PERSONNEL COMMITTEE

13 November 2006

HUMAN RESOURCES DIRECTORATE SECOND QUARTER 2006/07 PERFORMANCE MONITORING

REPORT OF THE DIRECTOR OF HUMAN RESOURCES

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RECENT REFERENCES:

PER101 - Human Resources Directorate 2005/06 Summary of Actual Expenditure - 18.9.06

PER99 - Human Resources Directorate Performance Monitoring to July 2006 – 18.9.06

EXECUTIVE SUMMARY:

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

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.

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HUMAN RESOURCES DIRECTORATE SECOND QUARTER 2006/07 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 September 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 September 2006.

2.2   There is an overspend in the HR Business Unit – £10,269. This is mainly due to
         agency staff to cover maternity leave and consultancy on employment related issues.

2.3   There are savings on employment related expenses – (£23,395). This is due to, as
         yet, unspent training expenses offset by advertising for staff in staff publications and
         staff welfare expenses.

2.4   Job evaluation expenses are showing an overspend - £3,523. This is because of a
         number of Job Evaluation panels taking place due to new posts and appeals.

3   Performance Indicators

3.1   The Corporate Health Indicators and the local performance indicators covering the
         period 1 July 2006 to 30 September 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 36% to 40%), 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.

3.2   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.

3.3   There have been no early retirements in the first quarter.

3.4   There has been a further decrease in the number of days sick per member of staff
         from 9.4 days per person at the end of June 2006 to 9 days per person at the end of
         the second 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. Appendix 2 seems to indicate a rise in the number of longer term ill health cases. The figure reported for the first quarter was the number of new long term absence cases that the HR department had been made aware of. Because of the limitation of the old absence monitoring system, detailed monitoring of ongoing long term absence cases was problematic unless specific action such as Occupational Health referrals was taken. The implementation of the Selima system has allowed much more accurate monitoring of sickness absence ensuring that long term absence cases are identified earlier and monitored throughout the period of absence, regardless of whether specific HR involvement is required. The information extracted from the system indicates that a number of cases reported for quarter 2 have carried over from the first quarter indicating that there has not been a significant increase in long term ill health cases.

3.5   The number of staff employed who declare themselves disabled has decreased slightly this quarter and remains below the Top Quartile. The work detailed in 3.2 above in relation to the Equality and Diversity Policy continues to address this issue. However, further to comments made in PER99, the HR team have now ensured that all staff who have previously declared themselves disabled are registered as such on Selima. The new recruitment module of Selima will allow sensitive monitoring information relating to new employees to be registered automatically. Further work will continue to encourage existing staff who are disabled or who become disabled during their employment to declare themselves as such.

3.6   There was one grievance raised in the second quarter. Four disciplinary cases were heard and no cases were brought to tribunal.

3.7   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 has decreased slightly in this quarter but remains high overall. 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 interventions which impact on staff turnover as part of the development of a Recruitment and Retention Strategy to put in place action plans to address dysfunctional turnover.

3.8   The number of internal transfers has decreased slightly, relative to the first quarter. This demonstrates that staffs are still able to securing promotion and progress. In addition to developing staff, this allows the Council to retain the key skills and knowledge which support the effectiveness of services.

4   Equal Opportunities Monitoring

4.1   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 (61% to 62%) and male (39% to 38%) staff employed from the last report (PER 99). There have been no significant changes in the number of staff declaring themselves disabled.

4.2   The monitoring of ethnic minority staff is done under the national classifications which allow us to make national comparisons. There are very few changes in the second

quarter (relative to the first) and the percentages for each ethnic origin remain constant.

4.3   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 21 appointments were made during the second quarter of 2006/07. These appointments were as a result of 340 applications received during the period July to September. Over 100 interviews were carried out. Recruitment over the summer months is generally lower but overall the volume is still high. The Training and Development Advisor is running three weeks worth of recruitment training for managers in Q3. This will provide senior staff with the skills and knowledge to enable them to interview and recruit effectively. Accordingly, HR officers will be able to reduce the amount of support they lend to the interview process, particularly for lower grade jobs (1-3) allowing resources to be focussed on other areas of work such as organisational development and workforce planning which have not been fully developed whilst operational issues have taken priority.

5   Business Plan Performance

5.1   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.

5.2   Winchester has agreed to become a "Reference Site" for Selima following its implementation and roll out across the council. As the first local authority to go live Council-wide with self-service and with the Absence module, we are now in a position to advise or assist other councils embarking on a similar introduction. The HR Business Manager and Exchequer Manager recently participated in a Selima User Group and we will continue to support these to ensure we are getting full usability from the system. The e-forms module will be rolled out by the end of November 2006, followed by Training and Appraisals. Appendix 4 mentions how the Recruitment module is now being utilised by the HR team. Discussions are currently taking place regarding the most effective way to implement self service and on-line payslips for Members. It is envisaged that Members will still be able to have a paper copy of their "payslip" if they so wish. Members who wish to access the system on-line, in the same way as staff do to access their pay details, will have a short training session arranged. A small number of sessions would be held in the evening before other Committee meetings.

