

PERSONNEL COMMITTEE

Thursday, 9th September, 2010

2.30 pm

Wantsum Room, Sessions House, County Hall,
Maidstone





AGENDA

PERSONNEL COMMITTEE

Thursday, 9th September, 2010, at 2.30 pm
Wantsum Room, Sessions House, County
Hall, Maidstone

Ask for: **Geoff Mills**
Telephone **01622 69489,**
geoff.mills@kent.gov.uk

Membership (8)

Conservative (7): Mr P B Carter (Chairman), Mr R W Gough (Vice-Chairman),
Mr D A Hirst, Mr A J King, MBE, Mr K G Lynes, Mr J D Simmonds
and Mrs J Whittle

Liberal Democrat (1): Mr T Prater

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

A. COMMITTEE BUSINESS

1. Substitutes
2. Declarations of Interests by Members in items on the Agenda for this meeting.
3. Minutes of the last meeting 12 May 2010 (Pages 1 - 4)
4. Employment Policy - Pay, Policy & Terms and Conditions Update (Pages 5 - 18)
5. Flexible Deployment of Staff (Pages 19 - 24)
6. Travel Savings (Pages 25 - 30)
7. Employee Engagement Strategy (Pages 31 - 52)
8. Kent Scheme & Revised Performance Appraisal Process Update (Pages 53 - 58)
9. Performance management of senior managers - (To Follow)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services and Local Leadership
(01622) 694002

Wednesday, 1 September 2010

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

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KENT COUNTY COUNCIL

PERSONNEL COMMITTEE

MINUTES of a meeting of the Personnel Committee held in the Wantsum Room, Sessions House, County Hall, Maidstone on Wednesday, 12 May 2010.

PRESENT: Mr P B Carter (Chairman), Mrs T Dean (Substitute for Mr T Prater), Mr R W Gough (Vice-Chairman), Mr D A Hirst, Mr A J King, MBE, Mr K G Lynes, Mr J D Simmonds and Mrs J Whittle.

IN ATTENDANCE: Mrs A Beer (Director of Personnel & Development), Mr G Wild (Director of Law and Governance) and Mr G Mills (Democratic Services Manager (Executive)).

UNRESTRICTED ITEMS

A. COMMITTEE BUSINESS

1. Minutes - 27 January 2010

(Item A3)

(1) The minutes of the meeting held on 27 January 2010 were agreed as a true record and signed by the Chairman.

(2) Mrs Dean referred to paragraph 10 of the minutes of the last meeting (Performance Management of Senior Managers) and it was agreed that there would be a report on the reward element of the appraisal process for Chief Officers to the September meeting of the Committee.

2. Children, Families & Education, Structures

(Item A4 – report by Mr Rob Semens, Directorate Personnel Manager for Children, Families and Children Directorate)

(1) A report to the County Council at its meeting June 2009 set out broad proposals for change, and a specific proposal for a new CFE Senior Management Team, was agreed. The process for the wider re-structure of the CFE Directorate, is now underway with formal consultation having commenced on 23 February 2010 with the aim of having the new staffing structure in place by 1 September 2010. Changing staffing structures is only the starting point in the transformation of services, and the CFE Change Programme includes a number of other actions and strategies as identified in the report.

(2) During the course of discussion members of the Committee raised some points of detail to which Mr Semens responded accordingly.

(3) **Resolved** that the purpose and impact of the proposed CFE re-structure, the challenges presented and the HR strategies to address these be noted together with the re-structure process and the important change programme beyond.

3. Interim Managers Report

(Item A5 - report by Mr Roger Gough, Cabinet Member for Corporate Support Services and Performance Management and Mrs Amanda Beer, Director of Personnel and Development)

Resolved that the report be noted and that this information will in future be included in the Annual Profile Report.

4. Annual Workforce Profile Report

(Item A6 -report by Mr Roger Gough Cabinet Member for Corporate Support Services and Performance Management and Mrs Amanda Beer, Director of Personnel and Development)

(1) This report updated the Committee of staffing levels as at 31 March 2010. The report included comparative staffing information from previous years together with information on the demographics and diversity of the County Council's current workforce.

(2) During the course of discussion members asked for future reports to present information in such a way so as to enable year on year comparisons to be made more easily and to show trends on a directorate by directorate basis.

(2) **Resolved** that the contents of the report be noted and that future reports are to include information with year on year figures and directorate by directorate.

5. Career Break Scheme - 'Timeout'

(Item A7- report by Mr Roger Gough Cabinet Member for Corporate Support Services and Performance Management and Mrs Amanda Beer, Director of Personnel and Development) (Nicola Lodemore was present for this item)

(1) This report outlined changes to the existing Career Break Scheme which forms part of the Council's Total Reward Package. The report recommended some changes which would further enhance the Scheme thus enabling the Council to offer better recruitment and retention offers, particularly to younger employees.

(2) **Resolved:**

(i) that agreement be given to the redesign of 'The Time Out' scheme, as outlined in the report;

(ii) the reduction in time permitted from up to 5 years to up to 1 year endorsed;

(iii) the basis of return be guaranteed so long as the employee returns on the agreed date;

(iv) that the terms of existing career break agreements will be honoured; and ,

- (v) A further review of the Scheme is to be undertaken in 12 months time

6. Discretionary Payments

(Item A8 - report by Mr Roger Gough Cabinet Member for Corporate Support Services and Performance Management and Mrs Amanda Beer, Director of Personnel and Development)

(1) The County Council has a policy whereby there is a discretion over the level of payments made in areas where there is a particular difficulty in both attracting and retaining staff. This report provided an update on how the policy had operated over the past financial year.

(2) **Resolved** that the report be noted and the continuation of the scheme be endorsed

7. Apprenticeship Programme

(Item A9 – report by Mr Roger Gough Cabinet Member for Corporate Support Services and Performance Management and Mrs Amanda Beer, Director of Personnel and Development)

(1) This report informed the Committee of the County Council's significant contribution to the Kent wide aspiration on the number of apprenticeships to be created. The report also made reference to the support provided to partners to employ apprentices. During the course of discussion it was agreed future reports would contain information on the performance of those on the Scheme.

(2) **Resolved** that the significant achievements of the Apprenticeship Scheme to date be noted, together with the proposals for the future.

8. Disciplinary and Grievance

(Item A10 - report by Mr Roger Gough, Cabinet Member for Corporate Support Services and Performance Management and Mrs Amanda Beer, Director of Personnel and Development)

Resolved that the annual report on employee relations activity be noted and that of recent appeal hearings.

EXEMPT ITEMS

The following are unrestricted minutes of matters which were exempt under paragraph 1 of Part 1 of Schedule 12A of Section 100A of the Local Government Act 1972

9. Proposed Extension to Contract

(Item B1–report by Mr Graham Gibbens – Cabinet Member for Adult Social Services and Mr Oliver Mills – Managing Director – KASS)

(1) The Committee had previously agreed to an appointment being made to the post of Transforming Social Care Lead Officer within the Kent Adult Social Services

Directorate, on a time limited basis up to 20 September 2010. For the reasons set put in the report the Committee was asked to consider extending the contract to 31 March 2011.

(2) **Resolved** that for the reasons set out in the report, the contract for the Transforming Social Care Lead Officer be extended to 31 March 2011

10. Director of Commercial Services - Interim

(Item B2 – report by Mr Roger Gough, Cabinet Member for Corporate Support Services Amanda Beer, Director of Personnel and Development)

(1) The Director of Commercial Services will be retiring with effect from 30 July 2010. As a review is to be conducted as to the most appropriate way to structure Commercial Services for the future, it is not possible at this time to determine the job description of the role which would be required. The report therefore recommended that the current Business Systems Development Manager be appointed to the post of Interim Director of Commercial Services on terms and conditions detailed in the report until such time as the review had been completed and an appointment made to any senior level role required following the review.

(2) **Resolved** that the interim arrangements for Commercial Services described in the report be agreed.

11. Employment Contract for Group Managing

(Item B3 - report by Mr I Carter, Leader of Kent County Council and Amanda Beer, Director of Personnel and Development)

(1) This report followed the decision of the Council to appoint Katherine Kerswell as Group Managing Director and provided details of the contractual arrangements for the appointment.

(2) **Resolved** the Committee unanimously agreed to approve the contract of employment for Katherine Kerswell as detailed in the Committee report.

By: Roger Gough – Cabinet Member for Corporate Support and Performance Management
Director of Personnel & Development

To: Personnel Committee **Date:** 9 September 2010

Subject: Employment Policy – Pay, Policy & terms and conditions update

SUMMARY This paper draws the Committee's attention to recent changes to employment policy, presents a recommendation for a change to probation policy and highlights areas for further potential change affecting terms and conditions.

1. Context

- 1.1 Ahead of significant change to KCC's workforce over the next 2-3 years and in view of the need to cut costs wherever possible, the Employment Strategy Group is reviewing all elements of employment policy, terms and conditions of employment to ensure they remain fit for purpose, competitive and sustainable. Whilst pay is the central to our employment offer, KCC employment contracts include many other elements that contribute to overall remuneration.
- 1.2 KCC's employment policies, practice and procedures are regularly reviewed so that they continue to reflect best practice and suit business needs. Our terms and conditions contain few elements that are unique to Local Government and some are close to the statutory minimum position. Reference to the recent LGE guidance, 'Reducing Workforce Costs', indicates that KCC is well considered in its approach to achieving balanced rationalisation of terms and conditions of employment. Through the Employment Strategy Group it is continuing to test the robustness of our employment offer in the current climate. The present review will examine our employment package in the round so that we continue to offer attractive employment whilst proposing costs reductions where possible and where the impact does not jeopardise our ability to retain valued staff.
- 1.3 Proposals aimed at reducing workforce costs through terms and conditions have to be considered in terms of their impact on employee relations, morale and our attractiveness as an employer. Also any KCC proposal needs to be taken into consideration the potential for differential impact on particular staff groups. This is particularly important in the light of a judicial review being sought of the Government's purported failure to consider the disproportionate impact of budget proposals on women.
- 1.4 KCC is committed to robust performance management, rewarding higher performers with increased pay progression and recognising contribution at all levels. However, the Authority needs to consider remuneration in the round and the relative value of each element insofar as it has the potential

to impact upon employee engagement, motivation and the retention of talent both during the transition period and beyond.

2. Workforce Composition

- 2.1 Our workforce has a high percentage of female employees, many working part-time in relatively low paid jobs. Our younger workers, whose numbers have increased in recent years, are also likely to be in lower graded jobs and have less service than the more established workforce. Both groups of staff have the potential to be more significantly affected by changes to terms and conditions that have a financial impact.
- 2.2 The numbers of workers on fixed term contracts has increased by 40% during the last financial year. Whilst our legal obligations to fixed term workers are not generally different to their full time counterparts, employers have the potential to treat those on fixed term contracts differently where there is good reason to do so.
- 2.3 Consideration of potential changes to terms and conditions needs, through impact assessment, the effects on the workforce to reduce the potential for less favourable treatment or discrimination.
- 2.4 Equally, many of our staff work locally and have the potential to find alternative work in other sectors if the overall effect on remuneration is such that they become disengaged with KCC.

3. Areas for Review

- 3.1 All areas of terms and conditions are being reviewed for their sustainability and potential for cost reduction. The value of each element to staff needs to be considered if KCC is to maintain some stability in the workforce and remain attractive as an employer. Areas for review include:
 - Travel, overtime and location allowances
 - Leave (holiday, family related, buying & selling)
 - Compensation and protection elements
 - Sick pay
 - Benefits
 - Income generation and support
- 3.2 Trade unions are being consulted about potential changes and impact assessment will be undertaken for each to identify the potential for differential impact.

4. What KCC staff value

- 4.1 From our recent reward survey we know that flexible working, leave and personal development are all rated as being very highly valued by KCC staff. This indicates that in an environment in which pay increases are likely to be restricted, the ability to balance domestic and work spheres remains important to people as does the potential to develop their employability.

- 4.2 In times of pay restraint, financial cuts, restructuring and potential redundancy, recognising and building on what is important to staff becomes key to maintaining their engagement and productivity. Our rewards package continues to offer value to staff at a time when prices increases are not being reflected in pay. (See appendix 1).
- 4.3 As the private sector continues to show signs of recovery, KCC needs to take a tactical, longer term view that ensures it remains able to retain a competitive position, particularly for key or hard to fill posts.

