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Dear Sir/Madam

EMPLOYMENT COMMITTEE

A meeting of the Employment Committee has been arranged to take place **THURSDAY 11TH FEBRUARY 2016 at 6.00 PM IN THE COMMITTEE ROOM** District Council House, Lichfield to consider the following business.

Access to the Committee Room is via the Members' Entrance.


Yours faithfully



Strategic Director

To: Members of Employment Committee

Councillors Powell (Chairman), Mrs Constable (Vice-Chairman), Mrs Banevicius, Cox, Mrs England, Miss Hassall, Humphreys, Mosson, Smedley, Mrs Stanhope MBE and Strachan.

- 
1. Apologies for Absence
 2. Declarations of Interest
 3. To approve as a correct record the Minutes of the Meeting held on the 28TH October 2015 (copy attached)
 4. Fit for the Future: Review of Senior Management Structure (copy attached)
 5. Personal Relationships Policy (copy attached)
 6. Elected Members Learning & Development Needs Analysis 2015-16 (copy attached)
 7. Pay Policy Statement (copy attached)

EMPLOYMENT COMMITTEE

28 OCTOBER 2015

PRESENT:

Councillors Powell (Chairman), Mrs Constable (Vice-Chairman), Mrs Banevicius, Cox, Mrs England, Miss Hassall, Mosson, Smedley, Mrs Stanhope MBE and Strachan

(AN APOLOGY FOR ABSENCE was received from Councillor Humphreys)

112 MINUTES

The Minutes of the Meeting held on 15th July 2015, as printed and circulated, were taken as read, approved as a correct record and signed by the Chairman.

113 DECLARATIONS OF INTEREST

There were no declarations of interest.

114 EMPLOYEE SURVEY RESULTS 2015

Members received a report on the headline results of the Employee survey which was conducted earlier in the year. The report also informed the Committee on the actions put in place to address the key issues arising from the survey.

It was reported that the response rate for this survey had been significantly higher than previous surveys with an increase from 22% to 65%. It was reported that this was partly due to the survey being anonymous. It was also noted that the results had highlighted many positives along with areas that needed addressing.

The Committee discussed the results of the survey specifically that 17% of responding staff felt valued by Councillors. Members were concerned by this statistic and felt that lines of communications between Councillors and staff needed to be opened up somehow with Councillor making more of an effort to meet staff and Managers creating opportunities for this to happen. It was suggested by Councillor Strachan that the Employee Joint Consultative Committee could be avenue to do this however it was noted that it may not be the right forum and it was agreed that Leadership Team would investigate the best routes of communication. It was noted that other responses in the survey had highlighted that some staff also did not feel valued by the organisation or their Director. Members felt that this could be due to low moral caused by uncertainties from the Fit for the Future programme.

Members felt that the situation could also have been compounded by new Members not fully knowing all Officers especially those who could help with ward queries. It was noted that the yearbook was available online but it still didn't put faces to names.

It was reported that actions had already been implemented and the information and thoughts received by the Committee would be discussed by Leadership Team.

RESOLVED: That the results of the survey and subsequent actions be noted.

115 ELECTED MEMBERS LEARNING & DEVELOPMENT NEEDS ANALYSIS 2015-16

The Committee received a report requesting views to the content of the 2015-16 Elected Members Learning & Development Needs Analysis (LDNA) and how best to ensure a high level of response.

It was reported that with the help of the Committee Members, response rates had increased. It was also felt that with the introduction of new Members following the elections, their views on the questionnaire was paramount and so it would be advantageous to find an avenue to show them the analysis before final distribution. It was agreed that it could be discussed in group meetings and any views passed back to the Personnel Manager by the end of November. Councillor Powell agreed to coordinate asking for comments from the Conservative group, Lib Dem Member and UKIP Member and Councillor Mrs Banevicius agreed to coordinate getting views from the Labour Group.

It was then discussed that training was invaluable for Members to undertake their role and it was for the Groups to drive forward the importance of attending sessions.

RESOLVED: (1) That advice and direction given by the Committee on the LDNA be noted;

(2) That the outcome of the survey be considered by the Committee at its next meeting to ensure that Member learning and development priorities are met; and

(3) That advice given by the Committee on how best to promote learning and development to elected Members be noted.

(The Meeting closed at 7.10 p.m.)

CHAIRMAN

FIT FOR THE FUTURE: REVIEW OF SENIOR MANAGEMENT STRUCTURES

Report of the Chief Executive

| | |
|--------------------|---------------------------------|
| Date: | 11th February 2016 |
| Agenda Item: | 4 |
| Contact Officer: | Diane Tilley, Chief Executive |
| Tel Number: | 01543 308001 |
| Email: | Diane.tilley@lichfielddc.gov.uk |
| Key Decision? | NO |
| Local Ward Members | N/A |

Employment Committee

1. Executive Summary

- 1.1 As part of the Council's 'Fit for the Future' Programme a review of senior management structures has been undertaken by West Midlands Employers (WME). The review forms part of the wider work being undertaken to create a 'corporate council' which also includes the development of a new Strategic Plan and a review of employee terms and conditions.
- 1.2 It is anticipated that re-organising the senior management structures will help ensure the Council has a management structure that is fit for the future, and management capacity that is better able to:
 - Facilitate, support, enable and promote transformation in how the council operates and delivers services to the community
 - Support a 'one council' ethos across the organisation, and reinforce strong corporate governance and performance management
 - Enable a more policy driven and evidence led approach to decision-making and service development
 - Work alongside elected members to provide stronger, proactive and forward looking strategic leadership to the authority and district
 - Create and support a tier of empowered and confident heads of service and technical professionals that manage day-to-day operations and service delivery
- 1.3 A new management structure is proposed as a result of the WME review. The Council now needs to consider if it wishes to undertake a formal consultation exercise on the proposed model, Appendix A, with a view to implementing the new structures during 2016. Appendix A gives additional detail on the Heads of Service areas of responsibility and Appendix B shows the current structure.
- 1.4 A further report will be presented to Cabinet, Employment Committee and Full Council in May 2016 following the consultation exercise.

2. Recommendation

- 2.1 That Employment Committee recommend to Full Council (23rd February 2016) that a process for consultation on the proposed new senior management structure be undertaken.

3. Background and Rationale

Why do we need to review and re-organise senior management structures?

- 3.1 There has not been a fundamental review of the senior management structure for more than ten years. The current structure and arrangements have evolved as a result of events and changing circumstances rather than by design. This historical and ad hoc development of management roles and portfolios means the configuration of some parts of the current organisational structure are now neither logical nor productive.
- 3.2 The current structures do not support or promote cross council working, and as a result the organisation lacks a corporate 'one council' ethos - something the LGA Corporate Peer Challenge in September 2014 observed. Neither is the current structure designed to facilitate the strategic thinking and corporate leadership needed to lead the transformation required to enable the Council to respond to the current and likely future challenges facing local government.
- 3.3 The review provides an opportunity to address the current lack of corporate capacity and provide a greater focus on the organisational development, culture and values, and ways of working required to deliver the new Strategic Plan 2016-20. The proposed structure aligns with the emerging themes of the Strategic Plan but also has flexibility to adjust to future changes. Most importantly it is a chance to better develop and reward new talent, provide new opportunities for career progression and development, improve motivation and morale, and refresh the organisation so it is truly fit for the future.

Key findings from the review

- 3.4 The key findings of the review are:
 - There are a number of cultural and organisational strengths within the council that are grounded in goodwill and personal commitment from staff at all levels
 - Tackling the structure of the council will help to address a number of areas for improvement identified such as silo working and a lack of corporate focus and especially in addressing transformation activity and organisational development but this will not have maximum impact unless consolidated with new ways of working
 - The Corporate and Strategic deficit needs to be addressed; this means that we need a different focus from leadership on transformational change of services and the organisation which develops a culture of innovation, and effective partnership working
 - There is a need to 'close the gap' between third and second tier officers and to ensure the new third tier Heads of Service are empowered and feel trusted.
 - There is strong consensus across the top three tiers that there is both a need and desire for structural change
 - There is a need for realism in terms of our capacity.
 - There is a desire for a structure with minimal layers of management, where each adds value.
- 3.5 The review proposes a new management structure that has been informed by engagement with Directors, managers and elected members. It is shaped by the emerging Strategic Plan for 2016-20 and the likely future context in which councils will be operating. The proposed structure also takes account of models and approaches in other authorities, and has been designed to be cost neutral (i.e. overall salary / running costs will be approximately the same as they are currently).

