

## Notice of Meeting

# People, Performance and Development Committee



**SURREY**  
COUNTY COUNCIL

**Date & time**  
**Tuesday, 25 July**  
**2017**  
**at 2.00 pm**

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

**Contact**  
Andrew Baird  
Room 122, County Hall  
Tel 020 8541 7609  
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**Chief Executive**  
David McNulty



**We're on Twitter:**  
**@SCCdemocracy**

**If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9068, write to Democratic Services, Room 122, County Hall, Penrhyn Road, Kingston upon Thames, Surrey KT1 2DN, Minicom 020 8541 8914, fax 020 8541 9009, or email [democratic.services@surreycc.gov.uk](mailto:democratic.services@surreycc.gov.uk).**

**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 John Furey (Vice-Chairman), Mr Mel Few, Mr Ken Gulati, Mr Nick Harrison and Mrs Hazel Watson

## AGENDA

### 1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

### 2 MINUTES OF THE PREVIOUS MEETING [14 JUNE 2017]

(Pages 1  
- 16)

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

### 3 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

#### Notes:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

### 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 ( *19 July 2017*).
2. The deadline for public questions is seven days before the meeting ( *18 July 2017*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

### 5 ACTION REVIEW

(Pages  
17 - 22)

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

### 6 FORWARD WORK PROGRAMME

(Pages  
23 - 28)

For Members to review and comment on upcoming items due for consideration by the People, Performance and Development Committee.

### 7 STAFF SURVEY RESULTS

(Pages  
29 - 40)

This report provides an update to members of the People, Performance and Development Committee (PPDC) on the results of the Staff Survey. In particular, this report looks at the services scoring below the 'ones to watch'

category in 2015 and 2016 to better understand *the work and actions being proposed in these service areas.*

**8 HUMAN RESOURCES POLICY UPDATE - INDUSTRIAL ACTION POLICY** (Pages 41 - 56)

To inform the People, Performance and Development Committee of amendments to the Industrial Action Policy which have been made following recent legislative changes.

**9 HUMAN RESOURCE POLICY CHANGES - CHANGES TO ANNUAL LEAVE ACCRUAL AND CARRY-FORWARD ARRANGEMENTS** (Pages 57 - 66)

For the People, Performance and Development Committee to review and approve proposed changes to Surrey County Council's Annual Leave Policy.

**10 KEY WORKER HOUSING** (Pages 67 - 94)

To provide the People, Performance and Development Committee with preliminary analysis exploring the options available to enhance the provision of key worker housing in Surrey and to determine whether further analysis into a fully costed feasibility study should be undertaken in this area.

**11 LEADERSHIP AND MANAGEMENT DEVELOPMENT** (Pages 95 - 108)

To provide the People, Performance and Development Committee with an update on the shape and nature of the developing leadership offer; to help build Surrey County Council's leadership capability and culture in line with the Behaviours Framework. This follows the review of the findings outlined in the 2016 High Performance Development Programme evaluation project undertaken by the University of Surrey which was presented to the Committee in November 2016.

**12 APPRENTICESHIP REFORMS UPDATE** (Pages 109 - 118)

To update Members of the People, Performance and Development Committee on Surrey County Council's progress with regard to targets and future plans for utilising the Apprenticeship Levy.

**13 PAY EXCEPTIONS ANALYSIS 2016/17 QUARTER 4 AND END OF YEAR REPORT** (Pages 119 - 132)

The People, Performance and Development Committee acts as the Council's Remuneration Committee under delegated powers, in accordance with the Constitution of the County Council. This report provides the fourth quarter and end of year 2016/17 pay exceptions analysis for consideration by the Committee.

**14 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.

**15 THE FUTURE ORGANISATIONAL STRUCTURE OF SURREY COUNTY COUNCIL**

For Members of the People, Performance and Development Committee to discuss the impact of funding cuts on Surrey County Council and changes required to the organisational structure of the Council. An introduction to the report will be provided by the Leader of the Council.

**Exempt: Not for publication under Paragraph 3**

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

**16 EDUCATIONAL PSYCHOLOGY SERVICE**

(Pages  
133 -  
142)

This report sets out a business case to increase the pay band range for Educational Psychologists in accordance with the local discretion available to the People, Performance and Development Committee as part of the national Soulbury Committee agreement on terms and conditions of employment.

**Exempt: Not for publication under Paragraph 1**

Information relating to any individual.

**17 PAY POLICY EXCEPTIONS JULY 2017**

(Pages  
143 -  
150)

The People, Performance and Development Committee 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 a decision by the Committee.

**Exempt: Not for publication under Paragraph 1**

Information relating to any individual.

**18 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.

**19 DATE OF NEXT MEETING**

The next meeting of People, Performance and Development Committee will be on 25 September 2017.

**David McNulty  
Chief Executive**

**Published: Tuesday, 18 July 2017**

## **MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE**

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

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*Thank you for your co-operation*

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**MINUTES** of the meeting of the **PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE** held at 3.10 pm on 14 June 2017 at Committee Room C, County Hall, Kingston upon Thames, KT1 2DN.

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

**Elected Members:**

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

\* = in attendance

**In Attendance**

Ken Akers, Head of HR & OD  
Andrew Baird, Regulatory Committee Manager  
Prodromos Mavridis, Senior HR Advisor (Policy)  
Julie Smyth, HR Reward Manager

**32/17 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]**

There were none.

**33/17 MINUTES OF THE PREVIOUS MEETING [22 MARCH 2017] [Item 2]**

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

**34/17 DECLARATIONS OF INTEREST [Item 3]**

Mr Nick Harrison declared a non-pecuniary interest in relation to Item 7 on the agenda arising from his role as Chairman of the Local Pension Board.

**35/17 QUESTIONS AND PETITIONS [Item 4]**

There were none.

**36/17 ACTION REVIEW [Item 5]**

**Declarations of interest:**

None

**Witnesses:**

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

**Key points from the discussion:**

1. Members noted that there were three actions which remained outstanding on the Committee's Actions Tracker. Officers highlighted that these actions were for items to be brought to future People, Performance and Development Committee (PPDC) meetings and so would be removed from the Tracker once these items had been considered by the Committee.

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

None

**RESOLVED:**

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

**37/17 FORWARD WORK PROGRAMME [Item 6]****Declarations of interest:**

None

**Witnesses:**

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

**Key points raised during the discussion:**

1. Members discussed the considerable financial challenges facing Surrey County Council (SCC) and how the uncertainty caused by these budgetary pressures could impact on staff. The People, Performance and Development Committee (PPDC) agreed to the inclusion of an item on the agenda for its meeting in July to consider SCC's organisational structure to ensure it had an appropriate and effective workforce capable of addressing future challenges.
2. The Committee requested that officers review the number of items on the Forward Work Programme for the Committee's meeting on 25 July with a view to postponing consideration of some of these items to a later meeting.

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

1. Item to be included on the Forward Plan on the future organisational structure of Surrey County Council for consideration at the Committee's meeting on 25 July (**Action Ref: A17/17**).
2. List of agenda items due to be considered at the PPDC meeting on 25 July to be reviewed so that there is enough time for all items to be considered fully by Members (**Action Ref: A18/17**).



**RESOLVED:**

That the People, Performance and Development Committee review items that it is due to consider at future meetings.

**38/17 EXTENSION OF MEMBER AND EMPLOYER REPRESENTATIVE APPOINTMENTS OF THE LOCAL PENSION BOARD [Item 7]****Declarations of interest:**

Mr Nick Harrison declared a non-pecuniary interest in this item as Chairman of the Local Pension Board and left the room for the discussion on this item.

**Witnesses:**

None

**Key points raised during the discussion:**

1. Committee Members were informed that the report asked them to approve the appointment of Cllr Graham Ellwood to the role of Vice-Chairman of the Local Pension Board as well as to extend the appointment of existing Members for the lifetime of the current Council.

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

None

**RESOLVED:**

The People, Performance and Development Committee agreed that:

1. the term of office for the member representatives of the Surrey Local Pension Board are extended over the life of the next Council;
2. the term of office for the employer representatives of the Surrey Local Pension Board are extended over the life of the next Council;
3. Cllr Graham Ellwood is appointed as Vice Chairman and Surrey County Councillor employer representative to the Surrey Local Pension Board.

**39/17 APPRAISAL COMPLETION UPDATE 2016/17 [Item 8]****Declarations of Interests**

None

**Witnesses:**

Ken Akers, Head of HR & OD

### Key points raised during the discussion:

1. The report was introduced by the Head of HR & OD who highlighted the excellent appraisal completion rate of 94.2% achieved across the organisation. Members congratulated officers on overhauling the previously relaxed culture towards appraisals at SCC which had made it challenging to judge the performance of individual members of staff effectively. The Committee emphasised the significance of achieving such a high appraisal rate given the diverse range of services offered by SCC creating a wide array of job roles and working patterns thereby making it more difficult to impose a centralised appraisal model.
2. Discussions took place regarding distribution across the three appraisal performance ratings. Members noted that the distribution was within the target of 90% Successful, 5% Exceptional and 5% Improvement Needed set by the organisation but drew attention to some services where significantly more than 5% of staff had received an appraisal performance rating of Exceptional. Officers advised that there were a number of services within SCC in which just one member of staff receiving the top appraisal rating would take that service over the 5% distribution guideline. The Committee was further informed that SCC had taken considerable steps to ensure that the performance of those awarded the top appraisal rating was truly exceptional. This included clear guidelines on what Exceptional performance looked like as well as introducing a moderation process which enabled managers to challenge and discuss appraisal ratings.
3. It was agreed that a letter should be sent to all staff expressing the appreciation of Members for successful completing the appraisal process.

### Actions/ further information to be provided:

1. A letter to be sent from the Chairman of PPDC to the Chief Executive to cascade to all staff members thanking them for all of their hard work over the past year (**Action Ref: A19/17**).

### RESOLVED:

The People, Performance and Development Committee noted that:

- i. the completion rate cent for eligible appraisals by 31 May deadline is **94.2 per cent**, with 0.9 percent still in progress and 4.9 per cent not yet completed;
- ii. all appraisals are now completed within the same time frame by 31 May 2017; no extensions were offered and around an additional 700 individuals were appraised in the same timeframe as last year;
- iii. the distribution of performance appraisal ratings falls within the guided distribution of 90:5:5 for successful: exceptional: improvement needed; and
- iv. 91.1 per cent of staff achieved a successful performance rating, 3.6 per cent of staff achieved an 'exceptional' and 3.0 per cent of staff have an 'improvement needed' rating (2.3 per cent were given 'not discussed' and will be changed when the appraisals are completed).

**40/17 EXCLUSION OF THE PUBLIC [Item 9]**

**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.

**41/17 SURREY PAY ANNUAL REVIEW 2017/18 [Item 10]****Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD  
Julie Smyth, HR Reward Manager

**Key points raised during the discussions:**

The Head of HR & OD introduced the report. 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:**

1. The Committee to receive details of the overhead costs associated with employing part time staff to cover full time equivalent positions with the Council including details of the additional National Insurance contributions the Council is required to make as a result **(Action Ref: A21/17)**
2. Committee Members to receive a copy of SCC's pay band slip **(Action Ref: A22/17)**
3. The Committee to be provided with the number of people in each service across the Council who are at the top of their pay band including details on how long individual members of staff (anonymised) have been at the top of their pay band **(Action Ref: A23/17)**

**RESOLVED:**

The Committee approved the recommendations set out in the confidential.

Mr Nick Harrison left the meeting at 16.00

**42/17 PAY POLICY EXCEPTIONS - JUNE 2017 [Item 11]****Declarations of interest:**

None

**Witnesses:**

Ken Akers, Head of HR & OD

**Key points raised during the discussions:**

The Head of HR & OD introduced the report. 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:**

None

**RESOLVED:**

The Committee approved the recommendations set out in the confidential.

**43/17 COLLECTIVE GRIEVANCES AND COLLECTIVE DISPUTES [Item 12]**

**Declarations of interest:**

None

**Witnesses:**

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

**Key points raised during the discussions:**

The Head of HR & OD introduced the report. 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:**

None

**RESOLVED:**

The Committee approved the recommendations set out in the confidential.

**44/17 PUBLICITY OF PART 2 ITEMS [Item 13]**

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

**45/17 DATE OF NEXT MEETING [Item 14]**

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

Meeting ended at: 4.15pm

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**Chairman**

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People, Performance and Development Committee  
14 June 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 1**, 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 1).

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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
A21/17	14 June 2017	Surrey Pay Review 2017 to 2018	The Committee requested details of the overhead costs associated with employing part time staff to cover full time equivalent positions with the Council including details of the additional National Insurance contributions the Council is required to make as a result.	Head of HR & OD	This information is currently being compiled and will be circulated to Committee Members once this has been completed.  <b>(Updated: 19 June 2017)</b>
A23/17	14 June 2017	Surrey Pay Review 2017 to 2018	The Committee to be provided with the number of people in each service across the Council who are at the top of their pay band including details on how long individual members of staff (anonymised) have been at the top of their pay band.	Head of HR & OD	This information is currently being compiled and will be circulated to Committee Members once this has been completed.  <b>(Updated: 19 June 2017)</b>

# People, Performance & Development Committee – ACTION TRACKING

## July 2017

### COMPLETED ACTIONS

Number	Meeting Date	Item	Recommendation / Action	Action by whom	Action update
A1/17	17 February 2017	Apprenticeship Reforms	Report to be brought back to the People, Performance and Development Committee to facilitate a discussion on the number of employees across the organisation who could benefit from training as part of the Government's Apprenticeship Reforms.	Head of HR & OD	<p>A report on the number of employees across the Council who could potentially benefit from training as part of the new apprenticeship levy will be considered at the People, Performance and Development Committee meeting in July.</p> <p><b>(Updated: 26 May 2017)</b></p>
A2/17	17 February 2017	Apprenticeship Reforms	Report to be brought to the People, Performance and Development Committee detailing how the Council can support schools on successful and effective implementation of the Apprenticeship Reforms.	Head of HR & OD	<p>A report on how the Council can support schools on successful implementation of the Apprenticeship Reforms will be brought to the People, Performance and Development Committee meeting in July.</p> <p><b>(Updated: 26 May 2017)</b></p>
A13/17	22 March 2017	Severance and Change Management Policy	The Committee requested that HR review options for merging the Severance and Change Management policies into a single policy.	Head of HR & OD	<p>This will be taken forward as part of its review of existing HR policies and a report will be brought back to a future People, Performance and Development Committee meeting on whether it is possible to merge the Severance and Change Management policies.</p> <p><b>(Updated: 26 May 2017)</b></p>



**People, Performance & Development Committee – ACTION TRACKING**

**July 2017**

A17/17	14 June 2017	Forward Work Programme	Item to be included on the Forward Plan on the future organisational structure of Surrey County Council for consideration at the Committee's meeting on 25 July.	Head of HR & OD	An item has been added to the Forward Plan and included on the agenda for the July meeting.  <b>(Updated: 22 June 2017)</b>
A18/17	14 June 2017	Forward Work Programme	Item entitled 'Learning Agreement (under Study Leave and Financial Assistance Policy) currently scheduled to be considered at the Committee's meeting on 25 July to be moved to the PPDC meeting taking place on 21 September.	Regulatory Committee Manager	This item has been moved to the People, Performance & Development Committee meeting scheduled for 21 September 2017.  <b>(Updated: 19 June 2017)</b>
A19/17	14 June 2017	Forward Work Programme	List of agenda items due to be considered at the PPDC meeting on 25 July to be reviewed so that there is enough time for all items to be considered fully by Members	Regulatory Committee Manager	The Forward Plan for July's meeting has been reviewed and to consider what items can be considered at a later meeting.  <b>(Updated: 17 July 2017)</b>
A20/17	14 June 2017	Appraisal Completion Update 2016/17	A letter to be sent from the Chairman of PPDC to the Chief Executive to cascade to all staff members thanking them for expedient completion of appraisals	TBD	Following a discussion with the Chief Executive it has been agreed that a note to managers and officers thanking them for expedient completion of their appraisals will be included as part of the Chief Executive's weekly staff bulletin.  <b>(Updated: 22 June 2017)</b>

**People, Performance & Development Committee – ACTION TRACKING****July 2017**

A22/17	14 June 2017	Surrey Pay Review 2017 to 2018	Each Committee Member to receive a copy of SCC's pay band slip	Head of HR & OD	Copies of pay band slips were circulated to Members on 3 July 2017.  (Updated: 03 July 2017)
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People, Performance and Development Committee  
14 June 2017

**Forward Work Programme**

**Purpose of the report:**

For Members to review and comment on upcoming items due for consideration by the People, Performance and Development Committee.

**Introduction:**

A Forward Plan recording agenda items for consideration at future People, Performance and Development Committee meetings is attached as **Annex 1**, and Members are asked to review the items listed on the Forward Plan.

**Recommendations:**

That the People, Performance and Development Committee review items that it is due to consider at future meetings (Annex 1).

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

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## People Performance and Development Committee Forward Work Programme – July 2017

21 September 2017

<b>Item title</b>	<b>Monthly Pay Policy Exceptions September 2017 (Part 2)</b>
<b>Report author</b>	Oonagh Dixon, Reward Advisor Ken Akers, Head of HR & OD
<b>Item Summary</b>	For PPDC to decide on senior pay (grades S13 or above) that fall outside of the published pay policy.

<b>Item title</b>	<b>Pay Policy Statement 2017/2018</b>
<b>Report author</b>	Ken Akers, Head of HR & OD Julie Smyth, HR Reward Manager
<b>Item Summary</b>	To review the Pay Policy Statement for 2017/18 for recommendation to Full Council

<b>Item title</b>	<b>SCC Financial Position and its Impact on Staff</b>
<b>Report author</b>	Ken Akers, Head of HR & OD
<b>Item Summary</b>	To review the number of redundancies likely as a result of SCC's Financial Position and to consider measures to mitigate the impact of any potential redundancies on staff morale.

<b>Item title</b>	<b>Family-friendly Policies</b>
<b>Report author</b>	Prodromos Mavridis, Snr HR Advisor – Policy and Engagement
<b>Item Summary</b>	To approve the revisions/realignments to the Council's family friendly policies including maternity, adoption and parental leave.

<b>Item title</b>	<b>Termination of Employment Policy</b>
<b>Report author</b>	Prodromos Mavridis, Snr HR Advisor – Policy and Engagement
<b>Item Summary</b>	To approve revisions to the Council's Termination of Employment Policy

<b>Item title</b>	<b>Homeworking Telephone Allowances</b>
<b>Report author</b>	Prodromos Mavridis, Snr HR Advisor – Policy and Engagement
<b>Item Summary</b>	To approve revisions to Council's allowances for homeworking telephones.

<b>Item title</b>	<b>Embedding the Behaviours Framework Update</b>
<b>Report</b>	Ken Akers, Head of HR & OD

<b>author</b>	
<b>Item Summary</b>	To update the Committee on action that has been taken to embed the Behaviours Framework

<b>Item title</b>	<b>Learning Agreement (under Study Leave and Financial Assistance Policy)</b>
<b>Report author</b>	Joy Hurman, Social Care Workforce Development Team Leader Ken Akers, Head of HR&OD
<b>Item Summary</b>	To approve changes to allowances specified in the Learning Agreement within the Study Leave and Financial Assistance Policy

### 27 October 2017

<b>Item title</b>	<b>Monthly Pay Policy Exceptions October 2017 (Part 2)</b>
<b>Report author</b>	Oonagh Dixon, Reward Advisor Ken Akers, Head of HR & OD
<b>Item Summary</b>	For PPDC to decide on senior pay (grades S13 or above) that fall outside of the published pay policy.

<b>Item title</b>	<b>Pay Policy Exceptions Analysis Q1 &amp; Q2 2017/18 (Part 2)</b>
<b>Report author</b>	Rahul Singh, Senior MI Specialist Ken Akers, Head of HR & OD
<b>Item Summary</b>	To review analysis of Pay Policy Exceptions for Quarter 1 of 2017/18.

### 30 November 2017

<b>Item title</b>	<b>Monthly Pay Policy Exceptions November 2017 (Part 2)</b>
<b>Report author</b>	Oonagh Dixon, Reward Advisor Ken Akers, Head of HR & OD
<b>Item Summary</b>	For PPDC to decide on senior pay (grades S13 or above) that fall outside of the published pay policy.

<b>Item title</b>	<b>Review of Senior Management Arrangements for the Environment &amp; Infrastructure Directorate</b>
<b>Report author</b>	Ken Akers, Head of HR & OD
<b>Item Summary</b>	To update the Committee on the senior management arrangements for the Environment and Infrastructure Directorate following changes made to the senior management structure within the Directorate.

<b>Item title</b>	<b>HR Policy Changes</b>
<b>Report author</b>	Prodromos Mavridis, Snr HR Advisor – Policy and Engagement
<b>Item Summary</b>	For the Committee to approve changes to HR policies.

<b>Item title</b>	<b>Outcome of the Chief Executive's Appraisal (Part 2)</b>
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<b>Report author</b>	Ken Akers, Head of HR & OD
<b>Item Summary</b>	To update the Committee on the outcome of the Chief Executive's appraisal panel.

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## People, Performance and Development Committee

25 July 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 a follow up to the report provided to the Committee in February 2017, looking specifically at the services scoring below the 'ones to watch' category in 2015 and 2016 to better understand the work and actions being proposed in these service areas.

#### **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.
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 has again allocated Surrey County Council to their "Ones to Watch" category. This means that the organisation has achieved an accredited status and a rating of "good" by Best Companies standards. The accreditation of companies follows the principles of 'Ones to Watch' is good, and One, Two and Three Star ratings indicate organisations which were very good, excellent and outstanding respectively.

3. In February 2017, Members were presented with a full report of the staff survey results for the 2016 staff survey. At this meeting, the committee requested a further report on those services who had scored below the 'Ones to Watch' category in both 2015 and 2016 surveys to understand the results in more detail and the actions being proposed.
4. The areas which scored below 'Ones to Watch' in 2015 and 2016 can be seen in the table below. The 'Ones to Watch' category begins with a score of 600.

