

PERSONNEL COMMITTEE

5 March 2007

HUMAN RESOURCES DIRECTORATE THIRD QUARTER 2006/07 PERFORMANCE MONITORING

REPORT OF THE DIRECTOR OF HUMAN RESOURCES

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RECENT REFERENCES:

PER108 – Human Resources Directorate Performance Monitoring to Sept. 2006 – 13.11.06

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 January 2007 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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5 March 2007

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 January 2007.
- 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 January 2007.
- 2.2 There is an overspend in the HR Business Unit – £15,021. The revised estimate is showing that there will be an overspend at the end of the financial year and this will not be covered by the existing budget. The overspend is partly due to the use of agency staff covering maternity leave and vacant posts within the HR Directorate. The use of agency staff ceased during the second quarter because of the budget implications. In the third quarter there has also been an increase in the use of consultancy on employment related issues requiring external legal advice. Additionally, there has been an increase in spend on the Counselling and Occupational Health Services (both of which are demand led). The reduction in the number of days lost due to sickness absence as shown in Appendix 2 is a direct result of these interventions and therefore a significant saving across the organisation.
- 2.3 There is a small saving on employment related expenses – (£628). This is due to, as yet, unspent but committed training expenses offset by advertising for staff in staff publications and staff welfare expenses. It should be noted that all of the corporate training budget is fully committed for 2006/07.
- 2.4 Job evaluation expenses are showing an overspend - £2,927. 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 October 2006 to 31 December 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 remained stable at 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. The corporate Equalities and Diversity group is currently reviewing the Council's Diversity Policy and work on the Recruitment and Retention Strategy will also link with the requirement to promote race equality.
- 3.3 There were no early retirements in the third quarter.
- 3.4 The third quarter has shown a further slight drop in the number of days sick per member of staff from 9 days per person at the end of the second quarter to 8.9 days per person at the end of the third quarter putting the absence levels only slightly higher than those in the BVPI top quartile. Overall absence levels remain higher than the lowest levels reported in 2004/05 but the current trend shows absence levels to be decreasing steadily. Further training in absence management has been introduced and is anticipated that this, together with the ongoing absence monitoring enabled by the introduction of Selima, should have a further impact on absence levels.
- 3.5 The number of staff employed who declares themselves disabled has remained stable this quarter but 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.
- 3.6 There were no grievances raised in the third quarter. Two 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. Comparison has been made with national surveys undertaken by the Chartered Institute of Personnel & Development (CIPD) which indicate that nationally turnover levels have increased. The national average turnover level in the public sector currently stands at 14.3% an increase of nearly 3% over the last 2 years. Turnover levels vary from region to region with the highest rates being found in regions where unemployment is lowest and where it is unproblematic for people to secure desirable alternative employment. The Winchester district has a low level of unemployment and falls into this category.

- 3.8 The number of internal transfers has increased slightly, relative to the second quarter. This demonstrates that staff are still able to secure 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 consistency in the percentages of female (62%) and male (38%) staff employed from the last report (PER108). There is no change 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 and local comparisons. There has been an increase in the number of staff employed from ethnic minority groups although the overall figure remains below the ethnic profile for the local area.

- 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 26 appointments were made during the third quarter of 2006/07. These appointments were as a result of 369 applications received during the period October to December (up from 340 in Quarter 2. 116 interviews were carried out (up from 100 in Quarter 2). The volume of recruitment remains high.

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 With regard to Selima HR/Payroll system, training sessions were held for Members prior to Personnel Committee on 22 January and Principal Scrutiny on 12 February. Those Members who attended will no longer be receiving paper payslips. Further training sessions for Members are planned.

- 5.3 Work continues on the Flexible Working project and Cabinet discussed the Home Working Policy in February. HR continues to support the accommodation review, liaising with the Head of Facilities. A draft of the Pay and Rewards Strategy has been drafted for circulation whilst the Equal Pay Audit paper was submitted to this committee in January. Phase 2 of the Customer Service Centre is continuing with consultation involving those affected (e.g. parking office).

- 5.4 A series of consultations have been held with senior managers to inform the provision of management information for workforce planning. In addition to the provision of absence information, the development of a standard set of management reports is continuing to ensure useful and timely information is provided to support the need for workforce planning.

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 January 2007.

Appendix 2 Performance Indicators – Update on Quarter 3 Progress.

Appendix 3 Equal Opportunities Monitoring - Quarter 3.

Appendix 4 Progress on 2006/07 HR Business Plan - Quarter 3.

