

# **Cambridge City Council**

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## **Human Resources Service Plan 2005/06**

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### Improving Services – Service Plan for 2005/06 and Longer Term Objectives

#### Key Objectives for 2005/06

- Continue with developments arising from CPA and Organisational Development
- Agreement to corporate strategies for people management, pay and reward, learning and development, recruitment and retention
- Significant strategic HR support to move the Council forward over the medium to long term
- Ongoing development and maintenance of the new HR/ Payroll System core modules, continuing development of the HR Intranet and continued work with service managers to embed workforce information as a management tool.
- Review the HR and related administrative resources around the Council as part of a best value review of HR. Options could include changes to the structure and distribution of the HR service currently spread between departments and the central provision
- Ensuring expectations of the service are matched against funding, linked to greater clarity on the roles and responsibilities of managers in relation to people management.
- Continued closer collaboration with managers to target specific issues, particularly performance management.
- Keeping pace with legislation and developing best practice in employment issues.
- Development of a competency approach for senior managers and then line manager
- Workforce Planning / capacity building to ensure the Council develops workforce skills and resources to meet future service requirements and challenges. First draft plan by September 2005, for integration into service planning during 2005 for 2006/07.
- Investors in People health check (April 2006) and re-accreditation (September 2006)
- Staff Attitude Survey (2005/06) to track progress since the 2003 survey and address emerging workforce issues
- Review of pay and benefits infrastructure to ensure it support's organisational change and corporate objectives, including a review of JNC pay policy to align with the market and requirements for senior managers. Much of this work will be undertaken in 2004, but implementation will be April 2005 subject to funding.

## Longer Term Objectives – 2006/07 to 2008/09

Delivering an HR service that supports the longer-term vision for delivering the Councils corporate and service goals by:

- Modernising the service within the available funding, through systems, skills, processes and partnerships
- Developing and implementing appropriate people, organisational and learning & development strategies
- Reviewing the pay infrastructure to ensure that modern and equal pay exists for all groups of employees in line with the market.
- Ensuring that the investment in the new HR / Payroll system is maximised, by streamlining transactional and administrative HR processes and greater resources to focus on the professional HR activities. The Phase 3 modules of the system (E-recruitment and Self Service) will be key to this re-alignment and will be considered following the HR Service Best Value Review (scheduled for Summer 2005/06) once the future definition of the HR Service has been defined. It is likely that a bid will be submitted in 2006/07 budget round for the capital and revenue costs of these modules (currently estimated at Capital £32K and Revenue £14K).
- Implementation of a management competency framework
- Development of a job family framework across the Council to support objectives for pay, flexibility and staff development, for implementation in a pilot area during 2007/8.
- Undertake a Staff Attitude Survey and implement changes resulting from outcomes

As an authority we spend approximately 40% of the Council budget on staffing resources and it is essential to ensure that we get the best from Council employees. The potential risks for the authority of not achieving the above goals are:

- Less than effective use of people resources
- Potential negative effect on workforce morale, possibly manifesting itself in rising absence and or turnover rates as an expression of dissatisfaction
- the lost opportunity to free up time in line management and HR roles to take the focus away from administrative HR tasks and towards the more strategic people management issues.
- Potential negative effect on HR related corporate health BVPI performance

## Performance Information and Targets

Performance information against targets for these services is set out in Appendix A together with targets for 2005/06 to 2007/08.

### Service Plan 2005/06

#### Service Proposals and other objectives

Action	Completion Date	Target/Outcome/ Key Milestones	Critical Success Factors	Lead Officer
<b>Better Services – Deliver high quality services in a fair and equal way to all sections of the community</b>				
Workforce Planning	September 2005	Develop overall workforce plan and strategy  Embed workforce changes into service planning process	Draft plan is agreed by CMT and members Acceptance of strategy by managers and trade unions  Formal endorsement by JSEF and C&HR (Nov 2005)	Head of HR/HR Manager
	November 2005 onwards	Implement action plan	Resource availability to undertake actions Adequate funding for individual elements of the plan Commitment from key partners i.e. line managers	Head of HR/HR Manager

