

HR Service Update

Report of the Head of Organisational Development

1. Introduction

- 1.1. In November 2015 the Head of Services for Communities (now Head of Organisational Development) updated the Committee on developments within HR, which aimed to review HR Service delivery and processes. Since then there have been significant changes at senior manager level within HR. This report provides an update on the HR Service and includes information on the Service's plans for the remainder of 2016/17 and into the new 2017/18 financial year.

2. Background

- 2.1. Like other parts of the Council, HR has undergone a number of restructures and staffing reductions in recent years, due to the Council's budgetary situation, a reduction in the size of the Council's workforce and changing ways of working¹. In early 2015 work commenced to review HR service delivery, aligned to the Council's strategic direction. This programme sought to review the provision of services to schools, academies and external customers, implementation of an integrated HR Management Information System (HRMS) and a review of the HR service to Devon County Council.
- 2.2. As the work progressed, it became increasingly evident that there were opportunities to improve the efficiency of transactional HR services and a decision was therefore made to use Systems Thinking methodology to map demand and flow within HR processes, leading to the prototyping of new approaches in several areas including recruitment and restructuring administration. Coupled with the need to make further budget savings to deliver the required CSR2 target of £460k, taking the overall budgeted saving for 2016/17 to £673k, a decision was then made in late 2015 to consult on changes to the HR Management Team (HRMT), with the proposal being to reduce the HRMT of six posts to one new Head of Human Resources post. This new post would assume leadership responsibilities across the full spectrum of HR responsibilities and would develop a revised, simpler structure and set of operational arrangements that would respond to the Council's changing requirements and would ensure HR staff are supported and enabled to deliver more effectively in the future.
- 2.3. Jacky Wilson was appointed to the Head of Human Resources role on 1st February 2016 and has been reviewing arrangements and priorities.
- 2.4. Key facts about the HR Service, including budget and staffing are at Appendix 1. The current HR Service structure is at Appendix 2.

3. 2016/17: HR Service Delivery Plan and HR Business Partnering

- 3.1. The work referred to in 2.1. and 2.2. above had collated a good evidence base on the views of key customers (through a Management Survey and Interviews) and information on the volume and type of demand coming into the service and the effectiveness of transactional processes (through the Systems Thinking work). Alongside this, analysis had also been undertaken of key Council workforce data including the age profile, turnover and recruitment and retention data. This has led to the development of a 'HR Service Delivery Plan' for October 2016 – March 2018, which will be progressed

¹ see Council and HR staffing figures in Appendix 1

alongside business as usual activity. The Plan sets out priorities for HR over three areas of focus²:

- 3.1.1. **Corporate Priorities** – those activities which will be undertaken by HR to support the Council with the achievement of its corporate priorities, including activities that support organisational development and change. Current priorities are improving the understanding of the Council's current workforce profile and future requirements (workforce planning) and improving the Council's recruitment and retention approach (the resourcing priority), as well as a new fit for purpose HR Management Information System (HRMS), leadership and management development offer and improved workforce data.
- 3.1.2. **Service Area Priorities** – activities which are considered a priority by specific service areas and which have been agreed will form part of HR's Delivery Plan. This will be supported by a refocused HR 'Business Partner' (BP) model (see 3.2)
- 3.1.3. **HR Service Priorities** – activities which HR will undertake internally to develop and improve its service. The current focus will be on improving internal processes and ways of working (including continuing to involve HR staff at all levels in making improvements through use of the Systems Thinking methodology), and developing HR capacity and skills.
- 3.2. **HR 'Business Partner' (BP) model** - The Management Survey and Interviews particularly highlighted the need for HR to work more closely with service areas and their senior managers so that HR support is tailored to service needs and to ensure that corporate priorities are embedded at service level. HR 'Business Partnering' is a model that is used extensively in the profession, within the public and private sector, and a decision has been made to trial this model within the Council, by aligning existing HR managers with specific service areas. The model is aligned with the new Corporate Leadership Team structure and will be reviewed at the end of the financial year, but feedback to date both from managers and from within HR is positive. A key priority for each HR service-aligned BP will be to develop a Workforce Plan for that area. This Plan will then help HR in determining future priorities and the level of HR resource required.
- 3.3. Progress against the HR Service Delivery Plan is being monitored quarterly and measures are being developed, many of which will be incorporated into the new [HR Dashboard for Devon County Council](#)³.
- 3.4. The Plan provides a clear focus and direction for the Service and clearly demonstrates how HR supports the Council's strategic and service area priorities.