The proposed new management structure

- 3.6 The proposed new structure is attached at Appendix A including a broad outline of portfolio responsibilities for Heads of Service posts. The current structure is attached at Appendix B for comparison.
- 3.7 The key design features and principles of the proposed model are:
- A different approach that recognises the need for new skills and different styles of leadership to address the transformation of services and organisational development with a strong customer focus and productive and innovative partnership working.
 - A Chief Executive post to be retained (albeit proposals were considered for alternative options)
 - 3 Directors
 - 12 Head of Service
 - Flexibility across and within the structure and over time.
 - Overall cost neutral compared to the running costs of the current structure. This review seeks to realign capacity to business needs as opposed to removing capacity through a cost reduction exercise.

Next steps

- 3.8 It is proposed that following consideration of this report by Cabinet it is presented to Employment Committee and Full Council so that members can consider whether they wish to formally consult on this new structure. This is in accordance with our usual process for decision making on such issues.
- 3.9 Subject to approval by Full Council (23rd February 2016), a six week formal consultation period with staff and trade unions would then take place. Consultation responses will then be considered before a final proposal is put to Cabinet, Employment Committee and Council in May 2016.
- 3.10 The report in May will outline in further detail the arrangements for the appointment of officers to the new structure including job descriptions. Members are asked to note that as the current Director posts would be deleted, and new Director and Heads of Service posts would be created all directly affected staff would be placed 'at risk' at the commencement of the formal consultation period.
- 3.11 It is proposed that West Midlands Employers will provide support and guidance throughout the process to implement a new structure to ensure appropriate expertise and independence.

Alternative Options

West Midlands Employers' considered a range of alternative options during the review. Remaining 'as is' would not allow the potential benefits as outlined in this report to be realised.

The formal consultation exercise (see below) will allow for changes and alterations to be made to the structure before final agreement in May 2016.

Consultation

The Cabinet considered this report on 28th January 2016. They recommended to Employment Committee that the Consultation be undertaken for the reasons stated in the report, to ensure that the Council had the most appropriate structure in place for the future and to address the issues first highlighted in regards to our capacity in the LGA Corporate Peer review in 2014. They recognised that there was much uncertainty for staff affected by the review which could increase stress and anxiety and that the process should be completed as quickly as possible. It is important

however to ensure that the process is completed properly and adequate time given for consultation and for staff to submit their views and for those views to be fully considered. It is also necessary, should the decision be taken to implement a new structure, to do so in two phases with Directors appointed before Heads of Service posts are filled. Following discussion at Cabinet a further risk of the potential for loss of knowledge and experience from the council has been added. It was recognised that recruitment to posts would be done in the correct way according to our policies and procedures applying to staff affected.

The views of Directors, Managers and elected members were sought as part of the West Midlands Employers Review and have informed the findings and recommendations.

All staff who will potentially be affected, and Unison, have been informally briefed on the West Midlands Employers report and the time line for the next steps has also been shared.

There will be a formal six week consultation period enabling views of staff and unions to be taken into consideration before a decision is made to implement a new management structure.

All staff whose posts are directly affected by the review will be placed 'At Risk' and it is proposed that the consultation on the proposed structure at second and third tier will be undertaken during a single phase. The consultation process will be carried out in accordance with the relevant contractual and council policies and procedures.

It is proposed that employees will be defined into two separate ring-fenced groups for this process and for the purposes of appointment to the new structure, recognising the existing second and third tier roles.

The second tier will be appointed to first and then at that point the process for appointment to the third tier will commence.

As a consequence of this review there will then need to be a third phase to the review, which will explore any capacity gaps at fourth tier and the support requirements of the second and third tier (incorporating existing PA support).

Financial Implications

The proposed new structure is intended to be cost neutral overall to the council (i.e. not significant increase or decrease of current costs).

However there will be one-off costs associated with the implementation of a new management structure. These will include support costs (West Midlands Employers) estimated to be approximately £20,000 (already budgeted for as part of the Fit for the Future programme).

Redundancy costs arising from the consolidation and downsizing of the number of posts at second and third tier are dependent on the age and length of service of the individuals being made redundant and therefore cannot be precisely calculated at this stage. These are estimated to range from a minimum of £150,000 up to a maximum of £500,000. The Council has an earmarked reserve of £240,000. So potentially an additional £260,000 may be needed. It is anticipated that this can be met from general reserves, but this would be a matter for Council to determine when making a decision on whether a new structure should be implemented.

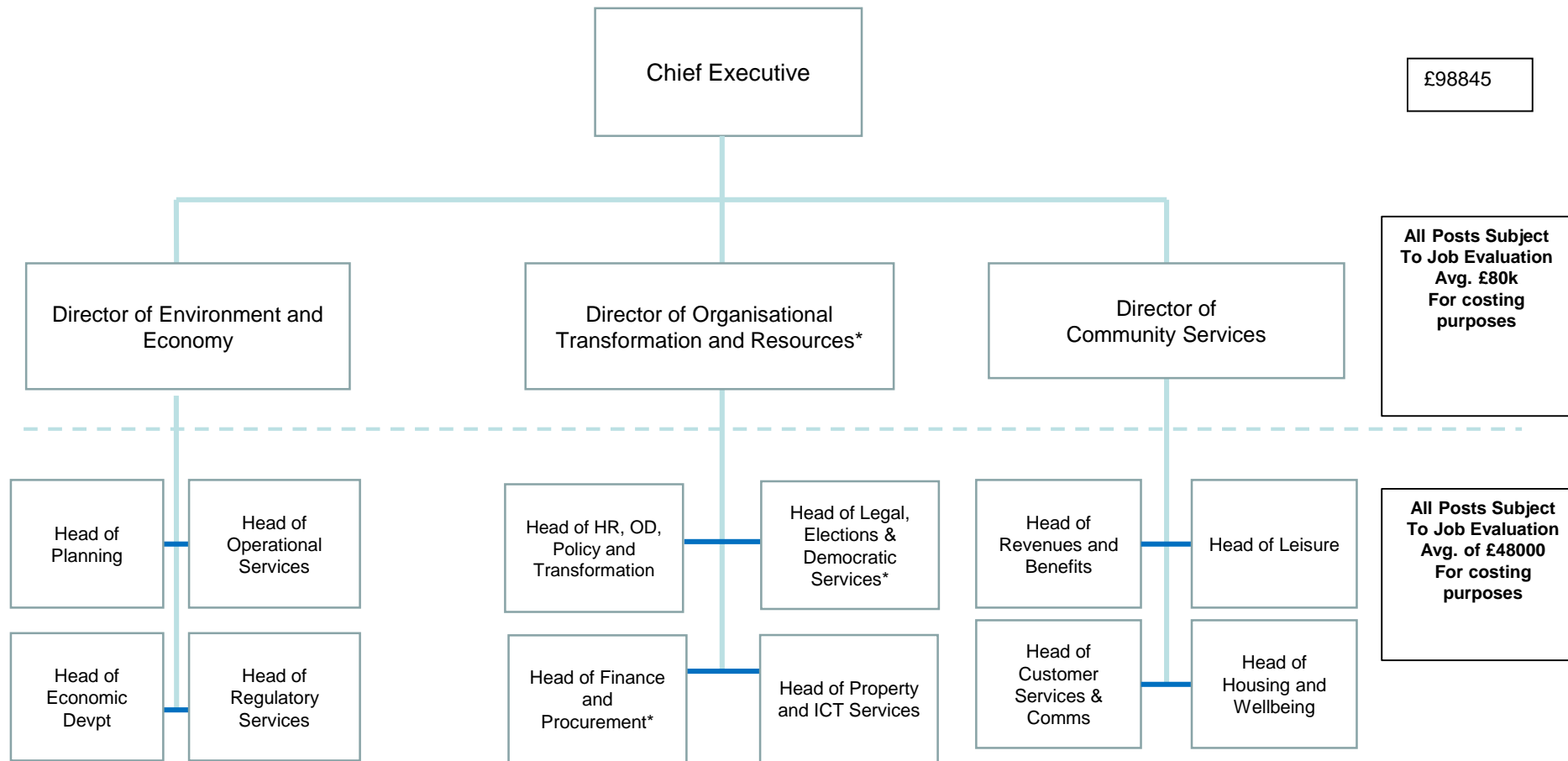
Members will be aware of the emerging MTFs for 2016 – 2020 which indicates a reduced budget for the Council. Further efficiencies and transformation will be needed over the next four years to ensure that our position is financially sustainable.

