



**TRAFFORD  
COUNCIL**

**AGENDA PAPERS FOR  
EMPLOYMENT COMMITTEE**

**Date: Monday, 1 July 2013**

**Time: 10.30 a.m.**

**(or at the rising of the Joint Consultative Committee)**

**Place: Committee Rooms 2 and 3, Trafford Town Hall,  
Talbot Road, Stretford, M32 0YT**

<b>A G E N D A</b>	<b>P A R T I</b>	<b>Pages</b>
<b>1. ATTENDANCES</b>		
To note attendances, including Officers and any apologies for absence.		
<b>2. MEMBERSHIP OF THE COMMITTEE 2013/14, INCLUDING CHAIRMAN, VICE-CHAIRMAN AND OPPOSITION SPOKESPERSON</b>		
To note the Membership of the Committee for the 2013/14 Municipal Year, as appointed at the Annual Meeting of the Council held on 22 May 2013, namely:		
Councillors Bennett, Mrs. Cooke, Mrs. Dixon (Vice-Chairman), Hynes, Lamb, Rigby (Chairman) and A. Western (Opposition Spokesperson).		
<b>3. TERMS OF REFERENCE</b>		
To note the Committee's Terms of Reference as confirmed at the Annual Meeting of the Council held on 22 May 2013.		1 - 2
<b>4. MINUTES</b>		
To receive and if so determined, to approve as a correct record the Minutes of the meeting held on 29 April 2013.		3 - 4
<b>5. PROPOSED CHANGES TO STAFF TERMS AND CONDITIONS</b>		
To consider a report of the Director of Human Resources.		5 - 16

## Employment Committee - Monday, 1 July 2013

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6. **SICKNESS ABSENCE AUDIT**

To consider a report of the Director of Human Resources.

17 - 24

7. **EMPLOYEE RECOGNITION AWARDS SCHEME AND CELEBRATION EVENT**

To consider a report of the Director of Human Resources.

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8. **URGENT BUSINESS (IF ANY)**

Any other item or items which, by reason of special circumstances (to be specified), the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

### **THERESA GRANT**

Chief Executive

#### Membership of the Committee

Councillors B. Rigby (Chairman), Mrs. P. Dixon (Vice-Chairman), J. Bennett, Mrs. L. Cooke, C. Hynes, J. Lamb and A. Western.

#### Further Information

For help, advice and information about this meeting please contact:

Ian Cockill, Democratic Services Officer

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This agenda was issued on **Thursday, 20 June 2013** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

## EMPLOYMENT COMMITTEE

### Terms of Reference

1. To determine collective and corporate terms and conditions of employment.
2. To consider any matter referred to the Committee by the Head of Paid Service or Corporate Director Customer and Corporate Services.
3. To consider, approve and adopt any new or significant revision to existing corporate human resources strategies and policies in so far as they relate to the appointment, terms and conditions of employment and dismissal of staff.
4. To determine any other matters relating to the appointment, terms and conditions of employment and dismissal of staff which are neither covered by policies of the Council nor delegated to Officers under the Scheme of Delegation.

### Delegation

The Executive Member with responsibility for Strategic HR and the Corporate Director Transformation and Resources will notify/keep the Committee informed of all other relevant HR related issues, as required.

In exercising the above powers and responsibilities, the Committee shall have delegated power (subject to Council Procedure Rule 9 - Call-in of Decisions taken under Delegated Powers) to make decisions on behalf of the Council, except for any matter where:

- the Head of the Paid Service determines the matter should be considered by full Council, or
- the Council has resolved to determine the matter

[Note: The Committee may itself determine not to exercise its delegated powers and instead make recommendations to Council]

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## EMPLOYMENT COMMITTEE

29 APRIL 2013

### PRESENT

Councillor B. Rigby (in the Chair).

Councillors Mrs. P. Dixon (Vice-Chairman), J. Bennett, Mrs. L. Cooke, C. Hynes, J. Lamb and A. Western.

#### In attendance

Corporate Director Transformation and Resources (Mrs. W. Marston),  
Director of Human Resources (Ms. J. Hyde),  
Democratic Services Officer (Mr. I. Cockill).

### 15. MINUTES

Further to Minute No.13 (Christmas Closure Review Report), the Committee was informed that the Executive Member for Transformation and Resources was being consulted on proposals to open Altrincham and Urmston Libraries in 2013, as was the case the previous year.

#### RESOLVED –

- (1) That the Minutes of the meeting held on 11 February 2013 be approved as a correct record and signed by the Chairman.
- (2) That the Committee notes that the Corporate Director of Transformation and Resources will submit to the next meeting, details of the usage of Altrincham and Urmston Libraries during the 2012 Christmas period.

### 16. TRAFFORD COUNCIL'S PAY POLICY STATEMENT FOR 2013/14

The Director of Human Resources submitted a report providing Members with Trafford's pay policy for 2013/14 to ensure compliance with the provisions of the Localism Act 2011.

The Committee was advised that the policy statement had been revised to include guidance received from the Department for Communities and Local Government, which required full Council to approve any severance payments in excess of £100,000. The Director of Human Resources assured Members that any such matter would be given due consideration by the Employment Committee in the first instance.

#### RESOLVED –

- (1) That the Committee recommends the Pay Policy Statement for 2013/14 to Council for approval.
- (2) That the Director of Human Resources be requested to keep the pay policy under review and provide an update to the Committee in six months' time.

