

PERSONNEL COMMITTEE

Thursday, 28th November, 2013

10.30 am

**Wantsum Room, Sessions House, County Hall,
Maidstone**





AGENDA

PERSONNEL COMMITTEE

Thursday, 28th November, 2013, at 10.30 am
Wantsum Room, Sessions House, County Hall, Maidstone

Ask for: **Denise Fitch**
Telephone **01622 694269**

Tea/Coffee will be available 15 minutes before the start of the meeting

Membership (9)

Conservative (5): Mr P B Carter (Chairman), Mr G Cooke (Vice-Chairman),
Mr J D Simmonds, Mrs P A V Stockell and Mr B J Sweetland

UKIP (2) Mr N J Bond and Mr M Heale

Labour (1) Ms A Harrison

Liberal Democrat (1): Mrs T Dean

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 meeting held on 10 September 2013 (Pages 5 - 10)
4. Pay Policy for centrally employed teachers (Pages 11 - 14)
5. The Living Wage (Pages 15 - 24)
6. Disciplinary & Grievance Activity (Pages 25 - 48)
7. Annual Workforce Profile (Pages 49 - 62)

8. Kent Manager - Presentation
9. Facing the Challenge (Pages 63 - 66)
10. Dates of meetings in 2014

Would you please note that meetings of this Committee will be held on the following dates in 2014:

Wednesday 29 January 2014

Wednesday 4 June 2014

Tuesday 9 September 2014

Thursday 27 November 2014

All meetings will start at 2.00pm.

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
(01622) 694002

Wednesday, 20 November 2013

KENT COUNTY COUNCIL

PERSONNEL COMMITTEE

MINUTES of a meeting of the Personnel Committee held in the Wantsum Room, Sessions House, County Hall, Maidstone on Tuesday, 10 September 2013.

PRESENT: Mr P B Carter (Chairman), Mr G Cooke (Vice-Chairman), Mr N J Bond, Mrs T Dean, Ms A Harrison, Mr M Heale, Mr J D Simmonds, Mrs P A V Stockell and Mr B J Sweetland.

ALSO PRESENT: Mr M E Whybrow.

IN ATTENDANCE: Mr I Allwright (Employment Policy Manager), Mrs A Beer (Corporate Director of Human Resources), Ms S Dunn (Head of Skills and Employability), Mr P Royel (Head of Employment Strategy), Mr N Fairburn (Workforce Development Manager) and Mr J Pope (Professional Adviser - Organisation Effectiveness).

UNRESTRICTED ITEMS**12. Minutes of the meeting held on 6 June 2013**

(Item 3)

RESOLVED that the minutes of the meeting held on 6 June 2013 are correctly recorded and that they be signed by the Chairman.

13. The Living Wage

(Item 4)

(1) Mrs Beer and Mr Royel submitted a report which set out details of the National Living Wage, its compatibility with Kent County Council pay arrangements and its potential impact on the authority.

(2) Members discussed the report and a number of points were made including the following:

- As there were 86 councils in England and Wales who had either declared themselves a living wage authority or were committed to paying at this level, Members asked for more detail about how the living wage worked for these authorities. It was pointed out that only 2 of the 86 councils were County Council and these were much smaller than Kent.
- Members asked for more details about the implications of introducing the living wage in relation to KCC's engagement with contractors.
- Mrs Beer confirmed that the County Council did not have a problem recruiting at KR2. A question was asked about the implication of removing the KR2 differential, Mr Royel clarified that due to the numbers of staff on KR3, the impact would be significant.

- It was pointed out that introducing the Living Wage would have an impact on KCC school staff and that this needed to be fully assessed and the views of schools sought.
- It was stated that the impact of the pension contributions made by the employers on top of salary should also be taken into account. The Living Wage should be compared to the whole benefits package offered to KCC staff.

(3) Mr Whybrow was invited to speak on this item. He spoke in support of the Living Wage and expressed the view that if 86 Councils in England and Wales had the Living Wage then it should not be insurmountable for Kent to introduce it. Kent was an expensive part of the country to live in and whilst KCC was fair to its employees the current minimum KCC salary of £14,317 seemed low. He asked for further analysis to be carried out into the implications for Kent taking into account how other authorities had introduced the Living Wage and he was keen to see this progressed.

(4) RESOLVED that the comments made by Members be noted and a full report be submitted to a meeting of the Personnel Committee within six months, which would include a full analysis of the implications for KCC of introducing the Living Wage, including the points raised by Members.

14. Apprenticeship Programme

(Item 5)

(1) Ms Dunn and Mr Fairburn introduced a report on the joint strategy which was designed to deliver a step change in apprenticeships in the County Council. This had been a joint piece of work between the Human Resources and Employment and Skills Divisions. The report set out the vision, including more apprentices in higher level apprenticeships and how this would be delivered commencing with a pilot with business units.

(2) The Chairman suggested that information such as the number of apprentices and their age profile should be added to the Performance Dashboard.

(3) Members drew attention to the successful apprenticeships in areas such as Highways and Transportation. It was also emphasised that apprenticeships should be of a good quality and equipped the apprentice to enter employment.

(4) Members discussed the need to select the best people to become apprentices in the County Council but this needed to be balanced with giving support to enable vulnerable young people to also become apprentices. Mrs Dean requested data on apprentices to ensure that there were opportunities available for young people from vulnerable groups. Ms Dunn referred to the Assisted Apprenticeship programme which worked with the Youth Offending Service and Trouble Families programme. She offered to provide Members with a paper on this programme.

(5) In response to a question regarding the proposal to hold vacancies against apprenticeship and ensuring that this would not disadvantage existing staff, Mr Fairburn explained that in relation to vacancies at K2 to K4 existing staff were considered first if they had the skills and then apprentices would be considered. Mr

Fairburn indicated that there had not been significant numbers of existing staff appointed to vacancies in these grades.

(6) RESOLVED that the approach outlined in the report which will be piloted in County Council business units be noted and that an update report be submitted to the Committee in a years time.

15. Employment Value Proposition & Employee Engagement

(Item 6)

(1) Mr Allwright introduced a report which set out the findings of the 2013 Employment Value Proposition (EVP) staff survey and outlined interventions to enhance levels of employee engagement.

(2) Mrs Beer confirmed that the emphasis was on managers taking responsibility for their teams and the staff within them.

(3) Members highlighted the importance of managers being leaders and maintaining staff moral in challenging times.

(4) RESOLVED that the Employment Value Proposition survey results and the activities being undertaken to improve levels of employee engagement be noted.

16. Staff Awards

(Item 7)

(1) Mr Pope introduced a report which informed the Committee how staff awards were recognising the contribution made by staff to support and deliver services. He gave a presentation on the "Because of You" staff award scheme, explaining the basis of the scheme and the process, and he confirmed that managers were encouraged to be innovative in the way in which they applied the scheme and celebrated successes in their areas.

(2) The Chairman welcomed Susan Baron from the Margate Adult Education team, Hayley Bradbury, Procurement Officer and Emma Ginley, Business Support Assistant, who had all been recognised with "Because of You" awards. They explained how they had heard that they had won their award and what it had meant to them. One of the things that they valued most about receiving their awards was knowing that the people that they worked with appreciated the contribution that they made. The Committee congratulated Susan, Hayley and Emma on their awards and thanked them for the contribution that they have made to the work of the County Council.

(3) RESOLVED that the success of the Staff Awards initiative and the importance of recognising staff to ensure the County Council has an engaged and motivated workforce that is able to Face the Challenge be noted.

17. Transformation Programme - Presentation

(Item 8)

(1) The Chairman gave a presentation on the personnel implications of the whole Council transformation plan ahead of the paper on the whole Council transformation plan, phase 1.

(2) The Chairman set out the scale of the challenge facing the County Council which was the need to achieve a £240m reduction in budget. The pace of change was crucial in order to be able to set the budget in 2015/16 innovative and creative solutions were needed now. Communication with staff would be key as would the capacity of the organisation to deliver change. It was also important to have fit for purpose governance arrangements. There would be an Informal Member Group on Transformation which would meet regularly to keep all Groups engaged with the process.

(2) The Chairman and Mrs Beer responded to comments and questions and the following points were highlighted:-

- The importance of communication with Members as well as staff was emphasised, this should be explained in a clear, jargon free way so that no one was under any illusion about the scale of the challenge facing the County Council.
- Mrs Beer explained that a series of 6 sessions had been held and 460 managers invited to attend, these had been used to start an early conversation about what "Facing the Challenge" needed to achieve. Feedback from these sessions would include in the paper being considered at County Council on 19 September 2013.
- In relation to the integration of services, staff would be mapped and moved across to the new service groups with the minimum of disruption and prior to the redesign of the services on offer. Training and support will be given, to staff involved in restructuring and there would be less HR process than in the past to enable a more flexible and agile outcome.
- Mrs Beer emphasised that there was no predetermination of the outcomes of market engagement and reviews. If staff wanted to be part of a social enterprise they should feed that into the review and get involved. Staff ideas throughout this process were welcomed.
- It was important for members to receive adequate training and development to enable them to carry out their roles and to support the transformation programme.

(3) RESOLVED that the presentation and comments made be noted.

18. Pay Policy Statement for 2013/14

(Item 9)

(1) Mr Royel introduced a report which proposed an updated Pay Policy Statement for 2013/14 with appropriate consideration of supplementary guidance from Government. In response to questions from Members officers clarified the process

for agreeing severance payments which had been delegated to the Personnel Committee.

(2) RESOLVED that:

- (a) the pay statement for 2013/14 based upon last year's statement as attached in Appendix 1 to the report be endorsed and recommended to County Council for approval; and
- (b) it be noted that compliance with the principles of transparency of senior salaries and severance packages are discharged via the Council's agreement to the senior structure and pay ranges and the compromise protocol as outlined in the report.

19. Policy Update

(Item 10)

(1) Mr Allwright presented a report on updates to the Whistleblowing and Deferred Redundancies policies and answered questions from Members.

(2) In relation to the Deferred Redundancies policies, the Committee discussed whether a maximum of 18 months for a deferring redundancy should be reduced.

(2) RESOLVED that:

- (a) the revised Whistleblowing Policy, as set out in Appendix 1 to the report be noted.
- (b) the Deferred Redundancy Policy, as set out in Appendix 2 be approved subject to (a) being amended to state that redundancies would not be deferred for longer than 6 months, but that in exceptional circumstances this could be extended for a further 6 months with the approval of the relevant Corporate Director in consultation with the Cabinet Member and the Corporate Director Human Resources.

20. EXEMPT ITEM

RESOLVED that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 1 of part 1 of Schedule 12A of the Act.

21. Interim Director of Waste

(Item 11)

(1) Mrs Beer introduced a report on the current arrangements for the post of Director of Waste Management and Resources, and sought approval from Personnel Committee to extend the current acting appointment beyond 6 months.

(2) RESOLVED that the current acting appointment for the post of Director of Waste Management and Resources be approved until the end of March 2014.

By: Gary Cooke – Cabinet Member for Corporate & Democratic Services
Amanda Beer – Corporate Director Human Resources

To: Personnel Committee

Date: 28 November 2013

Subject: **Pay Policy for centrally employed teachers**

Classification: Unrestricted

Summary: To consider the new provisions in the School Teachers' Pay and Conditions Document 2013 and how these should be applied to centrally employed teachers within KCC.

1. **Background**

- 1.1 All Teachers employed by Local Authorities (LA) and LA maintained schools in England and Wales are required to be paid in accordance with the School Teachers' Pay and Conditions Document (STPCD). This document is amended annually and is given legal effect through the School Teachers' Pay and Conditions Order which is laid before parliament during August. The School Teachers' Pay and Conditions Order 2013 received parliamentary approval on 8 August 2013 which provides for the STPCD 2013 to come into effect from 1 September 2013.
- 1.2 One of the requirements set out in the STPCD is for each relevant body to publish a pay policy for their teachers to set out how the STPCD will be implemented in their school or Local Authority. Following publication of the STPCD 2013, KCC maintained schools and Pupil Referral Units (PRUs) are to be provided with a model policy to use as the basis for their pay policies which will require approval by their Governing Bodies or management committees during the autumn term. As the relevant body for centrally employed teachers, KCC is required to have its own Pay Policy.
- 1.3 This year, there are some significant changes in the STPCD which include flexibility on teacher starting salaries and pay progression. Kent County Council, as the Relevant Body has consulted locally on how it intends to apply these provisions and set this out within its pay policies. For centrally employed teachers, consultation has taken place with, ELS DMT and SCS Divisional Management Team on the recommendations to be made to Personnel Committee. Teacher trade unions have also been involved as part of the consultation process.

