

HUMAN RESOURCES - Report by Chief Executive

Summary

The purpose of this report is to update Directors on Human Resources activity for the period April to June 2018 which includes information relating to absence, disciplinary and grievance issues during this period.

It is recommended that Directors note:

- i. and comment on the content of the quarterly HR report including the update on the staffing establishment;
- ii. the actions being taken to manage absences; and
- iii. the annual Gender Pay Gap Report at **Appendix D** and approve its submission to the UK Government and publication on the HLH website.

1. Business Plan Contribution

1.1 This report supports the highlighted Business Outcomes from the High Life Highland (HLH) Business Plan:

1. To advance sustainable growth and financial sustainability
- 2. Deliver the Service Delivery Contract with THC**
- 3. Improving staff satisfaction**
- 4. Improving customer satisfaction**
- 5. A positive company image**
6. Services designed around customers and through market opportunities
7. Sustain a good health and safety performance
8. A trusted partner

2. Background

2.1 The Human Resources (HR) report is a summary of HR activity in the preceding quarter, offering an update on current staff numbers along with any change since previous reports. There is also an outline of the absence levels (which for the first time are sub-sectioned into short and long-term absence in this report); activity relating to any disciplinary, grievance and harassment issues; and an employee relations update.

3. Human Resources Report: April to June 2018

3.1 Staff Establishment Numbers

3.1.1 Directors should note the changes to establishment in full-time equivalents (FTE):

Establishment at end of **Quarter 4** (January to March 2018) = **627.93**

Establishment at end of **Quarter 1** (April to June 2018) = **682.43**

3.1.2 Changes to the establishment in last Quarter detailed in **Appendix A** show an increase of **54.5** FTE, c. 50 FTE of which relates to the transfer of music tuition from the Council to HLH, from 1st April 2018.

3.2 Attendance management

3.2.1 Reports show absence levels split between long-term absence (>10 consecutive working days) and short-term absence (10 consecutive working days or less).

3.2.2 The long term absence rates % up to the end of Quarter 4 were as follows:

% Long term Absence Rates	Quarter 1 (Apr–Jun)	Quarter 2 (Jul–Sep)	Quarter 3 (Oct–Dec)	Quarter 4 (Jan–Mar)
2016/17	2.67%	2.41%	2.12%	2.38%
2017/18	2.62%	2.29%	2.68%	2.28%
2018/19	2.12%			

3.2.3 Quarter 1 has shown a decrease of 0.16% in the long term absence rate from previous quarter.

There were 30 long-term absences in the quarter of which 12 remained absent at the start of Q2 2018/19. Of that 12, a further four have returned to work since July.

3.2.4 The short term absence rates % up to the end of Quarter 1 were as follows:

% Short term Absence Rates	Quarter 1 (Apr–Jun)	Quarter 2 (Jul–Sep)	Quarter 3 (Oct–Dec)	Quarter 4 (Jan–Mar)
2016/17	0.92%	0.68%	0.90%	1.45%
2017/18	0.98%	1.06%	1.31%	1.74%
2018/19	0.99%			

3.2.5 Quarter 1 has shown a decrease of 0.75% in the short term absence rate from previous quarter.

3.2.6 Quarter 1 has shown a decrease of 0.91% in the overall absence rate from the previous quarter.

3.2.7 The average sick days per employee up to the end of Quarter 1 were as follows:

Average sick days per employee	Quarter 1 (Apr–Jun)	Quarter 2 (Jul–Sep)	Quarter 3 (Oct–Dec)	Quarter 4 (Jan–Mar)
2016/17	2.30	2.04	1.96	2.49
2017/18	2.30	2.17	2.39	2.53
2018/19	2.02			

3.2.8 The average sick days/FTE per employee has shown a decrease of 0.51 days from the previous quarter.

3.2.9 With the support of HR, individual line managers identify attendance management issues which may require support and assistance through measures such as referral to occupational health, counselling, in-situ support/confidante.

3.3 Measures taken to manage short and long term absences

3.3.1 Employee absence can be a significant cost to any business and it is important that HLH continues to develop supportive workplaces that help people manage their health and work. Promoting well-being can prevent problems from escalating and help create a positive working environment where individuals and the Charity can thrive.

3.3.2 Effective absence and attendance management involves finding a balance between providing support to help employees with health conditions stay in/return to work and taking consistent and firm action against the minority of employees who may try to take advantage of the Charity’s occupational sick pay scheme.

