

Quarterly Performance Report – Human Resources & Organisation Development

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Report Period Quarter 2 (1st July 2012 to 30th September 2012)

Introduction

The report is produced on a quarterly basis and provided to Cabinet members for review and assurance and will be available for Overview and Scrutiny Committees as part of their Forward Work Programmes.

The report consists of an overview of the key messages to highlight across all work streams Human Resources and Organisation Design, which is followed by highlights from each service area. Parts 2 and 3 of the report include an assessment of performance in the quarter from the following sources:

- Improvement Plan Monitoring
- Strategic Assessment of Risks and Challenges
- Performance Indicators and Outcome Measures
- Improvement Target Action Plan Monitoring
- Key Actions from Service Plan Monitoring
- Internal and external regulatory reports
- Customer satisfaction and feedback
- Awards and accreditations
- Resource Management (HR, ICT, Finance, Assets)

1. Foreword

Progress continues to be made on the key projects for the service including Single Status, the development of an Equal Pay Settlement Strategy for the Council, self service for employees and managers on the iTrent system and the HR and OD Service Review.

The People Strategy and HR and OD's Service Plan are based on five key themes (the 5 C's) as set out below. The highlights and achievements under the five themes are as follows:

| | |
|-----------------------------|---|
| <p>Customer</p> | <p>Within the implementation of Phase II of HRMIS (iTrent) the Manager Self Service is complete to all IT users. The expenses module to Corporate Services is complete and the next phase of roll out to nominated service areas will commence from the middle of November 2012.</p> <p>Progress continues to be made on the HR and OD review. JE questionnaires are completed and are scheduled for evaluation by panel in November. A revised implementation date has been agree of March 2013.</p> |
| <p>Change</p> | <p>Preparation work is taking place on developing guidance for managers on Organisational Design principles and in managing change successfully. This is scheduled to be complete by the end of November 2012.</p> <p>To support Managers in the delivery of effective service reviews, there is ongoing work to design and deliver a coaching and development programme focusing on organisation design and change. The design of the programme is scheduled to complete in March 2013.</p> |
| <p>Capacity</p> | <p>The current appraisal process has been reviewed by a working group of managers and team leaders. This review has considered the inclusion of behaviour competencies within the appraisal process. A revised process will be reviewed by Senior Managers in November 2012.</p> |
| <p>Consolidation</p> | <p>Single Status and an Equal Pay claim settlement strategy are continuing. The conclusion of the Council's approach to the Equal Pay settlement is dependent upon the completion of pay modelling for single status. Pay modelling and Part III negotiations have recommenced and will continue into November 2012.</p> |
| <p>Collaboration</p> | <p>There are a number of collaborative approaches across North Wales including the development of a commissioning model for learning and development. A North Wales coaching framework is in place and effectively delivering Institute of Leadership and Management (ILM) Level 5 coaching programmes.</p> |

2. Performance Summary

2.1 Improvement Plan Monitoring

The following table summarises the progress made to date and the progress against the desired outcome of the Council Improvement Priorities on which the HR&OD Service lead.







KEYS

Progress RAG

| | |
|----------|---|
| R | Limited Progress - delay in scheduled activity; not on track |
| A | Satisfactory Progress - some delay in scheduled activity, but broadly on track |
| G | Good Progress - activities completed on schedule, on track |

Outcome RAG

| | |
|----------|--|
| R | Low - lower level of confidence in the achievement of outcome(s) |
| A | Medium - uncertain level of confidence in the achievement of the outcome(s) |
| G | High - full confidence in the achievement of the outcome(s) |







| Council Priority | Target Date | Progress RAG | Outcome RAG | Commentary |
|---|---------------------------------|---|---|--|
| 3. To be a modern, caring and flexible employer with fair and equal terms and conditions of employment under a Single Status Agreement | | | | |
| 3.1 Achieve a legal, acceptable and affordable Single Status Agreement | 'effective' date by June 2013 |  |  | Project Plan revised to reflect new timeframes – Please see paragraph 3a |
| 3.2 Negotiate an Equal Pay Settlement | To follow effective date of 3.1 |  |  | Project Plan revised to reflect new timeframes - Please see paragraph 3a |
| 3.3 To complete the review of human resources policies as a modern employer | On-going |  |  | The review of HR policies is an on-going process |

2.2 Strategic Assessment of Risks and Challenges (SARC)

The table below summarises the position of SARCS at the end of the reporting period.

