

Report of	Meeting	Date
Corporate Director (Human Resources)	Corporate and Customer Panel	25 September 2007

BUSINESS IMPROVEMENT PLAN MONITORING STATEMENT – HUMAN RESOURCES DIRECTORATE

PURPOSE OF REPORT

1. To report progress against the key actions and performance indicators included in the Human Resources Business Improvement Plan for the first quarter of 2007/08.

RECOMMENDATION(S)

2. To note the report and actions included in it.

EXECUTIVE SUMMARY OF REPORT

3. The first quarter of the year has seen the Human Resources Directorate making good progress against the actions outlined in the business improvement plan, in addition to providing general HR advice and supporting Directorates in recruitment campaigns following major restructures in April this year.

Progress has been made in the following areas:

- Job Evaluation
- Policy Framework with a number of new policies adopted
- Significant Improvement in BVPI 12 Sickness Absence

4. The Directorate is still subject to its own restructure which will be presented to Cabinet in October for approval, therefore temporary appointments have been extended to maintain current service levels.

CORPORATE PRIORITIES

5. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the central Lancashire sub region		Improved access to public services	
Improving equality of opportunity and life chance		Develop the character and feel of Chorley as a good place to live	
Involving People in their Communities		Ensure Chorley is a performing Organisation	✓

BACKGROUND

6. The Business Plan monitoring reports progress against the key actions and performance indicators included in the 2007/08 Business Improvement Plan for the Human Resources Directorate. The report covers the period of 1 April to 30 June 2007.

BUDGET UPDATE

SERVICE LEVEL BUDGET MONITORING 2007/2008

HUMAN RESOURCES

JUNE 2007	£'000	£'000
ORIGINAL CASH BUDGET		483
Add Adjustments for In year cash movements		
Transfer from Earmarked Reserve		17
Slippage from 2006/2007		36
Virements for other Services		
- Transfer of Health & Safety from H.R. to Finance		(34)
ADJUSTED CASH BUDGET		502
Less Corporate Savings:		
CURRENT CASH BUDGET		502
FORECAST		
EXPENDITURE		
- Young Persons Development costs		(2)
- Consultants fees	3	
- Agency staff		(4)
- Legal fees	3	
Expenditure under (-) or over (+) current cash budget		-
INCOME		
- Staff secondment		(8)
Income under (+)/ over (-) achieved		(8)
FORECAST CASH OUTTURN 2007/2008		494

Key Assumptions

- Young Persons Development 1.5 FTE, £5K costs per person per year
- Job Evaluation pay modelling additional costs to be funded from a combination of savings already achieved (JE Reserve £17,477) and virement to be identified from within Human Resources.

Key Issues/Variables

The income from staff secondment has risen to match agreed increased salary costs.
 A 6 months contract extension for temporary/agency staff has been included, to maintain current levels of service, pending the restructuring of the Human Resources Directorate.

Key Actions

Closely monitor activity against JE and Training budgets.

SERVICE DEVELOPMENTS

7. During the first quarter the following key actions were due to be completed, progress against these actions is summarised in the table below:

Milestone	Progress
Job Evaluation - Negotiate job ranking/pay line and pay system with the Trade Unions. Undertake an equal pay audit Seek Council approval to the recommended pay and grading structure.	Actions Completed
Establish a Middle Managers Forum	Action Completed - Top 50 Middle Managers Forum established. Two forums have already been held with regular forums scheduled throughout the year.
Establish policy framework timetable and action plan	Action plan produced, joint work is underway on policy development with a neighbouring Authority. A number of policies following consultation with the Trade Unions have been equality impact assessed and adopted.
Review and set challenging BVPI targets for 2007/08 in relation to race, gender and disability. Appoint a HR Champion on Equalities Establish a cross directorate Equality and Diversity Steering Group.	Challenging targets have been set and a HR Champion has been appointed. Work is currently underway with Policy and Performance on establishing a Steering Group and identifying appropriate diversity training.

8. The Job Evaluation project is almost complete with only a handful of posts still requiring moderation following recent changes as a result of restructures. It is envisaged that all employees will be notified individually of their JE score and how it may affect their pay and grade in early October. The JE project has taken a lot of the Directorates time and resources and will continue to do so until any appeals as a result of JE are completed.

9. In addition to the actions identified and completed in the first quarter, significant work has already been carried out on the key task of 'Promoting a Healthy Workforce'. An in depth analysis on trends and reasons for absence has been completed and the planned review of the Councils Occupational Health Contract is almost complete. Sickness absence has seen a significant reduction on last years figure. Although the winter period historically sees an increase in sickness absence it is envisaged that with the current stringent management of absence together with future actions planned, that the BVPI12 target of 9.22 days for the year will be achievable.

