

Human Resources Service Plan 2006/07

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Improving Services - Service Plan for 2006/07 and Longer Term Objectives

Update on Changes to Services or Service Structure

There are two issues that will significantly influence the HR service structure and service delivery in 2006/07. The first is the change in Head of Service; the current recruitment schedule envisages the new appointee taking up post at the end of April. The second major influence will be the findings and recommendations of the HR Best Value Review, which is a valuable opportunity to create an HR service that will more effectively and efficiently support the Council on people issues for the future. This is increasingly important given the complexity of challenges facing the Council in 2006/07 and beyond. The Review is currently scheduled to conclude in March 2006 with implementation commencing in April 2006, but a delay is probable in view of the timing in recruitment of the new Head of Service. These timings also mean that the 2006/07 budget setting and service planning processes will be unable to take account of the review findings.

The other significant factor is continued commitment to good industrial relations by partnership working with the recognised trades unions (GMB / Unison). This is integral to the achievement of the HR Service Plan.

Finally, the development of the HR system, streamlining of policies and automating and re-engineering of business processes are also a key activity in order to release HR resources to focus on the demanding schedule of strategic and corporate areas of work identified below

Key Objectives for 2006/07

The key objectives for this service are set out in the Service Plan below. These are ambitious and reflect what the Council requires, but are dependent on the volume of reactive support for managers and securing funding for diversity and organisational development.

Longer Term Objectives – 2007/08 to 2009/10

Workforce Planning / capacity building to ensure the Council develops workforce skills and resources to meet future service requirements and challenges

Continued implementing appropriate people, organisational and learning & development and management information strategies

Development of a job family and/ or competency framework across the Council to support objectives for pay, flexibility and staff development, for implementation in a pilot area during 2007/8.

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 for earliest implementation during 2007/8

Continued implementation of HR Best Value Review action plan that will have commenced in 2006/07

Continued support for implementing the Customer Access Strategy

Reviewing and tendering where appropriate the HR contracts due in this period – Occupational Health, Northgate HR/ Payroll System
Wider review of pay and benefits to include market testing

Performance Information and Targets

Performance Information against targets for these services is set out in Appendix 1 together with targets for 2006/07 to 2008/09

Service Plan – 2006/07

Appendix 1

Key Actions/Targets/Outcomes	Completion Date	Strategic Risk Factors	Lead Officer
MTO Main Heading – MTO detail			
Better Services – Deliver high quality services in a fair and equal way to all sections of the community			
Service Objective1: FOCUSING ON PERFORMANCE IMPROVEMENT & CUSTOMER SATISFACTION			
a)Supporting managers to get the best from their employees <ul style="list-style-type: none"> • by working as a business partner, attending DMTs, by generating awareness of the Learning & Development programme, job evaluation • Day to day advice and support • caseworking in relation to maternity, disciplinary, grievance, redeployment etc • recruitment advice • support for restructuring 	Continuous	Approximately 50% of HR team time is dedicated to this area of work, making it the single largest task in the service plan.	VMD
b)Diversity in Employment (links to BVPI 11a,b,c and BVPI14, BVPI15, BVPI16 &BVPI17 and directly to tasks outlined in the Annual Statement 2005/06) <ul style="list-style-type: none"> • Implement a range of positive actions to increase recruitment and promotion of minority groups • Undertake audit of BME workforce representation at all levels • Trade Union Involvement • Take necessary actions for new legislation eg. age Discrimination, civil partnerships 	Individual tasks have been scheduled within the Diversity Work Programme currently up to March 2007	Developing the City Council as an “Employer of Choice” is crucial to recruit and retain a workforce to deliver the challenges of the forthcoming years Delivering this programme within the identified timescale is dependent upon obtaining funding for dedicated resources as outlined by the PPF bid in the Budget 2006/07 section.	KP and Diversity Post