Commentary is included in section 3 for those SARCS: -

- that are showing a Red RAG status
- where the RAG status has changed since the last reporting period
- where the Green Predictive Date has changed since the last reporting period
- where there has been considerable change or additions of secondary risks and activity

| SARC | Previous RAG Status | Current RAG Status | Green Predictive |
|---|---|---|------------------|
| CG10 People Strategy |  A |  A | Mar 13 |
| CG11 Terms and Conditions of Employment |  A |  A | Jun 13 |
| CG16 Workforce and Succession Planning |  A |  A | Mar 13 |

2.3.1 Performance Indicators and Outcome Measures

The status of the indicators are summarised for this quarter below:

 R 0  A 1  G 0

Graphs and / or commentary are included in section 3 for those indicators shown with a RAG status of either Amber or Red. An asterisk (*) indicates that the indicator is an *improvement* target.

| Indicator | Annual Target | Previous Quarter Outturn | Current Quarter Target | Current Quarter Outturn | RAG | Change e.g. Improved / Downturned |
|--|-------------------|--------------------------|------------------------|-------------------------|-----|---|
| * CHR/002 - The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence | 9.8 FTE Days Lost | 2.54 | 2.00 | 2.3 | A | Although this is an improvement on the first quarter's data it is indicating a downward trend over the year. (Please see Section 3) |

2.3.2 Improvement Target Action Plan Monitoring

| Ref | Action & Planned Completion date | Progress |
|---------|---|----------|
| CHR/002 | There is a continued programme of attendance management reporting and action planning across each Directorate. Absences reporting, containing trigger reports, produced on a monthly basis are issued to managers. With the support of the HR team focus is | ✓ |

| | | |
|--|---|--|
| | <p>made on frequent, short term absences, long term absences and return to work interviews, with employees, to understand any underlying issues affecting attendance at work.</p> <p>Where necessary, capability measures are taken to address poor attendance. This includes first stage disciplinary through to dismissal.</p> <p>The review of the Attendance Management Strategy has been completed. Further work is being undertaken in partnership with the Occupational Health service and managers to develop early interventions to proactively reduce levels of sickness absence.</p> | |
|--|---|--|

2.4 Key Actions from Service Plan Monitoring

The following table shows the progress made against key areas of improvement/actions in the HR & OD service plan. A ✘ indicates those areas which have incurred slippage or have been subject to a revised timetable and references the page number where commentary can be found to further explain the slippage/revised timescales: -

Key - ✓ on track, ✘ behind schedule, C completed

| Improvement Area | On-track? | Commentary |
|--|-----------|--|
| Customer | | |
| <p>To provide the tools and development to meet the requirements of our customers, ensuring that our structures are shaped with the primary aim of delivering excellent customer services.</p> | ✘ | <p>New HR and OD Service Review has a revised implementation date of March 2013 as per the revised People Strategy Action Plan – following full consultation with customers to assess their requirements. JEQ's have been submitted for evaluation and further Communications have been issued to the HR and OD team.</p> <p>Phase II of iTrent – Employee and Manager Self Service rollout is complete to all IT users.</p> |
| | ✓ | <p>The project is progressing well with the rollout of the Expenses module to Corporate Services completed.</p> <p>The development of the Learning module has commenced with a target roll-out date of December 2012.</p> <p>This project will carry forward into the new 2013 – 2016 People Strategy.</p> |
| <p>To develop a 'world class' HR service; supporting the facilitation of change; developing and retaining talent in the organisation</p> | ✓ | <p>See above</p> |

| | | |
|---|---|---|
| To support the delivery of strategic objectives and the provision of responsive transactional HR services to achieve customer excellence | ✓ | See above |
| Change | | |
| To ensure that managers are confident and competent in being able to lead and manage change effectively | C | Regional 'Managing Change Effectively' programme in place with managers from Flintshire attending. Further work is required to embed improved practice. |
| To achieve planned organisational change and on going modernisation of service delivery | ✓ | Next phase of change to be developed as part of Flintshire Futures Programme. Lean review work, re-engineering of processes and implementation of agile working styles is contributing to the modernisation of service delivery. |
| To create and design a framework for managing change effectively | ✓ | The timescale for the development of a new guide on Organisation Design has been adjusted as per the People Strategy Action Plan. The timescale has been amended so that the appropriate capacity can be directed at the Single Status project. This work is on track for completion. |
| To promote a culture whereby employees and teams understand and participate in organisational change | ✓ | Managers developing effective skills on managing change following regional development programme. The implementation of tools and techniques such as 'lean' and greater involvement of employees in Job Design activities and through improved consultation practice demonstrates a positive shift in culture in relation to participation in Change Programmes. This work will carry forward into the new 2013 – 2016 People Strategy. |
| Capacity | | |
| To promote desired behaviours, in line with the 'Flintshire Competency Dictionary' across the organisation | x | This project has been integrated with the development of a new competency based Appraisal system under the Council's People Strategy / Workforce Worksteam (Flintshire Futures Programme). See paragraph 3c - Exception Reporting. |
| To remodel the workforce as part of corporate and service planning to ensure we have the right people with the right skills, in the right place at the right time | ✓ | Workforce Planning framework is under development as per the revised People Strategy Action Plan. This work will carry forward into the new 2013 – 2016 People Strategy. |
| To promote succession and continuity planning; identifying the potential and nurturing talent at every level of the organisation | ✓ | Appraisal process to be revised to identify talent and develop further by December 2012. A new Performance development model has been designed for North Wales |