2. **New STPCD Provisions**

- 2.1 A summary of the main changes introduced by the STPCD 2013 are:
 - a) Removing pay progression based on length of service and linking all pay progression to performance
 - b) Giving schools and Local Authorities the option of increasing individual teachers' pay at different rates based on their performance

- c) Replacing the current threshold test for progression from the main to the upper pay range with new simpler criteria
- d) Discontinuing the current Advanced Skills Teacher (AST) and Excellent Teacher (ET) designations and creating a new pay range for leading practitioners whose primary purpose is to model and lead the improvement of teaching skills
- e) Giving schools and Local Authorities more freedom to determine starting salaries of teachers new to a school or LA.
- f) Removing any obligation on a school or LA when recruiting to match a teacher's existing salary.

2.2 The changes that require Personnel Committee decision are on the pay arrangements to be applied to future pay progression for teachers. The September 2013 salary determination was in accordance with the previous arrangements as set out in the 2012 STPCD but with pay scales having been uplifted by a 1% increase. For any future progression from 2014, relevant bodies have to decide what increases will be applicable to their teachers as, other than for reference purposes, all incremental pay points have been removed from the 2013 document leaving only minimum and maximum pay values for teachers on the following:

- a) Main pay scale
- b) Upper pay scale
- c) Leading practitioners pay scale
- d) Unqualified teachers

3. Future pay arrangements for centrally employed teachers

3.1 KCC has a range of options for determining the pay arrangements to be applied to teachers. These include:

- a) Retain the pay point structure on which teachers have previously been appointed, awarding 0, 1 or 2 points according to performance.
- b) Introduce half points between the current pay point values providing a longer range for differentiation between teachers' performance
- c) Shorten the pay scale and/or have fewer pay points
- d) Have only a minimum and maximum pay range value with progression based on an amount linked to performance. This is consistent with Kent Scheme provisions and is the recommended option.

3.2 Salaries for new starters to KCC could be determined by:

- a) Matching the salary offered to the value the teacher is currently being paid (or, if KCC has a pay point structure for teachers that differs to the new starter's current pay structure, to the next point above that value)
- b) The appointing manager decides before advertising, within the minimum and maximum ranges already set, the salary applicable to the post based on the requirements of that particular teaching role.
- c) Or, as with Kent Scheme, the minimum of the scale is offered unless there is a business case to offer a higher value which may include consideration of a teacher's current salary. This is the recommended option.

4. KCC Teacher Pay Policy

- 4.1 There is an expectation to have one pay policy to cover all teachers employed centrally by KCC. Due to the fact that teachers within Specialist Teaching & Learning Service (STLS) are devolved to Special Schools, we need to reflect the unique circumstances; as the relevant body, KCC is the employer and is responsible for decisions. However, the Kent Association of Special School (KASS) Headteachers are making day to day decisions on recruitment and pay then notifying salary changes direct to the HR Business Centre. It is therefore proposed that, whilst the same provisions will apply to both sets of teachers, there is one policy for STLS staff and another for all other KCC centrally employed teachers across both ELS and FSC, where KCC is the employer and the teachers are managed by KCC managers. There is an overt requirement to state the Constitution of the Pay Committee which means that two policies are required.
- 4.2 Consultation has been carried out on the draft pay policy on the basis that 3.1(d) and 3.2 (c) is proposed to be adopted.
- 4.3 A Pay Policy Statement has been devised taking into account the current Kent Scheme Pay Policy Statement and is shown in Appendix 1. The proposed policies for Specialist Teaching and Learning Services and Centrally Managed Teachers are not attached but are available on request.

5. Recommendations

- 5.1 Apply the discretions available in the STPC Document 2013 by:
- 5.1.1 Having only minimum and maximum pay range values with progression based on an amount linked to performance (ie, 3.1.d)
- 5.1.2 Offering the minimum of the scale to new starters unless there is a business case to offer a higher value which may include consideration of a teacher's current salary, (ie 3.2.c)
- 5.1.3 The levels of performance will match the TCP levels awarded to Kent Scheme Staff (i.e. Outstanding; Achieved; Achieving Above Required Standard; Performance Improvement Required) and the percentage pay progression assigned to each rating will be the same as determined by elected Members for those staff employed on Kent Scheme (Blue Book) Terms and Conditions. Any general increase awarded to Kent Scheme staff will not be included for teachers and any national increase for teachers will instead be applied.
- 5.1.4 All allowances will remain in line with the current policy.
- 5.1.5 There is currently no provision for adopting the newly created Leading Practitioner position within the staffing structure for the services however KCC will keep this under review and will determine and communicate the role requirement, salary range and criteria for performance pay progression should it be deemed necessary to recruit to the post.
- 5.2 Personnel Committee endorse the implementation of the statement (Appendix 1) and pay policies and statement as summarised above.

Colin Miller
Reward Manager
Ext 6056

Appendix 1.

Kent County Council Pay Policy Statement 2013-14 for Teachers covered by the School Teachers Pay & Conditions Document

The Authority seeks to be able to recruit and retain staff in a way which is externally competitive and internally fair. The pay policy applies in a consistent way from the lowest to the highest grade.

- This pay policy is influenced by a number of factors which include national pay settlement, local pay bargaining, market information, market forces, economic climate, measures of inflation and budgetary position.
- The policy referred to in this Statement is relevant to Teachers covered by the school teachers pay and conditions in (England and Wales) document,
- KCC will publish the number of people and job title by salary band. This is from £58,200 to £59,999 and then by pay bands of £5,000 thereafter. This will include elements made on a repeatable or predictable basis such as market premium payments.
- Staff who are new to the organisation must be appointed at the minimum of the grade unless there are exceptional reasons to appoint higher. These must be based on a robust business case in relation to the level of knowledge, skills and experience offered by the candidate and consideration is given to the level of salaries of the existing staff to prevent pay inequality.
- All progression within a grade is subject to performance as assessed through KCC's teacher appraisal process and a percentage awarded for each appraisal level. This applies to all levels in the Authority and there are no additional bonus schemes for senior managers.
- The award for each appraisal rating is set annually for teachers this is applied from 1 September, therefore will be already be known.
- People have the ability to progress up to the top of their grade under TCP principles
- KCC recognises that managers need to be able to reward performance in a flexible and appropriate way to the particular circumstances within the STPCD framework.
- Should it be shown that there is specific recruitment and retention difficulties, the provisions of the STPCD may be used to address these issues.
- The Council would not expect the re-engagement of an individual who has left the organisation with a redundancy, retirement or severance package.

By: Gary Cooke – Cabinet Member for Corporate & Democratic Services
Amanda Beer – Corporate Director Human Resources

To: Personnel Committee

Date: 28 November 2013

Subject: **The Living Wage**

Classification: Unrestricted

Summary: This paper considers the 'Living Wage' and its potential impact on the wider authority. As part of this, specific feedback has been sought to assess the impact on schools and how other organisations are approaching this.

1. Background

- 1.1 Following on from the paper on 10 September 2013, Personnel Committee requested that further research was undertaken to establish the implications of adopting the Living Wage as the minimum pay level within the Council.
- 1.2 Since then the corporate pay bargaining process has started and the trade union side has formally requested the implementation of the Living Wage by the Council.

2. About the Living Wage

- 2.1 The Living Wage is calculated using a formula. A reference level is calculated which is currently £8.80 however this is capped and subsequent increases are restricted by the 'disposable income cap and the 'earnings cap' which limits the increase to average earnings plus 2%. Further detail is given in Appendix 1.
- 2.2 As from November, the Living Wage is confirmed as £7.65, and projected to rise to £10.10 over the next 5 years based on this cap.
- 2.3 The Living Wage does not take into account the type of household, size of family, income from others within the family or other sources or the difference between pay required in geographical regions. The difference between the reference rate and the applied (headline) figure also highlights the degree of arbitrariness within the figure.
- 2.4 The Living Wage has evolved from a campaign to improve the wages of cleaners in Canary Warf to one which has now gained significant national traction with all the major political parties supporting it to some degree. It is acknowledged that some sectors such as retail, hospitality and social care, will have greater challenges to implement it due to cost implications.

3. Schools

- 3.1 Depending on the time within the financial year, the cost to schools is approximately £1m. The school/academy budgets are at 'flat cash' for the foreseeable future and this will create a budget pressure. Indeed, the amount available for schools is likely to reduce rather than increase.
- 3.2 The issue about the Living Wage and its implications have been circulated to the Kent Association of Head Teachers. From the responses received there is mixture of views expressed: within some schools there would be no significant impact however even from this school there is acknowledgement of the implications for increase in pay pressure over the longer term, wage differentials removed and the pay and grading system being eroded. Although the sentiment is applauded, the implementation is opposed because it could result in the loss of jobs. Adopting the Living Wage as a principle is as far as KCC should go as it cannot speak for schools' budgets – 'to do so would be to de-delegate'.

4. Other Organisations

- 4.1 Currently over 400 organisations have been accredited. The majority (approximately 50%) are in London with 22 in the south east. There is equal distribution between private sector and Third sector (41% each) with the public sector being significantly lower at 17%. Brighton and Hove City Council have been accredited. Gravesham have concerns about becoming fully accredited due to EU procurement implications and Medway have voted against a proposal to pay the Living Wage to all staff directly employed by the Council.
- 4.2 At a recent round table discussion, no HR representatives from county councils in the south east were of the view that moving to the Living Wage was something they would be advising professionally. This is primarily due to the cost implications at a time when funding for local government is reducing so significantly, also future increases would be outside the control of the authority and likely to be significantly higher than the standard pay award.

5. Total Reward

- 5.1 The Living Wage Foundation recognises that there are other aspects to remuneration which are not always financial. The calculation which they undertake disregards these as it becomes too complex to calculate. Good employers should already be providing annual leave in excess of the statutory minimum or discount cards etc., therefore aspects such as these are regarded as outside of the Living Wage calculation.
- 5.2 To gain a better understanding of payments, it would be useful to consider amounts received over a period of time to better reflect the cumulative financial total. This would include such elements as enhancements, overtime and allowances, however there is a significant resource implication if this were conducted regularly for the staff group involved. Some aspect can work against individuals in the short term but offer longer term gain. For example, contributions are deducted from people who are members of a pension

scheme however the financial benefits on retirement are greater. The current employer contribution to the Local Government Pension Scheme is 21%. A list of elements which contribute to the wider employment package is shown in Appendix 2.

6. Procurement

- 6.1 If KCC became a Living Wage Employer then this provision would need to be made a requirement for new tenders. Procurement has advised that monitoring of this in practice would be difficult due to the transparency required and the remedies which would need to be built into the contract for non-compliance. The requirements for demonstrating that an organisation is a Living Wage Employer are given in Appendix 3.

7. Options

- 7.1 Continue as is and assess the progress of the Living Wage initiative as it develops.

Implications:

- Does not address trade union request
- Does not tie KCC into extra short medium and long term costs.

- 7.2 Agree that it is good in principle and that pragmatic decision will be taken when to move KCC in this direction. This could include the desire to set the lowest pay rate as close to or even at the Living Wage level without overt commitment to match it.

Implications:

- Acknowledges the issue and concerns
- Does not commit to inappropriate or unaffordable increased costs.

- 7.3 Undertake full endorsement of the principles and apply for accredited employer status.

Implications:

- Short term cost implications
- Likely medium and longer term cost implications for a higher number of staff as the Living Wage rises annually
- Loss of full control for pay determination
- Erodes pay and grading differentials between grades KR2 and KR3
- Potential equal pay / parity issues arising.

Implementation options:

- Remove KR2 completely
- Make KR2 become one pay point – current top of range
- Pay enhancements to those below to make up to Living Wage rate.

8. Costs

- 8.1 The new rate for the Living Wage has now been confirmed as £7.65 per hour or £14,759 per annum. This equates to an increase of 2.7% and is £376 above the bottom of KR3. As reported previously, following the 1% KCC increase in April 2013, the Living Wage would only affect those employed in Kent Range KR2. With the new Living Wage rate, more people now fall beneath and this would be the case each November as the new rate is announced. A list of typical jobs and cost impact is given in Appendix 4 and 5 respectively.

9. Considerations

- 9.1 There are a number of aspects which could be considered within the wider discussion about the Council becoming a Living Wage employer. These include:
- Facing the Challenge – As we look for new ways of delivering services there is a potential for both higher transition and ongoing costs if the Living Wage was in place.
 - Public view and opinion
 - There appears to be a high level of support from different sources however relative positions may change
 - Subsequent changes to national minimum wage which is seen as a more established pay marker.

10. Conclusion

- 10.1 There are many considerations to be taken into account when deciding the best way forward. If the decision was taken 'by the heart' then moving to the Living Wage becomes a simple decision, however given the lack of detail and substance to the basis of the Living Wage calculation, the short, medium and long term costs that the authority would be signing up to it if we were accredited the decision is not that simple.
- 10.2 The pragmatic 'middle ground' of considering the Living Wage rate and the prevailing conditions to inform relevant decisions, as part of the annual discussions on pay rates with a view to enhancing the pay as much as possible for the lowest paid is a positive approach, particularly in the context of Facing the Challenge and the reshaping of service delivery still to be undertaken.

11. Recommendation

- 11.1 Personnel Committee is invited to consider the options.

Colin Miller
Reward Manager
Ext. 6056

Appendix 1.

