

Year End Chief Officer Report

Report Author: Chief Officer – People & Resources
Report Date: April 2015
Report Period: 01 October 2014 to 31 March 2015

Introduction

The Chief Officer report is produced on a half yearly basis and provided to Cabinet Members for review and assurance focusing on the 'business as usual'. The reports are provided for Overview and Scrutiny Committees as part of their Forward Work Programmes. Chief Officer reports compliment the Improvement Plan monitoring reports.

Chief Officer reports are exception reports which summarise the key information Members should be aware of, including both good and poor performance. Emerging issues / operational risks are also detailed. The reports are split into three distinct sections: -

1. Performance Overview - this section is used to give an overview of the progress being made towards delivery of key plans for the services which include those Improvement Priorities which do not have an in year focus i.e. these are not reported within the quarterly Improvement Plan monitoring. It is also used to highlight good news and key issues (including operational risks) arising. In addition, summary progress is given for key projects and collaborative areas of work.

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 i.e. Sickness absence, Complaints

Plus supporting appendices: -

Appendix 1- Performance Indicators - summary table of the key performance indicators used to manage the services. In addition, any NSI and PAM (statutory PIs) reported by the services are included.

Appendix 2 - High level (red) operational risk detail - completed full risk templates for those risks currently assessed as high (red).

Section 1 - Performance Overview

This report covers the following functional areas:

- Corporate Finance
- Pensions Administration
- Pensions Investment
- Human Resources and Organisational Design

Areas of Positive Performance

Corporate Finance

- Work has commenced in relation to a Finance Modernisation Project
- The revenue and capital budget was approved by County Council in February
- Continued development of the Council's Medium Term Financial Strategy
- Banking and Insurance contracts were tendered and let
- The Treasury Management Strategy for 2015/16 was approved by County Council in February
- Key national work undertaken on self-financing for the HRA and Rent Reform
- Implementation of Single Status accounting and the transfer of Accounts Payable (AP) from Lifelong Learning to central AP
- The revised Schools Funding Formula is now in its second year
- School budgets issued earlier than in previous years
- Work on schools Traded Services is progressing with some services having made significant progress in reviewing their service models
- Introduction of the new Education Improvement Grant with Finance Officers contributing on a regional level to distribution methodology
- Training Sessions have been run for School Governors and Head teachers on the Funding Formula and Financial Management in schools

Pensions Administration/Investment

- The governance of the Fund was enhanced during the year with the development of a training policy, risk policy and register and a conflict of interest policy
- The Fund's Annual Report and Accounts was approved by the statutory deadline with an unqualified audit opinion
- The new local board was established by Council before the statutory deadline of 1st April 2015.
- The estimated annual net investment return for 2014/15 is +16% which is a particularly strong year for performance with the market value of the Fund increasing from £1.2bn to £1.4bn during the year

Human Resources and Organisational Development

Business Partnering

- Phase III VR Scheme completed, VR Scheme continuing on a rolling basis with panels scheduled to sit on a monthly basis.
- Supporting significant organisational – Streetscene and Transportation
- Supporting Commercial workshop (ADM)

- Developing and supporting People workshop (ADM)
- Providing management support to facilitate the roll-out of the Flexible Working policy and associated changes (Etarmis)
- Development of the People Strategy (HR and OD umbrella)
- Support for Corporate Resources ADM worksteam

Employment Services

- Introduction of Human Concepts
- Introduction of iTrent in Schools (pilot)
- Introduction of ebulk online DBS submission for Schools
- Creation of dashboards for Workforce Reporting Business Review
- Successful implementation of Pay Awards

Organisational Development

- Introduction of Flexible Working Policy
- Concluding the settlement process for Equal Pay claimants who are employees
- Commencing the settlement process for Equal Pay claimants who are leavers
- Launch of the annual Traineeship programme
- Appraisal and Talent Management process implemented for Chief Officer direct reports
- Revised Job Evaluation process piloted in Streetscene

Occupational Health

- Agreement reached on planned volumes and financial arrangements for 2015/16 for Flintshire and Wrexham Occupational partnership
- First stage of SEQOHS accreditation completed – date for external assessment confirmed as 1st July
- Business Case approved for ADM and progressing forward to feasibility stage - target for September

Single Status Project

- Closure report prepared and to be published in May 2015
- Single Status Governance – panel continues to meet on a quarterly basis
- Appeals on maintenance process has been completed

Areas of Concern

Corporate Finance

- Finance capacity and resources to deliver increasing demand on services continues to be closely monitored
- Percentage of undisputed invoices paid on time, target of 95% not met, cumulative total is 88%