## Part 3

Action	Completion Date	Target/Outcome/ Key Milestones	Critical Success Factors	Lead Officer
	November 2005	Develop ongoing process to ensure annual review of the plan	Use service planning information to review and update the corporate workforce plan.	Head of HR/HR Manager
Organisational Development	September 2005	Undertaking HR Best Value Review, planned to start May 05	Adequate resources Corporate "buy in"	Head of HR
	November 2005	Outcomes of HR BVR agreed by CMT , JSEF and C&HR	Outcomes and action plan are agreed	Head of HR
	By April 2006	Implementation of HR BVR action plan	Key performance indicators achieved (yet to be defined)	Head of HR
	TBC ( Dates for corporate project still to be agreed)	HR Implications of corporate Customer Access Strategy	Successfully address and deliver people implications arising from this strategy.	Head of HR
	March 2006	Develop Organisational development strategy and action plan  (delayed from 2004/5 due to HR resource pressures)	Agreement and buy-in by Managers, trades unions and members	Head of HR

## Part 3

Action	Completion Date	Target/Outcome/ Key Milestones	Critical Success Factors	Lead Officer
	March 2006	Action plan to address leadership and management development issues	Agreement and buy-in by Managers, trades unions and members	Head of HR
Recruitment & Retention	December 2006	Develop recruitment & retention strategy, including specific actions relating to diversity.  (delayed from 2004/5 due to HR resource pressures)	Meet the needs for skills, diversity and volume to match organisational requirements, "Right people, right place, right time"  Achieve the key performance indicators identified in the strategy and action plan	Head of HR
	September 2007	Managing graduate recruitment scheme subject to funding approval	Funding approved for City only or partner scheme  Successful recruitment for 1 <sup>st</sup> year of scheme  Review effectiveness at end of 1 <sup>st</sup> programme (Sept 2007)	Head of HR
	March 2006	Monitor recruitment advertising service.  (New contract due April/May 2005)	More effective use of resources to recruit	Head of HR

## Part 3

Action	Completion Date	Target/Outcome/ Key Milestones	Critical Success Factors	Lead Officer
	March 2006	Temporary agency staffing contract development	Continue to be able to meet agency staffing requirements at an affordable price.	Senior HR Adviser
	October 2006	Preparing for temporary agency staffing contract extension or renewal.		
Learning & Development	March 2006	Development and implementation of workforce and organisational development action plans -commencing during 2004/05, but continuing during 2005/06	Successful in implementing actions and key performance indicators as identified in the plans	Head of HR/HR Manager
	September 2006	Preparation for Investors in People health check & reassessment due 2006	IIP Health Check (March to May 2006)  Preparation of Action plan  Commitment of organisation to address issues identified in health check  Full assessment (September 2006)	HR Manager



## Part 3

Action	Completion Date	Target/Outcome/ Key Milestones	Critical Success Factors	Lead Officer
Policy & performance	March 2006	Keeping pace with up and coming legislative changes e.g.  Equal Treatment Directive - October 2005 to October 2006  DDA Amendment Bill- April 2006  Working Conditions Temporary Workers- 2006  Age discrimination legislation for 2006	Full assessment of the implications for organisation and implement policy changes where appropriate  The authorities policies remain within the bounds of the law at all times	HR Manager/Senior HR Adviser
	March 2006	Development of Occupational Health Service	Suppliers delivering to the contract specification within the allocated budget. Appropriate and good quality medical advice Development of proactive as well as reactive services	Head of HR/HR Adviser

## Part 3

Action	Completion Date	Target/Outcome/ Key Milestones	Critical Success Factors	Lead Officer
	1 April 2006	Revision of CC policies in line with pension scheme and tax legislation changes. Timescale to be determined once timetable is agreed nationally	Assess impact and revise and revise policies to meet ongoing needs of the organisation	Head of HR
	March 2006	Collective Disputes procedure to compliment individual grievance procedure	Have in place an agreed procedure to help the council minimise the risk of formal disputes and industrial action	HR Manager