How the Living Wage is calculated

There are two rates calculated. The **reference rate** is what the researchers have calculated to be the minimum wage requirement which is based on the weighted average of the different minimum wage requirements of family types. This covers a range which includes a single person, a lone parent with three children to a couple with 4 children. The weighted average of these hourly rates, i.e. the reference rate, is currently £8.80 per hour. In the absence of any capping mechanism, this would be what the researchers would recommend as the Living Wage rate.

There are, however, two caps which place formulaic constraints on the Living Wage. The first is a limit on the increase in the net income (after tax and benefits) requirement for each household on which the Living Wage is based, relative to the rise that would be achieved by someone on average earnings. This is called the **disposable income cap** and when applied in 2012 it reduced the rate to £8.15. The second mechanism is the **earnings cap**, which limits the increase in the Living Wage to **average earnings plus two per cent**. In the reference period in 2012, the increase in average earnings was 1.7 per cent which limited the overall increase in the Living Wage to 3.7 per cent or £7.47. The lower of the two caps (rounded to the nearest 5p) provides the upper limit on the Living Wage increase.

This **applied rate** (£7.45) is what we now know as the Living Wage and it is significantly lower than the reference rate. The Living Wage methodology also notes (importantly) that, 'As long as the applied level continues to be below the reference level, it will continue to increase each year by the maximum amount permitted by the cap'.

The difference between the Living Wage and the National Minimum Wage

The National Minimum wage is not intended to serve a different purpose to the Living Wage. It was established in 1998 and is there to set the wage floor. It is calculated on evidence based judgements rather than a formula. Evidence is gathered on an in-house or commissioned basis and involves visits around the UK and meetings with stakeholders.

Since 2009 the real value of the NMW has fallen however its relative value has been maintained as the lowest paid have had increases higher than the median.

Total Reward

There is a variety of elements within the wider reward and employment package. An overview is given below. Some of these are financial and either maintain or increase take-home pay directly and others do not. The actual impact on an individual is dependant on many factors including personal circumstances and perceived value.

Pay / financially related:

- Guarantee of good pension provision if become a member of the scheme. 21% employer contribution for Local Government Pension Scheme. This includes 3 times life assurance / death in service
- Sick Pay – 6 months full pay then 6 months half pay
- Business case / market driven approach to pay
- Overtime where applicable
- Allowances, such as stand-by
- Annual leave arrangements above statutory provisions
- Pay for supporting maternity leave, carer leave, adoption leave
- Cash awards to recognise very high personal contribution.

Recognition:

- Non cash awards to recognise very high personal contribution
- 'Because of You' recognition awards.

Voluntary Benefits:

- Discounts and cash-back at over 1,000 retailers and services
- Local discount providers accessed through Kent Rewards
- Tax efficient Salary Sacrifice schemes for Childcare Vouchers and Cycle2Work.

Personal development:

- Commitment to learning and development
- Regular appraisals and feedback
- Secondment opportunities
- Volunteering
- Work shadowing.

Working arrangements:

- Flexible working provisions.

Support initiatives:

- Support line
- Workplace mediation
- Work assessment
- Redeployment
- Occupational Health
- Health & Wellbeing initiatives
- Staff Groups.

Appendix 3.

Living Wage accreditation

To be formally accredited as a 'Living Wage Employer', four criteria must be met:

- Pay all of its own staff at least the Living Wage
- Commit to up rating pay rates within 6 months of the annual change to the Living Wage
- Demonstrate progress toward requiring any contractors to do the same
- Have a plan in place to work with any remaining contractors to get them to pay the Living Wage.

Appendix 4.

Typical jobs in KR2 and KR3 posts

Kent Scheme only. Does not include Locally Agreed or other Service Conditions. As at September 2013.

KR2 posts below Living Wage of £7.65

Non-Schools (577 KR2 equivalent assignments)

| Assignment Status | No. of assignments |
|--------------------------|---------------------------|
| Supply/Relief/Sessional | 146 (25%) |
| Fixed Term | 9 (2%) |
| Permanent | 402 (70%) |
| Temporary | 20 (3%) |
| Total | 577 |

| Position title | No. of assignments |
|-------------------------|---------------------------|
| Road Crossing Patrol | 216 |
| Domestic Assistant | 89 |
| Catering Assistant | 78 |
| Escort | 31 |
| Country Park Warden | 23 |
| Cleaner | 22 |
| Ancillary Staff | 16 |
| Admin Assistant/Officer | 18 |

Schools (4,266 KR2 or equivalent assignments)

Kent Scheme only. Does not include Locally Agreed or other Service Conditions.

| Assignment Status | No. of assignments |
|--------------------------|---------------------------|
| Supply/Relief/Sessional | 526 (12%) |
| Fixed Term | 45 (1%) |
| Permanent | 3,394 (80%) |
| Temporary | 301 (7%) |
| Total | 4,266 |

| Position title | No. of assignments |
|----------------------------|---------------------------|
| Midday Supervisor | 2,870 |
| Cleaner | 784 |
| Kitchen Assistant/Cook | 150 |
| Learning Support/Assistant | 115 |
| Admin Assistant/Officer | 40 |

KR3 posts below Living Wage of £7.65

Kent Scheme only. Data as at September 2013.

Non-Schools (346 KR3 or equivalent assignments)

| Assignment Status | No. of assignments |
|--------------------------|---------------------------|
| Supply/Relief/Sessional | 194 (56%) |
| Fixed Term | 29 (8%) |
| Permanent | 108 (31%) |
| Temporary | 15 (4%) |
| Total | 346 |

| Position title | No. of assignments |
|----------------------------|---------------------------|
| Customer Assistant/Adviser | 226 |
| Admin Assistant/Officer | 58 |
| Driver | 15 |
| Caretaker | 9 |
| Teaching Assistant | 5 |

Schools (1,956 KR3 or equivalent assignments)

Kent Scheme only. Does not include Locally Agreed or other Service Conditions.

| Assignment Status | No. of assignments |
|--------------------------|---------------------------|
| Supply/Relief/Sessional | 387 (20%) |
| Fixed Term | 105 (5%) |
| Permanent | 1,093 (56%) |
| Temporary | 371 (19%) |
| Total | 1,956 |

| Position title | No. of assignments |
|---|---------------------------|
| Learning Support/Classroom Assistant/Teaching Assistant | 1,562 |
| Midday Supervisor | 110 |
| Admin Officer/Assistant | 109 |
| Caretaker | 58 |
| Residential Child Care Officer | 29 |

Appendix 5.

Cost of moving employees below the Living Wage up to this level (£14,759)

Non-Schools Kent Scheme only

No. of KR2 and KR3 posts below the Living Wage = 923
Full Time Equivalent = 261

405 of these on zero hours contracts (44%)

Excluding zero hours contracts
Average assignment salary = £13,900
Average Pro-Rata salary = £5,800.

Estimated cost of moving all of those below to Top of KR2 grade = £160k, excluding those on zero hours contracts and on-costs.
£208k estimate with 30% on-costs.

Schools

Number of KR2 and KR3 posts below the Living Wage = 6,222
Full Time Equivalent = 1,712

1,094 of these on zero hours contracts (18%)

Excluding zero hours contracts
Average assignment salary = £14,000.
Average Pro-Rata salary = £4,000.

Estimated cost of moving all of those below to Top of KR2 grade = £860k, excluding those on zero hours contracts and on-costs.
£1.1m estimate with 30% on-costs.

By: Gary Cooke – Cabinet Member for Corporate & Democratic Services
Amanda Beer – Corporate Director Human Resources

To: Personnel Committee

Date: 28 November 2013

Subject: Disciplinary & Grievance Activity

Classification: **Unrestricted**

SUMMARY: This report updates Personnel Committee on employee case work activity for the period 2012-13.

The report also sets out changes to the Disciplinary Procedure and asks the Committee to agree revised Disciplinary Policy, Policy and Hearings Procedure.

The report sets out the intended approach to changing the Council's Grievance procedure.

1. INTRODUCTION

- 1.1 Personnel Committee has previously received reports on discipline and grievance activity which provided an overview of the distribution of cases. This report updates the Committee on the current figures and their comparison to the previous year.
- 1.2 The figures are provided in the context of there being increasingly less HR resource and a greater focus on KCC managers leading performance management successfully. The case team part of the HR Advisory Team has taken a lead in working with managers to raise standards and manage confidence in dealing with employee relations.
- 1.3 This activity provides a context to the review of Kent County Council's collective agreements with the trades unions. This report presents changes to the County Council's disciplinary procedure, which the unions have agreed, and sets out a suggested approach to changing the Council's Grievance Procedure and Harassment Procedure.

2. CASE ANALYSIS

- 2.1 The greatest volume of cases for the years ending March 2012 and March 2013 are those concerning ill health. This does not reflect greater levels of ill health but is indicative of managers addressing sickness absence at an early stage. This preparedness to manage sickness absence is shown in the continuing reduction in the levels of sickness absence throughout the Council – over this period sickness absence reduced from 7.78 to 7.38. The half year figure at October

2013 suggests a similar level of activity for ill health cases for 2013/14 (Appendix 1).

- 2.2 The number of disciplinary cases has fallen by about 10% but the number of cases does show that managers are dealing with misconduct when it arises. There has been an increase in grievances of about 20% to 59 cases in 2012/13. That said, harassment cases have fallen over this period by just under 50% to 16. The half year figures suggest grievances may be on the increase in 2013/14.
- 2.3 The number of Employment Tribunal cases against KCC remain relatively few for an organisation of its size. Of the claims that went to tribunal only 7 were heard by an Employment Judge of which KCC was successful in all but one of the cases. This is in no small part attributable to the business focused, risk aware advice given by KCC's HR Advisers in liaison with their Legal Services colleagues.

3. SENIOR OFFICER APPEALS

- 3.1 Appeals against dismissal are managed through the HR Advisory Team. Appeals are arranged with the support of the Challenger Group which has resulted in this task being better distributed across the management population.
- 3.2 13 senior officer dismissal appeals were heard in 2012/13. The table below illustrates the distribution between directorates, case type and outcomes.

| Directorate | No. of Appeals | Case Type | Outcomes |
|----------------|----------------|-------------------------------------|--|
| FSC | 6 | 4 conduct 2 capability | 4 dismissals upheld 1 withdrawn 1 dismissal overturned |
| C&C | 3 | 2 conduct 1 capability | 2 dismissals upheld 1 withdrawn |
| ELS | 1 | 1 conduct | 1 dismissal upheld |
| E&E | 3 | 1 conduct 1 capability 1 SOSR | 3 dismissals upheld |
| BSS | 0 | | |
| TOTAL | 13 | | 10 dismissals 2 withdrawn 1 dismissal overturned |

- 3.3 Only one case was overturned resulting in the reinstatement of a member of staff who had been dismissed. These results endorse the quality of advice given and the robustness of the decisions made by dismissing managers.

4. DISCIPLINARY POLICY & PROCEDURE

- 4.1 As part of the review of collective agreements with the trades unions a number of changes have been made to the Council's Disciplinary Procedure. These changes have been worked on with the Council's recognised trades unions and have been agreed with them.

4.2 One of the most significant changes has been how the procedure is set out. The previous version incorporated in one document the policy, procedure and guidance on how a disciplinary hearing is conducted. This has changed in the revised version with the policy aspects being set out in a short policy document so that it is clear what the Council's policy is on managing employee conduct. The separate procedure document supports how the policy is delivered (Appendices 2-4).

4.3 There is now also a separate hearings document which is universal for all the type of hearings that are conducted. By separating it out it means that we do not have to embed the procedure in all our documents and it also sets out how we will hold hearings that do not necessarily relate to one of the council's employment procedures, e.g. some other substantial reason (SOSR) dismissals.

4.4 The other key changes in the documents are:

- Changes to timescales to better facilitate the expedition of disciplinary investigations and to better reflect practice
- Incorporation of wording to reflect the role of the counter fraud team in Audit and the powers they have to interview under caution
- Added section on partnership working
- Added to the existing examples of what constitutes misconduct and gross misconduct
- Included a flowchart within the procedure to make the process steps easier to follow
- Improved the scope for the management of non-attendance by the employee (whether they are unable to attend or choose not to)
- Set out expectations of what constitutes an appeal.

5. GRIEVANCE PROCEDURE

5.1 The proposal for changing the Grievance Procedure is focused on dispute resolution. This would shift the focus of the procedure much more towards finding mutually acceptable outcomes for all parties than using more formal hearings in which a manager presides over a solution.

5.2 The emphasis would be on using informal approaches and mediation to resolve disputes with formal hearings only being used when a resolution cannot be found in other ways. The proposed approach is based around a model policy produced by the TCM Group (an organisation with experience of working in this field with large private and public sector bodies) which was launched in May 2013. This approach fits well with ACAS's code of practice on discipline and grievance and mirrors the government intentions in finding ways to resolve disputes in advance of them coming to Employment Tribunals.

