



## OPEN REPORT SCRUTINY COMMITTEE

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**Scrutiny Committee – 17<sup>th</sup> September 2024**

### **FUTURE WORKFORCE FOR DERBYSHIRE DALES DISTRICT COUNCIL**

#### **Report of the Chief Executive**

#### **Report Author and Contact Details**

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#### **Wards Affected**

District-wide

#### **Report Summary**

The report builds upon the Scrutiny Committee report considered in October 2023 and proposes options and potential solutions to the acute workforce challenges currently being experienced in the authority. It also provides short and long term options to improve the resilience of the Council's workforce and in particular the recruitment and retention of staff with appropriate levels of training and experience.

#### **Recommendations**

1. That Scrutiny Committee considers the options to address the workforce challenges identified in the report (Sections 10 and 11) and advises which of the measures it wishes to progress for consideration by the Governance and Resources Committee.
2. That subject to recommendation 1, a report be presented to a future meeting of the Council's Governance and Resources to formally consider the options identified by the Scrutiny Committee for further consideration.

#### **List of Appendices**

None

#### **Background Papers**

Scrutiny Review Scope - Scrutiny Committee meeting 6<sup>th</sup> December 2023

Report – Scrutiny Committee meeting 19<sup>th</sup> October 2023

Minutes – Scrutiny Committee meeting 19<sup>th</sup> October 2023

Report – Council meeting 28<sup>th</sup> September 2023

Minutes – Council Meeting 28<sup>th</sup> September 2023

#### **Consideration of report by Council or other committee**

Yes

## **Council Approval Required**

Yes

## **Exempt from Press or Public**

No

## **FUTURE WORKFORCE FOR DERBYSHIRE DALES DISTRICT COUNCIL**

### **1. Background**

1.1 Throughout the Covid-19 pandemic, local government and other public service providers, demonstrated a remarkable level of resilience, flexibility and adaptability in order to meet the needs of the crisis we faced. However, in the post Covid-19 era, local government faces a series of acute workforce challenges on a scale which has never before been experienced.

1.2 Maintaining sufficient capacity and skills, attractiveness as a career choice, competition from other sectors, flexible working arrangements and the continuous inflationary erosion of pay are all having a severe impact upon the ability of councils of all types and sizes to attract and maintain staff of the calibre required to deliver high quality services. At the same time, there is a constant need to prioritise corporate projects and initiatives in order to ensure that the organisations resources are aligned to efficient and effective service delivery.

1.3 In July 2022, a report published by the House of Lords Public Services Committee – *'Fit for the future? Rethinking the public services workforce'* concluded that the resources of public services are at breaking point. As such, there is a need to consider how demand can be reduced and also how more can be achieved by fewer people.

1.4 In recent years, Members have regularly considered reports which have looked at Organisational Resilience, Resources and Priorities. In September 2023, Council received a report which identified a number of current and future challenges faced by the organisation. It looked specifically at the following issues:

- Organisational Capacity
- District Council Workforce Profile
- Recruitment and Retention
- Pay and Recognition
- Training and Development
- Graduates and Apprentices
- Employee Support and Benefits Package

1.5 This report builds upon the previous report and proposes a number of costed options for members to consider.

### **2. Organisational Resources and Capacity**

2.1 The Council has always prided itself on providing high quality, responsive services that contribute significantly to residents' well-being and quality of life.

However, there is an increasing need to be clear on what the Council’s priorities are and conversely, what the non-priorities are, in order to ensure the efficient and effective alignment of organisational resources. The approval of a new Corporate Plan in February 2024 dictates the allocation of organisational resources in order to ensure that the Council delivers upon its commitments. Additional projects outside of the Corporate Plan priorities must have regard to the availability of resources and be accompanied by realistic timescales for delivery.

### 3. District Council Workforce Profile (August 2024)

3.1 The current establishment for the District Council comprises 281 individual posts (230 employees and 198.10 full time equivalent (difference is due to current vacancies). In addition, there are a number of services which are managed by the District Council but are delivered in partnership with others including Freedom Leisure, SERCO, and shared service arrangements for Revenues and Benefits, ICT and internal Audit.

3.2 The workforce profile by age of employee and grading is shown in Table 1.

**Table 1 : Derbyshire Dales Workforce Profile (September 2024)**

Grade	Posts	All Posts	Age Groups				
			<21	21-30	31-40	41-50	51+
Apprentice to Grade 5	number	109	2	14	18	20	55
	% of the scale	47%	2%	13%	17%	18%	50%
Grade 6 -9	number	75	0	6	12	22	35
	% of the scale	33%	0	8%	16%	29%	47%
Grade 10+	number	46	0	1	8	15	22
	% of the scale	20%	0	2%	17%	33%	48%
All Posts	Total number	230	2	21	38	57	112
	% of posts	100%	1%	9%	16%	25%	49%

3.3 The workforce profile indicates a number of existing and future challenges in respect of the following:

- 49% of staff (112 employees) are over 50 years of age. Whilst state retirement age has now moved to 66+, there is a significant risk that we will face the retirement of increasing numbers of long serving, skilled and knowledgeable colleagues over the next 5 – 10 years as employees may choose to retire early and access their pension (possible from the age of 55 years bearing in mind the actuarial reduction). This ‘demographic time

bomb' is however not unique to this District Council and is an issue across the local government sector.

- 15.6% of our workforce (36 employees) are aged 60 or over and are probably thinking about their retirement plans. Whilst full retirement before state pension age can be unaffordable for many given the actuarial reduction in the pension for taking it early and having it in payment for longer, past experience indicates that this is still an attractive proposition for some employees, particularly those in senior positions with long service.
- 48% of senior manager positions (Grade 10 and above) are occupied by employees aged 51+. This is a significant risk to the loss of corporate knowledge and demonstrates the need for effective succession planning.
- The significant lack of younger people / graduates under 21 years of age employed by the Council is a cause for concern and demonstrates the need to 'grow our own' and have effective succession plans in place.

3.4 In order to address the above, the District Council needs to ensure that it can deploy a range of policy initiatives and measures to attract and retain employees of the calibre required. The remainder of this report will discuss specific issues and will focus upon the options and opportunities that are potentially available.

#### **4. Recruitment and Retention**

4.1 Historically, the District Council workforce has remained relatively stable with turnover of approx. 10% per annum. However, since the Covid-19 pandemic, turnover has increased significantly to circa 18% in both 2021/22 (48 leavers), 2022/23 (43 leavers) and 2023/24 (27 leavers). This has coincided with significant challenges in attracting candidates with the necessary expertise and experience in a number of key areas including Planning, Finance, Audit, Legal, Policy & Regeneration, Sports Development, Business Support and Clean and Green. In a number of cases, vacancies have been advertised numerous times – on each occasion incurring additional costs, delay and impacts upon productivity. In a number of recent cases, it has become evident that temporary posts are not attracting applicants as jobs advertised as fixed-term contracts (e.g. two year duration) have proved extremely challenging and in some cases, impossible to fill.

4.2 Despite local government being able to offer a rewarding career, where officers can make a positive impact on people and communities, councils across England are struggling with workforce capacity. This is having a negative effect on their ability to deliver the services on which the public rely. The LGA recently conducted a survey investigating workforce capacity across six local government service areas including environmental health, finance, IT and legal. The survey found high vacancy rates with a leading cause being unable to offer a competitive salary to retain staff.

