

Personnel Committee

Date: **Tuesday 19th June 2018**
Time: **10.00am**
Venue: **Conference Room, Ground Floor, South Wing
County Hall, Norwich**

Persons attending the meeting are requested to turn off mobile phones.

Membership:

Mr A Adams
Mr G Nobbs
Mr G Plant
Mr A Proctor
Dr M Strong

**For further details and general enquiries about this Agenda
please contact:**

Karen Haywood on 01603 228913
or email committees@norfolk.gov.uk

Under the Council's protocol on the use of media equipment at meetings held in public, this meeting may be filmed, recorded or photographed. Anyone who wishes to do so must inform the Chairman and ensure that it is done in a manner clearly visible to anyone present. The wishes of any individual not to be recorded or filmed must be appropriately respected.

A g e n d a

1 Apologies

To receive any apologies.

2 Election of Chairman

3. Election of Vice Chairman

4. Minutes

To confirm the minutes of the meeting held on 4th December 2017.

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5. Members to Declare any Interests

If you have a Disclosable Pecuniary Interest in a matter to be considered at the meeting and that interest is on your Register of Interests you must not speak or vote on the matter.

If you have a Disclosable Pecuniary Interest in a matter to be considered at the meeting and that interest is not on your Register of Interests you must declare that interest at the meeting and not speak or vote on the matter.

In either case you may remain in the room where the meeting is taking place. If you consider that it would be inappropriate in the circumstances to remain in the room, you may leave the room while the matter is dealt with.

If you do not have a Disclosable Pecuniary Interest you may nevertheless have an Other Interest in a matter to be discussed if it affects

- your well being or financial position
- that of your family or close friends
- that of a club or society in which you have a management role
- that of another public body of which you are a member to a greater extent than others in your ward.

If that is the case then you must declare such an interest but can speak and vote on the matter.

6. Pay Structure Review

Report by the Head of Human Resources

(Page 10)

7. Exclusion of Public

The committee is asked to consider excluding the public from the meeting under section 100A of the Local Government Act 1972 for consideration of

the items below on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 4 of Part 1 of Schedule 12A to the Act, and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

The committee will be presented with the conclusions of the public interest tests carried out by the report author and is recommended to confirm the exclusion.

8. Exempt Minutes

To confirm the exempt minutes of the meeting held on 4th December 2017 **(Page 15)**

9. Coroner's Pay

Report by the Head of Human Resources **(Page 17)**

10. Senior Officer local pay negotiations

Report by the Head of Human Resources **(Page 21)**

Chris Walton
Head of Democratic Services
County Hall
Martineau Lane
Norwich
NR1 2DH

Date Agenda Published: 11 June 2018

Personnel Committee

Minutes of the Meeting held on 4th December 2017 at 10.00am in the Conference Room, Ground Floor at County Hall

Present:

Mr C Jordan
Mr G Nobbs
Mr A Proctor
Dr M Strong
Mrs A Thomas

Also Present:

Ms K Haywood	Democratic Support and Scrutiny Manager
Ms F McDiarmid	Strategy Director, Managing Director's Department
Mrs S Shirtcliff	Head of Human Resources
Dr W Thomson	Managing Director

1. Apologies

- 1.1 There were no apologies for absence.

2. Election of Chairman

Mr C Jordan was nominated and duly seconded as Chairman. Dr M Strong was also nominated however, in the absence of a seconder, Mr Jordan was duly elected Chairman.

Mr C Jordan in the Chair.

3. Minutes of the Meeting Held on 27th February 2017

- 3.1 The minutes of the meeting held on 27th February 2017 were agreed as a correct record and signed by the Chairman.

4. Election of Vice Chairman

Mrs A Thomas was nominated, seconded and duly elected Vice Chair for the ensuing year.

5. Declarations of Interests

- 5.1 There were no interests to declare.

6. Pay Policy Statement 2018-19

- 6.1 The annexed report (6) by the Head of Human Resources was received. The

report provided a draft Statement for 2018/19, for comment and recommendation to full Council for approval.

6.2 The Committee noted that Government proposals to introduce new regulations on public sector pay had been expected to take effect in 2016 however they had yet to be implemented and the final form of the regulations were still unknown. In response to a query raised, the Head of HR said that there was still no indication as to when the regulations would take effect. As soon as this was known a revised pay policy statement would be brought back to the Committee in order that the Council could revise any related policies.

6.3 It was noted that once proposals were in place the Council would need to ensure that governance arrangements were in place to monitor public sector employees who had received severance payments and then returned to work in the same part of the public sector within 12 months.

