

13 December 2011		ITEM 5
General Services Committee		
HUMAN RESOURCES (HR) POLICY REVIEW AND CHANGES		
Report of: Chris White, HR Strategy & Policy Manager		
Wards and communities affected: N/A	Key Decision: N/A	
Accountable Head of Service: Jackie Hinchliffe, Head of Human Resources, Organisational Development and Customer Strategy		
Accountable Director: Richard Waterhouse, Director of Transformation		
This report is public.		
Purpose of Report: to provide General Services Committee with details of proposed changes to policies and procedures affecting the employment of staff, for approval.		

EXECUTIVE SUMMARY

The framework of core HR policies has been rewritten in support of the Council's wider transformation agenda. The new policies should deliver workforce efficiencies and enable more effective staff management. They have been drafted following research and careful consideration of best practice in other local authorities and comparable organisations.

Most of the amendments are non-contentious and have been designed to simplify processes, facilitate better understanding and consistency across the Council and incorporate recent legislative updates. However, certain proposals involve changes to integral employment practices which fall outside of our Constitutional remit and therefore require the authorisation of General Services Committee.

1. RECOMMENDATIONS:

- 1.1 That General Services Committee authorise the key changes to the framework outlined in Section 3, to be implemented at various stages in 2012.**

2. INTRODUCTION AND BACKGROUND:

- 2.1 In 2010, concerns were raised about the fitness for purpose of the Council's human resources policies and procedures. As a result it was agreed that they should be reviewed and, where necessary, modernised in line with best practice.
- 2.2 An initial analysis was undertaken by organisational development specialists. This involved research of best practice, comparison with other organisations and interviews with senior management.
- 2.3 Policies were revised and have been through a process of consultation with trade unions. They have been agreed by Directors' Board and The Code of Conduct has also been to the Constitution Working Group. The final stage of approval before implementing these policies is the General Services Committee.

3. SUMMARY OF CHANGES

- 3.1 A list is provided in Appendix 1 of all of the policies reviewed, along with a summary of the changes. More detail is provided below on the major changes which are likely to be contentious. Policies relating to diversity, learning and development and pay & reward have been excluded and will be part of separate exercises.

Smoking breaks (Smoke Free Policy)

- 3.2 The amended Smoke Free Policy will prohibit smoking breaks during work time and will require the Council to maintain smoke free zones around all of its premises. Smoking related facilities at Council offices will have to be removed. By contrast, the current policy accommodates smokers by allowing a formal extension to their standard working day by up to 30 minutes to allow for smoking breaks.
- 3.3 The new policy has a dual purpose: (1) the Council should aim to be a paragon in the community with respect to health and wellbeing. Smoking rates in Thurrock are high when compared regionally and nationally. The Council has a part to play in addressing this by setting an example and by attempting to reduce smoking rates amongst its employees (a large proportion of whom, are Thurrock residents). (2) From an operational perspective, moderating the time spent by smokers away from their workplaces and influencing better health and wellbeing, should have a positive long-term impact on productivity.
- 3.4 Some of the controversy of preventing smoking breaks will be averted by increasing the support available to smokers to help them stop. This will include granting limited paid time off to attend appointments and a reasonable amount of unpaid time off. The policy is intended to go live on 1 June 2012 but will be preceded by a period of substantial promotional activity around smoking cessation and support networks, between January and May 2012.
- 3.5 The trade unions adopted a fairly neutral position towards this, though they expressed reservations about the reaction of sections of their membership. It was suggested as a counter proposal that the Council does not ban smoking

breaks but refocuses the current policy towards supporting smokers to stop rather than restricting their choice.

3.6 The intended date for the policy to come into force is 1 June 2012.

Redundancy terms (Change Management Policy)

3.7 The Redundancy & Redeployment Policy has been renamed the Change Management Policy. It covers a wider remit of organisational restructuring scenarios and subsumes the separate policy that we currently have on pay protection. The key modification to existing practice however, is a reduction in redundancy terms.

3.8 Current redundancy terms at Thurrock are more generous than most other Councils, with a multiplier of two times the statutory number of weeks' pay. The new terms would effectively cap this multiplier at a £30,000 payment. Any remaining weeks' entitlement over and above £30,000 would be multiplied by one instead of two. Example calculations of this are illustrated in Appendix 2.

3.9 New terms will only apply to employees under the age of 55 or those that are over 55 but not members of the Local Government Pension Scheme (LGPS). Staff over the age of 55 who are in LGPS currently receive the basic statutory number of weeks pay plus early receipt of their pension. This will not change.

3.10 Other options, such as altering the multiplier to a standard x1 or x1.5 in line with some other Councils, were considered. The solution we arrived at allows Thurrock to remain one of the more generous Councils in the area (see Appendix 3), protect the lower paid and still reduce the financial pressure of future redundancy costs. It will impact a relatively small proportion of employees, in most cases high earners.

3.11 Trade unions were strongly opposed to any reduction in redundancy terms. Their alternative suggestion was to phase in the changes by only applying them to new staff that join the Council after the implementation date.

