

Human Resources Report 2016

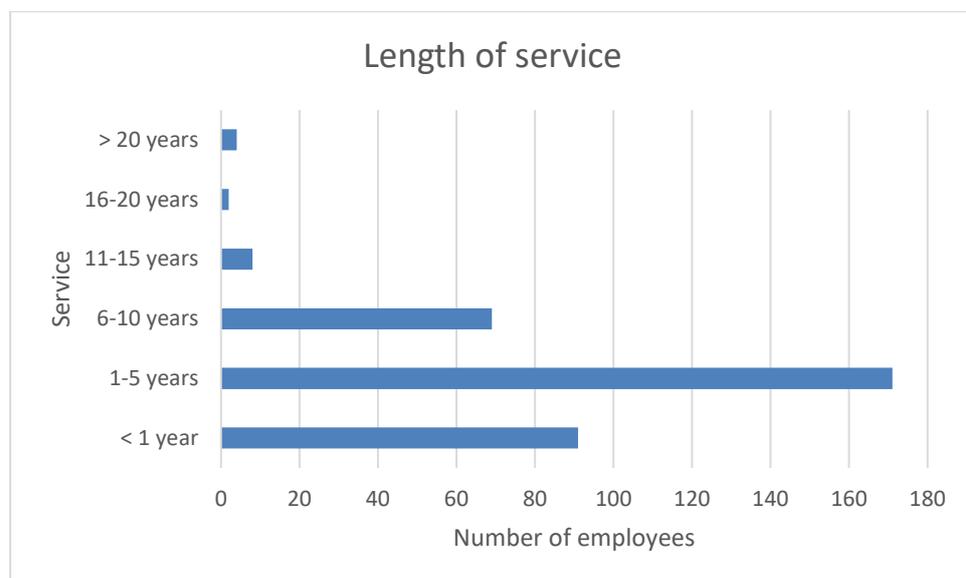
Purpose of paper	To report on HR indicators in 2016 and priorities in 2017.
Action	For noting
Corporate Strategy 2016-19	To improve our performance across all our functions so that we are highly effective as a regulator.
Business Plan 2017	Priority two: Improve our overall performance
Decision Trail	The Remuneration Committee and EMT have considered and thoroughly discussed the content of this report.
Next stage	n/a
Recommendations	The Council is asked to note this report.
Authorship of paper and further information	Sue Steen, Interim Director of Governance & HR Sara Cairns, HR Manager (Pay & Reward)
Appendices	None

Executive Summary

1. This report provides an annual report of HR indicators for 2016. The report includes workforce data and information relating to pay and benefits, employee relations, recruitment and retention, and learning and development. The reporting period is 1 January to 31 December 2016. A summary for the HR work streams for 2017 is also provided for information. This report was circulated to EMT for comments on 25 January 2017 and was fully discussed at the EMT meeting on 6 February 2017. The Remuneration Committee thoroughly discussed the content of this report at its meeting on 9 February 2017.

Workforce profile

2. The GDC employed 345 staff at 31 December 2016 compared to 316 at 1 January 2016. Of these staff, 319 were permanent staff (2015: 294) and 26 were fixed-term (2015: 24). This represents an 8.3% increase in the number of employees on a fixed-term contract over the last year. In terms of permanent staff, there has been an increase of 8.5% in staffing numbers over the past year. This increase largely comprises the recruitment of 14 Case Examiners following the restructure of the Investigating Committee structure in 2016.
3. *Length of service:* the GDC's length of service profile at 31 December 2016 was as follows:



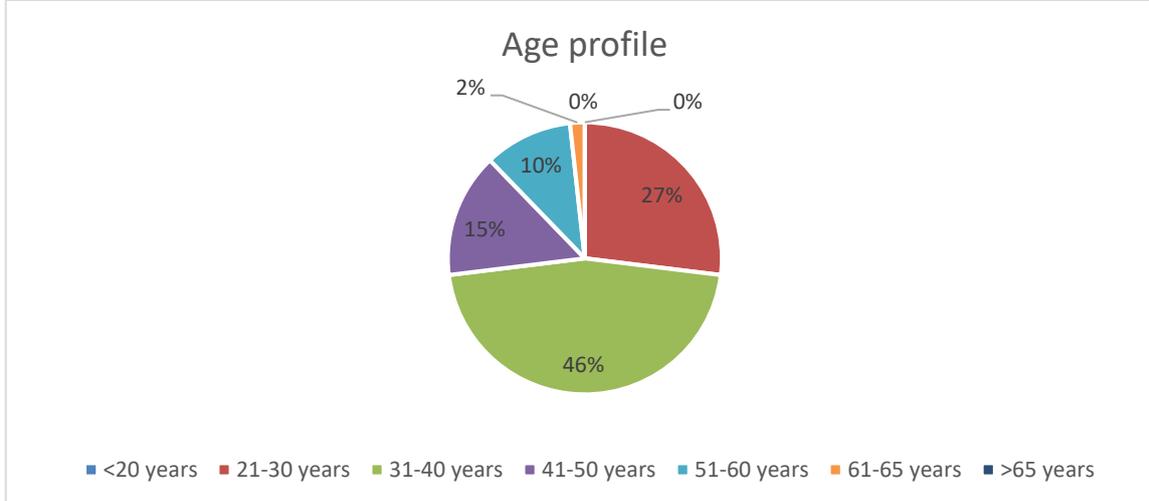
The chart above shows that just over a quarter of staff (91) had less than one year's service and just under half of staff (171) had been with the GDC for less than five years.

The average length of service at the end of 2016 was 3.5 years. This is consistent with the 2015 figure.

4. *Age:* We have a relatively young workforce; 88% of our staff are under 50 years of age. The age profile has changed slightly over the past 12 months, staff aged 31-40 increased to 46% (2015:43.5%). Staff aged between 21-30 decreased to 27% (2015:30%).

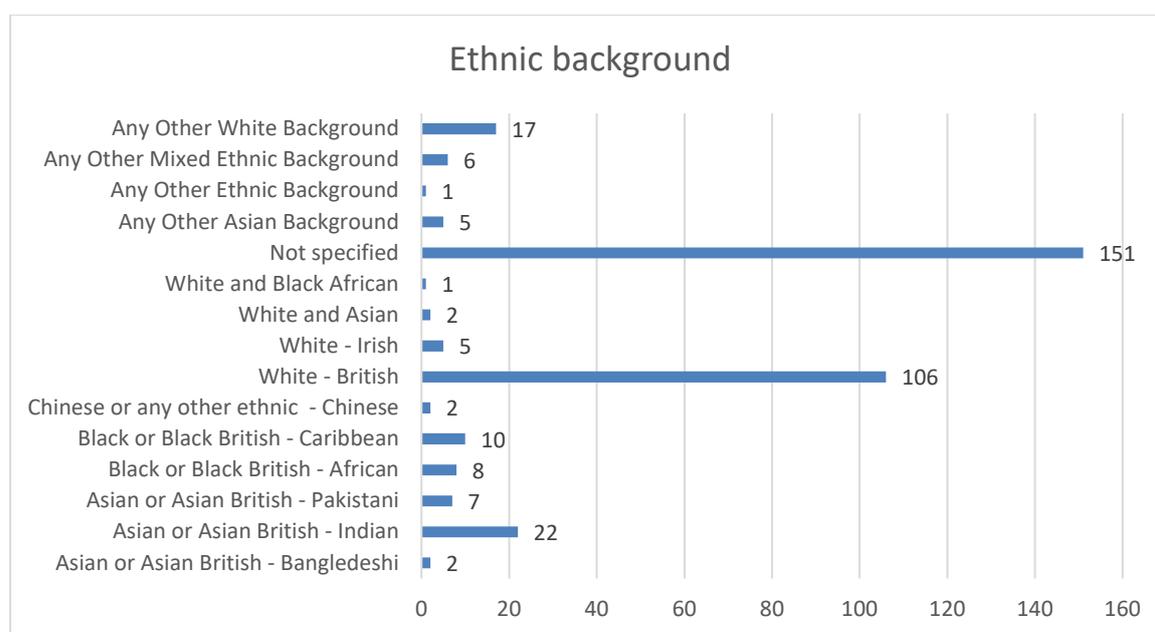
The average employee age across the GDC at the end of 2016 was 37 years (2015: 36.5)

The chart below shows the age profile of the organisation:



5. **Gender:** 63% of GDC staff were female and 37% were male. The gender split for senior managers in the GDC during 2016 was 44% female and 56% male. These percentages are consistent with the breakdown in 2015.
6. **Ethnicity:** there is a relatively high proportion of staff that prefer not to specify their ethnic origin. This is not uncommon at the GDC in terms of equal opportunities data and will be explored further as part of the work of the new Head of Equality and Diversity.

