

Report of	Meeting	Date
Corporate Director (Human Resources and Organisational Development)	Corporate and Customer Overview and Scrutiny Panel	11 March 2008

BUSINESS IMPROVEMENT PLAN MONITORING STATEMENT – HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT DIRECTORATE

PURPOSE OF REPORT

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

RECOMMENDATION(S)

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

EXECUTIVE SUMMARY OF REPORT

14. The Human Resources Directorate continues to make good progress against the actions outlined in the business improvement plan.

Specific progress has been made in the following areas:

- Job Evaluation
- Promoting a healthy workforce
- Completion of Directorate restructure

The workforce plan was due to commence in September with a completion date of March 2008. Due to the Directorate restructure and the Job Evaluation process, which has taken a considerable amount of the Directorates resources, the workforce plan project did not commence until January 2008. This is still scheduled for completion at the end of March with additional resources being committed to the project.

REASONS FOR RECOMMENDATION(S)

15. To ensure members of the Corporate and Customer Scrutiny Panel are updated on the performance of the Human Resources Directorate.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

16. None.

CORPORATE PRIORITIES

17. 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

18. 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 October 2007 to the 31 December 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)

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

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

Milestone	Progress
Job Evaluation – Adopt the new pay policy Undertake employee appeals	Actions Completed
Introduce a Middle Managers Development Programme	This action has now been incorporated within the current review of the Councils Competency framework, which will influence the development programme.
Establish a policy framework timetable and action plan	A number of policies following consultation with the Trade Unions have been equality impact assessed and adopted.
Promote a healthy workforce Review the Councils Occupational health contract Achieve Health Works Award	Introduced health and wellbeing area on the loop Completed – new provider with effect from 1 st April 08 Achieved Bronze and Silver Awards

Include equality monitoring questions in customer satisfaction surveys and audit responses	Actions adopted
To provide a fit for purpose Directorate structure aligned to the needs of the service	Restructure Completed

The workforce plan was due to commence in September with a completion date of March 2008. Due to the Directorate restructure and the Job Evaluation process, which has taken a considerable amount of the Directorates resources, the workforce plan project did not commence until January 2008. This is still scheduled for completion at the end of March with additional resources being committed to the project.

PERFORMANCE INDICATORS

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

Indicator Description	Target at 31 Dec 07	Performance at 31 Dec 07	Comments
BVPI 11a % Of Women in Top % of Earners	35	37.5 Green Star	
BVPI 11b Black and Ethnic Minority Employees in top 5% of earners	0.5	6.25 Green Star	
BVPI11c Disabled employees in top 5% of earners	9.57	6.25 Red Triangle	
BV012 Days/ Shifts Lost to sickness (Corporate)	6.93	5.53 Green Star	
BV14 Early Retirements	0.43	2.16 Red Triangle	
BV15 Ill Health Retirements	0	0 Blue Circle	
16a % Disabled employees	4.02	3.56 Red Triangle	

BV17a % Ethnic Minority Employees	1.95	2.74 Green Star	
Human Resources- Sickness Absence	6.93	1 Green Star	
Human Resources - Invoices Processed within 30 working days	96.7	93.15 Blue Circle	

In summary the position is as follows:

Status	Number
Green Star	5
Blue Circle	2
Red Triangle	3

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

- % of disabled employees in the top 5% of earners
- % of disabled employees

The % of employees in the top 5% of earners who consider they have a disability has reduced in the third quarter as a result of a senior management restructure. A refresh of workforce data is currently being undertaken, which may identify employees who consider him/herself to have a disability since personal details were previously updated almost 3 years ago. Positive action will continue to encourage applicants from all sections of the community to apply for vacant posts within the Council. although the best possible applicant will always be appointed regardless of gender, age, disability, race, religion and belief or sexual orientation.

- % of early retirements

As a result of Directorate restructures significant staffing savings have been achieved as a number of people left the Authority. Due to statutory notice periods and the requirements of the service 3 employees whose employment had been due to terminate before the 1st April 2007 did not retire until after this date. Their early retirement was therefore moved forward into the 2007/08 monitoring period. A senior management restructure which achieved substantial staffing savings in the last quarter resulted in an increase in the percentage.

RISK MANAGEMENT UPDATE

21. A major risk to the performance and achievement of not only the Human Resources Business Improvement Plan has been the introduction of Job Evaluation. Examples from other Councils have included severe disruption to services, a drop in staff morale and a breakdown in industrial relations. Management and Trade Unions officials have worked together on the job evaluation project, with constructive and meaningful negotiations taking place between the two sides therefore reducing the risk. All employee appeals have now been completed, however employees are still entitled to submit equal pay claims if they believe they have been treated unfairly.
22. Prior to the effective date of the Directorate restructure, service has been maintained by extending temporary contracts to cover maternity leave and a secondment. The restructure was on target to be completed by the end of December, which would see a fit for purpose structure aligned to the needs of the service.

VALUE FOR MONEY AND EFFICIENCIES UPDATE

12. 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 THIRD QUARTER £
Procurement of Occupational Health Service	5,000	0
Restructure of the HR Directorate	67,940	0
Total	72,940	0

The Directorate restructure has been completed and efficiency gains will be materialised in the fourth quarter, however, due to the extension of temporary contracts to cover maternity leave and secondments the efficiencies estimated will not be fully achieved in this financial year.

Tighter monitoring of the current Occupational Health Contract has seen significant efficiency savings. Following a review of the contract the provider will change with effect from the 1st April 2008 when we will see an improvement in the service provided although the savings will still be maintained.

EQUALITY AND DIVERSITY UPDATE

13. As outlined in the key actions earlier, a number of HR policies have been introduced in the last quarter that have been equality impact assessed in accordance with the Councils Equality Scheme.

IMPLICATIONS OF REPORT

14. 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 ASSISTANT CHIEF EXECUTIVE (POLICY AND PERFORMANCE)

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

LORRAINE CHARLESWORTH
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There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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