<p>c) Produce, report on, regularly monitor and take action appropriate for all HR Corporate Health BVPIs. Develop performance & other HR metrics – publish on intranet</p>	<p>Ongoing annual process</p>	<p>A key process to manage performance and a corporate priority to achieve top quartile performance.</p>	<p>HOHR/AB/MW</p>
<p>d) Performance Review & Pay/Reward</p> <ul style="list-style-type: none"> • Administrate & moderate employee performance reviews including preparation for behavioural competencies to implement in April 2007 • Review of performance review documents, moderate, administrate for senior manager pay (JNC) • Green Travel Review - subject of bid to fully fund or cut. The current funding is estimated to run out August 2006. • Undertake Equal Pay Audit by June 2006 and repeat every 3 years • Make necessary changes as a result of pension changes • Design and implement a flexible working policy • Job Evaluation support & maintenance • Implement actions arising from Casual employee review with regard to equality of pay (single status) and appropriateness of employment status. 	<p>March 2007</p>	<p>An appropriate and equal approach to pay and reward will help to build CCC as an “Employer of Choice” and ensure ability to recruit and retain a good workforce, and minimise risk of equal pay claims</p> <p>Any outcomes arising from undertaking an Equal Pay Audit are currently unfunded and will need to be progressed through the MTS process at the time they are known.</p>	<p>HOHR</p>
<p>e) Strategic Planning for the following areas and implementing the associated programmes and actions.</p> <ul style="list-style-type: none"> • Produce workforce plan & skills audit • Produce Learning & Development Strategy (informed by workforce plan and Learning & Development Group) • Produce People Strategy • Produce Organisational Development Strategy • Produce HR System & Management Information Development Strategy 	<p>March 2007 but will remain live documents for continual review and update</p>	<p>These strategies will provide a co-ordinated and joined up approach to HR and enhance it’s ability to support organisational change e.g. change arising from growth, customer access, procurement and e-gov</p>	<p>HOHR</p>

<p>f) Attendance Management (linked to BVPI12) & Operational support for managers</p> <ul style="list-style-type: none"> • Review of Attendance Management policy & practice and audit • Raise awareness of Occupational Health services • Develop absence management information to support attendance management • Develop a proactive approach to reducing absence levels e.g. targeting “hotspots” • Review of operational policies/ BPR • Casework and day to day operational support to managers • Responding to employment law changes & integrating within CCC policies 	<p>Initial reviews complete by September 2006. Thereafter an on-going and iterative process to ensure continuous development</p>	<p>This objective will provide support for ensuring the best is achieved of the CCC workforce.</p> <p>“Gershon” savings and top quartile performance on BVPI 12 (absence) are directly dependent upon this group of tasks. Also indirect link to BVPI15 (ill health retirements)</p>	<p>HOHR</p>
<p>g) Recruitment & Retention</p> <ul style="list-style-type: none"> • Flexible working policy (also in 1d) above) • Partnership approach with other organisations to cope with challenges eg. regional/ local skills shortage • Skills & Qualifications Audit • Implementation of recruitment portal (including online recruitment forms) 	<p>March 2007</p>	<p>Will provide the framework to build CCC as an “Employer of Choice” and ensure ability to recruit and retain a good workforce and to support the change agenda and accommodation strategy.</p> <p>The recruitment portal is the public face of recruitment for the Council and a joint project with the County Council. Savings from advertising spend are intended to be reinvested in the portal to help reduce recruitment costs in the longer term</p>	<p>HOHR/ BM</p>
<p>h) Implementation of HR Best Value Review</p> <ul style="list-style-type: none"> • Measurement of performance through BVPIs, and other more direct indicators • Develop role clarity for stakeholders in the service eg. HR, Managers, Departmental Personnel Administrators • Cost vs. quality assessment • Approach, skills, knowledge • Consultation with Trade Unions • Streamline HR Processes and therefore costs of the service, Ensure HR policies are fit for purpose through Business Process Re-engineering 	<p>Review to report to committee in June 2006. Implementation period likely to be at least 12 months from approval of recommendations and dependent upon</p>	<p>Will ensure that the service is properly resourced and matched to the organisations requirements for the future.</p> <p>There are resource issues for this implementation as the existing service must continue to run during the transition phase. It is likely that the new HoHR will need to decide on how this should be resourced.</p>	<p>HOHR</p>

<ul style="list-style-type: none"> • Improve people management by managers (supported by HR and policies) 	stakeholder co-operation		
Service Objective 2: IMPROVING ACCESS TO OUR SERVICES THROUGH CUSTOMER ACCESS STRATEGY			
<p>a)Support for Customer Access</p> <ul style="list-style-type: none"> • Organisational development– communication, culture • HR Advice/ support for corporate change programme eg. reshape workforce for potential wide restructure, redeployment • Re-skilling / Learning &Development - eg. customer service training (corporate approach) • TU liaison / involvement • Review employment policies, pay structure for new working patterns, structure • Job Evaluation support for new structure and jobs 	March 2007, but dependent upon Customer Access Implementation programme	<p>Support likely to be significant for duration of 2006/07</p> <p>HOHR to secure existing dedicated resources from existing OD fund. In addition to this specialist input from members of the HR Team as required.</p>	HOHR
Service Objective 3: MAKING EFFICIENT USE OF THE COUNCIL'S RESOURCES			
<p>a)HR Contract Management - manage and monitor ALL HR contracts effectively, take a planned approach to renewal and agree Gershon targets for each. Listed below are the contracts scheduled for renewal in 2006/7</p> <ul style="list-style-type: none"> • Blue Arrow - renewal due October 2006, preparation for renewal or extension April 2006 onwards. Seek to align timings with Commensura contract • Commensura - renewal or extension May 2007, preparation to commence Sept 2006 • Camcard expires summer 2006 with extension option • Heales Occupational Health contract – preparation for extension/renewal to commence Sept 2006 	As identified in each case, but ongoing contract management subsequently	Will ensure that suppliers provide a high quality, value for money service to meet specified needs. “Gershon” savings targets can be incorporated into the new contracts as they are let.	HOHR / KP