**17. PROPOSALS FOR CHANGES TO THE DEDICATED INDEPENDENT PERSON ROLE**

The Director of Human Resources provided an oral report informing the Committee that the Department for Communities and Local Government (DCLG) was proposing to remove the requirement for 'designated independent persons' to investigate employment disputes involving Section 151 Finance Officers, Monitoring officers and Heads of Paid Service.

The DCLG's consultation on the draft regulations closed on 14 March 2013 and there had been no further update since then. The Chairman advised that North West Employers believed there was a role for independent persons in the process, however, there were concerns regarding funding.

RESOLVED: That the oral update be noted.

**18. URGENT BUSINESS**

(Note: The Chairman allowed consideration of the following matter as an item of urgent business to enable Members to be briefed at the earliest opportunity)

Employee Recognition Awards Scheme and Celebration Event

Members received an oral report from the Director of Human Resources on arrangements for the second employee recognition awards and ceremony, including details of the sponsors, venue and guest presenter.

RESOLVED: That the preparations for the awards and celebratory event provisionally planned for 25 October 2013 be noted.

The meeting commenced at 5.30 p.m. and finished at 5.51 p.m.

## TRAFFORD COUNCIL

**Report to:** Employment Committee  
**Date:** 1<sup>st</sup> July 2013  
**Report for:** Information  
**Report of:** Director of Human Resources

### Report Title

Proposed Changes to Staff Terms and Conditions

### Summary

This report sets out an overview of the proposals, process and timescales in relation to potential changes to staff terms and conditions.

### Recommendation

- That the Employment Committee notes the content of the report and in particular, the comprehensive approach to consultation.

### Contact person for access to background papers and further information:

Name: Joanne Hyde/Deborah Lucas  
Extension: x1586/ x4095

### Background Information

Relationship to Policy Framework/Corporate Priorities	The proposals cut across all corporate priorities
Financial	The proposals are critical to achieving budget savings
Legal Implications:	Relevant legislation is being followed in terms of staff consultation
Equality/Diversity Implications	In line with relevant legislation and good practice
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	There will be implications for staffing and staff will be invited to vary their terms and conditions by agreement. If this is not achieved, then steps will be taken to terminate and re-engage staff on a revised set of terms and conditions.
Risk Management Implications	There is the potential for industrial action and also the potential for claims of unfair dismissal if agreement cannot be reached on varying terms and conditions.
Health and Safety Implications	None

## **1. INTRODUCTION**

- 1.1 Councils across England are facing significant financial challenges which are predicted to last much longer than originally forecast. Trafford Council has an excellent track record of managing its budget fairly and effectively and in 2011/12, we achieved the £21.3m savings target ahead of schedule, with half the savings being delivered through transformation projects; furthermore, in 2012/13, we achieved an additional savings target of £12.2m.
- 1.2 Over the next two years, Trafford Council will have to achieve further savings in order to fund a gap of £38.9m; this places tremendous pressure on the Council and its' services.
- 1.3 In trying to achieve these savings, services have already developed a number of proposals to review, reduce and in some cases cease service delivery. These proposals were the subject of a 90 day collective consultation process which concluded on 14<sup>th</sup> January 2013. Services are now going through a period of organisational change in order to implement these proposals and achieve savings for 2013/14 and beyond.
- 1.4 In terms of staffing reductions, following the period of collective consultation, it is anticipated that these will be in the region of 171.
- 1.5 As it becomes increasingly challenging to achieve savings without significantly impacting on front line services and jobs, Trafford Council is having to consider alternative ways of reducing financial pressures; this includes considering changes to staff terms and conditions. Many other councils, including our AGMA neighbours, have already implemented changes to terms and conditions.
- 1.6 Whilst it is not an easy option to consider, the Council's priority has to be to protect Trafford jobs and maintain services to Trafford residents. Therefore, in times of significant austerity, changes to staff terms and conditions have to be considered.

## **2. ACTION TO DATE**

- 2.1 As part of the original budget proposals which were subject to the 90 day collective consultation process, a number of ideas were put forward to achieve in the region of £3m as a result of changes to staff terms and conditions. These ideas were initial proposals and were not subject to the formal consultation process.
- 2.2 In summary, the initial ideas were to:
  - Remove the Essential Car User lump sum allowance
  - Reduce the sick pay scheme to a maximum of 3 months half pay and 3 months full pay



- Introduce a mandatory 5 days unpaid leave
  - Introduce a “Living Wage” for the lowest paid staff
- 2.3 In addition to the specific ideas set out above, the Council also gave a commitment to reduce overtime and agency spend across the organisation by £0.5m.
- 2.4 During December 2012, thirteen Information Sessions took place with staff at various locations across the borough. These sessions were led by a Senior Manager and a member of the Senior HR Leadership Team. The purpose of these sessions was to inform staff of the Council’s ideas and to seek feedback on the ideas along with seeking alternative ideas from staff.
- 2.5 The sessions were well-attended with an average of 30-40 staff attending each session. The sessions generated a lively debate with staff and feedback was captured from each session.
- 2.6 In addition to the Information Sessions, pages were developed on the intranet site and staff were encouraged to feedback via the website. Hard to reach staff (e.g. school crossing patrol staff, passenger transport escorts, catering and cleaning staff, etc.) were notified of the ideas via a personal letter to their home address and were encouraged to feedback via their line manager or by contacting a member of the HR Service.
- 2.7 The deadline for feedback from staff was 18<sup>th</sup> January 2013. Significant feedback was received; this was collated and analysed and used to inform the formal package of proposals which are set out in this document.