5.3 The benefits to the Council of this approach are:

- Speedier resolution achieved through more emphasis on an informal approach
- Provides for a less adversarial approach in seeking to resolve conflicts
- Reduces the likelihood of further damaging working relationships between the parties involved.

5.4 This approach would support the self sufficient manager by ensuring they are not embroiled in formal grievance activity and can resolve matters more readily and at the point the disputes arise. It reinforces the Council's behaviours in that it encourages people to be open and accountable for their actions and the remedial interventions identified.

5.5 The next steps require a policy and procedure to be produced. This will need to be supported by arranging a pool of mediators in the organisation (it is intended to up skill the current network of coaches as many of the skills they use are commensurate with those needed as a mediator), further build on the work underway to support managers in having difficult conversations and work with unions, managers and employees to seek a cultural shift away from escalation to finding solutions to disputes.

6. RECOMMENDATIONS

- a) Personnel Committee notes the report of employee relations activity including senior officer appeals hearings.
- b) Personnel Committee agree the Disciplinary Policy and Procedure and the Hearings Procedure.
- c) Personnel Committee agree the proposed approach to dispute resolution.

Ian Allwright
Employment Policy Manager
Ext 4418

Number of Employee Relations Cases

Appendix 1

Apr 2011 - Mar 2012

| | Total |
|-------------------------------|-------|
| Appeals | 18 |
| Appeals (Dismissal) | 9 |
| Capability - Ill Health | 496 |
| Capability - Other | 10 |
| Capability - Poor Performance | 101 |
| Disciplinary | 239 |
| Grievance | 49 |
| Harassment | 27 |
| Employment Tribunal | 12 |
| Grand Total | 961 |

Apr 2012 - Mar 2013

| | Total |
|-------------------------------|-------|
| Appeals | 27 |
| Appeals (Dismissal) | 13 |
| Capability - Ill Health | 414 |
| Capability - Other | 4 |
| Capability - Poor Performance | 88 |
| Disciplinary | 210 |
| Grievance | 59 |
| Harassment | 16 |
| Employment Tribunal | 17 |
| Grand Total | 848 |

Apr 2013 - Oct 2013

| | Total |
|-------------------------------|-------|
| Appeals | 13 |
| Appeals (Dismissal) | 4 |
| Capability - Ill Health | 183 |
| Capability - Other | 3 |
| Capability - Poor Performance | 58 |
| Disciplinary | 94 |
| Grievance | 39 |
| Harassment | 12 |
| Employment Tribunal | 13 |
| Grand Total | 419 |

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**Disciplinary Policy
(draft)
Issued by HR
October 2013**

If you require this policy in another format please go the end of this document for details.

PURPOSE

KCC recognises the shared responsibility between managers and staff for maintaining acceptable standards of behaviour and conduct at work. This policy and the Disciplinary Procedure provide a fair and structured means of addressing issues relating to behaviour and conduct at work. The intention of this policy is to enable the identification of conduct or behaviours that are an issue and to enable the employee to improve those to a satisfactory standard. The Disciplinary Policy and Procedure are reviewed on a regular basis and any changes are made in agreement with KCC's recognised trade unions.

There is a separate policy and procedure for dealing with performance issues (Performance and Capability Procedure).

AIMS

Through the Disciplinary Policy KCC aims to:

- Ensure consistency and fairness of treatment
- Assist employees to achieve and maintain required standards of behaviour and conduct
- Enable issues to be managed via a swift and effective process
- Manage individual issues confidentially, whilst ensuring that there is a transparent process.

EMPLOYEE ENTITLEMENTS

Under the Disciplinary Policy, employees are entitled to:

- Have the opportunity to give their version of events
- Be told if their behaviour or conduct is unsatisfactory
- Be accompanied at formal meetings/hearings by a workplace colleague or trade union representative
- Not be dismissed for the first incident of misconduct except in cases of gross misconduct
- Challenge any sanction by appeal.

Under this policy, we expect employees:

- To ensure they maintain appropriate standards of conduct at all times and support the management of such standards
- To co-operate with any action taken in accordance with this policy.

KCC STANDARDS

- HR advice should be sought by managers at all stages of the disciplinary process in advance of any action being taken
- Managers may give a management warning as part of day to day line management without recourse to formal disciplinary action.
- No formal disciplinary sanction will be given to an employee without a hearing, preceded by an appropriate investigation in consultation with HR and, where appropriate, Internal Audit.
- The same conduct standards apply to all employees including trade union representatives. Any proposed action against a trade union representative should be raised and discussed in advance with a more senior representative or full time official of the relevant trade union.

PARTNERSHIP WORKING

It could be the case that a behaviour or conduct issue impacts on more than one employer. Every effort will be made to agree an approach that reflects best practice across the agencies concerned.

Managers from partner organisations will be expected to implement KCC policies and procedures where they are managing KCC employees with support from KCC management or KCC HR.

MINOR MISCONDUCT

Minor breaches of discipline or misconduct, such as poor time-keeping, may initially result in an informal discussion with the employee's immediate manager. This may result in a managerial warning being issued. Although a managerial warning does not form part of the formal disciplinary procedure, it will be recorded locally by the manager, for example: within the employee's

supervision notes. There is no right to be accompanied at such a meeting and no right of appeal against a managerial warning.

It is expected that in most cases an informal discussion will resolve most difficulties. Where an employee commits a more serious act of misconduct or fails to improve their conduct or behaviour and/or maintain that improvement, the formal steps detailed in KCC's Disciplinary Procedure may be taken.

MISCONDUCT

What constitutes misconduct will depend on the context. However, some examples of misconduct that may lead to action under KCC's Disciplinary Procedure include, but are not limited to:

- breach of KCC's rules, policies and procedures, including The Kent Code
- breach of Health & Safety rules and obligations
- refusal or deliberate failure to follow a reasonable management instruction
- unauthorised absence from work
- poor time keeping
- use of abusive language or behaviour
- intentional misrepresentation or inaccuracy, written or verbal, in the course of KCC's business
- failure to maintain up to date professional registration (where required)
- acts of harassment or bullying
- smoking in non-designated areas of KCC's premises as defined in KCC's Smoking Policy
- contravention of KCC's Electronic Communications Policy.

GROSS MISCONDUCT

Gross misconduct is where the behaviour/conduct is so serious in itself or has such serious consequences that it is fundamental to the contractual relationship between the employee and KCC and therefore may lead to dismissal without notice for a first offence.

Examples of actions that are likely to be treated as gross misconduct include but are not limited to:

- theft
- corrupt practices, fraud or deliberate falsification of records, expense claims, accounts, reports, etc.
- offering or accepting bribes in an attempt to influence the behaviour of third parties
- persistent or substantial failure to follow KCC's rules, policies, procedures, including The Kent Code

- serious and intentional breach of KCC's statutory provisions
- serious breach of health and safety rules
- serious and unlawful breach of confidence, with the exception of those covered by the Public Information Disclosure Act.
- serious or persistent acts of bullying or harassment
- failure to act to prevent, or to incite any form of discrimination
- submission of false references, false information or failure to disclose relevant information in recruitment process that KCC should and could have been made aware of
- disorderly or indecent conduct, fighting at work or threatening physical violence
- working whilst under the influence of illegal drugs or alcohol
- deliberate damage to KCC property, that of other agencies or other employees
- serious misuse of KCC's Electronic Communications systems

SUSPENSION

It may be necessary to suspend an employee for the duration of the investigation. Suspension is not a disciplinary sanction in itself; its purpose is to remove the individual from the workplace whilst the investigation is undertaken. Further information is available within KCC's Disciplinary Procedure.

OTHER PROCEDURES

- a. Certain acts of misconduct or allegations may lead to an employee being investigated under a different procedure such as Child Protection, Adult Protection or a criminal investigation. In these circumstances an investigation under the Disciplinary Procedure may take place simultaneously, unless KCC is otherwise instructed by other agencies.
- b. Any disciplinary hearing held will be independent of the timing or outcome of other procedures.
- c. KCC may still take disciplinary action where the Police do not pursue the matter further following the conclusion of their investigation or where a case is not proved in court. Disciplinary action may be taken relating to criminal charges whether the employee committed a criminal act on or off duty. The decision to pursue a case will not be determined automatically by the outcome of the Police investigation or the timing or judgement of a court. A Corporate Director or delegated senior manager, in consultation with HR, will determine whether the matter

should be considered under KCC's Disciplinary Procedure, and notify the Head of Internal Audit as necessary.

- d. In cases of potential theft, fraud, corruption or other financial irregularity a Corporate Director, or delegated officer, must inform the Head of Internal Audit of the allegations. In accordance with the Anti-Fraud and Corruption Strategy the Head of Internal Audit will decide on the appropriate course of action ensuring that any subsequent investigation is undertaken by appropriately qualified staff, is compliant with KCC policy and relevant investigation legislation, and does not jeopardise any subsequent disciplinary, civil or criminal action.
- e. In such cases described above in paragraph (d), an investigation may be conducted by a member of the Internal Audit team - this process may also include investigation into potential criminal activity in parallel with KCC's internal Disciplinary Procedure. In such cases, interviews may be conducted under caution and the Internal Audit findings may form the basis of the management case presented at a disciplinary hearing. Any decision made will be in line with KCC's Disciplinary Policy.

RETENTION OF RECORDS (Lapsed Warnings)

1. Warnings that have been issued as part of the Disciplinary Procedure are held on an individual's personal file for as long as the warning is valid. Details of the warning may be included in a reference to a potential employer if it is still live when the information is sought. Employees will have access to this record.
2. At the expiry of the warning period, unless the Disciplinary Procedure has been re-invoked within this period, all relevant documentation will be removed from the employee's personal file.
3. Previous warnings will be disregarded in the future application of the Disciplinary Procedure but may be referred to should a related conduct issue arise, to counter an employee's claim that they were unaware of the standards required.

Alternative Formats

This document is available in other formats and languages; call 01622 694778 or email Employment Policy Team for further details.

For alternative languages call 08458 247 247 - this service can provide information about KCC services or publications in your language. An English-speaking operator will take details of your requirements and arrange a translation or interpreting service. You may need an English-speaking friend or a family member to help you with this.

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Disciplinary Procedure (draft)

Issued by HR
October 2013



If you require this procedure in another format please go the end of this document for details.

PURPOSE

This document sets out the procedure KCC will apply to managing conduct issues. It should be read in conjunction with KCC's Disciplinary Policy.

INVESTIGATIONS

Before any disciplinary action is taken, an appropriate fact-finding investigation will be undertaken to determine whether or not there is a case to answer; further information is available within KCC's Conducting Investigation Guidance. It may be necessary for a manager to undertake a preliminary investigation to determine certain facts about a person's conduct before a decision is made on how, or whether, to continue with the disciplinary process.

In most cases of misconduct the immediate manager should conduct a suitable investigation, taking account of all of those in a position to contribute together with any other relevant evidence.

In cases likely to result in a first or second level formal written warning, it should also be possible for the same local manager, with advice from HR, to conduct the required investigation. The investigation should be conducted as quickly as possible, ideally within 28 days, although recognising it may take longer based on the availability of all parties, including witnesses. Where it is not possible to conclude the investigation within 28 days, the employee under investigation should be informed and the investigation should be resolved as soon as is reasonably possible. All parties to the disciplinary investigation process will be kept fully briefed on the arrangements and the timescales.

It may be necessary in more complex and serious cases of alleged misconduct or gross misconduct for the required investigation to be conducted by a more senior manager or a manager who is as independent of the facts of the case as is necessary; or a member of Internal Audit, or an 'external' investigator. In these circumstances, the Corporate Director, or delegated officer, will nominate the investigating officer(s). The investigation will be advised and supported as necessary by HR. These cases, if proven, are likely to result in a final warning or dismissal. In cases of serious misconduct or gross misconduct the investigation should aim to be completed within 8 weeks. Where this is not possible, the employee should be informed and the

investigation should be resolved as soon as is reasonably possible. All parties to the disciplinary investigation process will be kept fully briefed on the arrangements and the timescales.

In cases involving Internal Audit, interviews may be conducted under caution during the investigation process.

SUSPENSION

It may be necessary to suspend an employee for the duration of the investigation. This is not a sanction in itself and other options will be considered in consultation with HR before taking the decision to suspend. The decision to suspend must be made by the Corporate Director or delegated senior officer in consultation with HR and the Head of Internal Audit if fraud or similar is suspected. Decisions to suspend should only be made when alternative working arrangements are not practicable.

Suspension may need to continue beyond the period of the investigation. However, it must be for a fixed period of time, with regular formal review, confirmed in writing to the employee who will retain the pay they would have received if at work during the period of suspension. Either their line manager or another nominated officer should also provide the employee with sufficient support and communication during this period, including any conditions that apply to the suspension.

DECISIONS ON FINDINGS OF INVESTIGATIONS

A decision on whether to proceed to a disciplinary hearing should be made by the authorised manager, and will be based upon the findings of the investigation. This decision must be taken in consultation with HR, and the employee will be notified accordingly. If the case is to proceed to a hearing, the full investigation report should be shared with the employee, unless there is exceptional justification for not doing so. If there is no case to answer, all documentation will be destroyed.

