

**MINUTES OF THE STAFFING AND REMUNERATION COMMITTEE
TUESDAY, 16 DECEMBER 2014**

Councillors *Arthur, *Elliott, *McShane, *Meehan (Chair) and *Vanier

*indicates present

LC31. APOLOGIES FOR ABSENCE

There were no apologies for absence.

NOTED

LC32. URGENT BUSINESS

Nil

LC33. DECLARATIONS OF INTERESTS

Nil

LC34. THE WORKFORCE PLAN

The Chair advised the meeting that Mr Sean Fox was in attendance from UNISON, and wished to address the meeting. The Chair welcomed Mr Fox and advised that he would have 5 minutes to address the meeting.

Mr Fox thanked the Chair and began his address.

Mr Fox advised that whilst the Unions welcomed the principle of a workforce plan it was unfortunate that the plan came as a result of the huge proposed cuts in jobs and services across the council.

Mr Fox commented that whilst the Unions welcomed commitments to training and development and upskilling, the reality was that these would have limited effect in the face of such cuts. Concerns had been expressed that these appeared primarily aimed at office type posts rather than many of the areas which were most effected such as adults and children's services. The Unions felt that there needed to be more access to life skills such as IT and literacy numeracy skills, and there also needed to be an emphasis on "early help" for at risk staff many of whom had had no meaningful training in transferrable skills.

Mr Fox commented that in previous year's, pre cuts, good joint working was done between the Trade Unions and OD&L on life long learning and this was proven to be successful in improving staff engagement, and that the Unions felt that this needed to be revisited . It was felt that only too often these commitments were seen as applying to more senior staff rather than frontline workers and this needs to change now.

With reference to the circulated report Mr Fox commented that the Unions were particularly concerned at the opening bullet point on page 35, a so called early intervention to review redundancy arrangements. Mr Fox advised that the Union's position was clear in that it would not tolerate the cutting of redundancy pay at a time of mass redundancies. If the Council wanted to cut its redundancy bill it needed to do more to avoid redundancies not cut the lifeline staff get when being made redundant. It was felt that Members needed to understand that cuts to this would lead to industrial action and a loss of goodwill by a workforce which was the Council's biggest asset.

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The council needed to be open and honest on this issue, and Mr Fox stressed that there did not want to be a repeat of 2011 where rumours were deliberately started about redundancy pay being cut and even included in the FAQs.

With regard to the proposed Haringey Academy Mr Fox advised that a commitment to encouraging more young people to work for Haringey and gateways to achieve this was welcomed but in doing so it was expected that the minimum level of pay to be the London Living Wage in all cases including apprentices, and an avoidance of substitution and a commitment not to use forced schemes such as the workfare programme. UNISON and other unions had a proud record of developing good quality apprenticeship schemes and we want to maintain this involvement.

With regard to the EQIA Mr Fox stated that the initial assessment showed that the changes were more likely to have a detrimental effect if an individual was black, female, or disabled. It was not enough to simply note this and changes to proposals need to be considered. The EQIA also needed to explore and assess who was affected by proposed options appraisals as repeated evidence both in Haringey and wider local government showed post privatisation pay was cut as were conditions of service. This then developed a two tier workforce.

With reference to page 35 of the report Mr Fox advised that this stated that “ how we recruit will be reviewed including the use of agency staff and consultants” and there were concerns at this as it was an ambiguous statement, at a time of cuts, those consultants on daily rates, many of whom were engaged in tax avoidance, should be the first to the exit. All too often the Unions felt that consultant numbers had increased in areas where there had been redundancies in the name of “capacity” and that this practice must end. It was worse still when those making cuts that effected employees were all too often themselves interims who would move onto their next project before seeing the effects of their changes.

Concerning the VR Offer Mr Fox commented that the commitment to a call for volunteers was welcomed but confirmation that the timing and messages attached to the offer was needed and negotiated and consulted on with recognised TUs’. Again Mr Fox stressed that lessons needed to be learnt from previous exercises about expectation management and processes made transparent, and that there needs to be a commitment to an open and frank discussion on bumping opportunities.