3.3.3 HLH has a robust Absence and Attendance Management Policy in place, backed up by comprehensive guidance to managers on how to ensure consistent practical implementation of the policy (**Appendix B** – Process Flowchart). On a monthly basis Line Managers are provided with absence statistics, measured using the Bradford Factor (**Appendix C**) identifying persistent short term absences of individuals which is a useful measure of the potential disruption caused by sickness absences. Managers are also provided with information relating to those staff on long term absence, i.e. those with a period of absence exceeding 10 days.

3.3.4 Although these reports provide managers with vital information regarding absence and attendance that have already occurred, managers recognise that if they can spot the early warning signs of potential problems, employees can be given appropriate support before matters escalate.

3.3.5 Rather than just addressing those members of staff with a Bradford Factor already at a concerning level, in becoming more aware of the issues, managers are now also able to identify staff who are ‘becoming a concern’ before they start to move into actual sickness absences, carrying out return to

work interviews for all absences and identifying whether there are adjustments that can be made by the employee and/or the Charity to help reduce absence levels, highlighting the pattern of absence – many employees with persistent short term absences are genuinely unaware of emerging patterns therefore showing employees the cost of their absence to the service and the wider Charity can actually have a positive effect in reducing sickness absences.

3.3.6 Successful interventions by managers, at this stage, have in recent months, led to some staff being:

- redeployed into more suitable posts when degenerative injuries are the cause of frequent short term absences
- reassigned to lighter and/or different duties on a short term basis
- referred to private physiotherapy/sports injury specialists after operations or injuries
- referred directly to counsellors when personal or work related issues prevent them carrying out their work effectively

3.3.7 This approach has helped to:

- prevent the resignation or dismissal of some staff on the grounds of capability
- reduce the number of short term absences of those staff
- lessen the potential for long term absences
- facilitate a quicker recovery and therefore shorter absence from work
- enable staff to remain at work whilst dealing with physical or mental health issues.

3.3.8 In addition, the Head of Development, Health and Wellbeing Manager and HR Manager have recently facilitated two staff workshops to try to identify ways in which the Charity could help with the health and wellbeing of its staff. The sessions were very positively received by participants therefore Senior Management has agreed to set up a short-life working group to further look at ways in which the issues and suggestions offered at the workshops can be implemented. This process is ongoing and outcomes will be reported to the Board at a later date.

3.4 Staff Turnover

Resignations in Quarter 4 as a percentage of the number of posts and resignations have been consistent with previous years with an average turnover of 0.5% equating to an average of six resignations a month. Staff turnover remains in a 'green' RAG-rated status in terms of the Charity's performance reporting and therefore does not present any current ongoing concerns for HLH.

3.5 Discipline

There were six issues considered under the charity's disciplinary processes in Q1 2018/19, all of which are now closed.

3.6 Grievance

There were six matters considered under the charity's grievance procedure in Q1 2018/19. Four of these have been addressed and resolved, two are ongoing.

3.7 Harassment

There were no harassment issues raised during Q1 in 2018/19.

3.8 Employee relations

3.8.1 The Company has engaged with the three Trade Unions (TUs) that have members within the organisation, namely Unison, Unite and GMB. The Company deals with the TUs formally through the Joint Consultation Forum (JCF) which meets quarterly, the last meeting was held on 7 June 2018.

3.8.2 The main discussion areas at this meeting were:

- Holiday Pay calculations on additional hours
- Grievance and Disciplinary Procedure Updates

3.8.3 In addition, the above Trade Unions are invited to be represented on the staff Health and Safety Committee.

3.8.4 Management and representatives of HR also discuss with the Trade Unions individual issues as and when required.

3.8.5 Directors should note that the EIS union associated with the Music Instructor staff has been invited to attend all future JCF meetings.

4 Gender Pay Gap Results 2017/18

4.1 Under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 it is a legal requirement for any organisation with 250 or more employees to publish and report specific figures about their gender pay gap, by April each year. The 2017/18 report is the second year of publication.

4.2 The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings. (Directors should note that the gender pay gap is not the same as pay equality for males and females.)

4.3 Employers must publish their gender pay gap data and a written statement on their public-facing website and report their data on the UK Government website.