Group	2015 BCI*	2016 BCI*
ASC Operations	586.1	596.5
Fire & Rescue	574.2	547.4
Cultural Services	594.7	594.3
Orbis - Business Ops	590.5	573.6
Orbis - Property	595.1	596.2

\*BCI means Best Companies Index – a unique summary engagement score

5. The results from the five services detailed above have common themes. Leadership, Personal Growth, and Communication are identified as key themes in three of the five services. The theme of Wellbeing has been identified as a key concern for all areas excluding Orbis.
6. Members are asked to review the key findings in the report and the areas identified for further focus.

#### Recommendations:

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

#### Introduction:

7. In 2015, Best Companies was appointed by Surrey County Council (SCC) to administer a three year programme of annual employee surveys. The first survey was undertaken in October 2015 with the second survey a year later. This report focuses on the most recent survey and those services scoring below "Ones to Watch" in both years.
8. The survey is 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 the overall engagement score.

9. 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.
10. Best Companies collects the data from the survey and provides the council with analysis of the results at an organisation level as well as Directorate, service and team level. To protect anonymity, there is a requirement that five or more people complete the survey before a report can be produced for any area. The detailed reports have been shared and allow the organisation to identify those services whose performance in the survey results have improved, lowered or remained stable. It is also possible to compare the results to other services and to external organisations.

<b>2016 Staff Survey Results:</b>
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### Findings

11. 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%.

12. The table below indicates the response rate for both years of the survey for the identified groups. All show an increase in response rate in the second year and are now in line or well above the average response rate for a large not-for-profit organisation.

<b>Service</b>	<b>2015 Response Rate</b>	<b>2016 Response Rate</b>
ASC Operations	43%	67%
Fire & Rescue	22%	43%
Cultural Services	36%	40%
Orbis - Business Ops	64%	77%
Orbis - Property	44%	63%

13. In answering the questions in the survey, individuals are 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

14. Each of the eight factors receives an 'average' score based on all responses to the questions or statements that relate to that factor. The table below shows the distribution of scores for Surrey County Council and the identified service areas. For those services within Orbis, it should be noted that both Surrey County Council and East Sussex County Council employees were included in the survey distribution. This is in line with Orbis's ambitions to create an integrated team across the organisations but may mean that some individuals approached the survey from the perspective of their sovereign organisation, which would impact on factors such as My Company.

	<b>Leadership</b>	<b>My Company</b>	<b>Personal Growth</b>	<b>My Team</b>	<b>My Manager</b>	<b>Wellbeing</b>	<b>Fair deal</b>	<b>Something Back</b>
<b>Surrey County Council</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>
ASC Operations	4.14	4.87	4.74	4.68	5.04	3.73	3.7	4.17
Fire & Rescue	3.08	4.78	4.54	4.34	5.0	3.74	3.16	3.8

Cultural Services	3.8	4.85	4.69	4.35	5.02	4.42	3.57	4.08
Orbis Business Ops	4.02	4.6	4.59	4.25	4.91	4.12	3.23	4.21
Orbis Property	3.96	4.93	4.71	4.38	4.99	4.2	3.49	4.3

15. All five service areas scored above the council average for My Manager, one of the council's strongest factors. This is positive as it shows strong team management within these services areas, with individuals feeling they have the support they need.
16. Three out of the five services (ASC Business Operations, Cultural Services and Property) also scored above the SCC average for Personal Growth, with Cultural Services and Property then scoring above the average against a third factor (Wellbeing) and ASC Operations against Leadership.
17. All five services scored below the SCC average for My Company, My Team (the council's two strongest factors), Fairdeal (the council's weakest factor) and Giving Something Back.
18. 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*”. Best Companies analyses the themes arising from these responses.
19. The three largest themes for the organisation 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.
20. From a similar review of the identified service areas and further work these teams have done to understand the results in more detail, the themes are consistent particularly around communication and understanding future direction. The actions services are taking to address these areas are outlined in the section below.
21. For this group of services, fair deal is also a strong theme and a number of the teams found in their wider discussions on the results that the pressures of work and the uncertainty of the environment we are working in is having a significant impact. Given the current financial pressures and challenges, there is a risk that satisfaction in this area may continue to decline as resources come under more pressure and teams potentially feel more stretched to deliver.

## Service Action Plans

22. Each Head of Service has now had time to understand and share their results with their Management Teams and wider groups. Some services have also used the results as an opportunity to look at ways of doing things differently and undertaken more in-depth discussions with their service to gain a better understanding of what the results mean. In addition, Heads of Service have met with David McNulty, Chief Executive, to discuss their service's results and subsequent actions to ensure that any support needed is in place and themes arising from services are being picked up more widely as need be. This demonstrates the importance which has been placed on the staff survey results and the insight it provides about how people are feeling about working for Surrey County Council.
23. All of the services mentioned in this report have developed action plans and colleagues are being actively encouraged to help shape future changes which have come out of the staff survey results.
24. The below table provides a summary of the key priorities for each of the five services and the actions they are taking to address the concerns raised. This is not an exhaustive list but provides the committee with an overview of the activities taking place.

Service	Priority area	Actions
<b>Cultural Services</b>	<b>Leadership</b>	<ul style="list-style-type: none"> <li>– Increase opportunities for Senior Managers to attend local meetings / hold drop-ins.</li> <li>– Increase the involvement of frontline teams in the co-design of services and policy.</li> </ul>
	<b>Personal Growth</b>	<ul style="list-style-type: none"> <li>– Invite people from others services and externally to speak at team meetings to make staff more aware of different opportunities, how their skills might be transferable etc.</li> <li>– Work with key groups of managers to support them in their role</li> </ul>
	<b>Communication</b>	<ul style="list-style-type: none"> <li>– More proactive and regular communication and engagement with staff (face to face, staff bulletins etc).</li> <li>– Libraries also held a ‘common moral purpose day’ to work on a consistent vision and business plan, which was successful.</li> <li>– Focus in Surrey Arts on celebrating success, which is receiving positive feedback.</li> </ul>
	<b>Wellbeing</b>	<ul style="list-style-type: none"> <li>– Look at upskilling (e.g. IT) to improve efficiency and reduce stress.</li> <li>– Continue work to promote the Wheel of Wellbeing to staff.</li> </ul>
Orbis (Including Business Ops and Property)	<b>Leadership</b>	<ul style="list-style-type: none"> <li>– Create a consistent Leadership Development approach to develop 'one integrated team'.</li> <li>– Clear set of expectations now developed.</li> <li>– Work with Senior Managers in service areas to develop a common understanding of the culture and gain buy-in to support this.</li> </ul>
	<b>Personal Growth</b>	<ul style="list-style-type: none"> <li>– Ensure access to meaningful development and career opportunities that have a real personal impact.</li> </ul>
	<b>Communication</b>	<ul style="list-style-type: none"> <li>– Engage and involve colleagues with</li> </ul>

		<p>delivering the Business Plan.</p> <ul style="list-style-type: none"> <li>– Develop a clear communication and engagement strategy to integrate teams across Orbis (Surrey, East Sussex and Brighton &amp; Hove.)</li> </ul>
<b>Adults Operations</b>	<b>Leadership</b>	<ul style="list-style-type: none"> <li>– 12 staff sessions with Adult Leadership Team (ALT) members from March to April 2017 with approx. 235 staff attending.</li> <li>– Informal open-door sessions with ALT in 5 locations from November 2016 - January 2017.</li> </ul>
	<b>Personal Growth</b>	<p>Following feedback from the dedicated workforce team set up to look at this issue, the following proposals have been made:</p> <ul style="list-style-type: none"> <li>– Introduce training leads in teams across county</li> <li>– Introduce career pathways for specified roles</li> <li>– Ensure opportunities under the new Apprenticeship Levy are maximised.</li> </ul>
	<b>Communication</b>	<ul style="list-style-type: none"> <li>– On-going communication of the results using newsletters, the internal fortnightly 'ebrief', email from the Strategic Director and cascade at management meetings.</li> </ul>
	<b>Wellbeing</b>	<ul style="list-style-type: none"> <li>– Team Wellbeing Sessions held with 13 teams (with the aim of covering all teams) based on the corporate wellbeing team toolkit. These sessions encourage teams and individuals to identify the issues that have the most impact on their wellbeing and come up with a team action plan to support these.</li> <li>– Informal network of wellbeing contacts set up to help promote wellbeing messages and information across the Directorate.</li> </ul>
<b>Fire &amp; Rescue</b>	<b>Leadership</b>	<ul style="list-style-type: none"> <li>– Chief Officer Group to review leadership style and actively promote to improve clarity of approach.</li> <li>– Ensure leadership and coaching considered as much as technical</li> </ul>



		competencies in all appraisals.
	<b>Personal Growth</b>	<ul style="list-style-type: none"> <li>– Increase level of joint training opportunities with partners such as Surrey Police and SECAMB.</li> <li>– Review existing promotion and selection processes to ensure they are transparent and provide equal opportunity.</li> </ul>
	<b>Communication</b>	<ul style="list-style-type: none"> <li>– Face-to-face communications plan being developed allocating senior staff to specific teams to ensure they are consistently engaged in key issues.</li> <li>– Re-introduce ‘Commanders Question Time’, or equivalent, for all middle managers and above and make available to all staff.</li> </ul>
	<b>Wellbeing</b>	<ul style="list-style-type: none"> <li>– Continue to develop welfare initiatives and promote them to support teams with their health and wellbeing.</li> <li>– Review support for Middle Management tier, consider additional ‘Time and/or Stress Management Input’ to help cope with new expectations and workloads.</li> </ul>

25. Each service has been allocated an Organisational Development colleague to support the service’s work in delivering these actions. In addition, the Communications Team is briefed on the survey results and have been proactively including relevant updates and progress on results using the established communication methods.

26. As well as service-led initiatives, the results support the wider corporate work which is taking place to develop a new Leadership Development programme (due to launch in September 2017.) This programme will include Leadership options for current and potential Managers and will include focus on positive role-modelling, managing performance, coaching and having difficult conversations. All of these areas were identified as needing further support in the staff survey.

27. In addition, there is further work on Wellbeing with a focus on healthy workplaces, which is being led by the Strategic Director of Adult Social Care and Public Health. This will be supported by an in-house programme providing specific interventions to help managers tackle stress amongst team members.
28. There has been considerable work over the past 12 months to support the 'One Communications Team'. It is hoped that this will enable more consistency in communications across services and reduce duplication across areas. It is recognised that communication is a common theme for improvement in all of the teams identified in this report and this is something which is being supported corporately.

### **Conclusion:**

29. This report focuses on the services who have scored below the accreditation level in the staff survey in 2015 and 2016 and the identified themes and actions which have arisen as a result.
30. Surrey County Council is aiming to achieve accreditation scores for all services and teams and for results to improve year on year, based on the organisation's ability to make changes as a result of feedback from the survey. The improved response rate has allowed the council to have greater confidence in the staff survey results for 2016 and to have clear results on areas where accreditation has not yet been reached.
31. All the identified services have spent time understanding the results and engaging with their teams to gain further clarity. For services within Orbis, this work extends to colleagues in East Sussex who also contributed to the survey. Following these discussions, the services have produced action plans and shared them with their teams.
32. It is hoped that these improvements will be delivered and result in improved scores for the next survey in October 2017, whilst being mindful of the amount of change and uncertainty within the current context and the impact this will continue to have on teams across the organisation.
33. A corporate programme is being developed to continue to develop and support leadership across the organisation as this remains a lower scoring area. This will be launched in September 2017 and the development of the programme has been closely aligned with the results of the staff survey.
34. There are also corporate initiatives to support the lower scores for wellbeing and communication, which are detailed in this report.

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

35. There are no financial and value for money implications associated with this report. All additional support being provided to services to respond to the

staff survey is through a prioritisation of existing resources and part of the current offer or budget allocations for leadership development.

### **Equalities Implications**

36. In engaging Best Companies to undertake the staff survey, the council is 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. Services will continue to progress their action plans, working with OD Leads and HR Relationship Managers as appropriate to support the delivery of the identified improvements.
- ii. Individual teams have been encouraged to continue to use the data and have conversations to understand their own strengths and areas for improvement.
- iii. The next survey will be undertaken in October 2017, providing a further opportunity to compare results year-on-year.

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**Sources/ background papers:**

Item 9 - Staff Survey Results: People, Performance & Development Committee, 17 February 2017.

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

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People, Performance and Development Committee  
25 July 2017

## Human Resource Policy update - Industrial Action Policy

### Purpose of the report:

For the People, Performance and Development Committee to note amendments to the Industrial Action Policy which have been made in response to recent legislative changes, and to approve additional minor changes to be made in order to align the Industrial Action Policy with other employment policies of the Council.

### Recommendations:

It is recommended that the People, Performance and Development Committee notes the amendments that have been made to Surrey County Council's Industrial Action Policy as a result of changes to relevant legislation and approves further amendments to the policy in order to ensure its alignment with management practice as well as other Surrey County Council employment policies.

### Introduction:

The Trade Union Act 2016 introduces changes that affect the Industrial Action policy. The Industrial Action Policy is a summary of the legal framework governing such action as well as policy decisions made by Surrey County Council (SCC). It provides guidance for heads of service and managers on the types of industrial action and guidance on the steps to take to help mitigate the operational impact of such action. The policy document is attached as Annex 1 to this report.

### Industrial Action Policy:

#### Key Issues and Amendments

1. The Trade Union Act 2016 has introduced a number of changes to the framework which sets out various procedural requirements that apply to balloting employees on proposals relating to industrial action and to providing employers with details/timetables of action that has been authorised.

2. These changes include increasing the validity of a ballot mandate from four weeks to six months, extending the notice required for action from one week to two and imposing a requirement for ballot papers to indicate likely periods and types of industrial action. This means that Trade Unions can take action for up to six months after their members have voted for it, and that they will need to notify the Council at least two weeks before the action starts.
4. The changes also allow employers discretion so that they can agree with unions to only receive seven days' notice of action and/or extend the validity of a ballot mandate by up to an additional three months (i.e. nine months in total).
5. The Industrial Action Policy of the Council has been revised to incorporate the above changes. Furthermore, the revised policy references business continuity arrangements as set out in the Corporate Incident Management Plan and includes links to the direct.gov website which contains information on the relevant legislation and codes of practice.
6. As part of the policy review, minor changes are also being proposed to the arrangements relating to bank holidays and sickness absence falling within/around a period of strike in order to ensure consistency with the relevant policies of the Council.

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

7. The introduction of the proposed policy changes will have no direct financial repercussions.

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

8. There are no specific equality implications from the adoption of the proposed new policy.

#### **Risk Management Implications**

9. The proposed policy revisions introduce no material changes to the way in which risks to the Council are managed although their adoption will ensure continued legal compliance and contribute to mitigating the risk of any procedural disputes arising during periods of industrial action.

<b>Next steps:</b>
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10. Publish the revised policy on s-net.
11. Further engage with managers, employees, HR advisors and Trade Union representatives to disseminate the revised policy.

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**Annexes:** Annex 1 – Surrey County Council Industrial Action Policy

**Sources/background papers:**

The development of the proposed policy changes has been informed by reference to legislation and LGA guidance, discussions among HR professionals, engagement with managers through the CIPN HR group and with Trade Union representatives through the SCCTU/HRLT meeting.

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## Industrial Action Policy Draft 2017

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## 1 Introduction

This is a guide to the legal framework governing industrial action and the issues that should be addressed where industrial action is proposed. It applies to all council employees except school teachers and fire fighters (including those dealing with calls for help and organising their response) for whom there are separate policies.

Firefighting and education of those under 17 are considered "important public services" under the Trade Union Act 2016.

## 2 What is industrial action?

Industrial action, including strike action, is a collectively co-ordinated withdrawal of labour and/or cooperation. There is no legal right to strike but legislation provides a way of ensuring that industrial action can be official and lawful in order to protect employees. Unofficial action is not lawful.

Official industrial action needs to be 'in furtherance of a trade dispute', e.g. disputes about employment terms and conditions; physical conditions at work; recruitment, suspension or dismissal of employees; allocation of work; disciplinary matters; membership or non-membership of trade unions or facilities for trade union officials.

A trade union must organise a secret ballot and secure majority support before notifying an employer of intended action. At least 50% of those eligible to vote must cast their ballot on industrial action for the result to be considered legitimate.

## 3 Types of industrial action

Industrial action normally involves non-attendance at work for a period of hours or days, and constitutes a breach of contract. This means that employers can claim compensation by withholding pay.

Other forms of industrial action include:

- partial performance of duties
- refusal to carry out reasonable instructions
- work-to-rule or go-slow
- ban on contractual overtime
- withdrawal of goodwill.

<https://www.gov.uk/industrial-action-strikes/overview>

## 4 National and local disputes

Surrey County Council has local collective bargaining arrangements with recognised trade unions, collectively described as Surrey County Council Trade Unions (SCCTU).



However some categories of staff are still linked to national pay and terms of conditions of employment. These groups include:

- Fire fighters, whose pay and conditions are set are determined by National Joint Committee for Local Authorities Fire and Rescue Service;
- Teachers, whose terms and conditions are determined by the Department for Education;
- Educational psychologists, whose terms and conditions are determined by the Soulbury Committee;
- Adult education workers, whose terms and conditions are determined by and the Adult Education, National Joint Council (NJC);
- Youth and community workers, whose terms and conditions are determined by the Joint Negotiating Committee (JNC).

In the event of any national industrial action by the trade unions to whom our staff belong, these employees are likely to be balloted. In such cases, disputes are resolved by the National Employers' Organisations as outlined above.

## 5 Notification requirements

The union must ensure that employers are informed of a ballot at least two weeks in advance and provide details of the members that may be subject to ballot including "such information in the union's possession as would help the employer make plans and bring information to the attention of those of his employees".

The union must provide employers with a sample ballot paper not later than the third day before the ballot begins. The ballot paper needs to include:

- o a summary of the matter or matters in issue in the trade dispute to which the proposed industrial action relates;
- o where the paper concerns action short of a strike, the type or types of such industrial action proposed; and
- o the period or periods within which the industrial action or, where relevant, each type of industrial action, is expected to take place

This information will be cascaded to heads of service so that they can start planning.

The union must provide information to the employer about

- The number of:
  - o individuals who were entitled to vote;
  - o votes cast in the ballot;

**Commented [PM1]:** Changes as detailed in para. 3 of Committee paper.



- individuals answering “Yes” to the question, or each question;
  - individuals answering “No” to the question, or each question; and
  - spoiled voting papers.
- whether the number of votes cast is at least 50% of those entitled to vote; and
  - where the “important public services” requirements apply, whether the number of those answering ‘Yes’ to the question(s) is at least 40% of those entitled to vote

Important public services include fire, health services and education of those under 17. The Council follows the Local Government Association (LGA) definition of essential public services, which includes employees directly engaged in fire fighting activity (including those dealing with calls for help and organising their response), education of 5-16 (this includes teachers but not support staff in schools), and health services (but not health and care services delivered by local authorities). Managers should contact MyHelpdeskHR if they require further clarification on whether a particular role or function falls under the definition of ‘important public services’.

**Commented [PM2]:** Amended and new ballot requirements as referred to in para. 3 of Committee paper.

Members’ agreement to a union’s proposed industrial action will automatically expire six months after the date of the ballot, unless the council agrees to an extension request from the trade union(s) involved, in which case the mandate can be extended by up to three months (i.e. a total of 9 months from the date of the ballot).

**Commented [PM3]:** Facility for extension to validity of mandate as mentioned in para. 4 of Committee paper.

Employers must be provided with at least two weeks’ notice before the action begins.

Once the council has been notified that industrial action is to take place, the management cascade will be used to inform managers and employees the actions they are required to take and the likely consequences for pay and other terms and conditions. HR will also be offering advice on the process.

The council may introduce additional measures around the time of industrial action, for example a ban on the use of council IT systems to promote the dispute, and any breach of this ban would be treated as a disciplinary offence.

**6 Behaviour**

The conduct of those involved in any industrial action is subject to normal behaviour framework and concerns or complaints raised will be subject to the normal disciplinary procedures.

**7 Picketing**

Picketing of workplaces is protected by law and, at the County Council, has always been undertaken peacefully and courteously. A dialogue is maintained between senior managers, HR and the trade unions during industrial action with a commitment to dealing



promptly with inappropriate behaviour by either pickets or employees attending work. Any such instances should be dealt with through the usual disciplinary procedure.

Any picket must comply with the relevant code of practice which now must be under the control of an identifiable picket supervisor.

<https://www.gov.uk/government/publications/code-of-practice-picketing>

## 8 What is secondary action?

Secondary action is where a picket tries to persuade employees of another organisation to break their contract, for instance by persuading a delivery driver or contract worker not to cross a picket line. It is lawful providing the pickets are outside their own place of work.

## 9 Guidelines for managers: responding to industrial action

In any dispute, HR&OD will be responsible for promoting an effective working relationship between managers, employees and trade union representatives and will advise services on the required response to industrial action.

Trade unions must give at least two weeks' notice of any official industrial action, to give time to implement contingency plans.

Heads of service should seek to:

- minimise the disruption resulting from industrial action
- maintain essential services, especially for the vulnerable
- ensure that the council's statutory duties are performed
- secure the council's property
- ensure that health and safety standards are met.

They should designate a senior manager (possibly the same person responsible for emergency planning) to co-ordinate a planned response to any action by:

- undertaking contingency planning
- developing a communication strategy.

### 9.1 Contingency Planning

#### Step 1: Risk Assessment

The impact of industrial action should be assessed using the same process as any emergency planning, in order to make contingency plans and protect services.