In respect of the process of selection Mr Fox advised of concerns that in an attempt to explain the processes to be followed HR as the owners may have had either misinterpreted or misread agreed policies. Discussions had been held with AD HR where assurances were given that current policies would apply unless changes were agreed, and therefore this commitment was required to be reaffirmed by elected members by the Union. Further discussion with HR about the proposed redundancy appeal would also be welcomed as the aims and outcomes of this needed to be made clearer e.g. if a person was successful then what happened to them as to reinstate them could create a domino effect of appeals. The Unions were seeking confirmation that where the contents of Appendix B of the report differed from the contents of the agreed policies it would be the latter which would apply in the absence of any agreed changes. These concerns had been discussed with officers, and concerns about so called assimilation interviews, and it had been agreed to have an ongoing dialogue about this during the consultation period.

Mr Fox outlined an apparent contradiction at Page 17 of the report (bullet point 8) between the current policy and that set out, and that it was expected that consultation

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on methods of selection would be carried out on a proposal by proposal basis rather than 'a one sizes fits all'. It also needed to be clear that combinations of methods may have to be used to select e.g. interview and presentation, and the Unions wanted to ensure that people were not "interviewed to death" in the sense they were not forced to apply for a series of jobs one after the other.

The Chair thanked Mr Fox for his address.

There being no points of clarification the Chair asked Ms McGeachie to give a brief introduction.

The Interim Asst Director Human Resources – Ms McGeachie advised that the Workforce Plan set out how it was intend to create an agile workforce, skilled for the future, was diverse, motivated and engaged to deliver for the people of Haringey. It was a three year plan which was developed alongside the Council's Corporate Plan and Medium Term Financial Strategy (MTFS) 2015 -2018. Ms McGeachie commented that the Corporate Plan, MTFS and Workforce Plan when read together described the priorities which the Council would pursue together with the resources available to achieve this, as well as the capability and culture which the Council's workforce would need to adopt in order to meet successfully the future challenges. The Workforce Plan is Haringey's mechanism for ensuring that the Council had the right people, in the right places with the appropriate skills to deliver the priorities of the organisation.

Ms McGeachie advised that with regard to the MTFS this detailed the implications of the proposed savings required on the Council's staff headcount. Detailed planning on headcount implications was undertaken by each of the senior officers (and their teams) with responsibility for owning the priority outcomes within the Corporate Plan. The Priority Owners had reviewed the way current services were delivered and made recommendations to transform the way services were delivered in the future. In doing this consideration had been given to the workforce requirements needed to deliver future services so that outcomes were achieved.

In terms of the recommendations before the Committee Ms McGeachie advised that in the consultation process to be embarked upon with the Trade Unions this would commence immediately on the 17th December through to 16th February 2015 and the outcomes would be reported to the Committee in March 2015.

The Chief Executive – Mr Walkley, in thanking Mr Fox for his address commented that in terms of the concerns expressed by the Unions there were none which he had felt were unacceptable concerns, and that the comments particularly in relation to the pay levels within the Haringey Academy were fair. In noting the concerns expressed Mr Walkley commented that the report before the Committee clearly set out the Council's position as regards to the workforce plan, and that the formal consultation process with the Unions would commence following this evening's consideration and approval of the workforce plan.

The Chair commented that in respect of the issue of redundancy he felt that in terms of the possibility of a variation in the existing arrangements this would not be particularly fair after 2/3 years in terms of staff benefitting from the payment terms there currently operated. There could be uncertainties for the work force in that people

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may think it was better to 'go now' rather than wait 2/3 years when there may then be less.

Councillor Arthur commented on the likely categories of those affected by redundancy and what this equated to in terms of the number of women and BME staff.

In response to the comments expressed Ms McGeachie advised that in terms of the EQIA and assumptions of who may be affected it was not possible to say that out of 633 posts identified who as yet would be affected. It was intended to report back to the Committee early in 2015 giving some further assessment of some of the areas affected. As referred to there also would be discussion with the individuals affected focusing on career aspirations and opportunities.

Mr Walkley commented that in terms of redundancy and the comments of the Chair and the Trade Unions, whilst he noted these concerns there were issues in relation to the affordability of the current scheme long term given the current austerity measures were going to be with the Council for the next three, to seven years at least. The issue of how to address the redundancy costs would need to be considered in the context of the level of austerity that the Council would have to manage in the coming years.

