housing scheme would outstrip any potential savings which could be achieved by reducing reliance on locums. Officers further stated that changes in legislation that brought taxation for the self-employed in line with PAYE would encourage more locums to become permanent employees and therefore contribute to a reduction in the amount that SCC was required to pay in staff salaries.
3. The Committee discussed staff members' motives for leaving SCC to determine whether the cost and availability of housing in Surrey is a key reason why employees seek other opportunities. Officers indicated that the Council does not routinely undertake exit interviews with departing members of staff due to the difficulty in getting staff to engage meaningfully with the process although they had recently been introduced by Adult Social Care Directorate and trialled by Children's Services for a year to contribute to their understanding of significant push factors. Members suggested that housing was not the primary concern of staff as exemplified by the low uptake of the Council's previous key worker housing scheme.
4. Discussions took place regarding the definition of what constitutes a key worker and the processes that would be required to ensure that housing was made available to the right members of staff. Members suggested that it would be problematic to establish and resource a system that would ensure that housing was targeted at the most challenging areas of recruitment and retention for the Council.
5. Attention was drawn to recommendation ii which proposed asking district and borough councils to expand their eligibility criteria for key worker housing to include staff members from within the County Council that posed recruitment and retention challenges. Some Members suggested it was not realistic to expect district and borough councils to engage with this proposal in the absence of any recompense being offered by SCC. The Committee agreed to revise recommendation ii expanding it to encompass other institutions and public sector organisations operating in Surrey including universities and the NHS.
6. The Committee emphasised the importance of supporting staff relocating from other parts of the country to navigate Surrey's challenging property market to help them find a house that is right for them. Officers were asked to review potential options for broadening the support available to assist staff relocating in order to take up a position at SCC. Members agreed that the outcomes of this review should be presented to a future meeting of PPDC.

Actions/ further information to be provided:

1. Officers to investigate the full range of options to provide housing for staff taking up a role in a hard to recruit to position. This includes talking to other public sector organisations as well as institutions such universities.

2. Officers to consider ways of improving the assistance it provides for staff required to relocate to take up a position at SCC and to present a report on the outcomes of this to a future meeting of PPDC.

RESOLVED:

That the People, Performance and Development Committee:

- i. notes the suggestion to broaden the current signposting of available housing support in Surrey to all potential candidates;
- ii. agrees that the strategic leads identified should work with all relevant housing associations in Surrey to discuss the potential for expanding their eligibility criteria for key worker housing to include hard to recruit and retain posts in order to widen the support available; and
- iii. notes work undertaken in relation to recruitment and retention and agrees that the benefits to Surrey County Council through a focus on key worker housing does not warrant further investment based on the findings in this report.

56/17 LEADERSHIP AND MANAGEMENT DEVELOPMENT [Item 11]

Declarations of interests:

None

Witnesses:

Ken Akers, Head of HR & OD
Lavern Dinah, Strategic OPD Manager
David McNulty, Chief Executive

Key points raised during the discussions:

1. The report was introduced by officers who informed Committee Members that the decision had been taken to revise SCC's leadership and management development offer following a review of the High Performance and Development Programme by the University of Surrey. The offer outlined within the report has identified three groups of leaders within the Council and proposes a distinct development offer for each group. Member were further advised that the proposals contained within the report focussed on self-directed learning to balance both the cost and delivery of the scheme.
2. The Committee asked about the processes in place to identify and support aspiring leaders at SCC. Officers confirmed that identifying potential in such a large organisation wasn't straightforward but that processes were in place to support this. Managers were encouraged to talk to staff about career aspirations thereby enabling them to identify opportunities for them to achieve these. The improved appraisal process had also helped to ensure that staff had at least one conversation a year with their manager about development opportunities. This was supported by proposals contained within the leadership and development offer which enable those recognised as future leaders to participate in stretch projects designed to develop their skills and experience in a way that is cost effective.

3. Referencing the outcomes of the Staff Survey, Members enquired as to why managers were not successfully inspiring and motivating staff. Officers indicated that there had been some improvement in the extent to which staff felt motivated and listened to by leaders within the organisation but acknowledged that there was still work to do in this area. The Committee was informed that motivating and inspiring staff were perhaps the hardest elements of management and that SCC would seek to improve the way in which senior leaders reached out and articulated a clear vision for the future of the organisation.
4. Members agreed that recommendation i should be expanded to include reference to potential leaders within the Council.

Actions/ further information to be provided:

None

RESOLVED:

That the People, Performance and Development Committee:

- i. notes the development of corporate leadership expectations for all leaders and potential leaders employed by Surrey County Council that link to and support its behaviours framework;
- ii. notes the key elements driving a different approach to the leadership offer being developed and the learning outcomes agreed; and
- iii. notes the approach of targeted development for specific high priority groups of managers and leaders that include those who fulfil positions with direct impact on resident experience (frontline), and to support succession planning for those who demonstrate potential.