5. POLICY REVIEWS

5.1 Salary Protection

- 5.1.1 Our approach to salary protection has been under specific criticism recently and needs particular attention. Currently KCC, in common with most local authorities, maintains the salary levels of people displaced by redundancy who are subsequently redeployed into lower graded jobs. The value of salary protection is that it removes the need for a redundancy payment as the individuals employment is maintained albeit at a lower level.
- 5.1.2 Current arrangements allow for protection to be provided for 3 years for redeployment into jobs up to 2 grades below the individual's substantive grade. Whilst this arrangement is clearly of benefit to the individual it carries an on going obligation to pay above the rate for the job during the period of protection. Presently salary protection is automatic on redeployment. No comparison of the cost of salary protection against, for example, the cost of redundancy is made and there are no distinctions in terms of who receives protection.
- 5.1.3 Salary protection has a value to the organisation in that it retains staff who would be expensive to replace and whose displacement would generate a redundancy payment. However, KCC's current system needs review if it is to retain its benefit to the organisation. Options include:
- Removing protection – resulting in a greater number of redundancy payments and the potential loss of valued staff
 - Reducing protection – identifying some iteration of protection that offsets the potential cost of redundancy against the value of protection offered
 - Changing the categories of staff to whom protection is offered – e.g., not offering protection to those whose contracts have less than 2 years service (i.e., who would not be entitled to a redundancy payment)
 - Maintaining the current position – protection in 09/10 cost around £410k under the current systems.
- 5.1.4 Given the forthcoming changes in the workforce, salary protection is likely to be used as a means to maintain the employment of significant numbers of displaced staff. For this reason it is important KCC achieves the right balance between offering time limited, financial protection and cost effectiveness. Trade unions are currently being consulted over potential changes to salary protection and a further paper will be brought to Committee with a firm proposal in October.

5.2 Probation

- 5.2.1 KCC currently requires only those entering local government for the first time to undergo 6 month probation. As was and remains common practice for many local government employers, those recruited from other authorities or related employers are not currently required to go through a probation period. Many people coming to work for KCC do so having chosen a career in local government which means that a large proportion of our new recruits are subject to no probationary period. Whilst this is a common practice in local government it is outmoded and some organisations have opted to introduce probation for all.
- 5.2.2 The value of a probationary period is that it allows a specific period of introduction for the individual during which his or her competency for the role can be tested. In most cases the individual is successful but when an individual fails to meet the standards expected it is possible to end the employment contract early, quickly during the probationary period. The alternative to using a probationary period is to use the capability procedure which can be protracted and require greater resources to achieve improvements in performance.
- 5.2.3 It is proposed that KCC's adopts a probation for all approach which will provide a consistent approach to the assessment of all new recruits. Trade unions are being consulted over this proposal.

5.3 Social Networking

- 5.3.1 KCC's policy and guidance on the use of the internet has been amended to reflect a change of policy with respect to social networking. Previously access to specific social network sites was significantly restricted. These restrictions have been lifted to reflect the growing need for KCC to engage and communicate through social and other online networking facilities. With the approval of ICT Board, the Electronic Communication User Policy and accompanying guidance now reflects the new position. (See Appendix 2).

6. Personnel Committee is asked :

- to note the review of terms and conditions
- to consider the changes to salary protection
- to agree the proposal to introduce probation for all staff
- to endorse the change to the Electronic Communication User Policy and accompanying guidance.

Amanda Beer
Director of Personnel & Development
Ext. 4136

Total Reward overview

The key measures of success are:

- Over 42% of employees in the initial launch group have used Reward Viewer to calculate the total value of their reward package. 66% said they find KCC's approach to reward valuable, 93 per cent find Reward Viewer easy to use and 13 per cent have taken direct action such as signing up to Kent Rewards; considering a healthcare package; and reviewing AVC contributions etc.
- Figures for the 6 months prior to and post introduction of Reward Viewer show that orders placed increased by 207% to an average of 3,376 per month and expenditure increased by 183% to an average of £295,500. Highest expenditure was in December 2009 with £543,705 resulting from 5,102 orders
- Over 20,000 registrations on Kent Rewards, spending over £5 million generating £330,000 cash-back. Savings through discounts and offers are on top of that figure along with savings through pre-loaded shopping cards and vouchers.
- Over 440 employees have enrolled on the Cycle2Work scheme
- Currently 645 individuals utilise Childcare Vouchers with an annual spend of £1.6m and increasing.
- 85% of attendees at pensions presentations said they have a better understanding and willingness to make adequate provision for their retirement.
- Employee engagement levels increased by 22 points to 82% in the last survey (December 2009). In addition 65 per cent stated that they are highly satisfied or very satisfied with their total benefits package and 73% regard KCC as a good employer in relation to the general terms and conditions of employment.
- Feedback from total reward statements reveals that work-life balance policies, ability to trade annual leave, 5 days learning and development and flexi-time are the most highly rated rewards.
- Around 2,500 people go on staff Club trips and events annually.

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Electronic Communications User Policy



June 2010

Issued by Personnel & Development

This policy covers the use of all electronic communications equipment and accessories used by Kent County Council (KCC) employees in the course of their duties whether they are office based or working remotely.

The policy is designed to protect your rights, the rights of others and to ensure integrity, confidentiality and availability of KCC's electronic communications and systems. You should read this along with our [Electronic Communications User Guidance](#), [Social Media Use Guidelines](#), [Information Security Policy](#) and [Virus Reporting Procedure](#).

Policy Statement

'Electronic Communications' equipment for the purposes of this policy includes, but is not restricted to, desktop computers, laptops, PDAs, Blackberries, fax machines, telephones, mobile phones, voicemail, software, internet (including Social Media Use), intranet (KNet), email and any other electronic devices.

KCC's Responsibilities

KCC's primary responsibility is to provide electronic communications equipment that assists you in working effectively in your role, supporting the business and the public. Every effort is made to ensure the equipment you use is maintained and you are trained and supported in its use.

Your Responsibilities

Users of KCC 's electronic facilities and equipment must respect and follow our policy on use at all times. Misuse of equipment or resources will result in disciplinary action and dismissal in the most serious of cases.

Your access to electronic facilities is personalised to you through log-ins user accounts and passwords which must not be shared.

Access to the internet is permitted only through the official service provided by KCC.

Using KCC's Electronic Communications Equipment Personnel & Development

We expect our employees to act professionally at all times when using electronic communications equipment and resources. Participation in activities that bring us into disrepute or contravene any of our policies or the law will result in disciplinary action being taken against an individual or individuals. Serious cases will result in dismissal for gross misconduct. KCC's Electronic Communications User Guidance and Social Media Guidelines set out our standards for using our electronic equipment and resources.

KCC expects its employees to behave responsibly when using KCC's electronic communications equipment and resources and to be held accountable for their actions.

Personal Use

The equipment and resources we provide are to enable employees to conduct KCC business. Limited personal use in line with our Electronic Communications User Guidance provided it is during breaks and with line manager permission.

Monitoring

KCC undertakes regular monitoring of the use of its electronic communication systems and equipment for lawful reasons to protect the integrity and security of the systems and to investigate suspected unauthorised or inappropriate use by employees.

We expect employees to behave responsibly when using KCC's electronic communications equipment and resources and to be held accountable for their actions. Line managers also have a responsibility for monitoring the use of electronic communications and ensuring employees are aware of their responsibility particularly when accessing or inputting sensitive data (e.g. client systems, payroll).

Advice & Support

If you are not clear about how you should use KCC's electronic communication systems or devices, you can contact your line manager, Corporate Communications, the ISG Service Desk or Personnel Business Support teams.

If you want to report misuse of KCC's electronic communication systems you should raise it in the first instance with your line manager or a Directorate Contact Point identified in our [Whistleblowing Procedure](#).

Electronic Communications User - Guidance Using your electronic equipment responsibly Issued by Personnel & Development June 2010



Introduction

We provide you with electronic equipment to help you do your job that includes PCs, laptops and other electronic devices, mobile phones and access to e-mail and the internet. We expect everyone using KCC equipment to use it responsibly and to take into account our policies and position as an employer at all times. This guidance is for anyone who uses KCC's electronic equipment and who has access to the KCC's network, including employees, agency staff or contractors. It will help you understand the standards expected of you as a user.

Risks to KCC

Whilst using e-mail and the Internet is often essential to do your job, it has the potential to expose KCC to risks of legal claims including:

- a defamation claim;
- a discrimination claim, whether on the grounds of gender, gender identity, race, disability, sexual orientation, religion or age;
- a breach of copyright claim;
- a breach of contract claim;
- a claim for breach of the duty of confidentiality;
- a criminal prosecution following the discovery of child pornography or unlicensed software (for example music files such as MP3s) on the network;
- a criminal prosecution or civil action following a breach of data protection legislation.

This is why we have developed clear rules for the use of our network and why we need to describe the consequences of misuse and the measures KCC takes to monitor compliance with the [Electronic Communications User Policy](#), [Information Security Policy](#), [Virus Reporting Procedure](#), [Social Media Guidelines](#) and this guidance.

KCC Standards

If you are at all uncertain or unclear about any of the standards you should talk to your

Network Use

Don't:

- install or download software without consulting Information Services Group (ISG);
- download software or shareware from the Internet without consulting ISG;
- connect to KCC's network, a PC, laptop or Personal Digital Assistant (PDA) which is not KCC property;
- store personal client data on the system unless the storage is covered by KCC's data protection registration under the Data Protection Act 1998;
- fail to comply with the KCC's Information Security Policy and ICT Security Standard (for example, allowing another user access to your password or leaving a work station unlocked);
- allow KCC property, for example a laptop or PDA, to be stolen by not securing it when off KCC premises (e.g., by leaving it in a vehicle);
- engage in criminal activity such as denial of service attacks, fraud or spoofing;
- Store personal electronic documents on KCC equipment (e.g. photographs, video files/MP3, music files).

E-mail**Do:**

- adopt a responsible approach to the content of e-mails, bearing in mind that e-mails often need to be as formal as any other form of written correspondence such as a letter;
- be aware that e-mails are disclosable in any legal action against KCC and e-mails which have been deleted by a user or from the network may be recovered;
- remember e-mail correspondence is not private as e-mails can be easily copied, forwarded or archived without the original sender's knowledge. When drafting any e-mail you need to bear in mind that it may be read by a person other than the person you send it to;
- keep hard copies of e-mails only where this is necessary for KCC records and manage electronic records properly;
- delete all personal e-mails and attachments when they have been read.

Don't:

- send e-mail messages that are abusive, malicious, discriminatory, defamatory about any person or organisation, or which contains illegal or offensive material or foul language;
- open attachments to e-mails from unknown sources;
- send or forward unsolicited bulk e-mail messages, chain mail or "spam";

- send e-mails with large attachments (1MB plus) to more than five users without consulting the ISG Service Desk;
- forward KCC messages to personal e-mail accounts (i.e. auto-forwarding) except with express permission.

Social Media Use (Facebook, Bebo, Twitter, Flickr, Blogging etc)

Do:

- use social media only during work hours if it is part of your job or work;
- ensure that you apply for a [social media licence](#) and authorisation (via your directorate communication lead) if using social media on behalf of KCC;
- know and follow the Kent Code, Electronic Communications User Policy and Social Media Use Guidelines;
- remember that all social media sites are in the public domain and you are accountable for any statements you make;
- be responsible and professional and consider how the information you are publishing could be perceived.

Don't:

- use your KCC e-mail account for non work related messages or updates from Facebook or other social networking sites.

Internet

Don't:

- visit, view or download any non job-related material from any Internet site containing illegal material (such as child pornography, obscene material or race hate) or other inappropriate material. Examples of inappropriate material include but are not limited to criminal skills, terrorism, cults, gambling, illegal drugs and pornography;
- copy or modify copyright protected material downloaded from the Internet without authorisation;
- subscribe to a non-job related bulletin board, newsgroup or any other similar Internet service without obtaining your manager's permission;
- enter into a contract via the Internet without following KCC's standard authorisation procedures. A contract entered into via the Internet is likely to be legally binding in the same way as any other contract;

- use the Internet for illegal or criminal activity, for example but not limited to software and music piracy, terrorism or the sale of illegal drugs;
- access instant messaging sites or information storage sites of any kind;
- conduct financial transactions, including online banking and auction sites (e.g. Ebay), without your line manager's knowledge/permission.

Do:

- limit your access to personal online email accounts such as 'Hotmail' to your workbreaks during the day;
- Make sure any personal use is limited and does not interfere with your ability to do your job.

A breach of the above standards is likely to be a disciplinary matter that could result in some form of disciplinary sanction including dismissal. KCC will also take legal action against anyone who is not a KCC user that breaches these standards.

Gross Misconduct

The following are examples of gross misconduct when using KCC electronic equipment, devices and facilities. You are likely to lose your job if you are found to be misusing our equipment in any of these ways:

- Sending abusive, rude, illegal, discriminatory or defamatory messages or material;
- Sending a bullying or harassing messages;
- Compiling or distributing chain letters either internally or externally;
- Sending confidential information without authorisation;
- Excessive personal use of e-mail or the Internet in work time;
- The introduction of a virus onto the KCC system resulting from negligent or malicious behaviour (e.g. onto KCC PC, laptop, email or downloading files from the internet);
- Misuse of e-mail, the Internet, Social Media or the system generally which results in a legal claim being made against KCC;
- Accessing illegal material or pornography on the Internet;
- Unauthorised copying or modifying of copyright material or material protected by any other intellectual property right;
- Unauthorised downloading of software or files;
- Use of the Internet for criminal activity;
- Hacking, or other breaches of the Computer Misuse Act 1990.