HR DEPARTMENT BUDGET MONITORING 2006/07			APRIL TO		JANUARY	PER111 Appendix 1	
<i>Service Summary</i>		2006/07 Annual Budget	April to January			Budget Officer	Explanation of main variances and corrective action taken
Description	Working Budget		Actual Expenditure	Variance			
	£	£	£	£			
HR Resources BU	476,150	250,112	265,133	15,021	A Gavin	Agencystaff/Consultancy	
Recharges	(476,150)	0	0	0			
Net Cost Trading A/c	0	250,112	265,133	15,021			
Employment Related Exps	93,800	40,580	66,836	26,256	A Gavin	Subscriptions/Staff welfare	
Corporate Training	109,600	87,166	60,282	(26,884)	A Gavin	Unspent training	
Recharges	(205,400)	0	0	0			
Net Cost Employee Exps	(2,000)	127,746	127,118	(628)			
Job Evaluation	2,000	1,668	4,595	2,927	A Gavin	JE panels	
Net Cost Job Evaluation	2,000	1,668	4,595	2,927			
Net Cost	0	379,526	396,846	17,320			
<i>Subjective Summary</i>		2006/07 Annual Budget	April to January			Explanation of main variances and corrective action taken	
Description	Working Budget		Actual Expenditure	Variance			
	£	£	£	£			
Employees	389,600	321,000	319,736	(1,264)		Training underspend offset by agency staff	
Premises	32,750	27,294	27,282	(12)			
Transport	8,310	7,310	5,275	(2,035)		Car allowances unspent	
Supplies and Services	22,450	19,290	40,910	21,620		Consultancy/JE panels/Subscriptions	
Capital Financing	70	70	71	1			
Management Overheads	239,190	5,146	4,718	(428)			
Net Revenue Cost	692,370	380,110	397,992	17,882			
External Income	(700)	(584)	(1,146)	(562)		Reimbursement of CRB fees from orgs	
Recharges to Services	(691,670)	0	0	0			
Total Income	(692,370)	(584)	(1,146)	(562)			
Transfers to/from reserves	0	0	0	0			
Net Cost	0	379,526	396,846	17,320			

Key Performance Indicators Q3 2006/07

PER111 Appendix 2

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	1		N/A
2b	Duty to promote race equality	N/A	1	1	1		N/A
11a	5% top earners who are women	33%	36%	40%	40%		28.93%
11b	5% top earners who are ethnic	0	0	0	0		1.98%
11c	5% top earners with a disability	N/A	0	0	0		N/A
12	Number of days sick per member of staff	10	9.4	9	8.9		8.48
14	Number of early retirements as a percentage of staff	0.6%	0.4%	0	0		0%
15	Number of ill health retirements as a percentage of staff	0.2%	0	0	0		0%
16a	Number of staff with disabilities within organisation	2%	1.5%	1.43%	1.4%		4.10%
17a	Number of staff from ethnic minorities within organisation	1.5%	1%	1%	1.6%		2.5%
Local	Number of women leaving to go on maternity leave	10	5	3	2		n/a
Local	Number of grievance cases	3	0	1	0		n/a
Local	Number of disciplinary cases	1	1	4	2		n/a
Local	Number of employment tribunals	1	0	0	0		n/a
Local	Number of referrals to Occupational Health	15	1	6	5		n/a
Local	Number of long-term ill health cases	11	1	8	tbc at meeting due to problem with system interface		n/a

Key Performance Indicators Q3 2006/07

PER111 Appendix 2

	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%	100%		n/a
Local	Number of JE NJC Panel post reviews	32	4	8	3		n/a
Local	Number of JE Hay Panel post reviews	9	5	0	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%	4.71%		13.3% (CIPD 2006 – public sector)
Local	Number of people offered permanent contracts who declined the offer	9	3	4	0		n/a
Local	Percentage of employees transferring between permanent posts internally	9.15%	2.1%	1.24%	1.57%		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	5		
	A2: Ext appointment – private sector	9	1	3	3		
	AO: External appointment – unknown	5	3	0	0		
	C: Retired	5	7	2	2		
	D: Redundant	1	2	0	1		
	E: Maternity	2	0	1	1		
	F: Moved out of area	3	2	1	4		
	G: College	6	0	4	1		
	H: Dismissal	0	0	1	3		
	I: Failed probation	0	0	0	1		
	J: Personal reasons (i.e. to travel abroad)	12	4	4	1		
	K: Died	0	0	0	0		
	L: End of contract	3	1	1	2		
	M: Long term Sickness	2	0	0	0		
	Not known(Other)	5	1	4	3		

Establishment numbers

	Agreed Establishment FTE	Headcount	Vacant posts
30.9.06	510.35	557	36.35
31.12.06	510.35	573 FTE in post = 490.82	Data cleansing in progress

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 Q3 2006/07			PER111 Appendix 3			
Current Employees*	573 (Headcount)					
	No.	%				
Male	218	38%				
Female	355	62%				
Disabled	8	1.4%				
White	520	91%				
Mixed	1	0.2%				
Asian/Asian British	4	0.7%				
Black/Black British	3	0.5%				
Chinese or other ethnic group	1	0.2%				
Not given	44	7.7%				
Recruitment						
	Applications received		Applicants Shortlisted		Successful Candidates	
	Total	369	Total	116	Total	26
	No.	%	No.	%	No.	%
Male	164	44%	57	49%	9	35%
Female	153	41%	59	51%	17	65%
Not given	52	14%		0.0%		0%
Disabled	9	2%	2	1.7%	1	4%
White						
British	239	65%	108	93.1%	25	96%
Irish	1	0.3%		0.0%		0%
Other	11	3%	4	3.4%		0%
Mixed						
White/Black Caribbean		0.0%		0.0%		0%
White/Black African		0.0%		0.0%		0%
White/Asian	1	0.3%		0.0%		0%
Other		0.0%		0.0%		0%
Asian/Asian British						
Indian	8	2%	2	1.7%		0%
Pakistani		0.0%		0.0%		0%
Bangladeshi		0.0%		0.0%		0%
Other	5	1.4%	1	0.9%	1	4%
Black/Black British						
Caribbean	2	1%		0.0%		0%
African	5	1%		0.0%		0%
Other		0%		0.0%		0%
Chinese or other ethnic group						
Chinese or other ethnic group	2	0.5%	1	0.9%		0%
Other	3	0.8%		0.0%		0%
Not Given	92	25%		0.0%		0%

