

PERSONNEL COMMITTEE

20 June 2005

HUMAN RESOURCES DEPARTMENT – SUMMARY OF ACTUAL EXPENDITURE 2004/05

REPORT OF THE DIRECTOR OF HUMAN RESOURCES

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RECENT REFERENCES:

PER83 Personnel Department Performance Monitoring 7 March 2005

PER85 Personnel Department Business Plan, 2005/06, 7 March 2005

EXECUTIVE SUMMARY:

This report sets out the actual expenditure for 2004/05 for Human Resources services falling within the responsibility of this Committee. The budget variance for these services as detailed in Appendix 1 totals £19,171 which is approximately 3% of the net budget. Explanations of the variances are given in the report. The report also contains an update on the Performance Indicators and the Human Resources Department's progress against the key objectives set out in the Business Plan for 2005/06

RECOMMENDATIONS:

That the outturn figures 2004/05 for Human Resources Department be noted.

## HUMAN RESOURCES COMMITTEE

20-June 2005

### HUMAN RESOURCES DEPARTMENT – SUMMARY OF ACTUAL EXPENDITURE 2004/05

### REPORT OF THE DIRECTOR OF HUMAN RESOURCES

#### DETAIL:

#### 1 Introduction

- 1.1 This report sets out the actual expenditure for 2004/05 for this committee's services and other performance information coming under the responsibility of the Director of Human Resources.
- 1.2 Appendix 1 to the report gives a summary of actual expenditure showing variances from the working budget. Significant variances are detailed below. More detail of the services can be found in the Budget Book 2005/06 on pages 3.1 to 3.6.
- 1.3 Also shown in the report are the performance indicators and the business plan performance information, the Equality and Diversity indicators and the Health and Safety performance and action plan.

#### 2 Significant Variances

- 2.1 Appendix 1 shows the net cost of services against the working budget with an overall variance of £19,171. Significant variances between actual expenditure and the working budget, as detailed in the Appendix, include the following:

#### 2.2 Service and Subjective Budget Heads – Appendix 1

Line (a) and j) Salary savings due to a small reduction in officer hours, offset by an overspend in training. The overspend in training was linked to staff attending a course resulting in a professional personnel qualification.

Line d), e) and j) Staff welfare incorporating an increase in occupational health referrals (£7,418.57 from last year the referral figures are shown in detail in Appendix 2) and staff advertising, offset by a saving in corporate training because no additional training bids were received from departments.

The increase in the number of occupational health referrals is linked to the continued implementation of the Sickness and Absence Management policy. There has been a significant reduction in the number of days lost due to sickness absence during this period which has resulted in savings and benefits across the Council.

Line d) and o) Reallocation of canteen overspend to overheads.

Line g), and r) Recharges higher than budget to allocate out all expenditure

### 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 March 2005 are shown in Appendix 2. There are some changes in the Corporate Health Indicator information. The number of women in the top 5% of earners has decreased although the figure is still close to the Top Quartile figure. This does relate to the way in which the indicator is calculated and this indicator may fluctuate in the future depending on turnover and organisational change.

4.2 The number of ethnic minority staff employed in the top 5% of earners is still below the Top Quartile and the People Issues group is currently reviewing the Equality and Diversity policy and action plans and making recommendations to help address the issues linked to BVPI 11, 11a and 11b.

4.3 The number of early retirements has risen this year linked to significant organisation restructuring. The business case has been presented to this committee and agreed for each case.

4.1 There has been a significant decrease in the number of days sick per member of staff from 9.6 days to 7.9 which is now within the Top Quartile. There has also been a corresponding increase in the number of referrals to occupational health which reflects the continued implementation of the policy for Management of Absence. There has been a considerable reduction in the number of long term ill health cases, these are calculated as 40 days consecutive days' absence.

4.5 The local performance indicators show a slight increase in the number of formal Grievances raised and Disciplinary investigations.

4.6 The number of posts evaluated using the NJC job evaluation scheme has remained constant compared to last year. However, it should be noted that there will be a significant number of evaluations using the NJC scheme and the HAY scheme following organisation restructuring which are planned for October 2005.

4.7 The number of voluntary leavers is no longer a BVPI but has been retained as a local indicator as it provides useful information on the stability of the organisation. There has been an increase in turnover along with a significant increase in the percentage of employees transferring between permanent posts internally. The increased number of internal moves is partly due to the establishment of the Customer Service Centre and the initial internal recruitment to this area. However, it also reflects the fact that staff are taking advantage of the opportunities for internal promotion and progression and being successful in their endeavours.

4.8 The local indicator showing the reasons for staff leaving shows slight variations to the previous year.

4.9 The reasons for sickness absence are new this year and will provide the base year data to monitor trends for the future. Particular attention is being paid to S003, S004 and S008.

## 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 no change on the percentage of female and male staff employed from the last report (PER70) and no change on the percentage of staff who have declared themselves disabled. The staff from ethnic minority groups has remained fairly constant and is a slightly lower percentage than the ethnic make up of the local community.
- 5.2 Appendix 4 shows a breakdown by gender, disability and race of applicants received, applicants shortlisted and those appointed. The information shows a total of 148 posts were advertised in 2004/05 compared to 112 in 2003/04
- 5.3 There are no other significant variances in the figures for 2004/05 compared to the previous year.

## 6. Business Plan Performance

- 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 Detailed progress was reported on the business plan objectives in PER 83 on 7 March 2005 and is shown updated in Appendix 5. The majority of the objectives have been completed. The ongoing work that has been carried out and highlighted in the business plan in some objectives will be continued and will form part of the key objectives up to 2007. These relate in particular to work on implementing the workforce plan and other areas highlighted in PER 83. Where there is slippage in the achievement to targets these are linked to delays elsewhere in the organisation or linked to delays incurred as a result of increased workloads as a result of organisation restructuring and input into other Council initiatives.
- 6.3 The monitoring shows that the department made good progress against the majority of the targets set for the year. The staff within the department have consistently shown commitment and dedication to their work to achieve these targets during this busy year, whilst at the same time dealing with the many and varied ad hoc needs of staff, managers and other organisations.

## 7. Health and Safety

- 7.1 Appendix 6 shows a summary of the Occupational Health and Safety activity for 2004.05. This service is managed as a client function by the Human Resources Department on behalf of the Chief Executive.
- 7.2 The Shows the reported incidents from the previous year and the number of recorded incidents of threat or abuse. Health and Safety training has been targeted at principal risk areas such as dealing with potentially aggressive customers to ensure that staff are prepared to deal with such incidents. Specialist training has also been provided where required.

7.3 An annual Health and Safety Action Plan focuses activity and resourcing requirements to key areas of need within the authority. The outline of the action plan is shown in Appendix 7. Progress on the plan will be reported regularly to Committee. The Council will participate in inter authority auditing, supported by the HSE, in the Autumn.

## 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 performance monitoring with a 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 Human Resources and Finance Department

## APPENDICES:

Appendix 1 Summary of Service and Subjective Budgets 2004/05

Appendix 2 Human Resources Performance Indicators

Appendix 3 Equal Opportunities current staff

Appendix 4 Equal Opportunities recruitment

Appendix 5 Human Resource Department Business Plan 2004/05

Appendix 6 Occupational Health and Safety Report 2004/05

Appendix 7 Health and Safety Action Plan 2005