4.3 In order to sustain service delivery and meet statutory deadlines in some of these key areas, the Council, like many other councils across the country, has had to resort to the employment of temporary and/or agency staff for

significant periods of time which is both expensive and an ineffective long-term solution. In 2021/22, the Council spent £169,056 on temporary staff in the finance team alone due to our inability to recruit permanent staff and the need to meet statutory deadlines. In the current financial year, we have budgeted to spend £333,226 in the Development Management service alone due to a significant turnover of experienced staff in a very short space of time. In 11 posts we have had to apply market supplements and / or welcome payments. Whilst these measures have enabled some posts to be filled, they are a concern to existing staff who do not qualify for these payments.

- 4.4 According to analysis by the national campaign group – the 4 Day Week Campaign, FOI requests found that in 2022/23, councils across the UK spent £2.1bn on agency staff, amounting to 6% of their total spend on staff.
- 4.5 Clearly, this is not an effective use of taxpayers money and is neither sustainable nor an effective solution to recruitment and retention challenges. In order to deal effectively with this issue, the Council needs to explore options for positively addressing the recruitment and retention challenges that exist.
- 4.6 Recognising the fact that recruitment and retention challenges is a national issue for local government, central government has sponsored a recruitment project with the Northeast Councils. The Local Government Association (LGA), working with a marketing agency has developed and tested a brand with a recruitment campaign across the Northeast region, in Spring 2024. The brand is termed *'Make a Difference - Work for your local council'* and includes marketing materials which have been developed and tested through extensive market research. From September the materials will be available to all Councils, including Derbyshire Dales, to localise and prepare for a national awareness campaign to run from November 2024 through to February 2025.
- 4.7 In order to maximise the potential of this promotional campaign, it is considered that a modest budget of £5,000 (see Recommendation 6) would be required for the preparation of Derbyshire Dales specific marketing materials. Given the resources invested, this exciting project has given us research and promotional materials which we could not have obtained in isolation. Interestingly, the campaign has not only had a positive impact on interest in councils as an employer and career opportunities, but it has also had a positive impact on the profile of councils and services provided and a greater appreciation of how council tax is used locally.

## **5. Pay and Recognition**

- 5.1 The Council's pay structure is based upon the Council's Single Status Agreement and on the National Joint Council for Local Governments Services Job Evaluation scheme which has the support of trade unions and employees. Any changes to jobs or new jobs go through a job evaluation process to ensure that there is consistency and fairness. The process is focused internally, looking only to establish the relative responsibilities, job demands and accountabilities within the organisation, so that core gradings can reflect these. Salaries are set according to the national pay grading scale.

- 5.2 If the grade and salary level resulting from job evaluation produce grade/salary levels which are not competitive in the external jobs market, it is permitted within employment law and the Local Government Green Book of terms and conditions (although not always desirable) for the Council to offer additional pay in the form of market supplements, provided that these are objectively justifiable in terms of market data and are temporary, with regular reviews (every 3 years) to ensure that the payments remain valid. By the same token, the Council can, in certain circumstances, offer recruitment incentives ("golden hellos") or retention payments ("golden handcuffs" - not yet utilised) to help it recruit and retain staff in the face of problems over being competitive in the jobs market. To date, we have 11 posts in receipt of market supplements.
- 5.3 Pay negotiations for all District Council employees (below Chief Executive and Chief Officers) are conducted at a national level on our behalf by National Joint Council (NJC). As part of our collective agreement with the trade unions, we participate in national bargaining and therefore any negotiated settlement reached at a national level is mandatory and is applied to all our employees. Pay awards for Chief Officers are also determined at a national level by the Joint National Council (JNC) a separate machinery exists for Chief Executives
- 5.4 As part of the 2024 national pay claim (which remains in dispute and may be subject to strike action), Unions have claimed that since 2010, NJC pay awards have caused local government staff to fall behind their equivalents in the private sector and wider economy. For 10 of the last 14 years, NJC pay awards have fallen below average pay awards in both the private sector and wider economy. Whilst average pay settlements across the whole economy have seen salaries increase by 36.5%, since 2010 NJC increases have amounted to 27.1% across more than a decade.
- 5.5 Public-sector pay was frozen from 2010 - 2013 and then capped at a 1% annual increase until 2018. If you look at the total pay figures, which include bonuses, private sector pay has actually overtaken public sector pay, mainly due to the fact that private sector workers are much more likely to receive bonuses than public sector workers. On the other hand, the figures do not reflect the fact that public sector workers tend to have considerably better pension provision than private sector workers. However, such differences in pension provision do not aid recruitment and retention challenges currently faced by the public sector. Many other benefits once unique to local government have in recent years been taken up by the private sector e.g. agile working and flexible working reducing our competitiveness.
- 5.6 As a consequence of pay differentials, the Institute for Fiscal Studies has warned "The continuing fall in public sector pay relative to the private sector poses recruitment and retention challenges for public services and could threaten the government's ability to deliver on its public service objectives."
- 5.7 It is difficult to ignore the cumulative impact of, and tangible link between, below inflation national pay awards for the last 10-14 years and our ability to offer competitive salaries in what is a diminishing pool of talent and interest in local government as a career. Whilst this problem is by no means limited to local government, as a small district council with limited resources, we are very much at the 'sharp end' and it is proving increasingly challenging to recruit and retain staff in a highly competitive market. Therefore, as an employer, we must do all

that we can to remain competitive and promote both local government as a sector, and Derbyshire Dales District Council as an employer, in order to attract and retain the best talent available.

5.8 The importance of fair pay is a subject covered by the biennial all staff survey. The last completed survey (October 2023) provided an indication of the factors that are regarded as being most important to staff. The top 5 responses were:

1. Being fairly paid (27.06%)
2. Flexible working / family arrangements (20.0%)
3. Making employees feel valued (12.94%)
4. Ensuring that employees are supported by their managers / supervisors (10.00%)
5. Opportunities for development and training (9.41%)

5.9 In addition to pay, local government has always sought to offer attractive terms and conditions which were once our 'USP' in attracting staff i.e., flexible working hours, hybrid working, local government pension scheme, holiday entitlement, learning and development support, family friendly policies etc. However, many of these are now commonplace in the private sector who have caught-up with terms and conditions and in some cases, exceeded what we currently offer. Such incentives frequently include health insurance and private medical care, performance related bonus schemes.

5.10 The differences between employment in the private sector compared to the public sector, are not therefore as significant as they once used to be and cannot be relied upon as a recruitment and retention incentive.

## **6. Training and Development**

6.1 Training and Development currently takes three distinct forms:

- Corporate training i.e., CPD, professional updates etc. required for the current role/ delivery of current and future services. (2024/25 Budget £8,500)
- Vocational Training i.e., professional courses and qualifications (2024/25 Budget £7000)
- Online training via our LOLA 'Learn Online Anywhere' module i.e., induction, health and safety, safeguarding, equalities, data protection etc. (2024/25 Budget £7300)
- Corporate Safety training- to deliver updates and new safety related training across the organisation and where budget remains, to support the training budget in Clean & Green as the highest risk area (2024/25 budget is £3,900).