Progress (Q3) 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'	<p>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</p> <p>Support the accommodation review</p>	31 March 2006	☺	☺	☺		<p>Q3: Seeking approval for Home Working policy at Cabinet in February 2007.</p> <p>Q2 Home Working and Flexible working policies are drafted. Outlook for Lone Worker and Security Policies is currently Dec 2006.</p> <p>Q3: Director of HR continues to work alongside Head of Facilities.</p> <p>Q2 Director of HR working with Head of Facilities to support development of West Wing and hot desking facilities.</p>
2.	Supports the Corporate Strategy 'Working Better'	Support the implementation of phase 2 of CSC.	Completed by September 06 in accordance with action plan	☺	☹	☹		<p>Q3: Consultation between HR and Parking office continues ahead of phase two.</p> <p>Q2: Phase 2 underway. Awaiting results of BPR to enable staff consultation to commence.</p>

No	Corporate Priority	What will we do?	When will we do it?	Q1	Q2	Q3	Q4	Comments
		Customer care training		☺	☺	☺		<p>Q3: Will be completed by Feb 2007.</p> <p>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.</p>
3.	Supports the Corporate Strategy ‘Working Better’	Implementation of Workforce Development Plan action plan	In accordance with the dates included in the action plan	☹	☺	☺		<p>Q3: Work taking place on specific interventions to support WFDP as per Business Plan and Action plan.</p> <p>Q2: Work continues on action plan. Continued progress on interventions identified in the Workforce Development Plan.</p>

No	Corporate Priority	What will we do?	When will we do it?	Q1	Q2	Q3	Q4	Comments
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	☹	☹	☹		Q3: Strategy drafted for circulation. Consultation taking place. Work continues on actions identified in action plan. Q2: Research completed. Options being developed as part of Recruitment and Retention strategy. To be presented to committee early next year.
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	☹	☹	☹		Q3: Work continues but consultation on strategy delayed until after restructure is complete. Q2: Work continues on Severance Strategy.
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	☺	☺	☹		Q3: Eform module delayed due to extended testing. Intention is for this to go live in Q4. Members to receive training ref. accessing payslips on Selima. Q2: Staff continue to utilise the new system to record all periods of absence. Personal details within self service continue to be

No	Corporate Priority	What will we do?	When will we do it?	Q1	Q2	Q3	Q4	Comments
		Further develop management information and workforce analysis	To commence July 06	☺	☺	☺		<p>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.</p> <p>Q3: Meetings with divisional heads to develop a useful suite of reports. Further consultation in Q4 and reports developed</p> <p>Q2: continued development of management information.</p>
7.	Requirement under the Single Status Agreement 2004	Equal Pay Audit	<p>Plan in place by March 06</p> <p>Revised timescale End September 2006</p>	☹	☹	☺		<p>Q3: Report submitted to committee in January 2007. Work identified in action plan included in Business Plan for 2007/08.</p> <p>Q2: Report delayed due to requirements to provide additional data. To be completed end November and reported to committee in January 2007.</p>
8.	Supports the Corporate Strategy 'Working Better'	Review absence management policy and processes including a review of the use of	<p>May 2006</p> <p>Revised timescale</p>	☹	☹	☹		<p>Q3: Reporting continues. Policy not yet revised: new timescales to be set.</p>

No	Corporate Priority	What will we do?	When will we do it?	Q1	Q2	Q3	Q4	Comments
		Occupational Health services	November 06					Q2: Initial absence reports produced and monthly reporting cycle set up. Timetable for policy review and consultation set.
		Continued absence management training	July – March	☺	☺	☺		Q3: Will be completed by February 2007. Q2: Training and Development Advisor will provide training before the end of Q4, based upon annual/mid term appraisal data gathered.
9.	Supports the Corporate Strategy 'Working Better'	Review and set action plan for working towards Level 2 of the CRE Equality Standard.	Oct – April	☹	☹	☹		Q3: Consultant appointed to develop policy and work on service reviews. Q2: Work initiated on development of revised Diversity Policy and associated impact assessments and service reviews.
10.	Supports the Corporate Strategy 'Working Better – Managing the Council Effectively'	Development of output based, measurable competencies	June – October	☺	☺	☺		Q3: Appraisal review on hold due to restructure. Q2: Work in progress following focus group review of existing competencies. Appraisal process reviewed.