

Mid-Year Performance Report Corporate Services (HR and OD Directorate)

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Introduction

The Head of Service report is produced on a half yearly 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 approach is based on exception reporting to summarise key information that the Head of Service feels Members should be aware of, including both good and poor performance. Emerging issues / operational risks should also be highlighted. The report is split into 3 distinct sections: -

1. Improvement Priorities & Service Plan Monitoring – this section is used to discuss the progress being made towards the Improvement Priorities which do not have an in year focus and therefore are not included within the quarterly progress report on the Improvement Plan. It is also used to highlight good news and key issues (including operational risks and the actions necessary to control them) arising from monitoring the progress being made towards delivering the service plan.

2. Internal and External Regulatory Reports – this section summarises regulatory work reported in the half year and its outcomes and intended actions arising from recommendations.

3. Corporate Reporting – this section summarises the performance in relation to corporate issues e.g. sickness absence, appraisals, complaints, data protection training

Appendix 1- NSI & Improvement Target Performance Indicators – summary table of the performance for the NSI and Improvement Targets. Graphs (where appropriate) and commentary are included in section 1 for those indicators shown with a red RAG status.

1. Improvement Priorities & Service Plan Monitoring

Report highlights for the half year are as follows: -

Service: HR and OD
Priority: Modern and Efficient Council
Sub Priority: Improving Customer Services

HRMIS (iTrent)

Automated expenses functionality is now accessible to all parts of the organisation with the exception of those areas within Community Services where service reviews are still underway - this will follow over the next three months.

The learning module is fully embedded and since its introduction the Learning Department have seen a significant rise in the numbers of employees applying to attend training events, therefore supporting our objective to improve accessibility to training.

Development of the Web Recruitment functionality is making good process and once implemented will drive consistency, reduce timelines and streamline processes associated with recruitment.

Service: HR and OD
Priority: Modern and Efficient Council
Sub Priority: Organisational Change

The next phase of organisational change, led by the Chief Executive, is currently in the initial development and design phase. There will be two workforce related programmes, the first focusing on Organisational Design - Structure and Operating models which will include a structural review of the first four tiers of management (from Directors to posts at Management 1 level) and the second, on Organisational Design - Workforce, which will include a review of the remaining workforce (excluding the management layers) to identify workforce groups where reductions can be made, initially via an Early Voluntary Retirement / Voluntary Redundancy Programme (yet to be announced). The Workforce Programme will also promote reductions through Flexible Retirements, Flexible Working requests, Career Breaks etc.

In order to achieve this critical piece of structural transformation and redesign, the Council is engaging a partner to bring additional expertise and independence to the shaping and initial delivery of the Organisational Design programme. This work will commence during autumn 2013 and proposals for change are expected to be defined by the early part of 2014.

The HR and OD review has now been operational from 1st June 2013, this has enabled the OD team to prepare for the next phase of organisational change, and significant support will be required from this team to the organisation to enable transformational structural changes to be made to teams once the higher level structure has been determined.

Preparation work is continuing to take place on developing improved systems for increasing the pace of change, enablers are being developed and considered as follows and much of this work will form part of the Workforce Programmes described above:-

1. New Job Evaluation maintenance process that will be simplified and efficient
2. Organisational design principles
3. Spans of control guidance
4. Voluntary redundancy programme
5. Flexible and agile working pilots
6. HR policy development and review e.g. flexible retirement and early retirement, flexible hours scheme, agile working,
7. Developing stronger links with the LEAN process
8. Learning and development programme which meets the development needs of managers and employees
9. Review of Management Development Programme content to ensure the learning modules are up to date and fit for purpose
10. Completion and implementation of the Competency Based Appraisal system.

Operational Risks

- Maintaining change leadership focus
 - Actions: Prepare line managers for the pace of change ahead; effective communications
- HR and OD resourcing is it sufficient enough to deliver on organisational change at a lower level of the organisation
 - Actions: Review ongoing resource requirements and escalate if additional short to medium term support is required.
- Impact of workforce downsizing on operational delivery of services and morale across the organisation
 - Actions: Managers will need to review requests for Voluntary Redundancy carefully in line with advice and criteria set corporately, whilst also considering future service delivery with support from the HR and OD team.
- Trade Union Engagement
 - Actions: Proactive engagement of union colleagues to ensure employee relations are maintained during significant period of change

Service: HR and OD
Priority: Modern and Efficient Council
Sub Priority: Single Status and Equal Pay

Single Status is progressing well and the Council is on verge of the closing stages of agreeing a Single Status Collective Agreement. The Council has achieved a provisional collective agreement with the Joint Trade Unions incorporating a new pay and grading model and Part III provisions (terms and conditions of employment).

On 29 October, the proposed Collective Agreement will be presented to Elected Members for adoption. Following this, the Trade Unions can move to ballot their members on the proposals, subject to their National Offices 'signing off' the Equality Impact Assessment on the proposed agreement. Detailed work has been completed to get to this point and a closely managed project plan has been developed to ensure that key actions are completed depending on the outcomes of the various different stages.

For Equal Pay, the Council has a strategy, linked with the proposed Single Status Agreement that is designed to protect the Council from future Equal Pay claims. For issued Equal Pay claims, meetings are planned for January 2014 with the Trade Unions and their legal advisers to negotiate a reduced percentage rate for claimants on the basis that early settlements will be made without the need to progress through lengthy and costly legal proceedings.

Operational Risks

- Project Timescales not achievable within the timescales
 - Actions: Continue to complete close project management reviews
- HR and OD resourcing is it sufficient enough to deliver on this project
 - Actions: Review ongoing resource requirements and escalate if additional short to medium term support is required.