PERFORMANCE INDICATORS

10. Set out in the table below is a summary of the key performance indicator data for the first quarter

Indicator Description	Target at 31 July 2006	Performance at 31 July 2006	Comments
BVPI 11a % Of Women in Top % of Earners	35	32 Blue Circle	
BVPI 11b Black and Ethnic Minority Employees in top 5% of earners	0.5	0 Red Triangle	
BVPI11c Disabled employees in top 5% of earners	9.57	11.11 Green Star	
BV012 Days/ Shifts Lost to sickness (Corporate)	2.3	1.73 Green Star	
BV14 Early Retirements	0.43	0.31 Green Star	
BV15 Ill Health Retirements	0	0 Blue Circle	
16a % Disabled employees	4.02	3.44 Red Triangle	
BV17a % Ethnic Minority Employees	1.95	2.01 Blue Circle	
Human Resources- Sickness Absence	2.3	0 Green Star	
Human Resources - Invoices Processed within 30 working days	96.7	84.92 Red Triangle	

11. In summary the position is as follows:

Status	Number
Green Star	4
Blue Circle	3
Red Triangle	3

12. Overall performance is positive, but the following indicators have not reached their targets in the first quarter:

1. Black and Ethnic Minority Employees in top 5% of earners.

The % of Black and Ethnic Minority Employees in total in the workforce reflects the community profile of approximately 2%. However, a target of 5% has been set for the top 5% of earners as anything less than this equates to less than 1 employee. Although this % was not achieved in the first quarter, it has now been achieved and should be reported as a green star in the next quarter monitoring statement.

2. % of Disabled Employees.

The % of employees who consider themselves to have a disability has not achieved the target of 4.02 despite positive action continuing on recruitment advertising etc. Further actions are planned to encourage applicants who are disabled to apply for positions within the Council. A refresh of current employees personal data is scheduled this year to capture any employee who now considers themselves to have a disability who may have not previously declared this.

3. Human Resources – Invoices processed within 30 working days.

As a result of some problems early in the first quarter that have now been rectified, the BVPI is well below the Directorates target. Actions and processes have now been adopted that has seen an improvement in the latest figures. Every effort is now being made within the Directorate to continually improve this figure.

RISK MANAGEMENT UPDATE

13. A major risk to the performance and achievement of not only the Human Resources Business Improvement Plan is the Council wide Job Evaluation that is currently underway and the subsequent pay and rewards scheme that the Council will adopt in the future. Management and Trade Unions officials have worked together on the job evaluation project, with constructive and meaningful negotiations taking place between the two sides. This has resulted in we believe to be an appropriate equality proof pay and grading structure, that will enable the Council to continue to deliver on its priorities within all its Business Improvement Plans. All employees have been regularly updated on JE progress via road shows, core brief, and updates on the Loop to alleviate any concerns.

14. The Directorate is subject to a restructure with effect from the 1st January 2008. A structure that is fit for purpose aligned to the needs of the service will be proposed at the Executive Cabinet in October. At present there are 2 Senior HR Advisors on maternity leave and a further 1 seconded to the NWIN project. Service has been maintained at this time by extending temporary contracts within the team to cover these absences.

VALUE FOR MONEY AND EFFICIENCIES UPDATE

15. Set out in the table below is a summary of the progress against the expected efficiency gains for 2007/08.

	ESTIMATED VALUE OF GAIN £	VALUE OF GAIN ACHIEVED IN FIRST QUARTER £
Procurement of Occupational Health Service	5,000	0
Restructure of the HR Directorate	67,940	0
Total	72,940	0

16. Although considerable work has already taken place on both these actions, the savings are expected to materialise later in the year.

EQUALITY AND DIVERSITY UPDATE

17. During this quarter as planned the BVPI targets for 2007/08 in relation to race, gender and disability has been reviewed and challenging targets set.
18. All members of the Directorate have attended Equality and Diversity training briefing sessions. This included assessing the new policies that have been adopted in accordance with the Councils Equality Impact Assessments.
19. The HR Champion on Equalities has been appointed within the Directorate and has worked closely with the Policy and Performance Directorate to revise the induction programme for new starters to ensure they are made aware of the Council's Equality Scheme.

IMPLICATIONS OF REPORT

20. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	✓
Legal			

COMMENTS OF THE DIRECTOR OF POLICY AND PERFORMANCE

21. The actions outlined above will support the delivery of the Council's Equality Scheme approved by Cabinet in December 2006.

LORRAINE CHARLESWORTH
CORPORATE DIRECTOR (HUMAN RESOURCES)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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