Managers can ask staff about their intentions, but they should do so courteously and in a way that will not inflame the situation or undermine our longer-term employee relations. It

**Commented [PM4]:** Elaboration on business continuity arrangements, referred to in para. 5 of Committee paper.



is important that employees know that they will not be adversely affected by a decision to take part in the industrial action. Managers also need to be aware that staff are not obliged to say in advance whether they plan to participate in industrial action – so assumptions may need to be made that staff will be participating.

Where managers themselves plan to participate in industrial action it is helpful if they can inform their own managers in advance.

### **Step 2: Agreed exemptions**

Identify the essential services where an exemption should be sought. The union(s) may be willing to help to keep essential services running by giving their members in certain areas exemption from participating in the action.

### **Step 3: Resourcing**

Ensure that adequate resources are allocated for essential work during industrial action:

- Do not grant annual leave on strike days unless it has been pre-booked and authorised some time previously, or is required for exceptional circumstances.
- Reallocate essential work to non-striking members of the work group sensitively, and taking care not to damage their goodwill by asking them to perform additional duties.
- Reallocating work to other groups of employees or using volunteers (e.g. managers) may require additional training, particularly in relation to health and safety. This should happen as soon as possible. You may make reasonable requests for staff to carry out tasks. Reasonableness depends on how important the task is and whether the employee can do it.
- You may need to use temporary staff, contract workers or contractors but be aware agencies are restricted by legislation and may not supply a temporary worker to replace an individual taking part in lawful industrial action.

### **Step 4: Ensuring health and safety**

Employers continue to have statutory duties in relation to health and safety during a dispute. Sometimes the impact of industrial action may affect health and safety provisions. Where possible, introduce alternative arrangements and discuss these with employees in advance.

### **Step 5: Securing council property**

During any dispute, make sure that the following are safeguarded:



- keys and alarm access codes for buildings
- access to depots
- access to fuel
- power, heat and light
- vehicles and their keys
- access to information systems
- access to ICT equipment and systems.

### **Step 6: Develop a communication strategy**

The communication strategy must ensure that council members, the public, the local media, partner agencies, trade unions and employees are kept informed. In the event of a general ballot, there should be a countywide statement of the managerial position. All employees need to be notified of the consequences of participation in industrial action. HR&OD will work with Internal Communications to draft appropriate information.

The communication strategy should aim to

- keep day-to-day links with trade union representatives to resolve difficulties without jeopardising essential services.
- inform employees about the management position on the dispute, and the potential consequences that may result from industrial action (e.g. deductions from pay)

### **Step 7: Record keeping**

Managers must ensure that a careful record is kept of staff taking part in industrial action, for two reasons:

- the Council will be expected to provide prompt information on the numbers of staff participating and the services affected to the national employers, members, press and media, etc.
- the Council will need to make the appropriate deductions from the contractual pay of employees who withdraw their labour as part of industrial action, such as a strike or a contractual overtime ban.

Managers need to ensure the availability of a recording and reporting system to monitor the extent of the action- ideally through SAP or other secure electronic means.

### **Step 8: Review the plan**

Any contingency plan needs to be kept under review and include apparatus to provide quick and effective decisions and responses to changing situations.





## 10 Information about pay and benefits

### 10.1 Deducting pay for strike action

Industrial action is a breach of contract and employers are entitled to damages. In the absence of a contractual agreement to the contrary, the level of damages is calculated by assessing the loss arising from contractual duties that were not performed. That loss is normally worked out by dividing the annual salary by the number of working days (i.e. 260) and deducting pay appropriately.

If the industrial action is for less than a day, such as a two-hour work stoppage, then the hourly rate of pay will be used for the calculation of any deductions. Employees who are paid by the hour, work to term-time only contracts, or have an irregular working pattern, will simply not receive pay for any hours not worked as a result of their participation in industrial action.

Employees must be reminded prior to the commencement of strike action that they will not receive pay for the period they are on strike, and managers should attempt to discern which staff will be absent during the strike and inform the Shared Service Centre. It is important that employees involved in any action are not paid by default. A spreadsheet to provide to Employee Services information about those participating in industrial action is on snet

Employees who fail to attend work on the day of any planned industrial strike action will be assumed to be involved in strike action, for which pay will be deducted.

### 10.2 Deducting pay for action short of a strike

If an employee attends work but refuses to carry out part of their normal duties – ‘partial performance’ – they could be considered to be in breach of their contract of employment and it may be appropriate to deduct a proportionate amount of pay. Pay deducted should be based on an estimate of the damage caused. Any deduction will be a fair proportion of the pay, not a penalty.

Where the industrial action is short of a strike and involves the employee refusing to work in accordance with their contract, including the essential requirements of the job, it may be lawful to deduct pay for the total period of the action. Although this will be rare, it may apply even though the employee has attended work and has agreed to perform some duties. The council will determine its approach to partial performance of the contract according to the nature, frequency and severity of each instance of proposed industrial action.

A consistent approach will normally be applied by the council to all those employees participating in the industrial action. Where a manager requires clarification with regards to any proposed deductions of pay for industrial action short of a strike, they should contact HR for advice.



### 10.3 Non attendance

The council can treat an employee who is not directly involved in the dispute but who refuses to cross a picket line as taking part in the strike. Services should ensure that employees who want to work are not prevented from crossing picket lines.

If the council considers that an employee has done everything reasonable in the circumstance to come into work but has been prevented by events outside of their control, it may decide not to treat the absence as industrial action.

### 10.4 Pension

Pension contributions are not payable for days missed due to industrial action, and that service is lost for pensionable purposes. Employees who are members of the Local Government Pension Scheme who are absent from duty due to industrial action have the opportunity to buy back "lost pension" in relation to the pay lost during the period of action. More information on pension arrangements, including those that apply to members of other schemes, is available through MyHelpdeskHR.

### 10.5 Sickness absence

Employees who are absent due to sickness during periods of industrial action should be paid for the period of absence as normal and not treated as being on strike, unless they explicitly express such a wish.

Where practicable, managers should request employees to submit a medical certificate to cover any sickness absence that overlaps with a period of industrial action, even if the duration of the absence would have allowed for self-certification under normal circumstances. The council will reimburse employees for any fees charged by their GP, or other medical professional, for issuing such a certificate.

**Commented [PM5]:** Amended to align with sickness absence policy, as detailed in para. 6 of Committee paper.

### 10.6 Annual and other leave arrangements

Normal pay arrangements will apply to authorised leave during industrial action.

Where annual leave has been authorised in advance of the industrial action, it should be granted having regard to the needs of the service and normal pay will apply. However, any unauthorised absences should be regarded as "absence on strike".

Managers may wish to consider carefully any requests for special leave, annual leave or TOIL at short notice before a period of industrial action. Managers should encourage employees who do not participate in the action to work as usual. There may also be a need for temporary changes to be made to flexible working arrangements such as working 'compressed hours' and/or from home, however managers need to consider the potential impact on any affected employees who are not participating in industrial action..



Bank or public holidays occurring within a period of strike will be treated identically to other paid holidays. The council will deduct the appropriate amount of pay for employees who work on a shift rota system, are scheduled to work on a public holiday, and withdraw their labour as part of industrial action.

If the day of a strike coincides with an employee's non-working day, the day should be treated as a non-working day.

#### **10.7 Continuous service**

Continuous service is not normally broken by strike action.

#### **11 Returning to work from industrial action**

Once a period of industrial action has ceased, a full return to normal work should be achieved as early as possible. It is imperative to maintain good relations within teams.

Employees who have taken official industrial action should know that a decision to participate will not adversely affect them. Restorative meetings may be a useful way of ensuring that the team spirit is not affected in particular for teams including union members who did not take part in the action.

**Commented [PM6]:** Amended to align with policy on Bank Holidays, as detailed in para. 6 of Committee paper.

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## Human Resource Policy changes – Changes to Annual Leave Accrual and Carry-Forward Arrangements

### Purpose of the report:

For the People, Performance and Development Committee to review and approve proposed changes to Surrey County Council's Annual Leave Policy.

### Recommendations:

It is recommended 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, the facility for them to take such leave during subsequent years and codification of the restrictions which apply to transferring annual leave between employers. The revised policy for the Committee's approval can be found at Annex 1.

### Introduction:

1. Developments in case law over the past few years have introduced a clearly-defined right for employees to continue accruing annual leave during a period of sickness and prevents employers from requiring staff to take holidays during a period of sickness.
2. In reviewing the Annual Leave Policy, officers have noted a facility that allows employees to transfer annual leave entitlements while moving between employers within local government. It is proposed to remove the facility in question, as it is not consistent with current management practice in Surrey County Council or other employers within the sector.

### Annual leave policy

#### Key Issues and Amendments

3. The current annual leave policy of the Council allows the carry-forward of "*up to half of the annual leave entitlement*" to the "*following leave year*". That approach is incompatible with recent case law which has established a right for employees to carry forward their basic statutory leave entitlement (i.e. 20 days per annum)



for more than one leave year if sickness has prevented them from making use of it.

4. Recent decisions by the Courts have indicated that the expectation is for employers to allow the relevant carry-forward for between 15 and 18 months.
5. The current policy states that employees can reclaim annual leave that has been lost to sickness but does not clarify that they are legally entitled to cancel pre-booked periods of leave if an accident or illness disrupts their plans prior to the commencement of such a period. Making that distinction could be useful in certain situations, particularly with regards to accidents that may disrupt holiday plans without resulting in the employee's absence from work.
6. The current policy states that "*statutory annual leave continues to accrue during periods of sickness absence*". As all Council employees have a contractual leave entitlement that is in excess of the statutory minimum, the provision in question introduces a distinction in the rate of annual leave accrual. However, the above distinction is not applied in practice, as annual leave entitlements are calculated by the Payroll system at the beginning of the leave year.
7. Similarly, the Payroll system calculates carry-forward balances at the end of the leave year. A limit of 15 or 18 months could be applied together with a requirement for managers to request manual adjustments to be made. However, such adjustments would represent an administrative burden, are unlikely to yield significant savings to the Council and can even exacerbate operational pressures through incentivising affected employees to request leave at the beginning of the year. Furthermore, manual adjustment requests could create employee relations difficulties with management being perceived as lacking in compassion and 'penalising' a member of staff for having experienced health issues.
8. The current policy provides a facility for employees to transfer annual leave entitlements between local government employers. There is no legal requirement for the Council to offer that facility to its employees, and in fact it is not applied in practice in either SCC or the wider sector. Accounting for annual leave transfers would be very difficult to co-ordinate with employers who do not have such arrangements in place, and could also create additional costs to the Council. Employees leaving the organisation receive payment in lieu of any untaken leave outstanding on their last day of service- the current policy already has a relevant provision in place.
9. The People, Performance and Development Committee is therefore invited to agree amendments to the Council's Annual Leave Policy. These include abolishing the facility to transfer leave entitlements between employers and the sickness-related distinction in annual leave accrual rates, confirming the entitlement to cancel pre-booked periods of leave when an employee falls ill and extending the validity of leave entitlements carried forward until the end of the second leave year after the absence has taken place (e.g. an employee who had



not taken any leave in early 2016 and was sick from March until December of that year would be able to carry forward 20 days of leave, which they would be able to take until 31.12.2018).

**Financial and value for money implications**

10. It is expected that the proposed amendments to the Policy will not result in any discernible financial impact to the Authority. There is a notional cost associated with increasing the rate of annual leave accrual during periods of sickness but, as described above, this is already happening in practice; that logic can also be applied to the extension of the carry-forward arrangements by an additional nine months.

**Equalities and Diversity Implications**

11. There are no specific equality implications from the adoption of the proposed new policy apart from the possibility of some disability-related absences receiving slightly more advantageous treatment with regard to leave accrual/carry forward than they would under current provisions.

**Risk Management implications**

12. The proposed policy revision aligns Council policy with recent developments in employment law, thereby reducing the risk of the Council receiving legal claims for unfair dismissal and other relevant reasons (e.g disability discrimination).

**Next steps**

- 13. Publish Surrey County Council’s revised Annual Leave Policy on s-net
- 14. Engage with managers, employees, HR advisors and Trade Union representatives to disseminate the revised policy and embed it into employment practice.

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**Contact details:** E-mail: prodromos.mavridis@surreycc.gov.uk, Telephone: 02085417891

**Annexes:**

Annex 1 – Surrey County Council’s Annual Leave Policy

**Sources/background papers:**

The proposed changes have been developed through consultation between HR and other officers of the Council, principally in Legal Services, Data Operations, and Payroll/Employee Services.

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## Annual Leave Policy

### Introduction

This policy explains who and what is covered by annual leave, with details for fixed-term and part-time employees, as well as those working part-year. It describes entitlements and exceptions, gives guidance on how to calculate annual leave and how to apply for or cancel it. It also outlines entitlements to paid time off for public holidays.

### Who it covers

The policy details the annual leave entitlements for all Council employees working on Surrey Pay terms and conditions, including full-time, part-time and fixed-term (employed for more than one month) or bank staff.

For other groups of staff not on Surrey Pay, advice concerning annual leave entitlements should be obtained from line managers or MyHelpdesk.

### How it's worked out

The annual leave year runs from 1 January to 31 December and leave is specified in hours for both full and part-time staff (a standard working day is 7.2 hours.)

New full-time council staff accrue annual leave at the rate of 172.8 hrs (24 days) per annum.

Full-time employees who have been employed by a local authority (or other organisation covered by the Redundancy Payments Modification Order) for 5 or more continuous years accrue annual leave at the rate of 201.6 hrs (28 days) per annum.

Part-time employees will be entitled to the pro-rata equivalent of the applicable full-time entitlement.



A [calculator](#) is available on snet

## Special Circumstances: Leaving, Transfer, Sickness

The following provides information on special circumstances that may affect entitlement. However, the list is not exhaustive so if you have any doubts please contact MyHelpdesk.

### Additional hours and standby

In determining the normal pay of an employee during annual leave, the following payments should be included:

- Regular additional hours payments made to employees whose contract terms of employment provide that they must, each month, work hours in excess of the usual hours (and for which additional hours payment is made as a regular addition to salary).
- Regular payments made for standby duty or for working arrangements other than normal office hours.

### Carrying forward leave

Employees are encouraged to take their full leave entitlement during the leave year. However, if exceptional circumstances occur which prevent this, up to half of the annual leave entitlement may be carried forward to the following leave year. Carry-forward requests are subject to approval by the employee's line manager.

A new employee who, at the end of the leave year, has not completed six months service and has leave outstanding, can carry forward any unused entitlement to the next leave year.

Different carry-forward arrangements apply to employees who have been unable to take their annual leave due to sickness. Such arrangements are set out in the relevant section of this policy (entitled 'Sickness during annual leave').

### Fixed-days

The council retains the right to fix up to 21.6 hrs (3 days) annually, for all Surrey Pay staff or for designated staff groups, following consultation with the trade unions. The intention is to use this provision to meet operational needs e.g. to enable Christmas and New Year closure so office staff can have a five-day Christmas break.

### Leave taken in excess of entitlement:



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For staff who, for whatever reason (e.g. a mid-year reduction in contractual hours or technical issues with reporting/accounting), have taken more leave than their entitlement, the first option should be for the excess time to be made up within an agreed period. Managers and staff should endeavour to agree on a workable solution. Where the adjustment of working hours is not possible, the options for adjusting the leave entitlement for the following leave year or making a pay adjustment should be considered and discussed with staff.

### **Joining and leaving during the leave year**

Employees joining the Council will be entitled to 1/12 of the appropriate annual leave entitlement for every month completed before the following December. In addition, any fractional part of a month worked will earn pro-rata leave. Employees leaving the Council will have a similar entitlement calculated on the number of months worked between January and the date on which they leave.

### **New Starters**

Newly-appointed employees may request leave, and line managers are able to authorise such requests. However, when a leave request is submitted for an extended period of time, both parties should be aware that the employee's probationary period may have to be extended in order to allow management to gather more evidence on the performance/suitability of the new employee.

**Commented [PM1]:** Amended to align with new probationary policy that allows extensions.

### **Leave arrangements when leaving the Council**

When an employee resigns, or is dismissed, from their post with the Council and has leave outstanding, they should normally take that leave during the notice period. If operational reasons prevent that from happening, payment in lieu of the leave not taken will be made based on the total number of hours outstanding.

When an employee resigns, or is dismissed, from their post with the Council and has taken more leave than their entitlement (e.g. because their entitlement is recalculated on a pro-rata basis as a result of them leaving the Council part-way through the leave year), the Council will make an appropriate deduction from their last salary payment.

### **Part-year (term time) employment**

If an employee is employed on a part-year basis (e.g. term time only), annual salary is normally calculated to cover the weeks of work plus the monetary value of annual and public holiday entitlement. Salary is then paid in twelve equal monthly payments and holiday pay is included, continuously, in the salary throughout the year on a "spreadover" basis.

Should the employee give notice to terminate their contract during a "holiday" period, the Council will pay for holidays only for the period up to and including the



last day worked. The final salary will be re-calculated when the employment is terminated.

#### **Purchase and sale of annual leave:**

All staff must seek permission from their line managers to 'buy' or 'sell' annual leave, and access to the benefit may be restricted for operational reasons. Full details can be found in Flexible benefits.

#### **Sickness during annual leave**

An employee who is sick during a period of annual leave will be able to claim back only the annual leave lost due to sickness absence. For example if annual leave was booked for 5 days and employee was ill for 2 days, only the 2 days can be claimed back.

A minimum of one day's annual leave can be claimed back if employee was ill on that day.

- a) Employee will need to report it as sickness absence
- b) Days off sick will be treated as sick leave and employee will have the a/l quota returned to them
- c) Managers reserve the right to ask for a fit note / medical certificate even for one day's of sickness absence in such a situation
- d) Managers must monitor such sickness absence episodes through the normal sickness absence monitoring process.
- e) Employees who fall ill immediately prior to a period of pre-booked annual leave will be able to cancel the entire period of leave even if they are likely to recuperate within a shorter timeframe. Similarly, the Council will endeavour to accommodate the needs of employees who suffer from an illness or injury that does not prevent them from carrying out their work duties but would compromise their ability to utilise their annual leave in the manner they would prefer (e.g. an office-based employee spraining an ankle shortly before a skiing trip).

**Commented [PM2]:** Change as described in para. 5 of Committee paper.

#### **Annual leave during sickness**

Annual leave continues to accrue during periods of sickness absence. Staff on long term sick leave (i.e. for all or a large proportion of the leave year) should seek advice from their line manager on their position with respect to annual leave. Managers should discuss the issue with HR before making decisions on individual requests.



SURREY

Employees who have been unable to take their annual leave due to being away from work on sick leave may carry up to the basic statutory leave entitlement (20 days per annum for a full-time employee, pro-rata for part-time staff) forward into the next two leave years (e.g. an employee carrying forward 20 days that have been accrued in 2016 may take them until 31 December 2018).

**Commented [PM3]:** Change as described in para 3. of Committee paper.

### **Transferring between local authorities**

Employees who transfer to the Council's service from another local authority are not able to bring any outstanding leave entitlement with them. Similarly, employees who leave the Council and join another local authority cannot carry forward any outstanding leave entitlement to their new employer.

**Commented [PM4]:** Change as described in para. 8 of Committee paper.

## **Applying for or cancelling leave**

### **Council policy**

The Council seeks to be an equal opportunities employer and, wherever practicable, will try to accommodate cultural and religious needs in conjunction with operational requirements. Should there be a need to take time off for cultural/religious reasons, the Council would expect the employee to utilise annual leave for that purpose. If there are particular cultural/religious needs which cannot be accommodated through the usual leave arrangements, they should be raised with the line manager in the first instance.

### **Requesting annual leave**

Requests for annual leave should be submitted to your line manager, via the portal, or in line with your service's local practices. Wherever possible, requests for periods of a week or more should be made well in advance to assist in the planning of team resources.

For all groups (except non-teaching staff in education) the timing of annual leave is subject to the prior agreement of local management and will take into account the need to maintain service delivery.

### **Agreeing annual leave**

Wherever possible, managers should agree leave requests, bearing in mind the needs of the service, but also being sensitive to the personal/cultural requirements of the employee.

Managers must ensure that employees' annual leave is authorised and recorded against their annual entitlement.



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## Education staff

The majority of employees in education are required as a condition of employment to take their annual leave at times when educational establishments are closed to pupils. This requirement may be varied at the discretion of management on an individual basis only where exceptional circumstances exist. School Governing Bodies may designate additional/more detailed policies and processes to apply on a local level- Bursars/School Business Managers will be able to assist staff with any queries.

## Public Holidays entitlement

Information listing public holidays and the entitlement is set out on s-net.

### Public Holidays

- In addition to annual leave, employees are granted paid leave (or pro-rata equivalent for part-time staff) in respect of public holidays. Entitlements to the amount of paid leave in respect of public holidays apply to all Council employees, regardless of whether their working patterns include working on designated holidays. There are normally 8 public holidays in a year:
- One day at New Year – New Year's Day
- Two days at Easter – Good Friday and Easter Monday
- One day at May Day – First Monday in May
- One day at Spring Bank Holiday – Monday (usually the last in May)
- One day at Summer Bank Holiday – Monday (usually the last in August)
- Two days at Christmas – Christmas Day and Boxing Day

People, Performance and Development Committee  
25 July 2017

## Key Worker Housing

### Purpose of the report:

To provide the People, Performance and Development Committee with preliminary analysis exploring the options available to enhance the provision of key worker housing in Surrey and to determine whether further analysis into a fully costed feasibility study should be undertaken in this area.

### Recommendations

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

- notes the suggestion to broaden the current signposting of available housing support in Surrey to all potential candidates;
- agrees that the strategic leads identified should work with the district and borough councils 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
- 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.

### Background

1. On 6 December 2016, Mr Ian Beardsmore (Former County Councillor) brought a motion to Full Council to move under Standing Order 11. Following discussion and debate, this motion was amended and agreed as below:

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.

This Council has previously agreed that more emphasis should be given to key worker housing as one approach to dealing with this problem.

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.