DISCIPLINARY HEARING

As a result of the formal investigation, and subsequent decision by the authorised manager, a Disciplinary Hearing may be held; information regarding Disciplinary Hearings is available within KCC's Hearings Procedure.

DISCIPLINARY SANCTIONS

| Sanction | Level of management authorised to issue | Level of management who will hear appeal & to whom appeal should be addressed | Period that warning remains on file |
|---|--|--|-------------------------------------|
| First Level Warning | Line manager or more senior manager | Next level of management | 6 months |
| Second Level Warning | Line manager or more senior manager | Next level of management | 12 months |
| Final Warning | Corporate Director or delegated senior manager | Corporate Director, or Head of Paid Service if issued by Corporate Director | 18 months |
| Transfer and/or downgrading | Corporate Director or delegated senior manager | Senior Officer Appeals Panel; appeal should be addressed to Corporate Director – Human Resources | |
| Dismissal (including summary dismissal) | Corporate Director or delegated senior manager | Senior Officer Appeals Panel; appeal should be addressed to Corporate Director – Human Resources | |

PAY ARRANGEMENTS FOLLOWING DISMISSAL

Where the outcome of a Disciplinary Hearing is dismissal, pay will cease upon expiry of notice or on the day identified in the letter notifying the employee of the dismissal, in the case of summary dismissal. If, through no fault of the employee, an Appeal Panel is unable to consider the matter before notice expires, pay will be fully reimbursed in the event of a successful appeal.

APPEALING AGAINST SANCTIONS

If a sanction is issued as an outcome of a formal Disciplinary Hearing, employees will have a right of appeal against this sanction; information regarding the appeals process is available within KCC's Hearings Guidance.

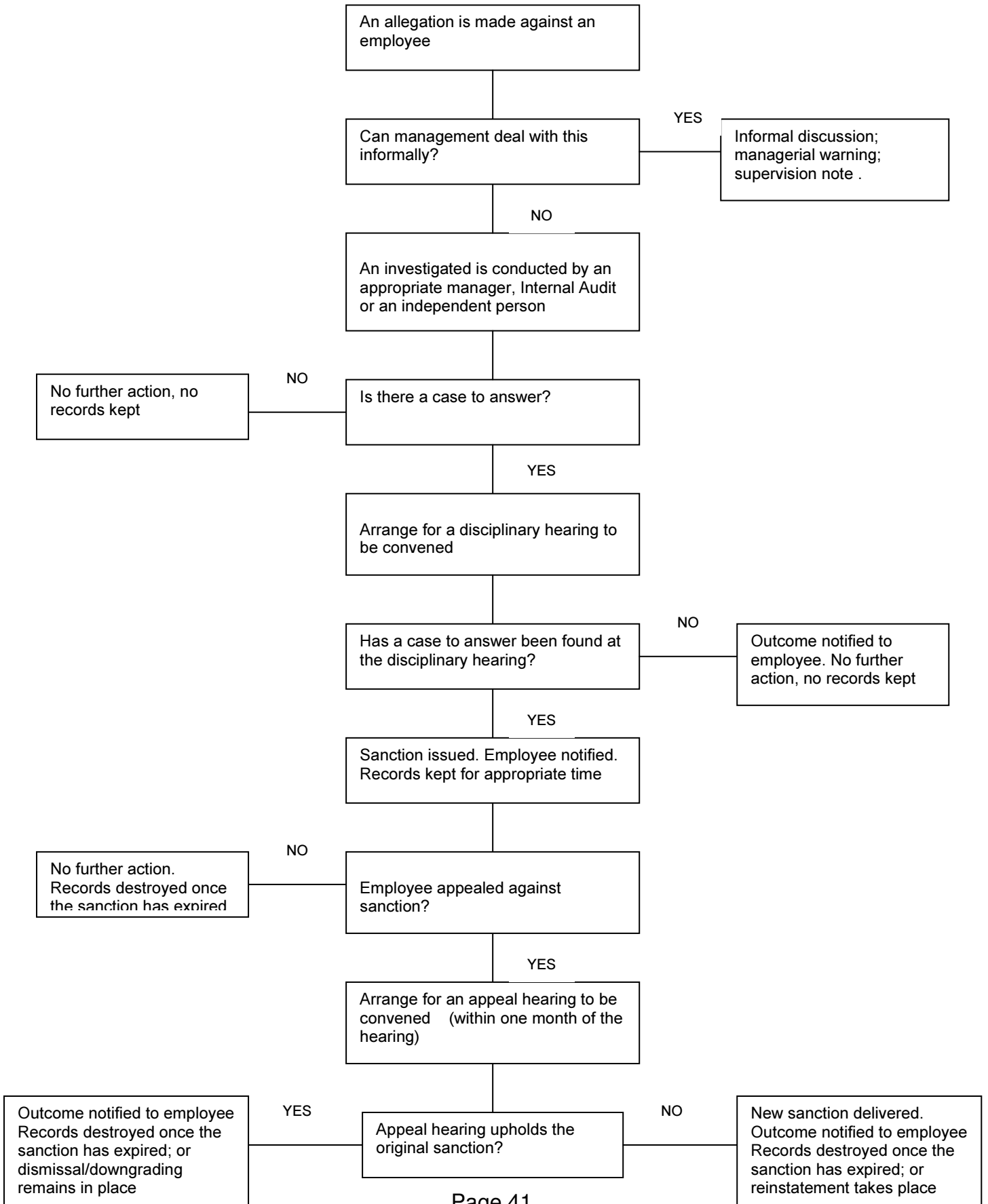
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DISCIPLINARY PROCEDURE FLOWCHART



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Hearings Procedure (Draft)

Issued by HR
October 2013

If you require this procedure in another format please go the end of the document for details.

Introduction

This procedure should be referred to when a hearing is required to formally consider the outcome of a management investigation (including those conducted under KCC's employment policies, i.e. Disciplinary, Performance & Capability) and to hear a potential dismissal that does not fall under one of KCC's employment policies (i.e. for Some Other Substantial Reason).

All hearings are based on the findings of an investigation (conducted by management, independent investigators or Internal Audit). All evidence presented by management must be pertinent to the case in question and have been shared with the employee prior to the hearing.

This procedure also covers appeal hearings.

Arrangements for Hearings

Formal hearings are conducted by the appropriate level of management, supported by an HR representative and will take place as close as possible to the conclusion of the investigation process or performance/capability review meeting. The hearing should take place where possible within a maximum of 20 working days of the investigation report being submitted to the commissioning manager, unless mutually agreed otherwise. The employee will be provided with notification of the arrangements, along with details of the case to be presented, as soon as possible and at least 5 working days in advance of the hearing. The employee should also submit any documentation they intend to rely upon to the relevant manager at least 48 hours in advance of the hearing.

It may be the case that the investigating officer will present the management case at the hearing. In cases of minor misconduct/poor performance which is likely to result in a first or second level warning, the line manager can investigate the issues and chair any subsequent hearing.

Witnesses

Witnesses will be called where relevant and where they will add value to the case being heard. Witnesses will attend to give evidence and to answer questions from all parties. It is up to the employee to make arrangements for any witnesses they are calling to attend. Details of proposed witnesses should be communicated to either party in advance of the hearing.

Representation

The employee has the right to be accompanied by either a colleague (KCC employee) or trade union representative at all hearings. The employee has the right to defer the hearing by up to 5 working days if their representative or colleague is unavailable on the first occasion, but when a hearing is rescheduled on this basis it may proceed in their absence if they are still unable to attend.

Attendance

If the employee is unable to attend the hearing, the hearing may be able to be rescheduled, alternatively the individual can submit a written statement/case for consideration at the hearing; there may also be the facility available to conduct the hearing via a telephone conference call. If the employee is unable or unwilling to attend a rescheduled hearing, it may be the case that the hearing will be held in the absence of the employee; if this situation arises the employee will be notified in advance.

Format of the Hearing

- (a) **Step One** - Management presents case and calls witnesses. Witnesses can be questioned by all others present.
- (b) **Step Two** - Employee or representative will present their case and may call witnesses who can be questioned by all others present.
- (c) **Step Three** - Both parties to be given opportunity to sum up their cases.

The hearing is adjourned for deliberation. If further clarity is required, both parties and/or witnesses may be recalled.

- (d) **Step Four** - The manager chairing the hearing communicates the decision, normally to all parties in person. On occasion the decision may not be communicated on the day of the hearing, but will be subsequently confirmed in writing. The decision of the Chair will be confirmed in writing within 5 working days, together with information on the right of appeal.

It may be necessary for adjournments to take place during hearings. Either party may request an adjournment.

Hearing Outcomes

(a) **No Case to Answer/Management Action**

If the finding of the hearing is that there is no case to answer, this will be the end of the matter and confirmed in writing to the employee. There may, however, be recommendations for some management action, e.g. additional training, more frequent supervision or alternative support etc. Again, in this instance, the details will be confirmed in writing to the employee. Records will be retained in line with KCC's retention of records schedule.

(b) **First Level Warning**

Issued by line manager/senior manager, with a right of appeal to next level of management; will be disregarded for the purposes of the relevant procedure after 6 months, or longer in exceptional circumstances.

(c) **Second Level Warning**

Issued by line manager/senior manager, with a right of appeal to the next level of management; will be disregarded for the purposes of the relevant procedure after 12 months or longer in exceptional circumstances.

(d) **Final Warning**

Issued by Corporate Director, or delegated manager, with a right of appeal to Corporate Director, or Head of Paid Service if issued by Corporate Director; will be disregarded for the purposes of the relevant procedure after 18 months or longer in exceptional circumstances.

(e) **Transfer and/or Downgrading**

Issued by Corporate Director, or delegated senior manager, with a right of appeal to the Senior Officer Appeals Panel.

(f) **Dismissal or Summary Dismissal**

Issued by Corporate Director, or delegated senior manager, with a right of appeal to the Senior Officer Appeals Panel.

Appeals against (e) and (f) should be addressed to the Corporate Director - Human Resources.

Appealing against sanctions

All employees have a right to appeal against warnings, transfer, downgrading and dismissal (including summary dismissal). An appeal hearing is not intended to repeat the detailed investigation of the previous hearing, but to focus on specific factors which the employee feels have received insufficient consideration, such as:

- an inconsistent, inappropriate or excessively harsh penalty
- extenuating circumstances
- bias of the manager who made the decision
- unfairness in the conduct of the hearing
- procedural failing in the investigation or conduct of the hearing
- new evidence subsequently coming to light.

Registering an Appeal

Appeals must be made in writing, by the employee or their representative, within 10 working days of receipt of confirmation of the warning or dismissal. This must include the reasons for the appeal.

Appeal Hearing Arrangements

(a) **Appeals against Formal Warnings** – Where possible, appeals should normally be heard within one month of the original hearing by the appropriate level of management, supported by HR. The employee should receive written confirmation of arrangements at least 10 working days in advance of the hearing.

An exchange of all documents of each party's case and a list of witnesses to attend the appeal hearing should take place 5 working days before the hearing.

(b) **Appeals against Dismissal, Transfer or Downgrading** - The members of the Senior Officer Appeals Panel that hear appeals against dismissal, transfer or downgrading will be senior managers, supported by Legal Services and HR.

Format of Appeal Hearings

All Appeal Hearings are held in private and are to be based upon and confined to the reasons for the appeal. New evidence may be used and/or new witnesses may be called to an appeal hearing only if the evidence is relevant to the grounds of the appeal. Appeal hearings may be recorded.

(a) **Step One** - The employee presents their case and calls witnesses. Questions may be asked by the party presenting the management case and those hearing it.

(b) **Step Two** – Management presents case and witnesses. Questions may be asked by the employee and/or their representative and by those hearing the case.

(c) **Step Three** – Both parties are given the opportunity to sum up their cases.

The hearing is adjourned for deliberation. If further clarity is required, both parties and/or witnesses may be re-called.

(d) **Step Four** - The grounds for appeal, the management case and sanction issued are considered. The manager or Senior Officer Appeals Panel may substitute, but not increase, the level of sanction.

(e) **Step Five** - The decision of the manager or Senior Officer Appeal Panel is normally communicated to both parties in person, but may be deferred if further deliberation is needed. In any event, written confirmation will normally be issued within 5 working days.

Where an appeal against dismissal is unsuccessful, the effective date of termination is the date on which the employee was originally dismissed.

Alternative Formats

This document is available in other formats and languages; call 01622 694778 or email Employment Policy Team for further details.

For alternative languages call 08458 247 247 - this service can provide information about KCC services or publications in your language. An English-speaking operator will take details of your requirements and arrange a translation or interpreting service. You may need an English-speaking friend or a family member to help you with this.

For Text Relay please call 18001 08458 247247.

