

PERSONNEL COMMITTEE

12 June 2006

HUMAN RESOURCES DIRECTORATE – SUMMARY OF ACTUAL EXPENDITURE
2005/06

REPORT OF THE DIRECTOR OF HUMAN RESOURCES

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RECENT REFERENCES:

PER 95 Human Resources Performance Monitoring - 23 January 2006

PER 92 Human Resources Performance Monitoring - 26 September 2005

EXECUTIVE SUMMARY:

This report sets out the actual expenditure for 2005/06 for Human Resources services falling within the responsibility of this Committee. The budget variance for these services as detailed in Appendix 1 totals £16,405 which is approximately 2.5% of the net budget. Explanations of the variances are given in the report.

RECOMMENDATIONS:

1. That the outturn figures 2005/06 for Human Resources Directorate be noted.
2. That it be recommended to Cabinet to agree a carry forward of £16,405 as a managed saving for the purposes of training and development activity not previously completed in 2005/06 because of the difficulties experienced in recruiting a training officer.

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HUMAN RESOURCES DIRECTORATE – SUMMARY OF ACTUAL EXPENDITURE 2005/06

Report of The Director of Human Resources

DETAIL:

1 Introduction

- 1.1 This report sets out the actual expenditure for 2005/06 for this committee's services 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.
- 1.3 More detail of the services can be found in the Budget Book 2006/07 on pages 3.1 to 3.3.

2 Significant Variances

- 2.1 Appendix 1 shows the net cost of services against the working budget with an overall variance of £16,405. 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 two people on maternity leave and the Training Officer's post vacant for 7 months.
 - Line d), e) and j) Staff welfare and staff advertising overspend, offset by a saving in corporate training. Core training has been delivered however, some new initiatives have not been progressed due to difficulties experienced
 - Line g), and r) Recharges less than budget due to savings detailed above.

3 Managed Savings Carried Forward

- 3.1 There is a total underspend of £16,405 linked to areas of training and development activity that were identified for delivery in 2005/06 which were not completed because of the difficulties experienced in recruiting a training officer. These training and development activities are still required and it is proposed that this money is carried forward as a managed saving. Personnel Committee are therefore asked to recommend to Cabinet that £16,405 is carried forward as a managed saving.

4 Performance Indicators

- 4.1 The corporate Health Indicators and the local performance indicators covering the period April 2005 to March 2006 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 increase putting the number within the Top Quartile figure. This does relate to the way in which the indicator is calculated and is a result of changes in the total number of people included in the calculation rather than an increase in female employees in this group. This indicator may continue to 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 continues to review the Equality and Diversity policy and action plans, making recommendations to help address the issues linked to BVPI 11, 11a and 11b.
- 4.3 The number of early retirements has fallen this year and the business case has been presented to this committee and agreed for each case.
- 4.4 There has been an overall increase in the number of days sick per member of staff from 9 days per person at the end of the first quarter to 10 days per person at the end of the last quarter. This is a significant increase from the 7.9 days per person reported at the end of 2004/05.
- 4.5 Further analysis of the absence figures shows that, of the total absence reported over the last year, nearly 900 days (which equates to approximately a fifth of the total) can be attributed to 6 cases of long term absence ie just over 1% of the workforce. These cases have been addressed through the Council's Management of Absence Policy and the majority have been resolved.
- 4.6 If a differentiation is made between these 6 cases and the rest of the workforce, the number of days sick per member of staff reduces considerably to 8.4 days. However, this still shows an increase in the absence figures for the Council and further work is being undertaken to understand this and to put in place actions to address this increase in order to meet the targets identified in the HR Business Plan. A more detailed report will be presented to this Committee at the next meeting.
- 4.7 To comply with the Health and Safety Executive Stress Management Standards a questionnaire will be sent to all staff to provide base line information. This will help to monitor trends and also enable the effectiveness as any interventions to be assessed. A detailed action plan will be developed address any issues.
- 4.8 The new HR Payroll system will allow absences to be monitored more accurately and ensure that return to work interviews are completed by managers. It has been proven that this is the single most effective method of reducing staff absence.
- 4.9 The number of staff employed who declare themselves disabled has increased this year although the actual figure remains below the Top Quartile. The work detailed in 4.2 above in relation to the Equality and Diversity Policy will include work to address this issue.
- 4.10 The local performance indicators show a slight increase in the number of formal Grievances raised whilst the number of disciplinary hearings carried out has remained constant from the previous year.
- 4.11 The number of posts evaluated using the NJC job evaluation scheme has decreased slightly compared to last year. However, there was an increase in the number of

evaluations using the HAY scheme. This was a result of the organisation restructuring which commenced October 2005 and which affected mainly senior posts.