<p>b) Reduce all types of “preventative” absence in order to raise productivity (links to 1f) above)</p> <ul style="list-style-type: none"> Homeworking policy and customer access. Links to 1d, 1g and 2a above - to support retention, recruitment & reduce sickness absence 	March 2007	Will maximise productive time of employees and should reduce the need for temporary cover.	HOHR
<p>c) Development of HR/ Payroll System & management Information (link to 1e above)</p> <ul style="list-style-type: none"> Implement Recruitment, Training and Health & Safety modules Develop management information according to determined priorities 	Continuous Sept 2006 and Dec 2006 respectively	Ensures that the investment in the new system delivers value for money by process efficiency gains and high quality management information.	MW/AB
Service Objective 4: MANAGING THE IMPACT OF GROWTH (40% by 2016)			
<p>a) Organisational development linking back to workforce planning as before (see 1e, 1g, 2a)</p>	Ongoing over growth period		HOHR
Service Objective 5: PROACTIVELY MANAGING REPUTATION WITH CENTRAL GOVT. AND KEY PARTNERS			
<p>a) Raising profile of Human Resources and CCC as an employer and as a partner both internally and externally eg. through community groups, and by partnership working, to develop branding as “Employer of Choice”</p>		Contributing to building CCC as an “Employer of Choice”	HOHR
Service Objective 6: PROVIDING LEADERSHIP AND SUPPORT TO THE REST OF THE ORGANISATION			
<p>a) Embedding Leadership and Management framework</p> <ul style="list-style-type: none"> through performance review & pay progression for Senior Managers from January 2006 Management development and other programmes during 2006/07 Management development for 3rd tier managers 2006/07 through Leadership & Management Framework - March 2007 	March 2007 and ongoing rolling programmes	Programmes will be developed within existing funding	HOHR

<p>b) Managers motivate & develop workforce</p> <ul style="list-style-type: none"> • Develop manager understanding of tools eg.pay & non pay rewards, Learning & Development, Diversity • OD to develop "one organisation" approach and build leadership capacity - through CMT awaydays, HoS workshops and 3rd, 4th tier briefings, effective use of CMTand DMTs and workshops 	<p>March 2007 and ongoing rolling programme</p>		<p>HOHR</p>
<p>c) Investors in People</p> <ul style="list-style-type: none"> • Leadership & management framework – Jan to March 2007 • Supervision framework - pilot first then roll out April to Sept 2006 • Implement new manager induction programme (April to September 2006) • Link to Performance reviews/ Personal Development Plans (amend process) • IIP Health check (March 2006) and full inspection (Sept 2006) includes new management standards 	<p>Dec 2006</p>	<p>Retains Investor in People status.</p>	<p>HOHR/ VMD</p>

Budget 2006/07

Details of all bids and savings are included in the Appendix B to the Budget report, which accompanies this service plan.

The following highlights the strategy that has been adopted to achieving savings, the reason that bids are required (eg. legislation and contractual commitments) and what the PPF bids that have been made are aiming to achieve.

The key objectives for the HR service are set out earlier in the Service Plan. The plans are ambitious and reflect what the Council requires, but delivery of these objectives is dependent on the volume of reactive support for managers that is required during the year, and securing funding for additional resources through the PPF bid for Diversity, and securing additional resources for organisational development from other funding sources.