| | | |
|---|---|---|
| | | <p>Councils', this is to be adapted for use within Flintshire County Council.</p> <p>This work will carry forward into the new 2013 – 2016 People Strategy.</p> |
| To develop key skills, experience and knowledge for employees to support the delivery of services now and in the future | ✓ | Development programmes in place - People Development Framework |
| Consolidation - and reward the contribution of employees and to support the organisation in recruitment and retention | | |
| To enhance Flintshire's reputation as a 'modern employer of first choice' to attract and retain talent within a highly competitive labour market | ✓ | The Council is working towards Single Status which will modernise its pay and reward arrangements. The current phasing in of Flexible and agile working styles and the underpinning HR policies and procedures will further enhance the Council's reputation as a modern employer. |
| To ensure we set and meet high standards in organisational, team and individual performance through sound people management practice, with specific priorities in applying consistent practice in attendance management, performance appraisals and recruitment | ✓ | Review of standards and levels of service being undertaken as part of HR and OD service review. |
| To provide and maintain a fair and equitable reward strategy to recognise and reward the contributions of employees and to support the organisation in recruitment and retention | ✓ | Linked to achievement of Single Status and new pay and grading structure and the development of a Reward Strategy. |
| Collaboration | | |
| To continue to develop and maintain a positive employee relations culture by promoting open and effective partnership working with trades unions | ✓ | Effective partnership working in place with TUs |
| To lead collaborative working innovative and responsive Human Resources shared solutions across the North Wales region | ✓ | <p>Full participation in Collaborative working – e.g. sharing and co-development of HR policy and Outplacement services.</p> <p>Work has taken place to identify the policies that will be developed collaboratively.</p> <p>A Working group has been set up to identify areas of priority.</p> <p>This work will carry forward into the new 2013 – 2016 People Strategy.</p> |

| | | |
|--|---|---|
| To develop good practice principles and capacity to lead and participate effectively in collaborative working projects | ✓ | <p>Development and implementation of a Human Resources Toolkit for Collaboration and Integration Projects is under development.</p> <p>Initially the toolkit has been developed to support Conwy and Denbighshire Highways and Infrastructure Integration Project.</p> <p>This toolkit will be further developed for wider use across North Wales. For example Schools Improvement Project and the North Wales Support Services Review.</p> |
| To promote mobility across the public sector to achieve workforce planning, protect recruitment and retention and develop talent | ✓ | Every effort is made to promote mobility where possible in relation to regional collaborative projects and joint working across local authorities and public sector. |

2.5 Internal & External Regulatory Reports

The following internal or external audit/regulatory work has been completed during the quarter and the outcome of the work can be summarised as follows. Negative outcomes are discussed in more detail in section 3 and page numbers are referenced in the table below.

| Undertaken By | Title & Date Report Received | Overall Report Status |
|----------------|-------------------------------|---|
| Internal Audit | Agency Staff - September 2012 | Full report completed – see paragraph 3d – Exception Reporting. |

3. Exception Reporting

3a - Improvement Plan Monitoring

3.1. Achieve a legal, acceptable and affordable Single Status Agreement (Amber RAG status). The original target date for full implementation was set at November 2012 and will not be achieved, although the Council is entering the closing stages of the project. The Council has reviewed the Project Plan and a full report will be submitted to Cabinet in November 2012 to set out the new timeframe and key milestones to be completed. The Council is making good progress and aims to complete the pay modelling (the output of which will be a new Pay and Grading Structure) and negotiations on Part 3 (terms and conditions of employment) by the end of November 2012. The Officer Executive Group (part of the project's governance arrangements) are confident about the quality of the work that has been undertaken in preparation for proceeding with pay modelling and negotiations. The target 'effective' date will be no later than June 2013. Further details can be found in the Single Status Project Update Cabinet report.

