Quarterly Performance Report – Human Resources & Organisation Design

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**Report Period** Quarter 1 (1st April 2012 to 30th June 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)

RAG Status

RED equates to a position of under-performance, downward trend, non-achievement of target, non-achievement of action milestones.	R
AMBER equates to a mid position where improvement may have been made (i.e. improved trend) but the target for the year is unlikely to be reached, or where action milestones have been deferred or narrowly missed.	A
GREEN equates to a position of positive trend on performance, meeting target and achieving action milestones.	G

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:

Customer	The iTrent People Manager (manager self service) has continued to be rolled out across the Directorates. Additional features include on-line expense claims, the requirement to record all car details including valid insurance and MOT certificates to ensure employees claiming business mileage are fully compliant with legislation. The expenses module is now being piloted in two areas and will continue to be rolled out across Flintshire in the next few months. Progress continues to be made on the HR and OD review. A revised implementation date has been agreed of October 2012. The design of the jobs ready for job evaluation is being finalised. Good progress is being made in the redesign of processes within the HR service centre.
Change	Support and guidance continues to be provided on the design and implementation of new service structures. Further preparation work is taking place on developing guidance for managers on Organisational Design principles and in managing change successfully, which will be accompanied by a Development Programme for managers, commencing early in 2013 following the implementation of Single Status. The focus in HR continues to be on supporting and coaching managers in taking a consistent approach to conducting and managing Service Reviews and having access to specific guidance and expertise in organisational and job design and the completion of GLPC Job Evaluation Questionnaires. Tools such as the 'Jobs at this Level' framework are being developed to support consistent job design at each level of the organisation
Capacity	The appraisal system for Senior Management has been further developed to incorporate the assessment of behaviours against the core competencies. The iTrent system includes a module for recording / capturing appraisal information which will enable the organisation to track the completion of annual appraisals.
Consolidation	For Single Status, Pay Modelling to design a new Pay and Grading structure has commenced in partnership with the Joint Trade Unions. A number of models have been developed to test design principles – this work is on-going. Good progress has been made in developing a strategy for settling Equal Pay claims. Briefings for Members to provide information on Single Status and Equal Pay and the next stage priorities are planned for July.
Collaboration	The new partnership agreement between Flintshire's Occupational Health Service and Wrexham County Borough continues to operate effectively. Performance indicators for service delivery to WCBC have

	been met and customer feedback continues to indicate high satisfaction levels.

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.

<u>**KEYS**</u>

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	Nov 2012	A	A	Please see paragraph 3a (Date for full implementation under review)
3.2 Negotiate an Equal Pay Settlement	Nov 2012	A	A	Please see paragraph 3a (Date for full implementation under review)
3.3 To complete the review of human resources policies as a modern employer	Sept 2012	G	G	On track to complete by Sept 2012

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	Nov 12
CG11 Terms and Conditions of Employment	A	A	Nov 12
CG16 Workforce and Succession Planning	A	A	Nov 12

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	3.21	2.30	2.67	A	Downturned (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. Absence reporting containing trigger reports produced on a monthly basis are issued to managers and with the support of the HR team, focus is made on frequent, short term absences, return to work interviews with employees to understand any underlying issues affecting attendance at work. Where necessary capability measures are taken including first stage disciplinary to address poor attendance.	✓

	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.		

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		
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.	✖ ✓	New HR and OD Service Review has a revised deadline of October 2012 as per the revised People Strategy Action Plan – following full consultation with customers to assess their requirements. Job Evaluation panels are scheduled in August. The Process mapping for the new Employment Services team and the development of Standard Operating Procedures are near completion. Phase II of iTrent – Employee and Manager Self Service rollout is complete to all IT users. The project is progressing well with the rollout of the Expenses module which is currently being piloted and the development of the Learning module due to commence in August 2012. This project will carry forward into the new 2012 – 2015 People Strategy.
To develop a 'world class' HR service; supporting the facilitation of change; developing and retaining talent in the organisation	✓	See above
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 due to commence in Sept 2012 and will carry forward into the new People Strategy.
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.
Capacity		
To promote desired behaviours, in line with the 'Flintshire Competency Dictionary' across the organisation	✗	This project has been deferred as per revised People Strategy Action Plan. To be reviewed as part of Flintshire Futures Programme priorities – 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.
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 Councils', this is to be adapted for use within Flintshire County Council. This will carry forward into the new People Strategy.
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	✓	Full participation in Collaborative working – e.g. sharing and co-development of HR policy and Outplacement services. Work has taken place to identify the policies that will be developed collaboratively. A Working group has been set up to identify areas of priority. This piece of work will carry forward into the new People Strategy.
To develop good practice principles and capacity to lead and participate effectively in collaborative working projects	✓	Development and implementation of a Human Resources Toolkit for Collaboration and Integration Projects is under development. Initially the toolkit has been developed to support Conwy and Denbighshire Highways and Infrastructure Integration Project. This toolkit will be further developed for wider use across North Wales. For

		example Schools Improvement Project and the North Wales Support Services Review.
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 should 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	Payroll - June 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 – comment / position remains unchanged from end of year reporting). Whilst all three parties (Members, Senior Management and Trade Unions) are all fully committed to delivering the project, there are still a number of risks within the project and key milestones where delays may occur and over which we have limited control (for example, the outcome of the Trade Union Ballot). The attainment of the three elements of legal, acceptable and affordable will be subject to funding availability, successful negotiation with the Trade Unions, Senior Management 'sign off' and Member approval and implementation will be dependent on a successful outcome from the Trade Union Ballot. This project is being carefully managed and monitored to mitigate these risks and to avoid delays occurring. At this stage, the project is 'on track' although it is acknowledged that appropriate time must be given Members in the new administration to gain full awareness and appreciation of Single Status and Equal Pay to enable Members to make the decision on a proposed Collective Agreement later this calendar year. The date for full implementation of Single Status Agreement is under review.

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.

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 including first stage disciplinary to address poor attendance. 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.

3c - Service Plan Monitoring.

As reported in the end of year Performance report, The People Strategy Action Plan, which is incorporated into the HR and OD Service Plan, was reviewed in October 2011 to better reflect the organisation's key priorities. The project / action - *To promote desired behaviours, in line with the 'Flintshire Competency Dictionary' across the organisation'* was deferred to allow the organisation to manage and deliver more pressing priorities such as Single Status and Equal Pay. This project is still viewed to be relevant and important and will be reconsidered in the context of the Flintshire Futures Programme over the coming weeks.

3d - Internal and External Regulatory Reports

Payroll - Final Internal Audit Report - HR0150R1

> The Final Internal Audit Report set out to evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. Control activities are put in place to ensure that risks to the achievement of the organisation's objectives are managed effectively.

> The conclusion made in relation to Payroll was as follows:

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

> One fundamental recommendation was made, which would normally result in a limited assurance opinion. However, on this occasion the audit opinion has been changed from limited to adequate assurance because the fundamental recommendation was attributable to a problem identified within the Midland Trent Payroll System and was outside of the control of the department. It was felt that overall the control environment within Payroll was operating satisfactorily.