- The HR service has achieved savings for 3 out of 4 cost centres totalling £11230 against a savings target of £24020 exemplified for 2006/07
 - **Staff General 01951 (target of £9660)**
Savings for this cost centre have been generated by not accepting inflation increases wherever possible. These are minor amounts on each account code, and the service will continue to be provided absorbing this saving. The biggest areas affected are:
 - the childcare subsidy budget that funds payments to employees. A saving of £4830 is offered. The benefit is calculated on a fixed amount rather than a % of employees childcare costs and therefore providing the volumes of claims remain similar to previous years, then this saving should be achievable.
 - the Training & Development Programme budget. A saving of £2670 is offered. The programme for 2006/07 will be prioritised and run within the existing budget.
 - Other minor savings totalling £3730 are also offered
 - An additional saving of £1570 has been found on this cost centre as a token to cover the inability to generate savings on the GMB (**target of £920**) and Unison budgets (**target of £650**). It is not possible to make cuts to these budgets without affecting the branch secretary arrangements.
 - **Human Resources 01901 (target of £12790)**
The HR service has been unable to achieve savings from the HR Cost centre. The only possibility would be to reduce the current staffing structure. However, in view of the significant corporate work schedule relating to HR Best Value Review, Customer Access and the necessary HR input and support for this and the needs for extra resources as outlined above, it is proposed not to make cuts to the already stretched resources. The impact of the departure of the current Head of HR and the interim gap before a replacement can be appointed will also be a challenging time for the team.
- There are no revenue bids
- There are no capital bids
- Further developments are required in these services, and PPF bids have been identified as follows:
 1. **Extension of HR Diversity Adviser Fixed Term Contract by 12 months (PPF Bid of £33420)**
Diversity is identified in the 2005-06 annual statement as one of the key priorities for the forthcoming year, and further specific tasks are outlined in the MTOs as follows.

“ Continue implementing a race equality scheme for the council, which includes undertaking equalities impacts assessments of our services, making improvements to staff training and recruitment, and publishing guidelines for Council staff on achieving equality and valuing diversity”.

Until the recent appointment of the temporary HR Diversity Adviser (to April 2006), the HR Diversity Action Plan work was allocated within the role of a Senior HR Adviser. Whilst work has progressed, other conflicting areas of operational work and manager support demanded most of the available time leaving approximately 0.5 days per week for diversity issues resulting in very slow progress and a lack of momentum. There is a current 2005/06 backlog of work and increased commitment to tackling Diversity. The 2006/07 service plan includes a significant action plan on diversity in employment issues in addition to this. In the context of the increasingly heavy work programme relating to HR Best Value Review and Customer Access strategy, dedicated resource will be required to progress these diversity issues.

The business case for ensuring that diversity is properly resourced is as follows:

- Recruitment pressures mean that we should target local groups and spot and develop "talent" within the workforce
- A workforce that reflects the diversity of the community it serves gives the organisation a better understanding of how to provide services and of what is important to that community.
- Creating a culture where everyone is recognised and valued equally helps commitment and retention
- Flexible working helps to attract and retain staff from different backgrounds and with different work –life balance needs
- We cannot ignore powerful feedback from the BME and LGBT November 2005 staff support groups:
 - Direct experience of discrimination within the Council
 - Difficulty in getting paid release to attend staff groups
 - Perception of discrimination
 - Manager's not recognising and challenging unacceptable behaviour
 - Individual's don't want to report discrimination because it is perceived as not "safe" to do so
- Further issues are also likely from the Disabled Staff Support group and Women's network.

If funding cannot be secured, then the key pieces in the action plan and work programme will slow down after the current contract expires and in this instance it will be unlikely that current timescales can be met and that sufficient progress against the MTO tasks can be achieved.

- Although they have not resulted in savings and bids in this budget round other issues that are likely to have financial implications include:

1. **HR System Self Service Module** - It is likely that the purchase cost can be met from existing funds but that a bid will be necessary for the revenue costs and support costs. Whilst this was to be the subject of a 2006/7 bid, other priorities eg. customer access have taken precedence and it is unlikely resources can be available to implement the module during this year. 2007/08 is a more realistic timescale for this work.
2. **HR Best Value Review outcomes** - one of the possible structural options for the review to consider will be centralisation of all HR and DPA activities. This may have a financial implication across many cost centres. The implementation will be difficult to resource whilst maintaining the existing service and supporting the corporate change agenda.
3. **Equal Pay Audit** – it is possible that the audit may reveal that actions with pay costs are the recommended way forward to minimise the risks for the Council. The audit is due to conclude at the end of June 2006.
4. **Renewing / retendering of HR contracts** may have some financial implications although all contracts would be negotiated with the intention of generating better value for money.

Background Papers:

The following additional background material is available on request to Head of Human Resources or via the electronic link shown:

- HR structure chart
- 2005/06 HR performance review document

Performance Indicators – Performance and Targets for 2005/06 and the Longer Term Appendix 1

Best Value Performance Indicators

This section contains those national Best Value Performance Indicators relevant to this service and for which we are required to collect and set targets.