4.4 The data required is:

- i. mean (average) gender pay gap in hourly pay;
- ii. median (midpoint) gender pay gap in hourly pay;
- iii. mean bonus gender pay gap;
- iv. median bonus gender pay gap;
- v. proportion of males and females receiving a bonus payment; and

vi. proportion of males and females in each pay quartile

4.5 HLH is committed to the promotion of equality of opportunity in its employment practices. The Charity’s Equal Opportunities policy states that it intends that no job applicant or employee shall receive less favourable treatment because of sex, marital or family status, age, ethnic origin, disability, race, colour, nationality, religion, belief, sexual orientation, gender reassignment or any other non-job related factor.

4.6 HLH is also confident to report that males and females are paid the same rate for the job regardless of gender (or any other difference). Employees are remunerated according to set pay scales and terms and conditions which are negotiated nationally, through The Highland Council, by the Scottish Joint Council for Local Government Employees.

4.7 HLH’s detailed results are provided in the draft Gender Pay Gap Report at **Appendix D**.

4.8 The table below provides a comparison of the Gender Pay Gap results from 2016/17 to 2017/18:

	Difference between male and female hourly fixed pay	
	Mean Pay Gap	Median Pay Gap
2016/17	5.4%	4.3%
2017/18	5.3%	7.2%

4.9 With no significant changes in the male to female ratio (1:2), there has been small change (-0.1%) to the mean pay gap. The level of Gender Pay Gap reported relates to the number of males versus females in positions ranked, according to hourly pay rate, in quartile 4.

4.10 The median pay gap increase of 2.9% is primarily due to placing within salary grades and incremental progression.

4.10.1 Although there have been no significant changes to the ratio of males and females within the Charity as a whole over the past year, or within each of the quartiles, the median hourly pay rate has increased for males due to incremental movement up the spinal points whereas the female median hourly rate has remained static. This is likely to be caused by more females occupying posts for longer than males and therefore reaching the top of their salary grading, whilst more males are newer into post, with movement up their salary scale still possible.

4.10.2 Unless there is a significant increase of males to females within the lower pay grades below the median point or conversely a significant increase of females to males in the higher pay grades, it is anticipated that the median pay gap will continue to increase over the next 2 or 3 years.

4.11 The Charity is aware of all under-represented groups and continues to promote High Life Highland’s family friendly working policy when advertising posts.

4.12 At the request of the August 2018 Finance and Audit committee, a record of the following will now be kept in terms of the split between females and males:

- applying for vacancies;
- shortlisted and interviewed for post; and
- appointees to posts

An initial review will be undertaken during the period 1st October 2018 – 31st March 2019. The results of which will be reported as part of HLH's 2019 Gender Pay Gap outcomes.

During the initial review period HLH will also highlight posts where a particular gender is under-represented.

5. Implications

5.1 Resource Implications – there are no new resource implications arising from the recommendations of this report.

5.2 Legal Implications – there are no new legal implications arising from the recommendations of this report.

5.3 Risk Implications – there are no new risks arising from the recommendations of this report.

Recommendation

It is recommended that Directors note:

- i. and comment on the content of the quarterly HR report including the update on the staffing establishment;
- ii. the actions being taken to manage absences; and
- iii. the Gender Pay Gap Report at **Appendix D** and approve its submission to the UK Government and publication on the HLH website.

