

SERVICE AREA	Name of service PERSONNEL SERVICES
AIM	Overarching aim/vision of service TO HELP IMPROVE EMPLOYEE PERFORMANCE

1 Describing the service

Context, drivers and reason for the service's existence

WHAT DO WE DO?

Brief description of key functions **The services provided by the Unit are corporate in nature and consist of three discreet functions. Firstly it provides a general personnel/employment law advice service; secondly it delivers a comprehensive health and safety service; and thirdly payroll services. These services are provided principally to internal customers and our main partner (East Durham Homes Ltd.). Our overall aim is to help improve corporate performance by supporting and enabling employees, managers and elected members to achieve their full potential.**

Some parts of the service are required by statute. In addition and in furtherance of the Council's community governance role, advice and limited assistance and some rechargeable services are provided to Town and Parish Councils and Community Groups who have no HR resources of their own. This area of service provision is to be further developed during 2007/8.

The three discreet functions are of equal importance and priority. They do, however, complement each other and help the Council to achieve both corporate and Service Unit objectives.

The Personnel Services Unit operates corporately at the centre of the Council and is fundamental to the Council's overall performance and development. We know that it is the quality and commitment of our employees that largely determines the public image and the perceived and actual performance of the Council.

The Unit engages with all employees and services and many of the Council's partners through implementation of the Council's HR, Payroll and Health & Safety Policies and procedures. In that context, the unit contributes to all the objectives of the Council and therefore the Community Strategy. However there are perhaps two corporate objectives, which it more directly contributes to. These are detailed below.

KEY SERVICE OBJECTIVES AND LINKS TO CORPORATE OBJECTIVES

Please briefly list only those objectives which you consider to be **key** areas within your service provision

Objective 1 Implement and update the Council's HR Strategy (improve employee performance)	This links to corporate objective 'Striving for excellence in the workplace and quality services for our people'
Objective 2 Reduce sickness absence (improve corporate capacity and reduce cost of sickness)	This links to corporate objective 'Striving for excellence in the workplace and quality services for our people'

Objective 3 Produce a health & safety plan (improve health & safety)	<i>This links to corporate objective 'Striving for excellence in the workplace and quality services for our people'</i>
Objective 4 Review recruitment procedures (improve efficiency and cost effectiveness)	<i>This links to corporate objective 'Striving for excellence in the workplace and quality services for our people'</i>
Objective 5 Develop a Workforce Plan (improve capacity and capability)	<i>This links to corporate objective 'Striving for excellence in the workplace and quality services for our people'</i>
Objective 6 Support East Durham Homes to achieve 2 or 3 stars (improve housing standards)	<i>This links to corporate objective 'Striving for excellence in the workplace and quality services for our people'</i>

OTHER DRIVERS	KEY SERVICE STANDARDS
<p><i>The Health and Safety Executive stipulates how and under what circumstances accidents at work must be reported – this is a legal requirement.</i></p> <p><i>The Govt. produced a document entitled 'Revitalising Health and Safety'. It sought to improve Health and Safety at work and was aimed at both private and public sector employers. One of its key objectives was to reduce the impact of days lost to workplace accidents by one third by 2010.</i></p> <p><i>Services to East Durham Homes Ltd. are defined and regulated through a Service Level Agreement and a contract with Durham County Council Occupational Health Unit.</i></p>	<p><i>'Reportable' accidents must be reported to the Health and Safety Executive within 10 days.</i></p> <p><i>Local Performance Indicator Pers 1 sets out annual targets to reduce accidents at work between now and 2010 in accord with the Government's objective.</i></p> <p><i>See service standards in the Service Level Agreement. Service standards are defined for Payroll Services, Health & Safety Services and Occupational Health Services. See service standards in the contract for Occupational Health Services.</i></p>

KEY RESOURCES				
	Actual 2005/6	Forecast 2006/7	Forecast 2007/8	Forecast 2008/9
Number of staff	12.8	12.3	12.3	11.3
Revenue budget	£644k	£647k	£661*	£629*
Capital budget				
External funding				

** includes £42.6k for HR Strategy and £48k for Business Admin. Apprentices funded from approved reserves.*

** Includes £50k for Business Admin. Apprentices funded from approved reserves*

ASSETS

Describe the key assets you hold for your services. This includes buildings, major items of equipment, vehicles etc. Please indicate whether they are owned by the Council or are on lease.