2. A glossary of terms supporting this report is outlined in Annex 1.

### **Methodology**

3. A number of approaches were taken when carrying out this preliminary analysis:
- i. consideration was given to Surrey County Council's (SCC) previous experience of running a staff housing scheme;
  - ii. a review of the key worker housing offer currently available was undertaken to understand what is in place nationally via central government, locally via district and borough councils and what other County Councils are doing in relation to this; and
  - iii. research was carried out into the Council's current needs: identifying the 'hard to recruit and/or retain' roles in the context of key workers; reviewing analysis previously undertaken in relation to recruitment and retention issues; and by holding further conversations with some of the managers of those hard to recruit and/or retain skilled roles to understand the current reasons why the Council experiences difficulties in attracting and retaining them. Financial data was also sought in relation to agency spend and current activities that are in place to reduce these costs.

### **Surrey County Council housing schemes**

4. Up until 1 April 2011, SCC ran a limited staff housing scheme which offered single rooms for single staff within shared properties. The occupancy within the accommodation was designated to be time-limited (short-stay) such that it provided transitional housing, especially important to those who were moving into the area. It was also thought to provide support to those staff particularly at lower salary levels. Staff were expected to use the short-stay scheme to find more permanent, longer term accommodation.
5. At the closure of the scheme in 2011 there was a portfolio of 28 buildings with 91 available individual letting rooms. Approximately 13 new members of staff made use of the scheme in that year out of a total intake of approximately 1,800 new staff over the same period. In November 2010, of the 91 letting rooms only 47 were occupied. At that time Cabinet decided that there was no justification for establishing an alternative scheme.
6. The recommendations made to discontinue the Staff Housing Scheme were based on the following:
- alternative accommodation at comparable rents within private houses and flats was widely available throughout Surrey;
  - there were other government-funded schemes aimed at helping first-time buyers and renters to enter the housing market;



- the scheme was resource intensive to manage within SCC;
  - the scheme operated at a revenue deficit when the costs of administering it was taken into account and tied up SCC assets;
  - uptake for this type of “bed-sit” accommodation was limited;
  - it became difficult to enforce the time-limited terms of the accommodation. For example, in November 2010, 86% of tenants were reported to have been in occupation for more than one year;
  - recognition that SCC is not a housing authority; and
  - right to Buy and other Housing Act considerations impacted upon the scheme.
7. In 2004, the Executive agreed to a Key Worker Housing Scheme with an initial budget of £1m. There were three strands to the scheme; equity assistance, rental subsidy and web based advice through SCC’s intranet. The equity assistance scheme was the key focus, however due to adverse funding, taxation and legal issues the scheme did not proceed and in 2006 the Executive agreed to its formal cessation. It was also agreed not to proceed with the alternative rental subsidy scheme due to funding issues identified. Instead it was agreed to implement a communications plan to better promote the employee Relocation Assistance Policy and housing support available locally and nationally on the staff intranet.
8. There are posts within the Authority which still have tied housing. These have diminished in number over time with an example being a School Caretaker living on school site. Tied Housing is specific to performing a role and not open to apply for.

### The national and local housing offer for key workers

9. **Key workers:** SCC does not currently have an established definition of a key worker. Key workers are traditionally viewed as front line roles that are required to provide essential public services. Many definitions of a key worker exist and the term has been used by various groups and government institutes in different ways. These range from the narrow definition of nurses, police officers and teachers up to the view that all staff, whether public or private, can be key workers depending on the needs of their employers.
10. Certain job roles in the Council are considered difficult to recruit to and/or retain because of their specialist nature which creates a scarcity and competitiveness in the market. These roles are placed under a ‘hard to recruit/retain’ category. In December 2014, criteria to identify these roles was agreed by the People, Performance and Development Committee (PPDC) in order to determine whether further incentives needed to be offered to attract and retain job incumbents for these roles. The agreed criteria can be found attached to this report as Annex 2.
11. It is important to differentiate between key workers and ‘hard to recruit and/or retain’ job roles at SCC as these may or may not be the same. This preliminary research and analysis postulates that the key factor for SCC is not in relation to key workers by the traditional definition, and that which housing associations use, but more towards our identified ‘hard to recruit and/or retain’ roles that would

therefore be considered key workers at SCC for these purposes. Further work would, however, be required to review this and ensure a clear definition of key workers for SCC is developed.

12. **The national offer:** Housing support on offer from central government is in the form of the Help to Buy schemes which include shared ownership, equity loans and ISAs. Some provide help specifically for first time buyers whilst others provide help for those wishing to move to buy their own home. These schemes are available to all who meet the criteria and no additional support or priority is available to those deemed to be key workers.
13. Some employees within SCC's 'hard to recruit and/or retain' roles would be eligible to access these national schemes. However as they are dependent on a variety of factors, including household income not just individual salary, this would vary from person to person dependent on a wider range of personal circumstances than simply the post they hold.
14. **The local offer:** As SCC is not a housing authority, it does not have the remit or responsibility to provide social housing or associated schemes. In Surrey this responsibility resides with district and boroughs councils and, as such, they are able to access elements of national funding which are not open to SCC.
15. The administration of social housing in Surrey via district & borough councils is often through housing associations. A research exercise was conducted to identify what the districts & councils within Surrey currently offer. As can be seen in Annex 3, three of the eleven second tier authorities in Surrey provide support specifically for key workers all each of these have their own definitions and eligibility criteria. It is currently unclear whether the eligibility criteria used by district and borough councils would enable any of SCC's key workers to be housed. In addition, one of the three (Elmbridge) indicate on their website that demand has outstripped supply which will impact the amount of time eligible applicants are likely to have to wait to be housed. As a result Elmbridge BC have advised that no new key worker housing accommodation applications will be accepted for the time being.
16. Research has also been carried out to understand the provision of housing for key workers on offer by neighbouring County Councils. Annex 3 demonstrates that none of the authorities reviewed offer this and, like SCC, housing support in those areas is administered by district & borough councils.
17. **The Council's offer:** Property and land values in Surrey are high which means that any proposal to introduce a direct supply model which involved SCC purchasing or leasing assets would require a commitment to high levels of investment. By means of highlighting financial context, Annex 4 shows average cost of buying houses across Surrey as per a recent 'Get Surrey' news article while Annex 5 outlines a rough estimation of costs by way of example. A fully costed feasibility study would be required including further work to fully understand the number, type and location of properties required to meet future staffing needs and to seek specialist legal advice into the complex legal problems that such a scheme would pose.

18. Following a review of the information currently provided to applicants on the job pages of SCC's website, it was found that housing information is not readily available to the public. Work has previously been done as part of the Children's Improvement Plan to improve the Children's Social Worker job pages which included signposting to the national and local housing offers available. This included:

- providing information on the Council's Relocation Assistance Scheme;
- a link to information on the Government's Help to Buy Schemes which supports people to buy their own home: <https://www.helptobuy.gov.uk/>
- A link to bpha, the 'help to buy agent' in Surrey and details of the schemes available to buy a property or to rent for less than the market value to enable them to save up a deposit to buy their home.
- A link to a specialist national search engine for key workers to use to carry out a free search for rooms or housing available.
- National building firms also sometimes offer key worker housing, so SCC recommends staff or candidates looking to move to Surrey to contact them directly if they're thinking of purchasing a new build.
- Links to the websites of Surrey's district and borough councils.

19. **Next steps:** From this work it can be seen that there is a need to improve signposting to ensure all applicants, not just those interested in Children's Social Work roles, can find further information about the national and local housing offers available to access.

20. Further work could also be done to liaise with all 11 district & borough councils to explore the possibility of them agreeing to develop their schemes to include those positions that the County Council deems hard to recruit and/or retain as part of their key worker schemes. Whilst it is thought unlikely that all will agree, for example Elmbridge who are already at maximum capacity; where it can be agreed it would serve to increase the opportunities available to staff.

#### Recruitment and retention: What we already know

21. **Hard to recruit and retain roles:** The recruitment and retention difficulties that the Council experiences are well known within a number of services. As per paragraph 10, work has been carried out to aid the identification of these roles and what incentives can be offered to attract and retain skilled workers. For reference, Annex 6 lists the roles that are currently considered 'hard to recruit and/or retain'.

22. During April and May 2017, conversations were held with some of the hiring managers of these 'hard to recruit and/or retain' roles. They suggested that whilst housing is an issue for some individuals there are wider concerns over workload and pay in comparison to the market. These are areas that are being or have been addressed through various initiatives including the Children's Improvement Plan as well as the Pay and Reward Review.

- 23. Employee Value Proposition:** This financial year, the Business Operations team have been leading on a project looking to develop SCC's Employee Value Proposition (EVP). This work looks to attract more candidates who embody the Council's values whilst managing its own employee engagement to ensure all prospective and current employees have a clear and accurate understanding the value of working for SCC. The entry survey conducted as part of this work highlighted that candidates consider location (working locally/ease of travel) as a very important reason for choosing an organisation to work for. Housing support was not listed as a reason in helping someone to decide to work for or to continue to work for SCC.
- 24. Analysis of Adults and Children's Social Worker recruitment and retention issues:** Much work has been done by Adult Social Care and Children's Services to understand the reasons why people are attracted to the Council as an employer and why they choose to leave. This included a year-long exercise to carry out exit and entry interviews with all Children's Social Work staff and the introduction of exit interviews for Social Work staff in ASC. A joint piece of work was also carried out in 2016 to interview newly recruited Social Work staff to understand what the barriers are to being a Social Worker within the Council's Children's and Adults' Services. This work highlighted some recommendations to be considered including housing support and led to the changes to signpost housing support available via the Children's Social Work job pages.
- 25. Work undertaken to date:** As a result of the above work a number of improvements have already been made to support the attraction and retention of staff to hard to recruit and/or retain roles. This has included:
- improvements to the corporate Relocation Assistance Scheme;
  - A review of the ASC three year workforce plan;
  - Children's Services improvement work which included clearer messaging about the 'Surrey offer' and improvements to the Start-up Payments Scheme;
  - a joint initiative to introduce a 'Refer a Friend' Scheme for Adult Social Care and Children's Services Social Work and Occupational Therapy staff;
  - increased direct engagement work with permanent and temporary recruitment agencies and locums to increase the number and quality of CVs being submitted;
  - a project to identify barriers to retention in the Procurement Team and work to develop a refreshed recruitment and retention strategy is underway;
  - A corporate review of SCC's induction processes is being carried out; and
  - the Pay and Reward Review included a comprehensive review of Surrey Pay rates to show the Council's comparable position in the wider South East employment market that was used to inform the new Surrey pay bands. Its implementation also ensured pay and career development is appropriate for all qualified and non-qualified staff.

## Agency Spend

26. The motion submitted to Full Council by Mr Beardsmore suggested that by increasing emphasis on key worker housing this could help the Council's recruitment and retention issues and therefore reduce expenditure on agency staff.
27. In order to maintain a flexible workforce and meet the needs of residents and service users, SCC is always going to need access to workers on a temporary basis. Whilst the Council is committed to reducing agency spend it recognises that to maintain compliance with statutory requirements the use of agency workers is necessary.
28. The Council spends approximately 4% of its staffing bill on temporary workers per year. Over the past year, HR and Procurement have been engaged in a project to improve the Council's agency worker arrangements. This has included implementing a new framework contract agreement. The table below shows the Council's agency spend over the past five years. The decline in spend since 2015 highlights commitment to reduce these costs to the Council. This has been achieved through improved monitoring and scrutiny as well as working closely with services.

Year	2012/13	2013/14	2014/15	2015/16	2016/17
<b>Total</b>	£13,930,188	£13,808,533	£11,236,472	£13,717,838	£12,405,744

29. To further reduce agency spend, Children's Services signed up to the South East Regional Memorandum of Cooperation in relation to the supply and demand of children's social work staff. As part of the agreement, there is now a maximum pay cap in place for all levels of social work staff. Adult Social Care have since signed a similar Memorandum of Cooperation.
30. Conversion conversations have been held with locum social workers over the past year in order to explain the 'Surrey offer' and the benefits of working for SCC on a permanent basis. From this, seven have moved onto permanent employment contracts with Adults Social Care and 12 within Children's Services.
31. Following changes to tax legislation from April 2017 (IR35), assessments conducted identified a number of off contract vendors that have been supplying workers to various services. HR Contract Management are working with Adecco (SCC's master vendor provider) to invite any off contract vendors to join the Adecco supply chain. This is expected to reduce the Council's agency spend as the Adecco contract is part of an agreed national framework with fixed rates.
32. In conclusion, the Council has taken considerable steps to put pressure on our agency spend. The proportion of spend against our overall staffing costs is low and the potential for key worker housing to reduce this further is potentially limited by the costs that would be associated in investing in such a scheme.

<b>Summary</b>
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33. **Direct delivery:** SCC previously offered a limited staff housing scheme with the aim of attracting staff providing transitional support to those moving into the area. The scheme was costly, resource intensive to manage, gave rise to a number of legal and HR issues and ultimately did not effectively continue to meet the aims it set out to achieve.
34. Legal expertise would be required to understand how the Council could enter into any direct delivery key worker housing scheme in future as this is not a core SCC function. Any scheme would result in high levels of investment and would also have to adopt complex legal arrangements to avoid the creation of a direct landlord and tenant relationship between the Council and an employee benefitting from such a scheme to avoid them having a Right to Buy in line with the Housing legislation. To date, no comparable research examples have been found of other County Council's undertaking direct delivery models.
35. **National and Local housing offer:** Central government offers housing support in the form of the Help to Buy Schemes. They are available to all who meet the criteria and no additional support or priority is available to those deemed to be key workers.
36. In Surrey, district and borough councils act as local housing authorities and, as such, key worker housing forms one of their considerations. Key worker housing is a generic term which can be interpreted in many different ways but broadly is related to fields of employment which provide essential services to an organisation. The Council's current 'hard to recruit and/or retain' roles are not clearly articulated within these schemes.
37. **SCC's recruitment and retention work:** Research was undertaken into difficult to recruit and/or retain posts across the Authority. This looked at action currently underway to tackle recruitment issues and what the main blockers to recruitment and retention are. It is clear that there are hard to fill and retain posts in the authority, however, previous analysis and recent interviews with managers of a number of these posts suggested that, although cost of living in Surrey is high and impacts on some individuals, it is not considered a major factor resulting in posts being hard to fill. Instead this work suggested that elements of pay, progression and work activity are all part of the challenge and either have been or are being addressed.
38. Expenditure on agency staffing is currently low at around 4% of the total staffing bill and work is ongoing to reduce this figure further. The Council's policy on using temporary workers recognises the legitimate use of agency or temporary staff as they are likely to remain part of the workforce. There is no evidence that introducing a key worker housing scheme would reduce the agency staff bill in a cost effective way when off set against the cost of investing in the scheme.

## Options

39. This work has suggested a range of options as follows:

- i. **Direct Delivery:** Conduct a full feasibility study to understand any different schemes that are legally possible around direct delivery of key worker housing by SCC. This would require legal involvement, expertise and advice which has not been sought as part of this preliminary analysis. Any model which involved a purchase or lease of assets would require a commitment to high levels of investment. As outlined in paragraph 17, Annexes 4 and 5 show the average property prices and a rough estimation of cost by way of example. The feasibility study would need further work to be completed in order to fully understand the number, type and location of properties required to meet future staffing needs and the associated costs of such a scheme.
- ii. **Promote existing national and local schemes:** Broaden SCC's current offer by ensuring information about national and local housing support is made available on the website so that they are visible to all applicants for roles at the Council. Signposting could be done via the general 'Benefits of Working for Surrey' page on the public website rather than solely via the Children's Social Worker pages where it currently sits.
- iii. **Seek to enable our staff to access local key worker schemes:** Seek agreement for SCC strategic leads identified to work with each district & borough council and have discussions with them on the potential to increase their eligibility criteria for key worker housing to include the County Council's hard to recruit and/or retain roles thereby widening the support that SCC offers. A list of strategic leads can be found in Appendix 7.

## Conclusions

40. The conclusion of this work suggests that the cost of direct supply of staff housing is likely to be significant.
41. Information gathered from managers and their staff in hard to recruit and/or retain roles does not suggest that housing is a key factor they are looking for in the employment offer. Therefore, whilst a feasibility study could be conducted, the benefits to the Council in terms of staff recruitment and retention through a focus on key worker housing does not appear an appropriate option to warrant further investment.
42. Wider signposting to better promote available housing support and seeking support from the district & borough councils to increase their eligibility criteria for key worker housing to include hard to recruit and/or retain posts is likely to have greater impact and is therefore the recommended way forward.

### Financial and value for money implications

43. The review has not identified a high level strategic business case to suggest that investment in key worker housing would represent value for money to the residents of Surrey through improved staff recruitment or retention, nor would it seem likely to reduce agency costs further. To develop a more detailed feasibility study and business case would incur additional cost and divert scarce resources from other priorities areas that are critical to the strategic focus of the Council in moving towards a long term sustainable financial position.
44. Although SCC is not a housing authority, it is still subject to legislation which allows Council tenants to exercise a Right to Buy and historically the Council has had to sell properties at the appropriate discount to employees where strict criteria linking that employee's tenancy to the better performance of their employment duties has not been met. In order to avoid this, any future scheme would have to adopt complex legal arrangements to avoid the creation of a direct landlord and tenant relationship between the Council and an employee benefitting from such a scheme.

### Equalities and Diversity Implications

45. There are no equality and diversity implications from the research undertaken for this report.

### Risk Management Implications

46. There are no risk management implications from the research undertaken for this report.

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#### **Annexes:**

Annex 1 – Glossary of Terms

Annex 2 – Criteria for determining hard to fill roles as agreed by PPDC – December 2014

Annex 3 – Key Worker Housing Benchmarking Exercise – April 2017

Annex 4 – Buying a House in Surrey

Annex 5 – Example of possible costs required for a direct housing scheme

Annex 6 – Hard to recruit roles as of April 2017

Annex 7 – SCC Strategic Leads by District/Borough



**Background papers:** None

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## Annex 1

## Glossary of Terms

<b>Key worker</b>	A <b>key worker</b> is a public sector employee who is considered to provide an essential service.
<b>Right to Buy</b>	The <b>Right to Buy</b> scheme is a policy which gives secure tenants of councils and some housing associations the legal right to buy, at a large discount, the home they are living in.
<b>Help to buy</b>	<p><b>Help to Buy</b> schemes were created by government to help first time buyers, and those looking to move home, purchase residential property.</p> <p>These include:</p> <ul style="list-style-type: none"> <li>• Shared Ownership - offers individuals the chance to buy a share of their home (between 25% and 75% of the home's value) and pay rent on the remaining share. This scheme is operated through Housing associations. Eligibility criteria states that your household income has to be £80,000 a year or less outside London, £90,000 a year or less in London.</li> <li>• Equity Loans - lends individuals up to 20% of the cost of their newly built home, so they only need a 5% cash deposit and a 75% mortgage to make up the rest. They are not charged loan fees on the 20% loan for the first five years of owning their home.</li> <li>• ISA - If an individual is saving to buy their first home, the Government will boost their savings by 25% if they open a Help to Buy ISA. For every £200 they save, they will receive a government bonus of £50. The maximum government bonus you can receive is £3,000.</li> </ul>
<b>Housing Association</b>	<b>Housing associations</b> are private, non-profit making organisations that provide low-cost "social housing" for people in need of a home.
<b>Affordable Housing</b>	<b>Affordable housing</b> is housing which is deemed affordable to those with a median household income as rated by country, state (province), region, or municipality by a recognised Housing Affordability Index.
<b>Social Housing</b>	<b>Social housing</b> is an umbrella term referring to rental housing which may be owned and managed by the state, by non-profit organizations, or by a combination of the two, usually with the aim of providing affordable housing. Social housing can also be seen as a potential remedy to housing inequality.
<b>Supported Living</b>	<b>Supported living or supportive living</b> refers to a range of services designed to help disabled citizens retain their independence in their local communities.
<b>Tied Housing</b>	<b>Tied Housing</b> is housing provided to an employee by the employer and is contractually linked to the job role (e.g. a caretaker may be required to live in an on-site property). The employee would be required to vacate the property should the employment cease details of which would be contained specifically in the contract of employment.