| | |
|---|--|
| | <p>It is recognised that there are costs associated with this proposal, but there is flexibility in the proposed structure to ensure that senior management changes as the role of the council evolves. The skills and structures to address these transformation challenges will only be secured by taking forward this review.</p> <p>Consultation will bring forward suggestions and proposals that can be considered carefully before any decision on a new structure is taken. However members are reminded that once the process starts and staff are placed at risk we must be committed to its completion.</p> |
| Contribution to the Delivery of the Strategic Plan | The new management structure will help better align leadership and deploy capacity to support the delivery of the new Strategic Plan 2016 -2020. |
| Equality, Diversity and Human Rights Implications | A full equality impact assessment will be completed as part of the review. |
| Crime & Safety Issues | None |

| | Risk Description | How We Manage It | Severity of Risk (RYG) |
|---|--|---|-------------------------------|
| A | Reduction in staff morale which affects recruitment and retention | <p>Ensuring that staff are kept advised on progress of the review and time scales for each phase of work.</p> <p>Ensuring all staff , and in particular those directly affected are able to make their views known through consultation</p> | Material - yellow |
| B | Insufficient capacity to manage services if staff leave prior to restructure | <p>Keep staff informed and manage their concerns. Manage requests for staff to leave on basis of business need, in accordance with our policy. Consider temporary cover where appropriate.</p> <p>Accept there could be impact on delivery in a review of this scale.</p> | Material - yellow |
| C | Loss of knowledge and experience from the Council | Ensure appropriate redeployment and recruitment policies are adhered to | Green |
| D | | | |
| E | | | |

Background documents
[Review of Leadership and Organisational Structures - West Midlands Employers. November 2015. \(Confidential \)](#)

Relevant web links



£98845

All Posts Subject To Job Evaluation Avg. £80k For costing purposes

All Posts Subject To Job Evaluation Avg. of £48000 For costing purposes

8 posts –
£38000
(Average for costing purposes) All posts subject to Job Evaluation

This model would require the retention of some (additional) 4th tier 'Team Leader' / Operational Manager posts

* Section 151 or Monitoring Officer Role to be determined at either Director or Head of Service level.

Head of Service Portfolio Responsibilities

Head of Planning

- Development Control
- Conservation
- Land Charges
- Building Control*

** NB – this could be a separate HOS post reporting to Director*

Head of Operational Services

- Waste Collection (shared service with Tamworth)*
- Grounds Maintenance and Park Services
- Car Parks
- Street Cleaning

** NB – this could be a separate post reporting to Director at Tamworth*

Head of HR, OD, Policy and Transformation

- HR
- Organisational Development
- F4F Transformation
- Health and Safety
- Insurance
- Policy and Performance

Head of Legal, Elections and Democratic Services*

- Legal Services
- Democratic Services
- Election Services

** NB – this post could be designated as the MO dependent upon Director level appointment*

Head of Revenues & Benefits

- Council Tax Collection
- Business Rate Collection
- Benefit Payments
- Debt Recovery
- Fraud Investigation

Head of Leisure

- Leisure Services
- Sports development and active lifestyles.
- Arts Services
- Garrick Theatre Trust

Head of Regulatory Services

- Environmental Health Protection
- Public Protection (Licencing)
- Public Health Protection (incl. Private Housing Provision and health and safety)
- Emergency Planning

Head of Economic Development

- Strategic Planning (delivery of Local Plan)
- Engagement with LEP and CA
- Tourism

Head of Finance and Procurement

- Corporate Financial Management
- Provision of Financial planning, advice and support

** NB – this post could be designated as the S151 dependent upon Director level appointment*

Head of Property and ICT

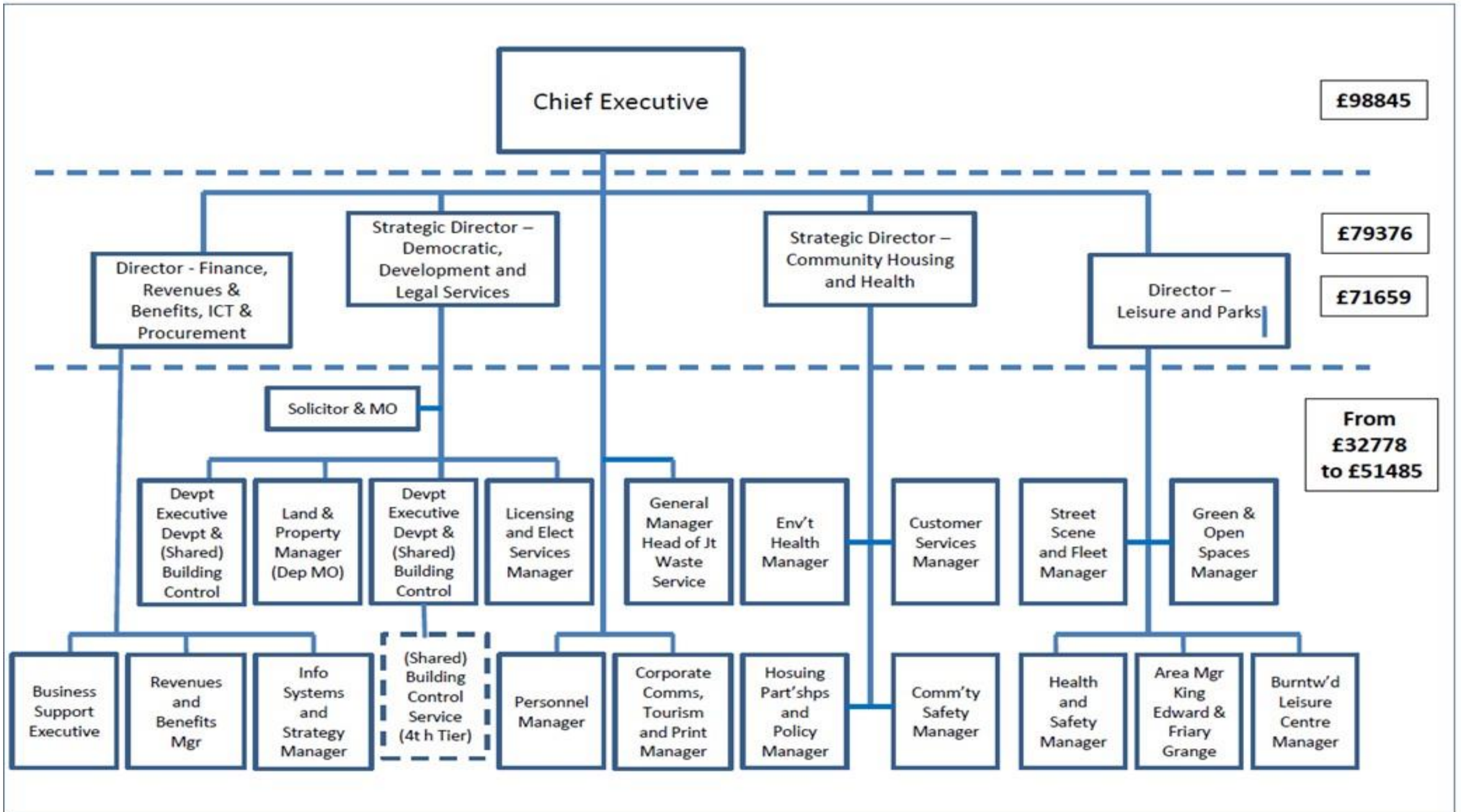
- IT Systems & Development
- Property Management
- Facilities Management
- Asset Management
- FOI and Data Protection (Policy & Implementation)

Head of Customer Services and Communications

- Customer engagement
- Public consultation
- Communications and Marketing
- Digitalisation Champion

Head of Housing and Wellbeing

- Housing Services
- Community Safety, CCTV
- Community Transport
- Health and Wellbeing
- Local Strategic Partnerships
- Safeguarding
- Grant Aid



REPORT OF THE CHIEF EXECUTIVE

MANAGING RELATIONSHIPS AT WORK POLICY

1. PURPOSE OF REPORT

- 1.1 To seek the Employment Committee approval for the implementation of the Council's Policy on Managing Relationships at Work which, is to provide guidance to all council staff regarding personal relationships within the council, in order to avoid any actual or potential conflicts of interest or misuse of authority.

2. RECOMMENDATION

- 2.1 That the Committee approves the implementation of the Managing Relationships at Work Policy as set out in Appendix A .

3. DETAILS OF REPORT

3.1 Introduction and Purpose

- 3.2 Members will be aware that the 'Fit for the Future Programme' (F4F) was introduced in May 2013 to facilitate the councils transformation to help make the organisation financially and functionally fit for the challenges facing local government. Since its introduction the Programme has helped to identify a range of service improvements and deliver significant savings through a range of measures.
- 3.3 The Programme includes a range of initiatives and projects aimed at delivering financial savings, service improvements and organisational development. One of those key projects is strengthening corporate policy and information. There has been a focus on key HR policies, and particularly those that set out the expectations of staff and managers so that there is a clear and consistent understanding across the organisation about the expected standards of employee behaviour and conduct. These have become confused due to there being a plethora of policies covering a range of specific topics, with examples of duplication of policies and a blurring of policy, guidance and procedures.
- 3.4 The new Managing Relations at Work Policy has been brought together from a range of other policy and practices; its aim is to support all employees in the workplace and to preserve the integrity of professional relationships between members of staff as well as with Members, consultants, contractors and/or suppliers.
- 3.5 It also recognises that family and close personal relationships in the working environment can, if not managed appropriately and effectively, undermine corporate governance, lead to poor performance of individuals and teams and reduce staff morale. This can also lead to a perception, or suspicion, of a lack of objectivity, fairness and equity in the way that staff are being treated.
- 3.6 The council expects that close personal and family relationships in the workplace will be avoided by using appropriate recruitment practices and by developing an organisational culture which promotes mutual respect and professionalism between employees as well as supporting the effective operation of the Council's business and wellbeing of its employees.

