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| HIGH LIFE HIGHLAND  REPORT TO BOARD OF DIRECTORS  13 DECEMBER 2021 | AGENDA ITEM REPORT No HLH/ /21 |

## **HUMAN RESOURCES - Report by Chief Executive**

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| **Summary**  The purpose of this report is to update Directors on Human Resources activity for the period July to September 2021 which includes information relating to absence, disciplinary and grievance issues during this period as well as information on the pandemic’s impact on staffing related matters.  It is recommended that Directors note and comment on:   1. the content of the quarterly HR report including the update on the staffing establish-   ment, attendance management and union engagement;   1. the changes to the payment of enhanced weekend and public holiday rates for employees engaged prior to August 2020; 2. the draft Gender Pay Gap Report in **Appendix B** and approve its submission to the UK Government and publication on the HLH website; 3. HLH’s engagement with the UK Government’s Kickstart Scheme:   and agree to:   1. the one-off recognition payments made to staff affected by the reintroduction of enhanced rates for weekends and public holidays. |

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| **1.** | **Business Plan Contribution** |
| 1.1 | This report supports the highlighted Business Outcomes from the High Life Highland (HLH) Business Plan:   1. Sustain a high standard of health and safety, and environmental performance 2. **Implement the Service Delivery Contract with THC** 3. **Improving customer engagement and satisfaction** 4. **Improving staff engagement and satisfaction** 5. **Enhance the positive charity image** 6. Be a trusted and effective partner 7. Achieve sustainable growth across the organisation 8. Develop health and wellbeing across Highland communities 9. **Develop and promote the High Life brand** |
| **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 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: July - September 2021** |
| 3.1 | Staff Establishment Numbers |
| 3.1.1 | The changes to the establishment for the period in full-time equivalents (FTE) are as follows: |
|  | Establishment at end of **Quarter 1 2021/22** (Apr – Jun 21) = **776.82**  Establishment at end of **Quarter 2 2021/22** (Jul – Sept 21) = **784.02** |
| 3.1.2 | Quarter 2 has seen an increase to the establishment of 7.2 FTE and these changes are detailed in **Appendix A.** |
| 3.1.3 | In considering the above, the main reasons for these changes are:   1. the provision of contracts to workers carrying out fixed term, grant funded projects as part of the recovery programme, primarily in Youth Work and Adult Learning; and 2. the creation of new posts in Catering, Health & Wellbeing, Adult Learning and Leisure. |
| 3.1.4 | Directors are reminded of the Charity’s partnership commitment with the Unions whereby all posts will be peer-reviewed by the Status Review Group creating new employee contracts where necessary. |
| 3.2 | Attendance Management |
| 3.2.1 | Reports show absence levels split between short-term absence (˂10 consecutive working days) and long-term absence (>10 consecutive working days). |
| 3.2.2 | The short-term absence rate % up to the end of Quarter 2 was as follows:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **SHORT-TERM ABSENCE RATES** | | | | | |  | **Quarter 1**  **(Apr–Jun)**  **%** | **Quarter 2**  **(Jul–Sep)**  **%** | **Quarter 3**  **(Oct–Dec)**  **%** | **Quarter 4**  **(Jan–Mar)**  **%** | | **2019/20** | 0.90 | 1.00 | 1.58 | 1.33 | | **2020/21** | 0.01 | 0.15 | 0.42 | 0.11 | | **2021/22** | 0.66 | 0.66 |  |  |   Quarter 2 has shown no increase in the short-term absence rate from the previous quarter. The absence rates also include those staff who have been required to self-isolate as a result of COVID-19 contact. |
| 3.2.3 | The long-term absence % rate up to the end of Quarter 2 was as follows:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **LONG-TERM ABSENCE RATES** | | | | | |  | **Quarter 1**  **(Apr–Jun)**  **%** | **Quarter 2**  **(Jul–Sep)**  **%** | **Quarter 3**  **(Oct–Dec)**  **%** | **Quarter 4**  **(Jan–Mar)**  **%** | | **2019/20** | 3.37 | 2.55 | 1.27 | 1.64 | | **2020/21** | 0.05 | 0.78 | 2.22 | 1.13 | | **2021/22** | 1.93 | 2.88 |  |  | |
|  | Quarter 2 has shown an increase of 0.95% in the long-term absence rate compared to the previous quarter. The absence rate also includes those staff who have been required to self-isolate as a result of COVID-19 contact. The increase may also reflect staff who had previously been recorded as having been on furlough and as staff were required to return to work were then recorded as on sick leave. |
| 3.2.4 | There were 19 long-term absences within the quarter which carried forward into Quarter 3 2021/22. |