Personal Use

We permit limited personal use of equipment and the network provided:

- all e-mail messages are kept short;
- excessive time is not spent surfing the Internet for non work-related purposes or on KCC Noticeboards;
- personal use takes place during work breaks and there is no interference with your performance or with business use of the network;
- the use of radio, MP3, or iPod's is appropriate to the working environment and is with manager's agreement and does not cause interference to either the users or those around them.

We reserve the right to withdraw this facility if it is abused. You should not have an expectation of privacy when using KCC's network as all use is monitored in line with the law. If you want to ensure the privacy of any information you should use internal post and not email.

Working Away From Your Workbase (Remote Users)

You may sometimes need to use KCC equipment and access the KCC network when working remotely, whether from home, a non-KCC site or when travelling. The standards set out in this document apply wherever our equipment and resources are being used and the following additional standards also apply.

Do:

- be particularly careful to secure access to the network by using your password when working from home, in any non-KCC location or whilst travelling.

Don't:

- allow members of your family or anyone else to use the KCC network or KCC equipment.
- display confidential information on the screen of the device you are using at any time where it may be visible to others. (See [Working at Home – Data Protection Guidance](#))

Monitoring

To minimise the risks to KCC described earlier and to maintain the effectiveness, integrity and security of the network, ISG monitors its use. Our intention is that any monitoring will be proportionate to the risks of harm to KCC and your privacy as a user will be respected as much as possible. Monitoring is carried out in the same way regardless of whether the user is office based or working remotely.

Any monitoring will be carried out subject to the requirements of legislation including the Data Protection Act 1998, the Human Rights Act 1998, the Regulation of Investigatory Powers Act 2000 and the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000.

Network traffic and the performance of the network is monitored. KCC uses a firewall, an anti-virus product, an intrusion detection system and other software to do so.

Specific monitoring and recording of information is undertaken as follows:

- anti-virus software monitors all communications but will only record and quarantine those which it identifies as containing a virus
- software monitors the content of e-mails
- software is used to monitor the content of e-mails or the content of Internet sites visited where KCC reasonably suspects, or has received a complaint, that a user is misusing the KCC's network and/or is not following the standards set out in this guidance
- software will prevent access to certain designated non work-related Internet sites, unless use has been agreed as part of your job, and a record will be maintained of sites visited.

Access to E-mails and Work Area

Your manager may where necessary, request to open and read your e-mails and documents in your work area if you are absent from work due to sickness, holiday or any other reason. If you plan to be away from work for any period of time you can make arrangements for access to your e-mails or other files in advance. Contact the ISG Service Desk for guidance.

General

You will be made aware of any changes to this guidance as they occur.

You should only access KCC's network if you have read and understood the standards expected of you.

By: Roger Gough – Cabinet Member for Corporate Support and Performance Management
Director of Personnel & Development

To: Personnel Committee – 9 September 2010

Subject: Flexible Deployment of Staff

Classification: For Information

Summary

This paper presents some proposals for achieving a more radical shift in our approach to deployment where work change and flexibility becomes the norm. For this to be effective for the whole organisation KCC needs to develop a strategic approach to deployment, informed by intelligence about its workforce and through collaboration.

The proposals contained in this report have been presented to CMT and agreed in principle. Further work is now being undertaken. Investment, including in systems development, will be needed if it is decided to further develop candidate pools.

1. Context

1.1 The efficiency and financial savings required of KCC demand that managers respond quickly to changing priorities in creative ways. There are a number of key drivers for change in the way KCC deploys its workforce in order to:

- Simplify restructuring and minimise advertising
- Develop greater functional flexibility and further invest in skills development and talent management
- Build capacity for the future that is able to adapt to change quickly

1.2 The current approach to handling job and structural change, whilst it is legally sound, can be inflexible and protracted. This paper presents some potential solutions which would enhance the organisation's ability to move people more quickly and flexibly. We need to move away from the traditional model of fixed establishments and develop a more adaptive approach that is dynamic and responsive to changing organisational needs. Managers who are restructuring tend to rely on the traditional approach to job and establishment changes and the interpretation of when a redundancy situation occurs is expansive. KCC's policies already contain flexibilities but these are not being widely used. For a new approach to be successful a fundamental shift in attitude and approach to deploying people has to be in place. Deployment needs to be proactive and planned and people need to be prepared for active, flexible deployment.

2. Redundancy & Redeployment - Current Practice

- 2.1 Current custom and practice and existing contracts result in employees being placed 'at risk' of redundancy early. Whilst this approach is favoured by trade unions who view it as protecting the individual, it can impact detrimentally on the structural change required and morale. Being 'at risk' allows individuals access to vacant posts across KCC with 'priority status'. Contracts are also varied by agreement, as opposed to the more traditional approach to achieving job change, however this only occurs in very manageable, job restructuring situations where the changes are relatively minor, numbers affected are low and there is no reduction.

3. An Alternative Approach to Redeployment & Deployment

- 3.1 It is possible to take a different approach to deployment when jobs or structures are changing. If we move away from the concept of a fixed establishment towards generic job descriptions (or none) and contracts that are more flexible and less specific to roles, teams and possibly directorates we could achieve a workplace culture where work change is the norm, without the need for extensive consultation and the 'at risk' cloud.
- 3.2 If this alternative model is adopted only those displaced after a deployment change would be placed at risk.

4. Deployment by Mutual Agreement (*moving employees who are not at risk of redundancy to other jobs to respond to changing priorities*)

- 4.1 Building on existing discretions, managers could be given greater flexibility to deploy staff without the formality of redeployment. Depending on the nature and location of the job this would be by mutual agreement which requires the co-operation of all affected to be successful. Job families could be used to inform whether deployment is suitable. Using this model, deployment could be viewed at three levels:

- (i) Within the Business Unit
- (ii) Outside the Business Unit but within Directorate
- (iii) Across Directorates

- 4.2 Highways have been piloting this approach with positive outcomes. When work finished in one part of the business (typically due to budget pressures) discussions took place with individual employees on their skills and potential that resulted in staff being deployed to roles by mutual agreement, initially through temporary secondments. Central to this approach was active discussions with staff about how jobs should be filled. Agreement of all parties is central to the success of this approach.

5. Slicker Redeployment (*moving employees at risk of redundancy to other jobs*)

- 5.1 Personnel & Development is currently investigating automating job matching for "at risk" staff to improve the speed at which people are directed to vacancies. Our current redeployment practice needs to be more proactive to better meet the needs of priority candidates and recruiting managers.

- 5.2 Under the proposed model individuals are profiled by all their capabilities and skills and placed in a pool within the Recruitment Management System. Vacancies are also profiled by capability and skills required and automatic matching takes place before the recruiting manager advertises. The individual receives either email or other communication about the roles they have been shortlisted for with interview dates. The recruiting manager receives a list of candidates from the redeployment pool that are suitable for the vacancy. The initial profiling could be supplemented with online tests that are predictive of performance to ensure any candidate presented was highly likely to be suitable.
- 5.3 Accessing a pool of profiled candidates before advertising would speed up recruiting and ensure at risk staff are aware of all relevant vacancies. It would also provide an audit of the potentially suitable jobs presented to individuals who have been displaced.

6. Using Candidate Pools

- 6.1 The automated job matching approach described above could also be applied to deployment across the organisation. When a deployment need arises that cannot be resourced within the more immediate staffing group, managers could access profiled candidate pools including the redeployment pool without the need to advertise posts. Our Recruitment Management System already has the functionality to develop candidate pools that can automatically match suitable candidates to jobs. We are currently developing candidate pools for apprentices and graduates to support the deployment of young people.
- 6.2 Any suitable redeployees would continue to be considered first with automated matching providing a fast turnaround for managers. To keep the transition manageable, this model could be implemented in phases commencing with discrete professional groups (e.g. Finance), across directorate business roles (e.g. business administration and leadership) and targeted business units (e.g. within Highways that have already piloted a flexible deployment approach).

7. Changes to Employment Contracts

- 7.1 Existing employment contracts inhibit movement of staff as people are generally contracted to a job, a team, a directorate and a location. To achieve greater flexibility without the need to negotiate each change with individual staff and trade unions, the basis on which people are contracted could be changed fundamentally. More fluid deployment is possible if people are contracted to the employer, a professional or functional group (possibly reflecting job families) and/or geographical location. To achieve a change as radical as this the options are:
- (i) Gradual Implementation – all new, including promotion and following restructure contracts are offered on new basis
 - (ii) Individual Negotiation – existing staff asked to switch by mutual agreement
 - (iii) Unilateral Change – existing staff are served notice on current contracts and offered new flexible contracts.

7.2 There are risks inherent whichever approach is taken and a unilateral change would have the potential for breach of contract claims. Also the concept of 'reasonableness' within any deployment proposition would need to be taken into account to avoid the potential for unfairness or discrimination (see paragraph 11 for further details).

8. Differentiating the approach to reflect occupational differences

8.1 In a complex and occupationally diverse organisation such as KCC the context of the workforce has to be taken into account to determine the best fit approach to deployment. Therefore a differentiated approach is proposed so that we maximise employee retention by acknowledging that some employees have more or less flexibility than others.

8.2 The majority of KCC's staff are women, most on lower incomes, many of whom are part-time. It is a fair assumption that they have chosen to work locally for domestic reasons and will have less capacity to move geographically than professional or managerial staff. However, it may be reasonable to require them contractually to work in any directorate delivering broadly similar work at the same level within a reasonable geographic radius.

8.3 Professional and other higher paid staff with highly transferrable skills could be expected to move both in terms of location and across disciplines in response to changing organisational need. This approach would add depth to individuals' contribution and help develop the potential for proactive succession planning and talent management.

8.4 A differentiated approach to deployment that recognises the specific requirements for and of particular parts of the workforce is the only approach that will work in an organisation like KCC.

8.5 Dynamic deployment in any sense, but especially between directorates and across professional boundaries, is contingent on a high degree of collaboration and confidence in the quality of our staff. Using a similar approach to that being developed for redeployment, KCC needs to gather and share intelligence about the workforce and its potential. With this knowledge and a pragmatic, more work-flexible culture we will be best placed to manage deployment strategically.

9. Culture Change

9.1 Achieving more flexibility in workforce deployment would require a shift in attitudes and expectations. For different reasons staff, trade unions and managers are likely to find such changes challenging and will require support to adjust to a new way of working.

9.2 Unions expect to be consulted early over all restructures and job changes due, in part, to KCC's practice of maintaining good relationships through open, early consultation. Whilst consultation will still be necessary when redundancies are envisaged, using flexible deployment approaches to achieve changes in jobs and structures will inevitably generate significant challenge. Moving from specific to more general contracts of employment has the capacity to generate opportunities for staff to develop their skills and aptitudes. Some may see this as a further erosion of job security and their

terms and conditions. This change must be considered within the wider context of a reducing workforce, potential cost saving through terms and conditions and on-going restrictions to pay increases for public sector workers.

- 9.3 Managers at Workforce Strategy Board welcomed in principle the introduction of proposed changes that will deliver slicker redeployment and more flexibility in deploying people. However, as previously stated, dynamic deployment between directorates or professional or other groups will require a much more collaborative approach based on whole organisation need rather than that of the specific business unit or directorate.
- 9.4 We need to move away from specific job descriptions which tend not to be dynamic documents or necessarily reflective of the reality of day to day work. Instead the focus should be centered firmly on targets, workplans and achieving outcomes all of which are adaptable to changing circumstances. This approach is much more aligned to a performance management culture embodied by Total Contribution Pay.
- 9.5 Personnel & Development have a significant role in enabling the success of flexible deployment through developing the approach alongside managers, assisting with selection exercises and providing pragmatic advice and support.

10. Principle Risks in a New Approach to Deployment

- 10.1 There are risks associated to adopting a new model of flexible deployment including employees not accepting new flexible contracts and a potential breach of contract/unfair dismissal or employees work under protest, relationship with unions compromised further, loss of particularly valuable employees to other organisations, detrimental impact on KCC as 'an employer of choice' and, KCC is less able to address under-representation in terms of diversity. However these risks can be mitigated by new contracts being offered on exactly the same terms with flexibility incorporated and in so doing there would be no breach, consultation would continue in line with legal requirements, continuing to invest in identifying and developing internal talent & developing and promoting the KCC brand including the wider rewards & benefits package, continue to invest in diversity through access schemes such as apprenticeships, internships, the Gap Year and Kent Graduate Programmes.

11. Proposals

- 11.1 In summary the proposals are as follows:

- (i) Flexible deployment through mutual agreement (*management guidance will be produced*)
- (ii) Redeployment through automated job matching (*being developed*)
- (iii) Flexible deployment by adapting and developing the redeployment model and introducing candidate pools (*will require investment in order to deliver*), costs will be identified and reported to Corporate Management Team for a decision on whether to take forward
- (iv) Change employment contracts to provide greater flexibility without the need to individually negotiate and agree changes (*contracts will be produced*).

12. Recommendation

12.1 Personnel Committee is asked to:

- i) Endorse the proposals outlined in this report and the work in progress.
- ii) Agree the change to employment contracts outlined in 11 (iv) above.