There being no further comments the Chair summarised and it was:

RESOLVED

- i. That the content of the Workforce Plan be noted, and approval be given to progress initiatives included, subject to standard consultation and governance arrangements;
- ii. That it be noted that any proposed changes to HR policies in the Workforce Plan would be subject to approval of the Staffing and Remuneration Committee;
- iii. That the two part consultation process as referred to in para 5.9 of the report be noted; and
- iv. That approval be given to the commencement of a strategic consultation process with Trade Unions from 17 December 2014 to 16th February 2015 as referred to in para 5.9 of the report.

LC35. A MODERN REWARD STRATEGY

The Chair advised the meeting that Mr Sean Fox was in attendance from UNISON, and wished to address the meeting. The Chair welcomed Mr Fox and advised that he would have 5 minutes to address the meeting.

Mr Fox referred to the report before the Committee and commented that Members were being asked to approve a report that led to a wholesale review of terms and conditions of employment and required the Council to re-evaluate jobs across the organisation. This was being done at a time when the previous agreement reached with Trade Unions had yet to be fully implemented, and Mr Fox commented that it had been six years since the Council signed the Single Status Agreement, and yet there

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had been a failure to implement it fully, and therefore it was necessary to complete Single Status 1 before embarking on Single Status 2.

Mr Fox advised that in the Union's view the Council needed to give clear consideration to the impact of starting the process on staff at a time when staff in the authority would be impacted upon by the changes over the next three years. It was a fact that Staff morale was at an all time low and reviewing pay and conditions would disenchant and worry the staff at a time when their input, passion and commitment was more needed than ever.

Mr Fox commented that the financial cost of the process and the increased demands upon both Trade Union and Officer time when they need to focus their combined energies on supporting staff through the changes demanded by another ConDem set of cuts of £70 million. It was felt that the £687K set aside in 2014/15 did not reflect the true cost as it did not take account of the time which would be taken up by those needed to make it a success.

Mr Fox expressed concerns that the Council appeared to be proposing a dual consultation approach which would cut across the principle of collective bargaining, and that the Unions were the appropriate people to negotiate with and only when those negotiations were at an appropriate stage should both sides begin to consult the workforce. It was a fact that the report before the Committee was only supplied to Trade Unions on the 5th November in an embargoed setting and there was no material discussion on the contents of it. It was clear that both officers and the consultant had already carried out a great deal of work that the Unions had not been party to. The report proposed to consult staff on their feelings about pay and reward, but he stressed that this was what collective bargaining was used for. It was a fact that 46% of the workforce felt that they were not paid fairly, and it could be summarised that maybe this was because staff had seen unprecedented pay restraint, real terms pay cuts, and not because they were worried about a grading structure or allowances others got.

Mr Fox stressed that in the Union's view the timeline for the project was far too short if it was to be a genuine effort to reach agreement. The current Single Status agreement was some 2 years in development and it had excluded actually doing the final job evaluations and dealing with appeals, and was a process which was as yet incomplete.

With regard to the core proposals of the report Mr Fox advised that the main comments of the Unions were:

- There was agreement that the review of allowances set out in the Single Status agreement needed to be completed, but this needed to happen against a framework of completing the relevant job evaluations
- There were no objection to any proposal to review the method of evaluating Senior Managers pay and grading, as for many years the Unions had questioned how these grades were determined and how they were equal pay proofed since no such information had been provided to the Trade Unions
- That members needed to ask themselves a simple question 'how does the need to do this make it necessary to evaluate every single job in the authority yet again?' was this an effective use of time and resources, and the impact on staff morale and potentially on industrial relations
- Officers referred to the risk of equal pay claims from the use of two different job evaluation schemes, and actually how many such claims it had received, and

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how it was that authorities up and down the country and across London had not seen the need to use a Single Job evaluation scheme, and that in the Union's view was a red herring.

Mr Fox commented that it had been clear that officers did not intend to use a jointly agreed job evaluation scheme and that it was intend to use the exercise to "simplify the allowance structure. Mr Fox stressed that in the Unions view simplification meant one thing - cuts for those who worked evenings and weekends, those who worked over Christmas, those who were on standby. Mr Fox reminded Members that as recently as 2011 the Council had backed away from such an attack as had been recognised that it would save little and potentially adversely effect industrial relations. The reality was the reason more staff who received allowances were male was because of the scale of closures and privatisations across the Council of female workers who worked these patterns, and again the Unions felt that the claim was a red herring designed to do away with allowances that officers wanted to be ended.