The data that we have available is outlined below:



The above chart indicates there has been little change in the reported ethnicity data during 2016. The two most popular responses remain the same with 151 employees selecting 'prefer not to say' (2015: 133) and 106 selecting 'White – British' (2015:104)

7. **Disability:** a total of 13 staff members declared that they have a disability. This figure has increased by three since December 2015. This needs to be considered in the context of there now being a wider definition of disability and secondly, variances between individuals as to whether or not they consider themselves as having a disability.
8. **Sexual orientation:** two thirds of the organisation had not provided data. Whilst it is not unusual for some staff to prefer not to state their sexual orientation, the number does appear relatively high. We will be exploring this area as part of the work carried out by the new Head of Equality & Diversity during 2017.

Pay and benefits

9. *Pay:* The mean average pay at 31 December 2016 was £41,119 (2015: £38,569). The table below illustrates that the spread of pay was broadly consistent with 2015, with a slightly lower percentage of staff earning £30-£50k and a slight increase in the £50k bracket compared to the previous year.

Pay	% 2016	% 2015
Less than £30k	24%	28%
£30-50k	52%	55%
Over £50k	24%	17%

10. The difference, in percentage, between the median earnings for women and men working full-time in 2016 was 14% (2015: 15%), in favour of men. This compares to the external benchmarking of 9.4% at 1 April 2016.
11. The highest-paid employee in 2016 was the Chief Executive and Registrar, whose remuneration was 3.9 times (2015: 4.4 times) the median remuneration of the workforce, which was £36,090 (2015: £34,351)
12. Changes to the pension scheme in 2016 included:

Defined benefit (DB):

- Employee contributions increased to 7% with effect from 1 April 2016.
- Employer contributions were set at 18% with effect from 1 April 2016.
- Closure of the DB section to all new joiners with effect from 1 July 2016.
- Non-contributory members commenced paying employee contributions with effect from 1 July 2016.

Defined contribution 2014 (DC 2014)

- Employee contributions increased to 3% employee and 6% employer with effect from 1 February 2016.

13. The graph below indicates the numbers of staff who, at 31 December 2016, were members of:
- DB section (closed to new joiners during 2016)
 - DC top up section (now closed to new joiners)
 - DC 2014 section

A total of 26 staff have chosen to opt out of the GDC's pension scheme, of which 6 opted-out during 2016.



14. The number of members in the DB section reduced by 13.8% in 2016 and membership in the DC (top up) reduced by 18.6% in 2016. The DC (top up) section was closed in April 2014 and the DB was closed to future joiners in July 2016, this is a contributing factor to the decrease in membership.
15. Membership for the DC 2014 section increased by 25% from 140 in 2015 to 175 in 2016. All new joiners are automatically enrolled into this section with an opt-out provision.
16. There were 5 members of staff who switched from the DC 2014 section to the DB section in 2016. In total 16 out of 76 members of the DC 2014 scheme elected to switch to the DB section before it closed to new joiners in July 2016.

Employee Relations (ER)

17. The table below illustrates the employee relations (ER) trends for disciplinaries, grievances and performance.

Area	Q 1	Q 2	Q 3	Q 4
Disciplinaries (that went to hearing)	1	0	2	1
Grievances (raised but resolved informally)	2	0	0	0
Grievances (raised and went to formal hearing)	1	3	4	0
Informal performance measures (advice sought from HR)	3	5	1	0
Formal performance measures (Stage 1 onwards)	1	1	1	0
Dismissed due to poor performance (including probation but not settlement agreements)	0	2	3	0

