



# Agenda

Meeting: **Personnel Committee**  
Date: **4 June 2020**  
Time: **2.00 pm**  
Place: **Zoom**

To: **All members of the Personnel Committee**

Members of the Committee who wish to have information on any matter arising on the agenda which is not fully covered in these papers are requested to give notice prior to the meeting to the Chairman or appropriate officer.

The committee will consider the matters, listed below, at the date and time shown above. The meeting will be open to the press and public and streamed live at [bit.ly/YouTubeMeetings](https://bit.ly/YouTubeMeetings)

1. **Apologies for Absence**
2. **Declarations of Interest**

Members of the Council should declare any interests which fall under the following categories\*:

- a) disclosable pecuniary interests (DPI);
- b) other significant interests (OSI);
- c) voluntary announcements of other interests.

3. **Minutes (Pages 3 - 4)**

To consider and approve, as a correct record, the minutes of the meeting held on 4 February 2020.

**If members have any particular questions on the reports below, it would help the management of the meeting if they could send them in by Tuesday 2 June 2020 to [committee@folkestone-hythe.gov.uk](mailto:committee@folkestone-hythe.gov.uk).**

## **Queries about the agenda? Need a different format?**

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Email: [committee@folkestone-hythe.gov.uk](mailto:committee@folkestone-hythe.gov.uk) or download from our website  
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**Members can, of course, also raise matters in the meeting.**

4. **Appointment of the Joint Staff Consultative Panel 20/21**

To appoint three Members to the Joint Staff Consultative Panel for 2020-21.

5. **HR Annual Review (2019/20) (Pages 5 - 52)**

This report presents a review of the HR function over the last financial year 2019-2020.

6. **Gender Pay Gap reporting (Pages 53 - 62)**

This report outlines the council's statutory obligations regarding the publication of gender pay gap data and provides the data for this reporting year.

7. **Senior Management Restructure update (Pages 63 - 72)**

This report provides the committee with an update on the senior management restructure at the council. It seeks the committee's support for an amendment to the current performance arrangements for the Corporate Leadership Team and an amendment to the contractual job title relating to the Head of Paid Service.

8. **Head of Paid Service report (Pages 73 - 80)**

This report is from the Head of the Paid Service in relation to the adequacy of resources across the Council.

9. **Removal of the Essential User allowance (Pages 81 - 88)**

This report provides the committee with a proposal which removes the essential car user allowance and associated mileage rates but also ensures that the few members of staff who do travel extensively across the district are not heavily impacted in a negative way.



# Minutes

## Personnel Committee

Held at:	Council Chamber - Civic Centre Folkestone
Date	Tuesday, 4 February 2020
Present	Councillors Mrs Ann Berry, Nicola Keen, David Monk (Chairman), Terence Mullard and Rebecca Shoob
Apologies for Absence	Councillor Danny Brook
Officers Present:	Susan Priest (Head of Paid Service), Andrina Smith (Chief HR Officer) and Jemma West (Committee Service Specialist)
Others Present:	Ben Cox - Penna

### 23. **Declarations of Interest**

There were no declarations of interest at the meeting.

### 24. **Minutes**

The minutes of the meeting held on 17 December 2019 were submitted, approved and signed by the Chairman.

### 25. **Pay Policy Statement 2020/21**

The report presented the Pay Policy Statement for 2020/21 for approval and recommendation to Council

Proposed by Councillor Mrs Berry,  
Seconded by Councillor Keen; and

#### **RESOLVED:**

- 1. That report P/19/10 be received and noted.**
- 2. That it be recommended to Full Council that under S38(1) Localism Act 2011 the Pay Policy Statement appended to the report for 2020/21 be approved.**

(Voting figures: 5 for, 0 against, 0 abstentions).

### 26. **Exclusion of the Public**

Proposed by Councillor Monk,  
Seconded by Councillor Mrs Berry; and

**RESOLVED:**

**That the public be excluded for the following item of business on the grounds that it is likely to disclose exempt information, as defined in paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972 –**

**‘Information relating to any individual’.**

(Voting figures: 5 for, 0 against, 0 abstentions).

27. **Selection process for Director of Place**

Proposed by Councillor Keen,  
Seconded by Councillor Mrs Berry; and

**RESOLVED:**

**That the 3 candidates were of an equally high standard and as a result the final decision be delegated to the Head of Paid Service.**

(Voting figures: 5 for, 0 against, 0 abstentions).

# Agenda Item 5

Folkestone  
& Hythe



District Council

This Report will be made public on 27 May 2020.

Report Number: **P/20/01**

**To:** Personnel Committee  
**Date:** 4<sup>th</sup> June 2020  
**Status:** Non-executive Decision  
**Head of Service:** Andrina Smith, Chief HR Officer

**SUBJECT: HR ANNUAL REVIEW (2019/2020)**

**SUMMARY:** This report presents a review of the HR function over the last financial year 2019-2020.

**REASONS FOR RECOMMENDATIONS:**

The Committee is asked to note the contents of the report set out below.

**RECOMMENDATIONS:**

1. To receive and note Report P/20/01.

## 1. INTRODUCTION

- 1.1 The HR Service has now been back in-house at Folkestone & Hythe for 8 years following a period of out-sourcing to the East Kent HR shared service. This report is written to give Committee members an annual overview of the service and the HR developments that are in place to support managers in achieving their council objectives.
- 1.2 A report is presented to the committee on an annual basis in order for members to be satisfied that the HR team is appropriately supporting the council.

## 2. HR STRUCTURE AND SERVICE

- 2.1 The HR team structure has remained stable during the 2019/20 financial year due to the ongoing investment made into the Organisational Development (OD) team not only to support the ongoing transformation programme within the council but also to provide a contracted service to other local authorities (see further detail in section 5). The current HR Team structure can be seen in **Appendix A**.
- 2.2 The service continues to maintain a Business Partner approach to supporting managers to enable a greater understanding of particular service areas, however as they are also generalist advisors they also provide advice across the whole business.
- 2.3 The HR Business Partner and HR Manager continue to have monthly meetings with their Assistant Directors and Chief Officers along with some Lead Specialists to discuss a standing agenda of HR items, including recruitment, absence management, casework, restructuring and corporate developments. They will also attend the relevant managers meetings within the service areas when required. The HR Manager and Business Partner each have a fortnightly 1-2-1 with the Head of HR. The whole HR team also have a fortnightly team brief to share knowledge, discuss casework and receive corporate information.
- 2.4 The HR team continue to work flexibly from home whenever possible and hot desk across the 1<sup>st</sup> and 2<sup>nd</sup> floors. In order to maintain confidentiality when needed the team also have access to a smaller confidential hot desk facility on the 6<sup>th</sup> floor and have access to the small meetings rooms on the 1<sup>st</sup> and 2<sup>nd</sup> floors for ad hoc private discussions.

## 3. CASEWORK

- 3.1 During 2019/20 the HR team have supported the following cases:
- 8 disciplinary cases resulting in 1 verbal warning, 6 written warnings, and 1 final written warning. Under section 4.4 of the disciplinary procedures a penalty can be agreed outside of a disciplinary hearing if the employee is in agreement. Seven of the eight case numbers mentioned above were issued in this way.
  - 1 capability cases resulting in the members of staff leaving before the process concluded.
  - 0 grievances was raised during the year.
- 3.2 As a comparison, during 2018/19 the following cases were dealt with:

- 3 disciplinary cases resulting in 2 written warnings, and 1 final written warning. Under section 4.4 of the disciplinary procedures a penalty can be agreed outside of a disciplinary hearing if the employee is in agreement. Two of the three case numbers mentioned above were issued in this way.
- 3 capability cases resulting in two members of staff leaving under a settlement agreement due to performance and absence issues and one member of staff left under ill health retirement following a prolonged period of absence due to deteriorating health conditions.
- 1 grievance was raised during the year which was not upheld. There was no appeal to the outcome.

3.3 These figures show an in the number of disciplinary investigations for minor misconduct. The continuation of the use of section 4.4 to enable warnings to be issued and recorded without the need for a formal hearing continues to reduce the amount of time being spent on formal hearings and the associated preparation time.

#### 4. ABSENCE MANAGEMENT

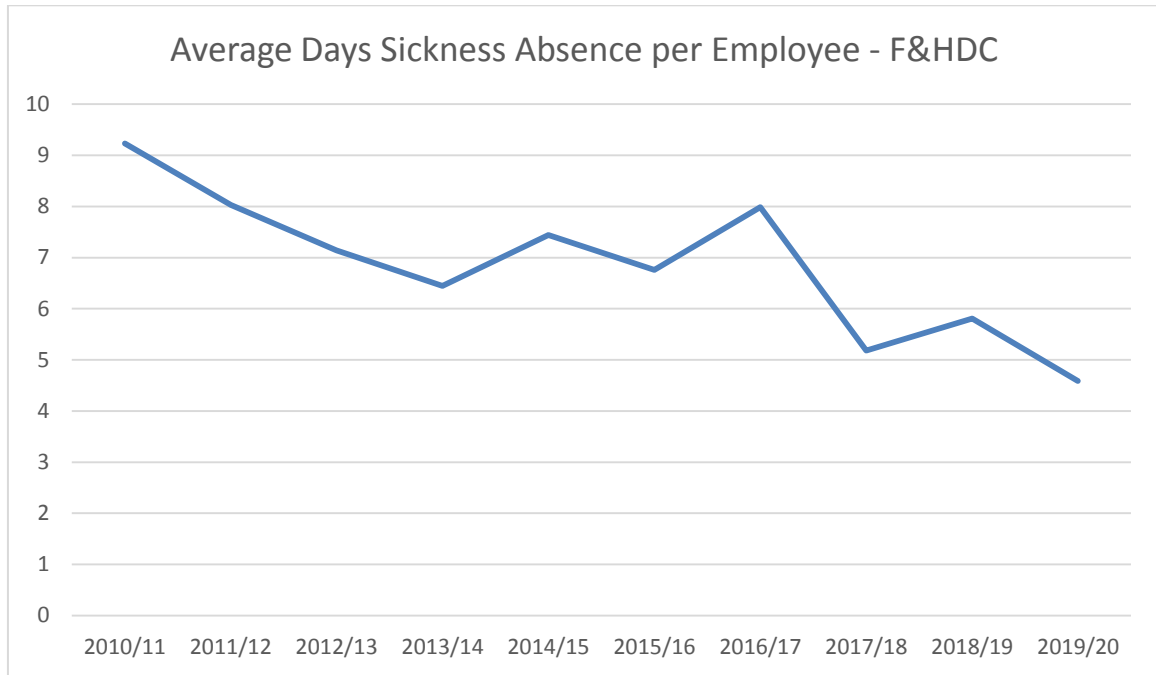
4.1 In 2019/20 there was an average of 4.6 days sickness absence per employee (based on an average headcount of 363). During the year, 2% of working time was lost due to sickness absence. This represents a decrease in sickness absence levels in comparison to last year (5.8 days), is below the national average, and compares favourably with similar organisations.

Reporting absence in terms of average number of days per employee is a widely used formula across different sectors and enables a comparison to be made using data collected by professional bodies such as the Chartered Institute of Personnel and Development (CIPD).

4.2 In previous years the figures have been as follows:

- 2012/13 – 7.1 days absence per employee
- 2013/14 – 6.4 days absence per employee
- 2014/15 – 7.4 days absence per employee
- 2015/16 – 6.7 days absence per employee
- 2016/17 – 7.9 days absence per employee
- 2017/18 – 5.2 days absence per employee
- 2018/19 – 5.8 days absence per employee

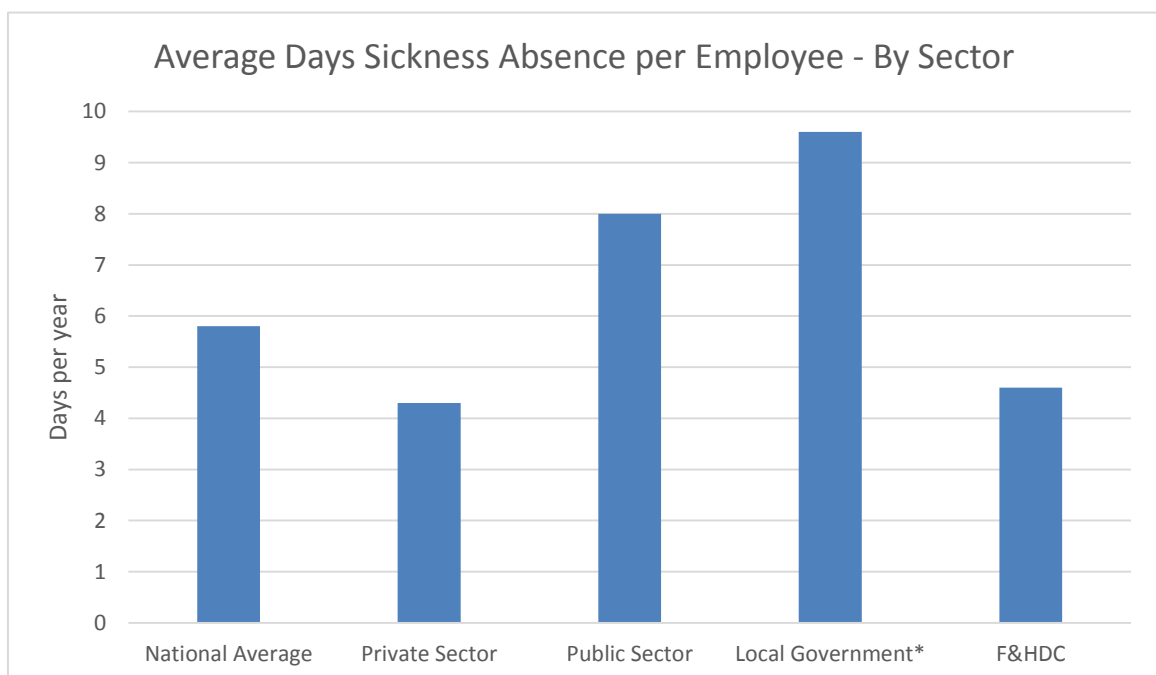
This year's figure represents the lowest since 2010/11, which is as far back as HR have analysed this data. Indeed, sickness absence levels have halved in the past 10 years:



4.3 The national average reported by the CIPD is 5.8 days per employee per annum. While absence levels have decreased generally over the last 10 years (the national average was 7.4 days in 2010), absence rates across the country as a whole have not changed significantly in the last two years.

Nationally there is a considerable variance across sectors, with the public sector reporting an average 8 days per employee when compared to 4.3 days in the private sector. The most recent data for the local government sector reported 9.6 days sickness absence per employee per year.

There is also a correlation between the size of the organisation and absence levels, with larger organisations reporting higher levels of sickness. The national average for an organisation of the council's size is 6 days per employee per annum.





4.4 Since the 2014/15 annual report the HR team have provided a breakdown of sickness absence figures in terms of long-term and short-term cases.

Long-term absence is classed as four weeks or more.

The instances of absence and amount of days lost to sickness will be influenced by fluctuations in staffing levels. The average number of days per employee column therefore gives the most accurate indication of the relative impact that short or long-term absences have had on the organization.

“Days lost” refers to the amount of working days lost to sickness absence.

“Ave. days” refers to the average amount of days sickness absence per employee.

Year	Short-Term Absences			Long-Term Absences		
	Instances	Days Lost	Ave. Days	Instances	Days Lost	Ave. Days
2014/15	425	1031.5	2.72	36	1788	4.72
2015/16	349	1016.89	2.65	33	1562	4.06
2016/17	375	985	2.62	29	2021.5	5.37
2017/18	345	951.5	2.58	18	957	2.60
2018/19	258	675	1.87	30	1424	3.94
2019/20	294	879.5	2.42	16	787.5	2.17

4.5 In 2018/19, 10% of absences were long-term and this equated to 68% of the total time lost due to sickness. However, over the past year instances of long-term sickness have nearly halved and are at their lowest level since HR started analysing this data in 2014/15. While the actions outlined in paragraphs 4.6 and 4.8 below have supported a reduction in long-term sickness, in 2018/19 we experienced some very serious illnesses and, sadly, we lost two colleagues to cancer during that time. This would have undoubtedly had an impact on the sickness absence figures produced for that year and may make any direct comparisons between 2018/19 and 2019/20 misleading. However, there remains a clear overall trend of reducing sickness absence.

4.6 As with 2018/19, the biggest reason for long-term absence over the past year was ‘stress, depression, fatigue or mental health’, which accounted for 44% of our long-term sickness cases. There is a mixture of work and personal stress related cases and while the team work to get people back into work as quickly as possible such cases have to be handled appropriately, including ensuring sufficient recovery time, in order to enable an effective return to work. The prominence of this type of absence is not unique to Folkestone & Hythe and the CIPD report shows mental health as the most common cause of long-term absence across the country, with stress related absences particularly prevalent in the public sector.

With this in mind, the council has implemented a number of measures to support employees in the workplace, proactively manage mental health and prevent stress related issues:

- Specific Learning & Development sessions focused on resilience, managing and reducing the causes of stress, and promoting well-being.
- Access to an online wellbeing centre, which includes a range of health and wellbeing advice and resources, and an Employee Assistance Programme available through F&H Rewards. Staff can access counselling services, including face-to-face counselling sessions, and specialist information and support on a range of personal and professional issues that could be affecting them in their work or their health and wellbeing generally, including financial, debt and legal advice.
- A range of resources and support on a dedicated health and wellbeing intranet page, including access to 'My Wellbeing' which provides staff with a weekly programme of information aimed at improving overall well-being.
- Health and wellbeing activities including Zen yoga classes, free swimming at Hythe Pool and discounted gym memberships available through the council's reward platform, 'F&H Rewards'.
- Promoting world mental health day, which included championing the campaign across the council's social media platforms and providing our staff with focused mental health information.
- Utilising our occupational health providers and resources such as HSE risk assessment questionnaires to understand the causes of stress and take targeted actions to mitigate these effectively.
- Promoting flexible working options and other policies that may support work/life balance.
- Undertaking staff surveys, which can help us identify organisation wide issues and assess the positive steps taken to address these.

4.7 While over the past year we have seen a decrease in long-term sickness cases, short-term absenteeism (absences of less than 4 weeks) has increased slightly. However, instances of short-term sickness remain relatively low overall when compared to previous years.

When considering reasons for short-term absence minor illnesses such as viruses (inc. e.g. vomiting, diarrhoea etc) and colds are the most common causes. These are in line with the most common causes of absence across the country.

4.8 An outcome of the 2017-2020 Corporate Plan, under 'delivering excellence', was to have sickness absence at less than 7 days per employee per year. This has been consistently achieved since 2017/18.