6.2 In order to spread the benefit of the budget, the cost of Vocational training is paid at 50% by the Council and 50% by the employee, through payroll deductions. Cost is limited to training fees and essential books only (no travel or subsistence) and a training agreement is put in place if the full cost is more than £500. Should the employee leave the Council's employment within 2 years of qualification, the Council's 50% support is repaid on a sliding scale.

6.3 Whilst the above arrangement enables the Council to support a larger number of employees through vocational training, the costs of some qualifications are

so prohibitively expensive that employees often cannot afford to match the 50% required contribution. For example for colleagues in finance to obtain a CIPFA qualification, the cost is circa £21,000, the cost of a degree in Planning is circa £14,000 and to obtain a post graduate Legal Practising certificate is c £13,540; in all 3 areas we have identified that we should 'grow our own' future postholders. As a result, there are existing employees who have the potential and desire to progress as part of our succession plan but are currently prevented from doing so due to the lack of financial support we are able to provide, and at a level they are able to afford.

- 6.4 In order to address this situation, the Council would need to increase the amount of financial support it provides to assist with the development of future talent.

## **7. Graduates and Apprentices**

- 7.1 In recent years, the District Council has attracted and employed a number of recently qualified graduates in a variety of roles in Business Support, Environmental Health and Democratic Services. However, we have not sought to actively target and attract graduates to specific vacancies or positions other than through conventional means of advertising vacant positions as and when they arise.

- 7.2 For many years, the Local Government Association (LGA) has operated a Graduate Development Programme (NGDP) which offers a unique opportunity to place high quality graduates in councils, helping them to meet strategic goal and build a pipeline of future talent. Derbyshire Dales have never participated in this programme. In order to participate, there is a requirement to:

- Employ national management trainees on a minimum two-year fixed contract.
- Pay national management trainee salaries at national local government spinal column point SCP20 (currently £30,296).
- Organise a minimum of three placements for each trainee over the two-year period.
- Promote the NGDP to raise the profile of the programme locally to attract a diverse and talented pool of candidates.

- 7.3 The LGA will in return, market the NGDP at a national level, including extensive engagement at university fairs and promotion in national publications. For those Councils who sign up to the programme before candidate applications close, the LGA will also promote the scheme with local universities and provide additional support to attract interested graduates.

- 7.4 Since 2013, the District Council has recruited 26 apprentices (excluding outsourced Leisure Services). 2 are undertaking their apprenticeships now, and 10 were appointed into established posts at the end of their apprenticeship whilst 14 have left the authority. The retained apprentices have been appointed into permanent positions (as they arise) within the Council's Clean and Green Team, Corporate Services, Housing, Accountancy, Community Services and IT (through the partnership) and are



making a valuable contribution to the organisation. 2 retained apprentices are currently at Supervisor level.

7.5 Where apprentices have left the authority, this has been down to them not continuing with their apprenticeships, choosing to pursue further education opportunities, securing alternative employment or totally different career routes.

7.6 The recruitment and retention of apprentices can be challenging as young people are often unsure about the career they wish to pursue. As such, the retention rate is often lower however, where we are able to train and retain apprentices, the gains certainly outweigh the losses.

## **8. Employee Support and Benefits Package**

8.1 In considering a pay and benefits package, it is important to consider employee rewards beyond the salary received. The total reward package offered by the Council includes such as:

- Local Government Contributory Pension Scheme with life insurance.
- Local government terms including excellent sick pay support and above statutory annual leave entitlement.
- Salary Sacrifice Schemes e.g. Cycle to Work, additional leave purchase, pension AVCs.
- Flexible and hybrid working opportunities.
- Maternity, Paternity, Adoption and Shared Parental Leave entitlements (better than statutory requirements).
- Support for parents / carers.
- Learning and Development opportunities.
- Counselling support services.
- Occupational health services.
- Hybrid and flexible working options
- Flexi time scheme
- Free car parking
- Purchase of annual leave

8.2 Whilst all of these measures are valued, they are in the main replicated (and in some cases bettered) by other local government employers. Increasingly, authorities are looking towards other measures that can be employed to 'set them apart' and provide competitive advantage in a very difficult recruitment market.

## **9. Options to Improve Recruitment and Retention**

9.1 In order to address the recruitment and retention challenges facing the organisation, a series of options are outlined below for member consideration. These have been separated into short term 'tactical' measures i.e. initiatives which can be considered immediately, the financial impact of which can be contained largely within existing budgetary resources; and longer term 'strategic measures' i.e. initiatives which are of a structural nature and which will have longer term, enduring financial impacts for the Council. These have no budgetary resources currently allocated to them and will need to be considered alongside other council priorities and funding demands.

9.2 The 'tactical' measures include the following:

- Market Supplements
- Welcome Payments
- Career Graded Posts
- Increased Investment in Employee Personal Development
- Corporate and in team Succession Planning
- 'Grow our Own' and Apprenticeships
- Accelerated Grade Progression
- Pay Benchmarking
- Agile and Flexible working options

9.3 The 'strategic' measures include the following:

- Review of Job Evaluation Grade Boundaries
- Utilisation of Senior Manager Grade 14
- Enhanced Pay Awards
- Payment for Extended Working Hours
- Enhanced Employee Support and Benefits Packages
- Annual Leave Entitlements
- Annual Leave 'buy-back'
- Professional Fees

The remainder of this report will discuss each of these 'tactical' and 'strategic' measures in detail alongside a recommendation for members to consider.

## 10. Tactical Measures

### Market Supplements

10.1 The increasing pressures in the national or regional labour market can mean that pay levels for a particular category of employee in a particular function can be such that the District Council's normal pay level would not be sufficiently competitive to enable it to recruit or retain an employee in that function. In that case, where there is proven difficulty to recruit (defined by at least 2 failed attempts), a market supplement policy will be applied. There are currently 11 posts in receipt of a 3-year market supplement ranging from 9-15%. These market supplements have been determined by the Corporate Leadership Team and will be subject to review in line with the District Council's Reward and Recognition Policy and the need to review in the Local Government Terms and Conditions 'Green Book').

10.2 Supplements can be retained, increased (max 15%), decreased or removed. Clearly, removing a market supplement will be unpopular as the post holder has enjoyed the increase for a reasonable period of time and it could lead to increased turnover of staff. Whilst this tool has enabled appointments to be made in a number of challenging situations, it is divisive as it changes the pay relativities of similar posts on the same grade.

**Recommendation 1 : Retain market supplements as part of the Reward and Recognition Policy, however in order to speed-up the process of recruitment, eliminate the requirement to have at least 2 failed recruitment**

**attempts where CLT can agree there is reliable market intelligence / benchmarking information as a means of determining whether a supplement is necessary to recruit.**

#### Welcome Payments

- 10.3 Given the proven difficulty to recruit to some vacancies, a 'Welcome Payment' trial has been in operation for approximately 12 months, comprising a payment of £2,000 (50% on appointment and the balance after 6 months). This payment is to be repaid in full if the new employee leaves the District Council within the first 2 years of their appointment; so it also acts as a retention payment.

