

CHESHIRE EAST COUNCIL

Staffing Committee

Date of Meeting: 25 January 2018
Report of: Head of Strategic HR
Subject/Title: HR and Health and Safety - Q3 Update Report

1.0 Report Summary

- 1.1 To update the Committee on progress with the Council's People Plan 2017/18 as at the end of quarter three, to include Health and Safety, Human Resource (HR) and Organisational Development (OD) items.

2.0 Recommendation

- 2.1 To note the report and receive feedback.

3.0 Reasons for Recommendations

- 3.1 To ensure Members are kept up to date with HR and OD developments and that the Committee's Terms of Reference are followed.

4.0 Wards Affected

- 4.1 No specific wards affected.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications

- 6.1 No significant policy issues identified as a result of this update report.

7.0 Financial Implications

- 7.1 No direct financial implications arising from this report.

8.0 Legal Implications

- 8.1 No direct legal implications arising from this report.

9.0 Risk Management

- 9.1 No significant risks identified as a result of this update report. Risks relating to specific matters are dealt with separately.

10.0 WORKFORCE PRIORITIES

10.1 Placing the right people in the right places at the right times, is at the heart of the Council's success. To support and enable the delivery of the Council's ambitious plans, eight strategic workforce priorities come together to form the Council's People Plan 2017/18, which are summarised below:

1. **Organisation Design** – to provide change management support to services, enabling our workforce to be flexible and adaptable in a rapidly changing local, regional and national environment.
2. **Recruitment, Resourcing and Retention** – to review the Council's recruitment process and undertake a strategic workforce assessment. Create career pathway plans including talent management planning across the Council.
3. **Connected Council** – to develop and implement a leadership and management model and development strategy which increases leadership impact and facilitates cultural change.
4. **Employee Development** – to continue to develop highly skilled and competent professionals who operate safe practice and risk awareness and can work effectively across internal and external boundaries as the structure and form of public service changes.
5. **Engagement and Wellbeing** – to continue to build from the findings of the Staff Survey 2016 with particular focus on improving staff wellbeing, resilience and attendance management, to ensure our workforce are engaged and performing at the highest level.
6. **Pay and Rewards** – to monitor and review approaches to pay to meet business needs and further develop financial and non-financial rewards and employee benefits, whilst meeting equal pay and gender pay gap requirements.
7. **Service Delivery** – to further develop and clarify the HR offer to ensure a safe, healthy and supportive environment, which equips the workforce to contribute effectively, reach their potential.
8. **HR Business Development** – to ensure the Council's HR service is in the best position to fully support the delivery of business priorities and exploit further business opportunities.

10.2 A copy of the People Plan for 2017/18 is attached at Appendix 1 to this report. The People Plan 2017/18 is derived from the HR service plan and outlines the priorities which will be focused on to achieve each objective.

10.3 Staffing Committee Members are asked to note progress at the end of quarter three in delivering the People Plan for 2017/18 and to provide any feedback.

11. HR POLICY REVIEW

- 11.1 The review of the Council's HR Policies and Procedures continues to ensure the policies reflect best practice, are legislatively compliant and are user friendly for staff and managers to use consistently. In addition, the number of policies is being streamlined by grouping together policies into broader linked themes.
- 11.2 Work progresses on the first phase of the review which is focusing on the Council's core HR Policies grouped into three sequential topic areas as follows:
- | | | |
|---------------------|--------------------|---------------------------|
| 1a. Dignity at Work | 1b. Organisational | 1c. Attendance Management |
| 1a. Grievance | Change | 1c. Capability |
| 1a. Disciplinary | | |
- 11.3 It is proposed that the Council's current combined Grievance, Bullying and Harassment Policy becomes two separate policies to ensure appropriate focus on both Dignity at Work issues and other grievances that staff may raise. The launch of this group of policies will be supported by an e-learning module that all staff will be required to complete.
- 11.4 Included within the review of the suite of Organisational Change policies is a review of the Council's redundancy terms and the discretionary multiplier used. Consultation is underway with the Trade Unions and it is anticipated that revised arrangements will be introduced in 2018/19. The changes will require Cabinet approval and an in year amendment in due course, to the Council's published Pay Policy Statement in accordance with Section 38 of the Localism Act. Staffing Committee will be involved as appropriate as matters progress and further updates will be provided in due course.

