

PERSONNEL COMMITTEE

15 NOVEMBER 2004

PERSONNEL DEPARTMENT – PERFORMANCE MONITORING

REPORT OF THE DIRECTOR OF PERSONNEL

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RECENT REFERENCES:

PER68 - Personnel Department Business Plan, 2004/05, 8 March 2004

PER70 - Personnel Outturn Report, 2003/04, 15 July 2004

EXECUTIVE SUMMARY:

This report provides financial performance information to the end of September 2004 for the Personnel Department and contains an update on the Performance Indicators and the Personnel Department's progress against the key objectives set out in the Business Plan

RECOMMENDATIONS:

1. That the Committee's comments on the financial performance information and Performance Indicators be forwarded to Cabinet for consideration.

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### PERSONNEL DEPARTMENT – PERFORMANCE MONITORING

#### Report of the Director of Personnel

#### DETAIL:

##### 1. Introduction

1.1 This report sets out budget monitoring and other performance information to the end of September 2004.

1.2 Details of the Personnel Department services may be found in the budget book pages 3.1 to 3.6.

##### 2. Budget Monitoring

2.1 Appendix 1 shows the Budget Monitoring summary to the end of September 2004

2.2 Personnel trading account underspend (line a and K) of £5895 is due to salary savings where a part time temporary post was not remained vacant for two months and due to Chief Officers pay rise not yet paid.

2.3 The employee related expenses are showing an overspend of £14,655 (Line d). This is due to the staff welfare and recruitment budgets being overspent. There continues to be an increased number of Occupational Health referrals linked to the implementation of the Sickness Absence Management policy. The performance indicators shown in appendix 2 show an increase in turnover supporting an increased level of recruitment advertising.

2.4 There is an apparent underspend in Corporate training (line e) however, the outstanding monies have all been allocated to Corporate training which is programmed although this has not yet been paid for.

2.5 There is an overspend in Job Evaluation (line h and n) due to Job Evaluation assessments and appeals that have been heard.

##### 3 Managed Savings Carried Forward

3.1 There are no managed savings to be carried forward.

##### 4. Performance Indicators

4.1 The Corporate Health Indicators and the local performance indicators covering the period April 2004 to September 2004 are shown in Appendix 2. There are some changes in the Corporate Health Indicator information. There has been a slight decrease in the number of women in the top 5% of earners. However, this relates to the way in which the indicator is calculated and does not reflect an actual change in the numbers of women employed in those jobs. The method of calculation means that this indicator may continue to fluctuate in the future depending on turnover and organisational change.

- 4.2 The Corporate Health Indicators show there has been no change in the number of ethnic minority staff employed in the top 5% of earners.
- 4.3 Turnover is no longer included as a BVPI, but has been retained as a local indicator as it provides useful information on the stability of the organisation. Turnover has remained stable over the first two quarters at 3.7%. However, if turnover remains at this level over the next two quarters there will be a significant increase in our overall turnover level by the end of the year to put it above the national average of 11.2% (Labour Turnover 2003 – CIPD). There has been significant turnover in Planning Officers which is reflected across the country. Measures such as increasing flexible working have been introduced to try to address this as well as more innovative ways of recruiting in light of the current national shortage of qualified planning officers. There have also been a number of retirements across the Council.
- 4.4 There has been a further decrease in the number of days sick per member of staff, reducing from an average of 9.6 days per person in the year April 03 to March 04 to 8.8 days for the year October 03 to September 04. This is against a national average for Local Government of 11.5 days per employee (CIPD). This reflects the ongoing implementation of the Policy for the Management of Absence.
- 4.5 The number of referrals to Occupational Health has increased significantly which reflects the implementation of the Policy for the Management of Absence and the fact that absence cases are being dealt with and referred more quickly with a view to resolving any problems and rehabilitating the employee back into work. In a number of cases referrals take place as part of the managing absence procedure even though the employee has returned to work. This forms part of the support process for the employee to try to continue to reduce any future absence by exploring the options for adjustments to work either over the short term or on a permanent basis. The success of this policy is demonstrated by a considerable reduction in the number of long term sick cases.
- 4.6 The local performance indicators show a slight increase in the number of disciplinary cases investigated and no increase in formal grievances raised.
- 4.7 The number of posts evaluated using the NJC job evaluation scheme remains consistent with the previous year. This reflects new posts being evaluated and regrading requests following significant changes to posts. There have also been some significant organisation changes which have required posts to be re-evaluated. This is reflected in the increased number of posts evaluated under Hay. This is likely to increase over the coming period as a result of the departmental restructures referred to elsewhere on this agenda.
5. Equal Opportunities Monitoring
- 5.1 Appendix 3 shows the breakdown by gender, disability and race of current staff within the Council. The figures show that the split between male and female staff employed remains consistent from the last year. There has been a slight decrease in staff who have declared themselves disabled, however, this may change in the next quarter as an exercise has recently been carried out asking staff to check the personal information held on them. One of the areas checked relates to disability and it is likely that more staff will declare themselves to have a disability under the Disability Discrimination Act than are currently on record. There has been a slight increase in the percentage of staff from minority ethnic groups which remains a reflection of the ethnic make up of the local community. This number will fluctuate as headcount changes as a result of turnover levels and organisational change.