3.12 The intended date for the policy to come into force is 1 April 2012.

3.13 The Council also has a policy statement on its application of LGPS discretionary powers, which covers enhanced redundancy payments. This statement would need to be updated by 1 March 2012 to allow a month's publication before the changes are implemented, in line with the requirements of the LGPS Regulations (2007).

Absence management processes (Sickness Absence Policy)

3.14 Sickness absence rates are above average when compared to other local authorities and even higher relatively when benchmarked across all industries. Sickness absence cost the Council the equivalent of £1.5m in days lost in 2010/2011. Considerable investment has been made in the nurse contact centre and occupational health facilities but the Council still needs a clearer and more robust management procedure to support this momentum.

3.15 Within the current policy, opportunities to formally address sporadic absences are limited. Recognition of a short-term absence 'problem' is determined through one trigger point which is only based on absence occurrences rather

than actual numbers of days lost. The new policy includes an additional trigger review point calculated by number of days lost (six days in total in a rolling twelve months) which will capture a larger number of absence cases that could potentially develop into consistent attendance problems. These can then be evaluated and options considered at the earliest possible stage. This also serves as an additional monitoring tool to be used centrally to explore the extent to which managers are being proactive in taking the appropriate action in each case.

- 3.16 The other restriction of the current policy is the ambivalence of the process for handling long-term absences, which make up 50% of our overall absence. This has been replaced with a distinct procedure including escalation of long-term cases to a more senior manager to review the circumstances, and the inclusion of different options available to the reviewing manager depending on the length of the absence. Options include setting improvement targets with regular monitoring, and calling an absence hearing to consider the employee's dismissal where support and reasonable adjustments have been exhausted.
- 3.17 The only concern of trade unions was the addition of a new trigger point. When reassured that there would be a thorough implementation programme to educate managers on using the policy, and when offered to have an input into that process, they agreed that this was a workable solution.
- 3.18 The intended date for the policy to come into force is 1 March 2012.

New policies

- 3.19 In developing the framework, an effort was made to balance the need to be more efficiency and cost conscious, with a desire to increase the range of retention incentives in place for staff and maintain an effective employee relations climate. New policies have been produced on: Green Travel Loans, Buying Annual Leave and Major Sporting Events (accommodating time off), to try to achieve this.
- 3.20 A summary of these provisions is included with the table at Appendix 1.

4. CONSULTATION

- 4.1 Heads of service, trade unions and Directors' Board have been consulted and their input taken into consideration when composing the framework. Constitution Working Group have been consulted over the Code of Conduct, which is intended to replace the 'Officer's Code of Conduct' in The Constitution.

5. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT

- 5.1 There is no direct impact on the community arising from this report. However the framework provides the guiding principles for an environment of high performance, which will in turn enhance the quality of services provided by the Council.

6. IMPLICATIONS

6.1 Financial

Implications verified by: **Funké Nana**
Telephone and email: **01375 652 451**
fnana@thurrock.gov.uk

There are no direct financial implications arising from this report as the purpose is to seek approval to update policies and procedures affecting the employment of staff, which have been designed to simplify processes, facilitate better understanding and consistency across the Council and incorporate recent legislative updates.

6.2 Legal

This updating of the HR Policy framework will provide additional clarity and aid efficient management practices, which will contribute to appropriate and compliant responses should the authority's HR procedures be subject to internal or external challenge.

Implications verified by: **David Lawson**
Telephone and email: **01375 652087**
dlawson@thurrock.gov.uk

6.3 Diversity and Equality

Equality impact analyses have been carried out for all major change proposals, resulting in recommendations which have been built into the framework. Appropriate steps have been taken to mitigate any adverse impact on relevant protected groups and the impact will be monitored through the Human Resources function, and as part of the annual equality report.

Implications verified by: **Samson DeAlyn**
Telephone and email: **01375 652472**
SDeAlyn@thurrock.gov.uk

7. CONCLUSION

- 7.1 The current HR policy framework is outdated and not conducive to a culture of truly efficient and effective staff management. The above changes are necessary to modernise the Council's employment practices and in doing so, help to address pressing areas of concern such as sickness absence levels and the financial pressure of unnecessarily high redundancy payments. Recognising that nearly 80% of our staff are residents of Thurrock we have sought to maintain a balanced approach to the recruitment and retention of staff and support our wider aspirations for Thurrock. Savings have not been

specifically targeted however they are anticipated through improved efficiency, management and productivity.

APPENDICES TO THIS REPORT:

- Appendix 1: policy change summary
- Appendix 2: redundancy calculation examples
- Appendix 3: redundancy multiplier comparison
- Appendix 4: new Smoke Free Policy
- Appendix 5: new Change Management Policy
- Appendix 6: new Sickness Absence Policy
- Appendix 7: Guidelines on Major Sporting Events
- Appendix 8: Buying Annual Leave Scheme
- Appendix 9: Career Break Scheme
- Appendix 10: Green Travel Loans Policy
- Appendix 11: Code of Conduct

Report Author Contact Details:

Name: Chris White

Telephone: 01375 652832

E-mail: cwhite@thurrock.gov.uk