Pensions Administration/Investment

- The low interest rate environment continues to increase the value of the Fund's liabilities and reducing the funding level to an estimate of 64% as at 31st March 2015 which is currently 5% below the expected deficit recovery plan
- The Fund has experienced some staff retention issues and difficulties in recruiting to a specialist area
- Some regulatory and system issues as a result of the new CARE scheme

Human Resources and Organisational Development

Business Partnering

- Strategic HR to support ADM programme and 21st century programme
- Capacity on resources due to long term leave/sickness

Employment Services

- Transfer of Pensions information to Clwyd Pensions Fund
- Provisions of information of LGPS to Clwyd Pensions Fund
- Implementation of changes to Teachers Pension Scheme
- Adherence of safeguarding processes

Organisational Development

- DBS policy awaiting sign off
- Lack of resource within L&D for traineeships, ADM training

Occupational Health

- Pending resignation of two OH Nurses – recruitment of OH nurses has proved problematic historically.
- Level of failed appointments remains high – Customer and Performance Officer to lead on plan for reduction

Single Status Project

- Relief worker exercise to be undertaken
- COT3 sessions still outstanding

Key Projects

Corporate Finance

- Commencement of the Finance Modernisation Project which includes the implementation of Collaborative Planning (CP) Software for budget monitoring

Pensions Administration/Investment

- Implementing the new local pension board
- Implementing HM Treasury's policy on greater flexibility for pension benefits ('Freedom and Choice')
- Removing a backlog of administration tasks and improving data quality from large employers.

Human Resources and Organisational Development

- HR and OD Service Review
- Delivering efficiencies identified via the business planning process
- People Strategy
- SEQOHS Accreditation – External Assessment 1st July
- Review of Schools SLA

Collaboration / Partnership Working

Corporate Finance

- Finance contribution to Strategic Housing & Regeneration Project (SHARP)

Pensions Administration/Investment

- Continue to work on a Collective Investment Vehicle for Wales by the Society of Welsh Treasurers Pension sub group

Human Resources and Organisational Development

Business Partnering

- Continued informal information sharing and discussions on ad hoc basis

Employment Services

- Continued informal information sharing and discussions on ad hoc basis.






















Organisational Development

- Continued and joint working with Coleg Cambria in delivering training and development

Occupational Health

- Continued collaboration with Wrexham County Borough Council (WCBC)
- Further opportunities to be explored as part of ADM feasibility stage

Summary of Operational Risks (from the above sections) –

Risk Type	Risk Ref. and Description	Net Risk Score	Risk Trend	Target Risk Score & Date	Status Open / Closed
Operational	Delayed implementation of the proposed Disclosure and Barring Service Policy				Open
Operational	Resources to support increased service demand to support organisational change				Open
Operational	Recruitment of OH nurses to meet capacity to deliver to Wrexham and Flintshire.				Open
Project	Completion of all outstanding queries relating to appeals and maintenance for single status				Closed
Project	Completion of outstanding COT3 queries			 30.06.15	Open
Project	Completion of relief worker projects which may identify entitlements to Single Status and/or Equal Pay claimants			 30.09.15	Open
Operational	Attendance Management			 31/03/16	Open

Section 2 - Internal and External Regulatory Reports

Report: Equal Pay Calculation Review

Date Finalised: September 14

Conclusion: Substantial Assurance

Recommendations: None

Summary

Areas of good practice:

All formulas used within the calculation spreadsheet were found to be logically correct and accurate.

Report: Staff Recruitment & Induction

Date Finalised: November 14

Conclusion: Limited Assurance

Recommendations: 2 x High, 5 x Medium, 1 x Low

Summary

Areas of good practice:

Business cases are completed and correct authorisation sought before recruitment is started. New posts are correctly advertised in accordance with current policy, employment legislation and guidance. Pre-employment checks are completed in a timely fashion.

Key areas for improvement:

Corporate and Team Induction should include the Anti-fraud and Corruption policy, the Financial and Contract Procedure Rules and Acceptable Use of Equipment policy. New staff should be made responsible for ensuring they have read the key HR and Financial policies and procedures as part of their contracts of employment. An Induction Checklist for temporary, relief and agency staff should be developed. Corporate Induction should become compulsory training with more use of technology considered on its' delivery. HR produce a list of key HR and Financial policies for managers to produce in hard copy in areas where staff do not have access to the computer system. The Recruitment Policy is out of date and does not feature guidance on Corporate Induction or a procedure for Team Induction. Recruiting staff are not routinely sending all shortlisting and interview notes to HR for safe storage. Some prime data stored on the Civica system is of poor legible quality and incomplete. New starter contracts should all contain the relevant probationary period clause.