| 3.2.5 | The average sick days per employee up to the end of Quarter 2 was as follows:   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **AVERAGE SICKNESS ABSENCE DAYS PER EMPLOYEE** | | | | | |  | **Quarter 1**  **(Apr–Jun)** | **Quarter 2**  **(Jul–Sep)** | **Quarter 3**  **(Oct–Dec)** | **Quarter 4**  **(Jan–Mar)** | | **2019/20** | 2.82 | 2.34 | 1.74 | 1.81 | | **2020/21** | 0.04 | 0.64 | 1.64 | 0.78 | | **2021/22** | 1.63 | 2.33 |  |  | |
|  | The average sick days/FTE per employee in Quarter 2 shows an increase of 0.7 days compared to Quarter 1 which is almost exactly the same as the same period pre-pandemic. |
| 3.2.6 | As outlined in previous reports, HR service continues to work with all managers and employees to find opportunities to encourage earlier returns to work. The COVID-19 situation has meant that HLH has seen a spike in the number of staff having to self-isolate since returning to work but managers have remained in contact with all absent staff, regularly checking in on their general health, wellbeing and welfare and highlighting to the HR Manager any concerns they have regarding staff health and wellbeing during this time. |
| 3.2.7 | The Board will be aware that further details around COVID specific self-isolation absence has been closely monitored by the Principal Estates Manager and has been subject to reporting and scrutiny by the Health and Safety and Environmental Compliance Committee. |
| 3.2.8 | In addition, as staff have returned to work and health concerns have been raised, HR and service managers have been pro-active in supporting those staff through early intervention including OH referrals and Counselling services. |
| 3.2.9 | There has been no significant or unusual increase in absences or refusals to return to work. |
| 3.3 | Staff Turnover |
| 3.3.1 | The number of resignations per month in Quarter 2 as a % of posts was:  July = 0.8%  August = 1.0%  September = 1.6% |
| 3.3.2 | Staff turnover sits as ‘green’ RAG-rated status in terms of the Charity’s performance reporting. |
| 3.3.3 | Whilst the staff turnover remains in ‘green’ it should be noted that Quarter 2 has seen a gradual increase in resignations, with a total of 22 in September alone. However, it could be surmised that there is a direct correlation between the end of furlough and the number of employees resigning from HLH and seeking employment elsewhere. |
| 3.4 | Use of the Charity Disciplinary Processes |
| 3.4.1 | There was one new issue considered under the charity’s disciplinary process in Quarter 2. |
| 3.5 | Use of the Charity Grievance Processes |
| 3.5.1 | There were no new matters received under the charity’s grievance procedure in Quarter 2. |
| 3.6 | Harassment |
| 3.6.1 | There were two new matters considered under the harassment procedures during Quarter 2. |
| 3.7 | Whistleblowing |
| 3.7.1 | There were no instances of the charity’s Whistleblowing policy being invoked in Quarter 2. |
| 3.8 | Employment Tribunal |
| 3.8.1 | The previously reported employment tribunal remains current at the time of writing this report. The hearing took place in August, but the Employment Judge has not yet issued his verdict. It is hoped the outcome will be received before the end of the calendar year. |
| 3.9 | Employee Relations |
| 3.9.1  3.9.2 | The charity has engaged with the four Trade Unions (TUs) representing members within the organisation, namely Unison, Unite, GMB and EIS. The Charity deals with the TUs formally through the Joint Consultation Forum (JCF) which met on 9 September 2021  Discussions included:   1. Update on staff coming off furlough; 2. Update to Code of Conduct policy; and 3. Swim teacher contracts and grading. |
| 3.9.3 | In addition to the above meeting, a special JCF meeting was held with the unions on 11 November, to discuss the recruitment and retention challenges being faced by the charity. |
| 3.9.4 | Management and representatives of HR also discuss with the Trade Unions individual issues as and when required. |
| **4.** | **Status Review Group** |
| 4.1. | The Status Review Group (SRG) continues to meet on a weekly basis to provide a platform to review:   * any claims from relief staff regarding their employment status with HLH; * internal and external vacancy recruitment * changes to the establishment. |
| 4.2 | The SRG consists of the Director of Corporate Services (Sponsor), HR Manager, Principal Business Support Manager, Head of Finance and all Heads of Services. Other senior managers attend on an ad-hoc basis where necessary. |
| 4.3 | In Quarter 2 the SRG considered 276 (217 in Quarter 1 21/22) requests falling within the categories listed above, including 159 vacancies to be advertised. |
| **5.** | **Internal Recruitment and Retention Challenges** |
| 5.1 | A number of services are currently experiencing recruitment and retention issues, and this has been particularly noticeable in the Leisure Service, with some promoted posts (particularly supervisory) attracting no applicants either internally or externally. It has been highlighted that if the situation continues there will be a direct impact on the ability to deliver services and ultimately a loss in associated income. |