In addition to the initiatives outlined in paragraph 4.7, a number of other measures are in place to ensure that we continue to meet this target:

- A robust absence monitoring system. The line manager notifies the generic HR email address when an employee is absent from work. This notification includes the reason for absence and the expected duration of the absence. The HR Assistant or HR Officer monitors this email address daily, ensuring swift interventions from the team.
- As the expected duration of absence is included in the notification, HR can monitor the undertaking of return to work interviews, which form an integral part of effective absence management. If HR have not received a copy of the return

to work interview as expected reminders are sent to the line manager to ensure they are completed.

- There are clear absence triggers in place and the HR team provide dedicated and focused support to managers, including attending return to work interviews, if there is a cause for concern. At these meetings supportive measures may be discussed that enable the employee to return to work earlier than otherwise anticipated or, in the case of frequent absenteeism, attend work on a more regular basis. If appropriate, it is made very clear to the employee that if their absence(s) continue then we may take the decision to withhold occupational sick pay and formal processes may also be instigated.
- The HR Business Partner and HR Manager review absence data and cases with relevant Directors, Assistant Directors, or Chief Officers as appropriate on a monthly basis.
- Alongside a case management approach and providing focused support to line managers, HR also provide general training on absence management as part of the manager induction process. There was also a specific session on effective absence management as part of the 2019/20 Manager Development Programme.
- Occupational Health services continue to be utilised and, through increased contract monitoring, focused KPIs and closer working relationships, we believe we have overseen an increase in quality of medical advice and effective support received as a consequence.
- The HR team continue to promote the council's Employee Assistance Programme available through F&H Rewards.
- The HR team have continued to work with other external organisations and sources of support, such as Access to Work, and relevant internal departments to improve health and wellbeing and support absence management. For example, Health and Safety have supported on a number of cases where the working environment may have an effect, such as on musculoskeletal and migraine issues.

To reduce short-term absenteeism the council offered all staff free 'flu vaccinations at the Civic Centre. Staff unable to attend these vaccination sessions because of their job role (such as staff on duty at Hythe Pool, working in the Grounds Maintenance team in a different part of the district, or working night shifts) were offered vouchers to obtain a vaccination from a local pharmacy.

## **5. APPRENTICESHIPS / TRAINEES**

- 5.1 During 2019/20 we have continued to offer Level 2 apprenticeships in Customer Services and maintained our link with Ashford College for the provision of the apprenticeships.
- 5.2 We have also continued our relationships with local schools and universities offering work placements of 1-4 weeks for local young people in a variety of departments across the Council. Our partnership with Kent University also means that students occasionally attend training events with officers.
- 5.3 The 'Grow Our Own' scheme has now concluded with our final trainee (in Planning) completing her 5 year part-time degree in Planning in April 2020.

- 5.4 With the introduction of the Apprenticeship Levy in 2016/17 Personnel Committee agreed to shift our focus away from trainees and onto apprenticeships. Apprentices are either trained by us in-house or access relevant courses with external training provider.

As a council, we decided to become an accredited Apprenticeship Training Provider, so that we can deliver our own apprenticeships and draw down on Apprenticeship Levy funds to pay ourselves to do so. This has the dual benefit of bringing in an income to the council and allowing us to carefully tailor our courses to meet the specific needs of local government.

In September 2019 we had our first Ofsted Monitoring visit. Ofsted do not grade training providers on their first visit but did say that they were pleased with the work we were doing and that they would not need to visit for a further 2 years (this is the maximum time they can leave without visiting, highlighting their confidence in our service). Below are some of the many positive pieces of feedback they included in their report:

“Staff are highly qualified in their specialist area and are very proactive in continuously improving the provision in response to learners’ feedback and peer review support.”

“Apprentices’ work is of a high quality and all those who have completed the standard have achieved distinction.”

“Apprentices develop substantial new skills, knowledge and behaviours. They and their teams benefit from their improved management abilities”.

In terms of the specific apprenticeships we offer, we have 5 officers currently undertaking a Management Apprenticeship which also involves studying for an ILM Level 3 Diploma for Managers (we are an ILM Centre so deliver this ourselves). This is a year-long programme and helps develop our talent pipeline in terms of developing aspiring managers. All participants are at different stages as we have had staggered start dates for this course. Towards the end of 2019/20, there was an interruption in study due to the COVID-19 global pandemic, but we study will resume for those able in June 2020. For those who cannot study due to their involvement with the response effort they will be enabled to pause their study and resume it once they are able. In order to enhance their development our management apprentices have taken on additional management and cross-training responsibilities as well as shadowing budget managers to learn the basics of budget management.

In addition, we have 2 members of staff studying for a Learning & Development Practitioner Apprenticeship which we are also delivering in-house. In 2020/21 we are planning to add new apprenticeships to our portfolio of in-house offers for FHDC staff: Level 3 Apprenticeship in Business Administration and Level 3 Junior Content Producer.

Where appropriate we continue to use external training providers to support apprentices and in September 2019 we employed a Solicitor Apprentice who is studying for a Law degree whilst working with us.

- 5.5 In January 2019 the OD & Engagement Manager negotiated and signed 2 year contracts with Thanet District Council, Canterbury District Council and Dover District

Council to be the training provider for their leadership and management and business administration apprentices and undertake learning and development work for them. The delivery of these contracts began in February 2019 and during 2019/20 brought in £135,000 of income into the council. The cost of additional staff brought in to support with the delivery of these contracts has been more than covered with this income and our approach has given the OD team greater resilience, economies of scale, and a wider range of facilitators to appeal to different personalities. Working with other councils has meant that our staff have benefited from a more diverse learning environment, sharing best practice in management with participants from other local authorities. Feedback from the councils we are working with has been resoundingly positive and we have been fostering a deeper sense of community between F&HDC and our neighbouring authorities.

## **6. ORGANISATIONAL DEVELOPMENT**

6.1 The Middle Manager and Team Leader development programme has, as usual, been updated to reflect the development needs of people managers (based on their feedback and input from our Senior Management Team). The majority of sessions are an hour long, with some longer, as needed. Topics covered have included:

- Risk management
- Competency Based Interviewing
- The post-election Political environment
- Recruitment and selection
- Complaints Handling
- Cabinet and Committee report-writing
- Absence Management
- Modgov Training
- Budget Monitoring
- Annual Service Planning
- Making the most of Audit
- FHDC Brand Guidelines
- Behavioural Assessments, Development Plans & our Performance Management Framework

In addition, in March a team of 6 Middle Managers attended the South East Employers Challenge. This intensive, day long training event forced the Middle Managers to think like a Directors' Team and solve fast-paced strategic challenges.

Managers are also offered ad hoc support and coaching with specific people management-related issues. For 2020/21 a new Learning Needs Analysis is being undertaken, in conjunction with the results of the competency-based interviews, to ascertain ongoing requirements for managers.

6.2 Over the course of the 2019/20 year we have offered a variety of development opportunities for staff at all levels via our Learning and Development brochure (published in June 2019), this is added to on an ad hoc basis depending on evolving development needs. the OD & Engagement team have run 60 minute to half day sessions on:

- Dealing with difficult conversations and people
- Stress, well-being and personal resilience
- Time Management
- Presentation Skills

- Building and Exhibiting Confidence
- Facilitation skills
- Using Skype
- Encouraging Customers to Self-Serve
- 

Professional training priorities reflect those of the Corporate Plan and this year have included:

- APM Project Management accreditation
- Asbestos Awareness
- Safeguarding training
- First Aid training
- Water Safety for Grounds Maintenance
- Conflict Training for staff dealing with customers
- Graffiti removal training for Area Officers

We also fund individual officers to undertake relevant technical training to support performance in their roles, including Project Management Qualifications, a Finance qualification, Democratic Committee Administration course, Community Safety BTEC, Arborist training and a variety of conferences.

Chief Officers, Assistant Directors and Corporate Directors are also offered coaching and bespoke training courses provided by respected organisations such as universities, Roffey Park Institute and the Society of Local Authority Chief Executives (SOLACE).

- 6.3 Following each development session, a review is undertaken to evaluate the success of the topic. Workshops are evaluated based on the extent to which participants felt that they had increased their competence and confidence in the topic area of the workshop. The majority of participants reported that the workshops have increased their competence and, to a lesser extent, their confidence which develops as they begin to put into practice what has been learnt during the sessions.
- 6.4 e-Learning modules have been promoted to all staff in order to comply with our duties for providing relevant Health & Safety and statutory training. We also continue to offer face to face training on key statutory topics such as Safeguarding, Risk Assessments, First Aid, and being a Fire Warden. In 2020/21 we are reviewing our e-Learning provision to ensure we include in-house e-Learning courses on Safeguarding (Adult and Child) and Modern Day Slavery.
- 6.5 We have continued with the delivery of our recognition scheme. The peer-nominated scheme recognises those who have noticeably displayed behaviours aligned to our core values. We also focus on embedding our core values through the corporate induction (which we have updated with a new induction video) and our behaviour framework.
- 6.6 Part of our role in OD & Engagement is to facilitate a vibrant culture. Building on our improved employee engagement survey results in January 2019, we have engaged staff in creating an inclusive events programme (Christmas Party, Summer Social, Quiz Night) and changed the way we run staff briefings so that they are quarterly and repeated three times so that all staff can attend. Staff have commented on the much improved format of these briefings which includes entertaining and informative video content as well as a variety of speakers.

In the 2019 staff survey staff highlighted a desire for better ICT systems, more annual leave for new starters, increased internal communications on the Transformation Project and more training and development. All of these elements have been improved, showing that we really listen to our people and take on board their concerns.

- 6.7 We have delivered on a communications and engagement plan for the Transformation programme that has included well-received launch events, video content to explain various elements of transformation and how new technology works, training, and surveys to check understanding.
- 6.8 As an organisation we were encouraged by the positive survey results and decided to set ourselves a stretch-target to enhance our employer brand by entering the Sunday Times top 100 best not-for-profit organisations to work for survey. We are planning to do a baseline survey in 2020/21 in order to understand where we need to concentrate our efforts in terms of the survey criteria. We will then put in place an action plan and look to do the formal survey in 2021/22 as we are keen to benchmark ourselves against other organisations and strive for best practice.
- 6.9 The OD and Engagement team have also run Away Days for teams to help them review progress and plan for the future. These have included Grounds Maintenance, Business Support, Customer Services and Communications and the Senior Management Team (which has regular meetings including Corporate Directors, Assistant Directors and Chief Officers). We have also supported meetings of the wider management team, engaging Middle Managers in the organisation's strategic thinking and planning. In addition, we have supported Councillors where requested and facilitated the Cabinet Away Day and Corporate Plan Working Group.
- 6.10 A comprehensive training programme was arranged for Councillors following the May 2019 elections. Subsequent to this Councillors have undertaken more tailored activities depending on their individual needs.

Councillors have points of contact within the HR team and Committee Services team in order for them to be able to request any individual training or conferences.

Councillors also have a specific page on the Learning Zone of the staff intranet. All training presentations are uploaded after each session has taken place to enable those who could not attend to view the materials.

- 6.11 In March 2020 the OD & Engagement Team were all required to work from home due to the Covid-19 global pandemic in line with the government guidance. The team have been proactively supporting various areas of the council (particularly Communications and the Social Response team) as well as focusing on staff well-being. As of the time of writing this annual update in May 2020, training sessions are beginning to resume, albeit it in a remote manner, using platforms such as Zoom. The team have been supporting Councillors and Officers to use Zoom and will continue to exploit new technologies to enhance both employee engagement and development.
- 6.12 As part of the response to the Covid-19 pandemic, staff surveys have been undertaken by the OD & Engagement Team to gather information on the wellbeing of our staff and how they are coping working from home. We have used the staff surveys

to also act as a 'temperature check' on the culture at the council with one of the most telling questions being whether the staff member would recommend working at the council to their friends and family. This is often referred to as the Net Promoter Score (NPS) and is a nationally recognised measure of engagement. Whilst at the time of writing this report the survey containing this question is still open however the initial indications show a marked increase in our NPS when compared with 12-18 months ago which is a clear indicator of the progress we have made towards embracing a positive culture across the council. An update on this will be provided to members at the committee meeting.

## **7. PAYROLL**

- 7.1 Following Cabinet approval in February 2014, a delegated agreement was signed with Ashford Borough Council to provide our payroll service. The new payroll service went live in November 2014 following several months of implementation meetings designed to build the structure of our organisation and input payroll information and 2 months of parallel runs with KCC in order for both Folkestone & Hythe and Ashford to be confident that every element had been transferred correctly (for example, mileage calculations, overtime calculations etc).
- 7.2 East Kent Audit have carried out annual audit reviews of the payroll service and placed substantial assurance on the systems of internal controls in operation with no recommendations or actions, with one report stating that 'the success...is reflected by there not being any payroll errors since the payroll went live in November 2014'.
- 7.3 During 2019/20 the majority of managers and officers have continued to use the self serve options within the payroll system. It is recognised that not all staff are able to access self service, for example the grounds maintenance teams and staff at Hythe pool who continue to work using paper forms, however we have rolled out an option to receive e-payslips to personal email accounts for those staff who preferred that option to having paper payslips and in the last month of the financial year the vast majority of those who were still receiving paper payslips opted in to e-payslips due to the current pandemic which made producing the paper payslips more complicated.
- 7.4 The self service element of the iTrent payroll system enables staff to update their own address details, bank details, request annual leave, review their absence history, submit mileage claims and expenses claims for authorisation and to view historical payslips & P60 information. Managers are able to run their own reports on team structure, leave and absence information as well as approving requests submitted by the staff within their teams. At the start of the 2020/2021 financial year a new version of iTrent was launched which has made the system more 'user friendly'.
- 7.5 In addition to the original delegated agreement, Ashford also provide our election payroll.
- 7.6 The delegation arrangement and service level agreement are reviewed annually by the Head of HR and the Head of Personnel at Ashford. During 2019/20 discussions took place to consider the extension of the delegation compared against implementing a stand-alone payroll system for Folkestone & Hythe. Whilst the transformation programme is ongoing at the council, the most sensible option was considered to be an extension of the delegation, however this will be on a year-on-year basis which will be reviewed as new corporate systems are implemented at the council.



## 8. STAFF BENEFITS

- 8.1 For several years now staff have been able to benefit from some locally sourced discounts with businesses within the district, a privilege discount card with MacArthur Glen Designer Outlet in Ashford and wider discounts via the CSSC scheme (Civil Service Sports Council) where for a small fee each month staff could access English Heritage sites at a reduced rate along with discounts locally and nationally for cinema tickets, theatre trips and sporting activities.
- 8.2 In August 2018 we launched a new online staff benefit scheme called F&H Rewards in conjunction with Reward Gateway enabling staff to access a wide range of online and high street shopping instant discounts or cash back opportunities including supermarkets, general retailers, holidays, insurances, cinemas and restaurants. This remains an extremely popular reward platform with our staff.



- 8.3 Since the launch, we now have 327 active users – approximately 87% of staff – with the majority of discounts continuing to be obtained in the supermarkets, Halfords, B&Q, Currys PC World and cinemas. The scheme has also been opened to councilors during the year.
- 8.4 Part of the F&H Rewards Scheme offers a salary sacrifice option to staff using the 'Cycle to Work' scheme where they can order a bicycle (and equipment) worth up to £1,000 which is paid by the council upfront to the relevant store with the staff member repaying the amount over 12 months through the payroll system which enables tax savings of between 32-42%.

We currently have 2 members of staff who are within their 12 month agreement plus a further 8 who have completed their repayment period. It is anticipated that there may be an increase in applications over the next 12 months depending upon requirements to attend the civic centre for work and restrictions for social distancing due to the Covid-19 pandemic.

- 8.5 The F&H Rewards platform also has a 'wellbeing centre' enabling staff to access our Employee Assistance Programme (provided via BHSF), healthcare cashplans, healthy recipes and meal plans, discounted gym memberships, advice on mental health issues and also impartial financial advice. These pages of the platform are regularly accessed by a number of staff and regular health promotions are publicised to all staff as part of our internal communications strategy.
- 8.6 Professional Subscriptions & Professional Training

It is worth highlighting that there has always been an element of the agreed Pay Policy to reimburse staff for one professional subscription each year via the payroll

system. This is always seen as a positive benefit by the staff that are required to have professional memberships and annually approximately 20% of staff benefit from this option.

In addition, every service area has a training budget as well as there being a central budget for training which is managed by the OD Manager within HR. This provides many opportunities for staff to access development sessions internally as well as attending one day short courses and seminars or longer professional courses leading to formal qualifications. This enables the council to encourage internal promotions and secondments to staff as they develop within their chosen career paths and also encourages staff to remain employed at the council due to the levels of investment in staff.

## 9. PEOPLE STRATEGY

9.1 As part of the transformation programme, work was undertaken to devise a new People Strategy for the council. Over the last 12 months the strategy has now become embedded within the council framework and underpins not just the transformation programme but all of our people related activities.

The People Strategy can be seen at **Appendix B**.

9.2 The 6 main themes of the people strategy are:



## 10. TRANSFORMATION

10.1 During the 2019/20 year the Chief HR Officer and HR Project Officer have continued to support the transformation programme.

10.2 Stages 1 (Corporate Services) and 2 (External Services) of the transformation programme have now been completed successfully. Stage 3 (Development Management, Housing Options, IT and Communications) is due to start in quarter 2 of the current financial year followed by Stage 4 (HR) in quarter 4. Regular meetings led by the Chief HR Officer have also taken place with the branch Unison chair and regional Unison officer with the option for the regional GMB officer to also attend to ensure that the unions are kept up to date with progress towards transformation.

### 10.3 **Behavioural Competency Framework**

In early 2018, the Chief HR Officer commissioned Indigo Training to provide a behavioural psychologist to assist in the creation of a new behavioural competency framework for the council. This would form the basis of any recruitment and selection under the transformation programme and also provide a foundation for the creation of a new performance management framework and links to career development and progression.

10.4 Following final approval at CMT in May 2018, the framework was launched to staff by the same behavioural psychologist in order to provide some consistency of approach. The launch comprised a series of weekly emails introducing behaviours under each of the 4 core values followed by familiarisation sessions, also run by Indigo, to enable staff to identify how they are already displaying many of the behaviours within the new framework.

10.5 In order to enable staff to feel comfortable with a competency based behavioural interview or assessment which focuses primarily on behaviours, we arranged for Indigo's chartered psychologist to return in the 2019/20 financial year to upskill staff on how to prepare for the interview and also to train managers on how to lead a competency based interview. In addition, the HR team have also been trained on how to design and write other assessment activities that can be used as part of a selection process, for example work based activities, inbox tasks, group discussions and individual report writing. Whilst this will take longer to implement than a behavioural interview it will ultimately enable a more robust selection process to take place focussing on evidenced skills rather than just a face to face interview.