4. CONSULTATION

4.1 Employee Representatives have been consulted with regard to this policy

5. FINANCIAL IMPLICATIONS

5.1 There are no financial implications arising from this report or the adoption of the policy. The costs of operating in accordance with the policy are incorporated within current service budgets.

6. EQUALITY & DIVERSITY IMPLICATIONS

6.1 There are no implications for anyone with protected characteristics as this policy applies to all employees equally. The council values the diversity of its people and is committed to promoting equal opportunities and eliminating discrimination. Therefore staff will apply and operate this policy fairly and in doing so ensure that there is no discrimination on the grounds of gender, race, disability, age, religious or political belief, sexual orientation, trade union membership/activity or marital status.

7. RISK MANAGEMENT ISSUES

7.1 The risks are identified below.

| Description of Risk | Likelihood/ impact | Risk Status | Countermeasures |
|---------------------------------------|--------------------|-------------|---|
| Non - compliance with code of conduct | Low/medium | medium | Support the effective operation of the Council's business and wellbeing of its employees Assist the Council's employees to perform effectively by ensuring the rules and standards of the organisation are clearly communicates; and Guide the Council's employees in their dealings with the public, elected members and other members of staff. |

Background Documents:
Fit for the Future Programme various /on going since 2013

Managing Relationships at Work

1. Purpose of the Policy

- 1.1 The purpose of this policy is to provide guidance to all council staff regarding personal relationships within the council, in order to avoid any actual or potential conflicts of interest or misuse of authority. This policy is relevant to all individuals employed by the council including those on full-time, part-time, fixed term or casual contracts. It also covers those who are working for the council on a contractual basis or are seconded to it.
- 1.2 The council values the diversity of its people and is committed to promoting equal opportunities and eliminating discrimination. Therefore staff will apply and operate this policy fairly and in doing so ensure that there is no discrimination on the grounds of gender, race, disability, age, religious or political belief, sexual orientation, trade union membership/activity or marital status.

2 Introduction

- 2.1 Lichfield District Council recognises the importance of preserving the integrity of professional relationships between members of staff as well as with Members, consultants, contractors and/or suppliers. Whilst most social and personal relationships need not present a difficulty, and can be entirely beneficial in that they promote good working relationships, it is recognised that there will be particular circumstances where the staff member(s) concerned will need to withdraw from certain decisions or from undertaking certain roles, in order to protect themselves and the council from any possible criticism of unfair bias.
- 2.2 Family and close personal relationships in the working environment can, if not managed appropriately and effectively, undermine corporate governance, lead to poor performance of individuals and teams and reduce staff morale. They can also lead to a perception, or suspicion, of a lack of objectivity, fairness and equity in the way that staff are being treated. The council expects that close personal and family relationships in the workplace will be avoided by using appropriate recruitment practices and by developing an organisational culture which promotes mutual respect and professionalism between employees.
- 2.3 The council does not condone the development of close personal relationships between employees and discourages the appointment of people to posts who are related to other people in the post's team or management hierarchy.
- 2.4 However, the council recognises that occasionally employees find themselves in situations where they are required to deal with operational and managerial matters affecting people to whom they are related or with whom they have a close personal relationship.
- 2.5 Such circumstances can emerge during recruitment processes, or management changes, or as close personal relationships develop.
- 2.6 This policy has been prepared and adopted in order to set out the Council's expectations about how family or close personal relationships between employees will be minimised and where they cannot be avoided, are managed in a transparent and equitable manner.

3. Definitions

- 3.1 A **family relationship** is defined as the following related persons: husband, wife, civil partner, partner, girlfriend/boyfriend, child, grandchild, brother or sister, nephew or niece, grandparents or cousin. The

definition includes common-law, same sex relationships, "in-laws", foster-family relationships and step-relationships.

- 3.2 A **close personal relationship** is defined where there is a reasonable perception that employees (or an employee and a third party including an elected Member, service user, contractor or other third party with whom the employee is in contact because of their work) are romantically or sexually involved with each other.

4. Headlines

- 4.1 This policy is relevant to all individuals employed by the council including those on full-time, part-time, fixed term or casual contracts. It also covers those who are working for the council on a contractual basis or are seconded to it.
- 4.2 The council discourages the development of close personal relationships where an employee has management responsibility over the other, or between members of the same team.
- 4.3 During any recruitment process, applicants for employment will be expected to declare whether they are related to, or are in a close personal relationship with, any officers or Members of the council.
- 4.4 If an officer involved in the shortlisting of candidates is or becomes aware that they are related to, or are in a close personal relationship, with any candidate, they must withdraw from the selection process until the candidate is no longer considered for the post.
- 4.5 The council discourages the appointment to posts of people related, or in a close personal relationship to other people in the post's team or management hierarchy. The council will only agree to accept such appointments where there are exceptional circumstances. (see 5.5 below).
- 4.6 Employees are expected to declare immediately to their director when a close personal relationship develops within the workplace. If in the case of a director, to the Chief Executive; if in the case of the Chief Executive to the Leader.
- 4.7 Where family relationships or close personal relationships exist between a manager and someone who reports to them, the council will seek to remove the management responsibility that one employee has for the other.
- 4.8 This might mean moving at least one of the parties to the relationship into a different team or section or, in the case where an alternative role cannot be found for at least one of the parties, this might mean employment with the council being terminated in accordance with existing council policies and legal processes.
- 4.9 Where a family or close personal relationship exists between team members, the council will make management arrangements to ensure that such a relationship does not impact on the delivery of service or impact adversely on other members of the team.
- 4.10 Where a family or close personal relationship exists between an employee and a third party with whom the employee has contact as part of their job, the council will make arrangements to remove this responsibility from the employee.
- 4.11 Employees must have regard to how other relationships that they may have with applicants, colleagues etc may be perceived by others. Where there is a reasonable prospect that there could be a perception that a personal relationship is close, say because of friendship, business associate, friend/partner of a family member etc, then the employee should seek guidance from HR Services as to how to deal with managing such a relationship in the work place.

5. Appointment of Staff

Responsibilities of appointing officers / officers involved in recruitment

- 5.1 Employees involved in appointing staff should ensure that recruitment decisions are always made on the basis of merit. It is unlawful to make an appointment which is based on anything other than the ability of

the candidate to undertake the duties of the post. More information is available in the council's Recruitment Policy which is available on the council's intranet.

- 5.2 Officers with specific responsibilities for the employment of staff must adhere to the council's Equal Opportunities Policy and Guidance at all times which is available on the intranet.
- 5.3 Every officer of the council, involved in a recruitment process, must disclose any family or close personal relationship known to exist with a person who is a candidate for an appointment with the Council. In these circumstances the officer should take no further part in the recruitment process and should inform their line manager of the situation. If in any doubt the officer should seek advice from HR Services with a presumption that the relationship will be declared. Other officers will be identified by the line manager to carry on with the recruitment process. The original officer may be permitted to re-join the recruitment process if and when the person with whom they have a relationship has ceased to be a candidate.
- 5.4 If the best candidate for the job has a family or close personal relationship with their prospective line manager or supervisor, alternative management arrangements must be identified, considered and implemented by the service manager or director to avoid any future potential governance issues.
- 5.5 Only if the Director considers it is not practicable to make all the necessary alternative management arrangements and exceptional circumstances exist will a line management responsibility over someone with a family or close personal relationship be permitted. Exceptional circumstances may be based on a number of factors including the seniority of the position sought; the employment contract (i.e permanent, full time; fixed term, casual etc); the urgency of recruitment; the extent of the relationship with the manager; the recruitment process undertaken, and the availability of alternative choices for employment.

For instance: an exceptional circumstance may be justified where it can be shown that an extensive recruitment exercise has been undertaken and perhaps where there is a requirement for large numbers of casual staff over a short period of time, e.g. for elections or major events; or where there is a very specific part time job where required skills or qualifications are in very short supply, e.g. a qualified sports coach appointed to a 2 hour per week contract.

- 5.6 If such an arrangement is made in accordance with section 4.5 above, then the Chief Executive should be informed in writing and any alternative arrangements should be documented and put onto the individuals' HR Records.