| 5.2 | Recruitment has been a hot topic of discussion in the media recently and it does appear that the above challenge is not only being faced by HLH |
| 5.3 | With information supplied by services across the charity, it is clear that since the removal of enhanced payments for staff working weekends, existing staff are reluctant to put themselves forward to apply for internal vacancies, particularly promoted posts, as in most cases they would be financially disadvantaged at weekends and moreover, in many situations, earning significantly less than the staff they are expected to supervise. |
| 5.4 | In addition, whilst the move to formalise hours, previously paid on a relief basis, is an important one, staff are unwilling to commit to a new contract if they are going to lose the weekend enhancements previously paid in their relief post(s). On investigation, it is clear that the benefits of having a contract and annual incremental increases do not outweigh the benefits of receiving enhanced pay as a relief employee. So, while HLH attempts to recruit and contract staff, it continues to pay relief employees to ensure services can be delivered and facilities remain open. |
| 5.5 | As a result of the above and the increasing negative effect on business at this current time, the Executive Team tasked the Head of Leisure and HR Manager to review options that might mitigate the issues as detailed above. The options considered were:   1. continue with the status quo – continuing on the current basis will soon impact on the ability to deliver services which in turn will impact income; 2. reinstate enhancements for all staff employed in contracted and relief posts prior to August 2020. These staff would retain their current terms and conditions, including entitlement to enhanced rates of pay, and all current HLH employees would retain their enhanced terms and conditions if moving to a new post within the Charity. All new staff would receive straight time for all hours worked; 3. start staff on a higher spinal column point to offset loss of income when moving to a new position; and 4. pay a ‘weekend bonus’ to supervisors and swim teachers to ensure they are not earning less than those they are supervising or in detriment because they are teaching. |
| 5.6 | The recommendation made to the Executive Team was for the immediate reinstatement of enhancements for staff employed by HLH prior to August 2020 (Option ii). |
| 5.7 | Whilst Option iii and iv might have mitigated some of the financial detriment it would not address the particular issue of staff moving into newly promoted posts being in detriment, which appears to be the main barrier to internal recruitment. |
| 5.8  5.8.1 | A special JCF meeting was convened on 11 November 2021 – attended by GMB, Unison and Unite, where the above staffing challenges were fully discussed and obviously supported. The following **three phases** were agreed:   * **Phase 1**: Re-introduction of weekend and public holiday enhanced rates to all contracted staff and relief workers (including TUPE staff) who were in any post (i.e. relief or contracted) with HLH prior to 1 August 2020 – this change came into effect on Monday 15 November 2021. * **Phase 2**: HLH to consider financially recognising all staff that have taken up a newly contracted post(s) since 1 August 2020. * **Phase 3**: Consideration of fully reintroducing weekend enhanced payments for future vacant posts, regardless as to whether a new employee had previously worked for HLH.   Phase one was implemented on 15 November 2021. |
| 5.9  5.9.1  5.9.2 | In terms of Phase 2 – in order to bring the matter to a conclusion, in a timeous and financially balanced way, it is being proposed to make a one of pro-rata recognition payment to all staff affected by the above decision. Having undertaken a dip-test of over 30 members of staff, the average payment due would be £420 (based on full-time, 37 hours).  Taking this into account, the Board is asked to approve the amount of £420 per contracted employee (pro-rata), with a recognition payment of £50 for all relief staff who fall into the above category. This approval will allow a non-negotiable discussion to be undertaken with the JCF Unions, with a view to having the payment made through payroll in the New Year.  Board Directors should note that no employee would receive less than £50 recognition payment. |
| 5.10 | In terms of Phase 3: The HR Manager will undertake a review of the current recruitment processes and determine whether changes may be required in the short term to ensure maximum exposure of external vacancies. However, it is recognised that short term fixes such as advertising on paid for sites, does not address the wider recruitment issues and a much wider review of recruitment and retention will be undertaken in consultation with the JCF Unions as part of the current Corporate Delivery Review. Any further proposed changes to terms and conditions would be reported to the Board at a future date. |
| **6.** | **Gender Pay Gap 2021** |