A bank of interview questions for each behaviour at each level has also been designed in conjunction with Indigo which now forms the basis of all behavioural based interviews and assessments.

10.6 Throughout the transformation programme so far we have assimilated the vast majority of staff into new positions with no competitive process. However, we made it very clear throughout the process that we would still expect all staff to undertake a behavioural assessment focusing on relevant behaviours for the role with the outcomes being used to design a personal development plan for each member of staff providing them with the opportunity to improve on certain behaviours should the need arise. This is enabling us to embed a high performance culture across the council.

By the end of the 2019/20 financial year all staff within stage 1 of the transformation programme have undertaken a behavioural assessment led by their manager and supported by a member of the HR team. From May 2020, staff who were part of stage 2 will be booked in for their assessments and those in stage 3 will have their

assessments before the end of the 2020/2021 year. Therefore by the end of the current financial year, every member of staff will have a personal development plan based on their assessment.

The staff who have already had an assessment have provided some very positive feedback on the process and have been encouraging others to embrace the process as it has been viewed as being very supportive.

10.7 The behavioural competency framework is attached as **Appendix C**.

## **11. HR SERVICES IN 2020/21**

11.1 Some of the work already identified for the team during the 2020/21 year includes:

- Further development of the behavioural framework to embed competency based recruitment and selection activity and embedding the new personal development plans into our performance management framework;
- Continued support to the transformation programme;
- Continuation of talent management and succession planning;
- Development of additional employee benefits to enhance reward & recognition;
- Development of a new on-line recruitment module linked to JobsGoPublic; and
- Continuation of the ILM internal and external delivery.

In addition, following the period of national lockdown as recovery plans are developed locally following the Covid-19 pandemic the HR team will be working to support the senior management team in enabling staff to continue working successfully from home whilst feeling supported and part of a wider team across the council.

## **12. LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS**

### **12.1 Legal Officers Comments (AK)**

There are no legal implications arising from this report.

### **12.2 Finance Officers Comments (LH)**

There are no financial implications arising directly from this report.

### **12.3 Diversities and Equalities Implications (ASm)**

There are no specific Diversities and Equalities Implications arising from this report.

## **13. CONTACT OFFICER AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Andrina Smith – Chief HR Officer

Tel: 01303 853405

Email: [andrina.smith@folkestone-hythe.gov.uk](mailto:andrina.smith@folkestone-hythe.gov.uk)

The following background documents have been relied upon in the preparation of this report:

None

**APPENDICES:**

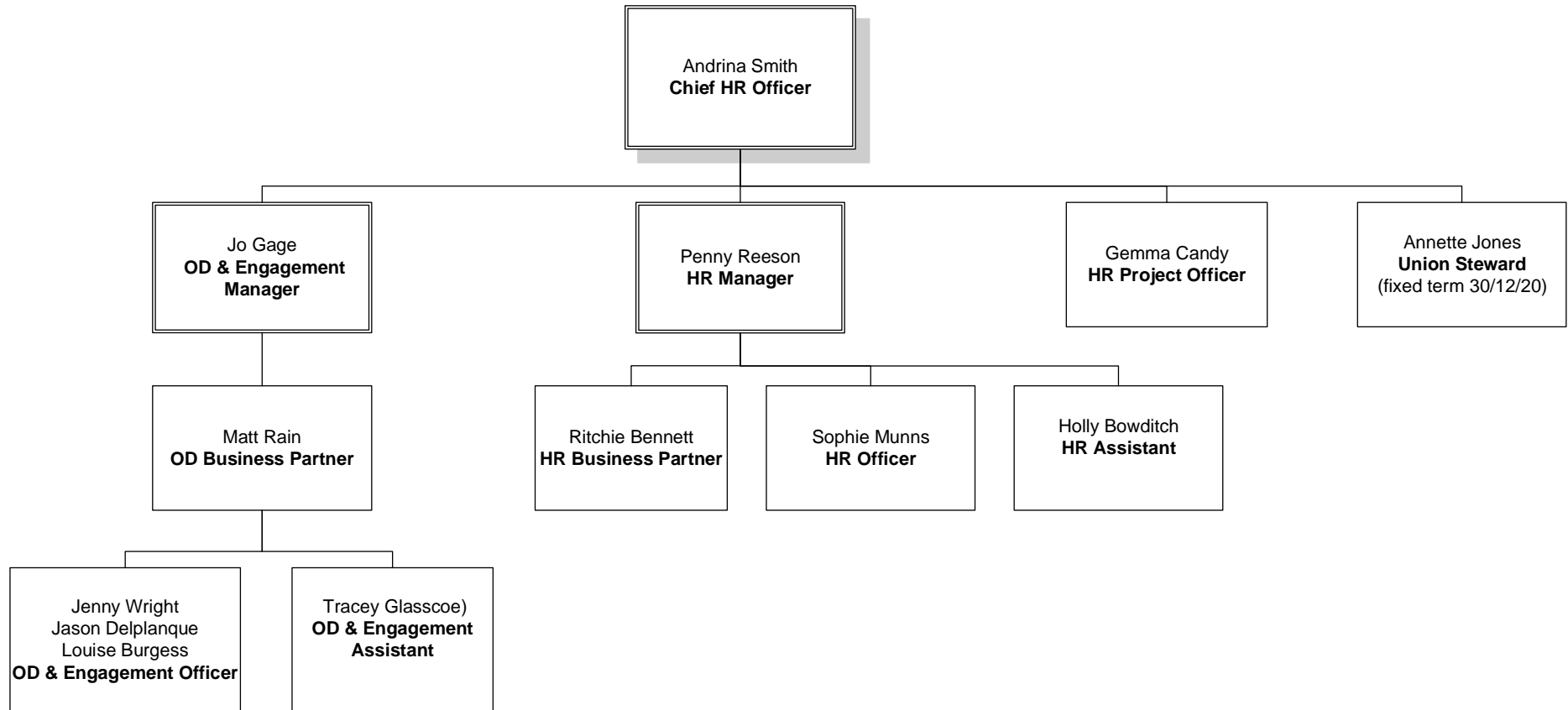
Appendix A – HR Services Structure Chart

Appendix B – People Strategy

Appendix C – Behavioural Competency Framework

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Appendix A



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# PEOPLE STRATEGY

Folkestone & Hythe District Council

June 2019



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# STRATEGIC NARRATIVE

- We will work with our businesses and communities to promote and invest in our assets – a beautiful coastal district with great connections to London and Europe.
- We want to develop a thriving economy for our residents and attract new people; supporting activities to develop jobs, homes and healthy living.
- We will design our services from our customers' perspective and use technology to best effect.
- We will use the next two years to work together with customers and staff to further modernise the council so we achieve our ambitions and continuously improve the way we do business.



# TRANSFORMATION

The council is undergoing a 2 year transformation programme through to March 2020 and continuous improvement thereafter, with the aim of developing a council that is efficient and fit to serve its community and meet the aspirations of residents in the context of reduced resources.

Over the next 2 years the project will establish a new working model that aims to:

- **Improve service delivery**
- **Improve resilience**
- **Improve efficiency**

In the last 12 months a set of design principles were developed by staff and endorsed by Cabinet members:

- Focus on the customer
- Fewest steps for the customer
- Keep customers informed
- Digital by default
- Resolve first time
- Collect less and tell us once
- Use skills and expertise effectively
- Efficient working
- Use technology to ensure compliance
- Real-time measurement to improve
- Supporting customers to do more
- Proactively prevent and shape demand

# PEOPLE PERSPECTIVE

The Council's Digital Strategy will form a key part of the Council's transformation project by helping to transform and improve the way in which our people work as well as the customer experience. In order for the council to move towards technological solutions that support service delivery, resilience and efficiency it is important to consider our people, their teams and the changing working environment that they will be part of in the future. Supporting our digital ambitions whilst supporting and enabling our people and teams to continue to perform at their best is our priority.

Expectations are changing (both in terms of our expectations of our people and their expectations of us) and to enable that change a new focus on behavioural competencies has led to a framework based around our existing core values:



Our leaders and managers will role model and live these behaviours, inspiring and energising the council providing clear direction, purpose and support. Our style will be open and honest utilising coaching skills to give and receive valued feedback.

We want our people to feel supported, appreciated and valued throughout and beyond the transformation programme and stimulated by the opportunities that the changes will bring. Our people will be treated with respect and integrity and will be encouraged to maximise development opportunities that arise from the changes.

Ultimately, we need and expect a shift in our culture, whereby working and thinking flexibly will be our norm with people who are willing to learn new skills, able to contribute ideas, be innovative and influence decisions. We will become an organisation of commercially-aware and technologically-enabled employees who rely on customer insight and a test and learn approach to devise lean processes and approaches to our work.



# OUR APPROACH

The people strategy has been created to support the Council's corporate plan and to enable us to achieve the ambitious transformation programme. We will do this in a number of ways:

- Our focus will be on aligning developments and decisions impacting people to the Council's transformation objectives and corporate priorities
- Our resourcing approach will build a workforce that is fit for the future
- Our council will become one of the best places to work in the area
- Our behaviours-led culture will generate, encourage and reward flexibility and innovation
- Our culture of flexibility and innovation will develop with people who feel supported and who have the confidence to challenge why we do things and the ability to implement digital (and other appropriate) solutions to make us more efficient
- Our People Strategy will be delivered by the Human Resources team in partnership with our leaders, managers and people

Our people strategy will be set out within six main themes that are underpinned by our culture. A separate detailed implementation plan is being developed which will set out clear actions, timescales and measures of success.



# PEOPLE STRATEGY THEMES





# Structure & Roles

Ensuring that within the ever-changing world of work we are identifying and implementing the most appropriate organisational structures to meet demands.

## Where are we now?

The council has operated within a traditional bureaucratic and hierarchical structure which can lead to service area silos and decision making is often referred up the hierarchy. Job descriptions exist for virtually every role and are extremely detailed with evaluations carried out via the NJC scheme.

## What will we do in the future?

- Develop flexible career pathways and support development programmes & opportunities to support our people develop their careers with us.
- Design jobs to reflect the benefits and impact of our digital investment and that enable people to apply their skills, knowledge and behaviours to the best effect.
- Develop flexible, generic job descriptions supported by role families.
- Implement a flatter hierarchy that encourages matrix working and is designed to empower people to make appropriate decisions at the appropriate level.
- Support the introduction of technology with training & development programmes that enable and encourage working in a flatter hierarchy.
- Build flexibility into how we deploy our people.
- Enhance our job evaluation system with detailed local conventions.

# Workforce Engagement

Engaging our workforce is key to enabling effective two-way communications and aiding retention

## Where are we now?

Over the last 2 years our employer net promoter score has dropped from -27 to -36 which is symptomatic of the uncertain backdrop at the start of transformation. However we have maintained a strong working relationship with the trade unions and increased our focus on internal communications & engagement with the annual engagement survey leading to clear action planning to continuously improve engagement. In addition, the staff recognition scheme has been well received and gained support to continue plus a new reward scheme, F&H Rewards, has just been launched to enhance the benefits on offer to our people

## What will we do in the future?

- Recognise and value engagement and celebrate successes & achievements wherever found.
- Ensure meaningful effective communications and more direct engagement with our staff on matters that affect them.
- Continue to work in partnership with our trade unions and staff representatives to develop and evolve our approaches to staff engagement.
- Continue to develop our rewards, recognition and benefits offer for our people and teams to recognise exemplary behaviours.
- Enable more social events to encourage & facilitate a vibrant culture.
- Maintain open and honest dialogue with staff, seeking views, ideas and commentary and keeping them informed via a range of engagement surveys and pulse checks using the most appropriate channels.

# Recruitment & Retention

Attracting, recruiting and retaining the best people is key to the future of the council and we will therefore develop creative approaches to attracting and retaining talented and capable people across all of our service areas.

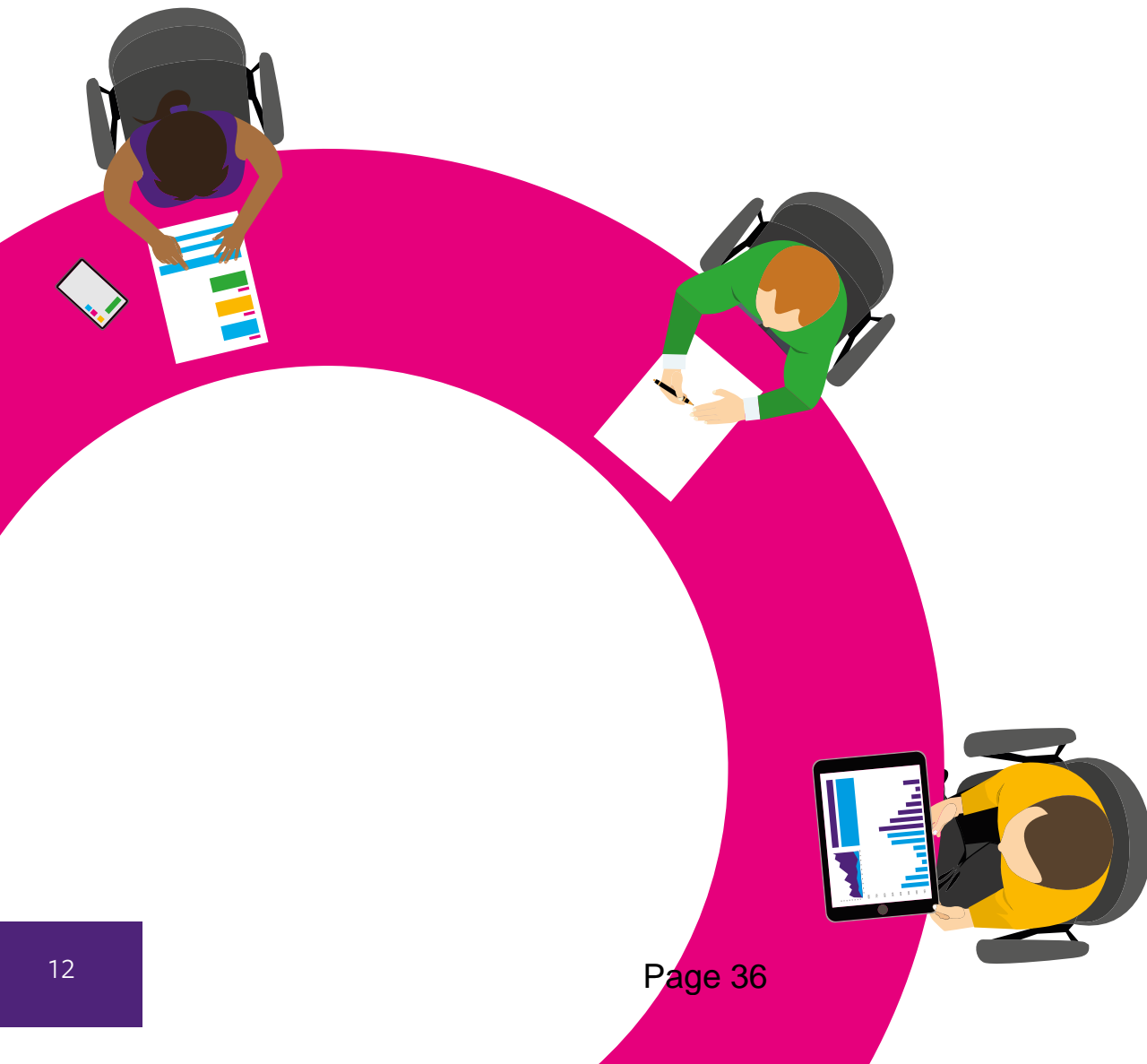
## Where are we now?

The council currently operates traditional recruitment and selection approaches with an ad hoc approach to using social media and a lack of engaging internet presence to attract applicants. There has also been a piecemeal approach to recognising talent and retaining people. However, in recent years we have successfully operated the 'grow our own' programme, developed our apprentices and concentrated on internal secondments above external recruitment which has led to a relatively low level of turnover (14.4% in 2017/18).

## What will we do in the future?

- Attract and secure the best talent with engaging and creative recruitment campaigns that reflect our ambitions, including fostering links with higher and further education institutions and local schools.
- Design innovative ways to recruit traditionally 'hard to fill' roles in conjunction with area specialists, including identifying development pathways.
- Create flexibility within our pay and reward mechanisms to become more attractive and competitive in our recruitment.
- Integrate our behavioural framework into our selection and development processes.
- Develop the capability of our recruiting managers.
- Develop our induction approaches to accelerate the integration of new staff into the council.

- Develop clear succession plans for professional and strategic progression.
- Continually identify, grow and manage our internal talent in line with talent segmentation, succession plans and personal development goals providing appropriate career pathways.
- Continue to develop and promote our approaches to agile working.
- Identify secondments as potential development opportunities, both inside and outside of the council, to aid retention of our people.
- Develop ways to track investment in our people against our level of retention.
- Build our employer brand to reflect the organisation we're aiming to become.



# Learning & Development

The core strength of the council is in our people and therefore training, developing and supporting our people is absolutely crucial.

## Where are we now?

There is currently a comprehensive offer to all our people via e-learning, soft skills sessions, targeted sessions for middle management development with formal ILM Levels 3&5 Awards plus developing aspiring managers studying the ILM L3 Diploma. However, training and professional development is largely identified by service area managers rather than a strategic overview of our requirements based on corporate priorities.

## What will we do in the future?

- Develop career pathways to enable long-term development, progression and succession planning.
- Review, evaluate and refresh our approach to leadership and management programmes ensuring they reflect our values and behaviours.
- Develop the management capabilities of our leaders and managers.
- Develop a pool of coaches and mentors to nurture talent and support performance.
- Support the sharing of knowledge and ideas through cross-functional teams.
- Ensure that our people have access to training that enables them to meet the expected standards in their roles by identifying learning needs gaps.
- Continue to introduce and embed the behavioural framework.

- Explore and implement options that align with the apprenticeship levy which will enable us to sponsor people through formal qualifications.
- Identify suitable entry points and develop our approach to apprentices and trainees to ensure that we identify and develop talent at an early stage.
- Provide our people with appropriate learning and development opportunities encompassing commercial awareness, innovation, digital awareness, procurement, commissioning of services and partnership working.
- Produce an annual learning and development brochure that outlines the opportunities available to our people to support them in the personal and professional development.
- Produce an annual training plan that reflects our corporate priorities.
- Review the central and departmental training budgets to ensure appropriate budget allocation.
- Provide appropriate training and development opportunities for our elected members and identify opportunities for co-training with officers.