5.3   Work continues on items such as Flexible Working, support to the accommodation review, Severance Strategy and input to phase two of the Customer Service Centre. The Equal Pay Audit report will now be completed by the end of the year.

5.4   The first set of absence reports using Selima's reporting tool have now been circulated to Directors. These will now be sent to senior staff on a monthly basis to support more timely and effective absence management. Moving forward we will be able keep managers better informed with regard to other areas including training spend, overtime spend, turnover and staff profiling. A consultation exercise will precede the communication of this information to ensure that managers receive data they find useful.

OTHER CONSIDERATIONS:

6.   CORPORATE STRATEGY (RELEVANCE TO):

6.1   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.

7.   RESOURCE IMPLICATIONS:

7.1   None

BACKGROUND DOCUMENTS:

Working papers in the Finance Department

APPENDICES:

Appendix 1   Human Resources Directorate – Budget Monitoring Summary to end of September 2006

Appendix 2   Performance Indicators – Update on Progress

Appendix 3   Equal Opportunities Monitoring - Quarter 2

Appendix 4   Progress on 2006/07 HR Business Plan - Quarter 2

Service Summary Description	2006/07 Annual Budget	April to September Working Budget	Actual Expenditure	Variance	Budget Officer	Explanation of main variances and corrective action taken
	£	£	£	£		
HR Resources BU	475,440	154,242	164,511	10,269	A Gavin	Agencystaff/Consultancy
Recharges	(476,150)			0		
Net Cost Trading A/c	(710)	154,242	164,511	10,269		
Employment Related Exps	93,800	24,708	39,392	14,684	A Gavin	Advertising for staff
Corporate Training	109,600	52,298	14,219	(38,079)	A Gavin	Unspent training
Recharges	(189,000)			0		
Net Cost Employee Exps	14,400	77,006	53,611	(23,395)		
Job Evaluation	2,000	1,002	4,525	3,523	A Gavin	JE panels
Net Cost Job Evaluation	2,000	1,002	4,525	3,523		
Net Cost	15,690	232,250	222,647	(9,603)		

Subjective Summary Description	2006/07 Annual Budget	April to September Working Budget	Actual Expenditure	Variance	Explanation of main variances and corrective action taken
	£	£	£	£	
Employees	380,070	194,118	180,107	(14,011)	Advertising for staff/Agency offset by trg
Premises	32,750	16,380	16,380	0	
Transport	6,770	5,862	3,857	(2,005)	Car allowances unspent
Supplies and Services	22,450	12,960	19,226	6,266	Consultancy/JE panels
Capital Financing	70	70		(70)	
Management Overheads	238,730	2,860	3,663	803	
Net Revenue Cost	680,840	232,250	223,233	(9,017)	
External Income	0		(586)	(586)	
Recharges to Services	(665,150)	0	0	0	
Total Income	(665,150)	0	(586)	(586)	
Transfers to/from reserves	0	0	0	0	
Net Cost	15,690	232,250	222,647	(9,603)	

BVPI	Purpose	Yr -1 (05/06)	Qu 1	Qu 2	Qu 3	Qu 4	Top Quartile
2a	Equality Standard for Local Government	1	1	1			N/A
2b	Duty to promote race equality	N/A	1	1			N/A
11a	5% top earners who are women	33%	36%	40%			28.93%
11b	5% top earners who are ethnic	0	0	0			1.98%
11c	5% top earners with a disability	N/A	0	0			N/A
12	Number of days sick per member of staff	10	9.4	9			8.48
14	Number of early retirements as a percentage of staff	0.6%	0.4%	0			0%
15	Number of ill health retirements as a percentage of staff	0.2%	0	0			0%
16a	Number of staff with disabilities within organisation	2%	1.5%	1.43%			4.10%
17a	Number of staff from ethnic minorities within organisation	1.5%	1%	1%			2.5%
Local	Number of women leaving to go on maternity leave	10	5	3			n/a
Local	Number of grievance cases	3	0	1			n/a
Local	Number of disciplinary cases	1	1	4			n/a
Local	Number of employment tribunals	1	0	0			n/a
Local	Number of referrals to Occupational Health	15	1	6			n/a
Local	Number of long-term ill health cases	11	1	8			n/a