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## Criteria for determining hard to fill roles as agreed by PPDC – December 2014

No	Criteria
1	<p><b>Retention issues</b> High turnover rate with inability to fill and loss of critical/organisation specific knowledge or capacity.</p>
2	<p><b>Significant recruitment issues</b> E.g. two or more failed recruitment attempts using all available channels in the rolling 12 months.</p>
3	<p><b>Benchmarking of pay</b> (including any additional information on reward package) Shows significant difference to competitors for same candidates with immediate impact</p>
4	<p><b>Service delivery impact</b> Critical issues impacted by staffing levels e.g. safeguarding, immediate risk of personal safety, economic loss, damage to property, damage to reputation.</p>
5	<p><b>Short-term measures in place that require urgent review</b> In order that permanent solutions can be implemented, e.g. <i>very expensive or failure to review may lead to increased likelihood of service delivery issues.</i></p>
6	<p><b>Significant budget impact</b> Need for agency or locum staff to fill vacancies to medium or long term at higher cost rate.</p>
7	<p><b>Pay differential issues connected to partnership working</b> with external organisations, e.g. progression.</p>

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## Appendix 3

### Key Worker Housing

#### Benchmarking exercise – April 2017

<p><b>Districts &amp; Boroughs</b></p> <p>The websites for all District's &amp; Boroughs within Surrey detail information regarding the housing associations they work with, the housing options an individual can access and links to help to buy and shared ownership schemes.</p> <p>Below details the 3 councils whose websites specifically highlight that they offer housing to key workers at a priority level.</p>	
<p><b>Elmbridge Borough Council</b></p>	
<p><b>What is on offer for Key Workers?</b></p> <p>The Council no longer owns, manages or develops affordable housing.</p> <p>Affordable housing is delivered by housing associations</p> <p>There are a limited number of homes provided by housing associations in Elmbridge which are let at rents no higher than 80% of open market rents and which are reserved for key workers</p> <p>Paragon Community Housing provides key worker homes over seven schemes in Elmbridge.</p>	<p><b>Further comments</b></p> <p>Paragons website currently has this message:</p> <p><i>“As of January 2017, we have more than 100 applicants on our waiting list for key worker accommodation. Last year the number of properties available to new applicants fell to just 6 lets. The rate at which key workers are able to move into accommodation has slowed down significantly and at this time we feel it would be unfair to keep adding people to this already long list. Therefore, with regret, we will not be accepting new key worker accommodation applications for the time being.</i></p> <p><i>All current applications will be honoured, however movement of the list is very slow.”</i></p>
<p><b>Tandridge District Council</b></p>	
<p><b>What is on offer for Key Workers?</b></p> <p>The only homes designated for Key Workers in the district are at Well Farm Heights in Whyteleafe. These are owned by A2Dominion Housing.</p> <p>You must also apply or have applied to the Housing Register for your key worker application to be accepted.</p> <p>The Council's Housing Allocation Policy defines key workers as</p>	<p><b>Further comments</b></p> <p>To be accepted as a key worker, employers will be expected to verify applicant's employment details and give details of the difficulty in recruiting to or retaining the post. To be registered on the Council's key worker list, applicants must match the definition above which must be verified by their employer.</p> <p>Key workers may also be eligible to access other housing options through the government's Help to Buy scheme.</p>

<p>those who:</p> <ul style="list-style-type: none"> <li>• Provide essential public services such as health and personal care, education, police and emergency services, social services and other local authority staff.</li> <li>• Contribute to the infrastructure and economic viability of the area, such as transport providers, postal service workers, domiciliary support, refuse collectors, certain shop workers.</li> </ul>	
<b>Woking Borough Council</b>	
<b>What is on offer for key workers?</b>	<b>Further comments</b>
<p>Statement on the Councils website:</p> <p>'Housing is one of the Council's high priorities and we are working to provide access to decent and affordable housing for local people and key workers.'</p> <p>The Councils Allocations policy references key workers but as part of the Local Lettings Plan that aims to achieve wider social and economic objectives. For example, LLPs may be used to:</p> <p>'Attract key workers into the borough by giving them priority for a small number of properties even though they may not fall within one of the reasonable preference categories.'</p>	<p>Further information is not readily available on what they consider a key worker without registering to go through the Housing Register assessment process, where applicants housing needs are assessed and a level of priority awarded using a banding system.</p>

County Councils	
<b>East Sussex County Council</b>	
<b>What is on offer for key workers?</b>	<b>Further comments</b>
<p>Housing services are provided by the local District and Borough councils.</p> <p>The County Councils website links to the D&amp;B sites and has</p>	<p>A survey held in 2010 in Wealden showed that Key worker households have average household incomes almost the same as other employed households and only marginally lower savings levels.</p>



<p>signposting information to affordable housing schemes, advice and support.</p> <p>Key workers are mentioned within housing allocation policies, local lettings policies and schemes and the various councils housing strategies but no specific criteria or definitions are detailed</p> <p>Assessments appear to be made once an individual has registered and applied for housing via the individual registers.</p>	<p>Key workers therefore do not require a separate housing policy as their financial circumstances are not substantially different to the remainder of the employed population in Wealden.</p>
<b>Hampshire County Council</b>	
<b>What is on offer for key workers?</b>	<b>Further comments</b>
<p>Housing services are provided by the local District and Borough councils.</p> <p>The County Councils website links to the D&amp;B sites and has signposting information to affordable housing schemes, advice and support.</p> <p>Key workers are mentioned on the Education site but then links to the Help to buy south website.</p>	
<b>Kent County Council</b>	
<b>What is on offer for key workers?</b>	<b>Further comments</b>
<p>Housing services are provided by the local District and Borough councils.</p> <p>The council's website does not mention key workers or link to the districts and borough councils sites.</p>	
<b>Essex County Council</b>	
<b>What is on offer for key workers?</b>	<b>Further comments</b>
<p>Housing services are provided by the local District and Borough councils.</p> <p>The council's website does not mention key workers although it links to the districts and borough councils sites having searched for housing.</p>	

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## Annex 4

Buying a new home in Surrey on a budget?

You may want to steer clear of Oxshott and Stoke d'Abernon, where you'll need more than 17 times the average income in these areas to afford a home.

The median house price in both spots is £1,065,000, towering above the net annual household income of £62,041.

### Top 10 most expensive areas in Surrey

Local authority area	Area	Net annual household income	Median house price	Ratio
Elmbridge	Oxshott/Stoke d'Abernon	£62,041	£1,065,000	17.2
Runnymede	Virginia Water/Trumpsgrreen/Stroude	£54,840	£835,750	15.2
Elmbridge	Esher/West End	£54,286	£800,000	14.7
Reigate and Banstead	Kingswood/Lower Kingswood	£51,516	£750,000	14.6
Elmbridge	Hinchley Wood	£58,717	£845,000	14.4
Mole Valley	Great Bookham	£43,207	£602,500	13.9
Waverley	Runfold	£53,732	£733,500	13.7
Guildford	Chilworth/Blackheath/Farley Heath	£50,962	£665,000	13
Guildford	Effingham	£55,948	£730,000	13
Elmbridge	Long Ditton	£54,840	£682,000	12.4

However, those with shallower pockets may wish to look in Reigate and Banstead.

The cheapest spot in Surrey falls in Redhill, where you'll need less than six times the net annual household income (£52,624) to buy a home there.

### Top 10 cheapest areas in Surrey

Local authority area	Area	Net annual household income	Media house price	Ratio
Reigate and Banstead	Redhill	£52,624	£295,000	5.6
Reigate and Banstead	Horley	£40,437	£239,000	5.9
Surrey Heath	South west Camberley	£44,315	£272,500	6.1
Woking	Woking	£50,962	£315,000	6.2
Surrey Heath	Heatherside	£57,055	£354,950	6.2
Guildford	Ash Vale	£47,085	£305,000	6.5
Reigate and Banstead	West Redhill	£47,085	£305,000	6.5
Tandridge	Whyteleafe	£49,300	£325,000	6.6

Waverley	Frith Hill	£55,948	£370,280	6.6
Elmbridge	Walton-on-Thames	£61,487	£409,000	6.7

**Source: getSURREY**

## Appendix 5

### Example of possible costs required for a direct housing scheme

The average property price in Surrey is £519,203\*. This table highlights the average prices by property type. Property prices differ widely across Surrey so for the purposes of this example we are using the average price across all property types.

Property type	Average property prices as at April 2017
Detached	£857,260
Semi	£493,142
Terraced	£411,741
Flat	£292,431
<b>All</b>	<b>£519,203</b>

If SCC was to purchase property in order to provide housing for employees under different schemes there would be a large initial outlay of funds required to cover the purchases and the associated costs that go with house buying.

For example, if we were to purchase 5 houses for use under a tied housing scheme and a further 5 houses in order to be able to offer transitional support for new employees there would be an initial capital cost of approximately £5,192,030. The numbers of employees this level of housing could support would be dependent on the personal circumstances and family of each individual as to what size of property would need to be provided. It is estimated that this number of houses could support between 10-20 employees at any one time.

In addition to the purchase price costs, approximately £259,601 would also be required to cover the 5% stamp duty land tax that would need to be paid.

\*Source – [home.co.uk](http://home.co.uk) which uses search engine technology to build and maintain the most comprehensive database of UK residential properties advertised for sale and rent on the Internet.

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## Annex 6

### Hard to recruit roles as of April 2017

<b>Job title</b>	<b>Current pay grades</b>	<b>Pay band</b>
CSF & ASC – Social Workers	PS9SC	Career
CSF & ASC - Occupational Therapists	PS9SC	Career
ASC – Approved Mental Health Professionals	PS10SC	Career
CSF – Educational Psychologists	EDPSYCH (Soulbury)	Soulbury
E&I – Planning and Structural Engineers	PS8 – PS13	Job family
Procurement – Category Specialists	PS9-PS11	Job family
Property – Surveyors	PS9 – PS11	Job family

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## Annex 7

## SCC Strategic Leads by District/Borough

District/Borough	Strategic Lead: County Contacts
Elmbridge	Rachel Crossley
Epsom and Ewell	Jason Russell
Guildford	Trevor Pugh
Mole Valley	Garath Symonds
Reigate and Banstead	Liz Mills
Runnymede	Jane Last
Spelthorne	Mark Irons <i>(* replacement to be identified following Mark's departure from SCC)</i>
Surrey Heath	Lucy Monie
Tandridge	Laura Forzani <i>(* replacement to be identified following Laura's resignation)</i>
Waverley	Liz Uliasz
Woking	Ben Byrne

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People, Performance and Development Committee  
July 2017

**Leadership and Management Development**

**Purpose of the report:**

To provide the People, Performance and Development Committee with an update on the shape and nature of the developing leadership offer; to help build Surrey County Council's leadership capability and culture in line with the Behaviours Framework. This follows the review of the findings outlined in the 2016 High Performance Development Programme evaluation project undertaken by the University of Surrey which was presented to the Committee in November 2016.

**Recommendations:**

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

1. notes the development of corporate leadership expectations for all leaders employed by Surrey that link to and support our behaviours framework;
2. notes the key elements driving a different approach to the leadership offer being developed and the learning outcomes agreed; and
3. 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.

**Introduction:**

1. This report details the organisational approach to developing a revised Leadership and Management Development offer that seeks to incorporate the learning from the High Performance Development Programme (HPDP) evaluation review presented to the People, Performance and Development Committee (PPDC) in November 2016.

2. The approach to developing this offer has been guided by extensive research into leadership, talent and succession planning. It has also relied on a variety of sources of data including the 2016 Staff Survey results, SAP Training data, peer review, appraisal data as well as corporate training needs analysis reports.
3. There is a range of leadership offers that currently exist across different services. The corporate leadership offer seeks to bring the development needs of leaders in services into one offer (where this is possible and appropriate), so there is clarity and consistency in the manner in which leaders are developed. There will be flexibility to develop bespoke initiatives where this is necessary for individual services.

### Background

4. In developing the leadership offer programme, officers have taken a number of important sources of information into account to define the leadership and management needs.

### Surrey HDPD Evaluation Review

5. The key findings of the HPDP Evaluation Review highlighted areas that would be important to consider in developing a future leadership offer are as follows:
  - **Content:** Managers needed more support around managing staff and teams, evidence based decision making, managing wellbeing and motivation during change, leading for impact with service users and residents, developing high performing 'systems' that support working with partners and sharing best leadership practice across sectors.
  - **Target for higher impact:** The programme should be focused on managers providing frontline services, in particular where performance improvement is needed.
  - **Evaluation-based Interventions:** Establish measures so that checks can be made on whether learning outcomes are being achieved.
  - **OD Team HPDP Evaluation:** In-house evaluation, showed that the areas of the programme that the leaders found most valuable were group learning sets, in the context of real work challenges, and the coaching element of the programme which were seen as a valuable tool to support managing difficult conversations and supporting discussion to improving performance.

### Staff Survey 2016

6. The 2016 staff survey looked at a number of engagement factors including Leadership & Management. Key areas of feedback for the development of future leadership programmes include:

- I. One Team: avoiding duplication of work, improving communication, understanding what can be achieved together
- II. Management: listening and accepting everyone's views, more contact with teams, timely decision-making, open and honest communication.
- III. My Company: clear direction and goals, less uncertainty about the future and a more proactive rather than reactive approach.
- IV. Role Modelling Leadership Behaviours across all levels of management.
- V. Recognising and rewarding people for the work they do.
- VI. Leading and managing change and supporting staff to challenge the status quo.

### **MC3 Report from Staff Survey 2016**

7. The Staff Survey results also allowed the production of personalised feedback reports for Managers from direct reports. These are known as MC3 reports and were used as part of a trial this year based on the response to 19 of the 70 survey questions. Data obtained from these reports for over 300 Managers and Leaders demonstrate areas of strength in conversing and listening, with lower scores in areas related to inspiring and motivating.

### **Embedding the behaviour framework**

8. With the development and launch of the Behaviour Framework in April 2016 there is a need to ensure it is reflected and promoted in all leadership development activities and interventions. This will support embedding and role modelling of the organisational behaviours and develop the leadership culture SCC aspires to have.

<b>Issues to be addressed:</b>
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9. The following areas are guiding how the issues will be addressed in the revised offer:

### **The LGA Corporate Peer Review Challenge Report in March 2017**

10. The report identified that there is a need to be clearer about the organisations over-arching leadership philosophy. The Staff Survey results also highlighted that an opportunity for the organisation was to '*Reinforce Organisational Clarity by establishing and communicating strong principles across all job grades*'. From discussion with leadership providers, the OD team is aware that managers and leaders would like more clarity about the expectations on them by the organisation.

11. Taking into account the existing understanding of the leadership challenges within Surrey coupled with research into the leadership approaches in other organisations a set of leadership expectation for all manager and leaders has been developed. These will help to bring clarity to leadership job roles and support the development of our leadership philosophy and culture.

### Surrey Leadership Expectations

12. The Surrey leadership expectations provide a framework under four key themes to guide the development of current and future leadership capability that align to the Behaviour Framework and organisational values which are detailed below:
- **Culture.** We must reflect the organisation's values in our behaviours day in, day out and support our teams to do the same.
  - **Innovation.** We must challenge our thinking and look for new ideas and solutions from everywhere to transform what we do and get the best possible public value.
  - **One Team.** We must work in a truly networked way, building strong relationships, partnerships and alliances with others.
  - **Thinking Ahead.** We must understand that we are in uncertain times and deliver services which meet residents' needs now and in the future.
13. The themes focuses on providing clarity on what successful leadership in Surrey looks like across all levels of leadership and how leaders need to work together to deliver organisational goals. Details of the Leadership expectation are included in Annex 1.

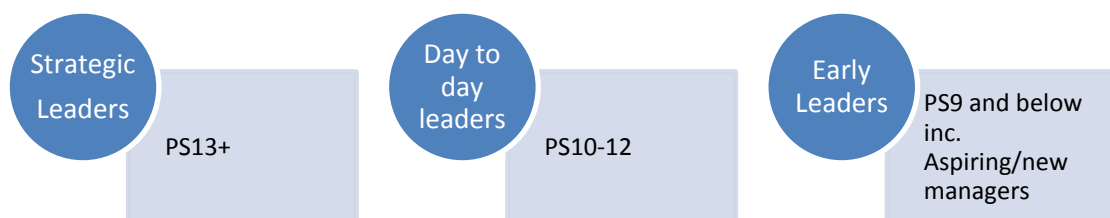
<h3>Factor affecting programme design</h3>
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14. There are a number of factors that have influenced the current design of the programme as listed below;
- I. The take up of the existing core management offer is on the decline. This suggests that the Council needs to re-engage leaders to review, value and reflect on their own development needs with the support of a range of diagnostic tools.
  - II. There is a need for more flexibility both in accessing readily available learning through the use of emerging learning technologies and in providing bespoke intervention to support immediate needs of leaders and their teams in response to the changing context in which leaders work.
  - III. The new apprenticeship levy needs to be reflected in the core management offer as a recognised management qualification for those that fit the apprenticeship requirements. For example, the individual should not already have a higher qualification in the same subject and be in a role that matches the level being studied.
  - IV. The training budget is reducing so it is important to create a sustainable offer that empowers leaders to facilitate their own and their teams' growth and development.

- V. Research suggests that leadership development is more successful when linked to the current context leaders are working in and is integrated with real work challenges which is supported by feedback from the HPDP training evaluation.

### Programme Overview

15. The leadership and management programmes will be underpinned by:
- I. 2017 Leadership Expectations
  - II. Values and Behaviours (SCC Behaviours Framework 2016)
  - III. Leadership Programme Outcomes
16. Leadership Expectations have been developed by the HR&OD team through engagement with a number of senior stakeholders including Chief Executive Direct Reports (CEDR), and CIPN HR. These will be developed into a self-assessment tool for leaders to assess themselves against and which will inform individual leadership development plans.
17. As a result of work to develop 'Leadership Expectations' a review of the 2016 Behaviours Framework will be undertaken to ensure it take into account the changing context leaders are working in.
18. The Leadership Programme Outcomes are defined as follows:
- I. **Values and behaviours** are embedded and role modelled
  - II. **Skills** are applied with confidence and equity
  - III. **Leadership style** evolves and adapts to organisational need
  - IV. **Systems leadership** drives how SCC thinks about, designs and runs services.
19. Based on the data analysis, work undertaken by the OD team to ensure that the programme targets the correct leaders the leadership groups have been broken down as follows:



- I. Strategic leaders are those leaders who are PS13 and above and lead the strategic direction of the organisation or substantially influence it towards achieving organisational goals. There are approximately 350 leaders in these grades.
- II. Day to day leaders are leaders who are PS10 to PS12 and have responsibility for the management of front line and back office service operations. There are approximately 600 leaders in this category, from a range of services including ASC, CSF, Customer Service and Trading Standards.
- III. Early leaders are all new and existing leaders below PS9 of which there are approximately 700 managers. This group includes

aspiring leaders who are individual staff that are considering management as their next career move.

20. More accurate numbers will be provided once stakeholder engagement is finished and the programme outline confirmed.

21. It is expected that there will be some variations and exceptions to these groupings within services. Through continued consultation with senior stakeholders officers will ensure that the programme targets the appropriate leaders.

### Key programme elements

22. The main element of the programme is made up of a Core Management Offer, an Open Leadership Offer and two targeted offers; one aimed at frontline leaders and the other at strategic leaders. The offer will also feature an on line leadership Jive community with resources for managers, a bespoke offer and systems leadership development offer at all management levels. Annex 2 includes a summary overview of the Leadership offer. Below is an overview of offer:

#### Core management Offer

- A Core management Offer is open to anyone with line management responsibility. This offer will be delivered through a range of modular workshops, the ILM apprenticeship levy diplomas targeted at developing essential management skills and be supported by the Open offer. The ILM level 5 will be offered to leaders at PS10 and above and ILM level 3 will support managers at PS9 and below. The topics in the offer will include managing and developing people, driving high performance and understanding personal impact.

#### Aspiring leadership Offer

- The aspiring offer is aimed at non-managers who may have supervisory responsibility and wanting to develop their leadership potential.
- The offer will be delivered mainly through self-directed activities that include, the use of diagnostic tools to identify development needs, strengths and leadership styles, on the job training such as shadowing, mentoring, coaching, a development journal, invitation to a Jive community for aspiring managers and a range of on line resources provided by the open offer to development. A few workshops will be put on to nurture the growth of this potential succession pool of leaders. To support this offer line managers will be expected to create and offer aspiring leaders real work place opportunities to grow and develop their new skills and behaviours.

#### Open leadership Offer

- The Open Leadership Offer is for anyone who manages and leads at all levels in the Council. This offer is primarily self-directed and will be informed by participants own development plan following a range of self and manager led diagnostics. The offer will be



delivered in different ways such as on access to line resources on key leadership topics, a Jive leadership community, Master classes, CEDR led Ted Talk session discussions and a bespoke offer to support system and team development. There will also be workshops to support the development of strategic leadership skills. Topics will be defined by the outcomes of the Staff Survey and feedback from senior stakeholders

### **Frontline leaders programme**

- The Frontline Leaders Programme will target frontline managers who will be nominated by their management teams based on specific criteria that will include those responsible for overseeing local system change and those who did not attend the HPDP programme. This will be delivered through group coaching or learning sets that will be in the context of real life work challenges. Topics to include networking and building relationships, Innovation, decision making, and storytelling.

### **Strategic Leadership Programme**

- The Strategic Leadership Programme is a targeted offer for future leaders that supports succession planning and SCC's talent management offer. Leaders will be nominated by their head of service and Directors and fit the eligibility criteria that will include demonstrating high people management capability and being role models of the organisation's behaviours. This will also be delivered by coaching/ learning sets approach and participants will be supported by a mentor/coach during the programme. The topics will include systems leadership, evidence based decision-making and strategic leadership.

### **On line Leadership Jive community**

- The online leadership Jive community is open to all leaders and managers and will host key 'just in time' resources on subject matters that will be essential to develop our leaders in line with leadership expectations, values and behaviour framework. The on line Leadership community will create opportunities for managers and leaders to build networks and to share challenges, knowledge and information. They will also find a range of accessible resources and diagnostic tools to support their leadership development journey which they will be encouraged to add to as the communities develops and grows.

### **System Leadership Offer**

- Systems Leadership Development is an important component of the offer and will be developed with the OD partnership network currently being established in the Surrey Heartlands Sustainability and Transformation Partnership to support the integration agenda. System leadership will be prioritised to enable leaders to get a basic understanding of what it is and to identify the components of their systems inside and outside of organisational boundaries. Coaching/ learning set will be used to facilitate the initial development of real live systems networks with systems partner

providing them with tools and principles for them to become self-sustaining.

### **Bespoke Offer**

- This offer will target teams and services going through significant change where new teams are being formed that are business critical. These teams will be identified as needing to quickly adapt to working together as 'one team' and embracing new ways of working. They will also be identified through consultation with senior stakeholders and will be offered a range of OD interventions and consultancy support to enhance embedding of new structures and services.

<h3><b>Priorities for the New Approach</b></h3>
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23. Based on all the data available the new approach to leadership and management development has been designed to prioritise the following:

- I. Leaders and managers with direct frontline impact on resident experience will be prioritised for development.
- II. Leaders and managers who have demonstrate potential will be offered bespoke development programmes designed to support talent management succession planning and career development for areas where there is a business critical need.
- III. The leadership and management development offer will be inclusive and have elements that will enable all manager and leaders to grow and develop in their current role and prepare help to prepare them for future roles. It will empower managers to take a proactive and self-directed approach to their own leadership development.