Report: Corporate Grants

Date Finalised: March 15

Conclusion: Some Assurance

Recommendations: 1 x High, 4 x Medium, 1 x Low

Summary

Areas of good practice:

There is a designated officer ultimately responsible for the Corporate Grants Register (CGR); A bespoke lotus notes register (CGR) is in place; A Corporate Grant user Manual has been developed and shared with users; For consistency a Grant Completion Checklist is in place and used; Grants cannot be signed off unless the CGR has been fully populated and the corporate grants checklist has been completed. Action has been taken where possible on all recommendations made in previous audits.

Key areas for improvement:

The CGR should be reviewed to confirm its exact purpose and whether it can continue to meet the needs of the Council as it evolves. The CGR should be completed in full for all grant applications. The Corporate Grant Manual and Checklist need to be amended. The FPR's need to be amended to reflect current practice and reference needs to be made to the FPR's in the Grant Manual and Checklist to foster compliance.

Report: Main Accounting

Date Finalised: March 15

Conclusion: Reasonable Assurance

Recommendations: 3 x Medium

Summary

Areas of good practice:

Feeder systems are subjected to tests for system compatibility, format, and number of records, current period and date prior to being saved in a file for transfer to the General Ledger. Accounts Payable and Accounts Receivable Feeders are appropriately monitored by a number of checks prior to being processed. Downloads from feeder systems are monitored daily prior to submission to the General Ledger overnight. Feeders from the Cash Offices and the Flintshire Connects kiosks are

checked by the Cashiers at County Hall to the Civica System and agreed to the reports and bank statements. Regular Bank Reconciliations are undertaken and checked by an independent officer to provide adequate segregation of duties. Access rights to the General Ledger are closely monitored by the Masterpiece Helpdesk Team.

Key areas for improvement:

All Journals should be processed using the Smartlink Journal Template for consistency and have the appropriate documentation attached to provide adequate explanations and audit trail. Regular reconciliations of Streetscene income should be undertaken to ensure the revenue codes in the General Ledger are accurate. The process for accounting for the income from the feeders should be simplified. Control Accounts submitted to Corporate Finance should be checked and agreed monthly rather than a thorough check only being performed at Year End. The Revenue Control Accounts should be monitored more effectively.

Section 3 - Corporate Reporting

Complaints Handling (Source: Corporate Complaints Database)

There have been 18 complaints within People and Resources during 2014/15 and 67% were responded to within 10 days.

Number of Complaints	18
Number responded within 10 days	12
% responded within 10 days	67%

Sickness Absence (Source: I-Trent)

People and Resources sickness absence figures for 2014/15 is 6.35 days lost per full time equivalent (FTE). This figure is below the FCC annual target of 9.60.

Number of FTE days lost	971
Number of FTE Employees	153
Number of FTE day lost per FTE	6.35

Employee Turnover (Source: I-Trent)

People and Resources currently has 174 employees. The turnover is based against the average headcount for 2014/15 (183). There were 28 leavers within 2014/15, resulting in a turnover rate of 15%.

Average Headcount 2014/15	183
Number of Leavers	28
Turnover %	15%

Employee Appraisals (Source: I-Trent)

For People and Resources, the current completion of appraisals is 83%. This shows a significant improvement since the Mid-Year report total of 38%. Staff appraisals are continuing to be entered onto iTrent to increase the quality of data within the system.

Headcount 31/03/2015	174
Number of Appraisals	144
Appraisals carried out %	83%

Data Protection Training (Source: I-Trent)

Data Protection training remains a high priority within People and Resources. The total figure trained is currently 91%. Data Protection training is monitored and refresher training is provided when required to ensure compliance.

Headcount 31/03/2015	174
Data Protection training received	158
Training received %	91%

Equality and Welsh Language

List the Equalities and Welsh Language Impact Assessments: -

- Agile Working - 5/7/2014
- Mileage and Expenses - 17/7/2014
- Workplace Domestic Abuse - 5/9/2014
- FCC Competency Framework - 5/9/2014
- Single Status Maintenance - 5/9/2014
- Single Status Appeals - 5/9/2014
- Stand-by and Call Out - 5/9/2014
- Additional Payments - 5/9/2014
- Professional Subs - 15/10/2014
- Social Media - 28/10/2014
- Flexible Working Hours - 15/01/2015
- Annual Leave - 04/02/2015
- Disclosure of Barring Service (DBS) - 04/02/2015

Percentage of employees who have completed the Equalities Monitoring / Diversity Audit (Source: I-Trent)

Gender	100%
Marital Status	91%
Consider Disabled	85%
Ethnic Origin	85%
Religion	69%
Sexual Orientation	45%
Nationality	41%

List the work areas / functions where diversity of customers are monitored.