# Performance

With an ambitious corporate plan and its associated priorities, ensuring our people are driven to perform to the best of their abilities will be key to our organisational success with high performing teams.

## Where are we now?

We have a traditional approach to appraisals which are not valued by many managers and their teams; in addition, some areas are reluctant to start formal capability actions and the culture of feedback varies between service areas. Some service areas are very target and metric led, but this is not consistent and pay progression is not yet linked to performance.

## What will we do in the future?

- Drive a high performance team culture in which individual development and career aspirations are supported and aligned to our behaviours.
- Promote a healthy workplace and support our people to achieve a work-life balance that takes account of individual circumstances and life choices.
- Ensure that our approach to appraisal, reward, recognition and promotion is fair, transparent and understood by all.
- Develop a contemporary performance management framework, integrating our behaviours, which recognises high performers and also provides challenge and support.
- Introduce opportunities for 360 feedback linked to the behavioural framework.

# Reward & Recognition

Attracting, recruiting and retaining the best people is key to the future of the council and in order to both recruit and retain we must therefore ensure that we have the mechanisms in place to recognise and reward our people appropriately.

## Where are we now?

Incremental progression through the pay grade is automatic with sporadic use of honorarium and acting up payments. Many roles have not been formally evaluated for a number of years and market supplements are not used consistently. The recognition scheme has forged a clear link to the corporate values. However there is a perception that our annual leave and some salaries are not competitive enough to match private sector companies or other local authorities.

## What will we do in the future?

- Ensure our remuneration strategies recognise performance and rewards positive behaviours.
- Develop our approach to reward and recognition to ensure that it is flexible and fair but supports the council's strategic aims whilst rewarding the highest performers.
- Align our recognition scheme with the behaviours in order to recognise our people who demonstrate exemplary behaviours and values in their work.
- Continually review and enhance the range of flexible benefits available to our people.



# Culture

The six people strategy themes are all influenced by the changing culture of our council.

Throughout our people strategy we will actively support this cultural shift by ensuring we:

- Promote a culture of accountability and collaborative team working.
- Empower and challenge staff to achieve excellence.
- Actively engage and empower staff to act within a collaborative culture which encourages innovation and creativity.
- Help our people to understand our values and behaviours and the expectations and responsibilities contained within them.
- Encourage our people to be adaptable and learn new skills.
- Promote a test and learn, agile, iterative culture where staff are encouraged to learn from their mistakes.
- Encourage an environment of mutual trust, transparent decision making underpinned by values-led leadership.
- Build on our constructive employee relations climate with trade unions and staff representatives within a clear and progressive policy framework.
- Review our internal policies and procedures to remove any unnecessary bureaucracy and encourage flexible / agile working practices for our service areas, providing managers with the discretion they need to manage their people with minimal intervention from HR.

# REVIEW OF THE PEOPLE STRATEGY

The People Strategy will be reviewed annually by the Chief HR Officer in conjunction with the Assistant Director – Strategy, Performance & Communications and the Head of Paid Service.



One Team		Engaging communication	
I communicate clearly, tailoring my approach to suit the audience so that I can engage, influence and persuade people.			
Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none"> <li>• Communicating clearly and concisely</li> <li>• Adapting tone of communication to suit people of all levels</li> <li>• Giving the right level and quantity of information to suit the audience</li> <li>• Explaining things in straightforward language</li> <li>• Gaining credibility through an open and honest approach</li> <li>• Showing enthusiasm and passion for the subject</li> <li>• Checking that others have understood what has been said or written</li> <li>• Showing a polite and professional style to external people</li> </ul>	<ul style="list-style-type: none"> <li>• Clearly articulating the key points of an argument</li> <li>• Using a range of different approaches to influence and meet different people's needs</li> <li>• Being open to new ways of communicating</li> <li>• Having the influencing skills to challenge stakeholders successfully</li> <li>• Motivating colleagues, creating positive energy</li> <li>• Talking positively about the Council</li> <li>• Influencing by putting a strong, reasoned case</li> <li>• Using different communication channels effectively (e.g. email, phone, in person)</li> </ul>	<ul style="list-style-type: none"> <li>• Inspiring belief and buy-in in the team or audience around any situation</li> <li>• Role-modelling good communications via different channels</li> <li>• Talking to people at their level, not yours</li> <li>• Distilling complexity into clear, core messages</li> <li>• Communicating effectively at all levels of the organisation or externally</li> <li>• Adapting tone and style to suit whatever arises in conversation</li> <li>• Understanding the political context of communications</li> <li>• Influencing across the matrix without authority</li> </ul>	<ul style="list-style-type: none"> <li>• Presenting clearly and with impact</li> <li>• Setting up good communication systems, e.g. establishing email etiquette</li> <li>• Negotiating confidently, with credibility and conviction</li> <li>• Setting expectations of ways to communicate</li> <li>• Leading the way on using different media/channels to communicate effectively</li> <li>• Inspiring individuals, groups or teams to gain buy-in and build momentum</li> <li>• Navigating the politics of different stakeholders wisely</li> <li>• Ensuring the Council is represented positively to internal and external audiences</li> </ul>
<p><b>Negative behaviours:</b> Being hard to understand (e.g. not enough detail or too wordy); Over-relying on one form of communication (e.g. email); Using jargon inappropriately; Using the same style without adapting even when it's not working; Imposing /forcing a view; Dishonesty; Misjudging the tone of communication (e.g. too formal, or using bad language); Failing to enthuse, motivate or inspire; Letting negativity drain engagement; Missing the subtle messages.</p>			

<b>One team</b>		<b>Working together</b>	
		I get to know people in order to support, share information, work across boundaries and act in the best interests of the whole organisation.	
<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>
<ul style="list-style-type: none"> <li>• Being kind; looking out for others and offering help</li> <li>• Building rapport easily; having an open, approachable manner</li> <li>• Being friendly; making an effort to get to know people</li> <li>• Sharing information freely and promptly</li> <li>• Showing appreciation, saying 'thank you'</li> <li>• Inviting people's ideas and considering their points of view</li> <li>• Being considerate and managing your impact on other people</li> <li>• Asking for help</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteering for activities so as to share out workload fairly</li> <li>• Being willing to find a compromise</li> <li>• Letting people know what's going on</li> <li>• Making people feel included and valued</li> <li>• Supporting agreed outcomes</li> <li>• Being tolerant and considerate of people's pressures</li> <li>• Taking a real interest in the team's welfare</li> <li>• Addressing concerns through constructive conversation</li> <li>• Getting to know people beyond your immediate team</li> </ul>	<ul style="list-style-type: none"> <li>• Taking the team's opinions into account and providing appropriate feedback</li> <li>• Sharing plans with others early enough so activities are aligned</li> <li>• Making time to get to know your team, their needs and interests</li> <li>• Supporting your team, e.g. sharing credit or taking collective responsibility for problems</li> <li>• Having crucial conversations promptly and constructively</li> <li>• Being proactive in reaching out to other teams</li> <li>• Developing a network of positive working relationships internally and externally</li> <li>• Creating an environment where people feel able to ask for help or offer ideas</li> </ul>	<ul style="list-style-type: none"> <li>• Being visible and available</li> <li>• Making time to get to know staff, teams and what they do</li> <li>• Supporting staff wellbeing</li> <li>• Creating systems to ensure the right people get the right communication at the right time</li> <li>• Acting in the best interests of the organisation (e.g. aware of reputation)</li> <li>• Building collaborations, e.g. joint ventures, partnerships</li> <li>• Creating a one-team culture that breaks down silos and fosters joined-up working</li> <li>• Understanding the agendas of a wide range of stakeholders</li> </ul>
<p><b>Negative behaviours:</b> Being rude, arrogant or argumentative; Playing people off against each other; Back-stabbing; Gossiping or rumour-spreading; Being selfish; Isolating yourself; Holding onto information; Being uncontactable; Blaming others; Ignoring others' struggles; Being unhelpful; Taking credit unfairly; Being grumpy or unapproachable; Dismissing others' ideas; Being tactless; Reinforcing silos.</p>			

Customer First		Understanding others	
		I find out other people's needs and perspectives with openness, showing my understanding through empathy, listening and respect.	
Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none"> <li>• Gathering feedback and other information to understand customer needs</li> <li>• Giving people space to talk</li> <li>• Showing you are listening through body language, tone and thoughtful answers</li> <li>• Being open-minded to other points of view</li> <li>• Empathising with others' concerns or difficulties</li> <li>• Acting on what you have heard</li> <li>• Showing respect and courtesy; treating people consistently and fairly, regardless of background</li> <li>• Acting in the best interests of the customer/stakeholder where appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Being interested in other people's views</li> <li>• Creating an atmosphere where people feel it's ok to talk</li> <li>• Being objective to listen to a range of viewpoints</li> <li>• Ensuring that actions and decisions are suitable for all customers/stakeholders</li> <li>• Using emotional intelligence to understand and empathise with a wide range of people</li> <li>• Being patient and considerate when people struggle</li> <li>• Honouring confidentiality in conversations</li> <li>• Taking personal responsibility to understand and represent customers</li> </ul>	<ul style="list-style-type: none"> <li>• Treating all team members fairly and equally</li> <li>• Making time to gather and listen to staff ideas and concerns</li> <li>• Driving a non-judgemental culture where people feel able to raise any issue</li> <li>• Letting people feel that they have a voice and can influence decisions</li> <li>• Embracing diversity</li> <li>• Being proactive in capturing customer/stakeholder insight</li> <li>• Taking care to fully understand stakeholder requirements</li> <li>• Designing services and processes around the needs of the customer</li> <li>• Having regular check-ins with team members</li> </ul>	<ul style="list-style-type: none"> <li>• Showing understanding of different team's challenges when shaping organisational change</li> <li>• Setting systems and expectations of regular check-ins with staff to understand their needs</li> <li>• Defining data capture requirements to ensure sound customer / stakeholder insight</li> <li>• Role-modelling an impartial and objective approach to dealing with emotive issues</li> <li>• Understanding the needs of the local community</li> <li>• Creating a culture where diversity and difference are celebrated</li> <li>• Ensuring equality of access to services</li> </ul>
<p><b>Negative behaviours:</b> Being judgemental; Taking a one-size fits all approach; Lying; Being stubborn and closed-minded to other views; Talking over people; Showing favouritism; Seeing customers as a burden; Not seeing the demands or challenges facing someone; Ignoring people's feelings; Making others feel unimportant; Focusing on number regardless of human impact; Not listening if it's not what you wanted to hear; Using stereotypes.</p>			

Customer First		<b>Integrity and ownership</b> I take responsibility to do what is right, being proactive and working hard to get good outcomes and follow through on commitments.	
Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none"> <li>• Being dedicated and working hard to see things through</li> <li>• Going the extra mile to get things done well</li> <li>• Being able to work on your own initiative</li> <li>• Being proactive; spotting something needs doing and doing it</li> <li>• Taking responsibility even when it goes beyond your job description</li> <li>• Being reliable; following through on promises</li> <li>• Putting self forward to get involved</li> <li>• Speaking up when you have an idea or challenge</li> </ul>		<ul style="list-style-type: none"> <li>• Leading by example, acting as you say</li> <li>• Role-modelling the courage to tackle difficult issues</li> <li>• Offering to take some of the load without waiting to be asked</li> <li>• Using initiative to take the next step or decision</li> <li>• Encouraging a culture where people have a sense of ownership to resolve issues</li> <li>• Being honest in fulfilling corporate objectives</li> <li>• Acting robustly to uphold and enforce ethical behaviour and decisions</li> <li>• Ensuring initiatives maintain momentum and are seen through</li> </ul>	
<p><b>Negative behaviours:</b> Needing close supervision; Needing to be told what to do; Being scared to make a decision; Hiding behind other staff; Avoiding difficult issues; Clock-watching;; Not getting things done; Having a can't-be-bothered attitude; Leaving it for someone else; Passing the buck; Cutting corners; Missing deadlines or details; Not acting in the face of problems or ethical breaches.</p>			



Thinking Ahead		Reasoned thinking I use the right range of information to create sound, commercially informed solutions.		
Level 1	Level 2	Level 3	Level 4	
<ul style="list-style-type: none"> <li>• Being logical; able to explain what you are doing and why</li> <li>• Seeking out relevant information, data and views</li> <li>• Making decisions on the basis of a good mix of solid information</li> <li>• Making sure information is correct and representative</li> <li>• Choosing priorities having thought about their impact</li> <li>• Seeing potential problems and acting to pre-empt them</li> <li>• Finding a solution to a customer's/stakeholder's problem</li> <li>• Understanding the value of your time and using it wisely</li> <li>• Making decisions in a timely way</li> </ul>	<ul style="list-style-type: none"> <li>• Knowing what data / information is relevant to gather</li> <li>• Thinking about the cost implications of actions or decisions</li> <li>• Being aware of the constraints around a decision</li> <li>• Making sound decisions at pace</li> <li>• Being able to reconcile different instructions</li> <li>• Thinking ahead to prevent future problems</li> <li>• Recognising trends and patterns in information</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying the key priorities in what needs to be done</li> <li>• Thinking through the business case; outlining risks, reasoning and likely returns</li> <li>• Finding ways to reduce costs or generate revenue</li> <li>• Recognising impacts beyond your area and into the longer-term</li> <li>• Tackling the causes, not just the symptoms</li> <li>• Supporting team members in going through robust decision making</li> <li>• Educating people about commercial awareness in their job</li> <li>• Using judgement when faced with ambiguous, missing or conflicting information</li> <li>• Understanding and managing the risks in a decision</li> </ul>	<ul style="list-style-type: none"> <li>• Setting a clear strategic vision for the team / department</li> <li>• Always factoring in value for money</li> <li>• Ensuring clarity on core goals</li> <li>• Identifying and pursuing current and future commercial opportunities</li> <li>• Showing ownership and accountability for Council resources</li> <li>• Undertaking considered financial planning</li> <li>• Showing good awareness of the wider context for decisions (internally and externally)</li> <li>• Drawing on regional, national and global trends</li> </ul>	
<p><b>Negative behaviours:</b> Procrastinating; Making ill-considered decisions; Failing to change mind in light of new information; Making risky decisions without facts; Missing wider or longer-term impacts; Letting short-term pressure outweigh long-term impacts; Being a bottle-neck by making all decisions involve you; Struggling to make sense of information; Is unrealistic; Ignores cost implications</p>				

<b>Thinking Ahead</b>		<b>Always improving</b>	
		I look for better ways to do things, challenging the current state and being creative to find new and efficient approaches.	
Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none"> <li>• Coming forward with solutions to problems</li> <li>• Looking for ways to improve own performance</li> <li>• Creating usable ideas</li> <li>• Finding ways to make things work more efficiently</li> <li>• Questioning current approaches</li> <li>• Getting involved with and embracing change; making suggestions</li> <li>• Embracing new technology</li> <li>• Being prepared to try, fail, learn and adapt</li> </ul>	<ul style="list-style-type: none"> <li>• Spotting opportunities for improvements</li> <li>• Turning ideas into reality</li> <li>• Driving efficiencies, e.g. avoiding duplication</li> <li>• Helping to shape change</li> <li>• Being brave enough to experiment and explore what is possible</li> <li>• Making the most of new technology to improve things</li> <li>• Challenging the norm</li> <li>• Being open to new and flexible ways of working</li> </ul>	<ul style="list-style-type: none"> <li>• Looking for best practice to improve service delivery</li> <li>• Improving procedures and systems</li> <li>• Getting the team together to brainstorm ideas</li> <li>• Understanding digital delivery</li> <li>• Proactively seeking out new and better ways, internally or externally</li> <li>• Encouraging and stimulating ideas, being supportive of suggestions</li> <li>• Making it ok for people to fail and learn</li> </ul>	<ul style="list-style-type: none"> <li>• Creating enthusiasm for and involvement in change</li> <li>• Championing continuous improvement of service design</li> <li>• Thinking about technical solutions as core</li> <li>• Driving a continuous improvement culture</li> <li>• Breaking down barriers to efficient work practices</li> <li>• Adapting to changing organisational priorities and needs</li> <li>• Taking considered risks to drive improvements</li> </ul>
<p><b>Negative behaviours:</b> Being too scared to try a new approach or technology; Presenting barriers rather than solutions; Creating change for change's sake; Settling for what you already have; Closing down challenges to ways of thinking; Blaming failure without embracing learning; Sticking to rigid ways of working; Focusing on problems not solutions; Being defensive when there is a problem with the service.</p>			



Performance Counts		Making time count	
I manage time well, organising work so everyone has clear expectations and we make good use of resources.			
Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none"> <li>• Taking responsibility to ask for what you need</li> <li>• Managing time and workload to get things done</li> <li>• Planning ahead to ensure priorities are taken care of</li> <li>• Managing expectations so people know what to expect when</li> <li>• Working accurately</li> <li>• Being able to focus to get things done</li> <li>• Being realistic and practical about how to get things done with finite resource</li> <li>• Sticking to regulatory guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Agreeing challenging but achievable targets</li> <li>• Making plans flexible to cope with the unexpected</li> <li>• Recognising where to liaise with others because your work impacts on each other's delivery</li> <li>• Managing resource to meet the needs of the team</li> <li>• Giving clear instructions so people know what is needed</li> <li>• Making use of others' skills and expertise to get things done</li> <li>• Keeping track of multiple activities</li> <li>• Being firm within the terms of policies</li> </ul>	<ul style="list-style-type: none"> <li>• Balancing workload across the team</li> <li>• Setting challenging targets, clear goals, guidelines and principles</li> <li>• Helping the team to prioritise activities</li> <li>• Delegating and empowering team members to work self-sufficiently</li> <li>• Using good project management skills</li> <li>• Pulling together skills and resources to get things done</li> <li>• Monitoring performance and acting on it</li> <li>• Tracking the benefits of actions / decisions</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Creating structures with clear responsibilities so people know who is accountable for what</li> <li>• Ensuring that activities happen at the right level in the organisation</li> <li>• Forward planning to take account of likely developments</li> <li>• Showing good understanding of service delivery</li> <li>• Looking for ways to pool resources for joint outcomes</li> <li>• Establishing systems and processes to track and measure performance</li> <li>• Ensuring initiatives maintain momentum and are seen through</li> </ul>
<p><b>Negative behaviours:</b> Micro-managing; Wasting people's time; Setting unrealistic targets; Over-promising; Setting unrealistic targets; Getting involved with the wrong activities; Missing deadlines; Constantly fire-fighting; Giving inconsistent messages; Constantly changing the goal-posts; Not delegating tasks that should be left to others; Trying to do everything yourself; Failing to manage your impact on other people's priorities.</p>			