12. MUTUALLY AGREED RESIGNATION SCHEME

- 12.1 The Council has already outlined, and is consulting on, in its pre-budget report (2018/21 MTFS Budget Proposal Summary) that it will aim to develop a local Mutually Agreed Resignation Scheme (MARS).
- 12.2 As background, the Council has a range of policies and procedures that allow staff to exit the organisation but many are linked to statutory schemes such as redundancy or the Local Government Pension regulations. In addition, there are a range of other schemes such as career breaks, voluntary reduced hours and secondment policies which do accord flexibility for staff during employment but do not provide full flexibility.
- 12.3 The principles for MARS have been developed from the NHS Staff Council Section 20 national agreement and was seen as recommended good practice for NHS Trusts to support them to alleviate the need for future redundancies and reduce costs. It also was used to increase flexibility for an employer to address rapid change and service redesign. Since then the scheme has

become more widely utilised and now operates in Local Government and Education, in addition to the NHS.

- 12.4 Where it is decided to cease or substantially reduce an area of work, any resulting reduction in the requirement for jobs will normally be dealt with under the Council's Redundancy Policy. However, due to a number of years of service cost reductions and the merging of many roles, combined with the addition of new priorities, it is often not possible to simply cease or change work and make whole posts redundant.
- 12.5 As a result some Councils have adopted Mutually Agreed Resignation Schemes (MARS) which is more flexible, provides choice to employees and managers, opens up career development opportunities and enables cost reductions over the short to medium term. These schemes are offered on a time-limited basis as organisational requirements demand.
- 12.6 Once finalised, the MARS policy will require Cabinet approval and an amendment to the Council's published Pay Policy Statement, in accordance with Section 38 of the Localism Act.

13. NJC PAY AWARD UPDATE

- 13.1 Local Government national pay negotiations for 2018/19 and 2019/20 are underway. The National Employers for Local Government Services have made a final pay offer to the trade unions of a two year deal for the period 1/4/18 to 31/3/20. This final offer is in response to the Trade Unions claim for 5% this year and has yet to be agreed.
- 13.2 The National Employers pay offer is outlined as follows:

Year 1 (2018/19)

The lowest spinal points 6-19 will be increased to meet the significant national living wage pay gap potentially making the lowest spinal point £8.50 per hour. Spinal point 20 and above will receive a 2.0% pay increase.

Year 2 (2019/20)

In this year the offer looks to gain further headroom over the national living wage increase due in 2019. The bottom spinal point will become £9.00 per hour. In addition, it is proposed that the bottom twelve pay scales will be merged into six new points starting at new point one. 2% increases will be applied from new spinal point 23 onwards.

- 13.3 At this stage, it is considered that the proposed changes to the NJC pay spine will supersede the need for the Council's Local Living wage, currently £7.85 per hour.

14.0 INDEPENDENT CULTURE REVIEW

- 14.1 An external independent culture review was commissioned jointly by the Leader and the Acting Chief Executive in October 2017 and this was undertaken by the Local Government Association (LGA) during November and December 2017. The purpose of the review is to provide an objective assessment of the current culture of Cheshire East Council, aspects of this that are positive and should be built upon and identify areas for change and improvement. The review will have particular regard to an ongoing perception that there are significant issues relating to bullying and harassment.
- 14.2 The review brings together information and insight from a range of sources including:
- An initial desk top research into relevant policies, documents and other sources of information.
 - A series of focus groups with staff, trade union representatives, senior managers, and cross-party Members.
 - A small number of one to one interviews in relation to policy, strategic and council wide arrangements.
 - A short survey which all staff have been invited to complete.
 - Staff could also email the independent reviewer in confidence, if they felt they had not had the opportunity / or felt concern about sharing their views through other channels.
- 14.3 The findings and recommendations from the independent cultural review are expected in January 2018.

