

REPORT TITLE: ORGANISATIONAL DEVELOPMENT PERFORMANCE
MONITORING – OUTTURN 2017/18

2 JULY 2018

REPORT OF PORTFOLIO HOLDER: CLLR GODFREY – PORTFOLIO HOLDER
FOR PROFESSIONAL SERVICES

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WARD(S): ALL

PURPOSE

The Employee Strategy (PER304 refers) sets out the priority outcomes for the Council's Human Resources function for the next three years; it is aligned to and supports the delivery of the Council Strategy. This report provides an update on the progress against the priority outcomes in the Employee Strategy and also provides an update on the Council's Organisational Development performance measures for sickness absence, staff turnover and the Council's staff establishment.

A review of the work undertaken in the areas of Occupational Health, Safety and Welfare and Training and Development during the last year is also included.

This report sets out the priority outcomes for the Human Resources function for the 2018/2019 financial year.

RECOMMENDATIONS:

1. That the contents of this report be considered and noted.

IMPLICATIONS:

1 COUNCIL STRATEGY OUTCOME

- 1.1 The need to manage and monitor the staff resources at the Council is essential in delivering front line services to the residents of the District and achieving the outcomes as set out in the Council Strategy.
- 1.2 The Employee Strategy sets out the provisions which need to be implemented to enable the Council to continue to attract and retain high calibre staff with the requisite skills to deliver modern local government services.

2 FINANCIAL IMPLICATIONS

- 2.1 There are no direct financial implications arising from this report.
- 2.2 The total training budget approved for 2017/18 was £226,402. The budget comprised of allocated funding for corporate learning priorities; leadership and management development programmes. Service teams were allocated funding for specific training requirements covering professional qualifications and Continuous Professional Development.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None.

4 WORKFORCE IMPLICATIONS

- 4.1 This report presents monitoring data relating to the workforce of the Council including sickness absence, staff turnover and numbers of new starters and leavers in the financial year 2017-2018.
- 4.2 During 2017-2018 a senior level management review was undertaken.
- 4.3 Increased or excessive staff sickness can have an impact on the Council to be able to deliver effective front line services and deliver the projects and actions that are included in the Council Strategy and Service Plans.
- 4.4 High staff turnover within the Council can lead to increased costs arising from the employment of agency staff used to cover vacancies and the cost of recruitment. It can also be an indication of decreased employee engagement.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 An office refurbishment was undertaken in 17/18 to undertake critical building works to maintain the life of the building. The opportunity was taken to improve office conditions by addition of new lighting, redecoration and works to facilities in direct response to feedback in the staff survey that the working environment was poor.

6 CONSULTATION AND COMMUNICATION

- 6.1 The importance of a positive relationship with the recognised trade union is recognised and quarterly meetings have been established during this year to ensure regular communication takes place in addition to those meetings on specific issues.
- 6.2 The Chief Executive holds at least three All Staff Briefings over the year where matters of interest to all staff are discussed.
- 6.3 It is proposed to introduce a quarterly staff forum and to undertake an employee satisfaction survey. over the next few months to increase the engagement with staff

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None required.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The data contained in this report is sufficiently redacted that individuals cannot be identified. A Data Protection Impact Assessment is therefore not required.

10 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Property</i>	n/a	n/a
<i>Community Support</i>	n/a	n/a
<i>Timescales</i>	n/a	n/a
<i>Project capacity</i>	n/a	n/a
<i>Financial / VfM</i>	<p>Regular monitoring of staffing costs ensures that actual expenditure is kept within budget.</p> <p>Any exceptional staffing requirement incurring additional expenditure has to be supported by a business case and is</p>	<p>Efficient use of staff resources across the organisation ensures that the Council is providing value for money.</p>

Risk	Mitigation	Opportunities
	subject to senior management approval	
<i>Legal</i>	n/a	n/a
<i>Innovation</i>	n/a	n/a
<i>Reputation – risk of comparatively high levels of sickness</i>	Regular management and reporting of sickness levels enable management to take action to reduce sickness	Close management and comparatively lower levels of sickness enhances reputation of the Council with stakeholders
<i>Poor rationale for staff leaving</i>	Mandatory exit interviews to enable action to be taken from leaving staff's feedback	Improve employment offer through feedback. Enable greater opportunities through reasons for leaving.
<i>Other</i>	n/a	n/a

11 SUPPORTING INFORMATION:

Review of 2017-2018

11.1 This report provides a narrative on a range of HR issues with supporting information provided in a range of Appendices.