Amanda Beer
Director of Personnel & Development
Ext 4136

2. Comparative costs

- 2.1 The break even point where it becomes cheaper for the authority to offer essential user status compared to casual is 15,000 miles. The break even point for lease cars compared to casual user is 8,000 miles due to the lower mileage rates.

3. Implications

- 3.1 There are a number of factors which need to be considered, which include effective date of change, contractual arrangements, consultation and communication requirements along with notice and transition periods. Whilst we are confident in our legal ability to remove and alter such allowances, this needs to be with suitable notice and transitional protection (Court of Appeal case concerning Birmingham City Council).
- 3.2 Reducing the number of lease cars will negatively impact the income generation for KCC delivered by Commercial Services although there is still an overall cost saving to the authority is still generated.
- 3.3 Employee relations implications – Staff and TUs likely to see this as a diminution of their employment package. Likely resistance both individually and collectively, in such forms as appeals, grievances, informal TU action / pressure and potentially legal / contractual challenge.

4. Costs, savings and being competitive

- 4.1 Remove essential user status generates approximately £1.5m saving
Remove subsidised lease car provision generates approximately £1.5m saving, however, this would potentially have an impact on turnover within Commercial Services which would in turn reduce the contribution made back to KCC by approximately £900k.
- 4.2 The costs of each scheme are shown in Appendix 2.
- 4.3 The income from lease cars could be increased if the employer contribution was decreased with a corresponding increase in employee contribution. However this would make the lease car option considerably less appealing to employees.
- 4.4 If the essential user status was removed there may be a proportion of essential users who would wish to transfer to lease car status, however the actual numbers will be influenced by any changes to lease car eligibility rules. Under the current rules, no employee would be eligible for a lease car as the criteria are the same. Currently there are more than twice the number of essential users than lease car users.
- 4.5 We know from previous experience that it is much simpler when there are clear rules and guidance when changing provisions. Removing the essential user allowance without reference to the lease car scheme will cause confusion and extra expense as more lease cars are requested. Altering the eligibility criteria or employer contribution would only be making marginal changes around lease car eligibility. In order to deliver the most consistent and robust approach both provisions should be removed.

- 4.6 Should there be local recruitment or retention difficulties as a result, there is provision for payments to be made under the Market Premium Policy. This enables managers to make payments following a robust authorisation process.
- 4.7 The removal of the subsidised lease scheme would not leave employees without options. Commercial Services can make lease cars available to employees on a voluntary basis therefore not requiring the authority to pay for employer contributions. The range of cars is also broader under this scheme.

5. Conclusions

- 5.1 We know from experience of the review of essential users that allowing exceptions causes difficulty, confusion and inconsistency.
- 5.2 Removal of essential user provision alone would deliver savings however this could result in more lease cars being requested which would ultimately increase costs for the authority.
- 5.3 If the eligibility criteria were raised for lease cars in a way which restricts access too much then there becomes a point where there is no real case to retain the provision, be it essential user or lease car provision.
- 5.4 The cleanest approach is to remove essential user and lease cars in a consistent manner.
- 5.5 The employment relations fallout from the removal of essential user and lease car arrangements is harder to cost but was disproportionately high when reviewing essential user mileage 18 months ago.
- 5.6 If a clear and unambiguous approach is to be taken, which delivers the greatest savings and removes scope for exceptions and grey areas, then removal of both the essential user and lease car provision should be considered.
- 5.7 The full savings from lease cars will take up to 4 years to be realised as lease arrangements come to an end.

6. Recommendation

- 6.1 No new members to subsidised lease cars or allocation of essential user allowance with immediate effect and withdrawal of essential user allowance to current recipients from 1 April 2011.
- 6.2 Existing lease car users whose contracts come to an end before 1 April 2011 would not be renewed.

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Director of Personnel & Development
Ext. 4136

Mileage Report

Data extracted from Oracle 19th April 2010. Data is for the period 1 April 2009 – 31 March 2010.

Number of Individuals by User-Type by Mileage Category

Mileage Range	Casual Car User	Essential Car User	Lease Car User	Grand Total
1 - 499	2,669	155	91	2,915
500 - 999	894	171	111	1,176
1,000 - 1,499	550	191	108	849
1,500 - 1,999	370	204	105	679
2,000 - 2,499	256	233	104	593
2,500 - 2,999	151	205	130	486
3,000 - 3,499	127	226	88	441
3,500 - 3,999	74	166	81	321
4,000 - 4,499	73	142	39	254
4,500 - 4,999	50	123	57	230
>= 5,000	202	607	202	1,011
Grand Total	5,416	2,423	1,116	8,955
Max Individual Mileage	18,945	17,414	37,395	

Proportion by User-Type by Mileage Category

Mileage Range	Casual Car User	Essential Car User	Lease Car User	Grand Total
1 - 499	49%	6%	8%	33%
500 - 999	17%	7%	10%	13%
1,000 - 1,499	10%	8%	10%	9%
1,500 - 1,999	7%	8%	9%	8%
2,000 - 2,499	5%	10%	9%	7%
2,500 - 2,999	3%	8%	12%	5%
3,000 - 3,499	2%	9%	8%	5%
3,500 - 3,999	1%	7%	7%	4%
4,000 - 4,499	1%	6%	3%	3%
4,500 - 4,999	1%	5%	5%	3%
>= 5,000	4%	25%	18%	11%
Grand Total	100%	100%	100%	100%

Appendix 2.

1. Essential user - Conversion of all essential users to casual user status

Factors:-

Users - 2400

Lump Sum - £833

Average mileage - 3680

Essential user pence per mile – 34.4

Casual user pence per mile – 40

Total lump sum	= 2400 x £833	= £1,999k
Mileage costs	= 3680 x 2400 x £0.344	= £3,038k
Total		= £5,037k

Cost if all on casual user status

$$2400 \times 3680 \times £0.40 = £3,533k$$

$$\text{Saving} = £1,504k$$

2. Lease Car - Conversion of all lease users to casual user status

Users – 1116

Employer contribution (annual) - £2,269

Average mileage - 3242

Lease car pence per mile – 12

Casual user pence per mile – 40

Employer contribution	= 1116 x £2,269	= £2,532k
Income returned to KCC		= -£ 900k

$$\text{Mileage costs} = 1116 \times 3242 \times 0.12 = £ 434k$$

$$\text{Cost if all on casual user} = 1116 \times 3242 \times 0.40 = £1,447k$$

$$\text{Increased mileage cost} = £1,013k$$

$$\text{Net saving} = £ 619k$$

Potential combined annual saving achieved within 4years = £2,123k

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By: Roger Gough – Cabinet Member for Corporate Support and Performance Management
 Amanda Beer – Director of Personnel & Development

To: Personnel Committee **Date:** 9 September 2010

Subject: Employee Engagement Strategy

Classification: Unrestricted

SUMMARY This report provides a brief overview of KCC's proposed Employee Engagement strategy, 'Motiv8' and the rationale for taking such an approach. In doing so, the aim is to transform employee engagement from a reactive to a proactive activity that significantly contributes to organisational development and performance improvement.

1. Introduction

- 1.1 In October 2008, David MacLeod and Nita Clarke were commissioned by the Department for Business (BIS) to take an in-depth look at employee engagement, and whether there was a link between higher levels of engagement and organizational performance. The resulting report, *Engaging for Success*, (2009) argues that wider delivery of employee engagement is critical to meet the future challenges of international competition and of providing public services with constrained resources, and that there is a link between this and performance. It proposes a national awareness campaign and across-the-board development of workplace employee engagement strategies.
- 1.2 KCC's 'Motiv8' Employee Engagement Strategy responds to this report and proposes a two-year strategy to help KCC achieve its change agenda, whilst maintaining high staff motivation levels and excellent results. This paper provides a brief outline of the KCC's strategy and highlights the main proposals contained within it. The full strategy is available at Appendix 1.

2. What is employee engagement?

- 2.1 For the purposes of this report and associated strategy, the following definition of employee engagement has been used:

“A positive attitude held by the employee towards the organisation and its values. An engaged employee is:

- Aware of business context; and

- Works with colleagues to improve performance within the job for the benefit of the organisation;
- 2.2 The organisation must work to develop and nurture engagement, which requires a two-way relationship between employer and employee,” (IES, 2007).

3. **Why have an engagement strategy?**

- 3.1 The research on employee engagement is conclusive. Organisations that have high engagement levels:

- Have employees that **perform 20% better**;
- Have employees that are **87% less likely to leave** than their disengaged colleagues (*Corporate Leadership Council, 2007*);
- Have a 53% better **understanding of customer needs** (*Measuring True Employee Engagement, Right Management, 2006*);
- Have employees that take **3.5 less sick days per year** (*Gallup, 2003*);
- Benefit from a **57% increase in discretionary effort** from staff (*Corporate Leadership, 2004*); and
- Benefit from **Improved levels of service delivery and customer service** (*Towers Perrin, 2007*).

- 3.2 There is also a **compelling argument for giving employee engagement even more emphasis at times of change**. In a series of case studies, The MacLeod Report (*Engaging for Success, 2009*) for example, highlights the critical nature of employee engagement in retaining productive, flexible and innovative staff who can respond to the challenges of the post-recession economy. The engagement principles that underpin change therefore form a vital component of KCC's employee engagement strategy. Ensuring that we have the understanding, involvement and commitment of our retained staff will be essential in maintaining our high levels of achievement.

4. **Approach**

- 4.1 KCC's 'Motiv8' employee engagement strategy recognises the multiple levels at which employee engagement needs to take place to maintain and improve organisational performance, i.e. pan-KCC, Directorate, Business Unit and team. It also reflects the personal nature of employee engagement (i.e. that drivers are different for different people) and the key role of line managers in delivering on personal engagement in a way which matches organisational objectives. Many of the elements of the strategy are already being delivered and the strategy intends to build upon this work, and offer an overarching structure and method of evaluation.
- 4.2 The strategy has been developed in conjunction with COG, members and KCC staff; and uses an analysis of the current engagement levels and 'hot issues' with the potential to disengage staff; to provide a basis from which to start activity. However, it is anticipated that it will become a working

document which will be continually updated in response to temperature checks and pulse survey results.

- 4.3 KCC's employee engagement strategy proposes a simple and practical model of engagement (see section 9.0 Appendix 1) which senior and line managers can adopt to maintain or improve engagement levels across KCC. It also contains detailed high level actions for KCC, together with a methodology to help Directorates, Business Units and teams deliver more local plans.

5. Outline of main proposals

- 5.1 A concerted approach to employee engagement produces significant business benefits such as improved organisational performance; staff retention levels and customer service. It is therefore clearly in KCC's interests to understand and adopt the optimal drivers of engagement for its staff; and develop concerted action around these.
- 5.2 The eight areas that have the most potential to 'motiv8ate' and engage staff across KCC are:
- i)Enhanced leadership capacity** - to provide a clear vision articulated through authentic leadership and leaders who connect with staff;
 - ii)Enhanced employee voice** - to enable employees' thoughts and suggestions to shape the future of KCC;
 - iii)Effective change management** - to provide leaders and line managers with the skills to successfully manage and support staff through change;
 - iv)Improved sense of community** - to facilitate a sense of belonging at all levels across KCC (i.e. Team, Business Unit and Directorate);
 - v)Communicating and tailoring the reward package** - to ensure that employees feel recognised and appreciated by colleagues and their line manager - and to optimise the role of financial reward in the challenging economic times ahead;
 - vi)Communicating our values** - to provide employees with a strong sense of purpose and a framework for behavioural standards;
 - vii)Attracting and retaining talent** - to ensure that KCC continues to attract and retain talent during challenging the times ahead; and
 - viii)Effective people management** - to ensure that managers are adopting best-practice employee engagement techniques to engage the workforce and elicit optimum performance levels.

These areas have been incorporated into KCC's employee engagement model (see section 8.0 Appendix 1) and specific actions have been proposed around each area (see section 10.0 Appendix 1).

- 5.3 As the main interface between the organisation and the employee, line managers have a key role to play in maintaining high levels of employee engagement and action planning should therefore take place at the **team level** as well as the organisational, Directorate and Business Unit level.
- 5.4 Adopting the key engagement drivers for change - strong visible leadership and direction; regular communications; a positive working environment and autonomy; involvement and achievement - will be fundamental to retaining staff, ensuring they are flexible enough to adapt to change and at their most productive, during the challenging times ahead. These have been integrated into KCC's model and high level action plan.
- 5.5 Measuring progress against key activity is a vital part of improving engagement levels and ensuring that action plans a fit for purpose; and a formal measurement process has therefore been identified (see section 9.0 Appendix 1).

6. Implementation and costs

- 6.1 An Employee Engagement User Group has been established as the key mechanism for delivering the strategy. Consisting of Directorate and Business Unit Reps. across KCC, it meets on a quarterly basis and aims to co-ordinate central and local delivery of employee engagement activities.
- 6.2 As the strategy aims to co-ordinate existing business unit activities and resources, there are no additional or specific costs associated with its delivery.
- 6.3 The next scheduled engagement survey is due to take place this Autumn, which will provide the opportunity to establish a benchmark against which subsequent can be measured.