## Part 3

Action	Completion Date	Target/Outcome/ Key Milestones	Critical Success Factors	Lead Officer
Pay and reward	March 2006	<p>Explore options for flexible benefits scheme as part of a wider benefits review, including e.g. Flexible working policy including options such as 'teleworking', pension scheme, maternity and paternity, childcare subsidy, paid time off, car parking, discounts, long service awards.</p> <p>Review of NJC Part 2 items e.g.: sick pay and annual leave as part of the benefits review. (NJC pay agreement 2004 provided these as new areas for local negotiation)</p>	<p>Identify affordable and appropriate options for the future.</p> <p>Successful consultation with the trades unions and agreement by CMT and members</p>	Head of HR

## Part 3

Action	Completion Date	Target/Outcome/ Key Milestones	Critical Success Factors	Lead Officer
	October 2005	Agree a project to develop, agree and implement behavioural competencies to help drive pay progression on the City Pay Bands from April 2006.	Agreement is reached	Head of HR
	May 2005  August 2005  March 2006	<b>Equal Pay Audit:</b>  Terms of reference to be agreed  Methodology, review and audit  Identified actions to be implemented	Agreement by CMT and the Trades Unions  HR Resources  Availability of funding	Head of HR

## Part 3

Action	Completion Date	Target/Outcome/ Key Milestones	Critical Success Factors	Lead Officer
Systems, Processes & Standards	March 2006	<p>Consolidating <b>Phases 1 &amp; 2</b> of HR System:</p> <p>Development of workforce information</p> <p>Implementation of Recruitment and Health &amp; Safety modules</p> <p>Re-engineering business processes to maximise the organisational benefits of Phases 1 &amp; 2 eg. Absence records</p>	<p>Integration of workforce information as a management tool</p> <p>Broader spectrum of management information is available and duplication is minimised</p> <p>Reduced duplication, more time delays in availability of workforce information minimised</p>	Head of HR/HR Systems Adviser

## Part 3

Action	Completion Date	Target/Outcome/ Key Milestones	Critical Success Factors	Lead Officer
	March 2007	<p>Implementing <b>Phase 3</b> modules of HR system – e-recruitment and self service.</p> <p>Develop Business case and secure funding – 2006/7 budget round</p>	<p>Funding is secured</p> <p>Implementation and system set up is successful.</p> <p>Managers and employees are using the system</p> <p>HR management information is accessible for managers through self service, and is available in real time</p> <p>Recruitment process is streamlined and more cost effective.</p>	Head of HR/HR Systems Adviser

### Budget 2005/06

#### Revenue Budget

Appendix C sets out the proposed budget for 2005/06 for the services covered by this plan together with a forecast for the following year.

## Review of Charges

Appendix D sets out the proposed charges for services for 2005/06 which have been used in the preparation of the proposed budget.

## Savings

Appendix E sets out brief details and the amounts of the savings that have been identified for these services.

- Savings targets on all cost centres have been achieved with the exception of the GMB cost centre that funds the branch secretary post. The savings requirement is £780 and it is not possible to achieve these savings without implication for the branch secretary roles.

The savings for all other cost centres have been achieved by:

- Offering up inflationary increases as far as possible with minimal impact on the service
- Reducing the joint Job Evaluation and Human Resources salary budgets by redefining one post and reducing the hours of one other post (currently vacant)
- Reducing the childcare subsidy budget by £5,000 to £93,810 per annum. This budget funds a scheme for employees to subsidise the cost of childcare. The budget has been traditionally under spent, so it is feasible to achieve the savings in this way. It is however vital to retain a buffer within this budget to ensure that there is equal access to the scheme for all employees as changes in the workforce occur i.e. for returners from maternity leave or new employees. This savings proposal will reduce the buffer but should have minimal effect unless changes in the workforce are unusually high.

## Revenue Bids

Appendix E sets out bids in relation to these services.