Employee Strategy

11.2 The Employee Strategy sets out six key strategic priorities which support the Council to coordinate combine and focus efforts to increase the organisation's capability, capacity and competence to deliver efficient local government services in the 21st Century.

11.3 Since the Employee Strategy was approved by Personnel Committee in November 2017, progress has been made in the following areas:

- **Values:** focus groups have been held with a cross section of employees to define organisational values and associated behaviour statements. The 5 values are:

Be Empowering – We will be empowering, enabling our communities and staff to make decisions and take action.

Be Innovative – We will be innovative, try something different and challenge the status quo.

Act with Integrity – We will act with integrity, always honest, open, fair and trustworthy.

Be Adaptable – We will be adaptable, embracing positive change.

Be Collaborative – We will collaborate, proactively and timely engaging with partners to our mutual benefit.

- **Senior Leadership Development:** a procurement process was completed in August 2017 for the delivery of an entrepreneurship training programme to support the delivery of the Council Strategy. The programme commenced in with the delivery of a senior leadership development session in December 2017, followed by a pilot leadership programme being delivered from February 2018.
- **Health Care Cash Plan:** following a competitive procurement exercise, the Council has secured an employer paid Health Care Cash Plan which will provide financial assistance towards the cost of everyday healthcare. The Council will fund a basic level of cover at discounted rates.
- **Review of HR Policies:** The Council has been working in partnership with South East Employers to undertake a fundamental review of all HR policies and procedures.
- **Business Travel Review:** The Employee Strategy highlighted the need to review the existing business travel provisions currently available to employees. The review concluded that, in keeping with other district Councils, there is a need to modernise the corporate approach to business travel provisions and introduce alternatives which delivers an efficient, transparent and equitable model of business travel. The Council proposes to undertake staff consultation on a number of proposals relating to this review. The outcomes of this review will be reported to Personnel Committee later this year.

Organisational Development

- 11.4 The Council's new senior management structure was implemented on 01 November 2017. This resulted in:
- Repositioning the two existing Corporate Directors as Strategic Directors (overseeing services and resources) and creating a third Strategic Director to oversee place-based development across the district;
 - Creating three programme leads to provide a single point of contact for each of the major development projects currently being undertaken;
 - Creating six Corporate Heads of Service with an increasing emphasis on delivery through cross-organisational teams.
 - Realigning Council services reporting to each Corporate Head of Service, building a stronger and more resilient approach to service delivery.
- 11.5 The Council entered into a contract for services with a sole provider of agency workers in September 2017. This has achieved greater consistency across the Council; enabled greater compliance with the IR35 Regulations and

resulted in a saving of £10,000 compared to the cost of agency workers in previous financial year.

- 11.6 During this reporting period, the Council met the statutory deadline for publication of Gender Pay Gap Reporting (PER313 refers).
- 11.7 Members will be aware of the technical review by the National Employers of the NJC pay spine, which covers the pay and conditions for the majority of staff; the technical guidance has recently been published and the Council are currently undertaking a modelling exercise to determine the impact on staff. The national pay review will be subject to a separate report later in the year.

Apprenticeship Programme

- 11.8 The Council has reviewed and adapted its apprenticeship programme to comply with the government's new legislation (the apprenticeship levy and the public sector targets), resulting in a review of the way the council recruits its apprentices to enable the Council meet its target and spend its levy funds effectively. In the first year of reporting against the public sector target of 2.3% WCC achieved 1.6% (percentage of apprentices among new hires). New apprenticeships have been delivered using the new frameworks (employer-designed apprenticeships), and forecasting has enabled future planning around effective use of levy funds.
- 11.9 The apprenticeship partnership with other councils continues strongly, with four councils working together to share best practice and costs in the delivery of a modern apprenticeship programme.
- 11.10 The Council continues to support the Chartered Town Planner degree apprenticeship Trailblazer group, and expects to offer a degree apprentice position on its completion. This "grow your own" approach to developing talent helps the council fill hard-to-recruit positions and retains valuable staff.
- 11.11 5 apprentices finished their apprenticeship programme, one six months ahead of schedule. The two degree apprentices continued their studies. The Learning and Development team supported the development of the apprentices through mentoring, their qualification programme, volunteering projects and the provision of a life skills programme in partnership with other councils.