7. Recommendations

- 7.1 Personnel Committee is asked to approve the proposed strategy and accompanying action plan - and agree to its implementation. In adopting this more strategic approach to Employee Engagement, it is anticipated that rather than being a one-off bi-annual process, employee engagement will become a continual focal point for the organisation, significantly contributing to organisational development and improvement.

Amanda Beer
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Ext 4136

**KCC Employee Engagement
Strategy - April 2010 to
March 2012**



**Alison Haywood
06/08/2010**

1.0 Introduction/What is employee engagement?

1.1 In October 2008, David MacLeod and Nita Clarke were commissioned by the Department for Business (BIS) to take an in-depth look at employee engagement. The MacLeod Report, *Engaging for Success*, (2009) argues that wider delivery of employee engagement is critical to meet the future challenges of international competition and of providing public services with constrained resources. It proposes a national awareness campaign and across-the-board development of workplace employee engagement strategies.

1.2 The Institute for Employment Studies (2007) defines employee engagement as "A positive attitude held by the employee towards the organisation and its values. An engaged employee is:

- Aware of business context; and
- Works with colleagues to improve performance within the job for the benefit of the organisation;

The organisation must work to develop and nurture engagement, which requires a two-way relationship between employer and employee."

1.3 This definition highlights an important but subtle point – that employee engagement is more than simply commitment or satisfaction. True employee engagement comes from a strong identification with the organisation, its corporate culture and organisational objectives.

2.0 Aims and objectives

2.1 The aims and objectives of this strategy are therefore to:

- Optimise employee engagement levels across the Council;
- Equip line managers and senior managers with the skills to successfully engage their workforce, particularly during times of change;
- Set out a consistent framework for delivering employee engagement across the Council; and
- Propose high level actions for distillation at a Directorate, Business Unit and Team level.

2.2 Its scope encompasses all KCC non-schools staff.

3.0 The business case for an employee engagement strategy at KCC

3.1 The research on employee engagement is conclusive. Organisations that have high engagement levels:

- Have employees that **perform 20% better** and are **87% less likely to leave** than their disengaged colleagues (*Corporate Leadership Council*, 2007);
- Have a 53% better understanding of customer needs (*Measuring True Employee Engagement, Right Management*, 2006);
- Take 3.5 less sick days per year (*Gallup*, 2003);
- Benefit from a 57% increase in discretionary effort from staff (*Corporate Leadership*, 2004); and
- Benefit from Improved **levels of service delivery and customer service** (*Towers Perrin*, 2007).

3.2 In addition, organisations that adopt employee engagement strategies also benefit from improved **employer brand, health & safety and employee well-being**.

3.3 Conversely, organisations that do not make a concerted effort around employee engagement can experience de-motivation and low morale amongst staff; loss of the best talent; resistance to change; poor customer service and low productivity. In these organisations, rumour and gossip become trusted sources of information and the result is a workforce that is unprepared for economic recovery.

3.4 If we accept that engagement produces significant business benefits, then it is clearly in KCC's interests to understand and adopt the optimal drivers of engagement for its staff.

3.5 Whilst employee engagement should be incorporated into business processes as a matter of routine and good practice, there is a **compelling argument for giving it even more emphasis at times of change**. As KCC goes through a prolonged period of budget cuts and downsizing in the forthcoming years, delivering on the key engagement drivers for change - strong visible leadership and direction; regular communications; a positive working environment and autonomy; involvement and achievement - will be fundamental to retaining staff, ensuring they are flexible enough to adapt to change and at their most productive. The engagement principles that underpin change will therefore form a vital component of this strategy.

3.6 Additionally, employee engagement techniques will undoubtedly be a major factor in helping KCC to achieve its vision for 2014.

4.0 How is KCC doing on employee engagement?

4.1 In the last staff survey run by ORC in June 2008, KCC's engagement score was 72% from a response rate of 40%. Although this score varies by up to 7% across Directorates, ORC's opinion is that this is an excellent score.

4.2 Particular strengths for KCC in the last staff survey were:

- Level of staff understanding around how their work contributes to the objectives of the team/service (89% positive);
- Levels of support from colleagues during stressful times at work (85%);
- The amount of discretionary effort from staff (85%); and
- Level of staff understanding around how their work contributes to the objectives of the organisation (82%).

4.3 Weakness however, were:

- Levels of support from the organisation during stressful times at work (25%);
- Senior Management awareness of issues faced by staff on a day-to-day basis (28%);
- Management of change across the organisation (29%);
- Level of staff resourcing (30%); and
- Openness and honesty of staff communications (34%).

4.4 Nevertheless in November 2008, KCC narrowly missed out on making the Times Top 100. As demonstrated in Appendix 1, this was largely due to employees' perceptions of leadership, senior managers and the organisation's values and principles; its pay and benefits package; and the perceived returns from the employment package (i.e. extent of a fair deal).

5.0 Key enablers of employee engagement

5.1 Nationally, research into the optimal conditions for employee engagement reveals that important enablers are:

- Meaningful work; strong employee voice; clear senior management communication style and vision; supportive work environment; person-job fit; and supportive line management style (*CIPD, 2010*);
- Having opportunities to feed your views upwards, feeling well-informed about what is happening in the organisation; believing that your manager is committed to your organisation and fair and just management processes (*CIPD, 2009*);
- Leadership that explains direction and vision of organisation; engaging managers that offer clarity and training, treating people as individuals and listening, encouraging and organising work; employee voice; saying "thank you"; strong organisational integrity with values reflected in behaviours; underpinned by culture of value and respect for individual (*MacLeod Report, 2009*);
- High quality line management with clearly defined objectives; fair performance evaluation and supporting professional development; career development; quality and variety of work; and freedom to make

decisions. NB. Team spirit and a good pension scheme were found to be hygiene factors (i.e. demotivators if they weren't there) although not inherently motivating (TNS, 2008);

- Meaningful work; opportunities to collaborate; fairness, autonomy; recognition; growth; connectedness with leaders; and connectedness with colleagues (*The Ken Blanchard Companies, 2007*); and
- Saying "thank you" which results in a 20% increase in engagement (*Tanner & Towers Perrin, 2009*).

5.2 Best Companies meanwhile measures employee engagement against the following indices which it has identified as key attributes of highly engaged organisations:

- **Leadership**

How employees feel about the head of the organisation, senior managers, and the organisation's values and principles

- **My Manager**

How employees feel about and communicate with their direct manager

- **Personal Growth**

What employees feel about training and their future prospects

- **Wellbeing**

How employees feel about stress, pressure at work, and work life balance

- **My Team**

Employees' feelings towards their immediate colleagues and how well they work together

- **Giving Something Back**

The extent to which employees feel their organisation has a positive impact on society

- **My Company**

The level of engagement employees have for their job and organisation

- **Fair Deal**

How happy employees are with their pay and benefits

5.3 These parameters highlight the need to address employee engagement at all levels, i.e. Organisational, Directorate, Business Unit and Team. They also focus attention on the personal nature of employee engagement and the need to find out individual employees' engagement drivers as part of any strategy.

5.4 Appendix 2 contains details of national research aimed at identifying the key disablers of employee engagement whilst Appendix 3 contains details of KCC 'hot topics' which have the potential to disengage employees.

6.0 What are other organisations doing?

6.1 Appendix 4 contains several employee engagement case studies that are pertinent to KCC. Elements of good practice contained within these case studies have been used to inform KCC's employee engagement strategy and associated action plan.

7.0 KCC's employee engagement model

7.1 In drawing up KCC's employee engagement model, the parameters identified in section 4 have been mapped against KCC strengths and weaknesses to determine priority areas for action:

i)Enhanced leadership capacity - to provide a clear vision articulated through authentic leadership and leaders who connect with staff;

ii)Enhanced employee voice - to enable employees' thoughts and suggestions to shape the future of KCC;

iii)Effective change management - to provide leaders and line managers with the skills to successfully manage and support staff through change;

iv)Improved sense of community - to facilitate a sense of belonging at all levels across KCC (i.e. Team, Business Unit and Directorate);

v)Communicating and tailoring the reward package - to ensure that employees feel recognised and appreciated by colleagues and their line manager - and to optimise the role of financial reward in the challenging economic times ahead;

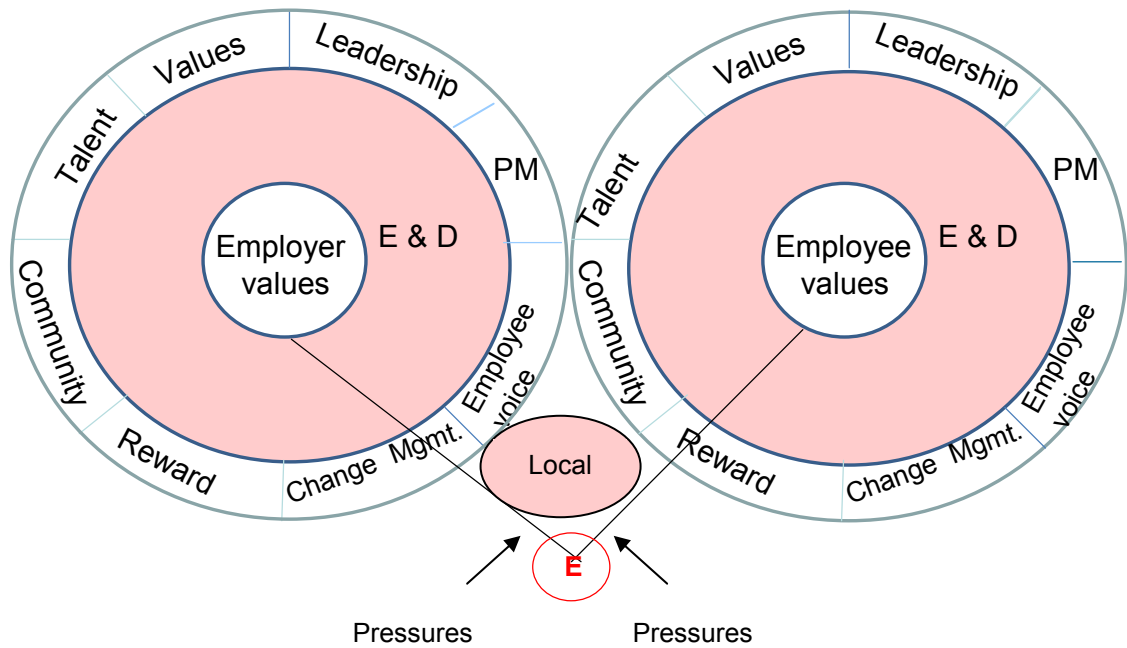
vi)Communicating our values - to provide employees with a strong sense of purpose and a framework for behavioural standards;

vii)Attracting and retaining talent - to ensure that KCC continues to attract and retain talent during the challenging times ahead; and

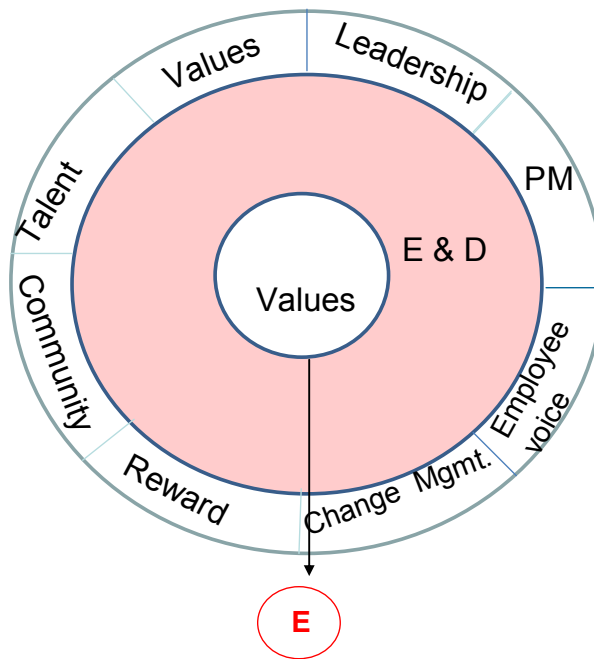
viii)Effective people management - to ensure that managers are adopting best-practice employee engagement techniques to engage the workforce and elicit optimum performance levels.

7.2 In addition, extensive focus groups and face to face interviews have been held with staff across all levels of KCC, to ensure that the right areas and actions have been identified.