Performance Counts		Constantly building skills	
		I continually build on my strengths, weaknesses and new areas to learn, and I share feedback and knowledge to help others develop.	
Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none"> <li>• Looking for opportunities to learn and develop</li> <li>• Engaging with opportunities for training or learning new skills</li> <li>• Keeping up to date in your area</li> <li>• Continually building up your knowledge</li> <li>• Learning from mistakes and experience</li> <li>• Taking feedback constructively and acting on it</li> <li>• Sharing knowledge to help colleagues learn and develop</li> </ul>	<ul style="list-style-type: none"> <li>• Acknowledging and recognising others' good work</li> <li>• Giving constructive feedback</li> <li>• Making time to try out and develop new skills</li> <li>• Putting yourself forward for activities that will grow and stretch your skills</li> <li>• Showing expertise in your area</li> <li>• Thinking about your own learning and development</li> <li>• Showing self-awareness about your strengths and weaknesses</li> <li>• Acknowledging and using others' expertise</li> </ul>	<ul style="list-style-type: none"> <li>• Creating opportunities for people to learn, e.g. delegating or setting stretching targets</li> <li>• Empowering people to try things out and learn from mistakes</li> <li>• Making time to talk about development with people</li> <li>• Being proactive in addressing gaps in skills, knowledge or performance for self and others</li> <li>• Actively seeking feedback</li> <li>• Understanding and using the varied skills in the team</li> <li>• Encouraging cross-skilling to promote learning</li> <li>• Keeping skills and knowledge current in the team</li> <li>• Developing coaching skills to support the giving of feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Creating a culture of constant learning, e.g. stretching people, challenging underperformance, reviewing and learning</li> <li>• Promoting the sharing of knowledge and expertise internally and externally</li> <li>• Using well-honed coaching skills</li> <li>• Investing time and resource in attracting, retaining and nurturing talent</li> <li>• Drawing on external expertise / experience where appropriate</li> <li>• Creating a sense of progression for staff</li> <li>• Planning ahead to ensure the right skills and knowledge for the future</li> </ul>
<p><b>Negative behaviours:</b> Thinking of learning solely in terms of training courses; Creating a fear of failure that stops people trying; Having blind-spots; Making the same mistakes over again; Lacking current knowledge; Being unwilling to learn or improve; Not providing adequate training; Not understanding their area; Allowing key skills or knowledge to get lost</p>			

Performance Counts		Positive mindset	
		I show a can-do attitude, adapting to change and keeping going through difficulties with resilience and a professional approach.	
Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none"> <li>• Demonstrating a positive approach at all times</li> <li>• Treating the same person or task positively each time you come to it</li> <li>• Showing enthusiasm for work</li> <li>• Embracing a challenge or change</li> <li>• Being willing to adapt and take on new skills</li> <li>• Showing the flexibility to change plans where needed</li> <li>• Being able to manage your own wellbeing</li> <li>• Conducting yourself in a professional manner at all times</li> <li>• Staying calm under pressure</li> <li>• Accepting the final decision with good grace</li> </ul>		<ul style="list-style-type: none"> <li>• Being open to new ways of working and new delivery models</li> <li>• Supporting the wellbeing of the team</li> <li>• Promoting the positives of change</li> <li>• Showing belief in the team, recognising strengths &amp; weaknesses and celebrating success</li> <li>• Role-modelling the tenacity to keep going despite setbacks</li> <li>• Giving a constructive lead in a crisis</li> <li>• Being willing to move through the journey to meet organisational goals</li> <li>• Maintaining energy and resilience in the face of challenges</li> </ul>	
<p><b>Negative behaviours:</b> Taking things personally; Constant negativity; Making a drama out of a problem; Being unwilling to change and adapt; Unable to control emotions; Losing your temper; Being stuck in your ways; Being unable to move on; Bringing the rest of the team down; Performing badly under pressure; Being always sceptical or cynical; Being inflexible; Saying 'no' by default.</p>			

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This Report will be made  
public on 27 May 2020

Report Number **P/20/02**

**To:** Personnel Committee  
**Date:** 4<sup>th</sup> June 2020  
**Status:** Non-executive Decision  
**Head of Service:** Andrina Smith, Chief HR Officer

**SUBJECT:** GENDER PAY GAP REPORTING

**SUMMARY:** This report outlines the council's statutory obligations regarding the publication of gender pay gap data and provides the data for this reporting year.

**REASONS FOR RECOMMENDATIONS:**

The Personnel Committee is asked to note the contents of the report set out below.

**RECOMMENDATIONS:**

1. To receive and note report P/20/02/

## 1. BACKGROUND

1.1 The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires employers with 250 or more staff to publish statutory gender pay gap data every year. The council is required to undertake and publish 6 different calculations that display and help explain any gender pay gap.

1.2 The statutory calculations are:

- a) Gender pay gap as a mean average
- b) Gender pay gap as a median average
- c) Gender bonus gap as a mean average
- d) Gender bonus gap as a median average
- e) Proportion of men and women receiving bonuses
- f) Proportion of men and women in each quartile pay band

The data resulting from these calculations appears in section 2 of this report.

1.3 The council is required to publish this data on its own website and on a dedicated government website annually. The salary data for this year is based on the mandatory snapshot date of 31<sup>st</sup> March 2019 and must be published by 30<sup>th</sup> March 2020.

The HR Business Partner completed the review of our data during December 2019 which was followed by a report to the Corporate Leadership Team in January 2020. The council's data was then uploaded to the government's website ([click here](#)) and the Council's website ([click here](#)) during March 2020.

1.4 While the Council must upload data onto the government website in a standardised template, we can choose how to publish our data on our website. In order to make the data both accessible and understandable, the council has published an accompanying narrative and highlighted key elements in a co-ordinated press release.

1.5 This is the third year that reporting gender pay gap data has been mandatory so we are able to make some limited comparisons with our previous results.

1.6 The gender pay gap is different to equal pay. The gender pay gap is a measure of the difference between the average earnings of men and women across an organisation. Equal pay relates to men and women receiving equal pay for equal work, which has been a legal requirement for over 45 years. The council is, of course, committed to diversity and equality of opportunity. Policies and procedures, such as the Recruitment and Selection policy and the job evaluation process, ensure we remunerate employees fairly and equally.

## 2. THE GENDER PAY GAP DATA

2.1 The gender pay gap is expressed as a percentage of men's pay. A positive percentage figure shows that, typically or overall, men are paid more. A negative percentage indicates that women are paid more.

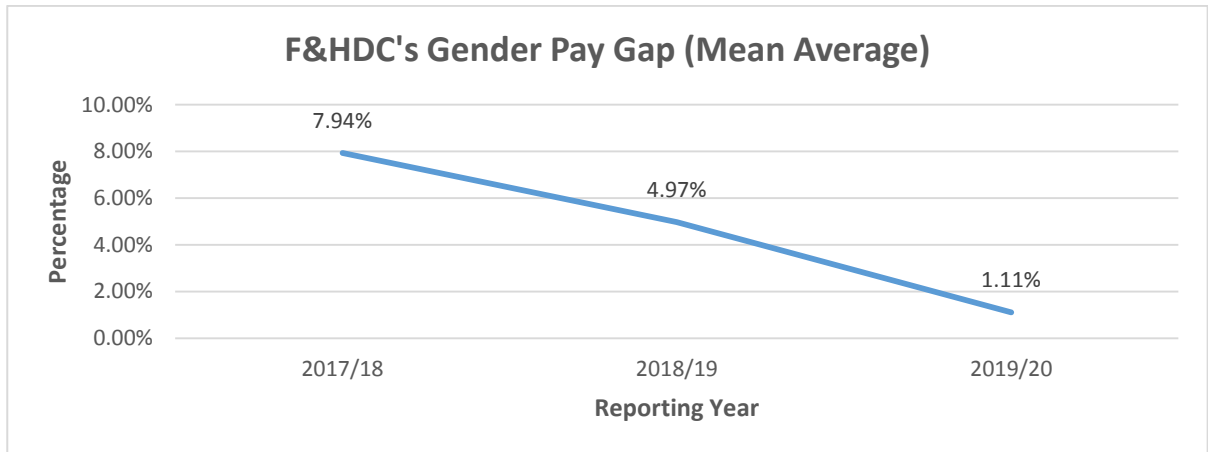
The council's average gender pay gap as at the snapshot date of 31<sup>st</sup> March 2019 is as follows:

### 2.1.1 Gender pay gap as a mean average: 1.11%

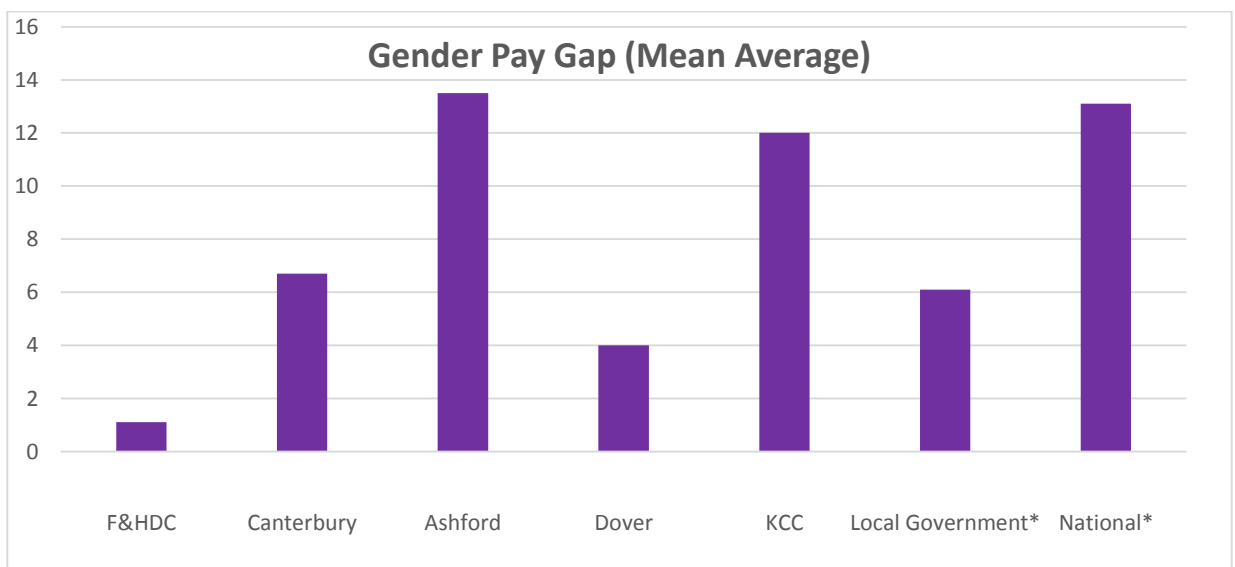
On average, women earn 1% less than men.

The average man earns £16.18 per hour. The average woman earns £16.00 per hour.

This reflects a reduction in the council's gender pay gap in comparison with previous reporting years:



Due to the Coronavirus outbreak, the government took the decision to suspend enforcement of this year's gender pay gap reporting deadline. As a consequence, only about half of employers uploaded their data to the government website and, due to the affect this could have on the overall figures, no national averages or comparison studies have taken place. However, several local authorities did, like us, publish their data and as such have been included in the following comparison:



\*National and sector comparisons based on 2018/19 data

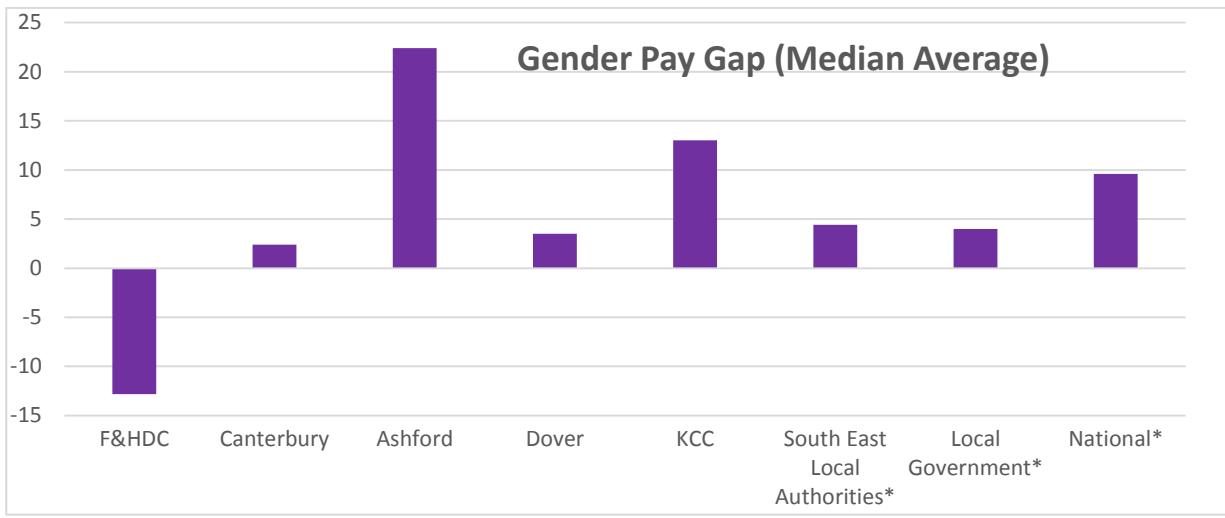
The mean average is useful because it takes into account the low and high earners and gives a good overall indication of the gender pay gap. However, very large or small rates of pay can 'dominate' and distort the calculation. By identifying the wage of the middle earner, the median calculation avoids this issue and is often considered a better representation of the typical difference in earnings.

**2.1.2 Gender pay gap as a median average: -12.81% (negative 12.81%)**

If all the women working at the Council were lined up in order of their hourly rate, then the middle woman (the median) would earn £14.79 per hour. The median man earns £13.11 per hour. Using the median calculation, the average woman earns nearly 13% more than the average man.

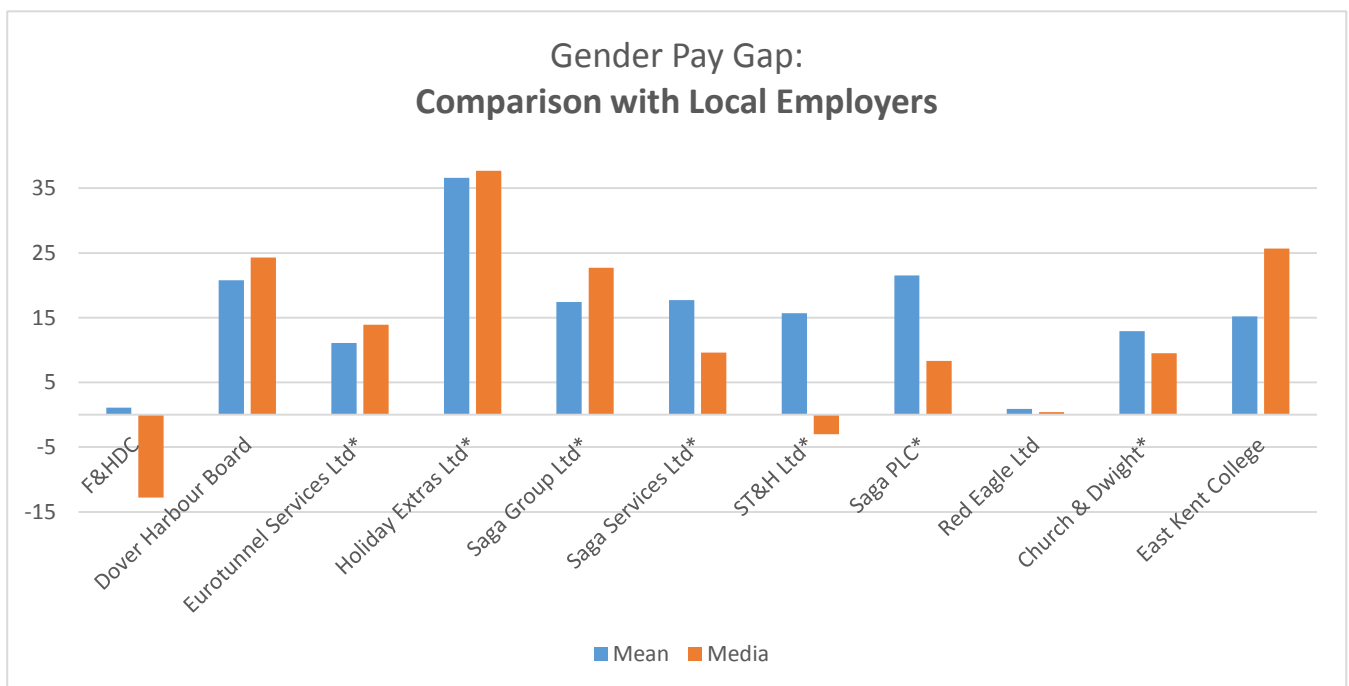
Last year we reported a median gender pay gap of negative 7.24%. Just over a quarter of local authorities reported, like us, a median gender pay gap that showed women were on average paid more than men.

As above (section 2.2.1), the following comparisons are made with the latest data available:



\*National, regional and sector comparisons based on 2018/19 data

**2.1.3 In order to provide a local comparison, data from larger private sector employers within our district along with the local college is provided below. As above, comparisons are made with the latest data available:**



\*Based on 2018/19 data



Some large local employers do not split their results by region. For example, Dungeness Power Station and Affinity Water may employ a substantial number of people locally, but their data refers to their entire business across the country.

- 2.2 The council is also required to calculate and publish figures relating to bonus payments. While the council's Pay Policy states that there is no provision for bonus payments, the gender pay gap legislation defines "bonus pay" as referring to any remuneration that relates to performance, whether this is discretionary or contractual. As the Corporate Leadership Team are able to make a one-off discretionary honorarium award to employees that demonstrate an exceptional level of performance, such payments have been determined as meeting this definition of "bonus pay".

During the period between 1<sup>st</sup> April 2018 and 31<sup>st</sup> March 2019, four staff received one-off honorarium payments that have been included in the calculations below.

**2.2.1 Average bonus gender pay gap as a mean average: N/A**

The mean average one-off honorarium payment made to females in the period was £275. There were no one-off honorarium payments made to males in the reporting year. As the amount paid to males was zero, calculating a percentage difference is not possible.

**2.2.2 Average bonus gender pay gap as a median average: N/A**

The median average one-off honorarium payment made to females in the period was £200. There were no one-off honorarium payments made to males in the reporting year. As the amount paid to males was zero, calculating a percentage difference is not possible.