Welsh Language Monitoring

In line with our commitments as outlined in the Welsh Language Strategy action plan, Human Resources have recently carried out an audit of the Welsh Language skills of employees across the organisation (excluding Schools). Employees have been asked to complete a self assessment of their skills in the three areas of Reading, Writing and Speaking - scores can then be input by the employee via iTrent Self Service or submitted on a paper form which has been issued to all employees without IT access.

Skills are measured against a skills framework which was developed according to European Language skills framework principles. Flintshire have taken the lead in capturing and recording Welsh Language skills. With the introduction of iTrent and the learning module, we will be able to monitor the wider, current workforce and assess all skill levels and attendance at welsh language training going forward.

2. Internal and External Regulatory Reports

Wales Audit Office – Annual Improvement Report

There is one current 'improvement recommendation' that refers to the development of efficiencies and the Council's organisational change programme – see below.

R2 The Council needs to complete its work in quantifying the financial benefits of its programme of efficiencies and organisational change by mid 2012-13, to determine the remaining funding gap (shortfall or surplus) and then establish clear plans to identify further savings and/or redirect resources to priorities.

The most recent review indicates that "progress has been made, although the Council did not fully meet the planned timescale. The Council's work continues and we shall review progress and report on this during 2013".

Over the last two months, significant progress has been achieved in relation to developing the Council's Organisational Change Strategy (as described earlier in the report) to meet the financial challenges for 2014/15 and onwards.

For the half year April – September 2013 seven reports have been reported to the Audit Committee, with the assurance levels as shown in the table below.

Project Reference Project Description	Level of Assurance	Recommendations		
		High	Med	Low
Disciplinary Policy	Amber	2	0	2
iTrent Use of Private Vehicles	Amber	0	2	2
Agency Staff Follow Up	Good progress in implementing actions agreed to address internal audit recommendations. There are no fundamental or significant recommendations that we consider to be receiving inadequate management attention.			

3. Corporate Reporting

Complaints / Compliments

The Service is committed to providing and maintaining the highest levels of customer satisfaction. Whilst we only had one complaint during the monitoring period this was handled in line with agreed time scales and standards.

Sickness Absence

Actions within specific areas across Corporate Services have resulted in an overall reduction in FTE days lost and percentage absence rate which is encouraging. Additional support has been provided to managers in handling situations on a targeted approach where staff hit 'trigger points' which will contribute to further reductions going forward.

That said, the overall days lost for HR and OD is 2.78 per FTE for quarter 2 which exceeds the target of 1.95 per FTE. This has been targeted one of the areas for action. Changes to the categorisation of reason for absence has helped identify trends and patterns across the Directorate, again to enable targeted action for tackling long term sickness absence which provides the main challenge.

Employee Turnover

The Service has a stability rate of 97% and currently has 78 employees. The HR and OD service review was implemented in June 2013 which resulted in a net decrease in headcount of three employees, all of which were on a voluntary basis.

Employee Appraisals

For HR and OD, the current completion of appraisals is 41% at mid year. The service is on track to achieve 100% within the next six months.

Equality Monitoring

Further to our commitment to Equality in Employment, as required by the Equality Act 2010, an equalities information review has been carried out across the organisation, resulting in an increase in the quality and quantity of data within iTrent.

Welsh Language Monitoring

80% of employees within HR and OD have so far completed the skills audit exercise on iTrent. Our target for completion by December is 100%.

Data Protection Training

Following the ICO's audit in April this year it has recommended a greater corporate oversight of Data Protection training, in particular it wants training statistics on Data Protection to be reported to CMT and for there to be key performance indicators in regard to Data Protection training to pro-actively monitor and stimulate competency and completion levels. Heads of Service have therefore been asked to indentify all posts in their service areas for which Data Protection training is deemed mandatory, and this information will be input to iTrent.

Following the Service Review in June 2013, a commitment was made that that all posts within the HR and OD require Data Protection training. With this commitment, and to match against a Key Performance Indicator, all employees within the service must have had Data Protection training by the end of 2014. In order to achieve this, an exercise will be carried out to collate the data for all employees within the service who have already received Data Protection training by December 2013.

Appendix 1 - NSI & Improvement Target Performance Indicators

Key

R	Target missed
A	Target missed but within an acceptable level
G	Target achieved or exceeded

The RAG status of the indicators for the half year position are summarised as follows:



Graphs and commentary are included in section 1 for those indicators shown with a red RAG status.

Note 1 – NSI = National Statutory Indicator Imp T = Improvement Target

Note 2 – Change (Improved / Downturned) is based on comparison with the previous quarter. Where it is more appropriate to compare performance with the same period in the previous year this should be stated in the commentary.

Indicator	NSI / Imp T (Note 1)	Annual Target 2013/14	2012/13 Q2 Outturn	2013/14 Q1 Outturn	2013/14 Q2 Outturn	2013/14 Q2 Target	RAG	Change e.g. Improved / Downturned (Note 2)	Commentary
The number of working days/shifts per full time equivalent (FTE) local authority employee lost due to sickness absence	IMP T	9.60 FTE Days Lost	1.61	2.54	2.15	1.95	A	Improved (on Q1)	Actions to be taken as per narrative under 'Sickness Absence'
Increase the percentage of employees receiving an annual appraisal with Individual Development Plan to 100%	IMP T	100%	N/A	N/A	Reported Annually	N/A			Reported for HR and OD in the body of the report. Whole Council performance to be reported annually.

Further work is currently being undertaken to develop a set of local performance indicators for HR and OD to include indicators on recruitment, disciplinary investigations and Occupational Health services.