6.4 The Committee **RESOLVED:**

To recommend the Statement to full Council for approval.

7. Gender Pay Gap Reporting

7.1 The annexed report (7) by the Head of Human Resources was received outlining data for the new statutory gender pay gap reporting regime which the County Council was required to publish online by 31 March 2018.

7.2 In response to a query as to whether the Council was recruiting sufficient women to positions at grades M and N it was noted that more women than men were employed at these grades however, there were proportionally more men employed at the higher grade. The number of women employed at this level had however increased from 41% to 51% from 2014 to 2015 and detailed analysis had shown that the pay gap was as a result of the length of service, as new posts were generally recruited to at the bottom of their grade.

7.3 The Committee discussed the importance of ensuring that the 'best' person was recruited for jobs within the Council. It was however important to have policies in place to assist in ensuring that women, and also minority groups, were supported in assisting them to progress in the workplace either through flexible working policies or addressing training needs.

7.4 The Committee **RESOLVED:**

To authorise the Head of HR to publish the gender pay gap reporting outcomes for 2017/18 before the statutory deadline.

8. Grade of Locality Library and Information Assistant

8.1 The annexed report (8) by the Head of Human Resources, setting out changes to the Locality Library and Information Assistant role, and a grading recommendation, was received.

8.2 The Head of HR informed the Committee that the regrading of the Locality Library and Information Assistant role had been brought to the Committee as it involved a significant number of posts and the changes would give rise to

significant cost implications. The proposed changes did not relate to a change in working hours, just job related responsibilities. It was noted that the number of Library Managers had been reduced from 23.48 to 18.81fte and the Head of HR clarified that in light of the small number of posts affected this decision did not need to be brought to Personnel Committee however, this had been considered as part of the Council's budget decisions.

- 8.3 In response to an issue raised regarding the delivery of the agreed £622,000 budget saving for the Library and Information Service in 2018/19 it was confirmed that this was a net saving.

- 8.4 The Committee **RESOLVED**:

To approve the regrading of the Locality Library and Information Assistant role from Scale C to D.

9. Enhanced employment offer for 'hard to recruit' posts

- 9.1 The annexed report (9) by the Head of Human Resources was received. The report set out the issues associated with attracting employees to "hard to recruit" posts which could lead to additional costs and a less stable workforce through the reliance on agency workers.
- 9.2 The Committee noted that the majority of 'hard to recruit' posts were predominantly for social worker posts within Children's Services and although the Council was attracting newly qualified social workers, particularly new graduates from UEA, there were still difficulties in recruiting experienced employees to these roles.
- 9.3 The Committee noted that the Council was spending significant amounts on agency workers and the proposal in the report was one way to try and reduce costs. It was expected that any initial cost would be offset by any reduced expenditure on agency staff. It was agreed that Officers would monitor where the initiatives were being implemented and that a report be brought back to a future meeting on how the scheme was progressing and any financial implications.
- 9.4 In response to a query as to whether there was a limit on the length of time after appointment that an employee could claim the relocation expenses set out in Appendix 1 of the report, the Head of HR agreed to check and respond to the Committee following the meeting.
- 9.5 The Committee noted that the proposals outlined in the report applied to all levels of staff in the organisation however, the County Council would only implement them if appropriate, for instance if there was a need to advertise for a hard to fill post nationally.
- 9.6 The Committee noted that new legislation had been introduced in April 2017 introducing changes to the way that intermediaries' legislation was applied to off-payroll working in the public sector. In instances where self-employed individuals were providing services for the County Council under an off payroll arrangement, a HMRC off payroll determination was carried out to determine whether it fell in or out of scope of the new regulations. Individuals who were in scope would be paid via NCC's payroll and income tax and national insurance contributions

would be deducted at source.

9.7 The Committee **RESOLVED** to:

- 1.1 Approve the extension of continuous service, for the purposes of rights to sickness, leave and notice periods, to Agency Workers moving to permanent employment with the Council in hard to recruit posts.
 - 1.2 Note the other proposed actions to support the "Agency to permanent employment" initiative in Table 1.
 - 1.3 Approve amendments to the Relocation policy:
 - 1.3.1 to clarify that the policy applies to those moving from and to rental accommodation; as well as to home owners
 - 1.3.2 to amend the interest-free loan maximum amount from £5,000 to £10,000 in line with new HMRC tax limits
 - 1.3.3 to widen the scope of costs for which interest free loans can be used within the scheme.
 - 1.4 Approve a new 'refer a friend' provision as part of the Market Supplements policy, whereby existing employees will be paid a £500 incentive if they refer someone who is then permanently appointed to a hard to fill post, each case to be approved by the Head of HR.
 - 1.5 Delegate authority to the Head of HR to apply the enhanced employment offer as appropriate for hard to recruit posts.
2. The Committee also agreed to monitor where these initiatives were implemented and that a report would be brought back to a future meeting on how the scheme was progressing and any financial implications.