Employees are the customers of the HR Service. Diversity is monitored as part of the recruitment process and through the Equality Monitoring Audit in iTrent.

Describe any initiatives to increase the percentage of equality monitoring data held for the workforce.

Equalities monitoring information is regularly reviewed with measures in place to collate missing diversity data from employees. The introduction and pilot of iTrent in schools has begun, should the pilot be successful, this will enable school based employees to enter their information on iTrent, therefore increasing the quality of data held for the workforce.

Provide examples of initiatives to promote equality, eliminate discrimination and promote good community relations.

Continue to adopt and promote logos on emails and the Flintshire County Council website such as the 'two ticks', Age Posi+ive, and Stonewall Cymru.

Percentage of all employees who have completed the Welsh Language Skills Audit (Source: I-Trent)

Headcount 2014/15	7,024
Welsh Language Skills Audit	1,565
Audit Completed %	22.28%

Percentage of all employees (except schools) who have completed the Welsh Language Skills Audit (Source: I-Trent)

Headcount 2014/15 (Non-Schools)	3,454
Welsh Language Skills Audit	1,380
Audit Completed %	40%

Describe any initiatives undertaken to increase the number of Welsh speakers applying for jobs

All letters, applications packs and correspondence can be provided in the preferred language, whether it be in English or Welsh. Adverts are bilingual.

The number and percentage of staff (Welsh speakers and learners) who have

received training in the Welsh Language to a specific level of competence.

Level	Number	Percentage
Basic Language Skills	12	9.45%
Entry	22	17.32%
Foundation	8	6.30%
Intermediate	0	0.00%
Advanced	0	0.00%
Proficient	0	0.00%

The number and percentage of staff in the organisation who can speak Welsh.

Portfolio	Number	Percentage
Chief Executives	4/52	7.69%
Community & Enterprise	14/415	3.37%
Education & Youth	19/330	5.76%
Governance	8/127	6.30%
Organisational Change 1	17/443	3.84%
Organisational Change 2	5/211	2.37%
People & Resources	9/174	5.17%
Planning & Environment	12/184	6.52%
Social Services	26/1,020	2.55%
Streetscene & Transportation	13/540	2.41%

Grade of Post	Number	Percentage
A	2	0.06%
B	6	0.17%
C	8	0.23%
D	17	0.49%
E	14	0.41%
F	13	0.38%
G	16	0.46%
H	17	0.49%
I	13	0.38%
J	14	0.41%
K	4	0.12%
L	3	0.09%
M	0	0.00%

Appendix 1 - Performance Indicators

Key



R	Target significantly missed or likely to be missed by a significant margin
A	Target missed or likely to be missed but within an acceptable level
G	Target achieved / exceeded or on track to be achieved / exceeded

The RAG status of the indicators for the **year end position** are summarised as follows: -

R	1	A	1	G	0
----------	----------	----------	----------	----------	----------

Note 1 – NSI = National Statutory Indicator PAM = Public Accountability Measure

Note 2 – Change (Improved / Downturned) is based on comparison with the previous reporting period. 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 / PAM (Note 1)	Annual Outturn 2013/14	Annual Target 2014/15	Year End Outturn 2014/15	RAG	Change e.g. Improved / Downturned (Note 2)	Commentary
CHR/002: The number of working days / shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	PAM	10.38 days / shifts	9.6 days / shifts	10.66 days / shifts		Downturned	Unfortunately, there is a downward trend against 2013/14. We have not met the annual target of 9.60 FTE Days Lost. Measures are in place to reduce sickness absence across the authority.
% of undisputed invoices paid on time within 32 days	Local	91.3%	95%	88%		Improved	Reduced resources in team impact on ability to meet target. That said, this still identifies an increase compared to the Mid-Year report.

Appendix 2 – High Level (Red) Net Risks

Risk to be managed – Attendance Management

Gross Score (as if there are no measures in place to control the risk)			Current Actions / Arrangements in place to control the risk	Net Score (as it is now)			Future Actions and / or Arrangement to control the risk	Manager Responsible	Risk Trend	Target Score & Date (when all actions are completed / satisfactory arrangements in place)			
Likelihood	Impact	Gross Score		Likelihood	Impact	Gross Score				Likelihood	Impact	Gross Score	Date
(L)	(I)	(LxI)		(L)	(I)	(LxI)			(L)	(I)	(LxI)		
M	H	R	Continued programme of attendance management reporting and action planning across each Portfolio. 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.	M	H	R	Managing attendance at work remains a priority for the Portfolio's and continued measures are in place to keep absences to a minimum wherever possible.	Chief Officer – P&R	↑	L	L	G	31/03/2016