### **Benefits of this offer**

24. Below is listed the benefits of the revised leadership offer:

- I. Clear standards of leadership expectations for leaders across Surrey
- II. An evolving offer driven by ongoing data analysis, evaluation and consultation with stakeholders
- III. Encourages partnership working and systems development
- IV. Contextual and targeted learning, addressing real work challenges to enhance service delivery to our residents
- V. A more accessible, flexible and self-directed offer reducing time required for learning
- VI. A sustainable offer delivered at lower cost, due to a targeted approach, with access to an on-line leadership community with free resources.

### **Cost Implications and budget**

25. The estimated budget for this offer is £450,000 for approximately 1600 leaders and managers for the remainder of this financial year. The take up for the ILM Level 3 and 5 is currently at 18 and two respectively at a total cost of £177,000 putting the total value of this offer at £627,000. This is expected to increase once it becomes more widely understood by managers and their teams. The offer and its programmes will be reviewed at six month intervals to ensure that it remains within budget and support priority areas within services.
26. Until the conclusion of the current consultation process with senior leadership groups and stakeholders to agree content it is not possible to give a more accurate figure and detailed breakdown of each element of the offer.

### **Risk and implications**

27. There is a risk that leaders may not take up the revised offer if they are not sufficiently engaged with it and where their line manager do not prioritise leadership development.

### **Next Steps**

- a. To finalise the shape of the offer, including talent and succession management elements;
- b. To understand the potential demand from stakeholder feedback ( July)

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### **Annexes:**

Annex 1 Leadership Expectations

Annex 2 A summary of Management and leadership Programme Overview

### **Sources/background papers:**

- HPDP Evaluation report – Surrey Business School
- PPDC Report March 2014

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## Leadership Expectations

<b>Culture (How we work with others)</b>	<b>Innovation (How we transform/improve what we do)</b>	<b>One Team (How we lead and work across organisational boundaries)</b>	<b>Thinking Ahead (How we develop a sustainable approach)</b>
<p><b>Intro paragraph:</b> We must reflect the organisation's values in our behaviours day in, day out and support our teams to do the same.</p>	<p><b>Intro paragraph:</b> We must challenge our thinking and look for new ideas and solutions from everywhere to transform what we do and get the best possible public value.</p>	<p><b>Intro paragraph:</b> We must work in a truly networked way, building strong relationships, partnerships and alliances with others.</p>	<p><b>Intro paragraph:</b> We must understand that we are in uncertain times and deliver services which meet residents' needs now and in the future.</p>
<p><b>Our leaders will:</b></p> <ul style="list-style-type: none"> <li>• Set clear and explicit performance expectations.</li> <li>• Be a positive role model of our values and behaviours.</li> <li>• Care about their team and make it easy for them to succeed.</li> <li>• Inspire, empower, coach and trust teams to get the best out of them.</li> <li>• Challenge poor behaviour where necessary.</li> <li>• Make time to listen to others and take account of their views.</li> <li>• Recognise and celebrate achievement.</li> </ul>	<p><b>Our leaders will:</b></p> <ul style="list-style-type: none"> <li>• Take courageous decisions balancing risk with benefit for greater good</li> <li>• Encourage their teams and colleagues to come up with ideas for improvement and trust them to put them into practice.</li> <li>• Continuously improve the way we deliver services by reviewing regularly.</li> <li>• Involve colleagues and residents who have the skills to create better services together.</li> </ul>	<p><b>Our leaders will:</b></p> <ul style="list-style-type: none"> <li>• Understand the wider system within which they work</li> <li>• Listen to others' perspectives and build trust and mutual respect.</li> <li>• Put themselves in other people's shoes to understand the challenges they face.</li> <li>• Use the power of conversation to work up solutions together.</li> <li>• Bring people from multiple backgrounds together around a common moral purpose.</li> </ul>	<p><b>Our leaders will:</b></p> <ul style="list-style-type: none"> <li>• Develop strong strategic networks</li> <li>• Set a clear direction and explain how success will be measured.</li> <li>• Regularly check we are going in the right direction.</li> <li>• Consider changing the way we do things, if the evidence shows it will result in wider benefits.</li> <li>• Listen to the voices and choices of colleagues, customers, residents and partners to come up with new ways of delivering our services.</li> </ul>
<p><b>To take forward to behaviours framework review:</b></p> <ul style="list-style-type: none"> <li>• Ask for feedback from others to understand your personal impact.</li> <li>• Take time to understand the strengths and development areas of your teams.</li> <li>• Develop an environment for creativity and innovation to thrive.</li> </ul>	<p><b>To take forward to behaviours framework review:</b></p> <ul style="list-style-type: none"> <li>• Experiment sensibly with new and creative approaches.</li> <li>• Embrace the opportunities presented by digital technology to work, share and lead in new ways.</li> </ul>	<p><b>To take forward to behaviours framework review:</b></p> <ul style="list-style-type: none"> <li>• Encourage and enable your teams to develop and work across appropriate networks.</li> </ul>	<p><b>To take forward to behaviours framework review:</b></p> <ul style="list-style-type: none"> <li>• Be aware of the political context you work in.</li> <li>• Be responsible for developing your own skills and knowledge of systems working, what they are, how they operate and the values and behaviours required to be successful.</li> </ul>

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## Management and Leadership Programme Overview

Surrey County Council Leadership Expectations 2017-2020

➤ Culture ➤ Innovation ➤ One Team ➤ Thinking Ahead

Areas of focus for development ( Learning Outcomes)

Values and behaviours | Leadership Style | Skills development | Systems thinking

### Open Leadership Offer

This is an open programme for anyone who manages and leads at the council. A mix of scenario based resources and activities will be available to support working at different levels of complexity.

Offer will include:

- **Modular workshops to develop strategic leadership skills**
- Leadership community on Jive
- Online resources – leadership theories, models and toolkits
- Key topic workshops
- Expert masterclasses
- CEDR led TED talk discussions
- Bespoke leadership team development
- Bespoke systems leadership development
- Immersive real work challenges

Participants will design their own development plan with their line managers based on a range of self and manager led diagnostics.

Key topics will be available to address areas indicated by Staff Survey and from CIPN.

### Frontline Leaders programme

This is a targeted programme for frontline leaders and managers. They will be nominated and prioritised to participate by their management teams based on specific criteria, such as:

- ✓ Performs a resident facing role in a complex area of the organisation
- ✓ Responsible for managing/ leading local system change
- ✓ Those who were not part of the HPDP cohorts

Offer will include:

- Jive space for discussions and to share knowledge
- Group coaching or learning sets (within context or system)
- Online resources and toolkits
- Immersive real work challenges

On subjects such as (based on feedback from CIPN):

- Networking and building relationships
- Innovation & Knowledge sharing
- Decision making
- Storytelling

### Strategic Leaders programme

This is a targeted programme for future organisation and service leaders. They will be nominated to participate by Heads of Service and Directors based on eligibility criteria, such as:

- ✓ Demonstrates high people management capability
- ✓ Positively role models values and behaviours
- ✓ Initiative and drive to progress career

Offer will include:

- Jive space for discussions and to share knowledge
- Group coaching or learning sets (within context or system)
- Online resources and toolkits
- Immersive real work challenges

On subjects such as:

- Understanding strategic leadership
- Understanding self
- Leading others
- Systems l'ship and partnership working
- Evidence based decision making
- Delivering, measuring and sharing results

### Core Management Offer (Managing Others)

**Audience:** Anyone with formal or informal line management responsibility

Offer will include: **An aspiring offer for non – managerial staff, ILM5 Diploma ( PS10 and above) ILM level 3 Diplomas ( PS9 and below) apprenticeship levy, Core management modules of key subject including performance management, managing self an teams, HR Policy, access to the open offer.**

### All Employees (Managing Self)

➤ Customer Focussed ➤ Developing Self and Others ➤ Work as One Team ➤ Make things Happen





**Annex 2**

➤ Be the Best we can be ➤ Communicate with Purpose







People, Performance and Development Committee  
25 July 2017

## Apprenticeship Reforms Update

### Purpose of the report:

To update Members of the People, Performance and Development Committee on Surrey County Council's progress with regard to targets and future plans for utilising the Apprenticeship Levy.

### Recommendations:

The People, Performance and Development Committee is asked to note the contents of the report and comment on the conclusions

### Introduction

The Government announced the Apprenticeship Levy in the Summer Budget 2015 with an introduction date of April 2017. The purpose of the Levy is to fund an increase in the number and quality of apprenticeships. The Levy will help to deliver the Government's commitments of three million apprenticeship starts by 2020. It is designed to make apprenticeship funding more sustainable and for the first time employers will be in control of the funding. The Government expects the public sector to lead the way in offering apprenticeships and the purpose of this report is to outline how SCC will address this challenge.

### Apprenticeship Strategic Aims

1. In order to meet the apprenticeship target set for Surrey County Council (SCC) and to maximise the use of the levy, dedicated resources have been identified within the HR&OD Team and the following key aims have been set:

#### Adapt Entry Employment Roles

2. It is not financially viable to create and sustain 268 new positions for apprentices in addition to the Council's current establishment figures. SCC must therefore look at entry level employment roles across the organisation and identify where they can be converted into apprenticeships or where the completion of an apprenticeship upon appointment becomes a mandatory requirement. It is necessary to adopt a more strategic approach to 'growing

our own' future workforce.

### **Promote Apprenticeships**

3. The Council faces a number of challenges over the next few years and challenges can only be met if SCC has the right people, with the right skills at the right time to meet demand. Apprenticeships therefore need to form an integral part of the organisational workforce strategy to provide the Council with a talent pipeline that supports current and future skills needs. The offer of an apprenticeship qualification will be widely promoted internally to raise participation amongst existing staff looking to develop and build upon their skills. Apprenticeship qualifications have traditionally been perceived as only relevant for school leavers and for junior entry level roles therefore developing greater awareness of the types of apprenticeships available will be a key message in all promotional activities.

### **Increase Recruitment**

4. The Council will target particular areas where recruitment and retention are an issue to raise the number of young people joining the organisation. This will be done through targeted recruitment initiatives and service led ad-hoc recruitment throughout the year. A more robust approach to the use of vacancies and job carving is required to create more apprenticeship roles.

### **Implement Reporting Duties and Targets**

5. In accordance with SCC's Public Sector Duty requirements there is a requirement to publish data annually relating to the Council's progress in meeting the 2.3% apprenticeship target set by Government. It is envisaged that by imposing a proportion of the Council's target of apprentice starts per year onto each directorate it would provide the incentive to engage and promote the opportunities across individual services. (Figure 1).

### **Develop Career Pathways**

6. Developing a greater awareness of the types of apprenticeships available, particularly higher level apprenticeships, and the benefits they offer for both new and existing employees will be essential in increasing the number of employees undertaking an apprenticeship. Career pathways should be developed so it is clear what training and development opportunities are available to help individuals progress their careers'. These career pathways will include both internal and external learning and development opportunities including entry level to degree level apprenticeships.

<b>Progress to date</b>
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7. This section sets out the progress made against each aim within SCC's Apprenticeship Strategy. In order to gain support and have a coordinated approach to the Strategy, a network of Apprenticeship Champions has been formed. They have become the main point of contact into service and have been working with the Career Development Team to advocate apprenticeships and apprenticeship qualifications within their services. They also help to promote apprenticeships qualifications as a career development

option for all. Through this network, the team are able to communicate to staff on all matters regarding apprenticeship and have apprenticeships on team agendas.

### **Adapt Entry Employment Roles**

8. The team are engaged with all directorates to understand the needs of specific services and how to promote the opportunities that are available. Apprenticeship Champions have a good knowledge of job roles, recruitment and retention information and sector qualifications. A mapping exercise has been conducted to identify roles within each Directorate that could potentially be an Apprenticeship position
9. The Recruitment Team are fully engaged and have already made changes to the recruitment process to ensure that when managers put forward vacancies for advert they are asked to consider whether they could potentially be apprenticeship opportunities.

### **Promote Apprenticeships**

10. In order to increase the number of apprenticeships within the organisation officers are engaging with senior management to promote the benefits that hiring apprentices can bring to the Council thereby gaining commitments to include apprentices in workforce planning.
11. Work is ongoing with Apprenticeship Champions to develop communications around how apprenticeships can aid career development, linking into career pathways and challenge any misconceptions around apprenticeships.
12. A dedicated Apprenticeship S:Net page has been set up with guidance and documentation for staff and managers with signposting to apprenticeship qualifications advertised through the training portal. In addition to this SCC is also promoting apprenticeships at career fairs and skills events.

### **Increase Recruitment**

13. The Apprenticeship Strategy offers the opportunity for the Council to provide entry routes into the Council as well as enabling existing staff to undertake relevant apprenticeship qualifications aligned to current and future skills needs.
14. Apprenticeships within the Council have to date predominantly been utilised to provide entry opportunities for young people to undertake lower level apprenticeships and develop their skills for future roles. There are currently 74 such apprentices working at SCC.
15. In addition, there has been increasing promotional activity of the different types, levels and benefits of apprenticeships for new entrants. Officers have also identified opportunities to utilise relevant apprenticeship qualifications to support skills development as part of career development pathways for existing staff. To assist this further, a mapping exercise to match relevant apprenticeship qualifications to job roles has been undertaken in conjunction with Apprenticeship Champions and services.

16. Apprenticeship opportunities has also been integrated into the learning and development offer for employees such as using relevant supervisory and management apprenticeship qualifications to support aspiring and developing managers.

### Implement Reporting Duties and Targets

17. All public sector organisations have been given an annual target for new start apprenticeships and for SCC this target is 268. It was agreed by the Chief Executive's Direct Reports that each directorate will be given a proportion of the target based on their headcount to ensure all directorates are contributing fairly to the Council's commitment to supporting apprenticeships (Figure 1). They will be required to report quarterly on their progress towards the target.
18. Target figures and levy spend, together with workforce numbers, need to be submitted annually to the Department of Education. In order to be ready for this annual reporting criteria, the Career Development Team will produce reports on a quarterly basis to capture this and report back to internal governance boards.
19. Following the recent promotional activities and engagement with the service leads and service champions SCC now has its first indications of interest from across the organisation. To date the number of expressions of interest received totals 332 and this figure is increasing on a monthly basis.
20. These expressions come from current SCC staff members as well as from services where an apprenticeship position has been created and is awaiting the commencement of recruitment process. So far they span 36 different apprenticeships, of which there is either a new standards or an old framework currently available for 31 of them. The remaining five qualifications that have no new developed standard all sit within Surrey Fire & Rescue Service (SFRS).

Directorate	Target	Expressions of Interest		Forecast Levy Spend
		Current staff	New positions	
Adult Social Care & Public Health	50	172	1	£1,100,000
CEO/ Business Services	27	28	5	£194,000
Children's Schools & Families	112	15	13	£187,500
Customer & Communities	4	2	3	£35,000
Environment & Infrastructure	34	54	3	£382,500
Legal, Demo & Cultural	41	36	0	£259,000
	268	307	25	£2,158,000

Figure 1. Expressions of interest by directorate

21. What is evident from initial figures is that much more engagement is required with services to identify further entry levels roles which could be filled by apprentices as this figure currently stands at just 8%. The Council also need to take into consideration the fact that there is currently a recruitment freeze within both the Adult Social Care and Children, Schools and Families directorates, so those positions identified in each directorate will be filled once this is lifted.
22. From the initial interest it is evident that there is a growing number of staff looking to undertake higher level apprenticeships which represents a positive shift from the organisation having to fund degree level qualifications (Figure 3).

<b>Apprenticeship Levels</b>	<b>Equivalent</b>
Level 2	5 GCSE's
Level 3	2 A Levels
Level 4	Higher Education Certificate/Diploma
Level 5	Foundation Degree
Level 6 & 7	Bachelors/Master's Degree

Figure 2. Apprenticeship levels mapped against traditional qualification levels

23. Figure 2 above is a reminder of how apprenticeship levels map against the traditional qualification framework.

<b>Directorate</b>	<b>Apprenticeship Level</b>					<b>Totals</b>
	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	
Adult Social Care & Public Health	45	80	23	15	10	173
CEO/ Business Services	0	18	6	7	2	33
Children's Schools & Families	12	12	3	0	1	28
Customer & Communities	0	0	4	0	1	5
Environment & Infrastructure	0	25	16	9	7	57
Legal, Demo & Cultural	12	20	3	0	1	36
<b>Totals</b>	<b>69</b>	<b>155</b>	<b>55</b>	<b>31</b>	<b>22</b>	<b>332</b>

Figure 3. Apprenticeship levels by directorate

24. The Environment and Infrastructure Directorate has shown a significant interest in apprenticeship levels 5 & 6 which cover areas such as engineering and surveying. In the ASC Directorate, the Council has seen expressions of interest for project management and chartered management qualifications.

### **Develop Career Pathways**

25. The team is working towards introducing a career development pathway for each Directorate in order to maintain a motivated and engaged workforce. A career development platform to allow staff to plan their career path will be created, linked to job families, well-being initiatives and career development toolkits.

26. The team has delivered eleven Manager Workshops and seven Staff Drop-Ins at various locations across the county to promote the availability of sponsored qualifications<sup>1</sup>. The impact of this promotional activity has contributed to the number of expressions of interest received to date.

### **Working with schools**

27. To maximise the opportunities from the Levy it is important that schools are aware of the Apprenticeship reforms. Local Authority Maintained schools, as part of the SCC, are subject to the levy charge and are required to have regard to the 2.3% apprenticeship target. The Council assumes responsibility for publishing data regarding the number of apprenticeship starts within schools as part of the Council's Annual Apprenticeship Report.
28. In addition to providing advice, information and guidance relating to the reforms SCC has been working with schools to promote the benefits that these changes can deliver in helping to meet skills gaps and future workforce needs. Over June and July the Pay & Reward Team has delivered 13 briefing sessions (465 attendees) as part of the Pay and Reward consultation with schools. The audience included representatives from community, voluntary aided, voluntary controlled, foundations schools and academies. These events focused on raising awareness of the new apprenticeship 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 in helping to create apprentice opportunities.

### **Conclusions**

29. The ongoing promotion to staff and managers alike of the opportunities available to both current and new employees is key to success in achieving the Government's targets. Undertaking a sponsored qualification will become the natural and accepted way forward to gain new skills and knowledge when working for SCC.
30. Constant review of learning and development offer will ensure SCC maximise the funding opportunities the Levy presents, enabling the Council to direct its internal training budgets to specific priority areas in order to meet compliance and regulatory requirements.
31. Officers are in the process of identifying additional resource both within the HR&OD Team as well as in schools to assist them in achieving their targets and utilise their levy contribution fully within the given timeframes.

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

32. The Levy contribution for each organisation is calculated by HMRC via PAYE. SCC's Levy contribution is currently £1,235,000 with an estimated monthly digital account credit of £102k. Based on the expressions of interest received to date the Council should be looking to utilise just over £2 million (Figure 1).

<sup>1</sup> The Council has agreed to use the terminology "sponsored qualification" for existing staff undertaking an apprenticeship qualification as it was deemed appropriate.

This value will be drawn from SCC's digital account on a monthly basis once learners begin their qualification.

33. Using the Apprenticeship Levy to cover the cost of many of the accredited qualifications SCC has offered to date will allow SCC to release funds for use in other development opportunities. As a large diverse organisation there will always be specific service based training needs to be met relating to regulatory and statutory requirements. Changes to legislation often require a supporting training activity to inform staff about both legal implications and the impact on practice.
34. During the financial year April 2016 to Mar 2017 SCC used internal funding totalling £217k to cover the cost of 233 externally commissioned accredited qualifications. From April 2017 the Council will no longer fund these qualifications from the central training budget but instead will use the Levy to cover the total cost of their provision.

Type of qualification	Levels	Number of staff	Over 12 months
Diploma's in Health & Social Care	2, 3, 4 & 5	40	£54,000
Diploma's in Children & Young Peoples Workforce	3 & 5	25	£39,000
ILM Qualifications in Leadership & Management	3,5,& 7	168	£124,000
Total		<b>233</b>	<b>£217,000</b>

Fig 4. Internal funding spent on externally commissioned qualifications 2016 to 2017

35. In anticipation of the Apprenticeship Standards for Social Worker and Occupational Therapist degrees being ready to be delivered in 2018, ASC and Children's Services have suspended the sponsored trainee offer. Current cohorts will continue to be sponsored until completion of their degrees. The costs of a sponsored route is currently £27k per person over three years. This will result in savings on the professional qualifications budget of £258k over the next three years.
36. As SCC commences the commissioning process for approved providers officers will begin to identify further saving to the Council's in-house programme based on the content of the individual apprenticeship programmes proposed by each provider. It is envisaged that an element of the classroom programme will match the current internal offer for apprenticeships such as Business Administration and Customer Services.
37. The Apprenticeship Levy will create a dedicated funding stream of over £1.2million for sponsored qualifications each year for the foreseeable future. The impact of which is the ability to redirect funding previously used for accredited and professional qualifications for use on alternative projects and interventions. For 2017/18 identified internal saving of £227k have so far been identified with the expectation being that this will increase over the next three years (Figure 5).

	17/18	18/19	19/20
Our Apprenticeship Levy contribution	£1,200,000	£1,200,000	£1,200,000
Accredited Qualifications savings	£217,000	£217,000	£217,000
Professional Social Care qualifications savings	£20,000	£101,000	£137,000
<b>Savings Total</b>	<b>£227,000</b>	<b>£318,000</b>	<b>£354,000</b>

Figure 5: External funding and identified saving to the internal budget

38. By the end of October, officers will be in a position to forecast the drawdown from SCC's digital account as it is anticipated that start dates will be in place for the majority of applicants following the completion of planned procurement activity across August and September with partners.

### Equalities and Diversity Implications

39. Apprenticeships and sponsored qualifications are promoted at all levels of the organisation meaning they are widely accessible. Apprenticeships are work based and can be phased meaning they are accessible to people with competing needs e.g. childcare or part-time workers. Apprenticeships allow people to obtain qualifications whilst 'on the job' and the length of the apprenticeship can be extended in accordance with contracted working hours in order to successfully complete their qualification.
40. Any member of staff is eligible to undertake an apprenticeship regardless of age or position. The apprenticeship must be relevant to the role they are currently in to allow them to draw on their own experiences through work to meet the criteria of the qualification.