Mr Fox also advised that the report called for simplified job descriptions and evaluations, but in the Union's view, what this meant was trying to give staff less choice and control over the work they performed and less ability to be paid properly. The Unions believed that the current system gave the flexibility required and in its opinion what was being proposed was a smoke screen for a move to the HAY Job evaluation scheme - a scheme favoured by the private sector and a scheme not endorsed by Trade Unions.

In conclusion Mr Fox commented that there was an implied emphasis on performance related pay options, and that the report compared unfavourably the arrangements for NJC staff with those for senior managers where incremental progression did not apply automatically. In the Unions view this was a Tory approach followed in the civil service. Mr Fox asked that Committee therefore to defer agreeing the report with the exception of the provisions for Senior Management/Chief Officers grades and to instruct officers to carry out genuine negotiations with Trade Unions. The Unions also asked that officers should be instructed not to report back to the Committee until Single Status had been completed, and to spend no money or resources on the project other than for those groups for which it was originally intended. Mr Fox added that officers need to understand that timescales for any changes must be by agreement and that the failure to agree any proposals would be likely to lead to a Labour Council being forced to sack and re-engage its entire workforce, and the unions felt that this must not happen.

The Chair thanked Mr Fox for his address. There being no points of clarification from Members the Chair asked Ms McGeachie for a brief introduction.

Ms McGeachie advised the meeting that the circulated report informed the Committee of the Modern Reward Strategy Project and how it related to the Workforce Plan and it sought an in principle agreement to review the pay and grading structure and all terms and conditions of employment for all employees (except Teachers and 32 employees on Soulbury terms and conditions). Ms McGeachie advised of the report considered by Cabinet earlier that evening which had , set out the ambition for the Council over the next three years through the Corporate Plan, Mid Term Financial Strategy (MTFS) and Workforce Plan. Ms McGeachie advised that in terms of the Modern Reward Strategy, this was one of six strands within the overall Workforce Plan Programme. A Modern Reward Strategy would ensure that Haringey's workforce were rewarded in an appropriate and modern way for the work carried out on behalf of the Council but also to help enable the transformational change as described in the Workforce Plan. It

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also brought together all pay related activities in the Council into a single pay and grading structure. It was a large and complex project and was anticipated that all the parts will be implemented by 1 April 2016.

With regard to negotiations with the Unions Ms McGeachie advised that it was healthy to engage with both Union and non Union members and that it was a fact that around 50% of the workforce did not belong to a Union and therefore it would be necessary to engage with both. In carrying out this process it was not viewed, in anyway, as a tool to unravel collective bargaining, or undermine the negotiations which would take place with the Unions. As yet there had been no engagement with staff and that there would be meetings with the Unions in terms of how this engagement process with staff would work

In response to further points of clarification Ms Evans also advised that it was a matter of gaining evidence and views of staff and jointly working with both unions and staff which would be an effective method of negotiation. In terms of deadline of implementation by 20126 and the concerns expressed regarding this time line it would be subject to some further discussion. It was likely that some elements of the process would be completed well in time of the deadline but other parts may be more protracted though until the process commenced it was not possible to anticipate what would transpire.

The Chair then summarised and it was:

RESOLVED

- i. That the vision, objectives and benefits of the Modern Reward Strategy project as outlined in the circulated report and appendices be noted;
- ii. That that a review of the Council's pay a grading structure be undertaken with the objective of implementing a single pay and grading structure using one job evaluation scheme to be implemented by April 2016, be agreed;
- iii. that a review of all the Council's terms and conditions including allowances for all employees (except Teachers and employees on Soulbury terms and conditions) to be implemented by April 2016, be agreed;
- iv. that a review of Chief Officer/Senior Managers pay and grading to be implemented by 1 April 2015, be agreed;
- v. that the development and implementation of job families and generic role profiles as part of the new pay and grading structure, be agreed;
- vi. that it be noted that a savings target had not been attached to the detailed project; and
- vii. That the Staffing and Remuneration Committee be kept be kept informed of progress of the project and that any proposed changes to employees' terms

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and conditions of employment to be brought back to the Staffing and Remuneration committee for consideration and approval.

LC36. EXCLUSION OF THE PUBLIC AND PRESS

LC37. A MODERN REWARD STRATEGY

Exempt item noted.

The meeting ended at 20.35hrs.

Chair.....

Date.....