| 6.1 | 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. |
| 6.2 | The gender pay gap is the difference between the average earnings of men and women, expressed relative to men’s earnings. |
| 6.3 | Employers must publish their [gender pay gap data and a written statement](https://www.gov.uk/guidance/gender-pay-gap-reporting-what-employers-must-publish) on their public-facing website and report their data to government online. |
| 6.4 | The data required is:  1. mean (average) gender pay gap in hourly pay; 2. median (midpoint) gender pay gap in hourly pay; 3. mean bonus gender pay gap; 4. median bonus gender pay gap; 5. proportion of males and females receiving a bonus payment; and 6. proportion of males and females in each pay quartile. |
| 6.5 | HLH’s detailed results are provided in the draft Gender Pay Gap Report at **Appendix B.** |
| 6.6 | The table below provides a comparison of the Gender Pay Gap results from 2018/19, 2019/20 and 2020/21: |
|  | |  |  |  | | --- | --- | --- | |  | **Difference between male and female**  **hourly fixed pay** | | | **Mean (average) Pay Gap** | **Median (midpoint) Pay Gap** | | **2018/19** | 7.3% | 0.0% | | **2019/20** | 9.0% | 12.5% | | **2020/21** | 9.1% | 20.9% | |
| 6.7 | There has been no significant change in the male to female ratio (1:2) over the past year and only a slight increase of 0.1% to the mean pay gap. |
| 6.8 | However, there has been a significant increase in the median pay gap of 8.4% in 2020/21. This is a result of the median hourly pay rate for females (£10.34) being at the top of a pay grade and therefore cannot go any higher, whilst the median hourly rate for males (£13.07) is at the midpoint of the next pay grade and will continue to increase the gap over the next couple of years unless there is a significant change in the gender split across the Charity. |
| **7.** | **Kickstart Scheme** |
| 7.1 | The Kickstart Scheme is a Government initiative providing funding to employers to create new jobs for 16 to 24 year olds on Universal Credit and who are at risk of long term unemployment. |
| 7.2 | Employers of all sizes can apply for funding until 17 December 2021 and it covers:   * 100% of the National Minimum wage for 25 hrs per week for a total of 6 months * Associated employer National Insurance contributions * Minimum automatic enrolment pension contributions. |
| 7.3 | HLH’s Youth Team has engaged four young people through the Kickstart Scheme – two based in Invergordon and two based in Ullapool |
| 7.4 | The work experiences have been varied, from helping in rural skills classes, assisting in summer holiday hubs, co-leading in the delivery of the John Muir Awards and HLH’s Leadership Programme. All four have also been involved in the youth clubs being offered in the two communities. |
| 7.5 | Learning has been a key part of the whole experience and training has been offered by Highland Third Sector Interface - a charity that supports work with community groups – and throughout the placements the young people have been encouraged to identify the areas of work they feel they need to improve on. |
| 7.6 | The Kickstart Scheme has not only provided employment for these four young people but has helped build their confidence and given them the opportunity to learn some transferable skills that will be useful in any job setting. |
| 7.7 | In addition, the Museum service has recently appointed a Collections Assistant through the Kickstart Scheme and in partnership with Museums Galleries Scotland (MGS). The placement will be based at the Highland Folk Museum and will be supported by the MGS Employment Adviser throughout their six-month tenure with HLH. |
| 7.8 | At the SRG meeting on 30 November, approval was given to create a permanent part-time post, into which one of the Kickstart employees would be placed. |
| **8.**  8.1  8.2  8.3  8.4 | **Implications**  Resource Implications – Board Directors should note that agreeing the recognition payments as outlined in section 5 of this report will result in a financial cost to the charity of £26k.  Legal Implications – there are no new legal implications arising from the recommendations of this report.  Equality Implications – there are no new equality implications arising from the recommendations of this report.  Risk Implications – there are no new risks arising from the recommendations of this report. |
| It is recommended that Directors note and comment on:   1. the content of the quarterly HR report including the update on the staffing establish   ment, attendance management and union engagement;   1. the changes to the payment of enhanced weekend and public holiday rates for employees engaged prior to August 2020; 2. the draft Gender Pay Gap Report in **Appendix B** and approve its submission to the UK Government and publication on the HLH website; 3. HLH’s engagement with the UK Government’s Kickstart Scheme:   and agree to:   1. the one-off recognition payments made to staff affected by the reintroduction of enhanced rates for weekends and public holidays. | |