7.3 KCC's model is based on a set of concentric circles for both the employer (on the left) and the employee (on the right). At the heart of these lie the employers' and employees' values together with their diversity characteristics - factors such as educational, cultural or religious background; sexual orientation, age, gender identity or nationality. In the outer circle, the eight motives (or key areas for action) of KCC's employee engagement strategy are listed which may be tailored according to local priorities or affected by current pressures:



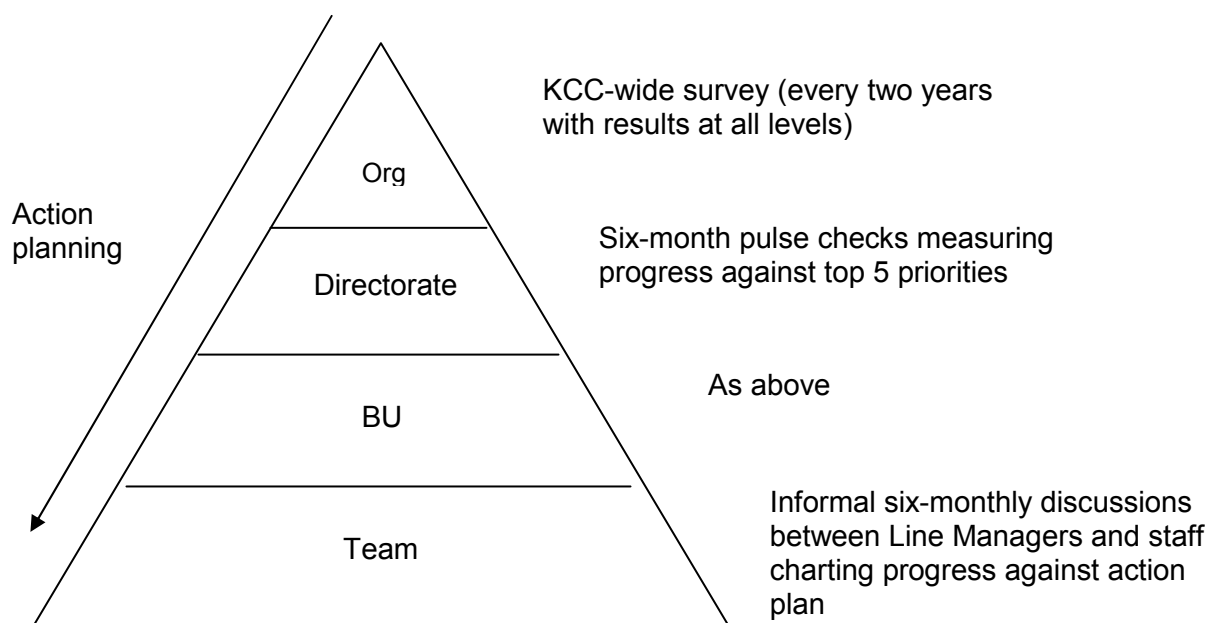
7.4 True employee engagement (denoted by the red 'E') occurs when there is a close meeting of employee and employer values; when the skills of a diverse workforce are used to their full potential; and when best practice engagement techniques are deployed to match organisational and individual priorities, i.e. when the two concentric circles merge:



7.5 This highlights the fundamental role of the line manager in creating an engaged workforce. The skill of the line manager lies in adopting best practice engagement techniques around the eight motives (see actions identified in section 10.0), in a way that is pertinent to both KCC and the individual employee. As an example, an employee that is relatively senior and long-serving may place job enrichment and improved work-life balance high on their list of priorities, whilst an employee at the beginning of his/her career may favour increased employee voice and extensive development.

8.0 Measuring engagement

8.1 The Employee Engagement measurement process to be adopted by KCC is summarised below:



8.2 On an organisational level, KCC will carry out a bi-annual employee engagement survey which will be sent to all staff, either electronically or in hard copy format (for those without IT access). Results will be distributed via Employee Engagement User Group representatives (see section 9.2) across KCC, to commence the action planning process. Spot 'temperature checks' around key change projects will also be achieved via mini surveys and opinion polls, with the aim of gauging staff and manager receptiveness towards these.

8.3 Once the survey results have been rolled out to Directorates and Business Units, a series of staff and line manager focus groups will be held at each level by Employee Engagement User Group representatives (see 9.2), to investigate the reasons behind the survey responses. These will form the basis of action plans at both levels, progress against which will be measured by six-monthly pulse checks or mini-surveys around key areas for action. Appendix 5 contains a sample action plan and pulse check survey which can be customised for use.

8.4 Finally, using the minimum sampling method possible (c. minimum of 10 responses), team results will be provided by Employee Engagement User Group representatives (see section 9.2). These will be used as a basis for informal dialogue between line managers and staff, to help improve employee engagement within each team. Each team will be required to have an action plan.

9.0 Communicating and delivering the strategy

9.1 The following groups are key stakeholders, critical to the delivery of KCC's employee engagement strategy:

- Senior leaders and Councillors - critical influencers and providers of the vision;
- Line managers - key gate holders for a positive employment relationship;
- Personnel & Development and Communications staff - the target audience for engagement and the providers of critical information about organisational improvement;
- Staff who are going through organisational change - who may be experiencing lower levels of engagement;
- Unions and staff groups – critical forums for employee voice, change management and line management practice; and
- Press – critical commentary on important employee issues.

9.2 These audiences have been identified in the action plan below and critical tasks have been allocated around them. In addition, specific communications around the strategy and associated staff survey will be tailored towards each of these audiences.

9.3 As a key delivery mechanism, an Employee Engagement User Group has been established. Consisting of Directorate and Business Unit representatives across KCC, its role is to deliver the strategy and measure progress via the staff survey, focus groups, action plans and pulse checks. This meets on a quarterly basis.

10.0 Action plan

10.1 The key actions that KCC will take to deliver its employee engagement strategy, are listed below:

Areas	Objectives	Timescale	Responsible
General: Employee Engagement			
Employee Engagement User Group	<ul style="list-style-type: none"> Create Employee Engagement User Group to deliver the strategy across KCC. Consider involving Building User-Group and Change Champions in wider delivery. 	By June '10	<ul style="list-style-type: none"> AH
Communication around plan and survey	<ul style="list-style-type: none"> Communicate key themes of plan and outcomes of survey to stakeholders via Intranet, and briefings 	Ongoing through 3 & 4Q '10	<ul style="list-style-type: none"> AH
KCC Employee Engagement methodology	<ul style="list-style-type: none"> All Directorates, Business Units and Teams to adopt methodology outlined in section 8 	By October '10	EE User group Reps.
Motive8 strand 1: Enhanced leadership capacity			
Develop culture of authentic leadership	<ul style="list-style-type: none"> Build session on authentic leadership into leadership forum sessions (KS12 +) 	3Q '10	<ul style="list-style-type: none"> HM
Improve visibility of leaders	<ul style="list-style-type: none"> Develop range of staff briefing opportunities for COG (at a KCC, Directorate and BU level) to be integrated into existing events 	Ongoing from 3Q '10	<ul style="list-style-type: none"> HS + Directorate comms. leads
	<ul style="list-style-type: none"> Introduce 'back to the floor' sessions for senior leaders 	1Q '11	<ul style="list-style-type: none"> HM & HS
	<ul style="list-style-type: none"> Enhance existing coaching and mentoring programme to introduce reverse mentoring for senior leaders 	1Q '11	<ul style="list-style-type: none"> SC
Develop leadership capacity to manage change	<ul style="list-style-type: none"> Improve leaders' capacity to manage change by building requirements into existing Future Leaders (KS10-12) and Leading Kent 2014 (KS13) programmes 	3Q '10	<ul style="list-style-type: none"> HM
Leadership model and behaviours	<ul style="list-style-type: none"> Formalise and embed KCC leadership model and behaviours into all HR practices, e.g. talent management, succession planning and PDPs Develop a consistent competency and behavioural framework to assist in recruitment of leaders 	3Q '10	<ul style="list-style-type: none"> HM
		3Q '11	<ul style="list-style-type: none"> Recruitment Manager
Leadership competencies	<ul style="list-style-type: none"> Build leadership competencies by establishing corporate budgets or ring fencing training spend for Future Leaders and Leading Kent 2014 programmes 	1Q '11	<ul style="list-style-type: none"> HM
Future and interim leaders	<ul style="list-style-type: none"> Succession plan for future and interim leaders through Established Leaders' Talent Pool. 	From 2Q '10	<ul style="list-style-type: none"> NF & HM
Motiv8 strand 2: Enhanced employee voice			
High quality communication	<ul style="list-style-type: none"> Carry out a health check and improvement plan for existing communication channels 	2Q '10	<ul style="list-style-type: none"> HS

Enhanced staff voice	<ul style="list-style-type: none"> Development of proposal for stand alone or joint staff forum (i.e. with unions) NB. Consider linking in with Building User-Groups and Change Champions 	1Q '11	<ul style="list-style-type: none"> AH & NL
Informing staff first	<ul style="list-style-type: none"> Commit to informing staff first about important decisions which affect them 	Ongoing	<ul style="list-style-type: none"> COG and Cabinet
Involving staff	<ul style="list-style-type: none"> Commit to involve staff in issues that affect them 	Ongoing	<ul style="list-style-type: none"> CIG & Cabinet
Line management capacity	<ul style="list-style-type: none"> Build line management capacity to enable informal feedback to be sought and acted upon 	1Q '11	<ul style="list-style-type: none"> P & D operational teams
Motiv8 strand 3: Effective change management			
Managing change well	<ul style="list-style-type: none"> Implement the Managing Change Well Framework and promote the 6 overarching principles through engagement activity by: <ul style="list-style-type: none"> -Improving organisational agility -Encouraging & enabling leadership behaviours -Developing staff personal & professional resilience -Developing Manager competence and confidence 	Ongoing from 1Q '10	<ul style="list-style-type: none"> EM
	<ul style="list-style-type: none"> Develop Internal change management expertise that can be flexibly used across KCC 	Ongoing from 1Q '10	<ul style="list-style-type: none"> EM
	<ul style="list-style-type: none"> Identify barriers to staff engagement during change through the change group and change champions 	Ongoing from 1Q '10	<ul style="list-style-type: none"> AH
	<ul style="list-style-type: none"> Develop effective communication mechanisms for geographically dispersed workforce, promoting consistency in change messages 	Ongoing from 1Q '10	<ul style="list-style-type: none"> HS
Achieving engagement in times of change	<ul style="list-style-type: none"> Build leadership and line manager understanding of tools to maintain engagement through presentations and briefings 	Ongoing through 3 & 4Q '10	<ul style="list-style-type: none"> AH
Motiv8 strand 4: Improved sense of community			
Team building	<ul style="list-style-type: none"> Identify and build cost-effective opportunities for team-building into KCC, Directorate, BU and Team engagement plans 	1Q - 4Q '11	<ul style="list-style-type: none"> AH & HS (KCC), KASS, CFE, CMY, EHW & CED Reps.; and all BU reps.
Improved team working	<ul style="list-style-type: none"> Emphasise benefits of joint problem solving and collaborative working within teams through line manager training programmes and employee engagement line manager pilot Make L&D motivation questionnaire more widely accessible 	3Q '10	<ul style="list-style-type: none"> HM & AH
Understanding of diverse needs	<p>Understand and respond to the diverse needs of staff through:</p> <ul style="list-style-type: none"> Improved diversity training uptake; and Incorporation of any issues identified by staff survey into Directorate, BU and team action plans 	Ongoing	<ul style="list-style-type: none"> All All
Physical working environment	<ul style="list-style-type: none"> Introduce strategies to maximise 'employee connectedness' as a result of the Workplace Transformation programme, including promotion of 'managing the flexible workforce' training programme 	Targeted by location according to WT plan	<ul style="list-style-type: none"> P & D Business Support