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**By: Gary Cooke - Cabinet Member for Corporate & Democratic Services
Amanda Beer – Corporate Director Human Resources**

To: Personnel Committee

Date: November 2013

Subject: Annual Workforce Profile Report

Classification: Unrestricted

Annual Workforce Profile Report

Summary

This paper provides an update to the Annual Workforce Profile report, presented to Personnel Committee in June 2013, which provided staffing information for the period ending March 2013. This report contains details of changes in the size and composition of the Authority's workforce for the period ending 30 September 2013, with staffing information as at that date and details of trends identified within the period. The report is divided into sections, each covering different sectors of the Authority's workforce.

1. Headlines

| The Non-Schools workforce | KCC All Staff |
|---|--|
| The FTE has decreased by 690.4 (7.8%) | The FTE has decreased by 456.5. |
| Performance indicators show that sickness levels have continued to decline, at 7.09 days lost per FTE over the past year. | The assignment (or contract) count has decreased by 927. |
| The proportion of those aged 25 or under has increased marginally, to 7.0% | There has been a small increase (0.6%) in the proportion of staff on permanent contracts |
| Directorates | Schools |
| The FTE of BSS has risen by 53.7 FTE, primarily due to the inclusion of the Public Health team. | The FTE has increased by 233.8, when compared with March 2013. |
| The FTE of EE has reduced by 472.6 primarily due to Commercial Services leaving the Authority | In this financial year, so far, seven schools have adopted Academy status. |
| ELS figures have reduced by 283.3 FTE, primarily as Pupil Referral Units are now reported under the 'Schools' sector. | A further 18 schools having stated their intention to become Academies |

1. The Non-Schools Workforce

1.1. Introduction

This section contains information about the Non-Schools workforce. Performance indicators, calculated on a monthly basis for Non-Schools staff, include a set of statistics relating to staff within the Leadership Group.

1.2. Staffing levels

The September 2013 figure of 8,184.3 FTE shows a reduction of 690.4 FTE against the March 2013 figure, a fall of 7.8%. Commercial Services left the organisation in April, which accounted for around 470 FTE of this reduction and Pupil Referral Units are now reported under the Schools sector, which accounts for a further decrease of around 265 FTE in the Non-Schools sector. Staff Care Services joined BSS HR from Commercial Services, resulting in an increase of around 9 FTE.

1.2.1. Full-time equivalents (FTEs)

8,184.3 (8,874.7 March 2013)

1.2.2. Headcount (including Casual Relief, Sessional and Supply (CRSS) staff)

11,181 (12,114 March 2013)

1.2.3. Headcount (excluding CRSS, staff)

9,621 (10,360 March 2013)

1.2.4. Assignment/contract count,

12,169 (13,172 March 2013)

Appendix A(i) shows the changes in staffing levels by month since March 2013

1.3. Contract Types

The proportion of staff on permanent or fixed term contracts increased marginally, from 76.6% in March 2013 to 77.2% in September 2013, with a corresponding decrease in the proportion of staff on Temporary, Casual, Relief, Sessional or Supply contracts.

Appendix A(ii) shows the full breakdown by contract types over recent years.

1.4. Agency Staff

As at 30 September, there were 689 agency staff, employed through Kent Top Temps.

1.5. Vacancies

In September 2013, action was being taken to recruit to 340 vacancies, of these 92 were flexible hours contracts for Enablement Support Workers and a further 22 were for full-time Customer Support Assistants.

1.6. Staff by salary band

Details of staff, by salary band, is shown below with the corresponding figures for March 2013 shown to the right, in brackets.

Grades KR 1-6 43.9% (Mar 13 - 44.6%)

Grades KR 7-9 31.9% (Mar 13 - 32.3%)

Grades KR 10-13 22.3% (Mar 13 - 21.3%)

Grades KR 14 or over 1.9% (Mar 13 - 1.8%)

**analysis includes staff on linked grades and social work staff on KR grades. Excluding Casual, Relief, Sessional and Supply staff.*

In line with the Government's 'Transparency Agenda', KCC continues to publish information on those earning over £58,200, together with details of Directors' expenses, on the Authority's website.

Appendix A(iii) shows the Non-Schools workforce, by salary band.

1.7. Rolling Turnover

Turnover for the year ending 30 September 2013 was 17.7%. By comparison, annual turnover reached 18.3% in March 2013. If compulsory redundancies* are excluded, the September figure remains the same as the figure for March 2013, at 16.3%

**Compulsory reasons recorded on Oracle HR = Compulsory Redundancy, Compulsory Redundancy (Age 50+) No Pension, Compulsory Redundancy (Age under 50), Early Retirement (Efficiency Enhanced), Early Retirement (Efficiency Not Enhanced).*

1.8. Sickness Performance Indicator

The sickness performance indicator calculates the working days lost per FTE. Results for the rolling year, ending on 30 September 2013, show the decline in sickness levels continuing, and stood at 7.09 days, compared with 7.38* days for the year ending 31 March 2013.

** the CIPD/Simply Health Absence survey for 2013 showed absence levels in the public sector of 8.7 days per employee per year.*

Appendix A(iv) shows the sickness trend over the past year .

1.9. Equality

1.9.1. Performance Indicators

The mid-year figures for each equality strand are shown below, with the March 2013 figures shown in brackets.

Gender:

Non-School based staff: 76.7% Female (74.8%)

Leadership group: 52.3% Female (51.9%)

BME:

Non-School based staff: 5.7% BME (5.5%)

Leadership group: 4.9% BME (5.3%)

Disabled:

Non-School based staff: 3.8% Disabled (3.8%)

Leadership group: 4.5% Disabled (4.5%)

LGB:

Non-School based staff: 2.2% LGB (2.1%)

Leadership group: 2.3% LGB (1.1%)

Religious Belief (Non-Christian):

Non-School based staff: 6.0% Religious Belief (6.0%)

Leadership group: 5.1% Religious Belief (5.0%)

1.9.2. Equality in recruitment

Equality monitoring figures highlight that KCC is attracting people from across the Protected Characteristics to apply for jobs. However, the proportion of people applying does not always correspond to the proportion of appointed, eg 31% of applications are from men, but only 23% are appointed. What the percentage of people appointed does show is that for BME and Sexual Orientation, the proportion is greater than the the council's workforce from these categories.

Appendix A(v) shows detailed equality monitoring figures

1.10. Age profile

1.10.1. Average Age

The average age for an employee has decreased slightly to 45.16, from 45.3 in March 2013.

1.10.2. Age Performance Indicators (excludes CRSS staff)

The mid-year figures are shown below, with the March 2013's figures shown in brackets.

| | | |
|--------------------------------------|-------|----------------------|
| Aged 25 or under: | 7.0% | (6.9%) |
| Aged 30 or under: | 15.6% | (15.4%) |
| Aged 30 or under - Leadership group: | 1.6% | (1.6%) |
| Aged 50 or above: | 37.8% | (40.1%) |
| Aged 50 or above - Leadership group: | 50.7% | (53.2%) |
| Aged 65 or above: | 2.0% | (PI new for 2013-14) |
| Age 65 or above – Leadership Group | 1.4% | (PI new for 2013-14) |

1.11. Apprentices

77 apprentices started in 2012-13 and a further 44 started in the first half of 2013-14. Apprentices progress through different pathways including into further education and employment in Kent and Kent County Council. As at September 2013, there were a total of 84 employees on apprentice grades*. The 'Bold Steps' target is to employ 350 apprentices over four years and we are on track to achieve that.

(*excludes turnover).

1.12. Layers and Spans

As at March 2013, the structure was 9 layers deep, with an average span of control of 5.3 FTE and the October 13 figures are similar, with 9 layers and a span of control of 5.4 FTE. The number of one to one reports has reduced from 251 in March 2013 to 206 in October 2013.

1.13. Redundancies

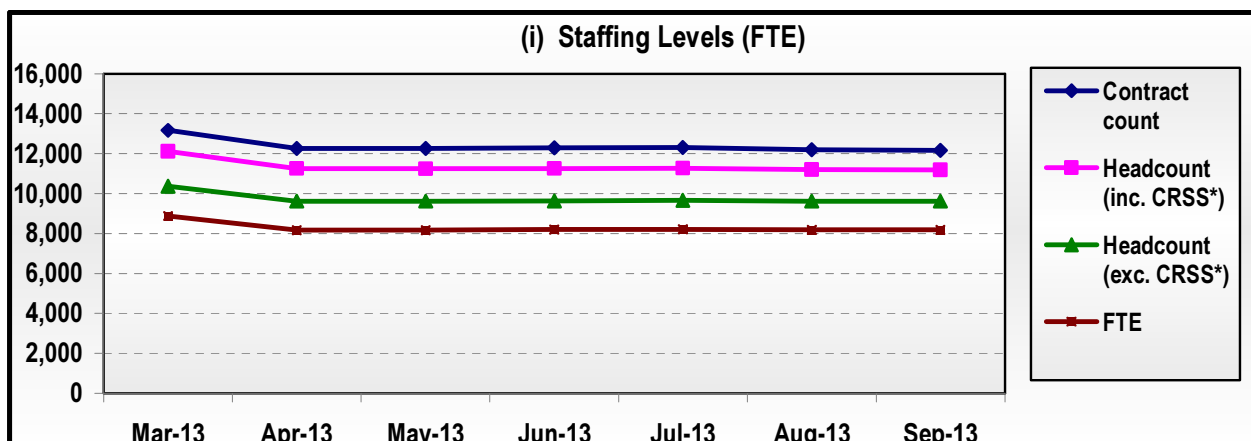
Between April 2013 and September 2013 a total of 49 staff were made redundant and in this period, redundancy payments totalled £433,585.

1.14. Zero hours contracts

At the end of September 2013, there were 871 staff* on zero hours contracts within the non-schools sector, 117 fewer than at March 2013.

*excludes Sessional Tutors, Skills for Life Lecturers and Teachers in Pupil Referral Units.

Appendix A – The Non-Schools Workforce



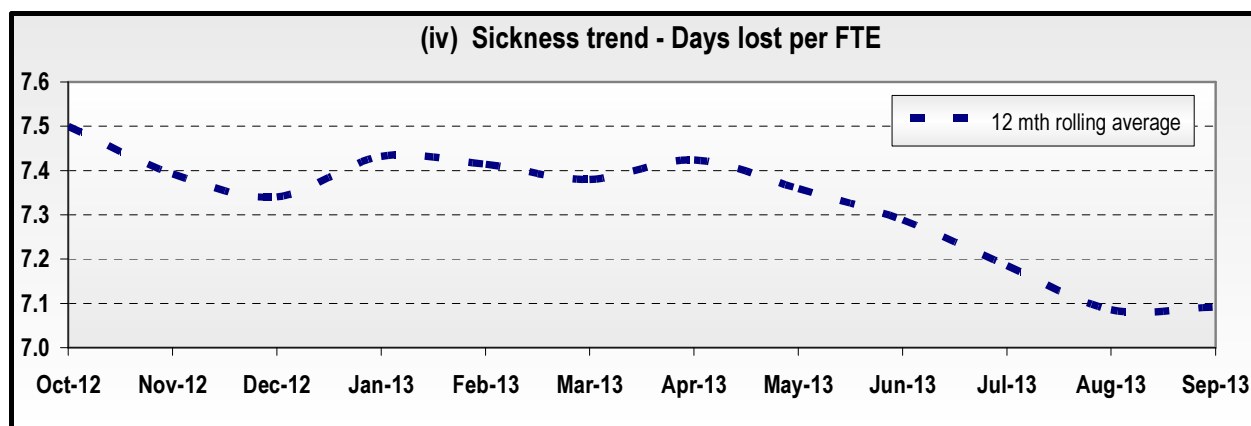
(ii) Staff by contract type (grouped)

| Contract type (grouped) | Count Of Assignment Number | | | |
|-------------------------|----------------------------|---------------|---------------|---------------|
| | Apr-01 | | Feb-01 | |
| | Count | % | Count | % |
| Temporary | 486 | 3.7% | 418 | 3.4% |
| Fixed term | 422 | 3.2% | 405 | 3.3% |
| Permanent | 9,663 | 73.4% | 8,988 | 73.9% |
| CRSS | 2,600 | 19.7% | 2,358 | 19.4% |
| Other | 1 | 0.0% | 0 | 0.0% |
| | 13,172 | 100.0% | 12,169 | 100.0% |

(iii) All KCC Non-School based staff on Kent Scheme

| | Mar-13 | | Sep-13 | |
|--------------|--------------|---------------|--------------|---------------|
| | Count | % | Count | % |
| KR6 & below | 4,265 | 44.6% | 3,986 | 43.9% |
| KR7-9 | 3,087 | 32.3% | 2,897 | 31.9% |
| KR10-13 | 2,036 | 21.3% | 2,021 | 22.3% |
| KR14-15 | 136 | 1.4% | 135 | 1.5% |
| KR16 & above | 41 | 0.4% | 38 | 0.4% |
| | 9,565 | 100.0% | 9,077 | 100.0% |

Notes: Based on staff with 'KR' in grade name (excluding CRSS staff)