Responsibilities of Applicants for Employment

- 5.7 A candidate for any appointment with the Council must declare any family or close personal relationship that they have with any Councillor or any employee of the council upon making an application for employment. This declaration should be made on the application form.
- 5.8 Any candidate who fails to disclose such a relationship, without good reason, will be disqualified from the recruitment process, and if already appointed will be liable to instant dismissal without compensation.
- 5.9 Persons invited for interview for employment by the council will be asked to reiterate their declaration as to whether they related to, or are a partner of, any officer or elected member of the council.

6. Management of Staff

- 6.1 The council discourages arrangements whereby an individual is managed by, or manages, someone to whom they are related or with whom they have a close personal relationship. A 'manager' in this guidance includes an immediate supervisor, direct line manager and those in the management hierarchy up to and including Chief Executive.

Managing Existing Family and Close Personal Relationships

- 6.2 Employees should not be involved in decisions and actions relating to the management, discipline, promotion, recruitment or pay adjustments for any other employee who is in a family or close personal

relationship with them; e.g. they should make no updates to TMS records, should not sign claim forms for travel, expenses, overtime, leave etc, should not carry out PDR reviews, or determine working patterns, etc. In these instances, alternative arrangements must be made by the appropriate manager. If in any doubt, advice should be sought from the council's HR manager or solicitor.

- 6.3 Alternative arrangements should be made, where it would be reasonable for others to perceive that there is a conflict of interest when the employee is being asked to deal with a matter that involves another employee with whom they are in a family or close working relationship.

Relationships which Develop During the Course of Employment

- 6.4 Any employee who becomes involved in a close personal relationship with a colleague, contractor, client, customer or supplier must not allow that relationship to influence his/her conduct while at work. Intimate behaviour during work time, for example kissing, touching or holding hands, is expressly prohibited. This rule applies during all working time, whether at the normal workplace, on clients' premises or elsewhere. Any breach of this rule will be regarded as a serious disciplinary offence leading to disciplinary action up to and including dismissal.
- 6.5 Any employee who embarks on a close personal relationship with a colleague working in the same department/section must declare the relationship to his/her manager. If the relationship is between a manager/supervisor and an employee whom he/she supervises, the relationship should be declared to the director. The information declared will be recorded on the personal files of both employees and treated in strict confidence.
- 6.6 In order to avoid a situation in which an employee has managerial authority over another with whom he/she is having a close personal relationship, the organisation reserves the right to elect to transfer one or both of the employees involved in the relationship to a job in another department/section. In these circumstances, the organisation will consult both of the employees and seek to reach a satisfactory agreement regarding the transfer of one or both of them. In the first instance, the council would look to move the manager.
- 6.7 In such a situation, if it is not possible to transfer at least one of the employees (for example if no suitable vacancies exist, or if an employee refuses to transfer), the organisation reserves the right to dismiss one or both employees (with notice in accordance with the employee's contract, or pay in lieu of notice). Dismissal would, however, be undertaken only as a last resort in circumstances where no other course of action was reasonably open to the organisation, subject to due legal processes.
- 6.8 Similar principles apply to an employee who begins a close personal relationship with a client, customer, contractor or supplier. If the employee's job allows him/her authority over the client, customer, contractor or supplier (for example if the employee has the authority to decide to whom to award contracts), the relationship must be declared to the employee's manager. In these circumstances, the organisation reserves the right to transfer, or as a last resort to dismiss, the employee following consultation with him/her.
- 6.9 The information declared will be recorded on the personal files of the employees and treated in strict confidence.
- 6.10 Failure to follow the above may result in disciplinary action where the relationship comes within the definition of a 'family' or a 'close personal relationship', if it is reasonable to consider that the employee(s) concerned should have recognised that the relationship warranted declaration.

7. Raising Concerns

- 7.1 Employees who wish to discuss a relationship that exists within their team should be able to do so with their manager.
- 7.2 In cases where the relationship involves the manager, it is appropriate for the employee to discuss matters with a more senior manager.

EMPLOYMENT COMMITTEE

Date: 11th February 2016

Agenda Item: 6

Contact Officer: Cathy Pepper & Mandy Linthwaite
Telephone Extension: 01543 308112

Report on Elected Members' Learning and Development Plan for 2015-16

1. Purpose of Report

- 1.1 To provide information to the Committee on the results of the Elected Members' Learning and Development Needs Analysis - LDNA (which was carried out during December 2015).
- 1.2 For the Committee to consider the views of the Elected Members with regards to the identified learning & development needs.

2. Recommendation

- 2.1 That the Committee agrees the identified learning / training priorities of Elected Members for the next twelve months.

3. Details of Report

- 3.1 Elected Members' Learning and Development is a key factor in Lichfield District Council's continuing performance as a good council.
- 3.2 To ensure the training and development events meet the needs of the Members, we asked the Committee to guide us on the content of the Learning and Development Needs Analysis and how best to communicate it to Members and continue to improve completion rates by member.
- 3.3 Since introducing the new approach to LDNA through this committee we have tried various means to encourage, support and promote member development. The LDNA was sent to all Members with the request that everyone complete the form. The last report on this subject showed a return rate of 61%, including nil returns. This year's return rate is 60.87 %. The option for a Nil Return was removed as all members have to continue to learn and update their knowledge, but the return rate has been maintained, giving more data. An overview of next years planned approach is contained in **Appendix 1**.

4. Consultation

- 4.1 This Committee has been consulted with throughout the process.

5. Financial Implications

- 5.1 A budget of 5K for Member development has been allocated and will be used to fund learning and development in a way that meets the priority needs of the majority of Members and the council.

6. Strategic Plan Implications

6.1 Learning and development will continue to specifically address corporate priorities and issues highlighted in the Strategic Plan.

7. Human Rights Issues

7.1 There are no direct implications.

8. Risk Management Issues

The risks are identified below.

| Description of Risk | likelihood/ impact | Risk Status | Countermeasures | Responsibilities |
|--|--------------------|-------------|--|--|
| Members availability to attend relevant training events | Medium/Low | Tolerable | Continue to explore flexible means of delivering training. | Members, Employment Committee and officers allocated to support Member training |
| The risk of Members failing to engage / attend planned training. | Medium/Medium | Material | Need to find ways of ensuring Members engage with their own personal Development | Members, Employment Committee and officers allocated to support Member training. |
| Waste of resources /costs effectiveness associated with none attendance. | Low/Low | Tolerable | Encouraging members to attend events or make the training compulsory | Members, Employment Committee and officers allocated to support Member training. |

ELECTED MEMBER LEARNING & DEVELOPMENT PROPOSAL April 2016 to March 2017

1. Background

A modern and effective Local Government organisation requires an Elected Member development programme that ensures Members can fulfil their responsibilities to the local community and provide clear leadership and effective scrutiny of local Council functions.

This requires a planned approach to Elected Member development and the analysis of the feedback from Members will support the formulation of a development plan.

2. Learning and Development Programme

Set out is a breakdown of the analysis of the feedback received from the Members' recent LDNA.

The essential training along with the development areas selected by Members will form the basis of the Member Development Plan for the year ahead, and be supported by an individual training record for each Councillor that identifies both training undertaken and specific training that has been requested.

Overview and Scrutiny skills were the most popular topic requested. We have prioritised the other subject areas; given that there are only 5 Member training dates allocated (and a limited budget) we will need to be innovative in our approach. To this end we are suggesting more e-learning, issuing of briefing notes and Members to coach other Members.

Members' Learning and Development Analysis 2015/16

| Returns 2015 | % | Returns 2013 | % | Returns 2012 | % |
|------------------------|------|------------------------|------|-----------------------|------|
| 28/46 (no nil returns) | 60.9 | 33/54 (10 nil returns) | 61.1 | 37/56(8 nil returns) | 66.1 |

| Key Priorities of the Council | Comments | Actions/Delivery |
|---------------------------------------|--|---|
| Planning | Planning Committee Members and Members | To be determined – quarterly sessions arranged |
| Audit | Audit Committee Members | To be determined |
| Code of Conduct/ potential changes | All Members | To be determined |
| Finance | All members | To be determined. |
| Equality and Diversity | All Members | All members should be aware of Equality and Diversity Policy. 2 training sessions held in 2015-16. Outstanding members still to be trained 2016-17. |
| Overview and Scrutiny | All Members | Further O&S session required on personal skills and appreciating the role of scrutiny and cabinet was also raised. |
| Health and Safety | All members | To be determined |
| Regulatory and Licensing | Regulatory and Licensing Committee | Training was held as part of induction. |