HR/Payroll Software Hosting Contract 2005/2008 (lease of software)

Audio booth and audiometer (owned)

Noise meter, vibration meter (owned)

Use of rooms in Building No 1

KEY PARTNERS

***East Durham Homes Ltd.
Parish and Town Councils
North East Regional Employers Organisation
Durham County Council Occupational Health Unit
Peterlee and Houghall Community College.
Primary Care Trust
Pearsons Press Ltd.
Health and Safety Executive
Durham City and Sedgefield Councils
Northgate I S Solutions Ltd***

CUSTOMER PROFILE

***Council tenants
Residents of the District of Easington
North Region Councils (Mets, Unitary and Districts)
District and East Durham Homes employees
Students and trainees
Residents of the District of Easington
Organisations (Public/ Private Sector) requiring press work
All employers
Respective residents
HR/Payroll Software/Hosting Provider***

PUBLISHED PLANS FOR THE SERVICE		
Plan/Strategy	Purpose	Contact
<i>HR Strategy and updated action plan</i>	<i>To demonstrate how the Council will effectively manage its people to maximize their contribution and potential with the goal of achieving the aims of the authority and improving its performance. The Action Plan is periodically updated to record completed actions and new actions added. The Action plan records who is responsible for the task and when it will be done.</i>	<i>Reg Gott – Head of Personnel</i>
<i>Health and Safety Strategy (separate docs for DOE and EDH)</i>	<i>To demonstrate how the Council and EDH will meet legislative and local demands. Each Strategy defines the prioritized actions and who is responsible for such actions</i>	<i>Dave Walker – H&S Manager</i>

2. Where are we now?

Current performance and issues facing the service. Performance is one of the drivers of what you plan to do next.

PERFORMANCE INDICATORS							
Please include all indicators used to demonstrate the performance of your unit against its objectives. Indicators can be BVPI's, local indicators, PSA targets, LSP Floor targets or key service standards.							
Indicator	2003/4	2004/5	2005/6	Current Quartile position if applicable	Target 2006/7	Target 2007/8	Target 2008/9
11a % of top 5% of earners that are women	15.5%	14.3%	11.9%	bottom	16.0%	17.0%	17.5%
11b % of top 5% of earners that are from BEMs	0%	0%	0%	bottom	2.0%	2.0%	2.0%
11c % of top 5% of earners that have a disability			4.8%	new	5.0%	5.5%	6.0%
12 Number of working days or shifts lost to sickness	14.5	11.3	8.7	median	8.5	8.0	7.5
14 % of employees retiring early excluding ill-health	3.0%	0.63%	0.79%	median	0.45%	0.45%	0.45%
15 % of employees retiring on grounds of ill-health as a % of total workforce.	0.34%	1.05%	0.20%	median	0.20%	0.20%	0.20%
16a % of Council workers declaring they are disabled	a) 4.9%	a) 3.8%	a) 3.2%	N/A	a) 4.5%	a) 5.0%	a) 5.2%
16b % of economically active disabled people in the District	b)29.0%	b) 29.0%	b) 29.0%		b) 29.0%	b) 29.0%	b) 29.0%
17x % of Council workers from ethnic minority communities	x) 0.21%	x) 0.36%	x) 0.46%	N/A	x) 0.50%	x) 0.55%	x) 0.60%
17y % of Economically active people in the District from ethnic minority communities	y) 0.75%	y) 0.75%	y) 0.75%		y) 0.75%	y) 0.75%	y) 0.75%

Pers 1 Rate of reportable accidents(per 1000 employees per annum)	26.5	12.7	12.3	N/A	21.3	20.6	19.9
Pers 2 Number of voluntary leavers	5.2%	4.1%	3.5%	N/A	5.0%	4.8%	4.6%