The introduction of 'Welcome Payments' has delivered some success in recruiting to posts that were previously difficult to recruit to. The current payment of £2,000 (50% on appointment and the balance after 6 months) could be increased – the Peak District National Park Authority are currently offering 'Welcome' payments of £5,000. This payment may attract applicants, especially those who may have to repay training grants when leaving their existing employer.

**Recommendation 2 : (1) Retain welcome payments as part of our recruitment incentives package an increase the maximum payment to £5,000 and rely upon market intelligence / benchmarking information as a means of determining the level of payment to be made. (2) To increase the time Welcome payments also to be repaid within an increased time of the first 3 years of appointment on a sliding scale.**

#### Career Grade Posts

- 10.4 Career Grade posts are introduced where we recruit below the grade of the established post to offer more flexibility to recruit a trainee if we cannot recruit a fully qualified experienced person. To date, we have established one career grade post in Development Management for retention purposes. Three further posts (Planning, Environmental Health and Human Resources) have been created for recruitment and retention via promotion subject to gaining a qualification and required experience. A further post in Internal Audit has been developed specifically for recruitment following proven difficulty to recruit.
- 10.5 There is widespread support from the Corporate Leadership Team to introduce more career grades into the organisation thereby allowing non-qualified or under-qualified staff to be recruited and trained but with sufficient 'head-room' in the pay scale to retain them once we have invested the time and effort in developing them. There is little value in the organisation recruiting, investing in and developing staff if we are unable to retain and appropriately reward them at the end of their training and development programme.

**Recommendation 3 : Expand the number of career graded posts throughout the organisation (where necessary and desirable) in order to enable non-qualified or under-qualified staff to be recruited and trained, whilst also providing 'head-room' for career development and growth.**

## Increased Investment in Personal Development

- 10.6 The District Council relies on the ability and commitment of its employees to successfully achieve the District Council's aims and objectives. In this regard, the Council is committed to supporting and developing its employees in order to continually improve delivery of services, meet future organisational challenges and provide opportunities for personal development.
- 10.7 Staff are encouraged to take advantage of learning and development opportunities that:
- Contribute to meeting organisational goals and targets.
  - Increase competency and efficiency in current roles.
  - Develop skills and knowledge for future roles.
  - Meet specific statutory, professional and technological requirements.
  - Support continual professional /personal development.
- 10.8 As part of the vocational training budget, employees are supported to undertake vocational and post-entry training. However, where the District Council provide training support outside of the apprenticeship levy, employees are required to fund 50% of the training costs themselves with the District Council contributing the remaining 50%. Where the District Council provides financial support for vocational training, this is subject to a repayment scheme (based on the course fees, registration fees, assessment fees, certificate fees and examination fees) upon termination of employment within a set period of time:,
- Less than 1 year of the confirmation of the qualification – 100% payback
  - 1 year - 18 months of the confirmation of the qualification – 50% payback
  - 18 months to 2 years of confirmation of the qualification – 25% payback
- 10.9 The cost of obtaining professional qualifications e.g. RTPI, CIPD, CIPFA, ACCA RICS, Legal Practising Certificate etc. can be prohibitively expensive for most employees with costs regularly in excess of £14,000. As a consequence, employees who may be identified as having the potential to develop and progress are prohibited from doing so due to an inability to contribute their share of the 50%.
- 10.10 The existing corporate and vocational training budgets amount to £15,000 which is insufficient to enable any employee to be supported and/or progressed through a formal qualification or accredited professional courses. In order to invest in the potential that exists within our existing staff, increasing the corporate and vocational training budgets would enable more corporate and vocational training to be delivered to more employees. It would also offer an incentive in recruitment to the next generation of professionals.
- 10.11 From 2024/25 we have also started to maximise use of the Apprenticeship Levy for training particularly the graduate apprentices. Using the Levy enables us to secure 95% of training fees once our Levy contribution is spent. This has enabled development of a graduate intake but has the downside of not being able to secure retention post qualification as we are unable to use training agreements for Levy funded training. It is hoped that vacancies will arise once qualified, or a newly qualified apprentice can be retained as 'supernumerary' for a limited period if a suitable vacancy is likely to arise. If not, it is hoped that newly qualified employees will stay in local government (as we will no doubt

attract employees qualified by other Councils). There is also a concern that some staff will have to have training agreements for Council funded training and other staff being Levy funded will not have a training agreement.

- 10.12 Increasing the corporate and vocational training budgets and simultaneously removing the 50% employee contribution (for specific qualifications or hard to recruit posts) would enable all training to be paid for in full. However, in exchange for this, it is considered reasonable that the Council would seek a return on its investment by requiring employees via a training agreement to remain in the council's employment for an extended period 3 years post qualification.
- 10.13 The Progressive Alliance have established a dedicated 'Recruitment and Retention' Reserve which at 31<sup>st</sup> March 2024, had an uncommitted balance of £650,000. It is proposed that part of this one-off reserve be allocated to increasing the corporate and vocational training budgets in coming years.

**Recommendation 4 : (1) Increase the Vocational Training budget to £50,000 in 2025/26, 2026/27 and 2027/28 to enable vocational training to be provided in areas of high priority (planning, finance, audit, legal, democratic services). (2) Employees to remain in the Council's employment for an extended period 3 years post qualification or fees to be repaid on a sliding scale.**

#### Corporate Succession Planning

- 10.14 There are a significant number of posts across the organisation which are 'singleton posts' i.e., where only one person has the necessary skills, knowledge and expertise to carry out the required tasks. Such posts can occur at any grade in the organisation e.g. Foreman Mechanic, Secretary to the Lord Lieutenant as well as senior and team manager level. This poses a significant risk to the organisation, particularly given the age demographic of the workforce. Corporate Succession planning in 'at risk' posts has started to be deployed to develop employee potential in to be 'the best candidate they can be' for competitive appointment when a vacancy arises through turnover or retirement.
- 10.15 A Succession Planning Policy was approved by Council in November 2023. This policy requires the identification of individuals alongside a commitment to provide necessary training and development opportunities as 'forward investment' in their potential.
- 10.16 However, in order to enable succession planning to take place, there will often be a need to create temporary capacity for learning and 'backfill' the existing role in order to provide the capacity for learning and development to take place in the succession role.

**Recommendation 5 : That authority be delegated to the Head of Paid Service to temporarily increase staffing resources (as proportionate and necessary) in order to enable the backfilling of a small number of posts each year to enable succession planning to take place.**

## 'Grow Our Own' and Apprenticeships

- 10.17 In April 2017, the Apprenticeship Levy was introduced by the Government to fund apprenticeship training. It is paid by employers with an annual pay bill of more than £3 million at a rate of 0.5%. The levy is payable through Pay As You Earn (PAYE) and is payable alongside income tax and National Insurance. Each employer receives one annual allowance of £15,000 to offset against their levy payment. At the present time, the District Council contributes approximately £1,500 per month to the levy. Employers are permitted to access their respective funds through a government portal to pay for the training of apprentices, however this does not extend to the payment of salaries.
- 10.18 Since 2013, the District Council has had an active apprenticeship programme and we have recruited 26 apprentices, 10 of whom have remained with the District Council having been successful in applying for vacant posts as and when they arise (one now at Supervisor level). Whilst there is no guarantee of employment at the end of an apprenticeship, we try hard to retain trained apprentices within the scope of the existing establishment.
- 10.19 Funds retained in the digital apprentice levy account, can be drawn down and used towards the cost of apprentice training. If we should ever reach a position where we do not have enough funds in our digital account to pay for the cost of apprentice training, the District Council will instead be required to cover 5% of the value of the training and the Government pay the 95% balance to the training provider.
- 10.20 Corporate Leadership Team have considered organisational needs and ability to fund salary costs and earlier this year, approved the recruitment of the following apprentices for 2024:
- Clean & Green Apprentice (24 month contract).
  - Woodland Apprentice – Hurst Farm Project (16 month contract).
  - Graduate Legal Trainee – (24 month contract).
  - Graduate Planning Trainee - (24 month contract).

