

EMPLOYMENT PANEL

TUESDAY, 18 OCTOBER 2016

PRESENT: Councillors Lisa Targowska (Chairman), Eileen Quick (Vice-Chairman), Phillip Bicknell, Stuart Carroll, Dr Lilly Evans, Lynne Jones and MJ Saunders

Also in attendance: Ruth Smith (UNISON) for item 5

Officers: Alison Alexander, Terry Baldwin and Karen Shepherd

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Brimacombe.

DECLARATIONS OF INTEREST

Alison Alexander, Terry Baldwin and Karen Shepherd declared an interest in the items 'Trade Union Pay Claim 2017/18' and 'Briefing Note on Pay Reward Scheme' as officers of the council.

Karen Shepherd declared an interest in the item 'Briefing Note on Pay reward Scheme' as a member of the officer Working Group.

MINUTES

RESOLVED UNANIMOUSLY: that the Part I minutes of the meeting held on 21 September 2016 be approved.

APPLICATION OF THE ENGLISH LANGUAGE REQUIREMENTS FOR PUBLIC SECTOR WORKERS

Members considered the duty to ensure all public sector workers in a 'customer facing' role spoke fluent English to an appropriate standard. Members noted the roles that had been identified as 'customer facing' and the potential methods of assessment as detailed on pages 12 and 13 of the report. There was no requirement to test existing staff, however any issues would be identified by the usual management processes and addressed in conjunction with HR. The requirements were the same for agency workers as those employed directly by the council. The requirements would be added to the HR workstream for Delivering Differently to ensure the external companies applied the standards.

Members suggested a number of different roles that could also be considered as customer facing, including housing options, litigation lawyers and community wardens. Councillor Bicknell suggested those to whom the council issued licences, for example taxi drivers, should also be subject to the requirements. The Head of HR commented that the council would need to ensure they were aware of the requirements and take action of necessary. It was noted that self-employed contractors were covered.

Councillor Saunders commented that he appreciated the emphasis on customer facing roles, however in order for all staff to perform their role effectively they would logically require appropriate communication skills. The Head of HR responded that

through the usual recruitment process an individual's communication skills would be assessed; the emphasis of the report was specifically on customer facing roles. Councillor Jones highlighted that the code of practice required an 'appropriate' level of fluency. If the report aimed to highlight the need for a higher level for customer facing staff, she could accept this on the basis the recruitment process applied a certain level to all staff anyway. Members were of the opinion that the report should reflect this and therefore the recommendation should be amended to provide Member's endorsement, subject to the comments made.

Councillor Dr. Evans arrived at 6.44pm.

Councillor Quick commented that on occasion she had had conversations with people with very strong accents that meant, although the individual had fluency and grammar skills, she was unable to understand them. She could not understand why this aspect was not covered in the code of Practice at section 2.11.

Councillor Jones commented that volunteers, for example those in the library service, should be covered. The Head of HR confirmed that guidelines for the recruitment of all roles would be available. Councillor Dr. Evans highlighted that councillors were not covered by the requirements. The Chairman commented that it would be worth noting that councillors should place the duty upon themselves.

RESOLVED UNANIMOUSLY: That Employment Panel notes and endorses the requirements placed on the council by Part 7 of the Immigration Act 2016 and the statutory code of Practice on the English language requirements for public sector workers and endorses the action plan, subject to the comments made by the Panel during the discussion.

TRADE UNION PAY CLAIM 2017/18

Members considered the annual pay claim submitted by UNISON and GMB trade unions.

The Head of HR explained that the covering report provided modelling based on the trade union claim and the financial impact if it were accepted.

Ruth Smith of UNISON addressed the Panel. She explained that members of both her union and GMB had been consulted through a survey and face to face meetings, and their responses were reflected in the claim. The claim highlighted the economic climate and affordability issues. The borough was a particularly expensive area in which to live, yet many employees were loyal. A good number of employees were also residents of the borough. The feedback received showed that it was clear that members were aware of the Pay Reward scheme and its intricacies, yet did not wish to submit a pay claim on this basis. Members had clearly expressed a wish for an across the board pay award for all staff, on the basis of fairness, to ensure all staff had an increase in their pay that enabled them to maintain their standard of living given the increase in prices. Recently released statistics showed that the cost of clothing and food in particular were set to continue to increase.

Councillor Bicknell requested details of the response rate of union members. Ms Smith explained that she did not have exact details, but that both unions had done their best to get a good response rate through a survey and face to face meetings at various locations.

Councillor Saunders commented that the Pay Reward scheme sought progressively to reward performance and contribution. For those who performed and contributed in the way the scheme identified, the scheme would have comfortably achieved rates of increase that would have shielded staff from the issues described. He asked why union members considered it more appropriate to redistribute to all rather than those who performed the best getting the most.

Ms Smith responded that a consistent message was that there were lots of aspects of the scheme that were not seen to be fair. The vast majority did not receive the larger pay increases yet they were of the view that they had worked hard and contributed. This reinforced the unfairness of the scheme. Greed was not necessarily what motivated people who worked in the public sector, therefore the claim reflected the desire to see fairness for colleagues.

Ms Smith left the meeting at 7.04pm

Councillor Saunders commented that the working group had been created to iron out the wrinkles with the Pay Reward scheme, and the two issues needed to be intertwined. He believed that the Pay Reward scheme based on performance and contribution should continue, but the council needed to more effectively deal with people who delivered but did not excel. The Chairman commented that the balance between Reward and Award needed to be addressed.