Learning and Development

- 11.12 A simplified version of the appraisal process was implemented this year on a temporary basis. To date, 93% of appraisals have been completed. It is intended that a robust online solution that is fit for purpose, develops employees personally and professionally and aligns individual and team goals to the organisational goals will be ready for the cycle of appraisals in February 2019.

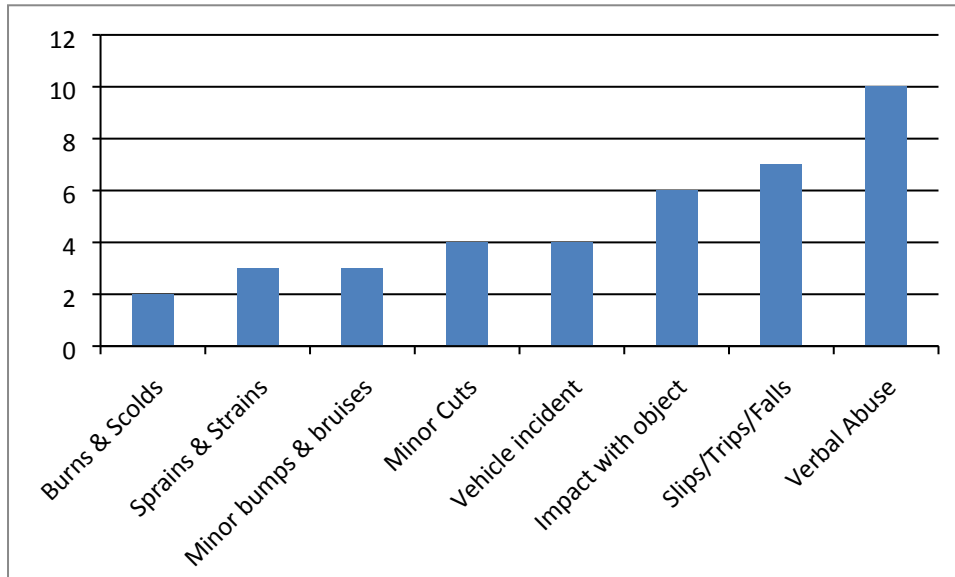
- 11.13 The Council's contract with Learning Pool for the provision of the Aspire Learning Management System terminates in July 2018. A procurement process was undertaken in January and the contract has been awarded to SkillGate providing value for money. A saving of £5,800 will be achieved over the two year duration of the contract.
- 11.14 The Learning and Development Team delivered and supported 94 training sessions, 218 hours of training attended by 880 participants. During the period under review, 315 completions for E-Learning packages were recorded. A further 1,644 'hits' were recorded showing the various pages of the Learning Management System viewed by staff members. New modules on GDPR and How to handle data securely have been developed and are ready for roll-out on the new LMS.
- 11.15 The Council continues to work with partner organisations in delivering training where appropriate and to achieve value for money. A management development programme for middle managers was delivered in partnership with Simplyhealth.
- 11.16 The induction process has been reviewed with the aim to improve the employee experience and to bring greater consistency across the Council in terms of what information is provided to new starters; what happens on day one and during the first few weeks. A corporate induction pack has been developed and will be launched in July.
- 11.17 The Council continued to support local schools and colleges by providing work experience placements for pupils from years 10 and 11, college students and university students. Co-ordinated by the Learning and Development Team this provides a valuable opportunity for young people to gain an insight into Local Government, and raises the profile of the Council within the community. These are generally for short periods ranging from a day up to a week, although longer placements have also been provided when required.
- 11.18 The process for applying for work experience has been streamlined; the application is processed centrally and individual teams approached to accommodate applicants. This approach is aimed at delivering opportunities for work experience to all Winchester District residents and maintains consistency across the Council. The Council adheres to Industrial Cadets as a quality mark of its work experience.