In addition to the above, two 'Grand Tour' Apprentices have also been approved, one in the Place & Economy Directorate and the other in the Community & Environmental Services Directorate. Each apprentice would be required to complete level 3 business administration training and would be given the opportunity to tour their respective service areas so that they are given an opportunity to gain a wide-ranging experience of the service and provide much needed targeted resilience across service areas. The objective is to offer the apprentices a level of experience and training consistent to enable them to apply for future available vacancies within the District Council, preferably within their respective service areas, at the end of the apprenticeship term.

- 10.21 The majority of the apprentice salary costs can be accommodated within existing approved budgets, however it is recommended that the Council utilise the Recruitment and Retention Reserve to meet any costs that cannot be accommodated within existing budgets in order to sustain a viable programme which responds to organisational needs.

**Recommendation 6 : (1) That the Recruitment and Retention Reserve be utilised to meet the costs of sustaining an apprenticeship programme**

where existing budgets are unable to meet the full costs of salaries. (2) That an allocation of £5000 is made from the Recruitment and Retention Reserve to implement the 'Make a Difference' campaign in the Derbyshire Dales.

#### Accelerated Grade Progression

- 10.22 In accordance with the Council's pay and grading structure implemented in 2007, employees are appointed on a fixed grade (or career grade i.e. one or more grades) and progress through the grade based upon annual increments. With the exception of Grades 6 and 7, (as a consequence of a change in the pay spine in the 2019 national pay award) most grades comprise three or 4 increments. Therefore, an employee appointed at the bottom of their grade will progress to the top of the grade within 3 years of appointment. Most employees are currently at the top of their grade.
- 10.23 With the increased use of career grades, there is an opportunity for employees in career graded posts to be progressed through their grade at a faster rate than annual increments based upon an assessment of their skills, knowledge, qualifications and operational need. This will enable the Council to recognise and reward employees within their existing pay grade, thereby acting as a retention incentive.

**Recommendation 7 : That accelerated grade progression be permitted in career graded posts based upon an assessment of skills, knowledge, qualifications and operational need.**

#### Salary Benchmarking

- 10.24 Salary benchmarking is currently undertaken on an adhoc basis with benchmark partners/ other Councils, usually with requests sent out by and responses collated by East Midlands Councils (EMC). Participation is entirely voluntary and can be inconsistent.
- 10.25 In 2016, the District Council undertook a significant benchmarking exercise with the support of a HR Consultant and benchmarked 77 roles with one Derbyshire Authority, a NHS Trust and a commercial organisation (plus 2 other Derbyshire Authorities for Leisure Services only). The outcome was that broadly 27% of jobs were the same as those benchmarked, 39% were below and 24% higher at Derbyshire Dales.
- 10.26 Employees are regularly surveyed on their perceptions of fair pay. In the 2019 staff survey, 45% felt pay was fair. In 2021 this reduced to 41% in comparison with similar district council employees but only 27% in comparison with similar employees at other local authorities. In 2023, 47% felt pay was fair compared with other district council employees and 30% compared with similar employees at other local authorities. As a result, the 2023 staff survey action plan proposed that the HR Manager undertake pay benchmarking across Derbyshire for job families by October 2024.
- 10.27 East Midlands Councils have recently introduced a region wide benchmarking tool – 'Infinistats' which has been used widely in the Southeast as a bench marking tool for circa. 10 years with 100+ councils using the system nationally. Following the EMC introduction, there is

significant interest in this service amongst district and borough councils across Nottinghamshire and Derbyshire.

10.28 The benefits of 'Infinistats' are:

- It is specifically designed to meet the needs of local government.
- It provided readily available data for evidence-based decision-making.
- It enables reports and programmed benchmarking against comparable organisations – including councils in the West Midlands, East of England, London.
- One-click report and scorecard creation, with reports tailored to our council's branding and logo.
- We can use the system to produce meaningful reports about our own organisation and workforce.
- It is an established and robust system used by all councils across London for many years and in recent years, rolled out to other regions.

10.29 The way in which this will operate is that throughout each year, the Council we will be invited to take part in several programmed surveys, where we will upload our data into Infinistats. Whilst there will be a resource commitment, the benefits of having access to this data are considered to outweigh the investment in time to collate and upload the data.

10.30 At the present time, most councils already respond to EMC's surveys and information requests throughout the year, and so this will be a more structured and planned approach, so it should make it easier to contribute data and then access the results and generate reports for ourselves. We will also be able to maximise the benefits from the system through a regional network of users and those interested in workforce intelligence. Although participation in the surveys is not compulsory, if we do not take part in a particular survey, we are unable to report on it; only participatory councils can see others' data, which gives a greater degree of confidence in the quality of the data sets.

10.31 As all councils continue to face recruitment and retention difficulties in a challenging financial environment, being able to make evidence-based decisions on resources is critical. The cost on Infinistats comprises a set up cost of £500 and £850 per annum for Districts and Boroughs to utilise the system.

**Recommendation 8 : That the District Council subscribe to the Infinistats service to enable regular programmed salary benchmarking to be undertaken.**

## **11 Strategic Measures**

11.1 Strategic measures are initiatives which are of a more fundamental nature and which will have a longer term, enduring financial impact for the Council. Whilst these measures are significantly more complex and costly to introduce, they cannot not be ignored since a number of the fundamental challenges facing the organisation are rooted in these issues. Given their longer-term financial impacts, these measures cannot be addressed through the use of existing reserves. As such, any decisions need to be considered alongside the annual budget process, having regard to other council priorities and funding demands.