**2.2.3 The proportion of men and women receiving bonuses:**

The purpose of this calculation is to indicate how much more likely male employees are to receive a bonus payment when compared to female employees (and vice versa).

0% of male employees received a one-off honorarium payment when compared to 2.3% of female employees.

- 2.3 The table below shows the proportion of males and females when divided into four equal sections based on their hourly rate. The lower quartile represents the lowest paid 25% of council staff; the upper quartile contains the highest paid 25%.

**2.3.1 Proportion of men and women in each quartile pay band**

Quartile	Male	Female
Lower	54.55%	45.45%
Lower Middle	43.18%	56.82%
Upper Middle	31.82%	68.18%
Upper	52.27%	47.73%

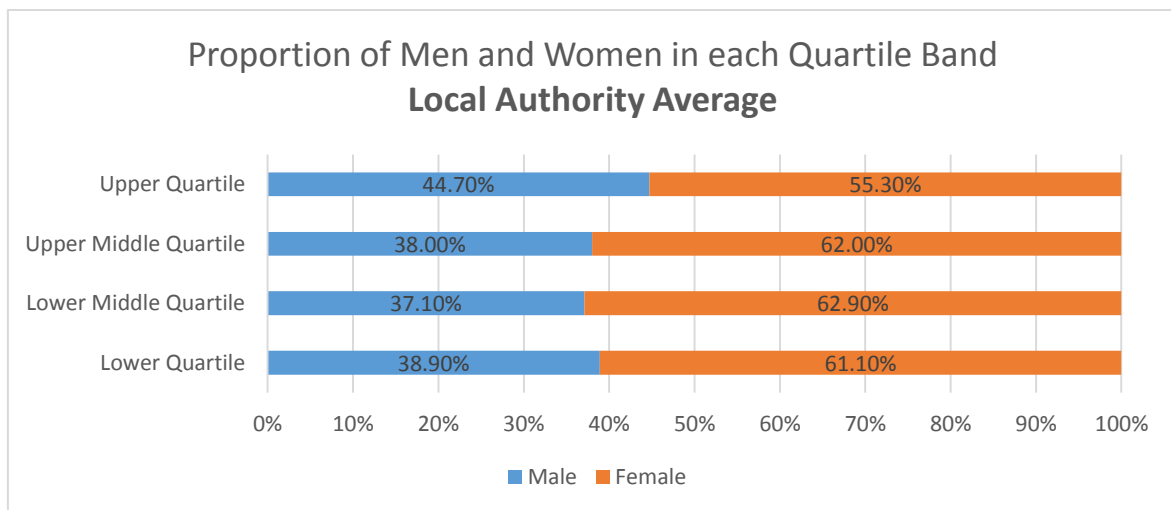
The table shows a higher percentage of men in both the lowest and highest paid quartiles. The reasons for this, and the impact this has on the council's figures, are considered in section 3 of this report.

### 3. SUPPORTING NARRATIVE

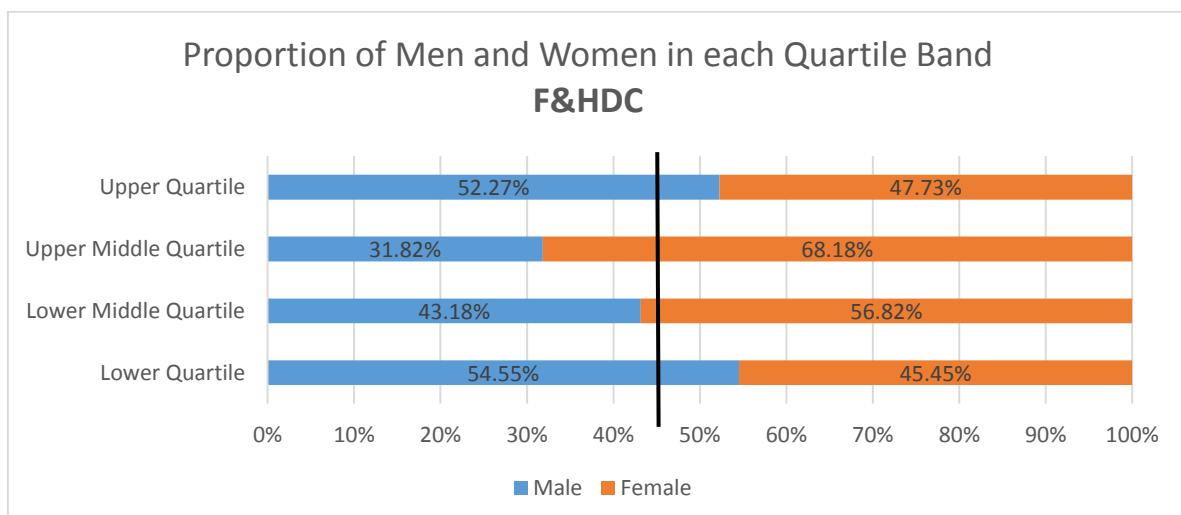
#### 3.1 The difference between mean and median figures:

The mean average gender pay gap of 1% is a very positive indicator; it shows a pay gap that is comparatively small and reducing. Conversely, the median average gender pay gap shows that, typically, female employees have higher pay (13% more and increasing) than male employees. The proportion of men and women in each quartile band (paragraph 2.3.1) helps to explain the reason for the difference in these two figures.

The council employs more women than men. 55% of staff included in these gender pay gap calculations were female. This is rather typical in local government and on average has led to a higher proportion of women across all pay quartiles in the sector:



However, at Folkestone & Hythe District Council the distribution of men and women is more uneven. The line in the graph below indicates our male / female split across the whole workforce. The majority of women (57%) are concentrated in the middle pay quartiles, while the majority of men (59%) are counted in either the lowest or highest pay bracket:

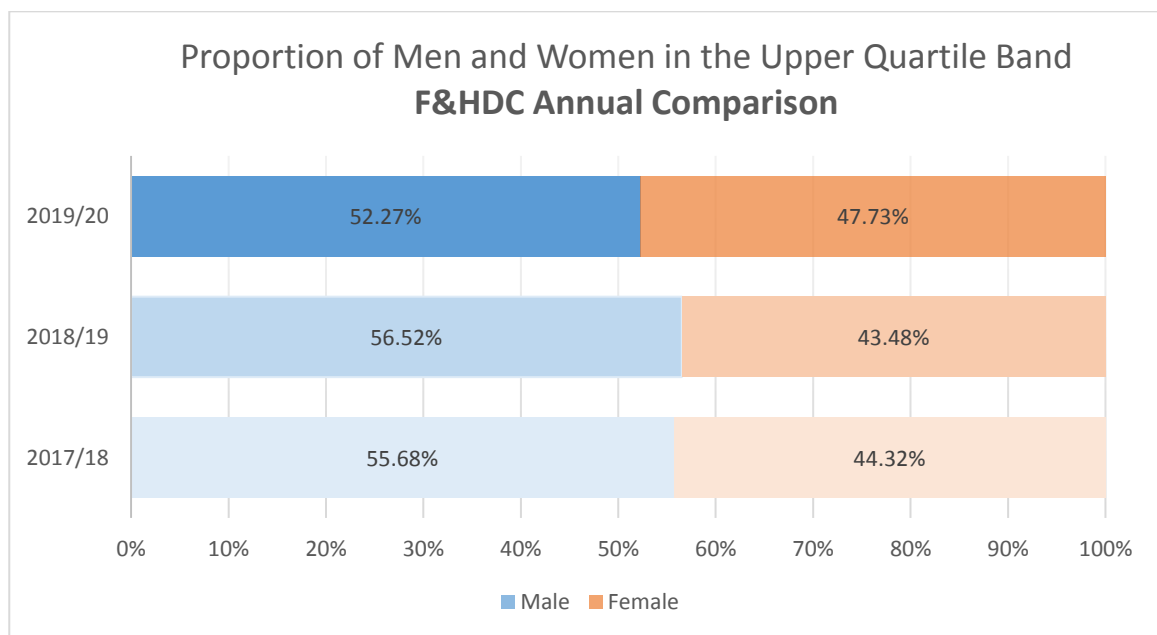


The male domination of the upper pay quartile helps to explain a mean average that shows that, overall, men are paid more than women. Indeed, 29% of male employees are in this highest earning bracket when compared to 22% of women.

However, there is also a large proportion of males found in the lowest pay quartile and, in particular, a female domination of the upper middle quartile. This has resulted in the median female being found higher on the pay spectrum than the median male.

### 3.2 The reduction in the mean gender pay gap:

This year the council reported a reduction in its mean gender pay gap by almost 4%. Paragraph 3.4 outlines the actions the council has taken, and continues to take, to reduce the gender pay gap and increase the proportion of females in the highest earning bracket. While there is still a male dominance of the upper quartile pay band, the proportion of females recorded here has increased by 4.25%:



### 3.3 The widening median gender pay gap:

As mean average pay has narrowed, the median calculation shows that women receive a higher average hourly rate and that this has widened. Like last year, the earnings of the median male is roughly in line with the bottom of grade E of our salary scales and, while has increased due the pay award, has therefore held its position in relative terms. However, the median female has increased from an hourly rate in line with the middle of grade E to one more in line with the top of the grade. The reasons for this are considered in paragraph 3.4 below.

3.4 The council has taken numerous actions to reduce the gender pay gap and such initiatives continue to be taken in order to reduce it further. While the actions outlined below may have contributed to the reduction in our gender pay gap and the increase of females in the highest pay bracket, it is important to note that due to the organisation's size a relatively small amount of individual changes to employees or posts can have a seemingly significant influence on average figures and the data reported. The manner in which the data needs to be calculated also means that where the quartile bands are drawn varies each year and that a small change to actual headcount may also have an impact on these percentage figures.

Paragraph 3.1 highlights the distribution of males and females across the pay quartiles. 30% of all male employees have been counted in the lowest pay quartile. A significant proportion (41%) of the staff that appear in this lower pay quartile work in the council's Grounds Maintenance department or maintenance teams, the vast majority of which are male. The ratio of males to females is ordinarily higher in manual roles and attracting women into these positions is a noted national challenge. Strategies the council is implementing to increase diversity in this area include creating gender neutral job titles.

While paragraph 3.2 highlights a narrowing gender gap amongst the highest earners, the data continues to indicate a correlation between working hours, gender and the pay quartiles. Overall, 28% of roles included in the calculations are part time, the majority of which (81%) are undertaken by female staff. Indeed, 42% of women work part-time while only 12% of men do. The majority (59%) of these part-time posts appear in the middle of the pay spectrum, where the majority (57%) of females have been counted. The fewest amount of part-time roles appear in the highest pay quartile. This is reflective of the national situation though, with the Office of National Statistics reporting that women fill more part-time jobs, which is generally less well paid than full-time work.<sup>1</sup>

With this correlation in mind, the council has introduced a number of measures to increase gender diversity in this upper pay quartile:

- Working flexibly is encouraged, with the majority of staff having the ability to work flexible hours and in a range of locations including from home.
- Prior to recruiting externally or seeking candidates for promotion, the council carefully considers whether working hours and locations can be flexible and, if the post is full time, whether it could be undertaken on a part-time basis. This is then clearly stated on the advert in order to remove such barriers and increase diversity in recruitment and promotion activities. Job sharing options are also considered.
- It is recognised that working part-time can impact on the ability to attend training courses, which may then impact on career progression. The council therefore considers its training programmes carefully in order to reduce barriers to development. A range of flexible development opportunities are available, including coaching, mentoring, in house training and formal qualifications. When considering our training courses we put on shorter courses or split over different days to enable part-time staff to attend.
- The council also runs training courses and provides dedicated support aimed at helping managers understand the provisions of the Equality Act 2010 and ensure fair, non-discriminatory and consistent processes are followed in matters such as recruitment and promotion.
- In order to reduce the gender pay gap further, the council offers supportive options for those returning from maternity leave and encourages greater sharing of caring responsibilities through raising awareness of benefits and initiatives such as Flexible Working, Shared Parental Leave and Tax-Free Childcare.

Measures such as those listed above may continue to reduce the gender pay gap in the upper pay quartile in the future. Progression and appointments to senior posts will continue to be monitored in order to evaluate the success of these initiatives.

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<sup>1</sup> ONS Survey of Hours and Earnings 2019:

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2019>

#### **4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

- 4.1 Legal Comments (NE) – There are no legal implications arising directly out of this report other than those already clearly stated therein.
- 4.2 Finance Comments (LW) – There are no financial implications arising from this report.
- 4.3 Equalities Comment (GE) – This report demonstrates Folkestone & Hythe District Council's continued commitment to Equality and Diversity. No Equality Impact Assessment required.

#### **5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officers prior to the meeting

Andrina Smith, Chief HR Officer  
Telephone: 01303 853405  
Email: [Andrina.Smith@folkestone-hythe.gov.uk](mailto:Andrina.Smith@folkestone-hythe.gov.uk)

Ritchie Bennett, HR Business Partner  
Telephone: 01303 853693  
Email: [Ritchie.Bennett@folkestone-hythe.gov.uk](mailto:Ritchie.Bennett@folkestone-hythe.gov.uk)

The following background documents have been relied upon in the preparation of this report:

None

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This Report will be made public on 27 May 2020

Report Number **P/20/03**

**To:** Personnel Committee  
**Date:** 4<sup>th</sup> June 2020  
**Status:** Non-executive Decision  
**Chief Officer:** Andrina Smith

## **SUBJECT: SENIOR MANAGEMENT RESTRUCTURE UPDATE**

**SUMMARY:** This report provides the committee with an update on the senior management restructure at the council. It seeks the committee's support for an amendment to the current performance arrangements for the Corporate Leadership Team and an amendment to the contractual job title relating to the Head of Paid Service.

### **REASONS FOR RECOMMENDATIONS:**

The council has a challenging and exciting agenda and this report provides the committee with the assurances that the Corporate Leadership Team and wider Senior Management Team have the skills and experience required to deliver against the Corporate Plan.

### **RECOMMENDATIONS:**

1. To receive and note Report P/20/03;
2. To agree the proposals to update the Corporate Director (Strategy) job title to become Chief Executive; and
3. To agree the amendment to the performance framework for the Corporate Leadership Team for the 2020/2021 financial year.

## **1. INTRODUCTION**

- 1.1 The Council is currently delivering an exciting and challenging corporate agenda with a number of substantial projects featured as high priority. A number of these projects have continued to progress at a rapid pace over the last year and it has become clear that a realignment of current skills and experience into focused roles is essential to maintain the pace and to secure positive outcomes. In addition, there are a number of additional challenges that have emerged over recent months which also require the oversight and input of senior-level expertise to ensure they are delivered effectively in line with Members' wishes.

## **2. BACKGROUND**

- 2.1 At the Personnel Committee meeting held on 13<sup>th</sup> November 2019, the members of the committee considered and approved report P/19/09 relating to a restructure of the Senior Management Team (SMT).

## **3. IMPLEMENTATION OF THE RESTRUCTURE**

- 3.1 In order to ensure the successful delivery of the council's plans for Otterpool Park, along with the ongoing Transformation programme and other substantial emerging projects, the two Corporate Directors roles were realigned to become completely funded by project and income budgets.

The role of Development Director is focussing on Otterpool Park and necessary deal-making for the council's major development projects across the district for the foreseeable future.

The time-limited role of Director of Transformation and Transition would be responsible for leading other key projects until the end of April 2022.

These roles sit to one side of the Corporate Leadership Team and do not lead the corporate responsibilities expected of other senior roles in the council.

- 3.2 Three new roles were introduced to form the new Corporate Leadership Team reporting directly to the Head of Paid Service (known as the Chief Executive):

- Director – Corporate Services (s151 Officer)
- Director – Housing & Operations
- Director – Place

- 3.3 At subsequent meetings of the Personnel Committee, two internal appointments were made on 17<sup>th</sup> December 2019 to the Corporate Services (s151 Officer) role and the Housing & Operations role, with an external selection process held on 4<sup>th</sup> February to appoint the Director of Place who started at the Council on 11<sup>th</sup> May 2020.

- 3.4 In addition, the proposed structure introduced a role of Assistant Director – Housing which was also run as an external recruitment by the Corporate Leadership Team and the Chief HR Officer with the selection process taking place on 23<sup>rd</sup> March 2020. The new Assistant Director started at the Council on 5<sup>th</sup> May 2020.



- 3.5 All the positions at Corporate Leadership Team and Senior Management Team level are now occupied.

The functional structure chart and detailed Corporate Leadership Team and Senior Management Team structure charts can be seen as **Appendix A**.

- 3.6 In order to finalise the modernisation of the new Corporate Leadership Team, Personnel Committee are asked to consider re-introducing the job title of Chief Executive to the structure.

The role of Chief Executive was previously made redundant on 31<sup>st</sup> March 2018 at the start of the transformation programme. After the redundancy, the statutory role of Head of Paid Service was assigned to one of the three Corporate Directors in post at that time, namely the Corporate Director – Strategy. Over time this role has been referred to as the Head of Paid Service and on occasion as the Chief Executive (as mentioned in report P/19/09).

Over the last two years, the council has undergone numerous changes not only in terms of the development of the transformation programme but also changes to the projects and priorities along with emerging challenges which have resulted in the new structures being proposed and finalised. The roles of ‘Corporate Director’ no longer exist in the structure that is now in place and therefore it would seem a sensible time to update the job title of the Corporate Director – Strategy to formally become the Chief Executive which will still encompass the Head of Paid Service responsibilities.

#### **4. TEMPORARY UPDATE TO THE PERFORMANCE FRAMEWORK**

- 4.1 In September 2019, this Committee approved 2 levels of performance framework that would apply to the Head of Paid Service and the Corporate Leadership Team within report P/19/06.

The framework for the Corporate Leadership Team is attached as **Appendix B**.

Within the framework there is provision for the Head of Paid Service to Chair a panel comprising the Leader of the Council with support from an external facilitator advising the panel.

- 4.2 Given the current unprecedented exceptional situation with Covid-19 affecting the way in which we are all working from home and the impact of the pandemic on council budgets, a slightly amended version of this framework is proposed for consideration by this Committee.

For the 2020/2021 financial year only, it is recommended that rather than using an external facilitator instead the Chief HR Officer undertakes the role of advisor to the Head of Paid Service and Leader of the Council.

#### **5. LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS**

- 5.1 **Legal Officers Comments (AK)**

There are no legal comments arising directly from this report.

## 5.2 **Finance Officers Comments (LH)**

There are no finance comments arising directly from this report.

## 5.3 **Diversities and Equalities Implications (ASm)**

There are no specific Diversities and Equalities Implications arising from this report.