### **3. PACKAGE OF PROPOSED CHANGES TO TERMS AND CONDITIONS**

- 3.1 These proposed changes will be subject to a consultation period with a view to the revised package being implemented with effect from 1<sup>st</sup> January 2014 except for the removal of Essential Car User Allowance which will be effective from 1<sup>st</sup> April 2014. It is proposed that the revised terms and conditions will apply to the following staff:
- All staff employed by the Local Authority (for example staff employed on the following terms and conditions: NJC, Soulbury, JNC, Youth, etc.); this will include staff who have previously been transferred into the local authority under the provisions of TUPE
- 3.2 The proposals will not apply to:
- Staff on teachers terms and conditions which are set at a national level
  - School based staff who are employed under the purview of a governing body, including community, voluntary controlled and special school staff

### 3.3 Proposal 1 – Changes to conditions relating to Car Users (Essential Car User Scheme, Car User Allowance and Car Mileage Rates)

#### 3.3.1 *Current arrangements:*

The Essential Car User Scheme is based on the National Joint Council (NJC) scheme. The national scheme was originally developed many years ago in order to support staff who were required to purchase a car in order to undertake their duties; this was essentially because their job required them to undertake a significant amount of mileage per annum or they were required to carry bulky equipment in order to carry out their job. There are currently 704 employees designated as Essential Car Users. Eligible employees receive an annual lump sum at one of two rates, based on car engine size. The lower rate is currently £846, and the higher rate is currently £963 per annum. Essential car users are also eligible to claim for business mileage at the lower Essential Car User rate, based on the engine size of their car. This rate is currently set at 40.9p per mile. Casual Car Users currently claim mileage at 52.2p per mile.

#### 3.3.2 *Original idea:*

Many individuals now own a car or have access to a car as a lifestyle choice rather than as a result of a business requirement; therefore the original view was that the underlying rationale behind the Essential Car User Allowance is out-dated. The original idea discussed with staff, therefore, was to end the scheme. This would mean that those 704 staff classed as Essential Car Users would be re-designated as Casual Car Users and would no longer receive a lump sum payment. They would, however, continue to be eligible to claim payment for business mileage, which would shift to the higher Casual Car User rate.

This original idea would have realised significant savings on the part of the Essential Car User allowance – estimated as being in the region of £700k per annum - although these savings would have been offset against an increase in the car mileage rate as rates would have moved up from 40.9p per mile to the higher Casual Car User rate of 52.2p per mile.

#### 3.3.3 *Staff feedback*

The idea of completely withdrawing the Essential Car User Allowance received strong opposition from the workforce. The strength of feeling came from those receiving the allowance as well as from staff and managers not in receipt of the allowance. The concerns related to a perceived risk to certain services and service users; it was also suggested that if staff do not receive an allowance they would not provide the use of their car for work. This would mean them using alternative means of transport, i.e. public transport, which would be more expensive and less efficient.

### 3.3.5 *The Proposal*

Significant consideration has been given to the feedback and strength of feeling from staff. However, the conclusion is that the idea should be taken forward as a formal proposal for the following reasons:

- It will realise significant savings for the Council;
- It is in line with modernised working practices as there is a business expectation that individuals who regularly travel as part of their day to day job will have access to a vehicle in order to efficiently carry out their contractual duties.
- Individuals will continue to receive recompense in the form of mileage rates; indeed, the proposal is that Essential Car Users will move onto a Casual Car User rate, which will mean an uplift of 11.3p per mile;
- The removal of the allowance will mean that all car users are treated the same.

It is therefore proposed that the original idea should remain and that the Essential Car User Allowance should be withdrawn across the piece.

### 3.3.6 *Estimated savings*

Based upon the current number of essential Car Users, the estimated savings will be in the region of £700k.

## 3.4 Proposal 2 - Sick Pay Scheme

### 3.4.1 *Current arrangements:*

The sick pay scheme is based on the National Joint Council (NJC) scheme and gives entitlement to sick pay on a sliding scale, based on length of service. The maximum entitlement once an employee has completed 5 years of Local Authority service is 6 months full pay, and then 6 months half pay. The entitlements are detailed in the table below.

During 1 <sup>st</sup> year of service	1 month's full pay and (after completing 4 months service) 2 months half pay
During 2nd year of service	2 months full pay and 2 months half pay
During 3rd year of service	4 months full pay and 4 months half pay
During 4th and 5th year of service	5 months full pay and 5 months half pay
After 5 years of service	6 months full pay and 6 months half pay

For the year 2011/12, the Council paid out £3.04m in respect of sick pay.

### 3.4.2 *Original idea*

The original idea discussed with staff was for the sick pay scheme to be reduced to a maximum of 3 months' full pay and 3 months' half pay, subject to continuous service.

### 3.4.3 *Staff Feedback*

This idea did not generate a significant amount of feedback from staff. In terms of the feedback which was received, staff mainly raised concerns that if sick pay were to be extended in exceptional circumstances at management discretion, then measures would have to be put in place to ensure consistency in approach.