## Review of Job Evaluation Grade Boundaries

- 11.2 Under the 2004 national local government pay settlement with the National Joint Council (NJC) for Local Government Services, the District Council was required to complete a single status pay and grading review, based upon the use of the local government job evaluation scheme by April 2007. This exercise was completed and introduced w.e.f. 1<sup>st</sup> April 2007.
- 11.3 Job evaluation is a systematic process for judging the relative size/value and responsibility level of jobs against definitions in the local government scheme for relative roles within our Council. It is based upon the job (not the jobholder) and intended to be a fair and consistent exercise of judgement based upon an analysis of job content. It is a process intended to establish relative job size, avoid discrimination and to ensure that pay and grading decisions are based upon a fair and consistent assessment of job responsibilities across the whole of the council workforce. Inevitably, it involves subjective judgements being exercised by a trained job evaluation panel against a questionnaire together with clarification provided to the panel by the manager of the post being evaluated. It is an analytical process which makes judgements on 13 key elements (knowledge, mental skills, communication skills, physical skills, initiative and independence, physical demands, mental demands, emotional demands, responsibility for people, responsibility for supervision, responsibility for financial resources, responsibility for physical resources, working conditions).
- 11.4 The current grading structure, pay scales and grade boundaries are indicated at Table 3. The grading structure comprises 17 grades (excluding Chief Executive and Corporate Director grades).
- 11.5 At present, there are significant recruitment and retention challenges across grades 4 and 5 with a regular turnover of staff given the majority of staff are in grades 4 and 5 (particularly Clean & Green and Business Support). As such, in order to address these challenges, it would be necessary to review the opportunities for adjusting the grading boundaries in order to enable a more competitive salary to be offered. This could be done by shortening the number of increments in grade 6 and 7 giving them a higher starting salary.
- 11.6 We currently have 152 out of 230 staff in grades 2-7 i.e. 66% of the workforce (excluding vacancies).

**Table 2: Profile of Employees Across Pay Grades**

<b>Grade</b>	<b>Number of staff</b>	<b>Roles</b>
2	18	Market Operatives & Cleaners
3	0	
4	54	Clean & Green staff and employees across a range of admin roles in BSU, finance, licensing, democratic services
5	44	Clean & Green roles i.e. charge hands and HGV drivers and employees in more responsible admin roles in finance, HR, Finance, casual sports coaches
6	18	A wide range of roles from Accounting Technicians to Environmental Health

		Technicians, Clean & Green team leaders and the mechanics
7	18	Roles from Policy Officer, Consultation & Equalities, Planning Officers, Home Options Support Officers

11.7 If the grade boundaries were to be reviewed, the most appropriate option is considered to be one which:

- Removes grade overlaps as much as possible.
- Retains 4 increment grades as much as possible.
- Adjusts the boundaries within Grade 4 to scp. 4 – 7
- Adjusts the boundaries within Grade 5 to scp. 8 – 11
- Adjusts the boundaries within Grade 6 to scp. 12 – 17
- Adjusts the boundaries within Grade 7 to scp. 18 – 22
- Utilises grades 6 and 7 as career grades.

11.8 If the boundaries were converted to those outlined above, the effect would be as follows:

- 54 employees in grade 4 would receive a pay increase of 1 increment (c £400 pa)
- 44 employees in grade 5 would receive a pay increase of 2 increments (c£860pa).
- We would be able to improve our ability to recruit and retain at grades 4, 5, and 6 plus a higher entry point in grade 7.
- The additional cost would be circa. £100,000 based upon a full year pay and would be a year on year cost plus annual pay award inflation.

The existing and proposed grade boundaries are shown in Table 3 overleaf.

Table 3: Existing and Proposed Grade Boundaries

DDDC - GRADING STRUCTURE - Apr 2023										
PAY SPINE		GRADES								Proposed Grade Boundaries
SCP	Salary	Grade	JE	SCP	Salary	Grade	JE	SCP	Salary	
						2	235	2	£22,366	2
2	22,366						269			
3	22,737	3	270	3	£22,737					3
4	23,114			4	£23,114	4	305	4	£23,114	4
5	23,500							5	£23,500	
6	23,893	5	340	6	£23,893		339	6	£23,893	
7	24,294				£24,294					
8	24,702				£24,702					
9	25,119		374	9	£25,119					5
10	25,545					6	375	10	£25,545	
11	25,979							11	£25,979	
12	26,421							12	£26,421	
13	26,873							13	£26,873	6
14	27,334							14	£27,334	
15	27,803						409	15	£27,803	
16	28,282	7	410	16	£28,282					
17	28,770				£28,770					
18	29,269				£29,269					
19	29,777				£29,777					7
20	30,296				£30,296					
21	30,825				£30,825					
22	31,364		444	22	£31,364					
23	32,076					8	445	23	£32,076	8
24	33,024							24	£33,024	
25	33,945							25	£33,945	
26	34,834							26	£34,834	
27	35,745	9	480	27	£35,745					9
28	36,648				£36,648					
29	37,336				£37,336					
30	38,223		514	30	£38,223					
31	39,186					10	515	31	£39,186	10
32	40,221							32	£40,221	
33	41,418							33	£41,418	
34	42,403	11	550	34	£42,403					11
35	43,421				£43,421					
36	44,428				£44,428					
37	45,441		584	37	£45,441					
38	46,464					12	585	38	£46,464	12
39	47,420							39	£47,420	
40	48,474							40	£48,474	
41	49,498							41	£49,498	
42	50,512	13	620	42	£50,512					13
43	51,515		+	43	£51,515					
44	52,781				£52,781					
45	54,090				£54,090					
46	55,426					14	1550	46	£55,426	14
47	56,805							47	£56,805	
48	58,207							48	£58,207	
49	59,656							49	£59,656	
50	61,134	15	1700	50	£61,134					15
51	62,657				£62,657					
52	64,213				£64,213					
53	65,814		1849	53	£65,814					
54	67,454					16	1850	54	£67,454	16
55	69,136							55	£69,136	
56	70,865							56	£70,865	
57	72,629							57	£72,629	
58	74,446	17	2000	58	£74,446					17
59	76,307		+	59	£76,307					
60	78,220				£78,220					
61	80,177				£80,177					

- 11.9 Changing the grade boundaries would require renegotiation of our Single Status agreement with the trade unions. It should also be noted that the National Employers have been wishing to seek a 2 year pay agreement for some time so that they can review the national pay spine given the continual increase in the National Living Wage.

**Recommendation 9 : That consideration be given to amending the grade boundaries of Grades 4, 5, 6 and 7.**

Utilisation of Director Grade 14

- 11.10 The District Council has approved a separate vehicle for evaluating Director positions (Grade 14 and above under the Senior Manager Job Evaluation scheme) in order to ensure fairness and transparency. This scheme was also introduced in April 2007 and was purposefully designed to facilitate analysis of and differentiation between the responsibilities and job demands at this level.
- 11.11 There are currently 10 employees on Grade 13, including senior corporate professional lead positions in Human Resources, Development Management, Estates, Housing, Legal, Finance, Regeneration and Environmental Health. In 2 cases, these positions are the subject of market supplements due to an inability to offer competitive salaries in a very competitive employment market. These market supplements range from 9% to 15%.
- 11.12 Whilst market supplements are a useful initiative to be deployed in the short term, in the longer term they are a strain on the pay differentials with other posts on the same grade. A strain which the national job evaluation scheme seeks to eliminate. Ideally, the Council should be striving to recruit to all positions without the need to offer market supplements.
- 11.13 In order to be able to offer competitive salaries at the senior/ corporate professional lead level without the need to revert to market supplements, it is possible to adjust the job evaluation scheme to bring Grade 14 into use by adding some local conventions to the job evaluation scheme in factors such as knowledge, line management and financial responsibility. This would also remove the current issue of pay relativities with those Grade 13 corporate managers who are currently without market supplements but have comparable levels of responsibilities. This is the recommended course of action but again would require negotiation of our Single Status Agreement with the trade unions.