4. 2017+: Future HR Strategy and HR's Plans for the Future

- 4.1. A [HR Strategy for Devon County Council](#) was agreed following the last County Council elections in 2013⁴. The HR Strategy has delivered excellent support for staff during exceptional levels of change, targeted recruitment and retention strategies for social workers, reduced the enhanced redundancy pay provision to protect budgets and published the HR Dashboard, amongst other achievements. The current HR Strategy runs until 2017 and will be reviewed in light of further organisational change, the Purposeful Systems work and the recent Peer Review findings. Analysis of the future HR Strategy will be informed by workforce data and the views of stakeholders but it is likely that the existing activities set out in the HR Service Delivery Plan will continue and there will also be a focus on embedding organisational change and improving workforce productivity.
- 4.2. A review of the trial of the HR Business Partnering model, HR priorities and further budget reductions are all likely to impact upon the HR Service from 2017 onwards and any changes will be subject to consultation with key stakeholders, including HR staff, at the relevant time.

² Further information is at Appendix 3.

³ which is available on the website at: www.devon.gov.uk/factsandfigures/open-data/hr-dashboard/

⁴ See Appendix 4 and <http://staff.devon.gov.uk/er/hrstrategy/hr-strategy-for-dcc.htm>

- 4.3. HR already has good established relationships with other organisations including the Local Government Association (LGA), South West Councils (SWC), the Public Sector People Managers Association (PPMA), Chartered Institute of Personnel and Development (CIPD), the NHS/health sector and other councils and employers. Collaborative working does however also need to sit alongside a decision about the extent to which the HR function seeks to market its service to external customers, including schools, particularly in light of increasing academisation. At present a considerable element of the overall HR budget comes from external customers and any changes will have a significant impact and will therefore need to be factored into any future decisions about HR's service delivery model and structure. A decision to continue to market HR services to external customers to provide income generation opportunities will need to be carefully managed to ensure that it does not compromise HR's core purpose to support the Council.
- 4.3.1. What is clear is that HR needs to take a greater role in the transformation agenda within the Council, whilst also ensuring that it delivers excellent transactional services. This is not an easy task, bearing in mind budget restrictions but it is one that the Service is keen to build upon, so that HR can support the Council in maximising the benefits of its workforce.

5. Conclusion

- 5.1. HR has undergone a period of significant change over recent years and this is likely to continue into 2017 and beyond. However, despite this HR has continued to offer a good and well respected service and developments over recent months, since the appointment of the new Head of Human Resources, place the HR Service in a good position to deal with future challenges and to play an integral part in the Council's transformation agenda.

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Local Government Act 1972: List of Background Papers

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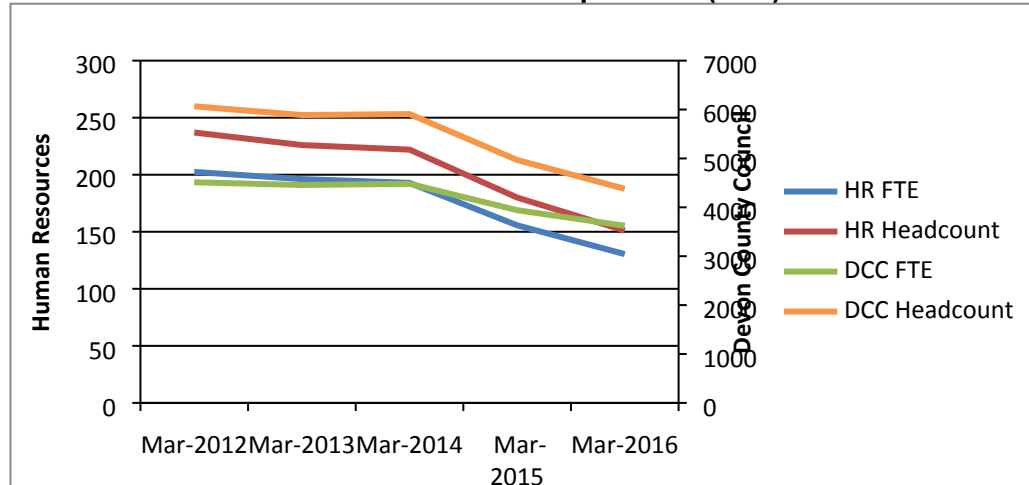
Tel No: (01392) 383000