### 3.4.4 *The Proposal:*

This proposal has remained the same and is for staff to receive a maximum of 3 months full pay, followed by 3 months half pay. Entitlement to sick pay will be on a sliding scale based on length of service as set out in the table below:

During 1 <sup>st</sup> year of service	1 month's full pay and (after completing 4 months of service) 2 month's full pay
During 2nd year of service	2 month's full pay and 2 month's half pay
After 2 years of service	3 month's full pay and 3 month's half pay

There will be provision to extend the payment of sick pay beyond the contractual entitlement in exceptional circumstances. In response to staff concerns, it is proposed that requests would be submitted to the Director of HR for consideration and sign-off, so that there is consistency of application across the organisation.

The Council will continue to ensure that all employees have access to support services such as Occupational Health, Counselling, and Physiotherapy etc. In addition, the Council has recently introduced preferential rates for Private Health Insurance via General and Medical which will support those staff who may require extra support during periods of long-term absence.

### 3.4.5 *Estimated savings:*

Based upon the cost of sick pay in 2011/12, if the proposed model were applied, the Council would realise full-year savings of approximately £475k. This figure is based upon taking the total amount of occupational sick pay that was paid out in 2011/12 (calculated in line with the current entitlement of up to 6 months full pay/6 months half pay) and recalculating this, using the proposed entitlement (of up to 3 months full pay/3 months half pay). The figure does not include any costs or savings in respect of cover for absent staff (e.g. overtime pay, agency costs, acting up payments, etc.).

The level of savings can only be estimated as levels of sickness absence fluctuate from year to year, however, it is clear that this proposal would achieve significant savings and could also have an impact on the use of overtime and agency staff to cover periods of long-term sickness absence as staff may seek support for an earlier return to work.

### 3.5 Proposal 3 - Unpaid leave

#### 3.5.1 *Current arrangements:*

Currently employees receive a contractual annual leave entitlement based upon their length of service. Staff are only granted unpaid leave following an individual request, with agreement from the individual's manager, in line with the Special Leave Scheme.

#### 3.5.2 *Original idea*

The original idea was for all staff to take a mandatory 5 days' unpaid leave, in addition to their annual leave entitlement, per annum. The deductions would be taken in 12 equal monthly amounts from pay so that annual salary would not be reduced and pension benefits not adversely affected. Pension contributions are based upon an employee's annual salary and given that the idea was that annual salaries would remain unchanged, the level of employee and employer contributions would also remain unchanged, thus not adversely affecting pension benefits. The idea was that this would be a temporary arrangement, to be reviewed after two years.

#### 3.5.3 *Staff Feedback*

There was a lot of negative feedback about this proposal and staff felt that the 5 days was excessive. Comments received included concerns that due to work pressures, staff were not always able to take their contractual leave entitlement, let alone an additional 5 days. Staff were concerned that these additional days would just increase stress levels and seriously affect service delivery. There was also a concern about how some services would manage operationally and that some will need to cover with agency or overtime leading to an additional cost, which could result in them not being competitive and that exemptions should be considered. Other feedback was more positive and some staff said that they would welcome the opportunity to be able to take additional unpaid leave, especially during school holiday periods.

#### 3.5.4 *The Proposal*

Whilst essentially, the core proposal remains the same, the detail has been revised in light of feedback received from staff. The proposal is therefore to introduce a mandatory 3 days' unpaid leave per annum for all staff (pro-rata for part-time employees), with the option of applying for a further 7 days unpaid leave, on a voluntary basis, subject to management approval. It is proposed that pay deduction for these days will be spread over 12 months, so a proportionate amount of salary is deducted each month.

Taking into account the feedback about critical services and unnecessary cover costs, it is proposed that some services will be considered for exemption from the period of mandatory unpaid leave. This will minimise the risk on vulnerable service users and Council contracts. Further work will be undertaken during consultation to identify which services will be eligible for exemption. Exemptions will be subject to approval by the Chief Executive, in conjunction with the Directors of Finance and HR.

### 3.5.5 *Estimated savings*

The original idea estimated that savings would be in the region of £1m. The reduction in the number of mandatory days from 5 to 3 and also the introduction of exemptions will mean that the savings will be reduced. However, this reduction will be offset by the fact that some staff will voluntarily wish to take more than the 3 days mandatory unpaid leave (as evidenced in the feedback). It is therefore currently estimated that savings in this area may be in the region of £700k. Further financial assessments will be undertaken once decisions on exemptions are made.

## 3.6 Proposal 4 - Introduction of a 'Living Wage'

### 3.6.1 *Current arrangements:*

The National Minimum Wage is currently £6.19 per hour (increasing to £6.31 from 1<sup>st</sup> October 2013). No Trafford employees earn less than this amount. Until recently, the "Living Wage" was set at £7.20 per hour. There are currently 310 Trafford Council employees who receive less than this rate of pay.

### 3.6.2 *Original idea*

The original idea was to bring all Trafford employees up to a Trafford Living Wage of £7.20 per hour. This means that 310 of the lowest earners within the Council would receive a salary increase.

### 3.6.3 *Staff feedback*

Whilst there was limited opposition to this idea, staff generally supported this idea as part of an overall package of changes to terms and conditions.

### 3.6.4 *The Proposal*

This proposal will remain the same.

### 3.6.5 *Estimated costs*

It is estimated that if this proposal is introduced, it will cost in the region of £42k (excluding on-costs).

## 3.7 Proposal 5

### 3.7.1 The Council remains committed to reducing overtime and agency spend across the organisation by £0.5M.

## **4 ADDITIONAL PROPOSALS**

4.1 The target savings associated with changes to terms and conditions was set at £3m. Taking into account the feedback from staff on the original ideas put forward and the subsequent changes to those ideas, it is estimated that the revised proposals will not achieve the original savings. Therefore, additional proposals will need to be considered in order to generate the required savings.