Designation: Chief Executive

Date: 17 August 2018

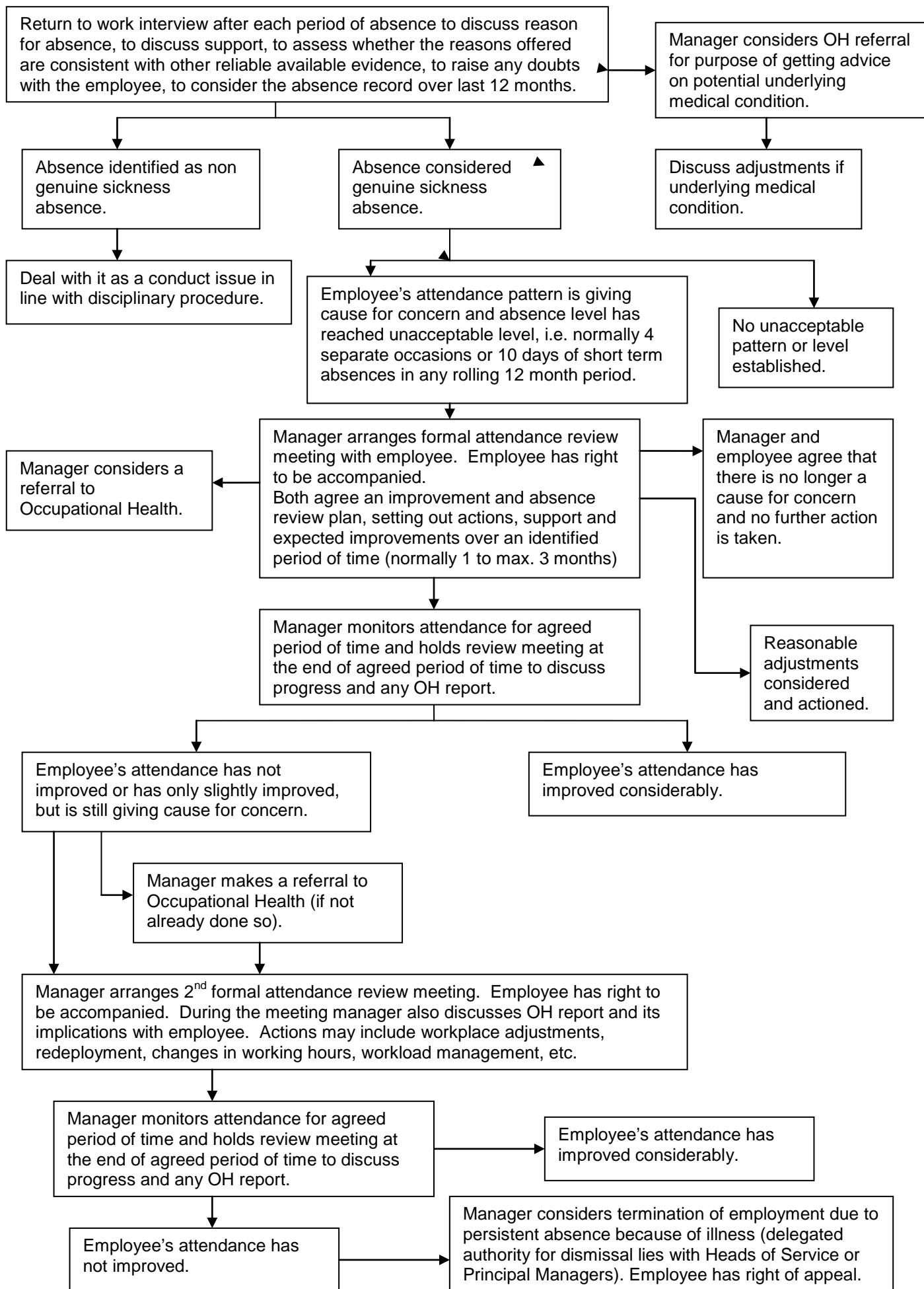
APPENDIX A

CHANGES TO STAFFING ESTABLISHMENT IN QUARTER 1 (APRIL – JUNE)

Music Instructors	Various	46.3
Music Development Officer	Old Library, Dingwall	1
Clerical Assistant	Old Library, Dingwall	0.8
Outdoor Centre Assistants (Seasonal)	Torrin	0.91
Temporary Cleaning Operative	Ben Nevis Visitor Centre	0.57
Disability Sports Development Officer	Inverness	-0.07
Archive Assistant	Lochaber Archive Centre	1
Music Instructor (Guitar)	Various	1
Music Instructor (Drums)	Various	1
2 x Caretakers	Canal Park	0.22
Leisure Assistant	Raigmore CC	-0.36
Music Instructor (Voice)	Various	1
Leisure Supervisor	Lochaber High School	0.16
Leisure Assistant	Lochaber High School	-0.05
Tutor Coach	Lochaber High School	0
Customer Service Assistant	Aviemore CC	-0.43
Leisure Assistant	Aviemore CC	-0.89
Tutor Coach	Aviemore CC	0
Assistant Coach	Aviemore CC	0
Leisure Assistant	James Cameron CC	-0.46
Music Instructor Pipe Band Drumming	Various	0.2
Music Instructor Pipe Band Drumming	Skye & Lochalsh	0.8
Music Instructor Strings	Inverness	-0.2
Ancestral Tourism Officer	Inverness	1
Music Instructor Strings	Alness	0.2
Music Instructor (Musician in residence)	Inverness	0.8
		54.5

PROCESS FLOWCHART

Attendance Monitoring and Management (persistent short-term absence):



Frequent Short Term Absence – Bradford Factor

Managers are provided with some assistance on whether or not an employee's attendance record requires further action through the figures provided by the Sickness Absence SPI spreadsheet for their area, which are based on the Bradford factor. However, it should be noted that these figures only consider the previous 12 months, and are only one tool for attendance management.