10. Exclusion of the Public

Officers presented the public interest test for the following report, as required by the 2006 Access to Information Regulations, for the consideration of the Committee as follows:

The report set out sensitive information relating to the terms of employment of County Council employees. The release of this information would prejudice possible forthcoming negotiations and would therefore not be in the public interest. This assessment has been reached in light of the guidance provided by the Head of Law.

The Committee **RESOLVED**:

That the public be excluded while the following report was considered.

SUMMARY OF MINUTES EXCLUDED FROM PUBLIC DEPOSIT

11. Employment Costs 2018-19

The exempt report by the Strategy Director, was received.

The Committee **RESOLVED**:

- 1) To approve the opening of discussions with unions on options around employment costs
- 2) To note the further work that departments were undertaking to maximise the cost effectiveness of employment expenditure.

The meeting concluded at 11.10am

CHAIRMAN

Personnel Committee

Item No 6

Report title:	Pay Structure Review
Date of meeting:	19 June 2018
Responsible Chief Officer:	Head of Human Resources
Strategic impact A review of the Council's structure of pay scales, and the pay points within them, will ensure that the pay structure can be adapted if necessary, so that it remains well suited to the organisation's needs for the future.	

Executive summary

A recent national collective agreement deletes some of the national pay points which the Council uses within its pay scales, while creating new ones. The Council's structure of pay scales must therefore be reviewed and changes made.

The opportunity should be taken to explore whether any further changes need to be made to the pay structure, in order to ensure that it continues to be well suited to the organisation's workforce management needs for the future.

Changes would take effect from April 2019.

Recommendations:

1. Work to review the Council's pay structure should continue
2. A report be brought to the Personnel Committee on 25 September, proposing costed changes to be consulted on.
3. Following consultation with unions, representatives of Maintained schools and other stakeholders, final recommendations to be brought to the Committee in December 2018, with a view to achieving a collective agreement to implement changes from 01 April 2019.

1 Background to the proposal

The national pay spine and Norfolk County Council's pay scales

The National Joint Council for Local Government Services provides a pay spine of spinal column points (SCPs), for councils to use in constructing their locally-determined pay scales. The salary values of the SCPs are reviewed annually, so giving effect to the national cost-of-living pay agreements.

In Norfolk County Council, the allocation of national SCPs into our local pay scales was determined by a local collective agreement of 2009 (the Modern Reward Strategy agreement, or MRS). This aspect of the MRS agreement is incorporated into individual employees' employment contracts.

Importantly, the MRS exercise was based on job evaluation of all jobs covered by the NJC pay spine. The number of local pay scales therefore derives from the outcomes of the job evaluation exercise.

Changes to the national pay spine

The recent national pay agreement included changes to the pay spine, from April 2019, as follows:

- the lowest 12 SCPs to be combined into six
- five new SCPs introduced higher up the spine
- the values have been adjusted to provide more even differentials between SCPs, so that salaries increase by 2% per SCP up to new SCP 22. Above that the increases remain various.

Appendix A shows the allocation of SCPs to NCC scales, and the changes to the national SCPs in April 2019.

Reasons behind the national changes

In recent years, local government pay agreements have accelerated the lowest pay rates to keep in step with the National Living Wage (predicted to rise to £9 per hour in 2020, equivalent to £17,364 pa in local government). The lowest SCPs have been deleted, and others have seen smaller and smaller differentials. Many councils have seen pay differentials in the lowest three grades reduced as a result.

The 2019 reforms are intended to release this built-up pressure by amalgamating increments at the bottom, while taking the opportunity to even-out incremental differentials at higher levels.

Need to review the Council's salary scale structure

Decisions need to be taken as to which of the new SCPs should be incorporated into our grades. Some level of review is therefore necessary.

This also presents an opportunity to consider whether our present pay structure should be more fundamentally reviewed, to ensure that it continues to support the organisation's workforce management needs for the future. For example:

- does the pattern of relatively short pay scales continue to be cost-effective and support recruitment and retention?
- is the structure consistent with modern equal pay considerations?
- is there evidence that some grades are linked to unusually high turnover rates?
- is the pay structure able to support evolving job types and career paths?