4.2 A number of additional proposals have therefore been developed and are set out below.

### **4.3 Proposal 5 – Reduce rate of pay for overtime**

4.3.1 In 2012, the Council paid out £921,618 in non-contractual overtime. This was paid at varying rates, including plain time, time and a half and double time. A number of other local authorities have restricted their overtime rates to plain time only. If we were to apply this calculation of plain time only to the overtime which was worked in 2012, the cost would reduce to £614,411, making an overall saving of £307,207.

4.3.2 The proposal is therefore to cease enhanced rates of pay for non-contractual overtime and to pay overtime at a flat plain time rate of pay.

4.3.3 The introduction of this proposal may result in a risk that some staff will not agree to work overtime, or may not wish to work as much if they receive a lower rate of pay. However, directorates should not rely upon overtime to deliver services and where there is high usage; services must commit to redesign their delivery models in order to address this.

### **4.4 Proposal 6 – Remove Relocation Allowance**

4.4.1 A relocation allowance is payable for a period of 4 years when an employee has an enforced change to their place of work. This is a national term, under Part 3 of the Green Book and most local authorities reviewed this term as part of their review of Part 3 terms and conditions, a number of years ago. The allowance was not reviewed in Trafford, however, and the allowance remains.

4.4.2 In 2012, 146 employees claimed the allowance, totalling £68k for the year. The average claim was £50 per month.

4.4.3 Given that it is not unreasonable to expect staff who work for Trafford Council to be able to work from any base within the borough, the proposal is to cease this allowance. This will mean that no new allowances will be payable; in addition, all existing allowances will cease with effect from the implementation date. This will achieve savings in the region of £70k per annum.

## **5 SUMMARY OF ESTIMATED SAVINGS**

5.1 The table below details the potential savings that could be achieved by implementing the proposals set out in this document.

<b>Proposal – Option 1</b>	<b>Potential Savings</b>
1. Changes relating to Car Users	+£700k
2. Reducing the sick pay scheme	+£475k
3. Unpaid leave	+£700k
4. Introduction of Living Wage	- £42
5. Reduce overtime rate	+£300k
6. Remove relocation allowance	+£68k
7. Reduce overtime and agency spend	+£500k
<b>Total (potential savings)</b>	<b>£2.7m</b>

## **6 PROCESS AND TIMELINE**

- 6.1 The proposals are a complete package of proposals and not standalone options. The Council's aim is that following a period of consultation, agreement will be reached to vary terms and conditions, introducing the revised package from 1<sup>st</sup> January 2014, except for the removal of essential Car User Allowance which will be effective from 1<sup>st</sup> April 2014.
- 6.2 In the first instance, the Council will aim to reach a collective agreement with the recognised trade unions. If this is not possible, then the Council will aim to reach agreement with individual employees.
- 6.3 Ultimately, if agreement cannot be reached on a revised package of terms and conditions, then the Council will need to achieve the change via a process of termination and re-engagement.
- 6.4 The draft timeline for achieving the change is set out below:

<b>DATE</b>	<b>ACTION</b>
Week commencing 10 <sup>th</sup> June 2013	Commence 30 day informal consultation on the package of proposals
Week commencing 1 <sup>st</sup> July 2013	Staff roadshows (2 week period)
12 <sup>th</sup> July 2013	End of informal consultation
Week commencing 29 <sup>th</sup> July 2013	Issue S.188 notice to mark commencement of 45 day formal consultation
During August and September 2013	During formal consultation period, seek to reach collective/individual agreement on changes to terms and conditions in order



	to minimise the number of dismissal and re-engagements
1 <sup>st</sup> October 2013	Commence 3 month termination and reengagement process, should agreement not be reached
1 <sup>st</sup> January 2014	Implement revised terms and conditions – except Essential Car User Allowance which will be effective from 1 <sup>st</sup> April 2014.

## 7. CONCLUSION

- 7.1 This paper sets out a number of proposals for the Council workforce in order to achieve significant savings. In achieving changes to terms and conditions, the Council is committed to protecting jobs, core pay and pension benefits.
- 7.2 In addition to the development of these proposals, much work has been undertaken in recent months to develop positive measures for the workforce, which aim to improve staff benefits. For example the introduction of a new car lease scheme, discounted private medical insurance, Your Co-op Rewards discount scheme, etc. The Council remains committed to exploring cost effective opportunities which improve staff benefits

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## TRAFFORD COUNCIL

**Report to:** Employment Committee  
**Date:** 1<sup>st</sup> July 2013  
**Report for:** Information  
**Report of:** Joanne Hyde, Director of Human Resources

### Report Title

**Sickness Absence Audit**

### Summary

**This report provides information on the outcome of a recent sickness absence audit and sets out the next steps.**

### Recommendation

**That Employment Committee notes the information contained within this report.**

Contact person for access to background papers and further information:

Name: Deborah Lucas  
Extension: 4095

### Background Information

Relationship to Policy Framework/Corporate Priorities	Sickness absence performance aligns with the corporate priorities of Low Council Tax and Value for Money and Re-Shaping Trafford Council.
Financial	Improvements in sickness absence results will provide savings for the Council.
Legal Implications:	In line with relevant legislation and good practice
Equality/Diversity Implications	In line with relevant legislation and good practice
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	The revised strategy will continue to support the robust management of absence.
Risk Management Implications	None
Health and Safety Implications	None