## 1. Recruitment items

- **Recruitment advertising- Bid of £2000**

The council spends approx. £250K per annum within an informal agreement with the current supplier. Better value can be achieved by letting a formal contract, and there are current plans to do so in partnership with the County Council from May 2005. However budgets for recruitment costs are held by individual cost centre managers. In order to adopt an appropriate corporate approach to recruitment issues, it is necessary to establish a corporate budget to fund corporate recruitment activities e.g. attending recruitment fairs to promote the City Council as an Employer, corporate advertising.

- **Graduate Recruitment Scheme –**

- Option 1: Bid of £30,000 year 1 and £60,000 year 2 onwards
- Option 2: A pro-rated amount of the above allowing for shared costs and a consortium approach with other authorities

This bid was not agreed in the budget planning round last year, but is considered a significant part of the workforce planning and recruitment and retention strategies that the HR Service will be developing in 2005/06. The cost is for salary and on-costs of one recruit per year; £30K in the first year and £60K for subsequent years as the scheme is two years in duration. Costs could be reduced by sharing the costs and benefits of the graduate trainee with one or more other authorities – this is currently being explored with the County Council who have indicated that they may willing to admit the City Council into their local scheme.

## 2. HR System Phase Three modules

The original plan was to bid for Phase 3 funding in 2005/6 budget round. HR Resources are also likely to be under pressure to deliver other priorities and a period of consolidation on the HR system would also be helpful. However, greater clarity of the future HR Service definition and delivery model is needed to assess the business case for these modules. This clarity will be realised as part of the HR Best Value Service Review in Summer 2005, and a capital and revenue bid is likely in 2006/07. Current estimates of the likely cost are included under “Longer Term Objectives”.

**3. Remaining Single Status Items** – the Single Status cash envelope is now closed, so remaining items are currently unfunded as follows. These items are not at a stage to build up costings, but are outlined below:



## Part 3

- The Equal Pay audit and risk assessment scheduled for 2005 will be delivered within existing HR resources, but any implications will need new funding. Financial implications as yet unknown.
- Casual Workers review – this review to introduce consistency and manage any equal pay risks is being undertaken during 2004/5 within existing HR resources. Managers will be expected to absorb any costs identified within existing budgets.

### Capital Bids

None

### Budget Statement

The savings proposals identified in Appendix E for 2004/05 reflect the nature of the change in the way the HR service is being delivered. Similarly the bids in the 2004/5 budget proposals are a result of the need to modernise and develop the infrastructure and to plan a longer term approach to HR issues. The two main initiatives that will impact on the budgets of the service are:

- the implementation of the new HR / Payroll system and the streamlining of processes to ensure staffing resources are directed away from the data input and administrative tasks into the proactive/ development areas. The future bid for Phase 3 modules will be crucial to the success of the system
- The introduction of a new People Strategy (due March 2005) will also bring a range of new initiatives in areas such as recruitment and retention. Most of these will be funded within existing budgets but there will some that can only proceed with new funding. The bid for the Graduate Trainee Scheme, identified above, is one of these.

These two projects, along with the implementation of Single Status, will provide the Council with a modern approach as an employer and enable the Council to get the best from it's investment in employees.

## **Background Papers:**

The following additional background material is available on request:

HR Structure Chart – Louise Harrington x 8101

## Performance Indicators – Performance and Targets for 2004/05 and the Longer Term

**Best Value Performance Indicators**

	2003/04			2004/05		2005/06	2006/07	2007/08	Lead Officer
	Target	Actual	All Districts	Target	Forecast	Target	Target	Target	
BV11a (New 02/03) - Percentage of top 5% of earners that are women	34% by 2009/10	26%	25% top quartile	34% by 2009/10	24%	34% by 2009/10	34% by 2009/10	34% by 2009/10	LH
BV11b (New 02/03) - Percentage of top 5% of earners from BME communities	4.3% by 2009/10	0%	0% top quartile	4.3% by 2009/10	0%	4.3% by 2009/10	4.3% by 2009/10	4.3% by 2009/10	LH
BV12 - Number of working days/shifts lost to sickness absence per employee.	6.8 days	10.0 days	8 days top quartile	8.3 days. Govt. set target has changed to 8.3 days and is now aspirational rather than compulsory.	9.5 days	8.3 days	8.3 days	8.3 days	LH