| Key Priorities Identified by Members | Numbers expressing interest | Comments | Actions/Delivery | Responsible Officer |
|--|------------------------------------|--|---|----------------------------|
| Overview and Scrutiny skills | 13 | Training for all members on O&S skills, | Personal O&S skills | R King |
| The role of the Councillor in a Commissioning environment | 11 | Understand the impact of the changing role of councils in respect of a commissioning and enabling role and the importance of effective 'scrutiny and accountability'. Identify how to influence and hold to account external organisations and partners to ensure value for money outcomes | External trainer to be arranged Via WME | R King |
| Building Effective Member/officer relationships | 10 | Recognising each other's roles and how to make this relationship more effective in today's environment | External trainer to be arranged | R King |
| Using Social Media | 9 | How to use social media to engage with the community, safely and effectively | Training session to be arranged | E Thatcher |
| Housing | 9 | Understanding housing issues, in conjunction with Bromford Housing | Training session on 21 Jan 16 with Bromford Housing which may meet this need. | H Titterton |
| Understanding Combined authorities | 8 | Updates on the plans for a combined authority in the midlands | Sessions to be arranged as plans emerge | D Tilley |
| Effective ward member | 8 | Being an effective community leader | LGA e-learning programme to be offered | M Linthwaite |
| Speed reading | 7 | Members have many documents to read. A workshop would teach new strategies and techniques to enable them to read and assimilate information faster | An external trainer would be required. | M Linthwaite |
| Chairing meetings/ O&S for chairs vice chairs | 7 | Manage meetings more effectively, questioning, listening and timing | Training to be investigated | R King |
| Understanding the LEP | 7 | The role of the LEP, current initiatives and future plans | Training to be investigated | R King |
| Conflict resolution | 6 | Facilitating group discussions and resolving conflicts in the community | LGA e-learning programme to be offered | M Linthwaite |
| Dementia Awareness | 6 | A short session to understand how to interact with members of the public living with dementia | Sam Taylor to deliver a 1 hour session (additional date) | H Titterton |
| Developing Effective partnerships and community engagement | 5 | Looking at how to facilitate closer working at a local level between organisations involved in the delivery of local services; facilitating effective partnerships. How to support effective community engagement. | Insufficient demand – other delivery methods to be considered | H Titterton |
| IT Skills | 5 | The range of training requirements is now from | IT skills have generally improved, and many of the | K Sleeman |

| | | | | |
|---------------------------|---|---|---|--------------|
| | | developing basic IT skills to developing Outlook use, such as group mail distribution lists and use of I-Pads. | topics requested are specific items. Consider 1-1 sessions. | |
| Data Protection and FOI | 3 | Understand current legislation, its impact on the Council and members' responsibilities | e-learning options to be investigated | B Nahal |
| Public Speaking | 3 | Preparing to speak to different audiences, getting the message across, improving confidence and dealing with challenges from others | Some elements of this can be built into O&S workshop or chairing meetings, such as dealing with challenges. | R king |
| Managing Time effectively | 2 | How to get organised, manage paperwork, prioritising | Insufficient demand. E-learning options to be investigated | M Linthwaite |

| Additional Areas requested | Comments |
|--|--|
| Several members have expressed interest in LGA National programmes | M Linthwaite to send details of programmes to interested members |
| Council Rules of debate in Constitution/ Protocols for meetings | Will be referred to Bal Nahal |
| Name of service providers and who to contact to resolve issues | To be investigated as to what is required |

REPORT OF THE CHIEF EXECUTIVE

PAY POLICY STATEMENT

1. PURPOSE OF REPORT

- 1.1 To inform Members of the Committee of the Council's duties under Section 38 of the Localism Act 2011 regarding the preparation of a Pay Policy Statement which will be applicable to the 2016/17 financial year.
- 1.2 To approve publication of the Pay Policy Statement subject to Full Council approval.

2. RECOMMENDATION

- 2.1 That the Employment Committee notes the contents of the Pay Policy Statement as set out in **APPENDIX B** and makes any amendments it determines appropriate prior to this document being submitted to full Council on 23rd February 2016

3. DETAILS OF REPORT

3.1 Introduction and Purpose

- 3.1.1 Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as authority thinks fit". The attached Pay Policy Statement sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011 (attached on **APPENDIX A**).

The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying;

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior managers i.e. 'chief officers', as defined by the relevant legislation;
- the relationship between the remuneration of its chief officers, those who are not chief officers and the lowest paid.

3.2 Publication

This statement is required to be submitted to full Council for approval and will then be published on the Council's Website. In addition, for posts where the full time equivalent salary is £50,000 p.a , or more, the Council's Annual Statement of Accounts will include a note setting out the total amount of

- salary, fees or allowances paid to or receivable by the person in the current and previous year;
- any bonuses so paid or receivable by the person in the current and previous year;
- any sums payable by way of expenses allowance that are chargeable to UK income tax;
- any compensation for loss of employment and any other payments connected with termination;
- any benefits received that do not fall within the above

3.3 Legislative Framework

In determining the pay and remuneration of all of our employees, we will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment

(Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

3.4 Pay Structure

- 3.41 The basis for the Council's pay structure is on having a job evaluation system in place which ensures that all employees are rewarded according to the demands and responsibilities of their job and that there are no discriminatory elements.
- 3.42 In 2002 this approach was adopted for the majority of employees using a National Joint Council for Local Government Services job evaluation scheme that had been developed for this purpose nationally and which was supported by both the national trade unions and local authority employees. All jobs were graded using the Scheme and a new Single Status Agreement put in place in 2003. Any changes to jobs or new jobs go through a job evaluation process to ensure that there is consistency and fairness in place. The salaries are set according to the national pay grading scale (pay grades attached at **APPENDIX C**).
- 3.43 At the same time it was determined that it would be appropriate for the Chief Executive/Directors to also go through the job evaluation process to be consistent with the approach for all other employees, and this exercise was carried out by the West Midlands Local Government Employers' Organisation on the Council's behalf using the Hay job evaluation scheme. This not only ensures fairness but means that pay has been correctly benchmarked against jobs of a similar size. As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the council uses available benchmark information as appropriate.
- 3.44 The Committee will be aware that there are proposals in place to review the senior management structure of the council therefore any changes to the pay policy data will be updated in due course and published in line with the requirements of the legislation.

3.5 Statement Details

- 3.51 The detailed information regarding pay and conditions is set out in the statement attached at **APPENDIX B**. This will be updated annually in accordance with the legislative requirements.

4. CONSULTATION

- 4.1 Employee Representatives have been consulted with regard to this new legislative requirement.

5. FINANCIAL IMPLICATIONS

- 5.1 This report sets out the existing financial obligations regarding pay policy.

6. EQUALITY & DIVERSITY IMPLICATIONS

- 6.1 There are no implications for anyone with protected characteristics as this policy applies to all employees equally.

7. RISK MANAGEMENT ISSUES

- 7.1 The risks are identified below.

| Description of Risk | Likelihood/ impact | Risk Status | Countermeasures |
|--|--------------------|-------------|--|
| Non - compliance with legislation or challenges on equal pay | Low/medium | Tolerable | By publishing data and reviewing our policy and procedures as required we are complying with legislative requirements. |

Background Documents:

Confidential Report on Performance Management for Senior Managers 25th September 2002, further updated 6th December 2005. Single Status Agreement 2003

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.



Localism Act 2011

2011 CHAPTER 20

PART 1

LOCAL GOVERNMENT

CHAPTER 8

PAY ACCOUNTABILITY

Pay policy statements

38 Pay policy statements

- (1) A relevant authority must prepare a pay policy statement for the financial year 2012-2013 and each subsequent financial year.
- (2) A pay policy statement for a financial year must set out the authority's policies for the financial year relating to—
 - (a) the remuneration of its chief officers,
 - (b) the remuneration of its lowest-paid employees, and
 - (c) the relationship between—
 - (i) the remuneration of its chief officers, and
 - (ii) the remuneration of its employees who are not chief officers.
- (3) The statement must state—
 - (a) the definition of "lowest-paid employees" adopted by the authority for the purposes of the statement, and
 - (b) the authority's reasons for adopting that definition.
- (4) The statement must include the authority's policies relating to—
 - (a) the level and elements of remuneration for each chief officer,
 - (b) remuneration of chief officers on recruitment,
 - (c) increases and additions to remuneration for each chief officer,



Pay Policy Statement

1. Introduction and purpose

Under section 112 of the Local Government Act 1972, the council has the 'power to appoint officers on such reasonable terms and conditions as authority thinks fit'.

This Pay Policy Statement (the 'statement') sets out the council's approach to its pay, terms and conditions and other related matters in accordance with the requirements of Section 38 of the Localism Act 2011 (the details of which are attached at Appendix A).

Once approved by the full Council, this Pay Policy Statement will come into immediate effect and will be subject to review on an annual basis, in accordance with the relevant legislation prevailing at that time.

