

PAY AND WORKFORCE DEVELOPMENT STRATEGY 2007-10

PORTFOLIO RESPONSIBILITY: CORPORATE AND CUSTOMER SERVICES AND HUMAN RESOURCES

CABINET

21ST JUNE, 2007

Wards Affected

None

Purpose

That Cabinet approve the Pay and Workforce Development Strategy for 2007-10.

Key Decision

This is not a Key Decision.

Recommendation

THAT the Strategy be approved

Reasons

Cabinet are asked to approve the Strategy for 2007-10 in order to progress the human resources issues and actions outlined in the Strategy.

Considerations

1. The Council's Pay and Workforce Development Strategy 2005-8 adopted the Employers Organisation's five themes as key areas to address - Pay, Reward and Recognition, Resourcing, Developing Leadership Capacity, Developing the Skills and Capacity of the Workforce, and Organisational Development. During 2006, however, it was recognised that this existing Strategy needed to be fully reviewed and updated to respond to the Council's emerging transformation agenda.
2. The 2005-8 Strategy has achieved a number of key objectives, including:
 - Achievement of sickness absence target, attained top quartile performance at 8.23dys per FTE per year for 2006-7 (target 9dys);
 - Turnover stable and meeting target at no more than 9% per year (6.97% for 2006-7);

Further information on the subject of this report is available from
David Johnson, Head of Human Resources on (01432) 383055

- Modernised recruitment administration and agency worker provision with significant cashable savings in local recruitment media advertising;
 - Establishment of a Skills for Work Centre, and development of a Children's Workforce Development Strategy;
 - Support post-Job Evaluation – 70% reduction in numbers of those in receipt of job evaluation protection;
 - Commitment to achieving the Investors in People Standard, with a 94% completion rate of Staff Review and Development (SRD) in 2006, the SRD process firmly linked to the Council's performance improvement cycle; and improved responses across a range of questions in the Employee Opinion Survey.
3. The Pay and Workforce Strategy 2007-10 was developed by a Board set up as part of the Council's arrangements to ensure the successful delivery of proposals for the Herefordshire Council Transformation Programme. The Board's Terms of Reference were to oversee development and delivery of the Pay and Workforce Development Strategy, and ensure realisation of the planned benefits.
4. The Pay and Workforce Development Strategy is designed to support delivery of the Council's Corporate Plan commitments and organisational priorities, including the Council's diversity agenda, and values. It is the basis for testing the Council's performance in relation to the effective strategic management of human resources.
5. Benchmarking (e.g. national local government quartiles, other 'like' unitary Councils, the local government Pay and Workforce Strategy Survey). has shown that the Council is performing as follows for 2006-7:
- ✗ under-performing in relation to % disabled employees (BVPI 16a), where unitary top quartile performance is at 2.75%, and Council performance is at 0.69% (lowest performing quartile);
 - ✗ under-performing in relation to % employees from black/minority ethnic groups (BVPI 17a), where unitary top quartile performance is at 5.6%. Council performance is 0.64% (lowest performing quartile);
 - ✗ % of the top 5% of wage earners female, and (BVPI 11a), where unitary top quartile performance is at 48.09%, and the Council is at 38.57%.
 - ✗ % of the top 5% of wage earners declaring a disability (BVPI 11c) where unitary top quartile performance is at 3.14%, and the Council is currently at 0.71%.
 - ✗ % top 5% of wage earners from black/minority ethnic background (BVPI11b), where unitary top quartile performance is at 3.68 %, and the Council is at 2.14%.
 - ✓ performance on sickness was 8.23dys per FTE for 2006-7 which puts the Council in the top quartile nationally.
 - ✓ performance on turnover was 6.97% for 2006-7, well below the average for local government. However this overall figure masks variations between Directorates.

- ✓ Performance on Staff Review and Development completion was 94% (against 76% previous year).
6. The Comprehensive Performance Assessment, and Joint Area Review, have identified the need to develop and deliver a workforce strategy for the Children's, and Adults, social care workforce, and address key skills shortages in this area. The delivery of this strategy is a key priority, non-delivery of which has been identified as a key risk.
 7. Achieving the Investors in People (IIP) standard is a key priority for the Council, as it contributes to the employment agenda on a variety of levels as set out in the Pay and Workforce Strategy 2007-10. As such, non-achievement of the Standard has been identified as a key risk.
 8. The Pay and Workforce Development Strategy 2007-10 sets out what the Council will do with its human resources in order to tackle identified priorities. These have arisen as a result of performance to date, to implement national agreements, and respond to wider environmental and legislative changes (e.g. equal pay, employment legislation, central government requirements).
 9. The Strategy also recognises the Council is facing significant human resources challenges in the way it delivers services, such as through improved accommodation, embracing new and emerging technology (Herefordshire Connects), and the creation of a Public Services Trust. These challenges will involve working to create even more flexibility in the types of jobs the Council offers, how, when and where these jobs are done, and how to recruit, train and retain a motivated workforce through times of significant change.
 10. The Strategy identifies six themes (a new sixth theme, Employee Well Being, has been added as a result of work to develop the Strategy), and sets out a series of actions in the context of the Human Resources three-year Service Plan to ensure the Council:
 - Provides for the development of **Effective Leadership** and management;
 - Has in place effective **Learning and Skills Development** for the social care workforce in Herefordshire, to meet national standards, encompassing the Private, Independent and Voluntary sectors, and provides learning and skills development including employee induction, advice and coaching on human resource policies, people skills development for managers;
 - Supports the **Organisation's Development** and diversity, including supporting Investors in People accreditation, the achievement of the Equality Standard, and develops its human resources to meet the challenges of change such as Herefordshire Connects, Public Services Trust, Accommodation (see bullet point 8. above);
 - Has in place effective **Pay, Reward, and Recognition** structures, equal pay review, advice and guidance;
 - Is effectively **Resourced** to meet its service delivery and employment diversity challenges through workforce planning, central recruitment administration;
 - Promotes and supports **Employee Well-Being** through improvements in managing attendance, provision of occupational health and safety (including Counselling), advice and guidance.

11. The Pay and Workforce Development Strategy 2007-10 contains a revised set of actions in Year One (2007-8), in order to address the human resources performance challenges set out above, and build on the successes to date, with stretch performance targets for 2007-10 against relevant performance indicators, across each of the six themes.

Risk Management

Key risks highlighted have been identified as the recruitment and retention of employees where there are national skills shortages.

Alternative Options

There are no Alternative Options.

Consultees

The other Project Boards set up as part of the Transformation Programme have been consulted on the development of the Pay and Workforce Development Strategy to ensure it is properly aligned.

Appendices

None.

Background Papers

Project Initiation Document Pay and Workforce Development Strategy (v 0.2)
Human Resources Service Plan 2007-10 (v 1.4)