15.0 HEALTH AND SAFETY (Q3) 01.10.2017 – 30.11.2017 (December 17 data not available at date of publication)

15.1 Quarter 3 INTERIM ACCIDENT & INCIDENT OVERVIEW DETAILS

| | | Corporate Core Employees (average head count): 3614 | Schools Employees (average head count): 3389 |
|---|-----------|--|---|
| Accidents | Employees | 69 | 40 |
| Accident Rate Factor (Employees) AVERAGE | | 1.9% | 1.2% |
| | MOTP | 160 | 109 |
| Incidents | Employees | 16 | 0 |
| | MOTP | 74 | 4 |
| A&I Total | | 319 | 153 |

| | | Corporate Core | Schools |
|---------------------|-----------|-----------------------|----------------|
| RIDDOR | Employees | 0 | 3 |
| | MOTP | 0 | 1 |
| RIDDOR Total | | 0 | 4 |

RIDDOR details are as follows:

15.1.1 October: Schools RIDDOR – 1: a parent (member of the public) fell, dislocating their elbow and was taken to hospital.

Schools RIDDOR - 2: a teacher fell on wet steps and sustained a fractured wrist.

15.1.2 November: Schools RIDDOR – 1: a member of staff tripped over some playground equipment and fractured her wrist

Schools RIDDOR – 2: a member of staff cut a finger tip with a circular saw. The injury required minor surgery and became reportable under the 7-day absence rule. The HSE (Health and Safety Executive) initially showed some interest and requested further information from the school, including photographs and copies of risk assessments. The HSE became satisfied that the accident was due to carelessness rather than lack of proper safe systems of work; no further communication has been received.

MOTP – Members of the Public

¹RIDDOR – The Reporting of Injuries Diseases and Dangerous Occurrence Regulations

15.1.3 There has been no other accidents or incidents involving the HSE during October and November 2017.

15.2 CORPORATE HEALTH & SAFETY TRAINING PROGRAMME
QUARTER 3 – 01.10.2017 – 31.12.2017

15.2.1 18 courses were delivered to 175 employees comprising 69 Corporate staff and 106 School staff:

| NO. OF COURSES | COURSE | ATTENDEES |
|-----------------------|--|---|
| 1 | Caretaker's course (1 day) 20 th Oct, 2017 | 12 School |
| 2 | Defibrillator Training / Annual Refresher Course (2 hours) | 13 Corporate |
| 1 | First Aid Re-qualification course (2 day) | 6: 4 Corporate 2 School |
| 3 | Emergency First Aid at Work courses (1 day) | 31: 15 Corporate 16 School |
| 1 | First Aid at Work course (3 days) | 9: 4 Corporate 5 School |
| 1 | Paediatric First Aid course (2 days) | 10: 2 Corporate 8 School |
| 1 | Basic First Aid course (3 hours) | 26 School |
| 2 | IOSH Managing Safely course (4 days) | 12: 7 Corporate 5 School |
| 2 | IOSH Managing Safely Refresher course (1 day) | 6 Corporate |
| 2 | IOSH Leading Safely course (for schools) (6 hours) | 23: 22 School 1 Corporate |
| 2 | PRIME Accident Reporting course (3 hours) | 27: 17 Corporate 10 School |
| 18 | TOTALS | 175: 69 Corporate 106 School |

16.0 HR PERFORMANCE DATA – Q3 (01.10.2017 to 31.12.17)

16.1 Headcount/FTE trend (excluding schools, agency workers and casuals)

| Date | Headcount | % change from previous year | % change from previous year excluding ASDV TUPE transfers out of CEC | FTE | % change from previous year | % change From previous year excluding ASDV TUPE transfers out of CEC |
|--------------------|--------------|-----------------------------|--|---------------|-----------------------------|--|
| 30 Apr 2012 | 5,449 | -7.01 | n/a | 4080.2 | -6.96 | n/a |
| 30 Apr 2013 | 5,103 | -6.35 | n/a | 3880.7 | -4.89 | n/a |
| 30 Apr 2014 | 4,403 | -13.72 | -6.87 | 3232.7 | -16.70 | -8.28 |
| 30 Apr 2015 | 3,812 | -13.42 | -1.01 | 2883.5 | -10.80 | -0.19 |
| 30 Apr 2016 | 3,763 | -1.29 | -0.74 | 2891.7 | 0.28 | 1.02 |
| 30 Apr 2017 | 3,623 | -3.72 | n/a | 2835.3 | -1.95 | n/a |
| 31 Dec 2017 | 3,609 | n/a | n/a | 2836.6 | n/a | n/a |