**Recommendation 10 : That the job evaluation scheme be revised to enable the use of Grade 14.**

Enhanced Pay Award

- 11.14 Whilst the District Council is part of the national collective bargaining process for national pay awards, it has the potential to offer an enhanced pay award to improve national, regional and local competitiveness. Whilst it would be necessary to remain within the nationally agreed pay scale, this could be achieved by progressively moving the locally agreed grade boundaries by a

single increment (e.g. national pay award + 1 increment). This could be undertaken as a single one-off exercise.

- 11.15 Increased salary costs would have an enduring impact upon the overall revenue budget and would have to be demonstrated to be financially sustainable in both the short and long term, at the time of consideration.

**Recommendation 11 : That consideration be given to the feasibility and affordability of a one-off enhanced pay award.**

Payment for Extended Working Hours

- 11.16 District Council employees on permanent full-time contracts are contracted to work 37 hours per week. In this regard, the Council operates a flexi time scheme, whereby employees, with manager approval, are allowed to work between 0700 hrs and 1900hrs Monday to Friday. Under the flexi-scheme of flexible working hours' it is not necessary that each person should work the precise total of contracted hours over a 4 week period; the actual hours worked may be more (i.e. in credit) or less (i.e. in debit). Hours in credit or debit are carried forward to the next 4-week settlement period subject to the maximum in each case (+8hrs or - 4hrs, pro-rata for part time employees). Flexi leave is restricted to a maximum of 1 full day (8 hours) or 2 half days (2 x 4 hours); pro rata for part time employees during a settlement period.
- 11.17 Many employees work significantly more than 37 hours per week, particularly managers and those employees who regularly attend evening meetings e.g. Council/Committee meetings, external public meetings etc. and hours worked above the flexi carry forward limits are lost. Where employees work beyond the '7am to 7pm bandwidth' of the flexitime scheme, employees (with the single exception of the Chief Executive) may record their time as TOIL (Time Off in Lieu). Where TOIL is accrued, it must be taken as soon as possible and within 9 months of being worked. A maximum of 75 hours TOIL may be carried forward from one financial year to another. TOIL not taken within this time is lost. There is no payment made for any excess TOIL accrued or carried forward but not taken.
- 11.18 In recent years, the number and duration of evening meetings has increased significantly. As such, most senior employees regularly work significantly in excess of their contracted hours (regularly 45+ hours per week) and accumulate significant amounts of flexi-time and TOIL that they are simply unable to take. Whilst historically it has been accepted that losing a reasonable number of hours is 'part and parcel' of the job as a senior manager, the amount of time that is now being lost is becoming a significant problem due to the impact that it is having upon home/work life balance and general employee well-being. It is also increasingly becoming a factor in an employees' consideration as to whether they remain with the District Council.
- 11.19 The optimum solution is to have a reduced number of evening meetings and meetings of shorter durations. However, if this cannot be achieved, there needs to be an acknowledgement of the amount of time that employees are working significantly in excess of their contracted hours for little or no reward.

**Recommendation 12 : That consideration be given to options that recognise the amount of additional hours currently worked by some employees without pay or recognition and measures be introduced to recognise and compensate for 'lost' hours worked.**

#### Enhanced Employee Support and Benefits Packages

- 11.20 For many years, the District Council offered subsidised lease cars to employees in designated posts where there was a requirement for a car to be available in order to undertake the requirements of their job. This practice was ceased in March 2017 as part of a corporate savings initiative. However, there is no doubt that this incentive was a powerful recruitment and retention measure at that time when salaries offered were generally lower than those of neighbouring councils.
- 11.21 Some Councils are revisiting employee benefit packages in order to gain a competitive advantage with larger authorities and the private sector, the most notable example being Litchfield District Council who have recently approved a package of measures to include a scheme of private health insurance, performance related bonuses and employee 'recruitment referral' bonuses.
- 11.22 Whilst it would not be financially viable to re-introduce a subsidised lease car scheme, there is the potential to consider salary sacrifice schemes for electric cars. A scheme has recently been adopted by the Derbyshire Building Control Partnership whereby the employer leases an electric car in exchange for the employee sacrificing gross salary to pay for it. The benefit to the employee is that the cost of the car is recouped from the employee's gross salary which is a legitimate and lawful tax saving for them. The benefit to the employer is that there is a reduction in employer National Insurance contributions and VAT is recovered on the leased vehicle.
- 11.23 The added advantage of a scheme of this nature is that it can support an employee's personal journey to Net Zero and directly reduce the employers carbon emissions for work-based journeys.
- 11.24 Other measures may include the provision of an Employee Assistance Programme EAP – usually including counselling services, health advice (both provide by this Council as separate initiatives) but also free legal advice (Chesterfield Borough Council has an EAP).

**Recommendation 13 : That consideration be given to the cost and feasibility to the development of an enhanced employee support and benefits package.**

#### Annual Leave Entitlement

- 11.25 Full time Derbyshire Dales employees are entitled to 26 days annual leave plus statutory bank holidays (Good Friday, Easter Monday, May Day, Spring bank holiday, Summer bank holiday, Christmas Day, Boxing Day and New Year's Day) and a further 4 days after 5 years' service (pro-rata for part time employees). Most other Councils offer 26 days plus bank holidays and a further 5 days after 5 years' service. With the exception of limited Clean and Green operations, the Town Hall is closed on the 3 working days between the Boxing

Day and New Years' Day bank holidays. Staff are currently required to book these 3 days as annual leave or with a mixture of annual leave and up to 1.5 days taken as TOIL or flexi leave. In order to bring parity with other councils (including the PDNPA), one option may be to increase annual leave entitlement by 1 day to match that of other councils with the requirement that this extra day's annual leave is taken during the Christmas close-down period. An increase in annual leave entitlement would match the terms and conditions of many other councils (including the Peak District National Park). Increasing annual leave would not increase the pay budget but there is a 'hidden cost' of losing one day's productivity of staff.

**Recommendation 14 : That consideration be given to increasing the annual leave allowance by 1 day (for full time staff, pro rata for part time staff) to bring parity with other local Councils.**

#### Annual Leave 'buying and selling'

- 11.26 The Working Time Regulations 1998 was set up to protect the health and safety of workers, ensuring that employees have adequate rest and breaks from work, with a minimum entitlement for paid annual leave. The minimum paid leave a full-time employee can take from work is 5.6 weeks, this is equivalent to 28 days (some employers include the bank holidays in this amount). The Council offers more than this statutory minimum with currently 26 days plus bank holidays and 4 additional days after 5 years' service.
- 11.27 In November 2015, the District Council adopted an 'Additional Annual Leave Purchase Scheme' which allows all District Council employees to request to buy up to 10 days (full time, pro-rata for part time staff) annual leave to add on to their normal yearly leave entitlement. All requests are subject to Director of Service approval and, if approved, the cost of the additional leave is deducted from the employee's pay over the remaining months/weeks of the leave year. Currently 21 staff buy additional leave. Whilst attractive to some employees to in effect take up paid leave, it is beneficial to the Council as there is a corresponding saving in staff costs.
- 11.28 Buying extra leave could be for a specific occasion, i.e. extending a period of holiday, or it can be used during the year to help employees meet personal commitments. Some of the benefits to the District Council of enabling employees to buy extra days' annual leave is the saving in salary costs, pension and national insurance contributions. There is also the potential for reduced absence levels, increased morale, and improved motivation. The maximum amount of leave an employee can purchase is 10 days.
- 11.29 Whilst there are a limited number of employees who participate in this scheme, a far greater 40.5% of employees request to carry-over annual leave for a special holiday or to give contingency in case of emergency from one leave year to the next (1<sup>st</sup> April – 31<sup>st</sup> March). The maximum permitted carry-over (unless there are exceptional operational circumstances) is 5 days (pro-rata for part time staff).
- 11.30 Aligned to the issues raised above regarding excessive working hours and the inability to take time off that is accumulated through evening meetings etc, a number of public sector organisations (including HMRC and NHS) now offer a

scheme whereby employees can 'sell' unused annual leave back to the employer, normally up to a maximum of 5 days (full time employee, pro-rata for part time). The cost of paying employees who wish to sell leave would in part be offset by those buying annual leave.