KEY CUSTOMER FEEDBACK RESULTS

<p>Recent feedback from customers</p> <p><i>A management questionnaire and survey on the provision of services to EDH was carried out in July/Aug 2005. Services are currently provided through a Service Level Agreement which sets out the detail of what will be provided, performance standards, cost for each element of service and charging methodology.</i></p>	<p>Key findings</p> <p><i>The results were generally positive and useful in identifying what needs to improve. Health and Safety services were ranked as good or very good – in fact there were no areas of this work where managers were dissatisfied with performance. Similarly Payroll services were perceived as being good or very good. General Personnel Services produced a mixed response with some big variations in rankings. There was a perceived need to improve recruitment performance and a lack of progress in re-badging/reviewing EDH Policies. A detailed response was provided for EDH with suggestions on how particular areas of work could be improved. Also a detailed rebuttal was provided where there was no evidence to justify the criticism. EDH has since appointed its own dedicated HR staff.</i></p>
<p>The CIPFA Benchmarking Club 2005 Compares HR metrics</p>	<p><i>Results from the benchmarking exercise show how the Council's HR Services compare against some 60 other Local Authorities. The CIPFA Benchmarking Club was chosen because it compares both quantitative and qualitative metrics. The data has been made available for the BV Review of Support Services. However in summary the findings were very positive in that staff numbers and costs are lower than the national average for HR and Training but higher for Health & Safety. The combined costs for the Council were less than the average combined costs of District Councils. The Council compared well in terms of other metrics such as incidence of grievances and tribunals and other litigation such as equal pay claims.</i></p>
<p>Regional benchmarking exercise carried out by North East Regional Employers in 2006 (summer).</p>	<p><i>This exercise compared Mets, Counties and Districts and was limited in terms of numbers of participants. However the results were positive and showed that the combined costs of HR and Health & Safety per employee were less than the other participating Districts and better than Durham County Council.</i></p>

<i>PROBE self-assessment July 2006</i>	<i>This assessment tool produced a score of 70 for performance and 74 for practice which translates to 'high' in the contender category. It measured the Unit's response to a comprehensive range of questions. However there were some poor scores for activity on appraisals and training and development of the Unit's staff.</i>
<i>BVRSS Customer Survey 2005</i>	<i>This survey examined the scores of customers of Personnel Services. The categories were overall satisfaction, timeliness, professionalism and helpfulness and understanding of customer needs. Satisfaction was quite high, particularly for Payroll and Health & Safety services. There were some issues regarding delivery and interface on HR and recruitment.</i>
<i>Written complaints and compliments</i>	<i>There were no written complaints in 2006/7. There were 13 written compliments/letters of thanks in 2006/7</i>

HOW WE DID AGAINST LAST YEAR'S PLAN

Brief summary including key achievements and shortfalls

Key Achievements *The campaign to reduce sickness absence produced the best BVPI 12 rate ever achieved by the Council i.e. 8.7 days per employee in 2005/6. This is just short of top quartile. The position worsened slightly when some 60 Care Services employees returned to the Council. At the end of September 2006 the rate had increased to 9.2 days. The outturn for 2006/7 was 8.6 days per employee – an excellent result*

*The corporate accident rate has been reduced again in line with Govt. improvement target.
Achievement of the Working for Health Care in County Durham Silver Award for health promotion activity in the workplace*

A Health and Safety Plan was produced and endorsed by the Management Team which included a range of H & S improvements across services.

*Recognition at national level by an HSE report on our public reporting of H&S performance
Influenced the project team to include some major improvements in H&S provision at Hackworth Road Depot.*

HR Strategy critical actions achieved – namely :-

Review of Smoking Policy and introduction of 'no smoking at work' rules which in turn achieved a Gold Award under the National Clean Air Awards Scheme.

Development of new Discipline, Capability and Dismissal Procedures

Review of Policies to comply with Age Discrimination Legislation i.e. New Retirement and New Voluntary Redundancy Scheme

Development of HR and Payroll Software

Introduction of Business Administration Apprenticeships

Key Achievements (cont).....

Very low turnover has again been achieved.

Very low incidence of grievances and employment litigation.

Effects of loss of EDH income (personnel recharges) minimised

Slippage

Completion of Review of Management of Change Document had to reflect the implications of the Age Discrimination Regulations – expected completion July 2007

WHAT THIS INFORMATION TELLS US

Analysis of key issues and improvement areas

The further development of the new HR/Payroll Software paves the way for better and more accessible employee data and the basis for a corporate Workforce Plan.

The improving sickness rate has created more capacity for the Council.

Implementation of the new Capability Procedure should help improve capacity even further.

We must keep sickness management high up on the agenda – we know from recent performance that the more effort from managers, the better the results. The improving corporate sickness level is a significant contribution towards Gershon targets.

We are doing comparatively well in terms of recruiting and retaining experienced professionals in the traditionally hard to recruit jobs such as Building Control, Planning, Engineering and Environmental Health. We need to expand our 'grow our own' initiative and examine the principle of student sponsorship to ensure a continuous supply of experienced professionals.

Our efforts in relation to improving the health and safety at work of our employees are paying off. External awards and national recognition demonstrate best practice and illustrate our 'holistic' approach to proactive absence management.