Between April 2012 and December 2017, the overall Cheshire East Council employee headcount has reduced by 33.8%, and the overall number of Cheshire East Council FTE employees has decreased by 30.5%. Between April 2014 and December 2017, the overall Cheshire East Council employee headcount reduced by 18%, and the overall number of Cheshire East Council FTE employees decreased by 12.3% over the same period; however, as described previously, the larger (>10%) reductions in staffing between both 2013–2014 and 2014–2015 include staff TUPE transferring to ASDVs. Between April 2017 and December 2017, the overall Cheshire East Council employee headcount has reduced by 0.39%, with the number of FTE employees increasing by 0.05% over the same period.

16.2 Employee turnover, by financial year, since 2009-10 (excluding schools, agency workers and casuals)

| Financial Year | Total Headcount of Leavers | Total Employee Turnover | Headcount of Leavers without TUPE Transfers | Employee Turnover without TUPE Transfers |
|-------------------------|----------------------------|-------------------------|---|--|
| 2009-10 | 838 | 13.2% | 838 | 13.2% |
| 2010-11 | 931 | 15.5% | 931 | 15.5% |
| 2011-12 | 830 | 14.7% | 830 | 14.7% |
| 2012-13 | 657 | 12.5% | 657 | 12.5% |
| 2013-14 | 1019 | 21.4% | 650 | 13.7% |
| 2014-15 | 1030 | 25.1% | 506 | 12.3% |
| 2015-16 | 566 | 14.9% | 545 | 14.4% |
| 2016-17 | 458 | 12.3% | 458 | 12.3% |
| April – Dec 2017 | 305 | 8.4% | 294 | 8.1% |

The total headcount of leavers includes employees who may have TUPE transferred to ASDVs during the specified period. The total employee turnover rate for Cheshire East Council is therefore 8.4% as at the end of the third quarter in 2017/18. This is lower than the same period in 2016/17, when the total employee turnover rate was 8.9%. The second headcount of leavers figure above reveals the number of employees who left the organisation for all other reasons, i.e. excluding TUPE transfers to ASDVs. The turnover rate due to other leaving reasons is 8.1% for quarter three and there have not been a significant number of TUPE transfers during this period compared to 2013/14 and 2014/15.

The most common leaving reason is resignation, and for quarter three 2017/18 the total number of leavers due to resignation is 213, which is lower than during the same period in 2016/17, when there were 229 resignations. This is reflected in the corresponding employee turnover rate for this reason, which has fallen from 6.2% in 2016/17 to 5.9% in 2017/18. Annual resignation figures from 2009/10 to 2016/17 are shown below, together with cumulative third quarter figures for the current financial year:

| Financial Year | Total Resignation Headcount | Total Employee Turnover by Resignation |
|-------------------------|------------------------------------|---|
| 2009-10 | 390 | 6.2% |
| 2010-11 | 362 | 6.0% |
| 2011-12 | 307 | 5.4% |
| 2012-13 | 324 | 6.1% |
| 2013-14 | 354 | 7.4% |
| 2014-15 | 301 | 7.3% |
| 2015-16 | 305 | 8.1% |
| 2016-17 | 311 | 8.4% |
| April – Dec 2017 | 213 | 5.9% |

The leaving reasons shown below for quarter three 2017/18 are summarised in the table below. The 'Unsatisfactory' category relates to employee performance; it therefore includes those who have left following an unsatisfactory probation period or gross misconduct. The 'Other' category reflects the number of people who left due to mutual termination, or death. The proportion of resignations for this quarter is roughly equivalent to the same period in 2016/17.

| Leaving Reason | Total Headcount | % of all Leavers |
|-----------------------|------------------------|-------------------------|
| Resignation | 213 | 70% |
| Retirement | 33 | 11% |
| Redundancy | 21 | 7% |
| End of Contract | 10 | 3% |
| Unsatisfactory | 7 | 2% |
| Other | 8 | 3% |