**Recommendation 15 : That consideration be given to the development and implementation of a scheme to enable employees to 'sell' a maximum of 5 days (full time staff, pro-rata for part time staff) annual leave back to the District Council commencing the annual leave year 2025/26.**

### Professional Fees

11.31 In accordance with the Council's Pay Policy Statement, the District Council currently pays the profession fees for the following posts:

- Director of Resources (as Section 151 officer): Chartered Institute of Public Finance and Accountancy (CIPFA).
- Solicitors: Law Society Practice Certificate
- Estates & Facilities Manager: Royal Institute of Chartered Surveyors (RICS)

11.32 These fees are paid because they are essential for the employees' roles and are required in order that the postholders can fulfil their duties and responsibilities on behalf of the Council (e.g. the Estates & Facilities Manager would be unable to undertake valuations without a current RICS membership).

11.33 This Council has long had the practise that new recruits must evidence membership of their professional body but we do not insist on continued membership through reimbursement of fees (although these can be offset against tax in a tax return) but employees must find ways to maintain their CPD to be able to advise the Council and undertake their roles to professional standards.

11.34 Increasingly, local authorities are now expanding their offer to cover the cost of professional fees and subscriptions for other employees as part of their benefits package to encourage and support continuous professional development and ensure compliance with industry standards. This would include fees for memberships in professional bodies like the Royal Town Planning Institute (RTPI), Chartered Institute of Environmental Health (CIEH). The costs of membership are generally up to £400 per annum.

11.35 The District Council could therefore consider paying one professional subscription for those employees who are members of their respective professional body as an incentive for them to join and thereafter remain members which includes a requirement for continuous professional development. Whilst the Council may wish to limit the list of professional bodies in scope, this would still include a significant number of employees (e.g. all Planners or Environmental Health Officers). Alternatively, we could pay professional fees for the lead/ senior employee (e.g. the Development Manager) in each of a designated professional body to ensure they are and remain, technically and professionally up to date.



**Recommendation 16 : That as part of any enhanced employee benefits package, consideration be given to options for payment of 1 professional subscription for employees who are members of a designated list of relevant professional institute.**

## **12. Financial Resources**

- 12.1 Implementation of any meaningful measures to improve organisational resilience must have regard to the overall impact upon the Council's finances and, specifically, the Medium-Term Financial Plan.
- 12.2 The Director of Resources has previously advised Council that it is difficult to predict the level of finance settlement that might be received from 2024/25 onwards given the lack of clarity over future funding levels. However, with the prospect of a future Fair Funding Review and baseline business rates reset, there is no certainty that previous levels of funding will continue into the medium term as significant changes in local government finance are expected to take place from 2025/26, which could have a significant impact on the Council's revenue account.
- 12.3 The Council has strategic reserves which are earmarked for identified purposes. This ensures the availability of the amounts in these reserves for those purposes and defrays demands on revenue spending and general balances. These reserves are reviewed on at least an annual basis to ensure they are adequate for the purpose, but not excessive, based on an assessment of needs, an understanding of risks, and taking into account the opportunity costs of maintaining reserves. It is therefore financially prudent to seek to utilise existing resources and reserves wherever possible in order to minimise long-term impacts upon the Council's revenue budget.

## **13. Options Considered and Recommended Proposal**

- 13.1 The report outlines a series of options, some or all of which will have a positive impact upon the Council's ability to recruit and retain staff of the calibre required. Whilst the alternative option would be to do nothing, this would not address the issues highlighted in the report.

## **14. Consultation**

- 14.1 Corporate Leadership Team (CLT) and HR Manager have been engaged in the development of these proposals.

## **15. Timetable for Implementation**

- 15.1 Subject to the approval at Governance & Resources Committee, some of the of the above recommendations, could be implemented immediately (i.e. the tactical options 1-8 inclusive utilising the Recruitment & Retention reserve. The strategic options 9-16 need further work, which could commence immediately, including the need to fully cost the options for further consideration, as costs could be significant.

## **16. Policy Implications**

- 15.1 An effective organisational structure that is appropriately resourced and aligned to the delivery of the Council's priorities helps to deliver the Council's ambitions and plans for the District as a whole. The Reward & Recognition Policy and Single Status Agreement would need to be reviewed.

## **17. Financial and Human Resources Implications**

- 17.1 Financial Resources have been addressed in section 12 of this report. £650,000 is available in the Recruitment and Retention Reserve that could be used to finance one-off or short-term measures to implement some of the measures set out in this report. This would require cost estimates for the measures chosen by the Scrutiny Committee and the approval of a supplementary revenue budget by full Council. The financial risk of this report's recommendations is assessed as low.
- 17.2 Additional work would be required by the Human Resources team to implement the 8 tactical options, including updating policies and procedures, contract changes and informing staff. Significant ongoing work would be required by the Chief Executive and Human Resources Manager to work up the 8 strategic options (with support from Finance), in order to present them to the Governance & Resources Committee. Once final options are agreed, further work is required by the Chief Executive and Human Resources Manager to negotiate changes to the Single Status Agreement with the Trade Unions, and then implement agreed changes.

## **18. Legal Advice and Implications**

- 10.2 The report builds upon the Scrutiny Committee report considered in October 2023 and proposes options and potential solutions to the acute workforce challenges currently being experienced in the authority.
- 10.3 There are 2 decisions recommended to be taken as noted at the start of this report, which contains 16 recommendations.
- 10.4 The risk of legal challenge of taking the decisions as recommended has been assessed as medium due to the intricacies of decisions relating to employment matters.

## **19. Climate Change Implications**

- 18.1 A climate change impact assessment is not necessary in respect of the recommendations in this report.

## **20. Risk Management**

- 18.2 The Head of Paid Service is required by Section 4 of the Local Government and Housing Act 1989 to report to Council on proposals concerning the organisation of the Council's staff and appointment and proper management of the Council's staff. Implementation of the proposals outlined within this report, will seek to ensure that the District Council is better able to manage future risks around

organisational resilience, resources and priorities. If implemented, the strategic risk is assessed as low.

### **Report Authorisation**

Approvals obtained from:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Paul Wilson	09/09/24
Director of Resources/ S.151 Officer (or Financial Services Manager)	Gemma Hadfield	09/09/24
Monitoring Officer Legal Services Manager	Kerry France	09/09/24