	2003/04			2004/05		2005/06	2006/07	2007/08	Lead Officer
	Target	Actual	All Districts	Target	Forecast	Target	Target	Target	
BV14 - Percentage of workers retiring early as a percentage of the total workforce.	0.45%	0.50%	0% top quartile	Govt. set target has changed to 0.2% and is now aspirational rather than compulsory	0.43%	0.2%	0.2%	0.2%	LH
BV15 - Percentage of employees retiring on grounds of ill health as a percentage of total workforce.	0.40%	0.35%	0.14% top quartile	Govt. set target has changed to 0.3% and is now aspirational rather than compulsory	0.11%	0.3%	0.3%	0.3%	LH
BV16 - Percentage of local authority employees declaring that they meet the Disability	2.0% by 2009/10	1.06% vs. 10.7% in the local community	3.8% top quartile	2.0% by 2009/10	1.09% vs. 10.7% in the local community	2.0% by 2009/10	2.0% by 2009/10	2.0% by 2009/10	LH

	2003/04			2004/05		2005/06	2006/07	2007/08	Lead Officer
	Target	Actual	All Districts	Target	Forecast	Target	Target	Target	
Discrimination Act 1995 disability definition compared with the percentage of economically active disabled people in the authority area.		based on Table S16 Cambridge Census Data			based on Table S16 Cambridge Census Data				
BV17 - Percentage of local authority employees from minority ethnic communities compared with the percentage of the economically active minority ethnic community population in the authority area.	4.3%	3.68% VS. 11.29% in the local community based on table S16 Cambridge Census Data	2.1% top quartile	4.3%	4.2% VS. 11.29% in the local community based on table S16 Cambridge Census Data	4.5% by 2009/10	4.5% by 2009/10	4.5% by 2009/10	LH

### Local Performance Indicators

None reported to committee or for corporate measurement of MTOs

## Appendix C: Revenue Budget 2005/06 (Human Resources)

2004/05 Revised Budget £		2005/06 Budget			2006/07 Forecast
		Expenditure £	Income £	Net £	Net £
	<b>Human Resources</b>				
0	Operational Human Resources	519,740	(519,740)	0	0
0	Job Evaluation	0	0	0	0
21,050	Employee Transport Incentive Scheme*	9,210	(5,760)	3,450	3,450
0	Staff-General	330,580	(330,580)	0	0
0	GMB	30,240	(30,240)	0	0
0	Unison	22,960	(22,960)	0	0
<u>21,050</u>		<u>912,730</u>	<u>(909,280)</u>	<u>3,450</u>	<u>3,450</u>
<u>21,050</u>	<b>Grand Total</b>	<u>912,730</u>	<u>(909,280)</u>	<u>3,450</u>	<u>3,450</u>

\* Balance accumulated over a number of years and is part of the single status cash envelope.

# Operational Human Resources now incorporates ongoing Job Evaluation work

## Appendix D: Review of Charges (Human Resources)

	2003/04	2004/05	2005/06	Increase	
	£	£	£	£	%
<b>Human Resources</b>					
None					

## Appendix E: Bids and Savings (Human Resources)

	Budget	Forecasts		
	2005/06	2006/07	2007/08	2008/09
	£	£	£	£
<b>Revenue Savings</b>				
<b>Operational Human Resources</b>				
JE / HR salaries revision	(10,190)	(10,190)	(10,190)	(10,190)
<b>Staff General</b>				
Childcare - reduce budget	(5,000)	(5,000)	(5,000)	(5,000)
Reduction in running costs	(3,690)	(3,690)	(3,690)	(3,690)
<b>Total</b>	<b><u>(18,880)</u></b>	<b><u>(18,880)</u></b>	<b><u>(18,880)</u></b>	<b><u>(18,880)</u></b>
<b>Revenue Bids</b>				
<b>Staff General</b>				
<b>Total</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Priority Policy Fund (PPF) Bids</b>				
<b>Capital Bids</b>				