At time of publication there are proposals in place to change the Leadership structure of Lichfield District Council which will take place during the financial year 2016/17. Any subsequent amendments to the Pay Policy Statement will be approved by Full Council, after which the amended version of the Pay Policy Statement will be re-published at www.lichfielddc.gov.uk/paypolicy

Context of Lichfield District Council

Lichfield District Council employs 390 staff (as at 31 January 2016), excluding casual workers, contractors, and agency workers) and provides a wide range of services managed through the Chief Executive's office and four directorates:

The Chief Executive

Is the lead adviser to Elected Members and the Head of Paid Service. The Chief Executive leads the organisation by translating members' aspirations into practical solutions and delivery. The role leads and supports the council's governance arrangements. The Chief Executive is directly responsible for corporate communications, personnel services, and member services - civic and ceremonial.

The Council is currently undergoing a senior management review however, at time of publishing the directorates are as described below. This document will be updated when changes are made following appropriate consultation.

The Directorates

1. Democratic, Development and Legal Services:

Strategic lead on assets, premises and the council's property portfolio. Lead on legal services, including probity, contracts, enforcement. Lead on democratic services, governance, data protection & Freedom of Information. Lead on electoral services, management of elections and licensing services. Lead on sustainable development, planning policy, development plans and implementation, development control and enforcement, urban design

and conservation, building control and land charges, city and town centre regeneration and development. Lead on arboriculture services, countryside, biodiversity, rural strategy and planning. Lead on inward investment and developing the economy, business support and partnerships, and tourism, car parking strategy and management of off street parking enforcement.

2. Community, Housing & Health

Strategic lead on housing, including housing need and investment and affordable housing planning and development. Lead on housing partnerships, housing with support and travelling families. Lead on homelessness strategy and responsibilities, including private sector housing investment and regulation. Lead on enforcement and regulation, including contaminated land, pollution, nuisance, air quality. Lead on health and safety enforcement and regulation, including food safety, occupational health and safety, infectious disease. Lead on public health and protection, including taxi, liquor and miscellaneous licensing. Lead on community regeneration and development, including building social capital, community hubs and community transport. Lead on links with the voluntary sector; grant aid and commissioning grant funded services. Safer and Stronger communities including the Community Safety Partnership and closed circuit television.

Corporate lead on strategic planning for the council and the Lichfield District Strategic Partnership (LDSP) and District Board. Lead on older people, children and young people and safeguarding policy. Lead on performance management, including accountability to Members, quality assurance, customer complaints, ombudsman investigations, MP enquiries, community research, and equalities. Lead on provision of corporate customer services (Lichfield Connects), including development of supporting technology. Lead on emergency planning, with business continuity in conjunction with Staffordshire Civil Contingencies Unit.

3. Leisure and Parks

Lead on the district's emerging leisure strategy, including the management of three leisure centres, sports development and partnerships, reservoir management, outdoor sports and play provision and the management of parks and open spaces, including Beacon Park.

Lead on supporting strategic partnerships focusing on green matters including Cannock Chase AONB and managing the council's countryside assets.

Lead on the quality of the local environment and the delivery of in-house street scene services, including street cleansing and fly-tipping, abandoned vehicles, fleet management, grounds maintenance, public conveniences, and shop mobility, Corporate lead on health and safety, insurance and the council's Employee Liaison Group.

4. Finance, Revenues and Benefits

Lead on financial probity, strategic financial management, treasury and investment funds, and revenue and capital strategy. Management of accounts and reconciliation. Lead on external funding procedures. Lead on administration and collection of local taxation, including council tax and business rates (NDR), housing benefits and council tax reductions, arrears collection for council tax, business rates, benefits overpayments and sundry debts. Lead on policy development on debt recovery and its management.

Corporate lead on anti-fraud policy and awareness, internal audit, risk management, procurement, development & maintenance of corporate information systems, including geographical information systems (GIS), the Property Gazetteer and street naming and numbering.

5. Joint Waste Service

The Joint Waste service now also includes the Director post, with Director of Assets and Environment at Tamworth Borough Council reporting to Chief Executive on waste collection and recycling, sustainable waste management, including partnership support, environmental education and awareness. Whilst this does not constitute a formal

directorates of the council it remains a vital and important service areas for which we are responsible for delivering across Lichfield and Tamworth's administrative areas.

2. Legislative framework

In determining the pay and remuneration of all of its employees, the council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations (TUPE).

With regard to the Equal Pay requirements contained within the Equality Act, the council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed job evaluation mechanisms, which directly relate salaries to the requirements, demands and responsibilities of the role.

3. Pay structure

The underpinning mechanism in delivering the council's pay structure is the council's job evaluation system. This ensures all employees are rewarded according to the demands and responsibilities of their job and that there are no discriminatory elements.

In 2002 this approach was adopted for the majority of employees using a National Joint Council for Local Government Services job evaluation scheme that was developed specifically for this purpose nationally, and which was supported by both the national trade unions and local authority employees.

All jobs (except Leadership Team) were graded using the Scheme and a new Single Status Agreement was put in place in 2003. The agreement also brought into place a number of local terms and conditions, including a commitment to flexible working.

Any changes to jobs or new jobs go through this job evaluation process to ensure that there is consistency and fairness in place. Based on the application of the job evaluation process, the council uses the nationally negotiated pay scale as the basis for its local grading structure. **Appendix B** shows the Lichfield Council pay grades.

The Local Government Association (LGA) represents the council in national pay negotiations with trade unions and the government over pay and conditions.

In determining its grading structure and setting remuneration levels for all posts, the council also takes into account the need to ensure value for money in respect of the use of public funds, balanced against the need to recruit and retain employees who are able to meet the requirements of their respective roles, and provide timely high quality services to the community, delivered effectively and efficiently.

New appointments will normally be made at the lowest level within the relevant grade, although this can be varied where necessary to ensure the best candidate is secured, and that if an internal candidate is appointed on promotion, that a pay rise ensues.

All potential recruitments are considered by Leadership team to ensure that at a time when staff reductions are likely to be required to meet budgetary pressures, appointments are made on the most appropriate basis and only when essential to ongoing service delivery.

From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market

comparators, using appropriate data sources available from within and outside the local government sector. This is known as market supplement.

All other pay related allowances are the subject to either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by council policy.

4. Definition of Chief Officer

Section 43 of the Act defines the meaning of a Chief Officer, cross referring to the Local Government and Housing Act 1989. In relation to Lichfield District Council's management structure the following is included in the definition of a Chief Officer:

- The Head of Paid Service – this is the Chief Executive
- Statutory and non-statutory chief officers – these are the council's four directors
- The council's monitoring officer – this is covered in the information on Deputy Chief Officers (below)
- Deputy chief officer – the council does not have any deputy/assistant directors
- Service managers - these report directly or are accountable to a director

5. Chief Officers remuneration

Chief Executive and Directors

The current levels of remuneration are:

Chief Executive

The current salary of the post is £98,845. The salary falls within a range of four incremental points between £93,196, rising to a maximum of £98,845, not inclusive of any payment for Returning Officer duties, with the exception of District and Parish elections, payment for which is included in the salary.

Strategic directors

The salaries of posts designated as Strategic Directors fall within a range of four incremental points between £74,416 rising to a maximum of £79,376

Directors

The salaries of posts designated as Directors fall within a range of four incremental points between £66,700 rising to a maximum of £71,659

Service Managers -are classed by Lichfield District Council as deputy chief officers

Managers reporting to Directors within Lichfield District Council have been classed as Deputy Chief Officers (for the purposes of the act). They are paid on the National Joint Council pay spine as described earlier, the detail of which is as follows:

| Band | Pay scale £ | Numbers |
|---------------|----------------|---------|
| I - SCP 34-38 | 29,558-32,778 | 3 |
| J - SCP 38-41 | 32,778- 35,662 | 3 |
| K SCP 41-45 | 35,662-39,267 | 5 |
| L SCP 45 - 49 | 39,267-42,957 | 9 |

*SCP – Spinal Column Point

6. Performance related pay for Chief Executive Officer and Directors only

When the current executive management structure was set up in 2002, it was agreed that an element of salary would be linked to performance, in order to reward an individual's contribution to the delivery of the corporate agenda. This was further updated in 2005 to reflect changes to the structure at that time.

The scheme allows for an assessment of performance on an annual basis and a payment to reflect performance achievements delivered by the posts of Chief Executive, Strategic Directors and Directors.

The performance measures and targets are agreed for the Chief Executive who is appraised by the Leader, Deputy Leader and Leader of the Opposition. The Chief Executive's targets are cascaded to Strategic Directors/Directors who are then appraised by the Chief Executive. The amount awarded is based on the following:

- The maximum payable is 2% of current salary for Directors and 10% for the Chief Executive.
- Targets substantially met – full payment.
- At least 50% of targets met, with justification all targets have not been substantially met – a payment of between 50% and 75%.
- Less than 50% of targets met – no payment.