3.2 Negotiate an Equal Pay Settlement (Amber RAG status – comment / position remains unchanged from end of year reporting). This project has clear inter-dependencies with the Single Status project. The Council's intention to settle Equal Pay claims within a similar timeframe to Single Status and this will increase the complexity of both projects and requires careful consideration of the legal context with the need to protect the Council from future liabilities wherever possible. Given that this project is directly linked to achieving a Single Status Collective Agreement, the negotiations of an Equal Pay Settlement Strategy has to coincide with the new target effective date for Single Status of June 2013. It should be noted that implementing the settlement strategy will only take place once Single Status is implemented later in 2013. The definitive date for this is yet to be determined.

3b - Performance Indicators and Outcome Measures (Amber RAG status).

***CHR/002 – (NI24) The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence (Amber RAG status).**

There is a continued programme of attendance management reporting and action planning across each Directorate. Absences reporting, containing trigger reports, produced on a monthly basis are issued to managers. With the support of the HR team focus is made on frequent, short term absences, long term absences and return to work interviews, with employees, to understand any underlying issues affecting attendance at work.

Where necessary, capability measures are taken to address poor attendance. This includes first stage disciplinary through to dismissal. Further work is being undertaken in partnership with the Occupational Health service to proactively reduce levels of sickness absence with the introduction of physiotherapy service pilots within key services such as Streetscene.

The downturn in performance for CHR/002 focuses on each Directorate and the actions being taken to improve performance is as follows:

Community Services

Overall within Community Services, the absence levels have increased in comparison to the same quarter last year. To date Community Services has the highest, of all the Directorates, total number of days lost per FTE at 7.79.

The Directorate Management Team continues to carry out actions as identified in the Attendance Management Strategy; however the late return of paperwork continues to have an impact on the figures and is skewing the data.

Absence levels have increased again in Housing Services, although it must be noted that within Housing, two departments have had a decrease in absence levels which is a positive improvement. Short term absence within Housing Services continues to decrease, whilst the long term sick is having an impact on the absence figures. Managers continue to carry out actions under the Attendance Management Strategy and additional HR support has been identified to support managers to tackle long term sickness.

Corporate Services

Attendance levels in Corporate Service continue to be comparatively better than other Directorates. Absence is pro-actively managed by respective Directorate Management Teams in line with the Attendance Management policy. Days lost have reduced marginally on a like-for-like basis when compared with 2011/12 and show little seasonal variation.

Whilst there are relatively few employees within Corporate Services whose absence hits the short and long term sickness absence triggers, there is no complacency and attendance remains high on respective agendas.

Environment

Managing attendance remains a priority for the Environment Directorate with the main focus continuing to be on Streetscene. Managers and Supervisors responsible for completing and submitting the relevant returns (Return to Work interview forms and Self – Certification forms) have been told not to accept ‘other’ as a reason for absence and have been encouraged to establish the actual cause of absence.

Historically, in excess of 50% of absences have been recorded as ‘other’ which makes it difficult for us to establish if any of our working practices are contributing to the absence so that we can mitigate the impact. Collating and understanding the actual causes of absence will also help us better evaluate the impact of the physiotherapy pilot which is to be run in partnership with Occupational Health and our external provider, Pen Y Lon.

Lifelong Learning

There has been a slight increase in the absence levels in Lifelong Learning in quarter 2 although the rate is small. This is reflective of the ongoing approach within the Directorate to continue to manage cases as the trigger reports are produced. Monthly meetings within each service are held to discuss absence levels and there has been an increased focus on managing long term absence cases. This has resulted in one case resulting in dismissal on capability grounds.

3c - Service Plan Monitoring.

As reported in the end of year Performance Report, the People Strategy Action Plan was reviewed in September 2012 to better reflect the organisation's priorities. The project relating to competencies has been incorporated into the development of a new competency based Appraisal system. The competency framework is currently under review, to identify the behaviours required from employee and managers to meet the challenges and work differently in the future. The new competency framework and Appraisal system will be ready to commence the implementation process by February 2013.

3d - Internal and External Regulatory Reports

Agency Staff - Final Internal Audit Report - HR0160R1

The Final Internal Audit Report set out to evaluate the Management of the contract for agency workers to ensure service delivery of contract requirements and compliance with established policies, procedures, laws and regulations and the Integrity and reliability of information, accounts and data

The conclusion made in relation to Agency Staff was as follows:

Taking account of the issues identified, in our opinion the Board can take adequate assurance that the controls upon which the organisation relies to manage this risk, as currently laid down and operated, are effective.