

<b>EMPLOYMENT COMMITTEE</b>	<b>AGENDA ITEM No. 8</b>
<b>5 SEPTEMBER 2024</b>	<b>EXEMPT REPORT</b>

Report of:	Mandy Pullen, Service Director People, BI & Transformation
Cabinet Member(s) responsible:	Councillor Mohammed Jamil, Deputy Leader and Cabinet Member for Finance and Corporate Governance
Contact Officer(s):	Christina Thompson, Service Lead – People & Business Relations

**UPDATES TO CONTRACTUAL HR POLICIES**

<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Mandy Pullen, Service Director People, BI & Transformation	<b>Deadline date:</b> 5 September 2024
It is recommended that the Employment Committee approves the proposed changes to the contractual HR policies as set out below.	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to the Employment Committee following the creation of an HR Policy handbook for employees. The creation of the document provided an opportunity to modernise and streamline existing employment policies. In line with the constitution terms of reference for Employment Committee, substantial changes to contractual policies are required to seek approval from Employment Committee. The reasons for a move away from multiple separate policies to a handbook are as follows:

- Combining / condensing - streamlining our policies makes them accessible and understandable for employees, leading to better compliance
- Risk management – clearer HR policies help mitigate risks associated with employee behaviour and poor workplace practices
- Experience - ensuring new starters have a clear understanding of the Council's values, expectations and culture from the beginning. The handbook provides a structured approach to the induction process, helping new employees integrate smoothly into their roles and the Council.
- Flexibility – we need flexible HR policies which can accommodate our dynamic and changing work environment and the complexities that come with it.
- Manager discretion - our new policies and guidance provide a level of discretion, allowing our managers to manage their teams while maintaining fairness and uniformity across the Council.
- Reducing paper forms – saving on physical resources and facilitates easier access and better data security and is more eco-friendly and cost-effective

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to seek approval to make the proposed changes to contractual policies at Peterborough City Council following creation of an HR Policy handbook for employees.

2.2 This report is for the Employment Committee to consider under its Terms of Reference No. 2.3.2.2:

To determine substantial changes to contractual employee procedures and policies.

2.3 This report and any associated appendices are **NOT FOR PUBLICATION** by reason of paragraph 1, 2 and 4 of Schedule 12A of Part 1 of the Local Government Act 1972 because it contains information relating or potentially relating to an individual and information in connection with any labour relations matter arising between the authority and office holders under the authority. The public interest test has been applied to the information contained within this exempt annex and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it

**3. TIMESCALES**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting	
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**4. BACKGROUND AND KEY ISSUES**

4.1 The proposed changes to the contractual policies aim to streamline the process and make it more consistent for both the Council and employees.

The handbook has been organised into easy to navigate and understand sections. There are separate factsheets and FAQs for managers which provide more comprehensive information on particular aspects of employment allowing a self-service option with support from People Business Partners. There is a focus on flexibility, clarity and accessibility, keeping content clear and concise throughout.

Key differences to contractual policies are summarised as follows:

**SICKNESS MANAGEMENT**

1. Unified Management of Sickness Absence: The new policy allows for management of both long-term and short-term sickness in a single process, eliminating the need for separate procedures and ensuring employees cannot have, for example, 2 separate final written warnings.

2. Elimination of the Three-Stage Process: The previous three-stage process for management of prolonged continued absence has been removed, simplifying the management of such cases and in line with point 5 below if the employee is unable to return to work.

3. Inclusion of Time Off Post-Operations: Time off due to surgical operations will now count towards the triggers for action, which was not the case previously. This element of the policy will be applied with sensitivity and flexibility, taking into account the individual circumstances of each case. Ensuring these absences are managed enables managers and HR to identify any patterns that may require intervention or support.

4. Modification of Triggers: The triggers for action have been changed to either three instances of absence or any absence of 10 days or more. This is a shift from the current policy where the trigger is 10 days of absence over two or more instances. This allows us to manage single instances of 1 day – 4 weeks which currently fall through a loophole.