7. Other pay additions

In addition to basic salary, set out below are details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties:

- Fees paid for Returning Officer duties where identified and paid separately. This applies solely to the Chief Executive and relates to fees, which are set by the Government for Parliamentary elections, European elections and referenda, and through agreement with Staffordshire County Council, for County Council elections, using pence per elector for the calculation. Fees for the district and parish local elections are included in the salary level.
- Essential user car allowance is £80.25 or £70.50 per month dependent on the size of vehicle. These rates are applicable to all employees who are essential car users.
- There are currently 80 employees receiving an essential car user's allowance.

Car allowance payments are paid as described for Chief Officers in Paragraph 5 above.

In addition to basic salary, details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties, are set out below:

| Additional Payments | Numbers | Pay range FTE Per annum £ |
|-----------------------------|----------------|--------------------------------------|
| Shared Service Payment | 2 | 3528- 4459 |
| Market Supplement pay range | 6 | 2500-5767 |
| Monitoring Officer | 1 | 6305 |

8. Payments on termination

All staff

The council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment), (Discretionary Compensation) Regulations 2006 [and if adopted] Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

The details of payments are set out in the Council's Discretionary Payment Policy. These policies apply equally to all council employees.

9. Lowest paid employees

The lowest paid people employed under a contract of employment with the council would be employed on a full time [37 hours] equivalent salary, set at the minimum pay point currently in use within the council's grading structure (see **Appendix C**). There are currently no employees on this level.

From time to time, the Council may employ Apprentices (or other such categories of workers) who are not included within the definition of 'lowest paid employees', as they are employed under schemes and are paid at rates determined by central government/scheme organisers. We currently have two apprentice.

The Chancellor introduced the National Living Wage commencing at **£7.20** per hour from April 2016 and increasing to **£9.00** per hour by 2020. The assumed path of increases in the National Living Wage based on Lichfield District Council pay grades and using a flat rate **80p** increase per year together with the annual and the cumulative increase are shown in the table below:

| Financial Year | Hourly Rate £ | Annual Increase % | Cumulative Increase % |
|----------------|------------------|----------------------|--------------------------|
| Apr-16 | £7.20 | | |
| Apr-17 | £7.80 | 8% | |
| Apr-18 | £8.40 | 8% | |
| Apr-19 | £9.00 | 7% | 25% |

The Local Government Association has indicated that the introduction of the National Living Wage could cost Local Government more than **£1 billion** a year by 2020/21^{1*}. This figure however takes no account of any adjustments to the rest of the pay structure that might be required ^{1*}

The impact on existing pay structures following the introduction of the National Living Wage could be fundamental depending on the extent existing pay differentials are maintained given the rate per hour will increase by **25%**.

10. Pay relationship

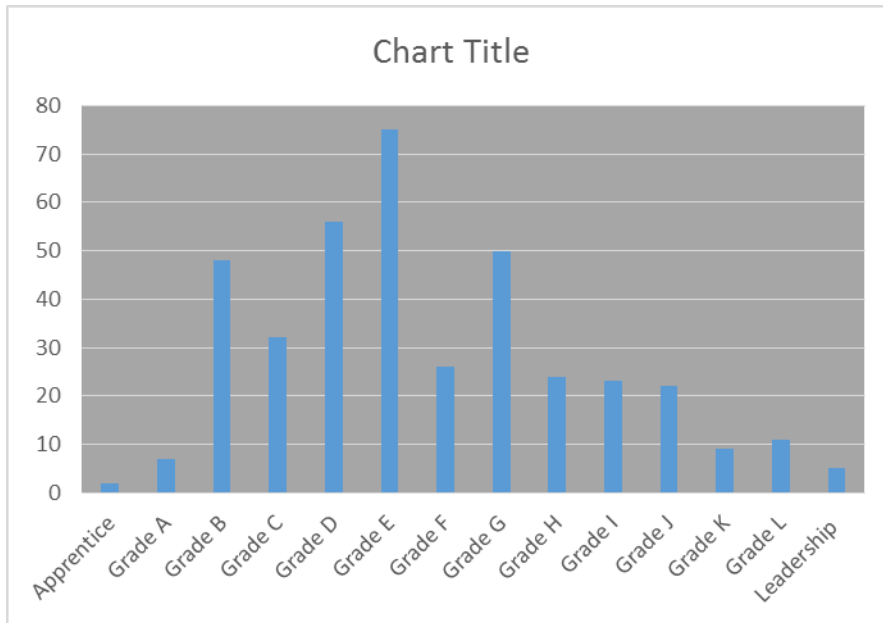
The relationship between the rate of pay for the lowest paid and chief officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce, and that of senior managers. This is detailed in the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure, and the Government's Code of Recommended Practice on Data

^{1*} LGA media release 13 July 2015

Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority’s workforce.

The graph below shows the relationship numbers of staff on the different pay grades within the council:



The current pay levels within the council define the multiple between the lowest paid (full time equivalent) employee and the Chief Executive ratio is 1 to 7.5 and between the lowest paid employee and median average chief officer as 1 to 5.5 The multiple between the median average full time equivalent earnings and the Chief Executive is 1 to 4.88, and between the median average full time equivalent earnings and median average chief officer it is 1 to 3.73.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the council uses available benchmark information as appropriate.

11. Publication

Upon approval by Full Council, this statement will be published on the Council’s Website. In addition, for posts where the full time equivalent salary is at least £50,000, the council’s Annual Statement of Accounts will include a note setting out the total amount of:

- salary, fees or allowances paid to, or receivable, by the person in the current and previous year
- any bonuses paid or receivable by the person in the current and previous year
- any sums payable by way of expenses allowance that are chargeable to UK income tax
- any compensation for loss of employment and any other payments connected with termination
- any benefits received that do not fall within the above

12. Accountability and decision making

In accordance with the constitution of the council, the Employment Committee is responsible to the council for functions relating to employment matters including establishing the overall framework for remuneration and terms and conditions of employment.

National Joint Council for Local Government Services
January 2015 – March 2016

| BAND A | ANNUAL | HR | | BAND G | ANNUAL | HR |
|---------------|---------------|-----------|--|---------------|---------------|-----------|
| A5 | 13500 | 6.9974 | | G26 | 22937 | 11.8889 |
| A6 | 13614 | 7.0565 | | G27 | 23698 | 12.2833 |
| A7 | 13715 | 7.1088 | | G28 | 24472 | 12.6845 |
| | | | | G29 | 25440 | 13.1862 |
| | | | | G30 | 26293 | 13.6284 |
| | | | | | | |
| BAND B | | | | BAND H | | |
| B7 | 13715 | 7.1088 | | H30 | 26293 | 13.6284 |
| B8 | 13871 | 7.1897 | | H31 | 27123 | 14.0586 |
| B9 | 14075 | 7.2954 | | H32 | 27924 | 14.4738 |
| B10 | 14338 | 7.4318 | | H33 | 28746 | 14.8998 |
| B11 | 15207 | 7.8822 | | H34 | 29558 | 15.3207 |
| | | | | | | |
| BAND C | | | | BAND I | | |
| C11 | 15207 | 7.8822 | | I34 | 29558 | 15.3207 |
| C12 | 15523 | 8.0460 | | I35 | 30178 | 15.6421 |
| C13 | 15941 | 8.2626 | | I36 | 30978 | 16.0567 |
| C14 | 16231 | 8.4130 | | I37 | 31846 | 16.5066 |
| | | | | I38 | 32778 | 16.9897 |
| | | | | | | |
| BAND D | | | | BAND J | | |
| D14 | 16231 | 8.4130 | | J38 | 32778 | 16.9897 |
| D15 | 16572 | 8.5897 | | J39 | 33857 | 17.5490 |
| D16 | 16969 | 8.7955 | | J40 | 34746 | 18.0098 |
| D17 | 17372 | 9.0044 | | J41 | 35662 | 18.4846 |
| D18 | 17714 | 9.1816 | | | | |
| | | | | | | |
| BAND E | | | | BAND K | | |
| E18 | 17714 | 9.1816 | | K41 | 35662 | 18.4846 |
| E19 | 18376 | 9.5248 | | K42 | 36571 | 18.9557 |
| E20 | 19048 | 9.8731 | | K43 | 37483 | 19.4284 |
| E21 | 19742 | 10.2328 | | K44 | 38405 | 19.9063 |
| E22 | 20253 | 10.4977 | | K45 | 39267 | 20.3531 |
| | | | | | | |
| BAND F | | | | BAND L | | |
| F22 | 20253 | 10.4977 | | L45 | 39267 | 20.3531 |
| F23 | 20849 | 10.8066 | | L46 | 40217 | 20.8455 |
| F24 | 21530 | 11.1596 | | L47 | 41140 | 21.3240 |
| F25 | 22212 | 11.5131 | | L48 | 42053 | 21.7972 |
| F26 | 22937 | 11.8889 | | L49 | 42957 | 22.2658 |