	Purpose	Yr -1 (05/06)	Qu 1	Qu 2	Qu 3	Qu 4	Top quartile
Local	HR Invoices paid within 30 days	n/a	n/a	96.21%			n/a
Local	Number of JE NJC Panel post reviews	32	4	8			n/a
Local	Number of JE Hay Panel post reviews	9	5	0			n/a
Local	Number of voluntary leavers as a percentage of staff (excludes early retirements on efficiency grounds)	16.8%	4.46%	4.25%			8% (2001/02) 11.5% CIPD
Local	Number of people offered permanent contracts who declined the offer	9	3	4			n/a
Local	Percentage of employees transferring between permanent posts internally	9.15%	2.1%	1.24%			n/a
Local	Number of leavers against leaving code as percentage of total number of leavers	Not appropriate to set targets					
	A1: Ext appointment – public sector	16	3	3			
	A2: Ext appointment – private sector	9	1	3			
	AO: External appointment – unknown	5	3	0			
	C: Retired	5	7	2			
	D: Redundant	1	2	0			
	E: Maternity	2	0	1			
	F: Moved out of area	3	2	1			
	G: College	6	0	4			
	H: Dismissal	0	0	1			
	I: Failed probation	0	0	0			
	J: Personal reasons (i.e. to travel abroad)	12	4	4			
	K: Died	0	0	0			
	L: End of contract	3	1	1			
	M: Long term Sickness	2	0	0			
	Not known(Other)	5	1	4			

Establishment numbers

	FTE	Headcount	Vacant posts
30.6.06	510.35	526	30.19
30.9.06	510.35	557	36.35

Note:
On corporate health indicators, increase in numbers of staff meeting the indicator will not always give consistent percentage increase as the denominator used changes as establishment and vacancies change

Top Quartile – uses all other districts as comparator rather than those with similar profiles to WCC

Equal Opportunities Monitoring Q2 2006/07			PER 108 Appendix 3			
Current Employees*	557	(Headcount)				
	No.	%				
Male	211	38%				
Female	346	62%				
Disabled	8	1.4%				
White	506	91%				
Mixed	1	0.2%				
Asian/Asian British	1	0.2%				
Black/Black British	1	0.2%				
Chinese or other ethnic group	1	0.2%				
Not given	47	8.4%				

Recruitment

	Applications received		Applicants Shortlisted		Successful Candidates	
	Total	340	Total	108	Total	21
	No.	%	No.	%	No.	%
Male	111	33%	36	33%	7	33%
Female	136	40%	55	51%	12	57%
Not given	93	27%	17	15.7%	2	10%
Disabled	11	3%	4	3.7%	2	10%
White						
British	195	57%	63	58.3%	14	67%
Irish	2	0.6%		0.0%		0%
Other	22	6%	6	5.6%	2	10%
Mixed						
White/Black Caribbean	6	1.8%	1	0.9%		0%
White/Black African	6	1.8%		0.0%		0%
White/Asian		0.0%		0.0%		0%
Other	1	0.3%	1	0.9%		0%
Asian/Asian British						
Indian	2	1%		0.0%		0%
Pakistani		0.0%		0.0%		0%
Bangladeshi		0.0%		0.0%		0%
Other	2	0.6%	1	0.9%	1	5%
Black/Black British						
Caribbean		0%	1	0.9%		0%
African	4	1%	1	0.9%		0%
Other	1	0%	1	0.9%		0%
Chinese or other ethnic group						
Chinese or other ethnic group	4	1.2%	1	0.9%		0%
Other		0.0%		0.0%		0%
Not Given	95	28%	32	29.6%	4	19%

Progress (Q2) on Key Objectives in HR Business Plan 2006/07

No	Corporate Priority	What will we do?	When will we do it?	Q1	Q2	Q3	Q4	Comments
1.	Supports the Corporate Strategy 'Working Better'	Flexible Working Project – Implementation of flexible working practices. Develop and implement a Flexible Working Policy, Home working Policy, Lone Worker Policy and Security Policy to support the implementation of flexible working practices	31 March 2006	☺	☺			Q2 Home Working and Flexible working policies are drafted. Outlook for Lone Worker and Security Policies is currently Dec 2006. Q1 Flexible Working Group meets regularly to manage this project. Proof of concept areas for home working and hot desking are in place and will be developed further in line with accommodation changes. Surgery work is being developed along with mobile working. Home working policy drafted and sent out for consultation. Process in place to request flexible working.
		Support the accommodation review		☺	☺			Q2 Director of HR working with Head of Facilities to support development of West Wing and hot desking facilities. Q1 Director of HR working with Head of Facilities to support development of West Wing and hot desking facilities