Background Paper	Date	File Reference
None		

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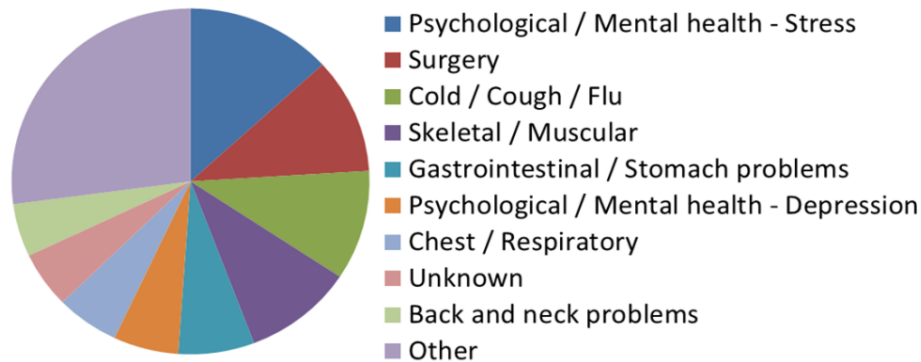
Appendix 1 – HR Service Key Facts

HR and DCC Headcount and Full Time Equivalent (FTE) 2012-2016



Sickness Absence

	Corporate DCC (2015/6)	Local Government Association (LGA) Benchmark (2014/5)
Average days lost per Full Time Equivalent (FTE)	8.3 days	9 days
Percentage of days lost	3.3%	4.1%



Payroll

The average DCC pay bill per month for 2015/6, including schools, was £30.4m. April 2016's payroll bill included £6m to HMRC, £2.5m for Teachers Pensions and £3.88m for the Local Government Pension Scheme. On average the team made 10,918 changes to payroll per month during 2015/6.

HR Operations Case Management

Between 1/11/ 2015 and 31/10/2016 5,666 cases were supported by the HR Operations team of which 4,260 of these cases received advice and support from HR Direct and 1,406 cases were managed directly within the casework team. 41% of the overall casework queries were from services in DCC and 59% from external customers, schools and academies. During this period HR Direct answered 11,815 calls. 5,317 from Schools & Academies and 6,498 from DCC. In addition they answered 1,175 DCC staff enquiries.

Recruitment

- Last year, the team dealt with 3,816 vacancies, with 14% from services in DCC, 37% for schools and 49% for external customers. 967 DCC contracts were issued.
- The Recruitment Pilot met all but one of the new Key Performance Indicators (KPI's) after 12 weeks including:
 - Advert Request to it going live = 2 Days
 - Notification of Offer to Offer Letter sent = 2 days
 - Offer to start Pre Employment Checks = 2 days
 - Offer to return of Starter Information = 14 days
 - Offer to Conditional Contract sent = 14 days
 - Offer to Completion of Appointment = 28 days
- We are in our tenth year of running an Apprenticeship Scheme, co-ordinated by HR. There have been 145 apprentices in total going through this Scheme and 80% are still employed.