The Bradford Factor is calculated as follows:

$$S \times S \times D$$

S = number of spells of absence in a specified period

D = number of days of absence in that same period

Example:

An employee A, who has been off sick for 4 days and 5 days on two occasions, would have a Bradford factor of: $2 \times 2 \times 9 = 36$

An employee B who has been off sick on three occasions with a total of 9 days would have a Bradford factor of: $3 \times 3 \times 9 = 81$

Employee B's sickness absence would require further investigation and potentially a formal attendance review meeting, while employee A's absence should be monitored closely.

As a means of guidance a Bradford factor of 40 or more could be a concern, 75 or more needs further investigation and may involve a formal attendance review meeting.

High Life Highland 2018 Gender Pay Gap Report

High Life Highland is a charity registered in Scotland, formed on 1st October 2011 by The Highland Council to develop and promote opportunities in culture, learning, sport, leisure, health and wellbeing across 9 services throughout the whole of the Highlands, for both residents and visitors.

The Gender Pay Gap data supplied is correct for all employees in post with High Life Highland on 31 March 2018.

On that date there were 932 relevant and full-pay relevant employees, 321 (34%) males and 611 females (66%).

The figures set out below have been calculated using the standard calculations used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Pay and Bonus Gap

Difference between male and female		
	Mean	Median
Hourly fixed pay	5.3%	7.2%
Bonus paid	0%	0%

- The table above shows High Life Highland's mean and median gender pay gap based on hourly rates of pay.
- There were no bonuses paid to any staff in the year up to 31 March 2018.
- Across all employers who reported their Gender Pay Gap for 2017/18, High Life Highland's mean pay gap of 5.3% is 9.2% less than the national average of 14.5%.¹
- With a 7.2% median pay gap, High Life Highland is 4.9% below the national average of 12%¹ as reported for 2017/18.

¹ House of Commons briefing paper No. 7068 6 April 2018 <http://researchbriefings.files.parliament.uk/documents/SN07068/SN07068.pdf>

Pay Quartiles by Gender

Quartile	Males	Females	Description
1	27%	73%	Includes all High Life Highland employees whose standard hourly rate places them in the 1 st and lowest pay quartile.
2	34%	66%	Includes all High Life Highland employees whose standard hourly rate places them below the median pay in the 2 nd pay quartile.
3	42%	58%	Includes all High Life Highland employees whose standard hourly rate places them above the median pay in the 3 rd pay quartile.
4	35%	65%	Includes all High Life Highland employees whose standard hourly rate places them in the 4 th and therefore highest pay quartile.

- The table above sets out the gender distribution at High Life Highland across four equally sized quartiles, each containing 233 employees.
- With an overall split of 34% male to 66% female within High Life Highland each quartile shows a gender distribution which very closely matches this overall ratio.

High Life Highland is committed to the promotion of equality of opportunity in its employment practices. It is committed to offering roles on flexible working patterns, with a range of options such as part-time working, alternative working hours, home working and shared parental leave.

The Charity's Equal Opportunities policy states that it intends that no job applicant or employee shall receive less favourable treatment because of sex, marital or family status, age, ethnic origin, disability, race, colour, nationality, religion, belief, sexual orientation, gender reassignment or any other non job related factor.

High Life Highland is also confident that males and females are paid the same rate for the job regardless of gender (or any other difference). Employees are remunerated according to set pay scales and terms and conditions which are negotiated nationally, through The Highland Council, by the Scottish Joint Council for Local Government Employees.

High Life Highland's gender pay gap compares favourably to national statistics but it is committed to monitoring and reducing the gap wherever possible, whilst also recognising that it has no direct control over the gender of applicants for particular job types or an individual's career choices.

I confirm the data reported is accurate.

Ian Murray
Chief Executive