18. We received two employment tribunal claims during 2016.
19. The volume of ER workload continued to remain high throughout 2016. A high number of change initiatives have taken place in the GDC throughout 2016 which has impacted on staff in various ways including, restructuring and increased pension contributions for DB & DC 2014 members.
20. The leadership development programme for all managers continued in 2016 and continues to help provide confidence and skills to allow managers to address underperforming individuals. This can be demonstrated in the number of dismissals for poor performance and in the number of informal and formal performance measures listed above.
21. During 2016, HR has continued to take a more active approach in supporting line managers to address short and long term sickness across the GDC, with 48 cases being managed in 2016. This a significant increase compared to the 32 cases during 2015.
22. As part of the increased ER workload, the HR department has managed a number of lengthy and complex cases that required a lot of time and support from HR - in particular the two ET claims (one of which is still ongoing in 2017). Several complex sickness, reasonable adjustments and performance cases are ongoing in 2017.
23. *Sickness (overall)*: a total of 3,659.5 days were lost to sickness over the reporting period (2015: 2,340.5). This represents an average of 10.6 days per employee per year (2015: 7.3 days) and compares to 6.3 days for the economy as a whole. (CIPD, 2016)¹ This is partially due to the number of employees on long term sick.

¹ Chartered Institute of Personnel and Development

24. *Sickness (short term)*: a total of 1,817.5 days were taken through short-term absences during the reporting period (2015: 1,340.5). This represents 5.3 days per employee that took short term sick leave in 2016 (2015: 4.5 days). This increase could be contributed to the more intensive management of short term sickness cases and support provided by HR which has improved reporting of absences over all.
25. *Sickness (long term)*: a total of 1,842 days were taken through long term absences during the reporting period (2015: 1,003). This represents an average of 54 days per employee that took long term sick leave in 2016 (2015: 45 days). Long term sickness is classed as continuous sickness leave of more than 20 working days.
26. All sickness is closely managed through return to work interviews and our short-term and long-term sickness policy.

Recruitment and retention

27. *Recruitment campaigns*: the delivery of over 180 recruitment campaigns was managed during 2016. 2016 was a challenging year for the recruitment team as the recruitment manager had to take unplanned leave due sickness absence. In addition, the recruitment manager left the GDC which resulted in the recruitment officer having to manage all the recruitment from Q3 onwards.
28. *Cost per hire*: our average spend per hire over 2016 was £1,856. This a reduction of 7.6% compared to £1,997 in 2015.
29. *Retention*: Natural turnover for the GDC in 2016 was 18% (2015: 14.1%), compared to natural turnover for the UK as a whole of 13.6%². Total staff turnover³ for 2016 was 25.5% compared to the 2015 figure of 24.2%.
30. There has been a considerable amount of change throughout the GDC in 2016 which has resulted in an unsettling time for staff. The changes have included two directorate restructures and five departmental restructures. The GDC has also started to manage poor performance more effectively, all of which could have contributed to the number of resignations.

Learning and Development

31. *Performance management – Online system ('Cornerstone Performance')*:
Having delayed roll-out of the system from 2015, December 2016 saw the go-live of the Cornerstone *Performance* platform. Part of the commitment to embed continuous performance management, the online platform enables a thorough and complete online performance management process, including planning, assessment, feedback, and reviews. Modernising and streamlining processes will mean managers will spend less time on administration and more time on value-adding performance management.

There are plans to expand use of the system through 2017, with probation processes and 360° feedback amongst the first elements to be made available to staff and managers. Additionally, work will be undertaken with managers to identify their reporting and system requirements to make sure the system continues to add maximum value.
32. *Leadership Development Programme (LDP)*: L&D in 2016 focused on the delivery of the LDP, and the ongoing work to embed the learning thus far.

A total of 27 participants undertook the LDP, separated across 3 cohorts. In a departure from 2015, these cohorts mixed managers at different levels i.e. senior managers and middle managers. The cost of delivering the LDP to the 27 participants amounted to just over £89,000. This equates to £3,300 per participant. There was an increase in the per head cost

² CIPD Resourcing and talent planning survey 2015, 77 respondents

³ Overall staff turnover includes resignations, retirement and also the end of fixed-term contracts and terminations

against 2015 (up from £2,714) as several unfortunate and unavoidable withdrawals from the cohorts meant they did not run at full capacity.