3. Where do we need to be?

Positioning the service for the future

To complete this section you will need to do some sort of analysis of the environment surrounding your work area, or “crystal ball gazing” to see what changes your service might need to respond to. Tools like SWOT (Strengths, Weaknesses, Opportunities, Threats) or PESTLE (Political, Economic, Social, Technical, Legislative and Environmental) analyses can help to do this and are a good way of involving your team. Please bear in mind during this exercise:

- The Council’s duties to deliver efficiencies under the Gershon Review, and what contribution your service will make towards that activity. Please note that overall the Council is expected to make 2.5% efficiency savings (cashable or non cashable) each year. It is not currently in line with our approach to set prescriptive savings targets per team, but every team must give serious consideration to how it will contribute to this target either through reducing expenditure or increasing income
- Your service’s priorities in terms of improving performance, in line with the Council’s commitment to quality services for all our people
- Your service’s response to the Council’s commitment to the Equality Standard for Local Government
- Your service’s response to the Council’s commitment to sustainable development
- Your service’s response to the E-Government agenda
- Your service’s contribution to strategic procurement
- The effect on your services of corporate and external influences such as the Local Area Agreement, deprivation indicators, the work of the LSP in your service area, key national or regional policy initiatives

(This part of the exercise is a good opportunity to both engage your team in the process and also to raise awareness of the issues set out above)

PRIORITIES FOR IMPROVEMENT AND CHANGE

Maintain a continuous dialogue with the Trade Unions in respect of potential initiatives to improve sickness levels and produce further Gershon Savings.

Develop e-recruitment (savings in the production of recruitment packs) and review processes to ensure appointments are timely and advertising spend is targeted and effective.

Develop HR software and 'Cognos' reporting tool (better and more accessible data).

Develop intranet and website info. on personnel policies and procedures.

Promote Home/Remote Working (more efficient working, less sickness, less dedicated office space)

Support East Durham Homes in terms of providing efficient and cost effective payroll and health & safety services.

Support the review of Care Services.

Contribute to the improvement of training and development arrangements.

Consider what further positive actions might improve recruitment from ethnic minority communities and disabled.

Promote management development particularly in women and ethnic minorities

Conduct another 'equalities' survey to update data

Contribute to the Best Value Review of Corporate Services Implementation Plan.

Contribute to the development of the Contact Centre.

Ensure that Service Unit appraisals and training and development plans are completed.

Explore opportunities for further 'sharing of services' and joint procurement with Town and Parish Councils and other partners.

Consider salary sacrifice in terms of employee benefits and corporate savings in NI

Update induction and job application forms

Increase the % of job applications from the local community from 60% to 70% by 2010

Increase apprenticeships from 10 per annum to 15 per annum by 2010

WHAT YOUR TEAM WILL DO TO INCREASE EFFICIENCY

Review internal processes to ensure optimum use of time and human resources in the light of the new software.

Increase income from Town and Parish Councils to help offset loss of income from East Durham Homes and improve standards of employment and safe ways of working at this level of local service delivery. Opportunity to extend 'shared' services

Major review of advertising spend, recruitment processes and use of web-sites.

Review corporate recharges to Personnel Services for admin and typing with a view to reducing operating costs.

Participate in a new regional Payroll Managers Group to share best practice, explore opportunities for joint procurement in terms of software, training, payslips etc. Opportunity to extend 'shared' services.

4 How do we get there?

What we will do, who will do it, by when

This is a **high level action** plan for the team. Bearing in mind what you have learned by analysing “where we are now” and “where we want to be”, set out the key actions your team needs to take during the life of the plan. Please remember to include high level equality, sustainable development, e government and strategic procurement actions.

“High level” means describing the overall action rather than delving into every detail. For example, if we are looking at work on the Local Development Framework (a key piece of work with a timescale covering several years) we might say that during 2005/6 we

need to produce a statement of community involvement and assign targets to that, but not show every step of the process we will use to get the document produced.