## 1. INTRODUCTION

- 1.1 Over the past eighteen months, the HR Service has transformed into a much leaner and more strategically focussed service. This modernised, operating model essentially empowers managers to take responsibility for managing their workforce, with HR taking responsibility for the architecture.
- 1.2 This leaner service, with an increased focus on strategic, organisational improvement has meant that accountability for operational staffing matters has been devolved to line management and this transition has been facilitated through the development of effective HR policies and procedures and targeted HR training and coaching.
- 1.3 Historically, the HR function has taken a significant lead on people management issues, in particular on the management of attendance. However, since the transformation of the HR service and the migration onto the Council's new I-Trent system, this responsibility has shifted to line managers, with the HR Service facilitating the change by supporting managers on the use of the Manager Self-Service function and also by providing training on absence management procedures. In line with the modernised operating model, the expectation is that HR officers will act on a consultancy basis in respect of the most complex of cases or where cases have reached the dismissal stage.
- 1.4 The transition has been challenging as some service areas have historically been heavily reliant upon operational support from the HR Service, however, HR officers have worked diligently with managers to try and facilitate the transition.
- 1.5 Given that the revised arrangements have been in place for 12 months now and that directorates are at year end in terms of targets and performance, it has been timely to review absence management procedures in order to assess progress and implement measures for future improvement.
- 1.6 Table 1 below sets out the sickness absence figures, by directorate, as at year end 2012/13:

<u>Directorate</u>	<u>2012/13</u> <u>Year end</u> <u>result</u>	<u>Target</u>	<u>Target</u> <u>Variance</u>	<u>2011/12</u> <u>result</u>	<u>2011/12</u> <u>target</u> <u>variance</u>
CYPS	10.61	9.00	1.61	9.68	0.68
CWB	13.48	9.00	4.48	12.20	3.20
EGP	4.72	9.00	-4.28	5.75	-3.25
ETO	10.20	9.00	1.20	9.34	0.34
T&R	7.34	9.00	-1.66	9.68	0.68
<b>Total (excl Schools)</b>	<b>10.02</b>	<b>9.00</b>	<b>1.02</b>	<b>9.93</b>	<b>0.93</b>

## **2.0 BACKGROUND AND SCOPE**

- 2.1 Since the migration onto I-Trent, much work has been undertaken by the HR Management Information Team to develop robust and meaningful management information on the levels of sickness absence across directorates.
- 2.2 In this respect, a set of corporate reports has been developed for Corporate Directors and HR Business Partners. These reports specifically assist with the management of the Council's Top 50 absences as well as providing the information that feeds into Performance Manager.
- 2.3 Following migration to i-trent, the HR Management Information Team has continued to monitor system output and where faults have been identified, the team has rectified these in conjunction with Midland Software.
- 2.4 In addition to system monitoring, the Business Partner service has continued to monitor levels of sickness absence across directorates and have intervened where there have been concerns about procedural compliance.
- 2.5 With this in mind and to ensure that the sickness absence audit covered both quantitative and qualitative information, the aim of the audit was:
  - To undertake an analysis of system recording and reporting
  - To assess compliance with sickness management procedures

## **3.0 THE APPROACH**

- 3.1 In terms of the system audit, this was undertaken by the HR Management Information Team who analysed a full set of absence data from the Transformation & Resources Directorate, as a representative sample. The system audit essentially involved the cross checking of routine system absence reports with live system data, as well as the checking of data by exception (i.e. a check of all live staff sickness absence records which were not recorded on the sickness report).
- 3.2 In addition to the detailed system check, the Business Partner Service undertook a check of "open absences" reported from the system to establish whether these were genuinely "open" or whether there was a system or human error resulting in the absence not being closed down and thus producing a false indication of on-going absences.
- 3.3 Finally, qualitative "spot" checks were undertaken across all directorates to establish whether or not there was compliance with absence management procedures, in line with the Attendance Management Policy. These checks

varied across directorates, depending on the service area and in summary included:

- Spot checks on action taken by managers in long term absence cases;
- Spot checks on action taken by managers in short term cases, where triggers have been met;
- End to end analyses of absence management recording and monitoring processes;
- Detailed analyses of actions taken on all long term and short term (trigger) cases in hotspot areas.

## **4.0 SUMMARY OF FINDINGS**

- 4.1 The detailed system analysis found that current absence reports accurately reflect sickness absences held against live establishments in the I-Trent system. The exception analysis, however, highlighted that some individuals with live absence records were not being reported on the absence report; this was due to a technical error in the way that absences were linked. This technical fault meant that where a restructure had occurred and an establishment had been closed down, the absence data was remaining with the old establishment and thus not being captured as part of the live data report. The impact of this system error has been that in areas where restructures have taken place, absence figures may have been under-reported. This technical fault has now been resolved and the year end results as set out earlier in this report provide an accurate summary of the year end position.
- 4.2 In terms of “open absences” the checks which were undertaken indicated that across directorates, absence input was generally accurate and that input procedures were being followed, with only a minor number of errors. In one service area (OSfE), however, a significant number of absences remained “open” which were in fact “closed”. Further analysis highlighted that the service was not directly inputting into the I-Trent system but instead was continuing to input into the legacy “E-absence” system, which was then being followed up by a manual transfer of data into I-Trent. This is a local issue and actions are being taken as a matter of urgency to address the matter.
- 4.3 In terms of the directorate analysis relating to the application of sickness monitoring procedures, a summary of findings, by directorate, is set out below:
- 4.4 Environment, Transport and Operations
- 4.4.1 Sickness absence levels in the Environment, Transport and Operations Directorate have increased over the past 12 months and the corporate target of 9 days has not been achieved.