Content of the programme was updated to take account of feedback from 2015, as well as the Action Plan following the PSA investigation report. The format of the programme remained unchanged, and consisted of three 2-day workshops, 1-2-1 coaching sessions, and half-day Action Learning Sets, amounting to around 54hrs of guided learning and coaching.

Work has taken place in 2016 to re-engage the original LDP graduates from 2015, with a view to further embed the learning across the organisation. Survey results amongst LDP graduates are currently being analysed to look at what further support will need to be offered in 2017. Initial results show that managers who attended the LDP felt they exhibited the GDC Leadership Behaviours more frequently than before. However, they feel more structured support would help provide fresh impetus and maximise the impact of the learning.

33. *Whistleblowing training:* The action plan put in place following the PSA investigation report required that all staff undertake training on whistleblowing. Working alongside *Public Concern at Work*, targeted training sessions were initially delivered to staff and managers with direct responsibility for enacting and supporting the whistleblowing policy. More broadly, an online module was created using the GDC's in-house eLearning platform, *SkillBites*. 100% completion was achieved across the eligible staff group, and the module has been added to the Induction checklist for all new joiners.

In addition to the requirement for staff, a bespoke online module around whistleblowing has been extended to the GDC Associate groups. The expectation is that all Associates will complete the module by the end of January 2017.

34. *Corporate Induction:* An induction checklist was introduced in April. This checklist sets out the essential induction content that all new starters must complete, both from a compliance angle as well as a value-adding perspective. This encompasses the responsibilities of the line manager and HR (both before and after the employee's start date). A completed checklist must be submitted to HR alongside the completed probation paperwork before someone can be confirmed in post.

A new bi-monthly induction event was launched in July. This event takes place over two half-days, and introduces new starters to key organisational concepts (e.g. the Corporate Strategy, Values, and 4Ps), as well as to key personnel (including the Chair, and Chief Executive). Content is centred around the regulatory functions of the GDC but the tone and delivery means the event acts as an introduction to the GDC more generally and provides a networking opportunity for new staff. Feedback from the three events held in 2016 has been overwhelmingly positive, with 100% of 40 delegates rating the event 'of benefit'. Dates have been scheduled for these events in 2017.

35. *Solicitors Regulation Authority (SRA) requirements around Continuing Performance Development (CPD):* As of 1 November, the SRA changed the CPD requirements for practising lawyers in the UK. The change from an hours-based annual declaration to a reflection-based approach represented a significant change to those affected. Working alongside a consultant from *DAW Ltd*, a process was scoped and designed to support the lawyers in the transition between systems. This process was designed to fit sympathetically within the GDC's existing performance management processes, thus reducing duplication and unnecessary administration. Workshops were conducted with the 30+ affected lawyers to ensure the GDC would be compliant in time for the new system. There are currently plans to extend some aspects of the reflection-based approach to non-lawyers as they add real value to existing performance management structures.

Associates

36. HR have continued to provide support to the Statutory Panellist Assurance Committee (otherwise known as the Appointments Committee) and the Hearings and Investigating

Committee (IC) teams on all HR related aspects of Associates work including recruitment, induction, learning and development, appraisals, policies and E&D.