- 4.12 The number of voluntary leavers has not been a BVPI for the last few years and therefore there is no quartile information for comparison. Turnover has been retained as a local indicator as it provides useful information on the stability of the organisation. Turnover showed a further increase this year along with another significant increase in the percentage of employees transferring between permanent posts internally. The organisational changes which have taken place since October 2005 have affected turnover both through a reduction in posts and also through an increase in voluntary leavers. Some of increase in turnover therefore is a result of change and is not altogether unexpected.
- 4.13 Exit interviews are conducted to monitor trends and identify particular issues in Directorates and Divisions which need to be addressed which may be impacting upon recruitment and retention of staff. Research is continuing into staff turnover as part of the development of a Recruitment and Retention Strategy to put in place action plans to address dysfunctional turnover.
- 4.14 The increase in internal transfers continues to reflect the fact that staff are taking advantage of the opportunities for internal promotion and progression and being successful in their endeavours.
- 4.15 The local indicator showing the reasons for staff leaving shows slight variations to the previous year with a decrease in the number of staff moving to the private sector.

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 significant change on the percentage of female and male staff employed from the last report (PER89) and a slight decrease on the percentage of staff who have declared themselves disabled.
- 5.2 The national classifications for BME groups has been amended by the Commission for Racial Equality and the monitoring for ethnic minority staff is now done under these categories. This means that it is more difficult to make a meaningful comparison with previous periods. However, taking an overview of the proportion of white employees compared to those from the BME groups, there has been no significant changes. 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.
- 5.3 Appendix 3 also shows a breakdown by gender, disability and race of applicants received, applicants shortlisted and those appointed. The information shows that a total of 100 appointments were made over 2005/06. These appointments were as a result of over 1700 applications received over the year and more than 420 interviews carried out. This shows a considerable increase in the volume of recruitment over the last year and is in keeping with the increase in turnover levels reported in 4.10 above. This level of recruitment has impacted considerably on the work of the HR department both in the increase in recruitment administration and the participation in the interview process.

5.4 There are no other significant variances in the figures for 2005/06 compared to the previous year.

6. Business Plan Performance

6.1 The HR Business Plan for 2006/07 was submitted to this committee for information on 21 April 2006. The Business Plan provided details on the key achievements for 2005/06 as well as detailing where targets have not been met. The achievements of the last year have been made in the context of widespread change within the organisation requiring considerable input from Human Resources. This has come at a time when a significant proportion of the professionally qualified staff were absent on maternity leave and there has been difficulty in recruiting a Training and Development Adviser. This has impacted on the Directorates ability to work towards service improvements. Where corporate priorities have changed, the Directorates limited resources have been diverted from other projects which has caused slippage in some areas. Where appropriate, these targets have been included within the 2006/07 Business Plan as priorities for the coming year.

6.2 Appendix 5 provides information on the key achievements for 2005/06. The monitoring shows that the department made good progress against the majority of targets set for the year.

6.3 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 both staff, managers and other organisations.

7. Health and Safety

7.1 Appendix 5 shows a summary of the Occupational Health and Safety activity for 2005/06. This service is managed as a client function by the Human Resources Department on behalf of the Chief Executive.

7.2 This 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 6. Progress on the plan will be reported regularly to Committee. In the autumn the Council participated in inter authority auditing, supported by the HSE.

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 2005/06
- Appendix 2 Human Resources Performance Indicators
- Appendix 3 Equal Opportunities current staff and recruitment
- Appendix 4 Human Resource Department Business Plan 2005/06
- Appendix 5 Occupational Health and Safety Report 2005/06
- Appendix 6 Health and Safety Action Plan 2006