Designation: Chief Executive

Date: 1 December 2021

**Appendix A**

**CHANGES TO STAFFING ESTABLISHMENT IN QUARTER 4**

**(July - September 2021)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Post Title** | **Location** | **FTE** | **Comment** |
| Adult Learning Tutor Coach x 3 | Brora Learning Centre | 0.37 | 20 weeks |
| Adult Learning Tutor Coach | Spectrum Centre | 0.71 | 8weeks |
| Youth Support Officer | Kinlochleven | 0.17 | 16 weeks |
| Assistant Youth Worker x 2 | Ullapool | 0.34 | 40 weeks |
| Health & Wellbeing Project Assistant | Inverness | 0.6 | 23 months |
| Assistant Youth Worker | Alness | 0.14 | until end December 21 |
| Assistant Youth Worker | Kinlochbervie | 0.07 | until end December 21 |
| Adult Learning Development Officer (funding) | Home based | 0.5 | until 31 March 22 |
| Adult Learning Tutor x 3 | Inverness and Ft William | 0.27 | Up to 14 weeks |
| Leisure Assistant | Puffin Pool | 0.57 |  |
| Caretaker/Steward | Canal Park | 0.66 |  |
| Senior Catering Supervisor | Inverness | 1 |  |
| Senior Catering Assistant | Hilton | -0.63 |  |
| Tutor Coach | Leven Centre | 0.03 |  |
| Assistant Youth Worker | Inverness | 0.17 | Until 31.3.22 |
| Leadership Programme Development Officer | Inverness | 1 | 3 months |
| Adult Learning Support Worker | Nairn | 0.5 | Until 31.3.22 |
| Assistant Youth Worker x 2 | Dingwall | 0.23 | Until 31.3.22 |
| Assistant Youth Worker | Great Glen | 0.5 | Until 31.3.22 |

**APPENDIX B**

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|  | ***Gender Pay Gap Report***  ***2021*** |

High Life Highland is a charity registered in Scotland, formed on the 1st October 2011 by The Highland Council to develop and promote opportunities in culture, learning, sport, leisure, health and wellbeing across 12 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 2021.

On that date there were 935 relevant and full-pay relevant employees, 335 (36%) males and 600 females (64%).

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 | 9.1% | 20.9% |
| 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 2021.
* Of the 10140 employers reporting in 2020/21 the mean gender pay gap for all employees was 14.1% and the median gender pay gap 12.6%1
* High Life Highland’s mean pay gap of 9.1% is less than the national average by 5%.
* With a 20.9% median pay gap, High Life Highland is 8.3% above the national average for 2020/21.

1 <https://gender-pay-gap.service.gov.uk> Employers with 250 or more employees who have published their figures comparing men and women’s average pay across the organisation.

**Pay Quartiles by Gender**

| **Quartile** | **Males** | | **Females** | | **Description** | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 1 | 26% | | 74% | | Includes all High Life Highland employees whose standard hourly rate places them in the 1st and lowest pay quartile. | | | |
| 2 | 33% | | 67% | | Includes all High Life Highland employees whose standard hourly rate places them below the median pay in the 2nd pay quartile. | | | |
| 3 | 47% | | 53% | | Includes all High Life Highland employees whose standard hourly rate places them above the median pay in the 3rd pay quartile. | | | |
| 4 | 36% | | 64% | | Includes all High Life Highland employees whose standard hourly rate places them in the 4th and therefore highest pay quartile. | | | |
|  |  |  | |  |  |  |  |  |

* The table above sets out the gender distribution at High Life Highland across four equally sized quartiles, each containing as follows Q1, Q2 and Q3 234 employees; Q4 233 employees.
* High Life Highland has an overall gender split of 36% male to 64% female. Quartile 1 shows the greatest disparity in gender distribution with a much higher percentage of females employed in the lowest pay quartile.

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 remains 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.

Steve Walsh

Chief Executive