ACTION PLAN					
Objective	Outcomes required	High level actions	Measure of success	Target	Lead Officer
Objective 1 Implement and update the Council's HR Strategy	Improved employee performance	Implement the revised Management of Change Document	Adoption of Document	July 2007	R. Gott
		Develop Satisfaction Questionnaire	Adoption of S.Q.	May 2007	R. Gott
		Develop new Statement of Particulars – re issue	Issued to all existing and new employees	August 2007	R. Gott
		Organise Discrimination awareness training	Programme agreed	June 2007	R. Gott/K Moss
		Explore opportunities for further 'shared' services	Economies of scale	Ongoing in 2007/8	R. Gott
Objective 2 Reduce sickness absence	improved corporate capacity and reduced cost of sickness	Maintain high profile campaign	Improve BVPI to top quartile	March 2008	R. Gott
Objective 3 Produce a health & safety plan	improved health & safety at work	Review last year's plan Consider new legislation Prioritise new work	No enforcement notices Less accidents Adoption of plan External Award	July 2007(publish) and ongoing	D Walker
Objective 4 Review recruitment procedures	improved efficiency and cost effectiveness	Review processes in light of new software Analyse advertising spend and use of web-sites Update induction	Streamlined processes Cost effective adverts	July 2007	R. Gott

Objective 5 Develop a Workforce Plan	improved capacity and capability	Produce a Workforce Plan that ensures the Council has the right people, with the right skills, at the right time.	Successful recruitment and retention. Low turnover. Few skills gaps	October 2007	R. Gott
Objective 6 Support East Durham Homes to achieve 2 or 3 stars	improved housing standards	Provide efficient and cost effective Payroll and Health & Safety Services	Compliance with Service level agreement	April 2007 to March 2008 (ongoing)	R. Gott

RISKS	
<i>Complete a risk analysis exercise on the proposed action plan, and list key risks and how they will be managed</i>	
Key risks	How they will be managed
1 Opportunities for further 'shared' services could put staff at risk	Early consultation to identify implications, consider possibilities for redeployment or managed reductions in accord with Management of Change Document.
2 Opportunities for further 'shared' services could present unrealistically heavy workloads	Workloads will be carefully monitored to ensure there is a continued business case.
3 Personnel Services must demonstrate VFM – they are highly regarded and national benchmarks show overall costs to be lower than average, however the Health & Safety service is sometimes referred to as 'Rolls Royce' service.	The Unit will explore opportunities to extend its 'shared' services arrangements to improve VFM. The Unit will demonstrate to customers the cost effectiveness of in-house H&S training and benefits of improved accident and sickness rates.
4 Employment Litigation is an increasing corporate risk – particularly with regard to discrimination	Raise awareness through embedded training programmes – target all employees. It is best to get it right first time.
5 Having achieved excellent improvements in sickness absence rates, managers could become complacent	The cost of sickness and the need to continue to reduce it will be kept high profile through posters and regular communication. New initiatives will be considered in consultation with the Joint Trades Unions.

GROWTH AND EFFICIENCY PROPOSALS

Did your analysis of where the service needs to be in the future dictate that growth is needed? If so identify the growth and how it will be funded.

Growth area	Rationale	Cost	How you propose to fund the growth
None			

Did your analysis of the service identify areas where efficiencies can be made? If so identify the projected efficiencies

Efficiency area	Rationale	Value	How you propose to deliver the efficiencies
Administration/typing	Administrator has lost admin work to East Durham Homes – lost income	£16k	Personnel Administrator will absorb admin/typing work previously provided by Democratic Services. Head of Democratic Services and Admin. will in turn adjust his staffing requirements by reviewing temps.
General Personnel Salaries	General Personnel work lost to East Durham Homes – lost income	£ 44k	General Personnel Salaries met from approved reserve funds i.e. HR Strategy and Business Apprenticeship Scheme
Personnel / Health & Safety	Shared Services	£9k (increased income)	Town and Parish Councils have been offered Personnel and Health & Safety help and advice for a set annual fee.
Web site advertising	Not needed	£4k	Will develop e-recruitment and rely more on Easington web-site.

5. How do we know when we've got there?

Arrangements for monitoring, review and remedial action

MONITORING AND REVIEW ARRANGEMENTS

Outline the process by which you will review the service plan in the team, the department and corporately via the scrutiny process. Include timescales and dates where possible

I will monitor the performance of the plan on a regular basis with my Team.

I will report progress to the Director of Finance and Corporate Resources at 1 to 1's and weekly meetings.

Audit Overview will monitor HR Strategy Action Plan Progress.

Service Delivery and Resources Scrutiny Committees will receive quarterly reports on key BVPI's, recruitment and the performance of the unit in general.

The Council's Employee Welfare Committee will receive quarterly updates on the progress of the Council's Health and Safety Plan.

The Chief Executive and I will meet monthly with the Joint Trades Unions to discuss progress and deal with any emerging issues.

East Durham Homes' Senior Management Team and the Health and Safety Committee will receive quarterly reports on the progress of East Durham Homes' Health and Safety Plan.