## 6. **CONTACT OFFICER AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Susan Priest – Head of Paid Service  
Email: [susan.priest@folkestone-hythe.gov.uk](mailto:susan.priest@folkestone-hythe.gov.uk)

Andrina Smith – Chief HR Officer  
Tel: 01303 853405  
Email: [andrina.smith@folkestone-hythe.gov.uk](mailto:andrina.smith@folkestone-hythe.gov.uk)

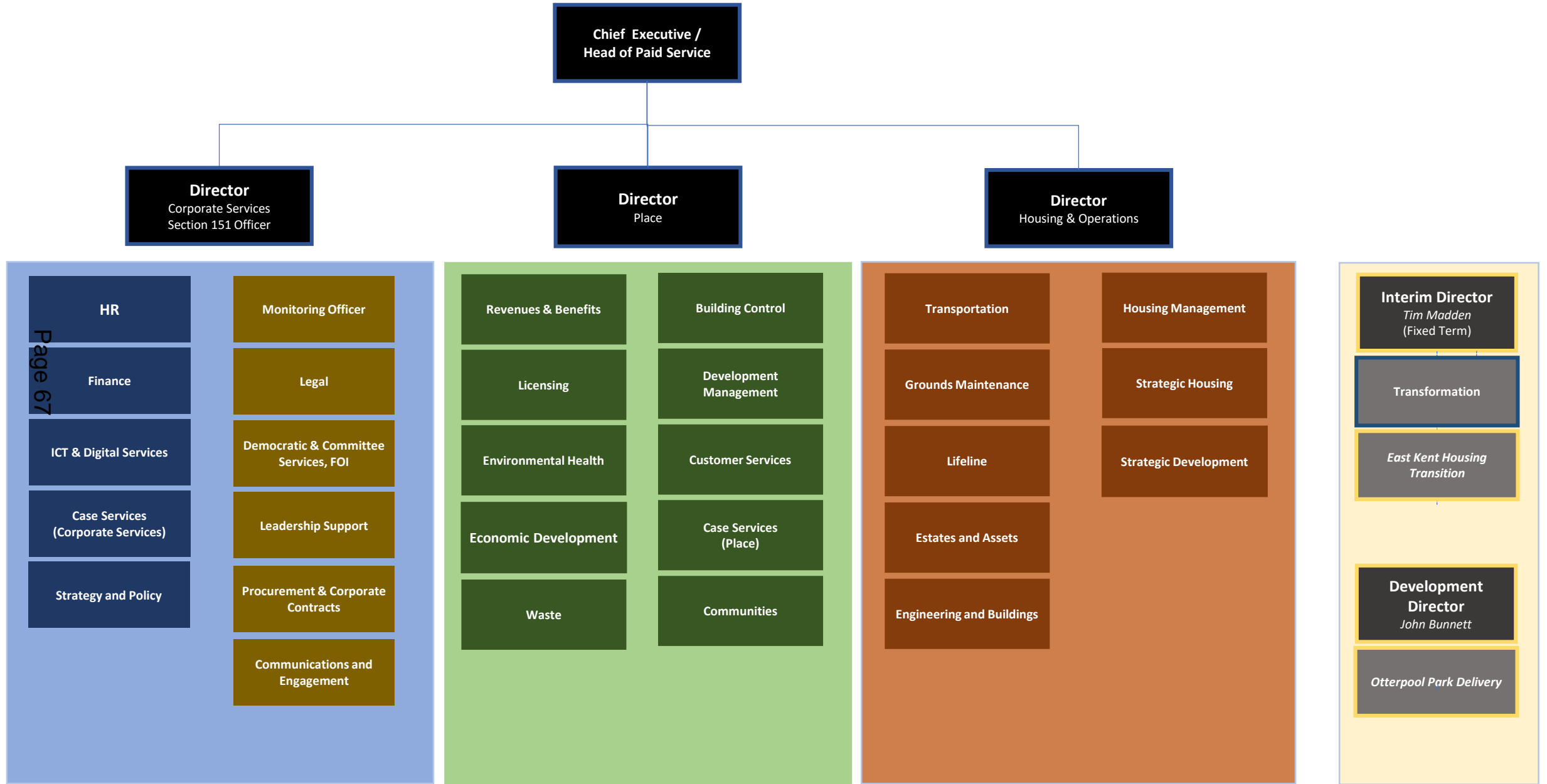
The following background documents have been relied upon in the preparation of this report:

None

### **APPENDICES:**

Appendix A – Current Senior Management Structure May 2020  
Appendix B – Performance Management Framework for CLT

# Functional Structure Chart



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**Chief Executive /  
Head of Paid Service**

**Director**  
Corporate Services  
Section 151 Officer

**Director**  
Place

**Director**  
Housing & Operations

**HR**

**Finance**

**ICT & Digital Services**

**Case Services  
(Corporate Services)**

**Strategy and Policy**

**Monitoring Officer**

**Legal**

**Democratic & Committee  
Services, FOI**

**Leadership Support**

**Procurement & Corporate  
Contracts**

**Communications and  
Engagement**

**Revenues & Benefits**

**Licensing**

**Environmental Health**

**Economic Development**

**Waste**

**Building Control**

**Development  
Management**

**Customer Services**

**Case Services  
(Place)**

**Communities**

**Transportation**

**Grounds Maintenance**

**Lifeline**

**Estates and Assets**

**Engineering and Buildings**

**Housing Management**

**Strategic Housing**

**Strategic Development**

**Interim Director**  
*Tim Madden*  
(Fixed Term)

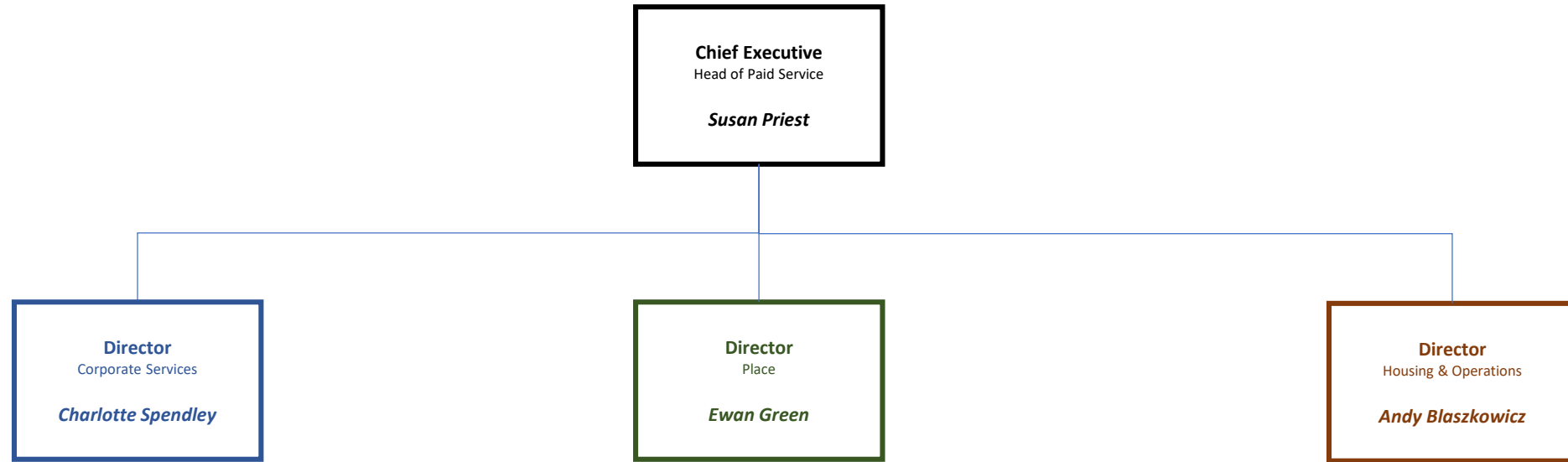
**Transformation**

*East Kent Housing  
Transition*

**Development  
Director**  
*John Bunnett*

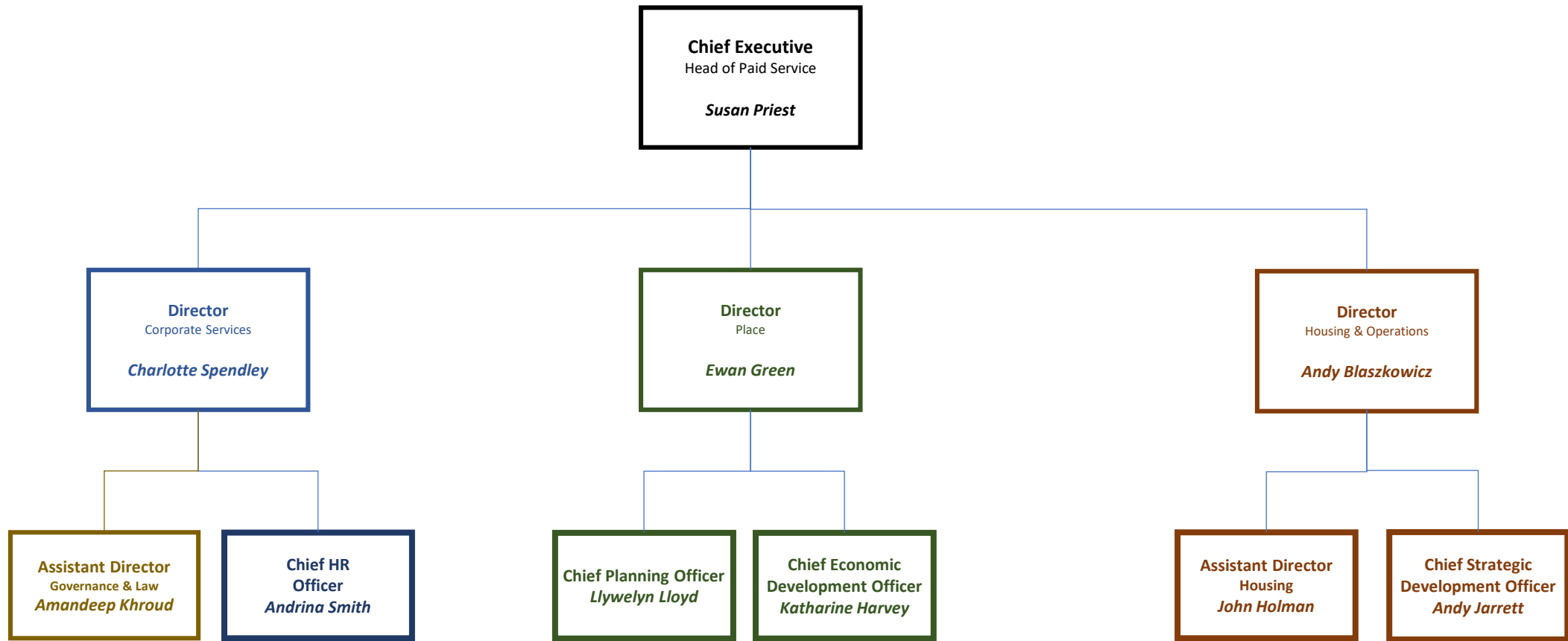
*Otterpool Park Delivery*

# Corporate Leadership Team (CLT) Structure Chart



# Senior Management Team (SMT) Structure Chart

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## **Performance Framework for Other Members of the Corporate Leadership Team (CLT)**

- 1.1 The performance framework should be a two way process between the CLT member and an agreed panel and will provide a structured opportunity to review annual performance during an appraisal, set agreed objectives and development opportunities for the forthcoming year, and to provide a mechanism for reviewing the objectives during the year.
- 1.2 The panel would comprise the following:
  - The Head of Paid Service (Chair)
  - The Leader of the Council

The panel will be supported by an external facilitator who will act as advisor to the panel. The external facilitator should be formally appointed by the Head of Paid Service in conjunction with the Chief HR Officer; however the CLT member will be consulted over the choice of the external facilitator.

- 1.3 The CLT member should prepare 2 presentations in advance of the annual appraisal meeting (see 1.5 and 1.7 below), and submit these in accordance with committee timescales to the panel. The CLT member may choose to discuss the presentations with the external facilitator prior to the meeting. The content of the presentations should clearly link to both the Council's Corporate Plan and to the Council's Core Values and Behavioural Framework.
- 1.4 The panel should hold a pre-meeting to discuss and formulate a shared view of the major challenges facing the Council and begin to turn these into objectives to be discussed with the CLT member.
- 1.5 During the annual appraisal, the CLT member should firstly present a review of his/her achievements and outcomes compared against the objectives set for the preceding 12 month period.
- 1.6 The panel should then have the opportunity to feedback to the CLT member on the presentation content and highlight any areas that they believe may require further attention along with a discussion on lessons learned during the period being reviewed.
- 1.7 The second presentation from the CLT member should then focus on his/her understanding of the objectives and challenges to be achieved within the forthcoming 12 months (or longer depending on the nature of each objective) and any personal development requirements.
- 1.8 The panel should then enter into a discussion with the CMT member around the suggested objectives and personal targets with a view to reaching agreement on the objectives from all parties.

- 1.9 Following the appraisal meeting, a report will be written by the external facilitator for signature by the CLT member and the Head of Paid Service (on behalf of the panel). A copy of this report will be sent to the Chief HR Officer to keep on the CLT member's personal file.
- 1.10 After the appraisal, the CLT member should prepare an action plan and personal development plan outlining how he/she plans to achieve each of the agreed objectives ready for a discussion with the Head of Paid Service in order to reach a final agreement on the content of the action plan and personal development plan. The action plans could include methodology, timescales, milestones, dependencies and success criteria. A copy of the action plan and personal development plan should be sent to the Chief HR Officer to keep on the CLT member's personal file.
- 1.11 Within the performance framework, the objectives agreed during the annual appraisal should be formally reviewed mid way through the 12 month period; however they should also form the basis of any 1-2-1 meeting between the Head of Paid Service and the CLT member.



This Report will be made public on 27 May 2020

# Agenda Item 8

Folkestone  
& Hythe



District Council

Report Number **P/20/04**

**To:** Personnel Committee  
**Date:** 4 June 2020  
**Status:** Non-executive Decision  
**Head of Paid Service:** Dr Susan Priest

## **SUBJECT: REPORT OF THE HEAD OF THE PAID SERVICE**

**SUMMARY:** This report is from the Head of the Paid Service in relation to the adequacy of resources across the Council.

### **REASONS FOR RECOMMENDATIONS:**

Personnel Committee is asked to note the contents of the report.

### **RECOMMENDATIONS:**

1. To receive and note Report P/20/04.

## 1. INTRODUCTION

- 1.1 The Head of the Paid Service of the council is appointed under s3 of the Local Government and Housing Act 1989.
- 1.2 The council has a duty under that act to provide the Head of the Paid Service “with such staff, accommodation and other resources as are, in his opinion, sufficient to allow his duties...to be performed” (s4(1)(b) of the Act).
- 1.3 It is therefore appropriate to formally report to the Council, via the Personnel Committee, on the adequacy of staff resources that the Council has provided in order to give assurances that they are sufficient to discharge the Head of Paid Service duties.

## 2. THE RESOURCES OF THE COUNCIL

- 2.1 In February 2018 Cabinet and Council supported the Business Case for transformation and allocated funds to a council-wide programme. Significant progress has been made implementing new structures and systems resulting in the council being a far more positive customer-focused and IT enabled employer. Cabinet report C/19/65 gives more detail on the delivery of the programme to date and the forward plan. As staff conclude the work through 2020 the ongoing emphasis will remain on continuous improvement as a cornerstone of the changed, more positive, culture at the council.
- 2.2 The council is ambitious and has a strong reputation for clear leadership across services and in high profile projects. During this exceptional year, due to the immediate demands and expected short and medium term impacts arising from the global pandemic, our resource focus will largely be on four key aspects:
  - i. **Recovery from COVID-19** which will continue to demand remote and innovative ways of serving our customers. A central theme of our new customer access strategy is the launch of MyAccount, our new single point of IT access for residents to those personalised services they are most interested in, including those which contain data unique to them. This will greatly enhance the customer experience, transforming how we interact and serve our residents and customers.

A modest phased return to the civic centre is planned through the year for those teams unable to work from home (such as specialist IT maintenance), and operational grounds maintenance staff will continue to adopt covid-secure working practices. The move to flexible ways of working a few years ago set up the organisation up exceptionally well to deal with the current pandemic, meaning that disruption to services during the early stages of COVID-19 restrictions was minimised. The tenanted offices within the civic centre, and the wider council estate, will also be re-opened in a phased managed way, again following the relevant government guidelines.

Work on our new ten-year Corporate Plan will be refreshed to feature, in the short term, details on recovery planning. More information on our approach to recovery will be discussed with Cabinet at their meeting on 24<sup>th</sup> June and expectations are that an emergency budget will be presented later in the year. While the council has a reasonable level of reserves, we are exploring very seriously other options to address the additional budget pressures such as undertaking a daily cash flow, reviewing income projections, holding vacant staffing posts, and reviewing the extent and timing of the capital programme.

There will be some difficult decisions ahead, however, unlike some other local authorities at this time, the S151 officer does not advise that we need to consider a S114 notice.

- ii. Continuing the momentum in **delivering the challenging agenda** set by Members including projects such as: Otterpool Park; our High Streets Regeneration; investment to support the climate change agenda; our council housing estate renewal programme; and a significant expansion in the number of new affordable homes into our Housing Revenue Account, etc. The council has made a number of bold and critical funding decisions to signal their strong support for the delivery of these projects. The corporate leadership and management challenge through 2020/21 will be delivering these ambitions with the resources available against the original timescales, at a time of economic uncertainty arising from COVID-19. New resourcing opportunities from the changed context will be explored, including a renewed emphasis to source locally wherever possible to support the local economy.
- iii. Integrating an **effective housing management** function into the council as a result of decisions to close East Kent Housing, the council's Arms Length Management Organisation (ALMO) is a priority for 2020. Senior level expertise has been recruited, and staff resource redeployed, to ensure that this complex and challenging service area is integrated effectively, and at pace.

From council decision in February 2020 (Report C/19/68; Decision No: 19/068), staff delivering the service will be embedded across the three directorate structure from 1<sup>st</sup> October 2020. Wherever possible functions and responsibilities will be aligned with existing teams. For example, customer services and administrative staff will be incorporated into our existing customer services and case management teams, and rent collection activities and debt management will be aligned with the corporate debt team. Estate management and compliance will be clustered within the assets team which will be fully aligned with our existing estates management function.

New employees to the council, or those longer serving housing management staff who are returning to the council, will be supported through the process and a programme will be put in place to ensure that they are embraced within the positive culture of the council.