Councillor Bicknell highlighted that the borough paid all employees higher than the National Living Wage (NLW). It appeared that because of geographical location the trade unions believed that the borough should pay higher than the NLW. The unions had not considered the financial impact of a 5% increase across the board, and could not provide data on response rates.

The Managing Director commented that the Panel at previous meetings had talked about how staff had highlighted the need for a balance between award and reward. As an organisation the borough was committed to the reward aspect. However, particularly with the upcoming changes and challenges to the organisation, there was a need to refocus the message to highlight that staff were an asset to the organisation. The number of staff on capability procedures was very low, but there was a gap between the majority and those who excelled.

Councillor Jones commented that the claim was not just because of location but the higher cost of living in the borough. She highlighted the difficulties schools had in recruiting staff. Councillor Bicknell commented that the cost of living was the biggest differentiator and whatever the pay scales this ongoing problem would not be surmounted. Councillor Dr Evans highlighted the psychological element alluded to by Ms Smith, that money was not the only motivator and the effect on productivity particularly at times of change. It would be psychologically right to show staff that Members were taking into account the pressures they were under.

Councillor Saunders commented that for a number of years the Panel had sought to ensure the amount of money awarded was directed at the lower paid to 'pull the tail up'. More recently the emphasis had shifted to allocation in response to performance and contribution. He suspected a 5% increase costing £2m would be indigestible to council tax payers. Whatever the size of the pot it would be appropriate to seek to allocate in a way that most effectively responded to a variety of inputs. The Chairman

commented that this reflected discussions in the working group. Councillor Dr Evans highlighted the need to take into account the impact of loss of staff depending on the type of award, and the consequent cost of agency staff. Councillor Carroll commented that proportionality as you moved up and down the curve and received reward based on performance was the key. Equality of outcome was not the answer; there was a need to continue incentivising performance. Councillor Bicknell commented that it was a journey over time. It would be important to 'keep the tail up' therefore the curve would need to flatten to some extent.

Members therefore agreed to request HR to undertake modelling in relation to flattening the curve and that the wording of recommendation ii be amended accordingly.

RESOLVED UNANIMOUSLY: That Employment Panel:

- i. Review the information supplied in this report and appendices as part of the consideration of the annual pay review for eligible staff for 2016/17.**
- ii. Request HR to explore modelling around the flattening of the curve and how this would look at different levels and the full integration with the ongoing outcomes of the working group, to be brought back to the Panel in November 2016.**
- iii. Inform the trade unions of the pay award and pay reward decision in February 2017, after the February Cabinet meeting.**

BRIEFING NOTE ON PAY REWARD SCHEME

Members received an update on progress in the development of a new pay reward scheme. Members noted the five areas of commonality and six areas of difference identified following the meetings of the working group. It was noted that legal advice was awaited in relation to the impact of Delivering Differently.

The Chairman stated that she was not keen on the idea of a points system, which could lead to haggling over points. Councillor Saunders commented that he had used a continuous curve approach many times. In contrast, schemes with 'cliff edges' were painful. A continuous curve meant people did not get preoccupied with getting over the next 'cliff edge'. An iterative formula could be used to work out the levels, based on the total pot available. Councillor Saunders felt this reflected the issue of fairness as if as a team you had done generally well you would by definition share some reward. This drove the idea that you won together.

The Head of HR confirmed that increments were still in place for employees up to grade 6. If an individual received a rating of satisfactory or higher they would move up a scale point each year, in addition to any pay award or reward. The Chairman commented that this led to large numbers of people at the top of their grade, which was not helpful. For above grade 6, spot salaries were in place. Increments had been removed from grade 7 a few years ago. Councillor Dr Evans commented that the system could be perceived as too complicated. It would be important to be able to explain in graphical form so people understood it was not as complicated as they feared. The Chairman agreed that a communications plan was required. Councillor Mrs Jones highlighted that increments were useful at lower grades to attract individuals with the skills but lacking experience, as they knew they could prove themselves and move up the scales.

The Managing Director explained that Grade 5 was between £23,000 and £27,000. Councillor Bicknell highlighted that with five spinal points this meant an approximate 5% jump each year, plus pay award and pay reward. It was noted that incremental increases were managed within service budgets.

The Managing Director explained that since the delivering differently process had begun a tension had arisen as the request to review the Pay Reward scheme had been made at the same time as discussions were underway with staff about transfer to a CIC. This could result in potentially two consultations at the same time, about a revised Pay Reward scheme and TUPE transfer/redundancy. It was confirmed that when staff transferred to Optalis or Achieving for Children, they would retain their terms and conditions in place at the point of transfer. Over time they could be harmonised but this would require a collective decision by the shareholding board.

Councillor Jones left the meeting at 7.55pm.

Councillor Saunders commented that if Members identified issues with the scheme and did not do anything to address them before staff transferred, the benefit of changes would only be to those who remained directly employed by the council. If the changes were not in place when staff transferred, the council would have less ability to get it right for that cohort. It was therefore sensible to get the refinements sorted before the transfer date. Councillor Dr Evans highlighted that the message needed to be got across that Members were acting in the best interests of all staff.

Members agreed the current timetable should be kept to for the review of the Pay Reward scheme. Discussions should take place with the working group and then the issue brought to the next Panel meeting.

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on items 8-9 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act.

The meeting, which began at 6.30 pm, finished at 8.14 pm

CHAIRMAN.....

DATE.....