5.2 Appendix 4 shows a breakdown by gender, disability and race of applications received, applications shortlisted and those appointed. The information shows the total number of candidates appointed to vacant posts in the first two quarters. If this rate of appointments continues in the next two quarters, in addition to the implementation of the Customer Service Centre, the rate of appointments will be significantly higher than in the previous year. A total of 69 posts have been advertised over the first two quarters of which 3 were not filled and were re-advertised.

5.3 Whilst applications received from ethnic minority groups remain consistent, there has been a decrease in appointments of staff from minority ethnic groups over the first two quarters.

## 6 Business Plan 2003/2004

6.1 Whilst a considerable amount of the work of the department is reactive and demand led, the Business Plan provides information on the core activities which have been undertaken and shows the proposed developments and improvements of the service which were in response to changes in legislation, government and Council initiatives and good practice.

6.2 The key activities identified in the Business Plan for 2004/05 are shown in appendix 5. Progress is shown on a quarterly basis in the agreed corporate format. The majority of the activities are on target and should be achieved by the end of the year despite the implementation of several key restructures which were not anticipated and therefore not included in the Business Plan. Where there is slippage in the achievement to targets these are often linked to delays elsewhere in the organisation. The work on Employer Branding is linked to the Communication Strategy and Corporate Brand which has not yet been agreed. The e-service, allowing self service absence recording, training course booking and performance monitoring booking, will not be achieved this year as there has been a corporate decision not to invest in small individual systems prior to a more corporate review of IT systems.

## 7. Health and Safety

7.1 An update on Health and Safety activity over the year will be reported to the next Committee.

## 8 Definitions

8.1 A glossary of financial terms is included on pages 10.5 to 10.9 of the Budget Book 2004/05, but some common expressions used in this report are shown below.

8.2 Original Budget – Budget approved by the Council in February 2003 as part of setting the Council Tax for 2003/04.

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

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

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

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

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

OTHER CONSIDERATIONS:

9 CORPORATE STRATEGY (RELEVANCE TO):

9.1 Preparation of the budget had regard to the Corporate Strategy. Monitoring of Income and expenditure and review of the final position is an intrinsic part of measuring whether the Strategy's objectives have been achieved.

10. RESOURCE IMPLICATIONS:

10.1 These are contained in the detail of the report.

BACKGROUND DOCUMENTS:

Operational and financial records held in the Finance Department

Business Plan and Performance Indicators held in Personnel Department

Establishment records held within the Personnel Department

APPENDICES:

Appendix 1 Summary of Service and Subjective Budgets 2003/04

Appendix 2 Personnel Performance Indicators

Appendix 3 Equal Opportunities current staff

Appendix 4 Equal Opportunities Monitoring – Recruitment

Appendix 5 Personnel Department Business Plan – 2004/05 monitoring