### Risk Management Implications

41. A lack of uptake of apprenticeships will lead to underutilisation of SCC's Levy contribution. Each monthly deposit will be reclaimed by HMRC on the 25<sup>th</sup> of the month if not spent. Hence continuing engagement in person and keeping information up to date on the S:Net.
42. There is a requirement for public sector bodies to publish their apprenticeship levy targets achievements and there is potential for public criticism if SCC does not do this. The Council will therefore work closely with all training providers to ensure learners are supported and remain on track to complete their apprenticeship within the given timeframes.
43. Managers are required to maintain a level of engagement with the apprenticeship agenda, with constant and consistent regard for vacant posts being filled with an apprentice and existing staff utilising the sponsored qualification opportunities. Work will continue with the Recruitment Team who will remain on top of where possible apprenticeship opportunities could be considered to facilitate meetings with managers to discuss and highlight the



benefits.

**Next Steps**

- 44. In partnership with East Sussex County Council, West Sussex County Council and Brighton & Hove City Council, SSCC are about to embark on a large procurement exercise to commission training providers for the apprenticeships identified.
- 45. In order to contribute to and shape new standards the Council will give consideration to joining trailblazer groups to address current gaps identified within specific sectors e.g., Registrar, Procurement, Trading Standards and Public Health.

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**Annexes:** None

**Background papers:** None

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People, Performance and Development Committee  
25 July 2017

## Pay Exceptions Analysis 2016/17 Quarter 4 and End of Year report

### Purpose of the report:

The People, Performance and Development Committee acts as the Council's Remuneration Committee under delegated powers, in accordance with the Constitution of the County Council. This report provides the fourth quarter and end of year 2016/17 pay exceptions analysis for consideration by the Committee.

### Recommendations:

It is recommended that the People, Performance Development Committee note the analysis of pay exceptions for the period April 2016 to March 2017.

### Introduction:

It was agreed that the People, Performance and Development Committee (PPDC) would receive a report providing analysis of exceptions to Surrey County Council's (SCC) established Pay Policy.

This report covers the following areas:

- all pay exceptions for staff on grades above and below PS13 for each directorate;
- 2016/17 data for quarter four and comparison of end of year;
- starting salaries where a member of staff commences employment above the minimum of the pay band;
- permanent pay progression where an employee receives a permanent increase in pay within their salary band or to another salary 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 1.1 – Quarterly Summary trend Starting Salary by Directorate – PS12 and below**

Directorate	PS12 and below							
	2016/17 - Q1		2016/17 - Q2		2016/17 - Q3		2016/17 - Q4	
	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	0	£ 0	3	£ 2,012	2	£ 2,094	4	£ 2,379
BUS	3	£ 1,954	0	£ 0	3	£ 3,428	1	£ 1,687
C&C	0	£ 0	1	£ 2,687	0	£ 0	1	£ 0
CEX	0	£ 0	0	£ 0	0	£ 0	0	£ 0
CSF	29	£ 3,380	21	£ 2,968	24	£ 2,732	23	£ 3,312
E&I	0	£ 0	0	£ 0	0	£ 0	1	£ 2,707
LDC	1	£ 4,031	4	£ 3,592	2	£ 1,845	0	£ 0
<b>Total</b>	<b>33</b>	<b>£ 3,270</b>	<b>29</b>	<b>£ 2,945</b>	<b>31</b>	<b>£ 2,701</b>	<b>30</b>	<b>£ 3,106</b>

**Table 1.2 – Yearly Summary trend Starting Salary by Directorate – PS12 and below**

Directorate	PS12 and below							
	2013/14		2014/15		2015/16		2016/17	
	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	£ 2,303	22	£ 2,899	6	£ 3,856	9	£ 2,193
BUS	2	£ 2,264	26	£ 2,599	39	£ 2,941	7	£ 2,548
C&C	0	£ 0	4	£ 2,638	1	£ 1,185	2	£ 2,687
CEX	0	£ 0	14	£ 1,521	18	£ 3,109	0	£ 0
CSF	24	£ 3,064	21	£ 2,378	75	£ 3,636	97	£ 3,114
E&I	1	£ 1,210	7	£ 1,173	23	£ 1,887	1	£ 2,707
LDC	0	£ 0	0	£ 0	0	£ 0	7	£ 3,155
<b>Total</b>	<b>50</b>	<b>£ 2,645</b>	<b>94</b>	<b>£ 2,355</b>	<b>162</b>	<b>£ 3,155</b>	<b>123</b>	<b>£ 3,009</b>

2. Table 1.1 and 1.2 shows the number of pay exceptions that are being paid above the pay band minimum for PS12 and below as well as the average pay increase for each quarter in 2016/17 and each financial year beginning from 2013/14. The data shows increase per financial year for starting salary pay exceptions, however there has been a decrease from 2015/16 to 2016/17. It is to be noted that the number of starting salary pay exceptions in the Children, Schools and Families (CSF) Directorate is quite high this is because they are mostly experienced social workers commanding a higher salary and needed to fill vacancies covered by locums. For 2016/17, this amounts to 52 pay exceptions for social workers. There is a reduction in the number of pay exceptions which reflects the slowing of recruitment activity in line with savings and preparation for service rationalisation.

**Table 2.1 – Quarterly Summary trend Starting Salary by Directorate – PS13 and above**

Directorate	PS13 and above							
	2016/17 - Q1		2016/17 - Q2		2016/17 - Q3		2016/17 - Q4	
	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	1	£ 500	0	£ 0	0	£ 0	0	£ 0
BUS	2	£ 8,635	0	£ 0	0	£ 0	0	£ 0
C&C	1	£ 4,515	0	£ 0	0	£ 0	0	£ 0
CEX	0	£ 0	0	£ 0	0	£ 0	0	£ 0
CSF	0	£ 0	1	£ 2,479	0	£ 0	0	£ 0
E&I	0	£ 0	0	£ 0	0	£ 0	0	£ 0
LDC	0	£ 0	0	£ 0	0	£ 0	0	£ 0
<b>Total</b>	<b>4</b>	<b>£ 5,571</b>	<b>1</b>	<b>£ 2,479</b>	<b>0</b>	<b>£ 0</b>	<b>0</b>	<b>£ 0</b>

**Table 2.2 – Yearly Summary trend Starting Salary by Directorate – PS13 and above**

Directorate	PS13 and above							
	2013/14		2014/15		2015/16		2016/17	
	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	£ 664	1	£ 1,405	1	£ 3,082	1	£ 500
BUS	4	£ 10,044	3	£ 4,570	0	£ 0	2	£ 8,635
C&C	0	£ 0	0	£ 0	1	£ 3,002	1	£ 4,515
CEX	4	£ 6,705	0	£ 0	2	£ 7,579	0	£ 0
CSF	0	£ 0	0	£ 0	2	£ 4,612	1	£ 2,479
E&I	0	£ 0	0	£ 0	1	£ 8,107	0	£ 0
LDC	0	£ 0	0	£ 0	0	£ 0	0	£ 0
<b>Total</b>	<b>11</b>	<b>£ 6,271</b>	<b>4</b>	<b>£ 3,779</b>	<b>7</b>	<b>£ 5,510</b>	<b>5</b>	<b>£ 4,953</b>

3. Table 2.1 and 2.2 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 quarter in 2016/17 and 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 approved. In the current financial year 2016/17 - Q1, four have been approved, followed by 2016/17 –Q2 with one starting salary pay exceptions having been approved. In Q3 and Q4, no starting salary pay exceptions were approved.

#### 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. The number of permanent salary progressions approved has been consistently low over the past five years.

**Table 3.1 – Quarterly Summary trend Permanent Pay Progression by Directorate – PS12 and below**

Directorate	PS12 and below							
	2016/17 - Q1		2016/17 - Q2		2016/17 - Q3		2016/17 - Q4	
	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	0	£ 0	0	£ 0	3	£ 1,781	0	£ 0
BUS	0	£ 0	0	£ 0	0	£ 0	1	£ 2,203
C&C	0	£ 0	0	£ 0	0	£ 0	0	£ 0
CEX	0	£ 0	1	£ 9,204	0	£ 0	0	£ 0
CSF	1	£ 3,305	2	£ 1,067	0	£ 0	1	£ 2,500
E&I	0	£ 0	0	£ 0	0	£ 0	0	£ 0
LDC	0	£ 0	1	£ 1,555	0	£ 0	0	£ 0
<b>Total</b>	<b>1</b>	<b>£ 3,305</b>	<b>4</b>	<b>£ 3,223</b>	<b>3</b>	<b>£ 1,781</b>	<b>2</b>	<b>£ 2,352</b>

**Table 3.2 – Yearly Summary trend Permanent Pay Progression by Directorate – PS12 and below**

Directorate	PS12 and below							
	2013/14		2014/15		2015/16		2016/17	
	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	2	£ 972	0	£ 0	3	£ 1,781
BUS	4	£ 866	6	£ 3,858	9	£ 1,506	1	£ 2,203
C&C	3	£ 2,554	1	£ 800	2	£ 643	0	£ 0
CEX	1	£ 2,599	4	£ 975	0	£ 0	1	£ 9,204
CSF	10	£ 1,618	7	£ 1,611	5	£ 1,647	4	£ 1,985
E&I	1	£ 1,325	0	£ 0	4	£ 2,548	0	£ 0
LDC	0	£ 0	0	£ 0	0	£ 0	1	£ 1,555
<b>Total</b>	<b>21</b>	<b>£ 1,545</b>	<b>20</b>	<b>£ 2,053</b>	<b>20</b>	<b>£ 1,663</b>	<b>10</b>	<b>£ 2,624</b>

5. Table 3.1 and 3.2 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 quarter in 2016/17 and financial year beginning from 2013/14. It shows that in 2016/17 - Q1 – Q3, were just eight permanent pay progressions while in Q4, there were only two pay increases awarded. The Council may see a decline in the number of pay progressions related to the introduction of pay progression. 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 and in 2016/17, 10 were approved.

**Table 4.1 – Quarterly Summary trend Permanent Pay Progression by Directorate – PS13 and above**

Directorate	PS13 and above							
	2016/17 - Q1		2016/17 - Q2		2016/17 - Q3		2016/17 - Q4	
	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	0	£ 0	0	£ 0	0	£ 0	0	£ 0
BUS	0	£ 0	1	£ 6,597	0	£ 0	0	£ 0
C&C	0	£ 0	0	£ 0	0	£ 0	0	£ 0
CEX	0	£ 0	0	£ 0	1	£ 10,483	0	£ 0
CSF	3	£ 3,620	0	£ 0	1	£ 1,678	0	£ 0
E&I	0	£ 0	0	£ 0	1	£ 10,000	0	£ 0
LDC	0	£ 0	0	£ 0	0	£ 0	0	£ 0
<b>Total</b>	<b>3</b>	<b>£ 3,620</b>	<b>1</b>	<b>£ 6,597</b>	<b>3</b>	<b>£ 7,387</b>	<b>0</b>	<b>£ 0</b>

**Table 4.2 – Yearly Summary trend Permanent Pay Progression by Directorate – PS13 and above**

Directorate	PS13 and above							
	2013/14		2014/15		2015/16		2016/17	
	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	1	£ 10,250	1	£ 22,423	0	£ 0
BUS	4	£ 3,213	9	£ 5,315	1	£ 9,065	1	£ 6,597
C&C	3	£ 7,230	1	£ 7,067	0	£ 0	0	£ 0
CEX	2	£ 6,862	2	£ 7,708	4	£ 7,594	1	£ 10,483
CSF	5	£ 3,304	1	£ 3,401	0	£ 0	4	£ 3,135
E&I	1	£ 4,390	4	£ 6,241	1	£ 5,000	1	£ 10,000
LDC	0	£ 0	0	£ 0	0	£ 0	0	£ 0
<b>Total</b>	18	£ 5,348	18	£ 6,052	7	£ 9,552	7	£ 5,660

6. Table 4.1 and 4.2 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 exceptional pay increase for each quarter in 2016/17 and each financial year beginning from 2013/14. In each quarter in 2016/17, there were permanent pay progressions approved with the exception of Q4, when there were none. The data shows that the total number of permanent pay progressions approved has stayed steady at seven in 2015/16 and 2016/17. The current average pay exception is lower in 2016/17 than the last financial year 2015/16.

#### Pay Exceptions Analysis for Temporary Pay Progression

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

**Table 5.1 – Quarterly Summary trend Temporary Pay Progression by Directorate – PS12 and below**

Directorate	PS12 and below							
	2013/14		2014/15		2015/16		2016/17	
	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	4	£ 836	0	£ 0	1	£ 4,200
BUS	0	£ 0	5	£ 1,762	4	£ 1,636	2	£ 1,842
C&C	1	£ 2,600	0	£ 0	0	£ 0	0	£ 0
CEX	2	£ 2,400	5	£ 2,318	1	£ 1,496	1	£ 3,762
CSF	3	£ 1,667	3	£ 472	9	£ 1,560	1	£ 2,688
E&I	0	£ 0	0	£ 0	0	£ 0	4	£ 3,161
LDC	0	£ 0	0	£ 0	0	£ 0	0	£ 0
<b>Total</b>	7	£ 1,850	17	£ 1,480	14	£ 1,577	9	£ 2,997

**Table 5.2 – Yearly Summary trend Temporary Pay Progression by Directorate – PS12 and below**

Directorate	PS13 and above							
	2013/14		2014/15		2015/16		2016/17	
	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	2	£ 9,344	1	£ 9,750	3	£ 2,500
BUS	0	£ 0	1	£ 12,000	1	£ 1,398	0	£ 0
C&C	0	£ 0	0	£ 0	0	£ 0	0	£ 0
CEX	5	£ 1,596	2	£ 1,020	0	£ 0	0	£ 0
CSF	0	£ 0	0	£ 0	0	£ 0	1	£ 1,467
E&I	0	£ 0	0	£ 0	3	£ 3,592	0	£ 0
LDC	0	£ 0	0	£ 0	0	£ 0	0	£ 0
<b>Total</b>	<b>7</b>	<b>£ 2,569</b>	<b>5</b>	<b>£ 6,546</b>	<b>5</b>	<b>£ 4,385</b>	<b>4</b>	<b>£ 2,242</b>

8. Table 5.1 and 5.2 highlights the number of pay exceptions in which a member of staff is moved within their pay band or to another pay band for PS13 and above, along with the average exceptional pay increase for each quarter in 2016/17 and each financial year beginning from 2013/14. In each quarter in 2016/17, there were permanent pay progressions approved except for Q4, where there was none. The data shows that the total number of permanent pay progressions approved stayed steady at seven in 2015/16 and 2016/17. The current average pay exception is lower in 2016/17 than the last financial year 2015/16.

**Table 6.1 – Quarterly Summary trend Temporary Pay Progression by Directorate – PS13 and above**

Directorate	PS13 and above							
	2016/17 - Q1		2016/17 - Q2		2016/17 - Q3		2016/17 - Q4	
	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	£ 2,700	0	£ 0	0	£ 0	1	£ 2,100
BUS	0	£ 0	0	£ 0	0	£ 0	0	£ 0
C&C	0	£ 0	0	£ 0	0	£ 0	0	£ 0
CEX	0	£ 0	0	£ 0	0	£ 0	0	£ 0
CSF	0	£ 0	0	£ 0	0	£ 0	1	£ 1,467
E&I	0	£ 0	0	£ 0	0	£ 0	0	£ 0
LDC	0	£ 0	0	£ 0	0	£ 0	0	£ 0
<b>Total</b>	<b>2</b>	<b>£ 2,700</b>	<b>0</b>	<b>£ 0</b>	<b>0</b>	<b>£ 0</b>	<b>2</b>	<b>£ 1,784</b>

**Table 6.2 – Yearly Summary trend Temporary Pay Progression by Directorate – PS13 and above**

Directorate	PS12 and below							
	2016/17 - Q1		2016/17 - Q2		2016/17 - Q3		2016/17 - Q4	
	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	0	£ 0	1	£ 4,200	0	£ 0	0	£ 0
BUS	1	£ 2,458	0	£ 0	0	£ 0	1	£ 1,226
C&C	0	£ 0	0	£ 0	0	£ 0	0	£ 0
CEX	0	£ 0	0	£ 0	0	£ 0	1	£ 3,762
CSF	0	£ 0	1	£ 2,688	0	£ 0	0	£ 0
E&I	3	£ 4,048	1	£ 500	0	£ 0	0	£ 0
LDC	0	£ 0	0	£ 0	0	£ 0	0	£ 0
<b>Total</b>	<b>4</b>	<b>£ 3,650</b>	<b>3</b>	<b>£ 2,463</b>	<b>0</b>	<b>£ 0</b>	<b>2</b>	<b>£ 2,494</b>



9. Table 6.1 and 6.2 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 exceptional pay increase for each quarter in 2016/17 and each financial year beginning from 2013/14. In each quarter in 2016/17, there were permanent pay progressions approved except for Q4, when there was none. The data shows that the total number of permanent pay progressions approved has remained at seven in 2015/16 and 2016/17. The current average pay exception is lower in 2016/17 than the last financial year 2015/16.

#### Percentage of Pay Exceptions by Directorate

10. This section is the percentage of expenditure on pay exceptions according to the directorates in each financial year.

**Table 7.1 – Percentage Pay Exceptions by Directorate and Quarter**

Directorate	2013/14	2014/15	2015/16	2016/17	Total Percentage
<b>ASC</b>	30%	20%	4%	11%	14%
<b>BUS</b>	12%	32%	25%	8%	20%
<b>C&amp;C</b>	6%	4%	2%	2%	3%
<b>CEX</b>	12%	17%	12%	2%	11%
<b>CSF</b>	37%	20%	42%	68%	42%
<b>E&amp;I</b>	3%	7%	15%	4%	8%
<b>LDC</b>				5%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Table 7.2 – Percentage Pay Exceptions by Directorate and Financial Year**

Directorate	2016/17 - Q1	2016/17 - Q2	2016/17 - Q3	2016/17 - Q4	Total Percentage
<b>ASC</b>	6%	11%	14%	14%	11%
<b>BUS</b>	13%	3%	8%	8%	8%
<b>C&amp;C</b>	2%	3%	0%	3%	2%
<b>CEX</b>	0%	3%	3%	3%	2%
<b>CSF</b>	70%	66%	68%	69%	68%
<b>E&amp;I</b>	6%	3%	3%	3%	4%
<b>LDC</b>	2%	13%	5%	0%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

11. Table 7.1 indicates that the CSF Directorate has had the highest percentage of pay exceptions for each quarter in 2016/17.
12. Table 7.2 indicates that the CSF and Adult Social Care (ASC) directorates have had the highest number of pay exceptions in 2013/14 whilst Environment & Infrastructure (E&I) had the fewest at 3%. In 2014/15, Business Services (BUS) had the most pay exceptions with 32% whereas 2015/16 had CSF had the highest at 42% with BUS dropping to 25%. In the current year 2016/17, CSF accounted for 68% of pay exceptions while the Chief Executive's Office (CEX) and Customer and Communities (C&C) had the least with 2% of pay exceptions. Overall, since the beginning of the financial year of 2013/14 to the present, Members should note that CSF have accounted for 42% with BUS having had 20%. 14% of pay exceptions occurred in ASC, 11% were in CEX, E&I had 8%, C&C with 3% while Legal, Democratic and Cultural Services (LDC) accounted for 1%. It should be noted that LDC had its first pay exceptions in 2016/17.

<b>Total Additional Pay Awarded</b>
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13. This section is the total cost of the additional pay awarded according to Directorate and pay exception type.

**Table 8.1 – Quarterly Total additional pay awarded by Starting Salary – PS12 and below**

Directorate	Total Additional Pay Awarded - PS12 and below			
	Starting Salary			
	2013/14	2014/15	2015/16	2016/17
<b>ASC</b>	£ 52,965	£ 63,786	£ 23,138	£ 19,737
<b>BUS</b>	£ 4,528	£ 67,571	£ 114,697	£ 17,833
<b>C&amp;C</b>	£ 0	£ 10,551	£ 1,185	£ 2,687
<b>CEX</b>	£ 0	£ 21,295	£ 55,962	£ 0
<b>CSF</b>	£ 73,530	£ 49,947	£ 272,712	£ 302,094
<b>E&amp;I</b>	£ 1,210	£ 8,211	£ 43,401	£ 2,707
<b>LDC</b>	£ 0	£ 0	£ 0	£ 22,087
<b>No.</b>	<b>50</b>	<b>94</b>	<b>162</b>	<b>123</b>
<b>Average Cost</b>	<b>£ 2,645</b>	<b>£ 2,355</b>	<b>£ 3,155</b>	<b>£ 2,985</b>
<b>Total</b>	<b>£ 132,233</b>	<b>£ 221,361</b>	<b>£ 511,095</b>	<b>£ 367,145</b>

**Table 8.2 – Yearly Total additional pay awarded by Starting Salary – PS12 and below**

Directorate	Total Additional Pay Awarded - PS12 and below					Total
	Starting Salary					
	2016/17 - Q1	2016/17 - Q2	2016/17 - Q3	2016/17 - Q4		
<b>ASC</b>	£ 0	£ 6,035	£ 4,188	£ 9,514	£ 19,737	
<b>BUS</b>	£ 5,863	£ 0	£ 10,283	£ 1,687	£ 17,833	
<b>C&amp;C</b>	£ 0	£ 2,687	£ 0	£ 0	£ 2,687	
<b>CEX</b>	£ 0	£ 0	£ 0	£ 0	£ 0	
<b>CSF</b>	£ 98,028	£ 62,323	£ 65,563	£ 76,180	£ 302,094	
<b>E&amp;I</b>	£ 0	£ 0	£ 0	£ 2,707	£ 2,707	
<b>LDC</b>	£ 4,031	£ 14,366	£ 3,690	£ 0	£ 22,087	
<b>No.</b>	<b>33</b>	<b>29</b>	<b>31</b>	<b>30</b>	<b>123</b>	
<b>Average Cost</b>	<b>£ 3,270</b>	<b>£ 2,945</b>	<b>£ 2,701</b>	<b>£ 3,003</b>	<b>£ 2,985</b>	
<b>Total</b>	<b>£ 107,922</b>	<b>£ 85,411</b>	<b>£ 83,724</b>	<b>£ 90,088</b>	<b>£ 367,145</b>	

14. Table 8.1 and 8.2 shows that CSF has the highest total additional pay awarded for PS12 and below and stems from the recruitment of social workers as the demand to hire to these positions is high. In 2016/17 the total expenditure arising from pay policy exceptions in Q1 was £108K, in Q2 was £85K, in Q3 was £84K and in Q4 was 90K. The total additional pay awarded for the 2016/17 financial year was £367K, which was lower than the £511k spent on salary increases in the 2015/16 financial year.