2 Initial research findings

Initial work has been carried out, and there is so far no reason to expect that radical change will be necessary:

- the number of pay scales continues to reflect the number of discrete job levels in the organisation, and our use of job evaluation continues to provide a sound basis underpinning that aspect of the pay structure
- the pattern of relatively short scales provides a degree of flexibility in starting pay so that we can attract good people, while avoiding the equal pay issues associated with longer scales

- turnover data has been examined, and does not indicate any grades which should be addressed as part of a restructuring.

However it is right to continue this review work to ensure that the opportunity to identify and address any issues is not missed.

3 Proposal

Work to review the pay structure should continue, with a view to:

- proposing necessary changes in light of the national agreement
- exploring any further changes which may be identified to ensure the pay structure meets the Council's needs for the future workforce
- ensuring continued fairness in pay.

Informal consultations would take place with unions at this stage.

A report would be brought to the Personnel Committee on 25 September, with:

- research findings
- proposed changes to be consulted on. Any proposals at this stage would need to be fully costed and demonstrate affordability.

Consultation with schools and further discussions with unions would then take place.

Final recommendations brought to the Committee in December. If approved, the outcome would be a collective agreement with unions, changing the pay structure and amending the employment contracts of staff.

4 Scope

	Staff on Scales A to G	2018-19 salary cost (see note on costs below)
Directly employed	2824 fte	£77m
In Maintained schools	c 3,100 fte	£74m

Note on costs: FTE x April 2018 scale max, plus oncosts. Does not include non-basic pay. Excludes Casuals.

Academy schools which relate their support staff pay to the Council's pay scales may also be affected.

5 Financial Implications

The minimum cost pressure from pay scale changes in 2019-20 is estimated to be £1.11m. £0.766m is already provided for in budget planning, and the balance of £0.344m represents an unbudgeted cost pressure.

Any further proposals with cost implications would result in additional cost pressures in 2019-20.

The proposed timing, in terms of final proposals for change being considered in December, would fit in with identifying cost pressures to include in the 2019-20 budget-setting process.

6 Issues, risks and innovation

Legal implications

Since the national pay spine is incorporated into employment contracts as the basis of pay scales, doing nothing would risk future challenge by staff and unions.

Equality

Equality assessments will be carried out and reported on as part of the research of proposals.

Background

None.

Background Papers

None

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

Roger Graham-Leigh roger.graham-leigh@norfolk.gov.uk

If you have any questions about matters contained in this paper please get in touch with:

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If you need this report in large print, audio, Braille, alternative format or in a different language please contact 0344 800 8020 or 18001 0344 800 8020 (textphone) and we will do our best to help.

National Spinal Column Points and NCC Grades

National scps and local NCC Grades, 2018			National scps from April 2019		
NCC Grades	01 April 2018		01 April 2019		
	SCP	£ pa	New SCP	£ pa	Old SCP[s]
Scale A	6	£16,394	1	£17,364	6/7
Scale B	7	£16,495	2	£17,711	8/9
	8	£16,626	3	£18,065	10/11
	9	£16,755	4	£18,426	12/13
Scale C	10	£16,863	5	£18,795	14/15
	11	£17,007	6	£19,171	16/17
	12	£17,173	7	£19,554	18
	13	£17,391	8	£19,945	19
Scale D	14	£17,681	9	£20,344	20
	15	£17,972	10	£20,751	
	16	£18,319	11	£21,166	21
	17	£18,672	12	£21,589	22
Scale E	18	£18,870	13	£22,021	
	19	£19,446	14	£22,462	23
	20	£19,819	15	£22,911	24
			16	£23,369	
Scale F	21	£20,541	17	£23,836	25
	22	£21,074	18	£24,313	
			19	£24,799	26
	23	£21,693	20	£25,295	27
	24	£22,401	21	£25,801	
			22	£26,317	28
Scale G	25	£23,111	23	£26,999	29
	26	£23,866	24	£27,905	30
	27	£24,657	25	£28,785	31
			26	£29,636	32
Scale H	28	£25,463	27	£30,507	33
	29	£26,470	28	£31,371	34
	30	£27,358	29	£32,029	35
Scale I	31	£28,221	30	£32,878	36
	32	£29,055	31	£33,799	37
	33	£29,909			
Scale J	34	£30,756			
	35	£31,401			
	36	£32,233			
	37	£33,136			