		Past Performance				Service Plan Targets			
		2004/05		2005/06		2006/07	2007/08	2008/09	
PI Code	Performance Indicator	Target	Actual	Target	Forecast March 06	Target	Target	Target	Reasons for setting targets at this level
BV11a	% of top 5% of	34%	31.75	34% by	30.0%	34% by	34% by	34% by	Changes in this indicator are expected over the

(New 02/03)	earners that are women	by 2009/10	%	2009/10		2009/10	2009/10	2009/10	longer term in response to learning & development initiatives and development of the Council's image as an employer. Top quartile data for districts = 26.7%. The % jump in the last year was quite large but mainly due to change in the Council's pay structure, and change in workforce size. Leave as current target but review at year end.
BV11b (New 02/03)	% of top 5% of earners from BME communities	4.3% by 2009/10	0.00%	4.3% by 2009/10	0%	4.3% by 2009/10	4.3% by 2009/10	4.3% by 2009/10	Changes in this indicator are expected over the longer term in response to the diversity action plan and development of the Council's image as an employer. The target is also linked to BV17 target. Top quartile data for districts = 2.2%. Target is already very stretching, however to reduce it would give the wrong message. The diversity action plan has actions to target this area. Review at year end.
BV11c (New 05/06)	% of top earners with a disability	N/a	N/a	2.0% by 2009/10	0%	2.0% by 2009/10	2.0% by 2009/10	2.0% by 2009/10	Changes in this indicator are expected over the longer term, in response to the diversity action plan and development of the Council's image as an employer. The target is also linked to BV16 target. Top quartile data for districts = n/a. New indicator for 2005/6. Target set recently to coincide with BV16. Review at year end for 2006/07, when actual data trends provide some indication of appropriateness of target.
BV12	Number of working days/shifts lost to sickness absence per employee.	8.3 days.	8.4 days	8.3 days	9.6 days	8.1 days	7.9 days	7.7days	This is a Govt. set target and is now aspirational rather than compulsory. There was a large decrease in absence rates at the end of 2004/5 taking CCC rates to 0.1 days above the government target. The forecast for 2005/6 is showing a rising trend again which will be closely monitored. The stepped decreasing target reflects the organisations desire to continue decreasing absence levels.

BV14	% of workers retiring early as a percentage of the total workforce.	0.2%	0.66%	0.2%	0.66%	0.2%	0.2%	0.2%	Govt. set target that is aspirational rather than compulsory. Early retirements are only agreed where there are clear organisational reasons for doing so. Forthcoming changes to the pension scheme will reduce the pool of those eligible to retire early by increasing the minimum age. The age profile of the City Council workforce may in future affect performance against these targets. No change to target.
BV15	% of employees retiring on grounds of ill health as a percentage of total workforce.	0.3%	0%	0.3%	0%	0.3%	0.3%	0.3%	Govt. set target has changed to 0.2% and is now aspirational rather than compulsory. Although there were no ill health retirements in 2004/5, this is rare. The government set target remains to allow the organisation the choice to use this facility appropriately. No change to target.
BV16	% of local authority employees declaring that they meet the Disability Discrimination Act 1995 disability definition compared with the percentage of economically active disabled people in the authority area.	2.0% by 2009/10	1.58% 10.7% in local area	2.0% by 2009/10	1.34% vs. 10.7% in local area	2.2%	2.4%	2.6%	Changes in this indicator are expected over the longer term, in response to the diversity action plan and development of the Council's image as an employer. Top quartile data for districts = 4.11%. Increase target to challenge the organisation to more closely reflect the community profile in it's workforce, and aim towards the top quartile for district authorities.

BV17	% 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%	4.94% 11.29% in local area	5.0%	5.1% 11.29% in local area	5.1%	5.2%	5.3%	Changes in this indicator are expected over the longer term, in response to the diversity action plan and development of the Council's image as an employer. Top quartile data for districts =2.4%. Increase target to challenge the organisation to more closely reflect the community profile in it's workforce.
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Local Performance Indicators

This section contains Local Performance Indicators that are used corporately to measure the Council's Medium Term Objectives (MTOPIs) and other service based indicators that are used to measure the performance of the service at committee level.

		Past Performance				Service Plan Targets			
		2004/05		2005/06		2006/07	2007/08	2008/09	
PI Code	Performance Indicator	Target	Actual	Target	Forecast March 06	Target	Target	Target	Reasons for setting targets at this level
MTO Main Heading – MTO detail									

BV13(LPI)	Voluntary leavers as% staff in post	13%	13%	10%	13%	10%	10%	10%	Reduce target to 10%. Turnover is expensive, and workforce planning and succession planning strategies are designed to ensure that the right skills are available at the right time. This new target should give adequate flexibility to support this.
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