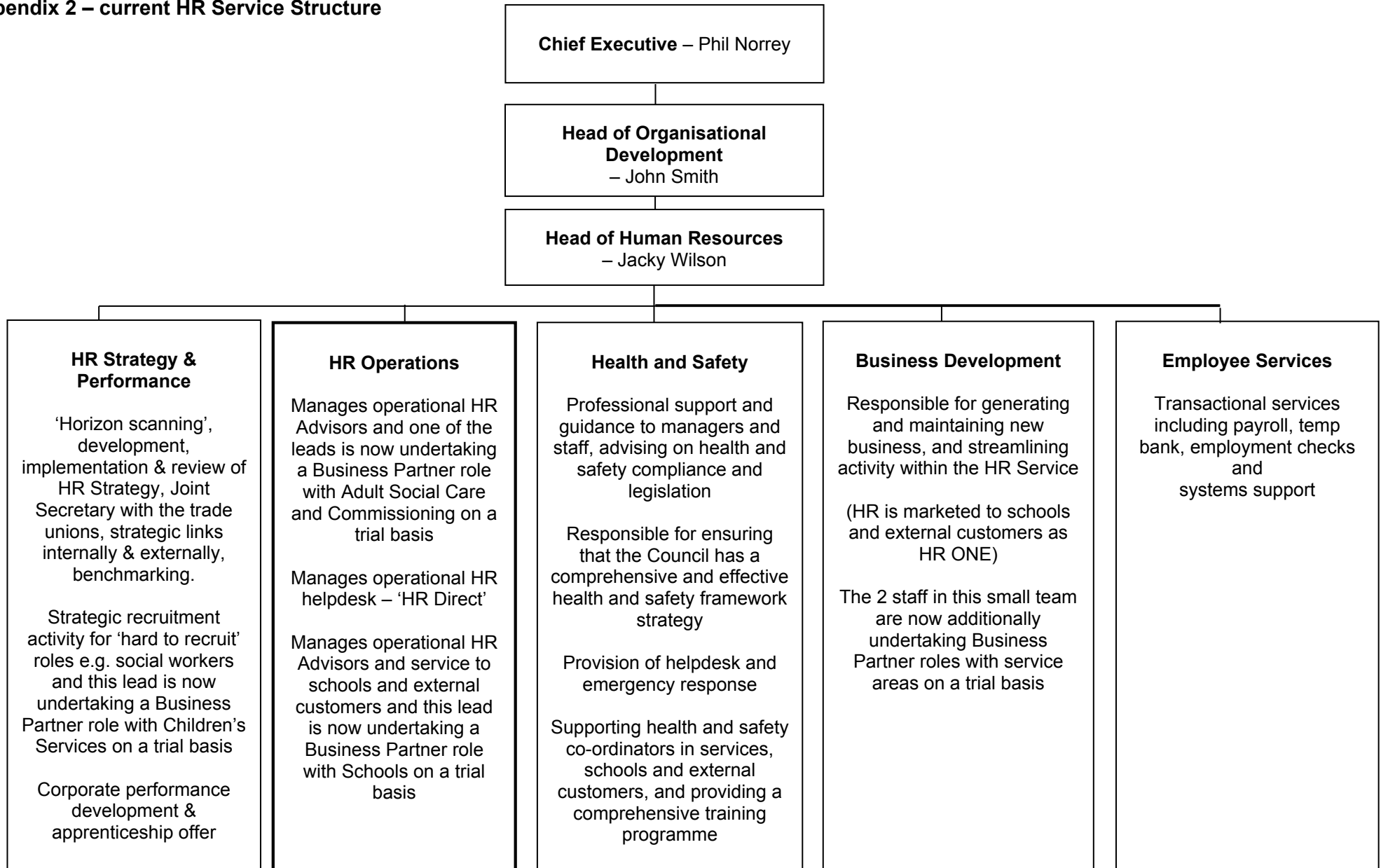
Training and Development

5,825 users participated in online learning during the 2015/16, up from 2,608 in the previous year. Courses include Data Protection, Sharing Personal Data, Supervision and Appraisals, Managing Absence at Work, Leading and Managing Change and Coaching.

Health and Safety

Almost 5000 accidents and incidents are reported to the Health and Safety Team annually. Over 90 training courses are provided annually including bespoke and externally accredited courses. Around 250 audits are completed by Health and Safety Advisers. Support is provided for over 600 establishments including external customers

Appendix 2 – current HR Service Structure



Appendix 3 – summary of the priorities within the HR Service Delivery Plan 2016/18

Corporate Priorities - activities that will be provided by HR this year to support the Council with the achievement of its strategic priorities, including organisational development:

- Corporate project to procure and implement a new integrated HR Management Information System (HRMS) to improve transactional efficiency and the availability of key workforce data
- Roll-out workforce planning across all parts of the Council, to enable the improved identification of workforce resource and development needs and to target activity like 'grow your own' schemes, succession planning and the use of apprenticeships
- Scope out, agree and implement activity to support the resourcing aims within the HR Strategy including improvements to employer brand, the use of technology and social media and to reflect upcoming legislative changes
- Review and refresh the Council's approach to reward, in light of changing resourcing needs
- Review and improve the Council's leadership and management development offer, including the agreement of a Manager Standard
- Implement a revised Apprenticeship offer, in light of Government changes and changing workforce resourcing and development needs
- Explore improvements to the Council's staff benefits offer to support recruitment and retention
- Improve the availability and use of workforce data, building on the recent publication of the HR Dashboard
- Input into and inform the Purposeful Systems work and #WeAre Devon campaign
- Conclude discussions within the Council about external trading and confirm the impact of that decision on HR

Service-area Priorities – activities that are considered a priority by specific service areas and it has been agreed will form part of HR's Service Delivery Plan. For this year the work will involve identifying a nominated HR Business Partner (BP) for each service area to oversee all aspects of HR from a service perspective, on a trial basis until March 2017. That BP will lead the development of a Workforce Plan for that service, will have an involvement in the relevant Purposeful Systems work, will inform the development of a HR Dashboard for that service and will work with other managers in HR to agree how BPs will work together and ensure the embedding of corporate priorities into service-specific plans and to evaluate the success of the business partnering trial.

HR Service Priorities – activities that HR will undertake to develop and improve its service:

- Aim to secure co-location as soon as possible (rather than the HR Service being located on two separate sites, as it is now)
- Implement new and improved Intranet pages to provide clearer routes into HR for manager and employees (aligned with the wider corporate Intranet improvements)
- Agree a framework for how we work within HR, including cultural issues, service standards, communications strategy etc
- Implement a new 'neutral vendor' model for the supply of agency staff, to improve transactional efficiency
- Finalise, disseminate and regularly monitor the progress of the HR Service Delivery Plan, which is then reflected in HR's team and individual work plans and appraisal targets
- Undertake a workforce planning exercise within HR to 'lead by example' and enable the Service to better understand its workforce resourcing and development needs
- Implement the Manager Standard within HR to 'lead by example', ensure a consistent management style and practice across HR and develop leadership and management capability internally.

HR Strategy- Valuing our People

The Five Themes

The Strategy sets clear objectives, outcomes and actions for the organisation, under the following themes:



Performing

We enable everyone to reach their full potential by developing a culture where performance is recognised, measured and managed. This will mean that:

- managers and employees understand the importance of their contribution to performance assessment and improvement
- the performance management approach is effective in delivering performance improvement and monitoring across the County Council
- good performance is recognised and poor performance is managed.
- our people understand and commit to behave within the values of the organisation.



Resourcing

We have the best people with the best skills to deliver our services, goals and vision. This will mean that:

- key skills for the organisation are retained and developed, providing flexibility and best fit
- resourcing plans reflect organisational goals and the need to work and engage with communities, businesses and individuals in new and different ways
- we attract the best people to meet our needs as quickly and effectively as possible.

Supporting & Developing

We develop our people and maintain their safety and wellbeing. This will mean that:

- skills for current and future organisational needs and priorities are developed
- organisational wellbeing drives performance and achieves organisational goals – this also links with the Public Health vision that 'all Devon County Council staff and partners take responsibility for improving the health and wellbeing of the people of Devon'
- there is effective, fair, compassionate and consistent management of sickness absence to ensure optimum performance
- positive and dignified exit strategies will improve organisational and employee well being and support the Devon economy.



Leading & Engaging

We encourage, empower and support our leaders to lead and inspire people. This will mean that:

- there is a leadership culture that improves organisational performance
- leaders are equipped with the tools to do their job effectively
- leaders understand and act upon their people management role.



Recognising & Rewarding

We recognise and reward achievement and there are benefits of working for the County Council. This will mean that:

- our people understand and acknowledge the benefits of working for Devon County Council
- good performance is recognised
- the reward package and process is fit for purpose.

These themes are underpinned by important threads that will link and strengthen the organisation:

- the One Council ethos
- promoting equality
- engaging with our people, and partner organisations and communities
- improving technology, and continuously improving the use of our resources in ways that are cost effective and sustainable for the future.