37. *Recruitment:* HR supported the recruitment of various groups of Associates which included creating appropriate and proportionate recruitment processes, the creation of terms and conditions and templates and carrying out on boarding processes which improve consistency and audit trails. HR provided supported on:
 - Re-appointment of 10 IC Members and exit of existing members
 - Assessment and appointment of 13 new Fitness to Practice (FtP) Panel Chairs
 - Recruitment and onboarding of 59 Legal Advisers
 - Onboarding of 2 new Specialist List Appeal Panellists
38. *Policy development:* HR supported the review of the Governance Manual and reviewed the HR related policies to ensure they were legally compliant and adhered to best practice. HR carried out Equality Impact Assessments and created the following policies:
 - Whistleblowing for Council Members and Associates
 - Dealing with Complaints or Concerns about Associates
 - Capability Policy for Associates
39. *Risk:* HR maintained and presented the SPC risk register at each committee meeting. The SPC risk register has now been discontinued and risks will be considered and documented as part of the new risk framework.
40. *L&D:* During 2016, HR supported the following development activities:
 - Whistleblowing training – A bespoke online learning module about whistleblowing was rolled out to Associates to support the PSA undertaking. This was designed in conjunction with Public Concern At Work, and had 100% completion rate amongst IC members and FtP Panellists.
 - Chair reviews – A revised review process for FtP Panel Chairs was agreed with SPC in June. Between September and December 2016 an external consultant conducted 42 review meetings with the FtP Chairs.
 - Training days – FtP Chair training took place in November, and several GDC Chairs (and would-be Chairs) also attended a joint NMC training day that month. Similarly, training days for the IC members were held in March & April.
 - Online learning for Associates – A project is ongoing to scope an online learning management system that can be used both as a tool for managing training material and assisting with the development review process.

Equality, Diversity & Inclusion

41. A new Head of Equality & Diversity started in November 2016 and has carried out the following work:
42. *EDI Policy Statement:* The GDC EDI policy statement has been revised to incorporate 'inclusion'.
43. *Equality Impact Assessment (EIA):* we have refreshed our approach to undertaking EIAs. A toolkit has been developed providing guidance to staff. The process is now more user friendly and less time consuming for the user.
44. *EDI Monitoring:* to encourage data collection of EDI statistics, we are now in the process of developing a monitoring guide for staff. This will ensure our EDI monitoring is consistent and, more importantly, appropriate analysis is taking place so service delivery and workforce initiatives/intervention is intelligence-led.

45. *EDI Strategy/Action Plan*: work is currently being carried out to develop the EDI strategy to comply with the GDCs statutory duties and embed EDI across all our functions.
46. *Internal communication plan*: we have outlined an annual programme of notable dates and events in relation to EDI and we will work with the communications team to ensure staff, registrants, council members and associates are made aware and involved in events throughout the year.
47. *External partnership/membership*:
 - The Head of E&D has renewed his membership with the Institute of Equality & Diversity Practitioners giving GDC access to notable practice, judicial reviews and peer support.
 - We are also working in collaboration with other regulators and commissioned consultants to develop a cross regulator EDI performance framework.
 - We are working with UK Investors in Equality and Diversity to attain our Equality Charter Mark status.
 - As part of our EDI strategy we are working on becoming members of Stonewall (LGBT), Opportunity Now (Gender), Business in the Community (Ethnicity) and Two Tick Scheme (Disability)
48. *Intranet/Web*: plans are underway to update the EDI pages and contents on the GDC Intranet site and external web pages.

HR Systems

49. The HR team are in the process of finalising a three-year HR systems strategy (2017-19) to support the GDC Corporate Strategy. The systems strategy will assist the HR team evaluate the current health of the HR systems in place and identify the desired features to ensure they are aligned to working processes and the needs of the HR team/ wider GDC. Support has been provided on this by the Head of IT. The draft strategy will be sent to EMT in Q1 2017.

Priority work areas for HR in 2017

50. HR will focus on the following work streams in 2017:
 - Implementation of a three-year People strategy, the priorities in 2017 include:
 - Employee engagement
 - Terms and conditions and pay structure review
 - L&D Strategy – Professional and Personal Development
 - Employer brand
 - Equal pay audit
 - *Talent management*: delivery of a talent management strategy and action plan to attract, develop, and retain high performers capable of responding to the changing demands of the GDC.
 - *Recruitment*: delivery of recruitment training for all managers across the GDC
 - *Leadership development*: continue to deliver and embed our Leadership Development Programme across the organisation, ensuring all new managers take part in the programme.
 - *Equality and diversity*: development of an EDI strategy and action plan.
 - *GDC Associates*: delivery of a comprehensive programme of learning and development for our statutory committee members.
 - *Pay and pensions*: re-enrolment of employees in the DC 2014 section who have previously opted out. This is a statutory requirement every three years.
 - *Right to Work*: renewal of the sponsorship licence system
 - *Employee relations*: internal delivery of policy workshops for all managers.

Recommendation

The Council is asked to note the content of this report.