Health and Safety

- 11.19 The Health and Safety Manager has recently re-introduced a Health and Safety forum with representation from across the Council's workforce. This contributes to ongoing employee engagement and creates the appropriate mechanisms to consult with staff.
- 11.20 During the financial year 2017/2018, there were 39 incidents/accidents reported to the Council's Health and Safety Manager (35 incidents/accidents involving employees; 3 involving contractors working on behalf of the Council,

and 1 involving a Councillor). The number of recorded incidents / accidents for the previous year was 18.

11.21 These events were categorised as follows:



11.22 The increase in reported incidents correlates to work undertaken by the Health and Safety Manager to raise awareness of the correct reporting mechanisms.

11.23 The Health and Safety Manager has also revised the guidance for the reporting of and management of violent incidents towards staff. During the reporting period, there were 10 incidents of verbal abuse against staff. No incidents of physical violence have been reported. Where appropriate, the "Risk Register" has been updated accordingly.

11.24 During the period there were 3 incidents which were reported to the Health and Safety Executive (HSE); this compares to no reportable incidents in the previous year. No follow-up action has been taken by the HSE in relation to these incidents.

11.25 The Council's Occupational Health provider gave notice of termination of their services with effect from 01 March 2018; an interim arrangement with an alternative provider is currently in place with minimum impact on service delivery. Subject to the Council's procurement regulations being met, a new provider will be appointed during this current financial year.

Workforce Matters

11.26 The following table provides information covering the reasons for staff leaving during the last four quarterly periods.

Reason for leaving	Apr – Jun 2017	Jul - Sep 2017	Oct – Dec 2017	Jan – Mar 2018
End of Temporary/ Fixed Term Contract	1	5	1	1
Resignation – public sector appointment	3	3	4	6
Resignation – private sector appointment	2	5	2	1
Resignation – other	13	11	4	5
Retirement	3	3	0	1
Redundancy	0	1	6	0
Other	0	0	1	2
TOTAL	22	28	18	16

11.27 The data from the current reporting period is summarised below:

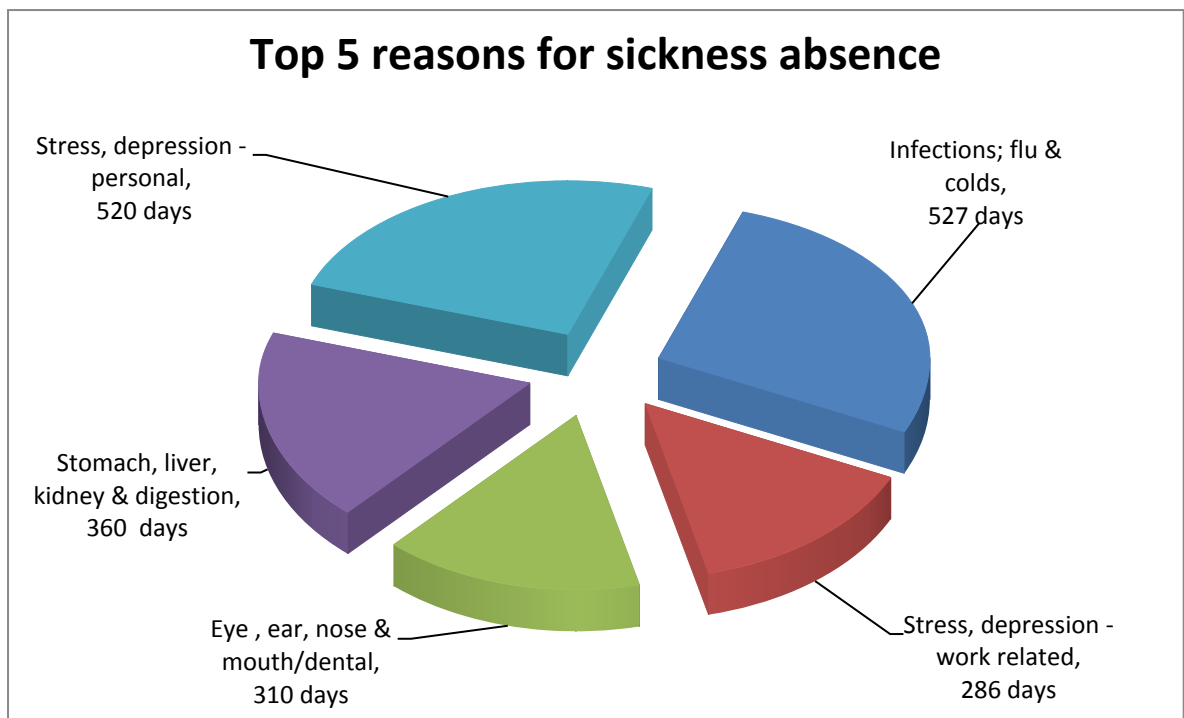
- Ten staff exit interviews have been undertaken since 1 January 2018; seven of the respondents were female and three male.
- Eight would work for the council again; two would not.
- While the reasons for leaving as stated by the employee are given below, the survey allows the participant to select as many as apply to their situation. The reasons provided by the employees are summarised as follows:

Reasons for Leaving	Total Responses
Enhanced career opportunities	10
Other *	4
More interesting work	3
Improved Salary/Wage	2
More convenient work location	2
Family reasons	1
End of fixed term contract	1

* reasons given were relocating; lack of progression in department; personal reasons; change of career).

Attendance and Staff Sickness

- 11.28 Staff sickness continues to be monitored very closely with detailed reports made available to managers after the end of each month. Further high level reports are presented to Executive Leadership Board and Corporate Heads of Service on a monthly basis.
- 11.29 The staff sickness during the 12 month period ending 31 March 2018 shows that the reason for the highest number of days absence is colds and flu at 527 days taken during the reporting period. Although the quarterly trend shows this as an increase, it can be seen that the overall figure is lower for the full year 2017/2018.
- 11.30 In previous years the Council has provided a free 'flu jab' for front-line staff at a cost of £700 per year to the Council. Analysis of sickness data was undertaken and showed that during the winter of 2016, 102 people had a flu jab provided as part of the Council funded scheme. Of those 102 employees, the average number of days lost due to colds and flu was 0.94 days per employee compared to 0.87 days lost by those who did not take up the offer of a flu vaccine. On the basis that the provision of a flu vaccine by the Council does not have a tangible impact on sickness absence, the scheme has been discontinued. As can be seen there has been no significant increase in reported flu.
- 11.31 The chart below shows information relating to the top five reasons for staff sickness absence and the number of days taken during the twelve month period ending 31 March 2018. More detailed analysis of sickness data, including a comparison with previous quarters is included in Appendix 1 of this report.
- 11.32 It can be seen that the incidence of stress and depression is the second most quoted cause of absence. Although the majority of stress reported is personal there has been an increase in report of work related stress.
- 11.33 The HR Business Partners continue to engage with Occupational Health to support employees, utilising the HSE Management Competence Framework to facilitate the return to work at the earliest opportunity. The Council also provides a free counselling service and external mediation services have been engaged to resolve workforce conflict.
- 11.34 The preferred supplier for the Health Care Cash Plan also provides an Employee Assistance Programme which will be available in the future. During the coming year, the Council will need to procure a new occupational health provider and the requirements for that service will include support to help employees to remain in the workplace.