- 4.4.2 As part of the audit, spot checks were undertaken in respect of the management of both long term and short term sickness cases. In addition, an officer from the Business Partner Service spent two days on site in the “hotspot” area of OSfE, assessing the end to end process for recording absences in order to assess compliance.
- 4.4.3 In terms of absence recording, as stated in paragraph 4.2, issues were highlighted about the on-going use of the E-absence system; these issues are being addressed as a priority. In addition, an assessment of absence reporting and monitoring in this area highlighted that these actions are being undertaken by Band 11 officers. This not only causes delays in the recording and monitoring of absences but also impacts on the work pressures of these officers. The analysis would indicate that the day to day responsibility for recording and monitoring sickness absence needs to be reviewed to ensure that the activities are carried out by the appropriate level of officer, in a timely manner.
- 4.4.3 In terms of the spot checks, the findings were mixed, with some cases being monitored robustly within the formal review process and other cases not being monitored at all. It was also noted that across ETO services, there remains a heavy reliance on Business Partner support and intervention; Business Partners continue to provide targeted training and coaching to Operational Managers; attend monthly sickness update meetings with managers to provide guidance on key cases and often take the lead on Health Reviews.
- 4.5 Children & Young People’s Services
- 4.5.1 Sickness absence levels in the Children & Young People’s Services Directorate have increased over the past 12 months and the corporate target of 9 days has not been achieved.
- 4.5.2 As part of the audit, spot checks on both long and short term sickness absences were carried out across the directorate. Whilst it was encouraging to find that in almost every case, return to work interviews and relevant occupational health assessments had taken place, there was no evidence found to support the fact that any formal health reviews had taken place for staff who had hit a trigger. This was disappointing.
- 4.5.3 In terms of sickness absence management training, the Business Partner Service has recently provided bespoke training for managers in the Youth Service as this was identified as being a “hotspot” area. Wider directorate training, however, has not taken place for several years. With the integration of health and adult social care into the directorate, it would seem timely for the Business Partner Service to work with the directorate to deliver refresher training for all managers, across service areas.
- 4.6 Communities & Wellbeing

- 4.6.1 Given that sickness absence levels across the Communities & Wellbeing Directorate have been significantly high throughout the past 12 months and indeed have exceeded the corporate target by more than 4 days per person per annum, the Director of Operations indicated that she wished to take a direct and active role in the audit of sickness absence. In this respect, she has commenced a review of the management of every long term and short term sickness absence case in the directorate. This review has covered data recording as well as case management and has been supported by a Business Partner.
- 4.6.2 The initial findings from the audit are that there are some issues with data recording. For example, some absences are not being closed down, which results in open ended absences and thus the potential for over reporting on absence levels. In addition, there is an over use of “other” as a descriptive category, which does not give an accurate reflection of absence types and thus does not highlight any areas for concern.
- 4.6.3 In terms of monitoring, the early indication from the audit is that whilst there is evidence that return to work interviews are embedded into absence management practise, there is inconsistency in the application of formal health reviews, with many managers taking a misguided view that it is not appropriate to hold a formal review with an individual who is genuinely and seriously ill.
- 4.6.4 Whilst some training has been delivered to managers by the Business Partner Service over the past 12 months, as set out in paragraph 4.5.2, the integration of services under the new Children, Families and Wellbeing Directorate will provide a timely opportunity to refresh this training to all directorate managers. A number of targeted sessions have already been arranged as a result of early findings from the audit.

#### 4.7 Transformation & Resources

- 4.7.1 Sickness absence levels across the Transformation & Resources Directorate have been consistently below target and indeed have improved over the past 12 months.
- 4.7.2 As part of the audit, spot checks were carried out on long term and short term cases across the directorate. In general, the management of absence was found to be robust. There was evidence that return to work interviews, occupational health assessments and formal health reviews were being carried out systematically in almost every case that was highlighted.
- 4.7.3 In terms of training, over the past 12 months, there have been specific sessions provided for managers in Access Trafford and the Shared Service. These sessions have been delivered as small group sessions, involving up to 6 managers at a time.



4.7.4 Given the experience that has been developed in this area, managers from this directorate should be encouraged to support peers across the organisation to improve the management of sickness absence.

#### 4.8 Economic Growth & Prosperity

4.8.1 Over the past 12 months, the Economic Growth & Prosperity Directorate has consistently reported sickness absence levels below the corporate target of 9 days and indeed has shown a steady improvement in attendance since year ending 2011/12.

4.8.2 As part of the audit, spot checks were undertaken on a number of sickness absence cases where triggers had been met. Whilst return-to-work interviews were carried out in every case that was checked, there was no evidence that these were followed up by formal health reviews, even though triggers had been met. In spite of the absence of formal reviews, the cases highlighted had reported no further periods of absence and levels of attendance subsequently improved.

4.8.3 During the past 12 months, the Business Partner Service has delivered training for directorate managers; this training has been delivered in small groups, similar to that delivered to managers in Transformation & Resources.