- iv. **Continuous improvement and excellence in service delivery** in all that we do is the fourth overriding focus for staff resources this year. While the council has made big changes in its working practises and the resulting culture is quite unrecognisable from just two years ago, there is no room for complacency. Encouraging staff to be part of a high performing team, with clear shared ambitions and values, has set the organisation up to be both resilient and responsive. This approach will continue through the coming year with a relentless focus on improving the customer experience. A few teams have been identified for additional help and those managers will be supported as they improve service delivery where it currently falls below expectations.
- 2.3 The new Corporate Leadership Team (CLT) of the council is determined to deliver against the decisions of members in the most effective and efficient way possible. With the immediate and ongoing service delivery challenges there may be some strains in the resourcing of particular teams. For example: our Finance teams have faced an exceptionally challenging workload recently with new grant awarding activity at a time of closing the accounts; the Development and Economic Development teams are interfacing with our industry partners many of whom have furloughed or made redundancies; and our Housing and Community teams who are often faced with customers presenting with multiple and complex needs may experience additional challenges through the widely predicted recessionary times ahead.
- 2.4 A small number of staff have left employment at the Council this year and some areas have intentionally been filled with temporary or fixed term appointments. A strategy is in place to reduce the number and costs of temporary and agency staff employed this year through, for example: (a) the conclusion of time-limited activities; and (b) the move to fill only necessary permanent roles. The council will always, however, have a certain level of demand for short term resourcing needs in specific areas such as those that deal with seasonal activities in the grounds maintenance team.
- 2.5 The new three-directorate organisation structure is included as appendix 1 and resources are now in place to give the necessary senior level leadership across the organisation, while also providing resilience.
- 2.6 The intention remains that the council continues to be known as an employer of choice, with sound financial management, low staff turnover and absence figures, and a clear connection between our values and activities of the organisation remaining strong.
- 2.7 In summary, the current resource is adequate at the present time. However, as we learn more about the impact of the pandemic on the council and prepare an emergency budget in 2020/21, resources will be kept under review against these demands and adjusted accordingly.

### **3. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

#### **3.1 Legal Officer's Comments (AK)**

There are no legal implications arising directly out of this report.

### **3.2 Finance Officer's Comments (CS)**

There is a budget for the approved staffing structure for the Council. This means that it is fully funded. In addition, there are controls in place to ensure that additional posts to this structure are only approved when funding has been identified. Employees' costs are monitored monthly with the Corporate Leadership Team receiving a monthly report of projections compared to budget.

### **3.3 Diversities and Equalities Implications (ASm)**

There are no specific Diversities and Equalities Implications arising from this report.

## **4. CONTACT OFFICER AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Andrina Smith, Chief HR Officer  
Tel: 01303 853405  
Email: andrina.smith@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

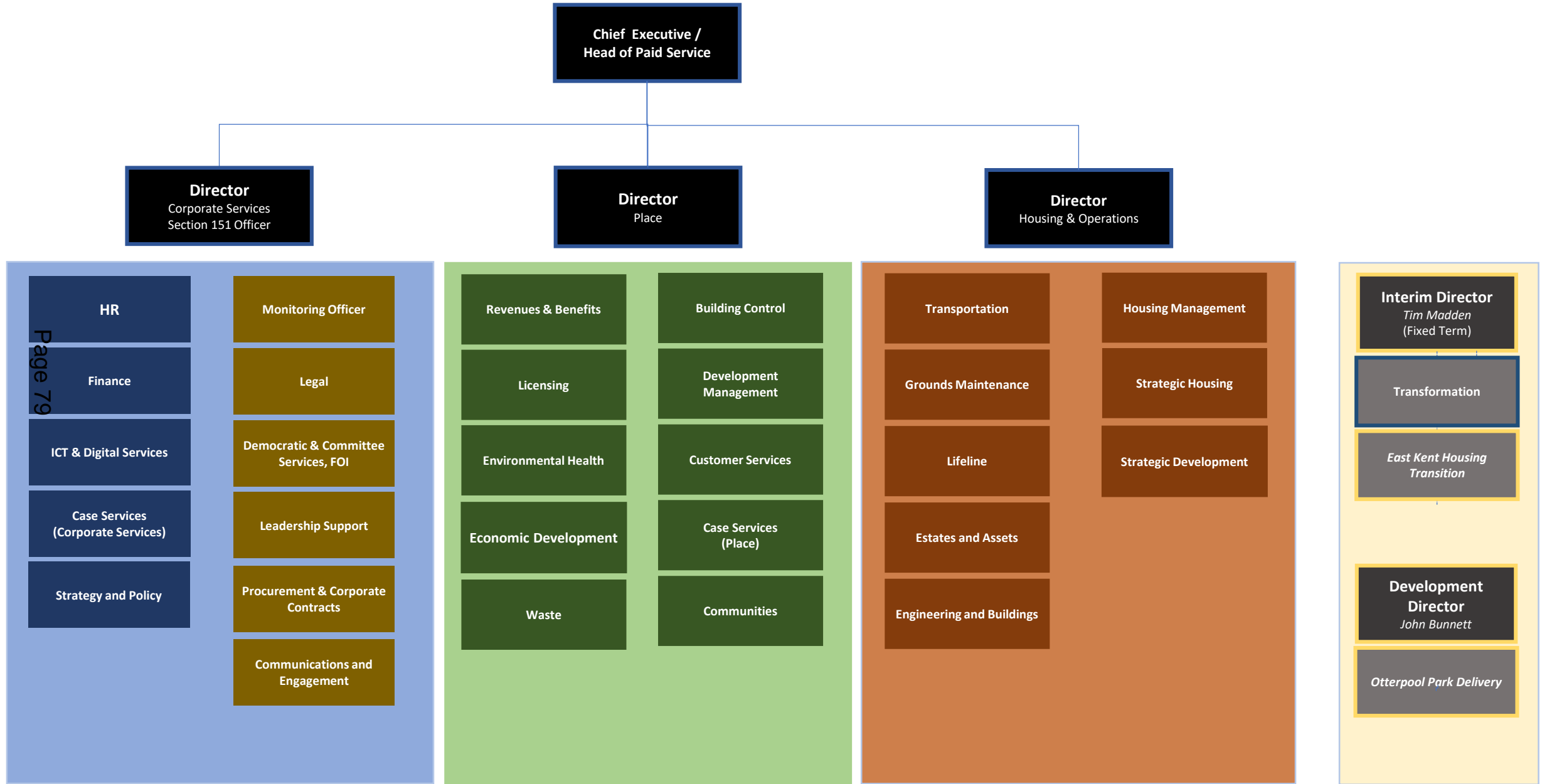
None

### **Appendices:**

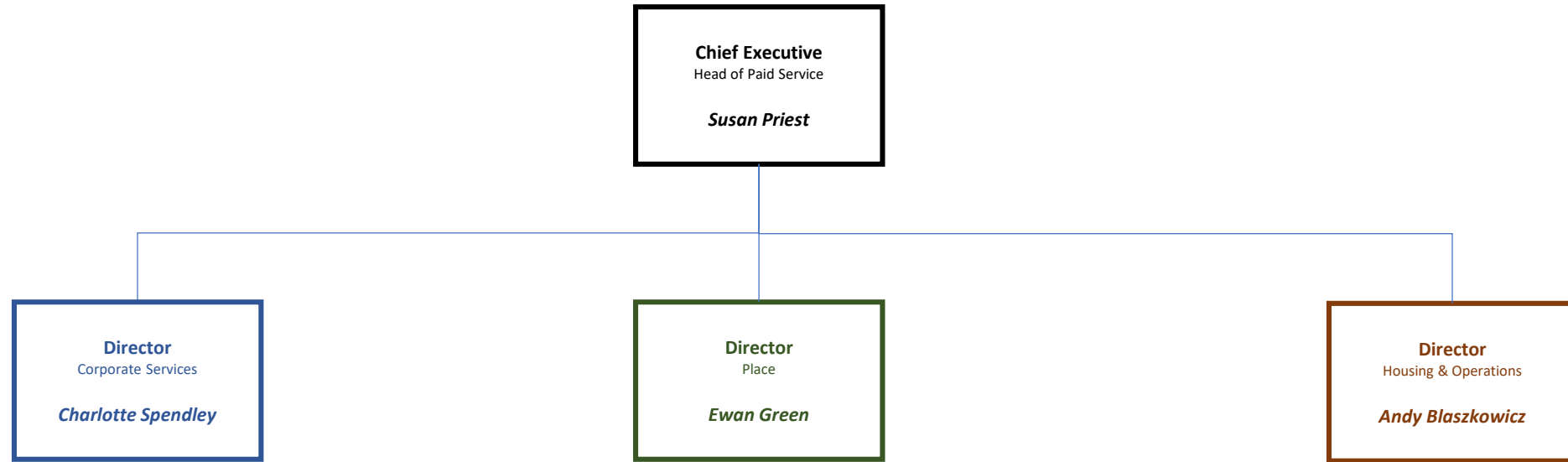
Appendix A – CLT & Functional Structure

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# Functional Structure Chart



# Corporate Leadership Team (CLT) Structure Chart







This Report will be made public on 27 May 2020

Report Number **P/20/05**

**To:** Personnel Committee  
**Date:** 4<sup>th</sup> June 2020  
**Status:** Non-executive Decision  
**Chief Officer:** Andrina Smith

## **SUBJECT: REMOVAL OF THE ESSENTIAL USER ALLOWANCE**

**SUMMARY:** This report provides the committee with a proposal which removes the essential car user allowance and associated mileage rates but also ensures that the few members of staff who do travel extensively across the district are not heavily impacted in a negative way.

### **REASONS FOR RECOMMENDATIONS:**

The intention to remove the essential car allowance which was agreed as part of a previous round of pay negotiations however the recommendation here is to ensure staff are not negatively affected by the implementation of a previous decision.

### **RECOMMENDATIONS:**

1. To receive and note Report P/20/05;
2. To rename the Cash Alternative Scheme as the Car Allowance Scheme
3. To implement option 2, namely to introduce a new level to the car allowance scheme.

## **1. INTRODUCTION**

- 1.1 The council has historically had a number of different mileage schemes which linked back to the National Joint Council (NJC) national agreement on pay and conditions of service for local government which was last updated in May 2018:
- Cash Alternative Scheme
  - Essential User
  - Casual User

These schemes remained in place when the council took a decision to move onto local pay negotiations.

## **2. BACKGROUND**

- 2.1 As part of the pay negotiations for the pay award in 2013/2014 the intention was clearly stated to review the application and validity of the essential user allowance and associated mileage with a view to moving to the HMRC rates of mileage reimbursement although no time limit was expressly stated in the agreement.

During the pay negotiations for 2016/17 the employers' side offer clearly stated a 'recommitment to review the validity of the essential user scheme and mileage over the next 18 months'.

More recently, during the 2018/19 negotiations for a 2 year pay award the employers' side offer stated 'the removal of the essential car user allowance and current essential & casual user mileage rate reimbursements in favour of using the HMRC mileage rates as job roles are defined and recruited to during the Transforming Shepway programme with the understanding that these will cease by 1<sup>st</sup> April 2020'.

- 2.2 The detailed work on implementing this decision has been running alongside the transformation programme and as the final preparations for this were being concluded a few members of staff were identified as being heavily negatively impacted by this decision due to their roles requiring extensive travel across the district.
- 2.3 At the end of March 2020, the Leader of the Council agreed with the Head of Paid Service to delay the implementation of these changes to allow time for this report to be prepared and presented to the Personnel Committee setting out options for the way forward.
- 2.4 There are currently 50 members of staff on the essential user scheme. They receive £1239 per annum paid in equal monthly instalments plus are entitled to claim up to 50.5p per mile depending on the engine size of their vehicle.

By removing the essential car allowance there would be a budget saving in excess of £60,000 per annum.

- 2.5 During the detailed work, it was identified by HR that 3 members of staff should have been on the Cash Alternative Scheme as they have regularly undertaken in excess of 4,000 miles each year. These members of staff have now been moved to the correct scheme.

### **3. CURRENT SCHEMES**

#### **3.1 Essential User Allowance**

Essential Users are defined within the NJC National Agreement as being 'those whose duties are of such a nature that it is essential for them to have a car at their disposal whenever required. If the employee uses a private car in carrying out those official duties then they shall be entitled to receive a lump sum and agreed mileage rates (Part 3 Section 6).

The mileage rates linked to essential users was last updated by the NJC in 2011 and for the first 8,500 miles each year an employee can claim 50.5p per mile (dependent upon the engine size of their car) with an annual lump sum of £1,239 paid in equal monthly instalments of £103.25.

3.2 As far back as 2014 the Local Government Association (LGA) carried out a survey on terms and conditions that formed Part 3 of the NJC National Agreement, and the findings indicated that nearly 40% of councils were already moving away from the Essential User scheme and applying HMRC mileage rates for any claims.

#### **3.3 Cash Alternative Scheme**

The cash alternative scheme is offered on the basis of a 3 year renewable contract, subject to eligibility.

Any officer who is graded H and above on the council pay scales are automatically entitled to join the scheme.

Any other officer who travels in excess of 4,000 miles annually are eligible to apply to join this scheme.

There are currently 3 levels of payments associated with this scheme (not including the Corporate Leadership Team):

- £4,236 per annum for those at Grade J, K & L of the pay scales
- £3,900 per annum for those at Grade H & I of the pay scales
- £3,036 per annum for those eligible due to travelling in excess of 4,000 miles each year.

The associated mileage rate for the cash alternative scheme is 18p per mile.

3.4 The Cash Alternative Scheme is often referred to as the car allowance scheme as there is no longer an alternative. Historically, there would have been an option to enter into a contract for a lease car rather than receiving the 'cash alternative' as monthly payments however the lease option was removed prior to 2012 with the cash alternative scheme being left in its place.

It is recommended that this is now rebranded as being the Car Allowance Scheme.

### **4. OPTIONS FOR CONSIDERATION**

4.1 The detailed work reviewing mileage claims has shown that there are a few staff who regularly do in excess of 2,400 miles per annum due to their roles and the effect of moving to HMRC rates is substantial. The details in the options listed below have been based on these 6 members of staff and the impact the changes could have,

however it should be noted by the member of this committee that individuals mileage can change annually. Typically, these staff members work in the Grounds Maintenance service area and Building Control and are using their cars constantly during the working day / week.

There are a further 10 members of staff who regularly do in excess of 1,200 miles per annum, however these officers have not been included in the options listed below.

By removing the essential user allowance monthly payments, any member of staff who travels more than 1,200 miles per year will notice a detriment in excess of £100 per month (£1,200 per annum).

For those travelling less than 1,200 miles per year, the detriment in reality to them is the equivalent of the £103.25 monthly payment.

4.2 In addition it should be noted that it was recognised when the original decisions were taken that there would be a number of staff who would be impacted and this has been widely accepted given the amount of notice that was given to staff for the implementation of the decision, plus there is recognition that we have agreed pay awards over recent years which have been much higher than national awards which has been appreciated by staff.

4.3 There are 4 options that have been identified for consideration by the personnel committee:

4.3.1 1. No change to the existing proposal of moving staff to the HMRC mileage rates

If we implement the decisions that have been taken during the pay negotiations and move to mileage only which is reimbursed at 45p per mile (the current HMRC rate), the effect on the identified 6 members of staff ranges from an annual detriment ranging from £1,370 up to £1,400.

4.3.2 2. Implement a new cash alternative level (recommended option)

The current cash alternative model requires staff to travel in excess of 4,000 miles each year to be eligible for an annual payment of £3,036 plus mileage reimbursed at 18p per mile.

A new level of the scheme could be introduced that enables staff to apply for the cash alternative payments if they travel in excess of 2,400 miles per annum. A suggested amount for this would be £1,800 per annum (£150 per month) with mileage reimbursed at 18p per mile.

Whilst this option would still result in a detriment for these individuals, the impact of this is would range from £225 up to £430 per annum and is considered to be much more manageable than the impact of option 1 above.

The cost to the council of implementing these new level would be £10,800 per annum based on these 6 staff members.

4.3.3 3. Reduce the threshold for cash alternative scheme applications

If this option was implemented and those who travel in excess of 2,400 miles per year were able to claim the same cash alternative as those travelling in excess of 4,000 miles the result would be that these 6 members of staff would receive a higher amount than they currently receive of between £800 and £1,000 per annum. This is therefore not a recommended option.

The cost to the council of reducing the threshold would be £18,200 per annum based on these 6 staff members.

#### 4.3.4 4. A new scheme that enables a cash alternative payment but no mileage payment

This would be a completely new scheme for the council rather than option 2 and 3 above that are a variation to an existing scheme. This would result in a large amount of work to the payroll system which is not ideal given that only a very small number of our total staff would be needing this element of the payroll system and would also add in a number of additional audit checks. Therefore, this is also not a recommended option.

4.4 The calculations for options 1, 2 and 3 can be seen at **Appendix A**.

## 5. **LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS**

### 5.1 **Legal Officers Comments (AK)**

There are no legal comments arising directly from this report.

### 5.2 **Finance Officers Comments (LH)**

The financial implications are contained within the body of this report.

### 5.3 **Diversities and Equalities Implications (ASm)**

There are no specific Diversities and Equalities Implications arising from this report.

## 6. **CONTACT OFFICER AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Susan Priest – Head of Paid Service  
Email: [susan.priest@folkestone-hythe.gov.uk](mailto:susan.priest@folkestone-hythe.gov.uk)

Andrina Smith – Chief HR Officer  
Tel: 01303 853405  
Email: [andrina.smith@folkestone-hythe.gov.uk](mailto:andrina.smith@folkestone-hythe.gov.uk)

The following background documents have been relied upon in the preparation of this report:

None

**APPENDICES:**

Appendix A – Costings for the Mileage Schemes

Appendix A - Cost Comparison

Employee	Annual Miles	Current Scheme			Option 1		Option 2				Option 3			
		Essential	User	Mileage TOTAL	HMRC	detriment	Lump sum	Mileage	TOTAL	detriment	Lump sum	Mileage	TOTAL	detriment
1	3073	1239	1552	2791	1383	1408	1800	553	2353	438	3036	553	3589	-798
2	2958	1239	1494	2733	1331	1402	1800	532	2332	400	3036	532	3568	-836
3	2849	1239	1439	2678	1282	1396	1800	513	2313	365	3036	513	3549	-871
4	2540	1239	1283	2522	1143	1379	1800	457	2257	265	3036	457	3493	-972
5	2498	1239	1261	2500	1124	1376	1800	450	2250	251	3036	450	3486	-985
6	2419	1239	1222	2461	1089	1372	1800	435	2235	225	3036	435	3471	-1011

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