Key Priorities for 2018/2019

11.35 The key priorities for the coming year are set out in the Employee Strategy and are summarised below:

- Implementation of the Travel Benefits Review, including the procurement and implementation of a salary sacrifice car benefit scheme which would be open to all employees subject to them meeting the affordability criteria determined by the supplier
- Assessment and assimilation to the new pay structure for the NJC pay spine with effect from April 2019, subject to national guidance being available
- Continued realignment of services reporting to Corporate Heads of Service
- Continued implementation of the entrepreneurial training programme and leadership development programme
- Transition to the new Learning Management System and successful role out across the Council.
- Review of annual leave entitlements with a view to increasing annual leave on entry from 23 days to 25 days and from 27 days to 30 days after 5 years of service; this approach reflects similar Councils. It is also proposed to introduce the ability for staff to buy additional leave

- Procurement and introduction of a corporate discount card scheme
- Procurement of an alternative occupational health service
- The Council's HR/Payroll system (Selima) and the recruitment portal (WCN) are both due a significant upgrade in this coming year to improve the functionality and accessibility of both systems.
- Development and implementation of a "Talent Management Strategy" to ensure the Council recruits and retains high calibre staff with skills, knowledge and behaviours to deliver modern local government services
- Review of the Council's Equalities Policy and associated supporting documentation
- Implementation of an Employee Wellbeing Strategy to develop personal resilience and reduce sickness absence

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

[PER304](#) Employee Strategy, 23 November 2017

[PER312](#) Organisational Development Performance Monitoring Q3 2017/18, 12 March 2018

Other Background Documents:-

None.

APPENDICES:

Appendix 1 – Organisational Development Performance Measures 2017/18

Organisation Development Performance Measures
Quarterly Performance Monitoring – Q4 2017/18 update

Performance Indicator	2016/17 Data		2017/18 Data				Direction of Travel
	Q3	Q4	Q1	Q2	Q3	Q4	
Establishment & Staff Profile							
Actual number of Full-Time Equivalent (FTE) in post	444.39	446.77	439.37	441.08	439.15	440.5	↑
Total Authority headcount:	497	499	491	496	494	492	↓
- Full Time	363	361	355	358	363	376	↑
- Part Time	134	138	136	138	131	116	↓
Turnover – Number of leavers as a percentage of headcount	2.00%	3.60%	5.50%	5.70%	4.22%	3.25%	↓
Number of actual leavers:	10	19	27	28	21	16	↓
- Full Time	7	15	20	21	15	9	↓
- Part Time	3	4	7	7	6	7	↑
Number of appointments to vacant posts:	30	23	18	22	34	27	↓
- Internal appointment	6	6	5	8	13	10	↓
- External appointment	24	17	13	14	21	17	↓
Attendance & Sickness							
Average Sickness per member of staff (days) – rolling year	6.0	6.3	6.4	6.5	6.9	6.4	↓
Number of employees with no sickness absence (rolling 12 months)	169	171	169	179	171	192	↑
Percentage of employees with no sickness absence (rolling 12 months)	34.0%	34.3%	34.7%	37.0%	35.0%	39%	↑
Total number of days sickness (quarterly)	703	832	592	771	855	917	↑

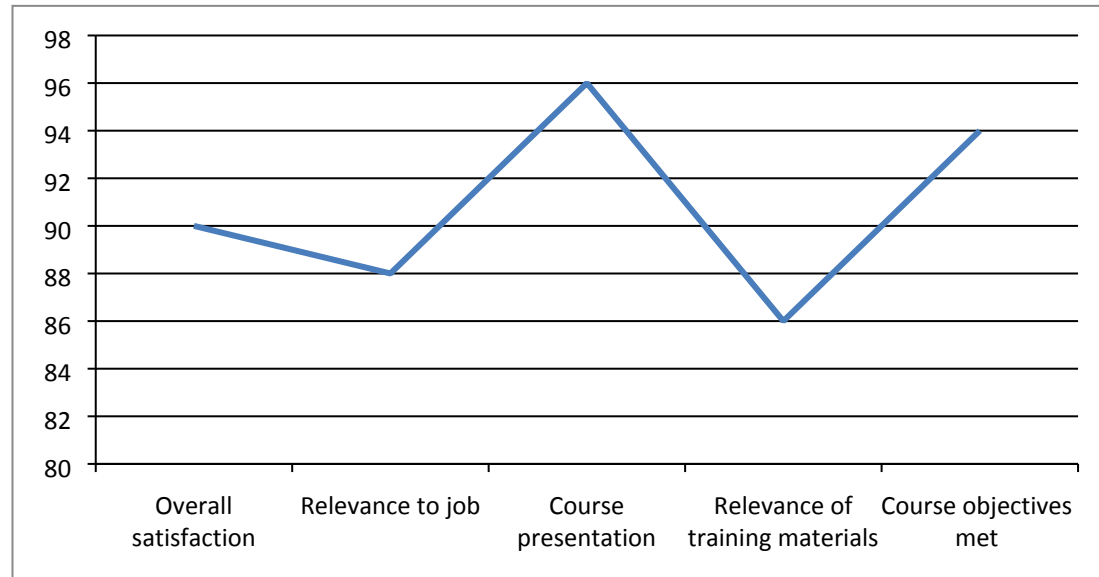
Performance Indicator	2016/17 Data		2017/18 Data				Direction of Travel
	Q3	Q4	Q1	Q2	Q3	Q4	
Sickness days by reason (top 5) – rolling 12 month period							
- Infections, including cold & flu	567	580	560	540	474	527	↑
- Stomach, Liver, kidney & digestion	375	338	294	245	385	360	↓
- Stress/ Depression - personal	293	396	479	544	412	520	↑
- Stress/ Depression – work related	164	140	164	127	263	286	↑
- Eye, ear, nose & mouth/ dental	109	113	105	52	349	310	↓