16.3 Redundancy

Eight people have left the Council under voluntary redundancy terms in quarter 3; they all held posts within the management grades (Grade 10 or above). The total severance cost for all employees was £417,001 inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £1,366,230 (which is the combined accumulated costs of the deleted posts).

| Year | Number of voluntary redundancies | Number of compulsory redundancies |
|-------------|----------------------------------|-----------------------------------|
| 2009 - 2010 | 280 | 0 |
| 2010 - 2011 | 399 | 0 |
| 2011 - 2012 | 264 | 4 |
| 2012 - 2013 | 94 | 2 |
| 2013 - 2014 | 124 | 4 |
| 2014 - 2015 | 30 | 0 |
| 2015 - 2016 | 98 | 1 |
| 2016 - 2017 | 22 | 1 |
| 2017 - 2018 | 21 | 1 |

16.4 Calculated Days Lost to Sickness Absence per FTE Employee:

| Financial Year | Cumulative Absence as at the end of Q3 | Cumulative Absence at the end of each Financial Year |
|----------------|--|--|
| 2011-12 | 8.30 | 11.67 |
| 2012-13 | 9.07 | 12.03 |
| 2013-14 | 8.34 | 11.33 |
| 2014-15 | 8.87 | 11.97 |
| 2015-16 | 8.02 | 11.14 |
| 2016-17 | 8.32 | 11.14 |
| 2017-18 | 8.31 | NA |

At the end of the third quarter (April–December) 2017/18 the absence rate for Cheshire East Council is level with the absence rate for the same period in 2016/17 but higher than the 2015/16 figure. However, absence rates for this quarter have been consistently lower than they were in 2014/15 over the previous two financial years. The Council's current target for 2017/18 is 10 days lost per FTE employee; in both 2015/16 and 2016/17, the Council's actual absence rate was 11.14 days lost per FTE employee, which is lower than the previous four financial years and indicates a consistent downward trend.

16.5 HR Casework

The HR Team continues to work with management to resolve concerns at the earliest opportunity. Where these cannot be resolved, formal procedures are used to seek outcomes for the concerns raised. The table below sets out those cases that were considered through HR formal procedures. There have been no member appeals during Q3 2017/18.

Summary of current formal case work by employee:

| | Capability | Disciplinary | Grievance | Dignity at Work | ET |
|------------------|-------------------|---------------------|------------------|------------------------|-----------|
| As at June 2015 | 3 | 12 | 3 | 1 | 0 |
| As at Sept 2015 | 4 | 6 | 2 | 0 | 0 |
| As at Dec 2015 | 4 | 2 | 1 | 0 | 1 |
| As at March 2016 | 5 | 2 | 6 | 1 | 1 |
| As at May 2016 | 4 | 2 | 3 | 1 | 1 |
| As at Sept 2016 | 4 | 0 | 1 | 1 | 1 |
| As at Dec 2016 | 4 | 6 | 6 | 1 | 0 |
| As at March 2017 | 6 | 4 | 6 | 1 | 0 |
| As at May 2017 | 6 | 6 | 7 | 2 | 1 |
| As at Sept 2017 | 4 | 4 | 8 | 0 | 2 |
| As at Dec 2017 | 4 | 6 | 6 | 1 | 3 |

Summary of closed formal case work during period.

| | Capability | Disciplinary | Grievance | Dignity at Work | ET |
|------------------|-------------------|---------------------|------------------|------------------------|-----------|
| April – May 2017 | 0 | 1 | 0 | 0 | 0 |
| June – Sept 2017 | 2 | 5 | 5 | 1 | 0 |
| Oct – Dec 2017 | 0 | 3 | 5 | 0 | 0 |

Summary of new formal case work during period.

| | Capability | Disciplinary | Grievance | Dignity at Work | ET |
|------------------|-------------------|---------------------|------------------|------------------------|-----------|
| April – May 2017 | 0 | 3 | 1 | 1 | 1 |
| June – Sept 2017 | 0 | 3 | 6 | 0 | 1 |
| Oct – Dec 2017 | 0 | 5 | 3 | 1 | 1 |

17.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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