5. Capability for Ill Health Process: A new process is being introduced for situations where an employee's health condition renders them unfit for their role. This differs from the current requirement to follow a three-step process for long-term sickness.

6. Simplified Management Outcome Actions: The options for actions have been narrowed down to either a warning or no action, with no other consequences. The review and monitoring period is proposed to be removed to ensure actions are taken consistently and without unnecessary delay.

These changes reflect a shift towards a more streamlined and less bureaucratic approach to managing sickness absence, focusing on consistency and swifter action when dealing with sickness absences in the Council. The new policy not only support the well-being of employees, including disabled colleagues but also contribute to a more equitable workplace.

## ANNUAL LEAVE

1. Move to annual leave accrual from day one of employment rather than annual leave entitlement being proportionate to the number of completed month's service during the year.

## PROBATION

1. Removal of appeal process from those who have an unsuccessful probation period at Peterborough City Council. There is no legal right to this process.

## 5. CORPORATE PRIORITIES

5.1 The recommendation links to the Council's Corporate Priorities:

Sustainable Future City Council

- How we Work
- How we Serve
- How we Enable

*Further information on the Council's Priorities can be found here - [Link to Corporate Strategy and Priorities Webpage](#)*

## 6. CONSULTATION

6.1 Corporate Leadership Team (CLT) were consulted on 9 July 2024 and are in favour of progression via this route and is a more modern look.

6.2 A meeting has taken place with Union colleagues who are also supportive of progression.

6.3 The Managers' Network was engaged and are in favour of this progressive action.

## 7. ANTICIPATED OUTCOMES OR IMPACT

### 7.1 SICKNESS

The HR People team will have a flexible and reasonable sickness absence policy to work with, which increases the following:

- reduced stress and anxiety for employees who are unwell, knowing they have the support of their employer
- identifying patterns of absence that may indicate underlying issues, enabling early intervention and support for employees and reducing long term absence
- a reduction in long-term absenteeism by addressing issues early and providing appropriate support
- compliance with employment laws and regulations regarding employee rights and sick leave
- cost savings in reducing the costs associated with cover arrangements and loss of productivity

Specifically, combining long term and short-term absence management and creating a single, comprehensive approach ensures consistency in handling absences, increasing fairness and transparency. It allows for a clear understanding of expectations and procedures among employees and managers, reducing the complexity and potential for confusion that might arise from maintaining separate procedures for different types of absences as is the current position.

The streamlined policy also allows for the People Business Partners to work with managers on a case-by-case basis to put measures into place that not only help in accommodating the specific needs of disabled employees but also contribute to creating an inclusive workplace environment that values diversity and equality.

## ANNUAL LEAVE

Moving to entitlement from day one is common practice and demonstrates the Council is prioritising the well-being of our employees through annual leave entitlements (which are often queried on day one). The Council is more likely to be seen as an employer of choice, attracting and retaining top talent.

## PROBATION

The probation period will remain a structured opportunity for both the employee and manager to assess if the job is a suitable match for the individual's skills and aspirations. Support will be provided throughout the 6 months.

Eliminating the option to appeal should lead to a straightforward separation process for staff and managers, should the employee not meet the required standard.

## **8. REASON FOR THE RECOMMENDATION**

8.1 As detailed in 7.1.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

9.1 Making no changes to existing policy – this was rejected on the basis change and modernisation is needed.

## **10. IMPLICATIONS**

### **Financial Implications**

10.1 There are no financial implications as a result of this change.

### **Legal Implications**

10.2 The new policy is in line with all relevant employment legislation.

### **Equalities Implications**

10.3 There is a risk that disabled employees may be adversely affected as they may have more time off work with sickness absence than non-disabled colleagues. Within the new policy, managers will take this into account, considering on a case-by-case basis and involving the employee in discussions about reasonable adjustments. Working together with transparency and fair management should help reduce overall absence rates while providing a supporting work environment and complying with the Equality Act 2010.

**11. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

11.1 None.

**12. APPENDICES**

12.1 Appendix A – proposed Peterborough City Council Absence Management Policy  
Appendix B – current Peterborough City Council Sickness Absence Management Policy

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