Partnership working	<ul style="list-style-type: none"> Strengthen links with partner agencies/organisations to improve sense of community 	Ongoing	<ul style="list-style-type: none"> All
Motiv8 strand 5: Communicating and tailoring the reward package			
Changes to Kent Scheme and Total Contribution Pay	<ul style="list-style-type: none"> Continue to embed changes to Kent Scheme and TCP, highlighting more equitable distribution and training managers to use the new system appropriately 	Q4 '10 & Q1 '11	<ul style="list-style-type: none"> CM & AH
Total Reward Statements	<ul style="list-style-type: none"> Pilot the use of Total Reward Statements at 1:1 following/on receipt of TCP outcome letter to communicate full value of financial and non-financial KCC benefits to staff 	Q1 '11	<ul style="list-style-type: none"> CM
Current benefits	<ul style="list-style-type: none"> Reconcile current benefits package to ensure it is fit for purpose for challenging times ahead 	Q3-4 '10	<ul style="list-style-type: none"> CM
Communication project	<ul style="list-style-type: none"> Deliver communication project around KCC's total reward strategy, emphasising non-financial benefits; targeting benefits closely to appropriate audience; and enabling employee to construct fit-fit for purpose benefits package. 	Q3 '10	<ul style="list-style-type: none"> AH
Employee recognition	<ul style="list-style-type: none"> Work with Directorate and BU reps. to promote a range of non-financial reward mechanisms (e.g. eCards) to recognise achievements of staff and maintain employee motivation in challenging times ahead. 	Q1 & 2 '11	<ul style="list-style-type: none"> CM
Motiv8 strand 6: Communicating our purpose (values)			
Clear vision and mission	<ul style="list-style-type: none"> Communicate revised vision from GMD derived from new four-year targets. Articulate via existing Directorate and BU events attended by new GMD 	1Q '11	<ul style="list-style-type: none"> HS + new GDB
Revisit current values	<ul style="list-style-type: none"> Revisit current values and assess whether they need to be revised or not 	1Q '11	<ul style="list-style-type: none"> HS, EM or AH
Communicate values	<ul style="list-style-type: none"> Deliver a communication programme centred around current/new KCC mission/vision/values 	2Q '11	<ul style="list-style-type: none"> HS, EM or AH
Strategy 4 Staff	<ul style="list-style-type: none"> Integrate messages into revised strategy 4 staff 	2Q '11	<ul style="list-style-type: none"> AH
Understanding what we stand for	<ul style="list-style-type: none"> Introduce 'service sampler' day, allowing staff to spend a day experiencing another service as part of their development NB. Flexibility to be provided for sessional/reduced hrs. staff 	From 1Q '11	<ul style="list-style-type: none"> P & D operational teams
Monitoring staff perceptions of conforming to new purpose	<ul style="list-style-type: none"> Monitor extent of transmission through HR impact measurement 	By 4Q '10	<ul style="list-style-type: none"> PR
Motiv8 strand 7: Attracting and retaining talent			
Recruit right first time	<ul style="list-style-type: none"> Develop a strategy to select staff based on newly established KCC values 	3Q '10	<ul style="list-style-type: none"> JT & NF
Organisational agility	<ul style="list-style-type: none"> Develop flexible approaches to deployment and re-deployment to retain talent whilst downsizing 	2Q '10	<ul style="list-style-type: none"> NF & NL
Talent Management	<ul style="list-style-type: none"> Continue to roll-out talent management programme across KCC providing clarity on use of pool (i.e. KCC or function wide) 	Ongoing	<ul style="list-style-type: none"> NF
Guidance for managers	<ul style="list-style-type: none"> Provide information and guidance to managers on each of the above 	From 2Q '10	<ul style="list-style-type: none"> NF & P & D operational teams
Diverse workforce	<ul style="list-style-type: none"> Include targeted measures to achieve a diverse workforce in all of the above 	Ongoing	<ul style="list-style-type: none"> NL
Motiv8 strand 8: Effective people management			
Line manager training	<ul style="list-style-type: none"> Establish corporate budget/ring fence budgets to enable a proportion of line managers to access Accredited Line Managers' programme. 	1Q '11	<ul style="list-style-type: none"> JP

Employee engagement training	<ul style="list-style-type: none"> Incorporate employee engagement training (i.e. around key principles of good job design; meaningful work; autonomy; recognition; fairness etc.) into line manager training programmes and pilot bite-size training programme on employee engagement for line managers 	3Q '10	<ul style="list-style-type: none"> AH & HM
People profile	<ul style="list-style-type: none"> Develop a consistent competency and behavioural framework to assist in recruitment of line managers 	3Q '11	<ul style="list-style-type: none"> Recruitment Manager
Performance management cycle	<ul style="list-style-type: none"> Improve consistency of performance management cycle (TCP process) and associated professional development through implementation of IT monitoring system and 360 degree appraisal 	3 & 4Q '11	<ul style="list-style-type: none"> CM
Coaching culture	<ul style="list-style-type: none"> Develop a 'manager as coach' culture to improve skills acquisition and motivation across KCC through ongoing advice and provision of training 	1-4Q '11	<ul style="list-style-type: none"> CI
Provide enhanced support to line managers	<ul style="list-style-type: none"> Support managers to manage more effectively through implementation of the Business Partner Model 	3-4Q '11	<ul style="list-style-type: none"> P & D operational teams
EE targets for line managers	<ul style="list-style-type: none"> Measure performance of line managers by employee engagement scores 	4Q '10	<ul style="list-style-type: none"> AH
Open line management culture	<ul style="list-style-type: none"> Develop an open line management culture where staff are encouraged to discuss positive and negative aspects of their roles through ongoing advice and training 	1-4Q '11	<ul style="list-style-type: none"> P & D operational teams & CI

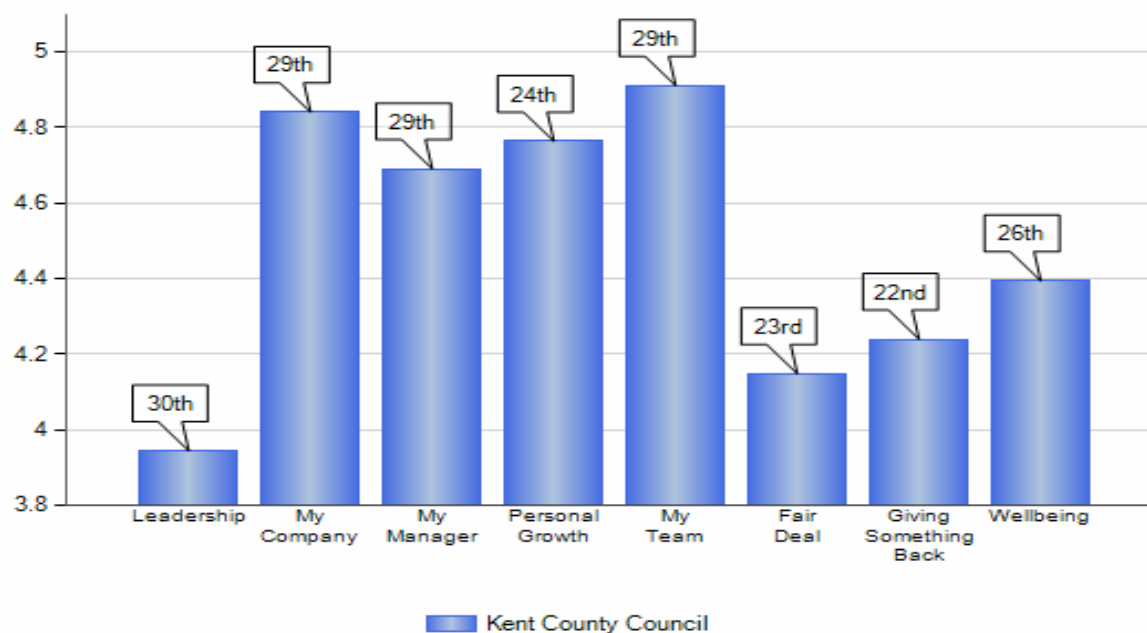
10.3 Progress against these actions will be tracked on a quarterly basis through KCC's Employee Engagement User Group.

11.0 Conclusion

11.1 In adopting this more strategic approach to Employee Engagement, it is anticipated that rather than being a one-off bi-annual process, employee engagement will become a continual focal point for the organisation, significantly contributing to organisational development and performance improvement.

Appendix 1: Best Companies Results, October 2008

Overall by Factor



Appendix 2: Employee Engagement 'Disablers'

2.1 The following areas have been identified nationally, as the major source of dissatisfaction responsible for employees leaving an organisation:

- Managers' approaches and behaviours; reactive decision making; inconsistent management style; lack of fluidity in communication and knowledge sharing; poor work-life balance; and low perception of senior management (*McLeod report, 2009*);
- Pay; and low job satisfaction (*CIPD Employee Engagement Survey Report, 2006*); and
- Bad supervisor relationship; dissatisfaction with working conditions; and lack of career development (*Taylor, 2002*).

Appendix 3: KCC hot topics with potential to disengage staff

Topic	Issue	Action	By when?	Owner
Potential staff reductions due to budget deficit	Uncertainty and lack of security may lead to staff looking for alternative employment; feelings of disengagement; and poor employee well-being.	Educate managers around how to support and motivate staff through times of change, ensuring the most motivated remain with KCC	Ongoing through change programme	EM & AH
	Perceptions that redeployment processes are not sophisticated enough to ensure true talent is kept within KCC.	Development of revised approach to redeployment	2 & 3Q '10	NL
	Perception that	Involve staff in	2 & 3Q '10	JC & AB

	<p>decisions are being made without staff and service-user involvement.</p> <p>Perceptions of poor future pay and benefits package leading to search for alternative employment</p>	<p>discussions re. cuts/re-structures at pre- and post-decision stage</p> <p>Where possible, achieve savings through fundamental service reform rather than targeting pay and benefits. Where pay and benefits cuts are made communicate extensively around the rationale for doing this and ensure that staff are involved in decisions that affect them.</p> <p>Also, stress competitive and non-financial aspects of retained reward package.</p>	<p>3Q '10</p> <p>4Q '10</p>	<p>COG</p> <p>AH/CM</p>
Workplace transformation	<p>Perception of enforced home working</p> <p>Potential isolation from increased flexible working</p>	<p>Involve teams in thinking about future solutions</p> <p>Provide training and ongoing support to managers on how to manage a flexible workforce + provide peer support to managers who are experiencing challenges in this area</p>	<p>3 & 4Q '10</p>	<p>TM</p>
Car parking	<p>Relative reduction in car parking spaces as buildings close, e.g. 17 Kingshill Avenue</p> <p>Perceived inequity over allocation of car parking spaces (non-business critical use)</p>	<p>Options such as charging for parking; sourcing additional parking; or improving travel alternatives exist and require high level buy-in</p> <p>Clarity provided in communications around programme</p>	<p>1Q '11</p> <p>1Q '11 (post re-org)</p>	<p>Resource Management Group</p>

Appendix 4: Employee Engagement Case Studies

1. Staff engagement rises at Marks and Spencer despite job losses

People Management magazine

Publication date: 1 September 2009

Communication key to boosting morale at work, says HR director

Claire Churchard



Levels of employee engagement have increased at Marks and Spencer despite recent job losses and store closures, *PM* has learnt.

HR director Tanith Dodge said the retailer's latest employee survey revealed higher scores in staff attitudes towards the company, their manager and their job. Almost three-quarters (72 per cent) of the scores were positive despite the announcement of 1,200 job losses, 27 store closures and the capping of the company pension scheme in January this year.

She added that the company was "very proud" of a 92 per cent response rate to its staff survey, called Your Say, which was conducted in May. Among the questions that recorded a higher score than last year were "Do you think that you will be working with M&S in 12 months' time?" and "Would you recommend M&S as a great place to work to your friends?"

Dodge, who joined M&S in March last year, said that keeping the firm's 78,000 employees informed about changes was critical to maintaining engagement during economic uncertainty. "I don't believe you can ever communicate too much," she said.

"Communication is important so staff can get behind the key messages and ensure they land properly in stores. It's about keeping people informed so they have a sense of belonging and an understanding of what is happening," she said.

Dodge has overseen an increase in the level of communication. This includes a rise in the frequency of store conferences from annually to quarterly, the introduction of regular conference calls to store managers and an increase in the number of all-staff briefings. Daily "huddles" among staff are also encouraged, while communication is boosted when trading results are announced or in the case of a big event.

Employees are also regularly invited to breakfasts hosted by directors, where there is no fixed agenda and they have the opportunity to ask questions. The outcomes of these meetings are then reviewed at executive committee level.

Having regular dialogue with a large employee representative group was also critical to staff engagement and members conducted pulse surveys to find out how employees were, Dodge said. Other communications initiatives included "listening groups" and a series of employee focus groups.

Dodge said the way in which messages were delivered to staff was also important. When M&S changed its final-salary pension scheme by capping the amount that an individual pension would increase by, Dodge and other

senior leaders took the message to staff directly. “I visited many stores to explain, as did our operations director and Stuart [Rose, chief executive],” she said. “It is really important that employees understand not just what we are doing, but why we are doing it.”

2. The BEST programme: improving employee engagement in Birmingham City Council

Summary

Change for any organisation can be hard. The frontline workforce can often feel left out. Birmingham City Council has placed its staff at the heart of the process, boosting their motivation in the process. Birmingham has set up a network of groups that are helping shape the future.

Key learnings for other councils

- Train frontline staff, rather than managers, as the leaders of workshop groups – this allows others to develop their skills and brings a different dynamic to the programme.
- Communication is essential – Birmingham has used email, newsletters and an intranet page, and programme leaders are given one-to-one support.
- The support of senior leadership is critical to the success of the programme.
- Allow people to innovate – people have the ideas and need the freedom and flexibility to make it happen.
- Keep an open mind – your staff know your customers best.

Background to the council

Birmingham City Council is a large local authority with a workforce of 55,000 serving one million residents.

The council is in the middle of a £450 million transformation plan. It aims to revamp its back office activities, including IT, finance and procurement. But in 2006, at the start of the project, the council was facing some serious challenges. It had been struggling to improve its two-star comprehensive performance assessment (CPA) rating. It became clear that the basic problem was that staff did not feel engaged with the organisation. Surveys showed that only around half of staff felt motivated, while confidence in management was even lower.

The problem and how we tackled it

Senior managers, led by the then newly-appointed Chief Executive Stephen Hughes, set out to find a way of empowering the workforce. To this end they sought the help of the organisational development consultancy Stanton Marris.

Birmingham designed a workshop programme around four values:

- **Belief**
- **Excellence**
- **Success**
- **Trust**

or BEST, as it became known.