57/17 APPRENTICESHIP REFORMS UPDATE [Item 12]

Declarations of interests:

None

Witnesses:

Ken Akers, Head of HR & OD
Sandie Hamilton, Learning and Development Manager

Key points raised during the discussion:

1. The Committee received an introduction to the report from officers who informed Members that SCC was required to pay 0.5% of its annual pay bill towards the Apprenticeship Levy which equated to a commitment of £2.1m every year. Officers advised that the Council would seek to leverage as much as possible from the Levy by using the scheme to improve the skill set of existing staff members which could also lead to reductions in allocations to the Council's annual training budget of £250,000. It was further highlight that SCC also aimed to save money by hiring apprentices to fill entry level positions.

Officers stated that SCC was well-positioned to take advantage of funds made available through the Levy and it was forecast that SCC would secure £2.15m from the centralised Apprenticeship Levy fund in the first year.

2. Concern was expressed by the Committee that the term 'apprenticeship' could deter existing staff from undertaking training courses funded by the Levy. Officers confirmed that consideration would be given to how training delivered through the Levy was marketed to staff members.
3. Members asked whether officers had considered the use of learning agreements to help SCC retain skills paid for through the Levy. Officers advised that employers were prohibited from using learning agreements for training delivered through the fund.
4. The Committee congratulated officers on the work that they had done in ensuring that the £2.1m that the Council was required to pay into the central Apprenticeship Levy fund would deliver a net benefit to the Council.

Actions

None

RESOLVED:

That the People, Performance and Development Committee noted the contents of the report and comment on the conclusions.

58/17 PAY EXCEPTIONS ANALYSIS 2016/17 QUARTER 4 AND END OF YEAR REPORT [Item 13]

This item was considered after item 15

Declarations of interests:

None

Witnesses:

Ken Akers, Head of HR & OD

Key points raised during the discussion:

1. Members asked if the number of pay policy exceptions applied to the starting salary of social workers in the Children, Schools and Families Directorate suggested that pay bands need to be revisited to give social workers a higher starting salary. Officers stated that it had been necessary to employ a number of experienced social workers to contribute to improvements in Children's Services following the Council's Ofsted inspection in 2015 and buying this experience had meant temporarily approving starting salaries that were above the pay band minimum. The Committee observed that the combined cost of increased starting salaries within the Children, Schools and Families Directorate over the past two years was over £500,000 and

emphasised the need for this additional expenditure to deliver improved performance within Children's Services.

2. Discussions took place regarding whether it was necessary for the Committee to receive quarterly updates on the pay policy exceptions and agreed that PPDC should instead receive this update annually.

Actions

1. Updates on Pay Policy Exceptions should be provided to PPDC annually rather than quarterly.

Resolved:

That the People, Performance Development Committee noted the analysis of pay exceptions for the period April 2016 to March 2017

59/17 EXCLUSION OF THE PUBLIC [Item 14]

RESOLVED: 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.

60/17 CHIEF EXECUTIVE RECRUITMENT [Item 15]

Declarations of interest:

None

Witnesses:

Ken Akers, Head of HR & OD
David McNulty, Chief Executive

Key points raised during the discussions:

The report was introduced by officers. The Committee asked a number of questions which were responded to by the officers present before moving to recommendations.

Actions/ further information to be provided:

The Committee agreed a number of actions which are recorded in the Part 2 minutes.

61/17 EDUCATIONAL PSYCHOLOGY SERVICE [Item 16]

Declarations of interest:

None

Witnesses:

Ken Akers, Head of HR & OD

Key points raised during the discussions:

The report was introduced by officers. The Committee asked a number of questions which were responded to by the officers present before moving to recommendations.

Actions/ further information to be provided:

The Committee agreed a number of actions which are recorded in the Part 2 minutes.

62/17 PAY POLICY EXCEPTIONS JULY 2017 [Item 17]

Declarations of interest:

None

Witnesses:

Ken Akers, Head of HR & OD

Key points raised during the discussions:

The report was introduced by officers. The Committee asked a number of questions which were responded to by the officers present before moving to recommendations.

Actions/ further information to be provided:

The Committee agreed a number of actions which are recorded in the Part 2 minutes.

63/17 PUBLICITY OF PART 2 ITEMS [Item 18]

It was agreed that the information in relation to Part 2 items discussed at this meeting would remain exempt.

64/17 DATE OF NEXT MEETING [Item 19]

The Committee noted that its next meeting would be held on 25 September 2017.

Meeting ended at: 5.30 pm

Chairman

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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