Appendix A – The Non-Schools Workforce

Recruitment Statistics (September PIs shown for comparison, where applicable)

| Gender | Applied | | Recruited | | Sept 2013 Performance Indicator |
|--------------|---------------|---------------|------------|---------------|---------------------------------|
| Male | 3,965 | 31.2% | 75 | 23.1% | |
| Female | 8,740 | 68.8% | 250 | 76.9% | 76.7% |
| Total | 12,705 | 100.0% | 325 | 100.0% | |

| Ethnicity | Applied | | Recruited | | Sept 2013 Performance Indicator |
|--------------|---------------|---------------|------------|---------------|---------------------------------|
| White | 10,309 | 81.6% | 294 | 90.7% | |
| BME | 2,328 | 18.4% | 30 | 9.3% | 5.7% |
| Total | 12,637 | 100.0% | 324 | 100.0% | |

| Sexual Orientation | Applied | | Recruited | | Sept 2013 Performance Indicator |
|--------------------|---------------|---------------|------------|---------------|---------------------------------|
| Heterosexual | 11,728 | 98.1% | 300 | 97.4% | |
| LGB | 225 | 1.9% | 8 | 2.6% | 2.2% |
| Total | 11,953 | 100.0% | 308 | 100.0% | |

| Disability | Applied | | Recruited | | Sept 2013 Performance Indicator |
|--------------|---------------|---------------|------------|---------------|---------------------------------|
| Disabled | 554 | 4.4% | 8 | 2.5% | 3.8% |
| Not disabled | 12,090 | 95.6% | 315 | 97.5% | |
| Total | 12,644 | 100.0% | 323 | 100.0% | |

| Religion | Applied | | Recruited | | Sept 2013 Performance Indicator |
|---------------|---------------|---------------|------------|---------------|---------------------------------|
| Non-Christian | 926 | 7.6% | 15 | 4.8% | 6.0% |
| Christian | 6,395 | 52.6% | 186 | 60.0% | |
| None | 4,836 | 39.8% | 109 | 35.2% | |
| Total | 12,157 | 100.0% | 310 | 100.0% | |

| Age | Applied | | Recruited | | Sept 2013 Performance Indicator |
|--------------|---------------|---------------|------------|---------------|---------------------------------|
| Under 25 | 3,923 | 30.9% | 53 | 16.3% | 7.0% |
| 26-35 | 3,049 | 24.0% | 83 | 25.5% | |
| 36-45 | 2,797 | 22.0% | 66 | 20.3% | |
| 46-55 | 2,257 | 17.8% | 92 | 28.3% | |
| 56-65 | 645 | 5.1% | 31 | 9.5% | |
| over 65 | 14 | 0.1% | 0 | 0.0% | 2.0% |
| Total | 12,685 | 100.0% | 325 | 100.0% | |

Note: The above figures are based on data provided by those applicants/staff who opted to disclose diversity information

2. KCC's Workforce

2.1 Introduction

This section contains key staffing information about the Authority's workforce, including schools.

2.2 Staffing levels

Staffing levels across the Authority continued to reduce through the first half of the year, with the FTE level falling by 457 FTE (2.0%). Detailed September 2013 figures are shown below, with March 2013 figures shown in brackets.

2.2.1 Full-time equivalents (FTEs)

22,391.7 (22,848.2)

2.1.1 Headcount (including Casual Relief, Sessional and Supply staff)

34,151 (34,952)

2.1.2 Headcount (excluding Casual Relief, Sessional and Supply staff)

30,264 (30,993)

2.1.3 Assignment/contract count,

40,274 (41,201)

Appendix B(i) shows the staffing levels for the first half-year.

2.3 Contract Types

Although the breakdown of contract types remains similar to March 2013, there has been a marginal increase (0.6%) in the proportion of staff with Permanent contracts, to 71.8% offset by a similar reduction in the proportion on Temporary, Casual, Relief, Supply and Sessional contracts, to 25.6%.

Appendix B(ii) shows the breakdown by contract types.

2.4 Age profile (excluding CRSS staff)

There has been a small increase (0.4%) in the proportion of staff aged 25 and under, which now stands at 7.4%. The number of staff aged 65 and over has dropped from 1.98% in March 2013 to 1.90% in September 2013.

Appendix B - KCC's Workforce

| (i) Staffing levels | | | | | | | | |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|---|
| | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Change - March 2013 to Sept 2013 |
| Contract count | 41,201 | 40,615 | 40,347 | 40,242 | 40,185 | 40,342 | 40,274 | -927 |
| Headcount (inc. CRSS*) | 34,952 | 34,370 | 34,139 | 34,056 | 34,015 | 34,120 | 34,151 | -801 |
| Headcount (exc. CRSS*) | 30,993 | 30,439 | 30,252 | 30,160 | 30,098 | 30,160 | 30,264 | -729 |
| FTE | 22,848.2 | 22,350.0 | 22,234.3 | 22,196.3 | 22,176.7 | 22,194.3 | 22,391.7 | -456.5 |

| (ii) Staff by contract type | | | | | | | |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 |
| Perm | 71.19% | 70.98% | 70.95% | 70.91% | 70.88% | 70.81% | 71.82% |
| Casual/Relief/Sessional/Supply | 18.48% | 18.63% | 18.61% | 18.66% | 18.71% | 18.83% | 18.36% |
| Temp | 7.72% | 7.71% | 7.71% | 7.66% | 7.61% | 7.55% | 7.19% |
| Fixed Term | 2.59% | 2.65% | 2.70% | 2.73% | 2.76% | 2.77% | 2.59% |
| Other | 0.03% | 0.03% | 0.03% | 0.03% | 0.04% | 0.04% | 0.05% |
| | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

3. Directorate Details

3.1 Introduction

This section contains key staffing information about the workforce in each Directorate. Performance Indicators are calculated on a monthly basis and include a set of statistics relating to staff within the Leadership Group of each Directorate.

3.2 Current staffing levels

3.2.1 Full-time equivalents

FTE figures have fallen by 29.9% in ELS, as Pupil Referral Units are now reported under the 'Schools' sector. The FTE in EE has reduced by 47.4%, primarily as a result of Commercial Services leaving the Authority. BSS has increased by 3.7%, primarily due to the transfer in of Public Health staff.

3.2.2 Headcounts

The headcount changes, including CRSS staff, have varied from -43.3% in EE to 4.2% in BSS. If CRSS staff are excluded the changes vary from -47.1% in EE to 4.4% in BSS.

3.2.3 Assignment/contract counts

The first half year saw reductions of over 500 assignments in EE and over 470 in ELS.

Appendix C(i) shows details of the changes in staffing levels since March 2013.

3.3 Contract Types

BSS has the highest proportion of staff on permanent contracts, at 89.7% and also has the highest proportion of temporary contracts, at 5.6%. CC has the highest proportion of staff on CRSS contracts at 41.4%.

Appendix C(ii) shows full details of the breakdown by contract types

3.4 Age profile

3.4.2 Age Performance Indicators (excludes CRSS staff)

The proportion of staff aged 25 or under varies between Directorates, from 2.5% in ELS to 10.1% in BSS. If the band is extended to include those aged 30 and under, the lowest is ELS (7.0%) and the highest is BSS (22.4%).

The percentage of staff aged 50 or above is highest in ELS (48.8%) and lowest in BSS (29.1%). Those aged 65 or over make up 5.1% of the workforce in ELS but only 1.1% in CC.

Appendix C(iv) shows full details of age PIs, including information on the 'Leadership Group'

3.5 Sickness

3.5.2 Sickness Performance Indicators

The sickness rates for the rolling year ending 30 September 2013 ranged from 4.84 days lost per FTE in BSS, to 8.99 days in FSC.

Appendix C (v) shows detailed information on sickness levels

3.6 Staff by salary band

CC has the highest proportion of staff on grades KR6 and below (57.8%) and EE has the lowest (18.5%). BSS has the highest proportion on grades KR14 and above (4.9%) and CC has the lowest (0.8%).

Appendix C (vi) shows detailed information on staff by salary band.

3.7 Turnover Performance Indicator

The rolling turnover rates (excluding CRSS staff) for the year ending 30 September 2013 were between 10% and 17%. The exception was EE where the figure was far higher due to the ongoing impact of Commercial Services leaving the organisation (69.4%).

3.8 Vacancies

As at September 2013, the number of posts actively being recruited to were as follows:

FSC - 214 posts (*including 92 Enablement Support Workers on flexible hours*)

CC – 73 posts (*including 22 full-time Customer Support Assistants*)

BSS - 24 posts

ELS – 24 posts

EE – 5 posts

3.9 Equality

3.9.2 Equality performance indicators

Equality performance indicators are calculated each month, for each Directorate. Listed below are each of the equality strands, together with an indication of the highest and lowest percentages associated with each.

3.9.3 All Directorate Non-school based staff

% Female - highest in FSC at 87.3% / lowest in EE at 45.1%

% BME - highest in FSC at 6.7% / lowest in ELS at 2.0%

% Disabled - highest in ELS and CC at 4.2% - lowest in FSC at 3.6%

% LGB – highest in FSC at 2.6% / lowest in ELS at 0.5%

% Religious Belief (Non-Christian) – highest in FSC at 6.5% / lowest in EE at 5.1%

3.9.4 Leadership group

% Female - highest in FSC at 75.0% / lowest in EE at 24.1%

% BME - highest in EE at 12.0% / lowest in ELS at 0%

% Disabled - highest in BSS at 7.3% - lowest in EE at 0.0%.

% LGB – highest in ELS at 7.1% / lowest in CC and EE at 0.0%.

% Religious Belief (Non-Christian) – highest in EE at 12.5% / lowest in ELS at 0%.

Appendix C (iv) contains details of the equality strands by Directorate.

Appendix C - Directorate details

| (i) Staffing numbers | | | | | | | | | |
|-----------------------|---------|---------|---------|---------|---------|---------|--------|---------------------|--------|
| FTE | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Change since Mar 13 | |
| BSS | 1,430.8 | 1,474.3 | 1,468.7 | 1,462.7 | 1,475.2 | 1,465.7 | 1,484 | 53.7 | 3.7% |
| ELS | 947.4 | 671.5 | 669.7 | 674.0 | 671.9 | 666.7 | 664 | -283.3 | -29.9% |
| FSC | 3,868.1 | 3,861.4 | 3,869.7 | 3,895.7 | 3,907.0 | 3,901.0 | 3,908 | 40.4 | 1.0% |
| CC | 1,630.6 | 1,637.5 | 1,633.5 | 1,641.6 | 1,640.9 | 1,620.4 | 1,602 | -28.6 | -1.8% |
| EE | 997.8 | 528.4 | 525.2 | 517.7 | 522.0 | 523.1 | 525 | -472.6 | -47.4% |
| Headcount (inc. CRSS) | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Change since Mar 13 | |
| BSS | 1,548 | 1,599 | 1,595 | 1,588 | 1,602 | 1,593 | 1,613 | 65.0 | 4.2% |
| ELS | 1,514 | 1,119 | 1,116 | 1,120 | 1,120 | 1,112 | 1,082 | -432.0 | -28.5% |
| FSC | 4,794 | 4,773 | 4,786 | 4,809 | 4,820 | 4,809 | 4,822 | 28.0 | 0.6% |
| CC | 3,193 | 3,184 | 3,170 | 3,168 | 3,158 | 3,107 | 3,087 | -106.0 | -3.3% |
| EE | 1,154 | 660 | 654 | 648 | 651 | 652 | 654 | -500.0 | -43.3% |
| Headcount (exc. CRSS) | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Change since Mar 13 | |
| BSS | 1,534 | 1,588 | 1,584 | 1,577 | 1,591 | 1,581 | 1,601 | 67.0 | 4.4% |
| ELS | 1,224 | 908 | 905 | 906 | 908 | 899 | 888 | -336.0 | -27.5% |
| FSC | 4,533 | 4,525 | 4,541 | 4,570 | 4,585 | 4,580 | 4,589 | 56.0 | 1.2% |
| CC | 2,047 | 2,055 | 2,051 | 2,053 | 2,056 | 2,029 | 2,009 | -38.0 | -1.9% |
| EE | 1,048 | 556 | 553 | 546 | 550 | 552 | 554 | -494.0 | -47.1% |
| Contract count | Mar-13 | Apr-13 | May-13 | Jun-13 | Jul-13 | Aug-13 | Sep-13 | Change since Mar 13 | |
| BSS | 1,554 | 1,604 | 1,601 | 1,594 | 1,607 | 1,597 | 1,617 | 63.0 | 4.1% |
| ELS | 1,569 | 1,135 | 1,133 | 1,136 | 1,135 | 1,127 | 1,096 | -473.0 | -30.1% |
| FSC | 5,225 | 5,205 | 5,221 | 5,250 | 5,256 | 5,237 | 5,246 | 21.0 | 0.4% |
| CC | 3,660 | 3,651 | 3,646 | 3,649 | 3,641 | 3,580 | 3,551 | -109.0 | -3.0% |
| EE | 1,164 | 667 | 661 | 655 | 658 | 658 | 659 | -505.0 | -43.4% |

| (ii) Staff by contract type - grouped (Sept 13) | | | | | | | | | | |
|---|----------------|---------------|--------------|---------------|------------|---------------|--------------|---------------|--------------|---------------|
| Contract type (grouped) | Contract count | | | | | | | | | |
| | BSS | | CC | | EE | | ELS | | FSC | |
| Temporary | 90 | 5.6% | 70 | 2.0% | 7 | 1.1% | 39 | 3.6% | 199 | 3.8% |
| Fixed term | 63 | 3.9% | 109 | 3.1% | 31 | 4.7% | 17 | 1.6% | 185 | 3.5% |
| Permanent | 1451 | 89.7% | 1902 | 53.6% | 516 | 78.3% | 841 | 76.7% | 4278 | 81.5% |
| CRSS | 13 | 0.8% | 1470 | 41.4% | 105 | 15.9% | 199 | 18.2% | 584 | 11.1% |
| | 1,617 | 100.0% | 3,551 | 100.0% | 659 | 100.0% | 1,096 | 100.0% | 5,246 | 100.0% |