The council set up a network of 1,800 BEST leaders, selected from each council team. They were trained to run group workshops. Each group was then asked to come up with three or four actions for improvements around customer service, partnerships or team working.

Workshops are held each year, although BEST items can also be raised at weekly team meetings.

In the first year alone, more than 6,000 service improvement actions were suggested. These included everything from ensuring people say “good morning” to re-working the way services are delivered.

As the programme has evolved, Birmingham made money available to help groups implement their initiatives. Following a summit of hundreds of BEST leaders in September 2007, the council found that many ideas were struggling to get off the ground for lack of funding. Birmingham therefore established a monthly 'Dragon's Den' event, allowing BEST leaders and their teams to present a business case for up to £1,000.

The funding has led to a series of measures covering everything from office renovations to staff award schemes. The mobile library service was one of the recent teams to benefit after being given funding to produce over 1,000 commemorative silver anniversary reusable canvas bags to hand out to customers.

Meanwhile, the behavioural and support services team is developing an outside classroom after being granted £1,000.

More than 30,000 staff have been involved in the BEST workshops so far and feedback suggests they are having a major impact. The latest survey shows that staff motivation has increased from 56 to 86 per cent, while confidence in management has gone up from 29 to 68 per cent.

Hughes is delighted with the results:

"So often change causes anxiety and resistance because staff aren't part of the process and feel powerless. We wanted them to feel this was their change and be able to personally commit to plans which they had decided upon together. I am immensely proud of the BEST programme and specifically the passion, energy and commitment that our staff have shown to making it a success. We should not underestimate the power of us all working together as one organisation."

Who was involved and resources

BEST is overseen by Raffaella Goodby, the council's Employee Engagement Manager. The programme is supported by five BEST programme managers – one from each directorate – plus one communications manager.

The team reports to Jason Lowther, the Strategic Director for Policy and Delivery, as well as the Chief Executive and Councillor Alan Rudge, the Cabinet Member for HR and Equalities.

Goodby believes the programme represents excellent value for money, costing less than £40 for each employee taking part in a workshop. What is more, the staff surveys indicate that £17 million has been saved through improved productivity. This is based on estimates by experts that re-engaged employees are worth about £2,000 each in increased outputs and productivity.

What we could have done better and next steps

Some BEST groups have found that managers have blocked ideas emerging from workshops. The council seeks to address this in 2009. According to Goodby:

"We need BEST leaders and managers to interact and understand each other more. We will probably hold a series of networking events with the aim of getting managers understanding and appreciating the values of BEST more."

Overall, Goodby is delighted with the progress made in the first two years:

"We have come a long way and that is a testament to the enthusiasm of everyone involved. We will carry on with the workshops next year and hopefully get lots more good ideas to improve the council."

The success has even led to demands for Birmingham to share its experiences with other councils. BEST officials have spoken at a national event organised by the IDeA and are due to give a presentation at the Chartered Institute of Personnel and Development employee engagement conference in 2009.

Contact

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Appendix 5: Sample Action Plan

Name of Directorate (KASS, CFE, CED), Business Unit (Personnel & Development, Finance) or Team :				
Action plan owner:			Date:	
Date of last review (if applicable):				
Area of strategy	Action	Outcome	By when?	Owner
Enhanced leadership capacity				
Enhanced employee voice				
Effective change management				
Communicating and tailoring the reward package				
Improved sense of community				
Communicating our values				
Attracting and retaining talent				
Effective people management				

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Item No:

By: Roger Gough – Cabinet Member for Corporate Support and Performance Management
Amanda Beer – Director of Personnel & Development

To: Personnel Committee **Date:** 9 September 2010

Subject: Update on Changes to Kent Scheme & Revised Performance Appraisal Process & Categories

Classification: Unrestricted

SUMMARY From 1 April 2010 all Kent Scheme Staff were transferred to new Pay ranges and a revised performance appraisal scheme was introduced. This report gives an update on the project including staff communication, trade union consultation, manager training and associated system changes

1. Introduction

1.1 In January this Committee endorsed changes to the Kent Scheme Pay structure and the staff performance appraisal process which affects staff in 12,400 posts. This paper provides Members with an update on progress of these changes.

2. Outline of Main Changes

- Deletion of the old minimum grade (Previously Kent Scheme 1)
 - Replacement of Kent Scheme incremental grades KS2-15 with new Pay Ranges KR 2-15
 - Four new assessment levels designed to more effectively differentiate and reward staff based on levels of individual of contribution
 - Progression through the new pay ranges will be determined by the outcome of the Total Contribution Pay (TCP) assessment, based on the percentage increase for each assessment rating for that year
 - Staff at the top of their pay grade will have the opportunity to receive a one-off payment that is consistent with the increases paid to staff not yet at the top of the grade
 - The first assessments under the new Scheme will take place between December 2010 and January 2011 with staff pay being adjusted in line with their assessment rating in April 2011.
- 2.1 All the changes have been supported by robust project management processes and overseen by an Executive Group of Senior P&D and Finance staff. The timeline of activity is shown at Appendix A.

3. Changes to Contracts and the Terms & Conditions Document (Blue Book)

- 3.1 The change to the new pay structure was confirmed to staff in individuals' April 2010 TCP outcome letters. The confirmation followed consultation about the new structure and its purpose during the preceding four months. All those entering KCC employment during the consultation period were notified of the potential change in offer letters and contracts and will have moved with existing staff to the new structure with effect from 1 April.
- 3.2 The Blue Book, Kent Scheme terms and conditions of employment document, was adjusted to reflect the change to the pay structure in all the relevant areas and has been published on KNet. An alternative version of the Blue Book is still running currently for staff directly employed by schools and therefore not included in the pay structure change. The decision to maintain a sister document was generated by the anticipated transfer of schools staff to a national body.

4. Staff Communication

- 4.1 A two-year rolling communications programme is being delivered, spanning the consultation and implementation phase of the project. Given the complex nature of the subject, this uses face to face communication as a basis, supported by written documentation and the ability for two-way communication.
- 4.2 To date, phase 1 has been completed with phase 2 due to commence in November 2010, in the run-up to the next round of appraisals.
- 4.3 Phase 1 activities have included:
- Face to face presentation for all office-based staff and discussion supported by leaflet for staff working in the community;
 - Email box for staff;
 - Frequently Asked Questions facility on KNet;
 - Members' briefing;
 - Team brief; and
 - First Magazine articles.
- 4.4 As the first Authority to embark upon such a reward system, the project has also generated some press coverage.
- 4.5 The main activities planned for phase 2 are:
- Revision and distribution of TCP guidance;
 - Email reminder from Group Managing Director;
 - Line manager briefings to teams; and

- Supporting articles in online KCC magazines/ on KNet.

4.6 So far, manager support for the project has been extremely positive and staff understanding of the rationale behind the changes is sound. Wave 2 communications will be focussed on clarifying the total contribution ratings allocation process.

5. Trade Union Consultation

5.1 Consultation about the pay structure changes with trade unions commenced in December 09 and will continue throughout 2010/11. Unions have seen and commented on all relevant documents, including the customer impact assessment and have had access to additional information as requested. The majority of the contribution from trade unions has been from UNISON, which remains fundamentally opposed to the changes. The position of GMB and Unite the Union is less clear. UNISON has sought and received initial legal advice both on the equalities implications of the changes to the pay structure and assessment process, and the approach taken to communicate the change to the pay structure to staff which it regards as inadequate. The on-going dialogue with unions indicates their view is unchanged although representatives remain co-operative in terms of the consultation process.

6. System Changes

6.1 To support the new grade structure on the Oracle HR/Payroll system it was necessary to make major changes to the set-up and amend all the formula calculation on all Kent Scheme payroll elements. This was fully tested to make sure staff would be paid correctly. Contracts of employment, which are automatically produced by the system, were also updated.

6.2 Following updates to Kent Scheme salaries in April 2010 under the old Total Contribution pay arrangements (for the financial year 2009/10) a program written to transfer the staff across the to the new pay structure. The process worked very successfully with only a few manual adjustments having to be made.

6.3 The final phase of system changes, relates to updating the Self Service module used by managers to record the assessment of staff within their teams. Associated with this module is detailed reporting for moderation and costing purposes and a program which applies the appropriate up-rating of staff salaries based on the assessment level. The requirement has been fully specified and the functionality is being developed by the Oracle Technical Team in ISG.

7. Manager Training

7.1 In order to ensure that managers fully understand the change in the Kent Scheme pay structure and appraisal process, a series of manager briefings

have been organised around the County. These sessions are fronted by senior managers from all Directorates and representatives from the P&D Reward and Business Support Teams. Content includes an overview of all the changes and an exercise in the differentiation of staff performance against the new assessment categories. The Chief Officer Group decided that attendance for managers was mandatory. To date 18 sessions have been held at 9 locations across the County. 556 managers have so far been trained and feedback has been very positive.

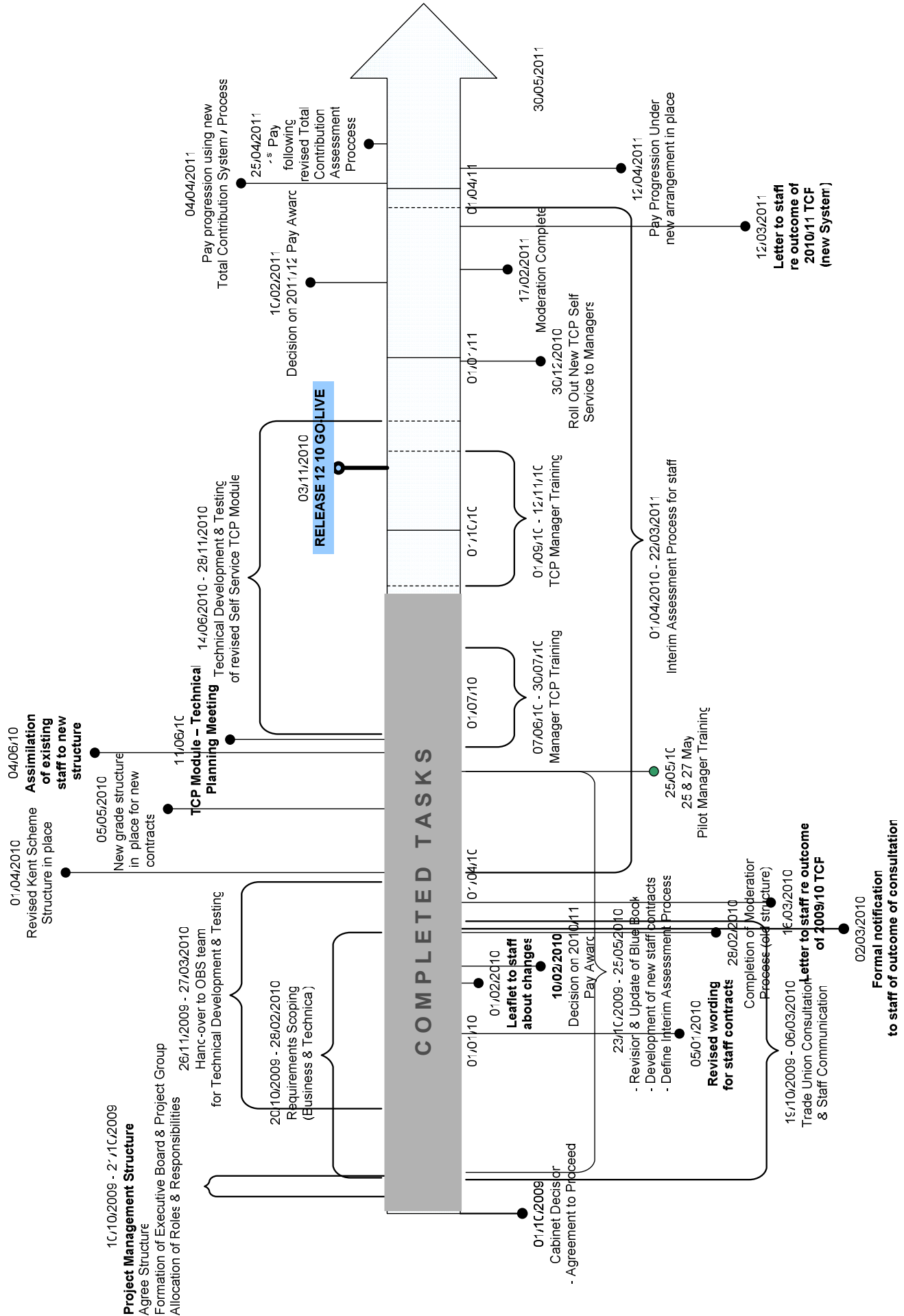
7.2 A further 20 sessions have been arranged and a broadcast and dvd of the briefing is planned.

8. Recommendations

8.1 The Committee is asked to note the progress made on the implementation of the revised Kent Scheme reward structure and the communication, training and support given to managers and staff to support this change.

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Timeline - Changes to Kent Scheme and Revised Appraisal Process



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