**Table 9.1 – Quarterly Total additional pay awarded by Pay Progression – PS12 and below**

Directorate	Total Additional Pay Awarded - PS12 and below								
	Permanent Pay Progression				Temporary Pay Progression				Total
	2016/17 - Q1	2016/17 - Q2	2016/17 - Q3	2016/17 - Q4	2016/17 - Q1	2016/17 - Q2	2016/17 - Q3	2016/17 - Q4	
<b>ASC</b>	£ 0	£ 0	£ 5,342	£ 0	£ 0	£ 4,200	£ 0	£ 0	£ 9,542
<b>BUS</b>	£ 0	£ 0	£ 0	£ 2,203	£ 0	£ 0	£ 0	£ 1,226	£ 3,429
<b>C&amp;C</b>	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0
<b>CEX</b>	£ 0	£ 9,204	£ 0	£ 0	£ 0	£ 0	£ 0	£ 3,762	£ 12,966
<b>CSF</b>	£ 3,305	£ 2,133	£ 0	£ 2,500	£ 2,688	£ 0	£ 0	£ 0	£ 10,626
<b>E&amp;I</b>	£ 0	£ 0	£ 0	£ 0	£ 500	£ 0	£ 0	£ 0	£ 500
<b>LDC</b>	£ 0	£ 1,555	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 1,555
<b>No.</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>19</b>
<b>Average Cost</b>	<b>£ 3,305</b>	<b>£ 3,223</b>	<b>£ 1,781</b>	<b>£ 2,352</b>	<b>£ 797</b>	<b>£ 1,400</b>	<b>£ 0</b>	<b>£ 2,494</b>	<b>£ 2,033</b>
<b>Total</b>	<b>£ 3,305</b>	<b>£ 12,892</b>	<b>£ 5,342</b>	<b>£ 4,703</b>	<b>£ 3,188</b>	<b>£ 4,200</b>	<b>£ 0</b>	<b>£ 4,988</b>	<b>£ 38,618</b>

**Table 9.2 – Yearly Total additional pay awarded by Pay Progression – PS12 and below**

Directorate	Total Additional Pay Awarded - PS12 and below							
	Permanent Pay Progression				Temporary Pay Progression			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
ASC	£ 1,208	£ 1,944	£ 0	£ 5,342	£ 550	£ 3,344	£ 0	£ 4,200
BUS	£ 3,464	£ 23,149	£ 13,550	£ 2,203	£ 0	£ 8,810	£ 6,542	£ 3,684
C&C	£ 7,662	£ 800	£ 1,286	£ 0	£ 2,600	£ 0	£ 0	£ 0
CEX	£ 2,599	£ 3,900	£ 0	£ 9,204	£ 4,800	£ 11,591	£ 1,496	£ 3,762
CSF	£ 16,177	£ 11,276	£ 8,234	£ 7,938	£ 5,000	£ 1,417	£ 14,041	£ 2,688
E&I	£ 1,325	£ 0	£ 10,191	£ 0	£ 0	£ 0	£ 0	£ 12,643
LDC	£ 0	£ 0	£ 0	£ 1,555	£ 0	£ 0	£ 0	£ 0
No.	21	20	20	10	7	17	14	9
Average Cost	£ 1,545	£ 2,053	£ 1,663	£ 2,624	£ 1,850	£ 1,480	£ 1,577	£ 2,997
Total	£ 32,435	£ 41,069	£ 33,261	£ 26,242	£ 12,950	£ 25,163	£ 22,079	£ 26,977

15. Table 9.1 shows that Chief Executive's Office has the highest total additional spent on pay awards for members of staff on PS12 and below for both permanent and temporary increases in 2016/17. Table 9.2 shows that CSF have had the highest total additional pay awarded for PS12 and below for pay exceptions in all financial years.

**Table 10.1 – Quarterly Total additional pay awarded by Starting Salary – PS13 and above**

Directorate	Total Additional Pay Awarded - PS13 and above				
	Starting Salary				Total
	2016/17 - Q1	2016/17 - Q2	2016/17 - Q3	2016/17 - Q4	
ASC	£ 500	£ 0	£ 0	£ 0	£ 500
BUS	£ 17,269	£ 0	£ 0	£ 0	£ 17,269
C&C	£ 4,515	£ 0	£ 0	£ 0	£ 4,515
CEX	£ 0	£ 0	£ 0	£ 0	£ 0
CSF	£ 0	£ 2,479	£ 0	£ 0	£ 2,479
E&I	£ 0	£ 0	£ 0	£ 0	£ 0
LDC	£ 0	£ 0	£ 0	£ 0	£ 0
No.	4	1	0	0	5
Average Cost	£ 5,571	£ 2,479	£ 0	£ 0	£ 4,953
Total	£ 22,284	£ 2,479	£ 0	£ 0	£ 24,763

**Table 10.2 – Yearly Total additional pay awarded by Starting Salary – PS13 and above**

Directorate	Total Additional Pay Awarded - PS13 and above			
	Starting Salary			
	2013/14	2014/15	2015/16	2016/17
ASC	£ 1,991	£ 1,405	£ 3,082	£ 500
BUS	£ 40,175	£ 13,709	£ 0	£ 17,269
C&C	£ 0	£ 0	£ 3,002	£ 4,515
CEX	£ 26,819	£ 0	£ 15,157	£ 0
CSF	£ 0	£ 0	£ 9,223	£ 2,479
E&I	£ 0	£ 0	£ 8,107	£ 0
LDC	£ 0	£ 0	£ 0	£ 0
No.	11	4	7	5
Average Cost	£ 6,271	£ 3,779	£ 5,510	£ 4,953
Total	£ 68,985	£ 15,114	£ 38,571	£ 24,763

16. Table 10.1 shows that BUS has the highest total additional pay awarded for PS13 and above at £25K. The total spent on pay awards for members of staff on PS13 and above for 2016/17 is as follows: Q1 - £22K, Q2 - £2K, Q3 - £0k and Q4 - £0K. Total expenditure across the four quarters was £25K. Table 10.2 shows that BUS has the highest total additional pay awarded

for PS13 and above at £71K. The total salary increases awarded for the past four financial years is as follows: 2013/14 - £69K, 2014/15 - £15K, 2015/16 - £39K and 2016/17 - £25K.

**Table 11.1 – Quarterly Total additional pay awarded by Pay Progression – PS13 and above**

Directorate	Total Additional Pay Awarded - PS13 and above									
	Permanent Pay Progression				Temporary Pay Progression				Total	
	2016/17 - Q1	2016/17 - Q2	2016/17 - Q3	2016/17 - Q4	2016/17 - Q1	2016/17 - Q2	2016/17 - Q3	2016/17 - Q4		
ASC	£ 0	£ 0	£ 0	£ 0	£ 5,400	£ 0	£ 0	£ 2,100	£ 7,500	
BUS	£ 0	£ 6,597	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 6,597	
C&C	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	
CEX	£ 0	£ 0	£ 10,483	£ 0	£ 0	£ 0	£ 0	£ 0	£ 10,483	
CSF	£ 10,860	£ 0	£ 1,678	£ 0	£ 0	£ 0	£ 0	£ 1,467	£ 14,005	
E&I	£ 0	£ 0	£ 10,000	£ 0	£ 0	£ 0	£ 0	£ 0	£ 10,000	
LDC	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	
No.	3	1	3	0	2	0	0	2	11	
Average Cost	£ 3,620	£ 6,597	£ 7,387	£ 0	£ 2,700	£ 0	£ 0	£ 1,784	£ 4,417	
Total	£ 10,860	£ 6,597	£ 22,161	£ 0	£ 5,400	£ 0	£ 0	£ 3,567	£ 48,585	

**Table 11.2 – Yearly Total additional pay awarded by Pay Progression – PS13 and above**

Directorate	Total Additional Pay Awarded - PS13 and above							
	Permanent Pay Progression				Temporary Pay Progression			
	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
ASC	£ 27,091	£ 10,250	£ 22,423	£ 0	£ 10,000	£ 18,688	£ 9,750	£ 7,500
BUS	£ 12,852	£ 47,836	£ 9,065	£ 6,597	£ 0	£ 12,000	£ 1,398	£ 0
C&C	£ 21,690	£ 7,067	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0
CEX	£ 13,723	£ 15,416	£ 30,376	£ 10,483	£ 7,981	£ 2,040	£ 0	£ 0
CSF	£ 16,518	£ 3,401	£ 0	£ 12,538	£ 0	£ 0	£ 0	£ 1,467
E&I	£ 4,390	£ 24,963	£ 5,000	£ 10,000	£ 0	£ 0	£ 10,775	£ 0
LDC	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0
No.	18	18	7	7	7	5	5	4
Average Cost	£ 5,348	£ 6,052	£ 9,552	£ 5,660	£ 2,569	£ 6,546	£ 4,385	£ 2,242
Total	£ 96,264	£ 108,933	£ 66,864	£ 39,618	£ 17,981	£ 32,728	£ 21,923	£ 8,967

17. Table 11.1 demonstrates that CSF has the highest total additional pay awarded for PS13 and above for pay progressions at £14K. Across the Council total additional expenditure on pay awards for PS13 and above is as follows: Q1 - £15K, Q2 - £7K, Q3 - £22K and Q4 - £4K bringing the total for the four quarters to £49K. Table 11.2 shows that over the past four years ASC has awarded the highest total additional pay for employees on PS13 and above at £105K. Across the Council the breakdown for salary increases for those on PS13 and above is as follows: 2013/14 - £136K, 2014/15 - £142K, 2015/16 - £89K and 2016/17 - £49K.

#### Comparison of Pay Exceptions of Quarter and End of Year

18. Annex 1 outlines each type of pay exception by governance, directorate and quarter/financial year with the number of pay exceptions, the average cost of each pay exception, the sub-total of pay exceptions cost by governance and then the total of the sub-totals added together.
19. It should be noted in Annex 1 that the number of starting salaries has decreased from 37 in Q1 to 30 in Q2 and Q3 had 31 and Q4 had 30. However, the total cost per quarter was the lowest in Q3 at £84K, whilst Q4 had £90K, Q2 had £88K and Q1 was the highest at £130K. There has been an increase in permanent pay progressions in the first three quarters and it decreased in the fourth quarter. From four permanent pay progressions in Q1 to five in Q2, six in Q3 and two in Q4.

20. Overall, the number of pay exceptions in 2016/17 was 158 at a total cost to the Council of £494K.

### Conclusion

21. From the data the following conclusions can be drawn:

- a. CSF have the highest amount of pay exceptions, this is due to social workers being hard to recruit.
- b. Temporary pay progressions appear to be decreasing in number.

### Financial and value for money implications

22. None

### Equalities and Diversity Implications

23. There are no equality and diversity implications.

### Risk Management Implications

24. None

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**Annexes:**

Annex 1 - Summary comparison of type of pay exception, governance, directorate by financial year.

**Background Papers:** None

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## Summary comparison of type of pay exception, governance, directorate by financial year.

Directorate	Grade	Analysis	Pay Exceptions											
			Starting Salary				Permanent Pay Progression				Temporary Pay Progression			
			2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17	2013/14	2014/15	2015/16	2016/17
ASC	PS12 and below	No.	23	22	6	9	2	2	0	3	1	4	0	1
		Average Cost	£ 2,303	£ 2,899	£ 3,856	£ 2,193	£ 604	£ 972	£ 0	£ 1,781	£ 550	£ 836	£ 0	£ 4,200
		Subtotal	£ 52,965	£ 63,786	£ 23,138	£ 19,737	£ 1,208	£ 1,944	£ 0	£ 5,342	£ 550	£ 3,344	£ 0	£ 4,200
	PS13 and above	No.	3	1	1	1	3	1	1	0	2	2	1	3
		Average Cost	£ 664	£ 1,405	£ 3,082	£ 500	£ 9,030	£ 10,250	£ 22,423	£ 0	£ 5,000	£ 9,344	£ 9,750	£ 2,500
		Subtotal	£ 1,991	£ 1,405	£ 3,082	£ 500	£ 27,091	£ 10,250	£ 22,423	£ 0	£ 10,000	£ 18,688	£ 9,750	£ 7,500
<b>Total</b>		£ 54,956	£ 65,191	£ 26,220	£ 20,237	£ 28,299	£ 12,194	£ 22,423	£ 5,342	£ 10,550	£ 22,032	£ 9,750	£ 11,700	
BUS	PS12 and below	No.	2	26	39	7	4	6	9	1	0	5	4	2
		Average Cost	£ 2,264	£ 2,599	£ 2,941	£ 2,548	£ 866	£ 3,858	£ 1,506	£ 2,203	£ 0	£ 1,762	£ 1,636	£ 1,842
		Subtotal	£ 4,528	£ 67,571	£ 114,697	£ 17,833	£ 3,464	£ 23,149	£ 13,550	£ 2,203	£ 0	£ 8,810	£ 6,542	£ 3,684
	PS13 and above	No.	4	3	0	2	4	9	1	1	0	1	1	0
		Average Cost	£ 10,044	£ 4,570	£ 0	£ 8,635	£ 3,213	£ 5,315	£ 9,065	£ 6,597	£ 0	£ 12,000	£ 1,398	£ 0
		Subtotal	£ 40,175	£ 13,709	£ 0	£ 17,269	£ 12,852	£ 47,836	£ 9,065	£ 6,597	£ 0	£ 12,000	£ 1,398	£ 0
<b>Total</b>		£ 44,703	£ 81,280	£ 114,697	£ 35,102	£ 16,316	£ 70,985	£ 22,615	£ 8,800	£ 0	£ 20,810	£ 7,940	£ 3,684	
C&C	PS12 and below	No.	0	4	1	2	3	1	2	0	1	0	0	0
		Average Cost	£ 0	£ 2,638	£ 1,185	£ 2,687	£ 2,554	£ 800	£ 643	£ 0	£ 2,600	£ 0	£ 0	£ 0
		Subtotal	£ 0	£ 10,551	£ 1,185	£ 2,687	£ 7,662	£ 800	£ 1,286	£ 0	£ 2,600	£ 0	£ 0	£ 0
	PS13 and above	No.	0	0	1	1	3	1	0	0	0	0	0	0
		Average Cost	£ 0	£ 0	£ 3,002	£ 4,515	£ 7,230	£ 7,067	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0
		Subtotal	£ 0	£ 0	£ 3,002	£ 4,515	£ 21,690	£ 7,067	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0
<b>Total</b>		£ 0	£ 10,551	£ 4,187	£ 7,202	£ 29,352	£ 7,867	£ 1,286	£ 0	£ 2,600	£ 0	£ 0	£ 0	
CEO	PS12 and below	No.	0	14	18	0	1	4	0	1	2	5	1	1
		Average Cost	£ 0	£ 1,521	£ 3,109	£ 0	£ 2,599	£ 975	£ 0	£ 9,204	£ 2,400	£ 2,318	£ 1,496	£ 3,762
		Subtotal	£ 0	£ 21,295	£ 55,962	£ 0	£ 2,599	£ 3,900	£ 0	£ 9,204	£ 4,800	£ 11,591	£ 1,496	£ 3,762
	PS13 and above	No.	4	0	2	0	2	2	4	1	5	2	0	0
		Average Cost	£ 6,705	£ 0	£ 7,579	£ 0	£ 6,862	£ 7,708	£ 7,594	£ 10,483	£ 1,596	£ 1,020	£ 0	£ 0
		Subtotal	£ 26,819	£ 0	£ 15,157	£ 0	£ 13,723	£ 15,416	£ 30,376	£ 10,483	£ 7,981	£ 2,040	£ 0	£ 0
<b>Total</b>		£ 26,819	£ 21,295	£ 71,119	£ 0	£ 16,322	£ 19,316	£ 30,376	£ 19,687	£ 12,781	£ 13,631	£ 1,496	£ 3,762	
CSF	PS12 and below	No.	24	21	75	97	10	7	5	4	3	3	9	1
		Average Cost	£ 3,064	£ 2,378	£ 3,636	£ 3,114	£ 1,618	£ 1,611	£ 1,647	£ 1,985	£ 1,667	£ 472	£ 1,560	£ 2,688
		Subtotal	£ 73,530	£ 49,947	£ 272,712	£ 302,094	£ 16,177	£ 11,276	£ 8,234	£ 7,938	£ 5,000	£ 1,417	£ 14,041	£ 2,688
	PS13 and above	No.	0	0	2	1	5	1	0	4	0	0	0	1
		Average Cost	£ 0	£ 0	£ 4,612	£ 2,479	£ 3,304	£ 3,401	£ 0	£ 3,135	£ 0	£ 0	£ 0	£ 1,467
		Subtotal	£ 0	£ 0	£ 9,223	£ 2,479	£ 16,518	£ 3,401	£ 0	£ 12,538	£ 0	£ 0	£ 0	£ 1,467
<b>Total</b>		£ 73,530	£ 49,947	£ 281,935	£ 304,573	£ 32,695	£ 14,677	£ 8,234	£ 20,476	£ 5,000	£ 1,417	£ 14,041	£ 4,155	
E&I	PS12 and below	No.	1	7	23	1	1	0	4	0	0	0	0	4
		Average Cost	£ 1,210	£ 1,173	£ 1,887	£ 2,707	£ 1,325	£ 0	£ 2,548	£ 0	£ 0	£ 0	£ 0	£ 3,161
		Subtotal	£ 1,210	£ 8,211	£ 43,401	£ 2,707	£ 1,325	£ 0	£ 10,191	£ 0	£ 0	£ 0	£ 0	£ 12,643
	PS13 and above	No.	0	0	1	0	1	4	1	1	0	0	3	0
		Average Cost	£ 0	£ 0	£ 8,107	£ 0	£ 4,390	£ 6,241	£ 5,000	£ 10,000	£ 0	£ 0	£ 3,592	£ 0
		Subtotal	£ 0	£ 0	£ 8,107	£ 0	£ 4,390	£ 24,963	£ 5,000	£ 10,000	£ 0	£ 0	£ 10,775	£ 0
<b>Total</b>		£ 1,210	£ 8,211	£ 51,508	£ 2,707	£ 5,715	£ 24,963	£ 15,191	£ 10,000	£ 0	£ 0	£ 10,775	£ 12,643	
LDC	PS12 and below	No.	0	0	0	7	0	0	0	1	0	0	0	0
		Average Cost	£ 0	£ 0	£ 0	£ 3,155	£ 0	£ 0	£ 0	£ 1,555	£ 0	£ 0	£ 0	£ 0
		Subtotal	£ 0	£ 0	£ 0	£ 22,087	£ 0	£ 0	£ 0	£ 1,555	£ 0	£ 0	£ 0	£ 0
	PS13 and above	No.	0	0	0	0	0	0	0	0	0	0	0	0
		Average Cost	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0
		Subtotal	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0	£ 0
<b>Total</b>		£ 0	£ 0	£ 0	£ 22,087	£ 0	£ 0	£ 0	£ 1,555	£ 0	£ 0	£ 0	£ 0	

	2013/14	2014/15	2015/16	2016/17
<b>STARTING SALARY</b>				
TOTAL NO. PER FY	61	98	169	128
TOTAL COST PER FY - PS12 BELOW	£ 132,233	£ 221,361	£ 511,095	£ 367,145
TOTAL COST PER FY - PS13 ABOVE	£ 68,985	£ 15,114	£ 38,571	£ 24,763
TOTAL COST PER FY	£ 201,218	£ 236,475	£ 549,666	£ 391,908

<b>PERMANENT PAY PROGRESSION</b>				
TOTAL NO. PER FY	39	38	27	17
TOTAL COST PER FY - PS12 BELOW	£ 32,435	£ 41,069	£ 33,261	£ 26,242
TOTAL COST PER FY - PS13 ABOVE	£ 96,264	£ 108,933	£ 66,864	£ 39,618
TOTAL COST PER FY	£ 128,699	£ 150,002	£ 100,125	£ 65,860

<b>TEMPORARY PAY PROGRESSION</b>				
TOTAL NO. PER FY	14	22	19	13
TOTAL COST PER FY - PS12 BELOW	£ 12,950	£ 25,163	£ 22,079	£ 26,977
TOTAL COST PER FY - PS13 ABOVE	£ 17,981	£ 32,728	£ 21,923	£ 8,967
TOTAL COST PER FY	£ 30,931	£ 57,891	£ 44,002	£ 35,944

<b>ALL PAY PROGRESSION</b>				
TOTAL NO. PER FY	53	60	46	30
TOTAL COST PER FY - PS12 BELOW	£ 45,385	£ 66,232	£ 55,339	£ 53,219
TOTAL COST PER FY - PS13 ABOVE	£ 114,245	£ 141,661	£ 88,787	£ 48,585
TOTAL COST PER FY	£ 159,630	£ 207,892	£ 144,126	£ 101,804

<b>GRAND TOTAL NO.</b>	645
<b>GRAND TOTAL COST - PS12 BELOW</b>	£ 1,452,009
<b>GRAND TOTAL COST - PS13 ABOVE</b>	£ 531,744
<b>GRAND TOTAL COST</b>	£ 1,992,720



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