### **5 CONCLUSION AND NEXT STEPS**

5.1 Further to the system audit and the subsequent changes that were made as a result of identified errors, the HR Management Information Team are now satisfied that the management information reports that are produced are an accurate reflection of the live data that has been input into the I-Trent system. Whilst these reports are produced at a high level for Corporate Directors and trigger reports are directly accessible to line managers via the I-Trent Self Service function, the team recognise that these reports need to be more easily accessible to directors. This will ensure that this information feeds into the performance management framework, thus improving accountability for absence management. The HR Management Information Team will undertake further work to deliver this.

5.2 In terms of the qualitative data and the spot checks carried out across directorates, whilst the findings indicate that there are some specific directorate issues which need to be addressed at a local level, there is a general inconsistency in the way that managers are approaching the formal health review process. Indeed, in a significant number of cases, formal absence reviews are simply not being carried out. This inconsistency needs to be addressed as a matter of urgency if sickness absence levels are to be reduced.

A revised strategy for monitoring sickness absence will be developed and this will include:

- The development and dissemination of regular, timely and robust management information to directors across the organisation;
- A focus on ensuring that line managers access the on-line trigger reports via the Manager Self Service function of I-Trent on a regular basis;
- A focus on accountability for the management of sickness absence through raising the profile of absence management (e.g. a standing item on DMT's) and also through the Council's performance management systems (e.g. a standing item on one-to ones);
- The development of targeted interventions, such as bespoke strategies for addressing local issues and hotspots;
- The development and delivery of additional training and support sessions for managers, including the use of peer support;
- A continued commitment to support the health and well-being of employees through the on-going analysis of absence reasons and trends

## **6. RECOMMENDATIONS**

It is recommended that Employment Commitment notes the content of this report.

## TRAFFORD COUNCIL

**Report to:** Employment Committee  
**Date:** 1<sup>st</sup> July 2013  
**Report for:** Information  
**Report of:** Joanne Hyde, Director of Human Resources

### Report Title

**Employee Recognition Awards Scheme and Celebration Event**

### Summary

This paper provides details of the employee recognition awards scheme and the awards ceremony to be held in October 2013.

### Recommendation(s)

- That Employment Committee notes this event.

### Contact person for access to background papers and further information:

**Name:** Angela Beadsworth/Catherine Hay  
**Extension:** 1291/2016

### Background Information

Relationship to Policy Framework/Corporate Priorities	Aligns with the Council's Corporate Priority of 'Improving Health and Wellbeing of Residents', as approximately 70% of our employees are residents of Trafford.
Financial	None
Legal Implications:	None
Equality/Diversity Implications	In line with relevant legislation and good practice
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	None
Risk Management Implications	None
Health and Safety Implications	None

## **1. Introduction**

Trafford's inaugural Employee Recognition Awards (ERA) Scheme and celebration event in 2012 was a huge success and attracted positive feedback from both the sponsors and staff. In view of this, we are now set to launch this year's ERA Scheme.

## **2. Award Categories and Nominations Process**

Anyone or any team working for Trafford Council can be nominated for an award. This is an occasion for employees to nominate others that they value and think have made a difference and see them acknowledged for their achievements.

There will be 9 awards this year, which are:

Chief Executive's Pride of Trafford; Employee of the Year; Manager of the Year; Team of the Year; Rising Star; Unsung Hero and Working Together for Trafford. There are also 2 new award categories: Apprentice of the Year and a special 'Future Leader' award.

As in 2012, there will be a two-stage process to decide the winner/s for each award. Under Stage One, the panels will comprise of the senior management teams from the four Directorates and they will decide the final list of 5 nominations for each award to go forward to Stage Two.

For Stage Two, for each award category, a final panel will be set up, which will include a member of the Employee Recognition Steering Group, together with the category sponsor. They will meet to select the final 3 nominations and the category winner.

The final 3 nominations and the person who nominated them will be invited to attend the event.

## **3. Staff Celebration Event**

The aim is to create another memorable and enjoyable employee award ceremony, which will take place on 25<sup>th</sup> October 2013 at the Emirates Old Trafford, with the venue provided courtesy of one of our sponsors, Lancashire County Cricket Club. A fantastic dinner, including a pre-dinner reception will be provided.

The awards ceremony is being fully sponsored by a number of our partners from across the business community; namely Lancashire County Cricket Club, Veolia, ITV, Amey, Peel Holdings, Manchester Evening News, McCoskers Ltd, The Dean Trust, Senator Group, Jenkinsons, Wilmott Dixon and Gatenby Sanderson. Thanks to their kind financial contributions, there is no cost to the Council in staging this awards ceremony. In addition, Trafford Community Leisure Trust has kindly offered a free leisure pass for all individuals who are nominated for an award.

The Council is delighted that it has managed to secure the services of Eamonn O'Neil, who is a Trafford resident and Managing Editor of M.E.N. Media, which publishes the Manchester Evening News, the Sale & Altrincham Advertiser and nineteen other weekly papers.

#### **4. Conclusion and Recommendation**

There are potential benefits for the Council in continuing with a successful ERA Scheme, in terms of increased employee motivation, engagement and retention.

Equally, in times of organisational change and the associated challenges faced by staff in the current climate, it is critical to ensure that employees are recognised for their contribution and dedication.

Employment Committee is recommended to note the launch of the 2013 ERA Scheme and the celebration event scheduled for 25<sup>th</sup> October 2013.

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