

PERSONNEL COMMITTEE

18 September 2006

HUMAN RESOURCES DIRECTORATE FIRST QUARTER PERFORMANCE MONITORING

REPORT OF THE DIRECTOR OF HUMAN RESOURCES

Contact Officer: Alison Gavin Tel No: 01962 848233

RECENT REFERENCES:

PER95 - Human Resources Budget 2006/07 and Performance Monitoring to November 2005 – 23 January 2006

RE20 - Human Resources Directorate Business Plan 2006/07 – Resources Scrutiny Panel - 21 March 2006 and Personnel Committee

PER101- Human Resources Directorate Summary of Actual Expenditure 2005/06 – 12 June 2006

EXECUTIVE SUMMARY:

This report provides financial performance information to the end of July 2006 for the Human Resources Directorate and contains an update on the Performance Indicators for the first quarter.

RECOMMENDATIONS:

That the Committee raises with the Portfolio Holder any issues arising from the financial performance information and Performance Indicators, and considers whether any items of significance need to be drawn to the attention of Cabinet.

PERSONNEL COMMITTEE

18 September 2006

HUMAN RESOURCES DIRECTORATE FIRST QUARTER PERFORMANCE MONITORING

Report of The Director of Human Resources

1 Introduction

- 1.1 This paper sets out budget monitoring and other performance information to the end of July 2006.
- 1.2 Details of Human Resources' Services may be found in the 2006/07 budget book pages 3.1 to 3.3.

2 Budget Monitoring

- 2.1 Appendix 1 shows the Budget Monitoring summary to the end of July 2006.
- 2.2 There is an overspend in the HR Trading account – £8,850. This is mainly due to agency staff covering maternity leave and consultancy on employment related issues.
- 2.3 There are savings on employment related expenses – (£16,831). This is due to, as yet, unspent training expenses offset by advertising for staff in staff publications.
- 2.4 Job evaluation expenses are showing an overspend - £3,317. This is because of a number of Hay Job Evaluation panels taking place due to new posts and appeals.

3. Performance Indicators

- 4.1 The corporate Health Indicators and the local performance indicators covering the period 1 April 2006 to 30 June 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 increased further (from 33% to 36%), keeping the number within the Top Quartile figure. The way in which the indicator is calculated means that the total number of people may change and cause an increase or decrease in the indicator without change 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 There have been no early retirements in the first quarter.
- 4.4 There has been a decrease in the number of days sick per member of staff from 10 days per person at the end of March 2006 to 9.4 days per person at the end of the

last quarter. This is a return to the levels shown at the beginning of 2005/06 however remains an overall increase in sickness absence levels from that reported in 2004/05.

- 4.5 The new HR Payroll system will allow absences to be monitored more accurately and will enable the provision of more frequent absence monitoring information to managers. This will enable potential absence problems to be highlighted and dealt with more quickly. In addition the new system provides the facility to monitor 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. A detailed review of sickness absence is contained in PER 104.
- 4.6 Absence cases continued to be addressed through the Council's Management of Absence Policy and the use of occupational health referrals. There are a small number of cases of long sickness absence which are currently being managed under this policy.
- 4.7 The number of staff employed who declare themselves disabled has decreased this quarter and this 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. Additionally, the change to the new Selima system has highlighted that a considerable number of staff have not declared themselves either disabled or not disabled. Communication will be sent out to all staff to request that they complete this information via the self service function on Selima.
- 4.8 There were no grievances raised in the first quarter. One disciplinary case was heard and no cases brought to employment tribunal. This shows no significant variance from the same period for the previous year.
- 4.9 The number of posts evaluated using the NJC job evaluation scheme indicates a downward trend in the first quarter relative to 2005/06. As a result of the 2005 restructure, some posts have been evaluated under the Hay scheme whilst some appeals have been heard. More posts will be evaluated during the second quarter whilst the remaining appeals will be assessed.
- 4.10 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 remains high this quarter, above that reported for the same quarter last year.
- 4.11 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.
- 4.12 The number of internal transfers has remained constant from last year. This demonstrates that staff are being successful in securing promotion and progression. In addition to developing staff, this allows the Council to retain the key skills and knowledge which support the effectiveness of services.

4.13 The local indicator showing the reasons for staff leaving shows slight variations to the previous year with a further 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 a very slight change in the percentages of female (63% to 61%) and male (37% to 39%) staff employed from the last report (PER101). There is a slight decrease in the percentage of staff who declare themselves disabled.

5.2 The monitoring for ethnic minority staff is done under the national classifications which allow us to make national comparisons. There have been no significant changes but the first quarter figures show a slight increase amongst those from a mixed ethnic origin (previously zero). 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 3 also shows a breakdown by gender, disability and race of applicants received, applicants short listed and those appointed. The information shows that a total of 30 appointments were made during the first quarter of 2006/07. These appointments were as a result of 584 applications received over the period April to June and more than 150 interviews were carried out. This is a considerable volume of recruitment and is in keeping with the increase in turnover levels reported in 4.10 above. This level of recruitment continues to impact on the work of the HR department both in the increase in recruitment administration and participation in the interview process.

5.3 There are no other significant variances in the figures compared to the first quarter of the previous year (PER 92, appendix 3).

6. Business Plan Performance

6.1 The HR Business Plan for 2006/07 was submitted to this committee, for information on 21 April 2006. Appendix 4 to this report details the progress made against the 2006/07 Key Priorities.

6.2 A key achievement is the successful launch of the new integrated HR/Payroll system, Selima which has taken a significant amount of HR resources to develop and deliver presentations and coaching sessions as well as providing support for day to day queries. This has been achieved through working closely with the Exchequer Manager and IMT Project Manager. Work continues to implement additional modules, particularly e-forms and Recruitment with the Training Module and Appraisals due to complete the roll out. Members will shortly be able to use the system to view their payslips.

6.3 The successful implementation of the new Selima system has allowed work to begin on the development of management and workforce monitoring information. This will support managers in their workforce planning and inform the decision making process.

- 6.4 Progress has also been made on items 1, 2, 3 and 10 in the attached appendix. The Human Resources Directorate continues to support the Corporate Strategy of "Working Better" and the 2010 project through the implementation of the Flexible Working Project and Homeworking and supporting the expansion of the Customer Service Centre.
- 6.5 Further progress has been made on the Workforce Development Plan with the introduction of a management development programme and the Flexible Working Project.
- 6.6 Work on the Severance Strategy has been delayed in anticipation of the changes to the Pension Regulations. The revised Pension Policy has now been drafted for agreement and work will then begin to develop a Severance Strategy.

7. CORPORATE STRATEGY (RELEVANCE TO):

- 7.1 The need to make the best use of all available resources by continued clear financial planning within the City Council is an integral part of the Corporate Strategy.

8 RESOURCE IMPLICATIONS:

None

BACKGROUND DOCUMENTS:

Working papers in the Finance Department

APPENDICES:

- Appendix 1 Human Resources Directorate – Budget Monitoring Summary to end of July 2006
- Appendix 2 Performance Indicators – Quarter 1
- Appendix 3 Equal Opportunities Monitoring - Quarter 1
- Appendix 4 Progress on 2006/07 HR Business Plan - Quarter 1