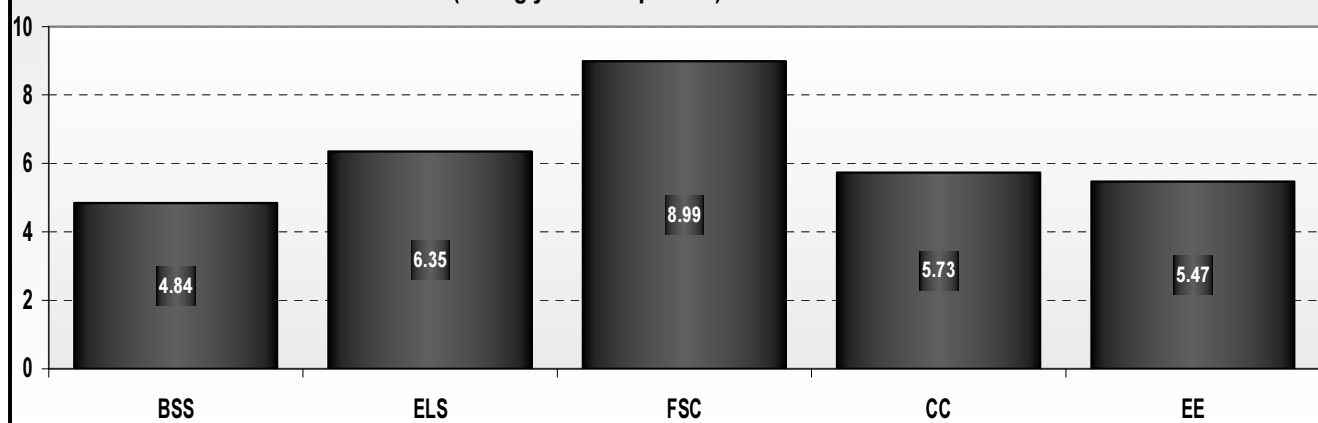
Appendix C - Directorate details

(iv) Equalities Performance Indicators - September 2013

| Non-School based staff (Exclusions: CRSS and Schools) | BSS | | ELS | | FSC | | CC | | EE | |
|--|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|
| | Directorate | LG(1) | Directorate | LG(1) | Directorate | LG(1) | Directorate | LG(1) | Directorate | LG(1) |
| % Females | 63.5% | 47.7% | 81.2% | 55.6% | 87.3% | 75.0% | 69.3% | 40.0% | 45.1% | 24.1% |
| % BME | 5.6% | 5.6% | 2.0% | 0.0% | 6.7% | 2.9% | 5.1% | 6.1% | 4.3% | 12.0% |
| % Disabled | 4.1% | 7.3% | 4.2% | 3.6% | 3.6% | 2.8% | 4.2% | 3.0% | 3.7% | 0.0% |
| % Religious Belief (Non-Christian) | 5.9% | 7.0% | 5.4% | 0.0% | 6.5% | 2.0% | 5.5% | 3.8% | 5.1% | 12.5% |
| % LGB | 1.9% | 1.4% | 0.5% | 7.1% | 2.6% | 4.0% | 2.3% | 0.0% | 1.9% | 0.0% |
| % aged 25 and under | 10.1% | | 2.5% | | 5.4% | | 10.0% | | 7.9% | |
| % aged 30 and under | 22.4% | 3.1% | 7.0% | 0.0% | 13.3% | 0.0% | 17.8% | 2.9% | 20.6% | 0.0% |
| % aged 50 and over | 29.1% | 43.8% | 48.8% | 6.1% | 39.9% | 59.2% | 36.5% | 51.4% | 32.1% | 44.8% |
| % aged 50 and over (new 2013-14) | 1.2% | 1.5% | 5.1% | 6.3% | 2.0% | 0.0% | 1.1% | 0.0% | 1.3% | 0.0% |

(1) LG = Leadership Group (staff on KR13 or above and £48,635 minimum salary)

(v) Sickness - Days lost per FTE (rolling year to Sept 2013)



(vii) All KCC-NonSchool staff on Kent Scheme (Sept 2013)

| KR equivalent | KCC - NS % (rounded to 1 d.p.) | | | | | | | | | | |
|---------------|--------------------------------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| | BSS | | CC | | EE | | ELS | | FSC | | |
| | Count | % | Count | % | Count | % | Count | % | Count | % | |
| KR6 & below | 408 | 26.5% | 1017 | 57.8% | 98 | 18.5% | 312 | 47.6% | 2151 | 46.9% | |
| KR7-9 | 500 | 32.5% | 465 | 26.4% | 261 | 49.2% | 195 | 29.7% | 1476 | 32.2% | |
| KR10-13 | 557 | 36.2% | 264 | 15.0% | 156 | 29.4% | 131 | 20.0% | 913 | 19.9% | |
| KR14-15 | 58 | 3.8% | 10 | 0.6% | 10 | 1.9% | 12 | 1.8% | 45 | 1.0% | |
| KR16 & above | 17 | 1.1% | 4 | 0.2% | 6 | 1.1% | 6 | 0.9% | 5 | 0.1% | |
| | 0 | 1,540 | 100.0% | 1,760 | 100.0% | 531 | 100.0% | 656 | 100.0% | 4,590 | 100.0% |

4. Schools

4.1 Introduction

This section of the paper contains information about school-based staff. Schools may opt to purchase HR and Payroll services from providers other than KCC, so the information included in this report relates only to those schools that buy our services. The number of schools buying our services varies from year to year and this impacts on reported staffing numbers. Additionally, numbers decrease as schools leave the Authority to adopt Academy status, a decision made by 7 schools in the first half of 2013-14. A further 16 schools having stated their intention to become Academies by the end of the year and two more schools have indicated that they intend to adopt Academy status, but have yet to provide a date for their conversion.

Appendix D(i) shows the changes in staffing levels over the year.

4.2 Current staffing levels (Oracle HR)

4.2.1 Full-time equivalents

The September 2013 figure was 14,207.4, a 1.7% increase on the March 2103 figure of 13,973.6.

4.2.2 Headcount

The headcount figure at September 2013 was 23,084, or 20,698 if CRSS staff were excluded. By comparison the March figures were 22,966 and 20,688 respectively.

4.2.3 Assignment (or contract) count

28,105 in September 2013, an increase of 76 contracts when compared with the March figure of 28,029.

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By: Gary Cooke – Cabinet Member for Corporate & Democratic Services
Amanda Beer – Corporate Director Human Resources

To: Personnel Committee

Date: 28 November 2013

Subject: Facing the Challenge

Classification: **Unrestricted**

SUMMARY: This report updates Personnel Committee on the top two tier restructuring and associated HR implications to date of the transformation programme Facing the Challenge.

1. Introduction

- 1.1 Facing the Challenge – Delivering Better Outcomes set out the Council's approach to delivering a radical rethink of how KCC delivers services to the people of Kent. The paper was agreed at County Council on 19 September 2013.
- 1.2 The consequential restructuring of the top two tiers of the County Council's structure has commenced and by the end of November confirmation of the alignment of services under the proposed directorships will be made.
- 1.3 Since the County Council met the Corporate Programme Office has been established, headed up by Paul McCallum. Market engagement reviews for the initial 12 services has commenced with information sought from and provided by those services and the market engagement review team has been established.

2. Top 2 tier restructuring

- 2.1 Consultation on the realignment of the top two tiers of the organisation's structure commenced on the 15 October 2013 and is therefore due to end on 14 November 2013. Formal consultation meetings have been held with trades unions on the 16 October and 7 November 2013.
- 2.2 From the 15 November to the 4 December feedback will be provided to those people who responded to the consultation and the final proposal announced. This proposal will be presented to County Council on 12 December 2013 after which each directly affected member of staff will be advised of their personal status regarding the realignment.
- 2.3 Some may be slotted into posts in the new structure if:
 - the job is the same grade as before the reorganisation,

- there are the same number of jobs (or more) as job holders
 - the job is deemed 75% the same type of work in terms of job accountabilities, activities and broad objectives.
- 2.4 Those that are not slotted will have the opportunity to apply and be interviewed for roles in the new structure if the role they are interested in is within two grades of their current job grade. Interviews will take place during January 2014.
- 2.5 Anybody who does not secure a post through either slotting or interview will receive notice of redundancy.
- 2.6 The employees affected by the realignment proposal have also been offered the opportunity to express interest in voluntary redundancy. Decisions to let people leave the organisation on this basis will be determined by reference to what skills, experience and capability the organisation will need in the future.
- 2.7 The new top tier structure will be implemented on the 1 April 2014.

3. Realignment

- 3.1 An initial high level mapping of the new 'Facing the Challenge' KCC Directorate structure has been produced, showing the activities and operational areas that are planned for each new directorate and the estimated staff that would move into each area. Detailed costs of the old and the new senior structure and the resultant savings have also been produced. Both of these documents will be updated in November following any changes stemming from the top tiers consultation exercise.
- 3.2 In December the building of the new structures and teams on the Oracle HR System will begin. From January 2014 the detailed mapping exercise to enable the Council to move the 11,000 staff in KCC (non Schools) from the old to the new Directorate and team structure will start. This work will involve close liaison between HR, Finance & ICT to ensure alignment with the new budget structure. The implementation of updated systems will occur in the last week of March 2014 taking account of new appointments and movement of staff in the intervening period.
- 3.3 From the 1 April 2014 all staff will be allocated to their new Directorate and team structures on the Oracle HR System and on ICT systems (emails, logins, telephone directory etc).

4. Approach to restructuring

- 4.1 Kent County Council uses an established approach to managing change in structures within the Authority. This is based on statutory requirements, tried and tested approaches to change management and the principle of employment stability.
- 4.2 However, in anticipation of the changing needs of the organisation HR has been moving to ensure that the organisation's response to change is more flexible,

adaptive and agile. This will help the organisation take a more purposeful approach to deployment and ensure that there is a greater degree of organisational and individual realism in the way redeployment is managed.

- 4.3 The approach will also ensure that we do not, due to the phasing of change, lose skills and capability that are essential to the organisation but not necessarily needed in the service that staff were previously working in.
- 4.4 In looking at a more agile approach to restructuring it is important to set out the intent of the organisation. The concept of employment stability on which our approach was previously based, is an aspect of managing change that has increasingly less relevance to the needs of the organisation. As the Council faces difficult challenges in response to budgets and the requirements of service delivery it is even more essential to ensure that the authority has the correct skills, experience and capability needs. The Council's procedures and approach to change will let it achieve this principle.
- 4.5 Alongside this the Council still recognises the statutory requirement to consult on redundancies and will continue to do this in an open and transparent way with staff and trades unions. It will also, wherever possible, seek to mitigate the impact of redundancies on its staff.
- 4.6 A more detailed framework under which the County Council manages the people aspects of change is currently being prepared.

5. HR response to Facing the Challenge

- 5.1 HR recognises the need for a co-ordinated response across the Division to enable it to deliver the HR aspects of Facing the Challenge. A project group has been established that brings together all the component elements of the HR response. The project group's work streams are:
 - Organisational Design and Realignment
 - Self Sufficient Manager
 - Organisational Effectiveness
 - Workforce Development/Training
 - People, Policy & Strategy
 - HR and Associated Systems and Reporting
 - Engagement
- 5.2 A high level project plan has been produced to identify the key interventions from HR and the timescales they will be delivered within. The project plan is provided in the context that HR has a number of imperatives it must deliver before, or by, 1 April 2014 to support the realignment of the County Council. Equally there are other projects that will be delivered beyond the 1 April which will help change and support the organisation to deliver the other significant principles of Facing the Challenge. Work on many of these projects will start before April 2014 and are shown in the project plan.

6. RECOMMENDATIONS

- i) Personnel Committee notes the progress on the top two tier restructuring exercise.
- ii) Personnel Committee notes the proposed approach to restructuring.
- iii) Personnel Committee notes the HR project based response to Facing the Challenge.

Paul Royel
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