

Report of	Meeting	Date
Corporate Director (Human Resources and Organisational Development)	Overview and Scrutiny Committee	19 May 2008

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

### **PURPOSE OF REPORT**

1. To report progress against the key actions and performance indicators included in the HR and OD Business Improvement Plan for the final quarter of 2007/08.

### **RECOMMENDATION(S)**

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

### **EXECUTIVE SUMMARY OF REPORT**

3. The Directorate has made significant progress against key actions within the business improvement plan including successful implementation of the JE project within budget and with minimal disruption to staff and service delivery, development of a Health and Wellbeing strategy resulting in a move from bottom to top quartile in sickness absence during 07/08 and the introduction of a workforce development plan.

Performance has seen an improvement in the number of BVPIs identified as green stars.

The budget shows an overspend due to recruitment advertising and staffing costs for which there are explanations for within the report.

### **CORPORATE PRIORITIES**

4. 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**

5. The Business Plan monitoring reports progress against the key actions and performance indicators included in the 2007/08 Business Improvement Plan for the HR and OD Directorate. The report covers the period of 1 January 2008 to 31 March 2008.

## 6. SERVICE LEVEL BUDGET MONITORING 2007/2008

### HUMAN RESOURCES

OUTTURN 2008 £'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

(40)

- Insurances 2007/08

(1)

#### ADJUSTED CASH BUDGET

495

Less Corporate Savings:

#### CURRENT CASH BUDGET

495

#### FORECAST

##### EXPENDITURE

- Staffing	21
- Recruitment Costs	28
- HR Approved Occ Health Fees	4
- Professional Fees	4
- Lead Consultants Fees	3
- Job Evaluation	1
- Legal Fees	3
- Boton Council	(3)
- Agency Staff	(7)
- Car Leasing Payment	(6)
- Training	(2)
- Insurance	(1)
- Parking Permits	(2)
- Other	(3)

Expenditure under (-) or over (+) current cash budget

40

##### INCOME

- Staff secondment

(12)

Income under (+)/ over (-) achieved

(12)

#### FORECAST CASH OUTTURN 2007/2008

523

##### Key Assumptions

- 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 decreased as post holder left the authority in Jan '08

A 6 months contract extension for temporary/agency staff has been included, to maintain levels of service pending restructure of Directorate

Training savings earmarked for slippage to 08/09 (£8K)

##### Key Actions

Closely monitor activity against Recruitment and Training budgets.

The budget shows an overspend during the year due to a number of temporary positions that were extended in order to maintain service delivery particularly during job evaluation, whilst two Senior HR Officers were on maternity leave. The restructure of the Directorate now ensures a fit for purpose structure with a multi skilled team that is able to adapt to the changing needs and priorities of the Authority within the salary budget outlined for 2008/09.

The recruitment to a number of key positions including Corporate Director Neighbourhoods and Head of Legal Services has resulted in an overspend in the recruitment advertising budget. The purchase of an on line recruitment software package and the joint commitment with other Lancashire Authorities to a Lancashire Portal should assist in a reduction in advertising costs.

## SERVICE DEVELOPMENTS

7. During the fourth quarter the following key actions have been undertaken.

Milestone	Progress
Job Evaluation – Adopt the new pay policy Undertake all outstanding employee appeals	Actions Completed
Produce a workforce development plan	Draft workforce development plan currently being consulted on with staff and trade union.
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.
Introduce a comprehensive health and wellbeing strategy Achieve Health Works Award Achieve top quartile BVPI 12	Actions Completed Achieved Bronze and Silver Awards Sickness reduced from 10.32 days to 7.79 days
E enable HR services	Computerised all paper based personal files Archived onto DVD all paper based leavers personal files Draft online recruitment software package produced
To provide a fit for purpose Directorate structure aligned to the needs of the service	Restructure effective from 1 <sup>st</sup> January 2008

## PERFORMANCE INDICATORS

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

Indicator Description	Target 2007/08	Performance at 31 March 2008	Comments
BVPI 11a % of women in top 5% of earners	35	37.5	Green Star
BVPI 11b % of black and ethnic minority employees in top 5% of earners	5.0	6.25	Green Star
BVPI 11c % of disabled employees in top 5% of earners	9.57	6.25	Red Triangle
BVPI 12 number of days lost to sickness absence (corporate)	9.22	7.79	Green Star
BVPI 14 % of early retirements	0.43	2.47	Red Triangle
BVPI 15 % of ill health retirements	0	0	Blue Circle
BVPI 16a % of disabled employees as % of workforce	4.02	4.49	Green Star
BVPI 17a % of black and ethnic minority employees as % of workforce	1.95	2.53	Green Star
Human Resources number of days lost to sickness absence	9.22	1.46	Green Star
Human Resource invoices processed within 30 working days	96.7	94.6	Blue Circle

In summary the position is as follows:

Status	Number
Green Star	6
Blue Circle	2
Red Triangle	2

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

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

As a result of Directorate restructures significant staffing savings have been achieved as a number of people left the Authority on early retirement. The senior management restructure which achieved substantial savings in the third quarter also resulted in a reduction of employees in the top 5% of earners who considered they had a disability.

## RISK MANAGEMENT UPDATE

9. A major risk to the performance and achievement of not only the Human Resources Business Improvement Plan has been the implementation 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, and 15 employees have submitted equal pay claims that are currently being dealt with.

The restructure of the Directorate previously identified as a risk, was successfully implemented with effect from the 1<sup>st</sup> January 2008.

## VALUE FOR MONEY AND EFFICIENCIES UPDATE

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

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

The efficiency gains expected as a result of the Directorate restructure have not materialised in this financial year due to the extension of temporary contracts to cover maternity leave and the delay in the implementation of the restructure.

Tighter monitoring of the Occupational Health Contract has seen savings, following a review of the contract the provider was changed with effect from the 1<sup>st</sup> April 2008, this will improve the service provided and increase efficiency savings.

## EQUALITY AND DIVERSITY UPDATE

11. 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

12. 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

13. The actions outlined above will support the delivery of the Council's Equality Scheme.

LORRAINE CHARLESWORTH  
CORPORATE DIRECTOR (HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT)

There are no background papers to this report.

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Lorraine Charlesworth	5159	09/05/08	