

PER52
FOR DECISION
WARD(S): GENERAL

PERSONNEL COMMITTEE

9 June 2003

SUMMARY OF PERSONNEL DEPARTMENT ACTUAL EXPENDITURE 2002/03

REPORT OF THE DIRECTOR OF PERSONNEL

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RECENT REFERENCES:

PER 42, Personnel Department Performance Monitoring, 26 March 2003
PER 40, Personnel Department Performance Monitoring, 5 February 2003

EXECUTIVE SUMMARY:

This report sets out the actual expenditure for 2002/03 for the services coming under the control of the Director of Personnel. The total budget variance for these services as detailed in Appendix A is a net underspend of £2,638. However excluding the management overheads savings it becomes an overspend of £2,592.

This mainly consists of vacancy management and corporate training offset by consultancy and job evaluation appeal costs.

The Corporate Health Indicators and Local performance Indicators are also shown for the period 1 April 2002 to 31 March 2003.

RECOMMENDATION:

That the report be noted

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DETAIL:

1. Introduction

- 1.1 This report sets out the actual expenditure for 2002/03 for this Committee's services coming under the responsibility of the Director of Personnel.
- 1.2 The Appendix to the report gives a summary of actual expenditure showing variances from the working budget. Significant variances are detailed below.
- 1.3 More detail of the services can be found in the Budget Book 2003/04 on pages 37 to 41.

2. Significant Variances

2.1 Significant variances between the actual expenditure and the revised budget are as follows (Appendix A, col 5 refers):

a) **Personnel Trading Account (£7,701) (Row a)** – main variances being

Employees	(£6,765)
Supplies & Services	£8,525
Management Overheads	(£8,879)
	<u>(£7,119)</u>

- (i) The employee variance is due to the temporary Business Manager not being in post for the full employment period and a member of staff working less hours following staff return from maternity leave.
- (ii) There were overspends on publications and consultancy on policy matters, offset by savings on internal printing and software maintenance.
- (iii) Management overheads savings were made as a result of a reduction in corporate and best value charges.

b) **Employee Related Expenses £5,063 (Row d)** main variances being

Employees	(2,905)
Premises	1,340

Supplies & Services	2,310
Management Overheads	2,234
Income	(1,245)
Job Evaluation Expenses	3,329

- (i) The employees variance is mainly due to an overall saving in corporate training related to an underspend on IT training and a delay in the implementation of the Management Development Programme. However there is an overspend in the staff welfare budget due to an increase in the number of long term sickness cases and the investment in Health at Work initiatives. Also contributing to this overspend is the payment for chiropractor/osteopath services related to occupational health cases. This overspend is offset by savings in the recruitment and relocation budgets which are demand led.
- (ii) The overspend in the premises head relates to the rent paid to the Guildhall for the Staff Canteen and to the room hire for induction courses. The actual amount paid was higher than anticipated when setting the budget.
- (iii) There is an overspend in the employee expenses supplies and services budget head in legal costs. This relates to additional legal advice on disciplinary matters.
- (iv) The Management Overhead overspend is the office accommodation cost which was reallocated over all departments at the yearend resulting in a small overspend.
- (v) Income of £1,245 was generated from offering training courses with spare capacity to external sources.
- (vi) Job Evaluation expenses overspend consists entirely of costs of appeal panels, specifically training for appeals panel members, the use of Hay advisers and external clerks for stage three appeal panel hearings and associated expenses such as travel expenses.

3 Performance Indicators

- 3.1 The end of year figures for the Corporate Health Indicators and the local performance indicators are shown in Appendix B. There are no significant changes in the Corporate Health Indicator information. However, the number of days sick per member of staff has shown a slight increase and this is of concern compared to the national average figures for sickness absence. The number of long term sickness cases has increased over this period (cases of 40 days or more absence) these are being monitored closely with regular referrals to the Council's Occupational Health Specialist. Sickness and Absence Management is a key priority and is being addressed as outlined in the business plan for the current year with the implementation of the Sickness and Absence Management Policy.
- 3.2 The local performance indicators show a significant reduction in the number of disciplinary cases investigated. There has also been a reduction in the number of

women leaving to go on maternity leave. There has been an increase in the number of long term sickness cases as outlined above.

3.3 There has been a significant increase in the number of posts evaluated using the NJC job evaluation scheme. This reflects new posts being evaluated, the deadline for submissions to a panel for the original appeals being set for 30 March 2003 and regrading requests following significant changes to posts. The job evaluation (JE) post reviews figure reflects the following :-

- 8 post appeals (stage 2) on the original scoring for NJC Job Evaluation scheme.
- 4 post appeals (stage 3) on the original scoring for NJC Job Evaluation scheme.
- 3 post appeals (stage 3) on the original scoring for HAY JE scheme
- 20 post regradings using the NJC Job Evaluation scheme
- 8 post appeals on the regrading (stage 2) using the NJC Job Evaluation scheme
- 7 post appeals on the regrading (stage 3) using the NJC Job Evaluation scheme
- 19 new posts graded and sorethumbbed.
- 2 new post appeals (stage 2) using the NJC Job Evaluation scheme

4 Business Plan

4.1 The objectives in the Personnel Department Business Plan 2002/03 have been carried over to form part of the current year's key objectives as previously highlighted. These objectives relate directly to a wider review of flexible working planned for the current year. All other objectives identified in the business plan for last year were completed with the exception of the Recruitment Advertising contract, the Telephone Counselling contract and the Agency workers Policy and Procedure all of which are ongoing and due to be completed in the current year.

4.2 Whilst a major element of the work of the Personnel Department is reactive and demand led, the current business plan objectives which were agreed at Cabinet (CAB 609) are on target. Detailed progress on the business plan will be report to the next committee.

5 Definitions

5.1 A glossary of financial terms is included on pages 165 to 172 of the Budget Book 2002/03, but some common expressions used in this report are shown below.

5.2 Original Budget – Budget approved by the Council in March 2001 as part of setting the Council Tax for 2001/02 (and in March 2002 for 2002/2000).

5.3 Working Budget – Original budget revised to take account of changes that have happened during the year (virements and supplementary estimates).

5.4 Variance – the difference between actual expenditure and income and the working budget, expressed in £s and %.

5.5 Brackets () – around figures indicate credits. This covers variances where expenditure is less than expected or income is greater than expected.

5.6 Service Summary – a list of the services delivered to the public.

5.7 Subjective Summary – the type of expenditure incurred in delivering the services.

OTHER CONSIDERATIONS:

6 CORPORATE STRATEGY (RELEVANCE TO):

6.1 Monitoring of income and expenditure and review of the final position are an intrinsic part of measuring whether the Plan's objectives have been achieved.

7 RESOURCE IMPLICATIONS:

7.1 These are contained in the detail of the report.

BACKGROUND DOCUMENTS:

Operational and financial records held in the Personnel Department

APPENDICES:

Appendix A Summary of Service and Subjective Outturn 2002/03

Appendix B Corporate Health Indicators and Local Performance Indicators for 1 April 2002/ to 31 March 2003.