Organisation Development
Annual Performance Measures 2018

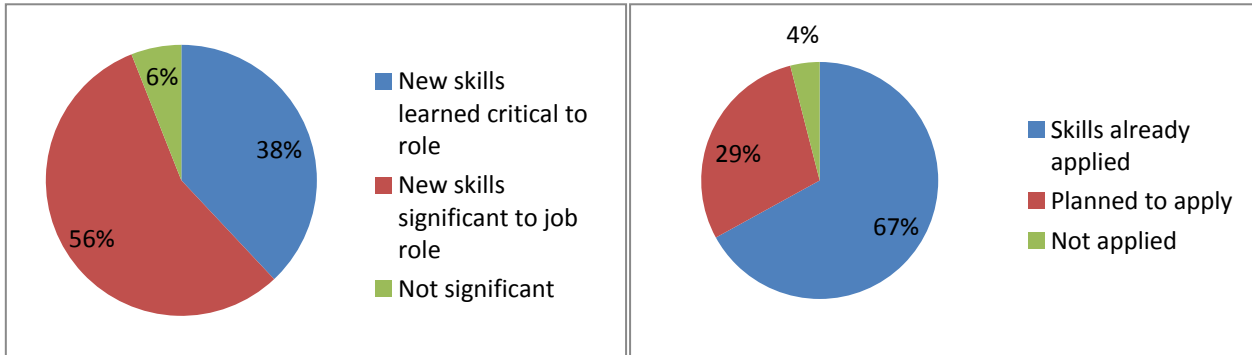
Performance Indicator	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Former Best Value Performance Indicators							
Top 5% earners who are women	31.00%	30.00%	25.00%	28.00%	30.43%	40.00%	40.00%
Top 5% earners who are from ethnic minority	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Top 5% who have a disability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Number of early retirements	1	1	1	1	1	0	0
Number of ill health retirements	0	0	1	0	0	0	0
Percentage of employees with a disability	5.00%	4.87%	4.55%	4.60%	4.40%	3.40%	3.90%
Percentage of ethnic minority representation in the workforce	1.55%	2.18%	2.28%	1.95%	2.15%	2.86%	2.01%
Percentage of staff who are male	39%	39%	42%	39%	39%	39%	39%
Percentage of staff who are female	61%	61%	58%	61%	61%	61%	61%
Staff Age Profile:							
- 16 to 24 years old	22	35	52	39	41	40	34
- 25 to 34 years old	102	99	91	81	77	85	75
- 35 to 44 years old	139	128	130	121	110	117	117
- 45 to 54 years old	140	147	143	137	148	150	156
- 55 to 64 years old	94	92	98	87	82	93	93
- 65+ years old	16	16	16	13	17	14	13

Learning and Development Metrics

Performance Indicator: Learner Satisfaction



Performance Indicator: Job Impact



Performance Indicator: Business Impact