No	Corporate Priority	What will we do?	When will we do it?	Q1	Q2	Q3	Q4	Comments
2.	Supports the Corporate Strategy 'Working Better'	Support the implementation of phase 2 of CSC.	Completed by September 06 in accordance with action plan	☺	☹			Q2 Phase 2 underway. Awaiting results of BPR to enable staff consultation to commence. Q1 Phase 2 underway in line with action plan.
		Customer care training		☺	☺			Q2 – Training and Development Advisor has created a presentation with Head of Customer Service (to be delivered in Q4). This will tie in with Corporate Training Needs based on appraisals. Focus will be on customer care and effective communication skills. Q1 Training and Development Advisor and Head of Customer Service working together on corporate approach
3.	Supports the Corporate Strategy 'Working Better''	Implementation of Workforce Development Plan action plan	In accordance with the dates included in the action plan	☹	☺			Q2 Work continues on action plan. Continued progress on interventions identified in the Workforce Development Plan. Q1 Work on the action plan has been delayed due the requirement to target resources to deliver other

No	Corporate Priority	What will we do?	When will we do it?	Q1	Q2	Q3	Q4	Comments
								work priorities. Some progress has been made against interventions identified in the Workforce Development Plan. A new timescale has been set for the development and implementation of the action plan.
4.	Supports the Corporate Strategy 'Working Better' through the implementation of Workforce Development Plan	Develop and implement a Pay and Reward Strategy	Strategy developed by August 2006 & implemented in accordance with action plan

Revised timescale April | ☺ | ☹ | | | Q2: Research completed. Options being developed as part of Recruitment and Retention strategy. To be presented to committee early next year.

Q1 Benchmarking has been undertaken and research into the feasibility of flexible benefits packages is being analysed. |
| 5. | Supports the Corporate Strategy 'Working Better' through the implementation of Workforce Development Plan. Requirement under Age Discrimination Legislation | Develop and implement a Severance Strategy including revised Retirement and Pensions policies | April – October

Revised timescale for Severance Strategy December 06 | ☺ | ☺ | | | Q2: Work continues on Severance Strategy.

Q1 Pension Policy reviewed and report to Personnel Committee in September 06 for agreement. Development of Severance was delayed awaiting further guidance from Pensions which has now been received. Timescale for implementation revised |

No	Corporate Priority	What will we do?	When will we do it?	Q1	Q2	Q3	Q4	Comments
6.	Supports the Corporate Strategy 'Working Better'	Implement and further develop an integrated HR/Payroll system with self service facility for staff and managers for appraisal, absence, leave recording and training records	To be implemented April 06	☺	☺			Q2 Staff continue to utilise the new system to record all periods of absence. Personal details within self service continue to be populated. Recruitment module now in operation within HR team. Staff training requirements data now loaded onto Selima. System will be used to book courses later in the year. E forms function to be rolled out in Q3. Q1 System implemented for all staff beginning of April. Additional functions, including absence, e-forms, recruitment, training and appraisals implemented incrementally.
		Further develop management information and workforce analysis	To commence July 06	☺	☺			Q2 continued development of management information. Q1 BVPI information produced. Quarter 1 information now being developed

No	Corporate Priority	What will we do?	When will we do it?	Q1	Q2	Q3	Q4	Comments
7.	Requirement under the Single Status Agreement 2004	Equal Pay Audit	Plan in place by March 06 Revised timescale End September 2006	☹	☹			Q2 Report delayed due to requirements to provide additional data. To be completed end November and reported to committee in January 2007. Q1 Analysis currently being done by consultant. Report to be completed by end September
8.	Supports the Corporate Strategy 'Working Better'	Review absence management policy and processes including a review of the use of Occupational Health services Continued absence management training	May 2006 Revised timescale November 06 July – March	☺ ☺	☺ ☺			Q2 Initial absence reports produced and monthly reporting cycle set up. Timetable for policy review and consultation set. Q2 Training and Development Advisor will provide training before the end of Q4, based upon annual/mid term appraisal data gathered. Q1 Review of sickness absence to Personnel Committee September 06. Absence policy to be reviewed by Nov 06 following implementation of Selima system and revised absence reporting methods. Review of Occupational

No	Corporate Priority	What will we do?	When will we do it?	Q1	Q2	Q3	Q4	Comments
								Health Services linked to HIOWLA project.
9.	Supports the Corporate Strategy 'Working Better'	Review and set action plan for working towards Level 2 of the CRE Equality Standard.	Oct - April	😐	😐			Q2: Work initiated on development of revised Diversity Policy and associated impact assessments and service reviews.

Q1 Some initial work done with PIG group which will be developed. |
| 10. | Supports the Corporate Strategy 'Working Better – Managing the Council Effectively' | Development of output based, measurable competencies | June – October | 😊 | 😊 | | | Q2: Work in progress following focus group review of existing competencies. Appraisal process reviewed.

Q1 Work in progress following focus group review of existing competencies. Appraisal process reviewed. |