

PAY AND WORKFORCE STRATEGY PROJECT

EXECUTIVE MEMBERS: Cllr N Williams
LEAD OFFICER: Liam Murphy, Chief Executive
REPORT AUTHOR: Len Gleed, Human Resources Manager

Summary: This report presents a project outline for the development and implementation of the Council's Pay and Workforce Strategy

Recommendations: Members are requested to note and comment on the proposals.

Impact on delivering the Corporate Plan: Under the Theme "Improving the Efficiency and Effectiveness of Council Activities", the current Corporate Plan includes the objective "Continue Workforce Planning (Training & Development, Job Evaluation, Recruitment & Retention measures, Remote Working and Work Life Balance)"

Having the right number of people at the right time, with the right skills, appropriately rewarded, will impact on most of our other objectives.

Impact on other statutory objectives (e.g. crime & disorder): See above

Financial and human resource implications: A total of £102,500 is included in the current year's budget to support Pay and Workforce Strategy related work. Future project progress reports will have significant financial and human resources implications.

Project & Risk Management: The project will be managed by the Human Resources Manager. Risks will be identified in the project plan

Key Decision Status

- **Financial:** None linked to this report
- **Ward:** None – report related to organisation and paid service

Other Ward Implications: None

1. INTRODUCTION

- 1.1 Executive considered a report in March regarding Pay and Workforce Strategy (PWS) which is a Government initiative in pursuit of the transformation of local government, supported by the Local Government Association and the Employers' Organisation. The report described the framework for delivering improved services, greater efficiency, and better customer focus (three objectives which are key priorities for the Council) and referred to the 5 Key Priorities within PWS:
- Developing the Organisation (making planned interventions to bring about significant improvements in organisational effectiveness)
 - Developing the Leadership of members and officers
 - Developing the Skills of the Workforce
 - Ensuring resources meet requirements (by having a longer term Workforce Plan, and tackling issues of recruitment and retention)
 - Pay and Rewards (including Job Evaluation, Equal Pay, Single Status, flexible working)
- 1.2 At the 14 March meeting the Executive noted the importance and implications of the Pay and Workforce Strategy (PWS), and agreed:
- i. that a detailed project plan for PWS should be developed by the end of June 2006
 - ii. to the provision of additional HR resources as soon as possible to deal with operational HR workload, for an initial period of 6 months, to enable the Human Resources Manager to develop the Council's approach to Pay and Workforce Strategy
 - iii. that a further report is presented to the Executive in June/July, and that update reports are also submitted to Personnel Panel.

2 HR RESOURCES

- 2.1 Tracey Emerson commenced employment as a temporary HR Officer on 12 June to assist with the operational workload for the initial 6 month period. This is enabling Len Gleed to spend the bulk of his time managing the PWS project, supported by Sheena Mounsey, using resources already allocated by Executive.

3 PWS AND THE CORPORATE PLAN

- 3.1 The whole purpose of the PWS is to ensure that Copeland is fit for the purpose of delivering the objectives of its Corporate Plan.
- 3.2 The current Corporate Plan/Best Value Performance Plan 2005/7 includes (at Objective OQ2) a commitment to "continue Workforce Planning" but has no related SMART targets.
- 3.3 The new draft 5 year Corporate Plan was considered and released by Executive for consultation on 4 July. Although it states that the plan ".....enables us to prioritise our resources to ensure that we achieve our objectives", it currently contains no significant

reference to the people-management implications of pursuing the Council's ambitions in relation to Effective Leadership, Achieving Transformation and Promoting Prosperity.

- 3.4 Since the Executive meeting in March, the new Head of Paid Service has commenced employment. He has personally committed himself on behalf of the workforce to a pay and workforce programme that will uphold the values of equality, fairness and consistency. But he has also highlighted the links between the 5year Corporate Plan, the Improvement Plan and Pay and Workforce Strategy.
- 3.5 At this stage it is not possible to present a detailed project plan.

4 MODEL PROCESS AND TEMPLATE

- 4.1 Copeland, along with the other Cumbrian authorities, intends to use the North West Employers' (NWEO) model process and template for the development and implementation of its PWS (attached as Appendix A). The model process is described in 6 stages. Currently Copeland is dealing with Stage 1 (Preparation and Securing Support) and has done some work in relation to Stage 2 (Establishing the Current Position). The development of a robust Corporate Plan will enable Stage 3 (Identifying Future Needs).
- 4.2 A considerable amount of work has been carried out under the current short-term Corporate Plan, particularly in relation to the data-gathering required as part of Stage 2 of the NWEO model process. The upgrade of the Council's Northgate PWA (Empower) HR software package which is currently taking place will further enhance our ability to manipulate workforce information efficiently. As the new 5 year Corporate Plan takes shape, we will be able to further develop the aims and scope of the pay and workforce strategy project.

5 NEXT STEPS

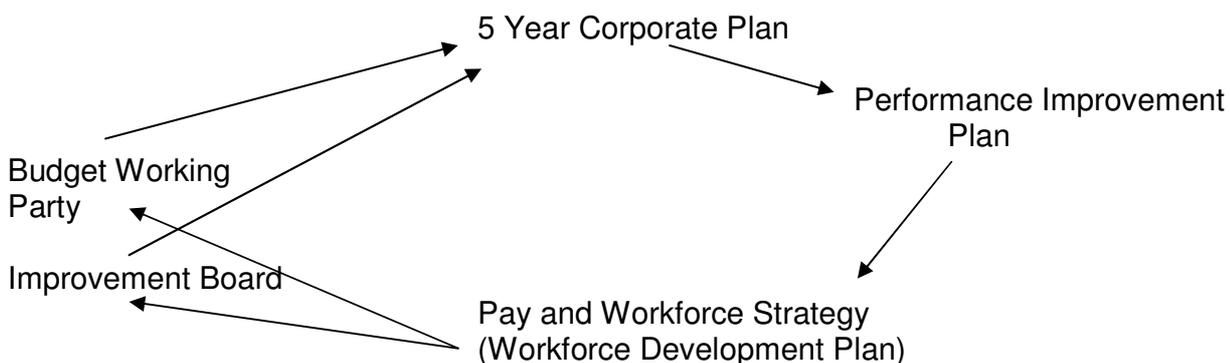
- 5.1 Senior management and members need to develop a clear strategy for people management within Copeland Borough Council; to provide strategic control ensuring the effective use of consultation, planning and communications processes; and to be accountable for ensuring implementation plans are developed and delivered to meet strategic outcomes.
- 5.2 Proposals for the membership and terms of reference of the key strategic and consultative groups are attached as Appendices B and C.
- 5.3 The People Strategy Group consists of the Chief Executive, Directors and Head of Policy & Performance, supported by the HR project team and the Performance Improvement Manager. This group will develop Copeland's pay and workforce strategy in line with the aspirations of the 5 year Corporate Plan.
- 5.4 In order to consult and engage with the other workforce stakeholders, the People Action Team will provide feedback on the strategy proposals, and contribute to the development and progress monitoring of the workforce development plan.
- 5.5 As part of Stage 2 (Establishing the Current Position), the HR team have analysed the current state of play in relation to the many HR activities which form part of workforce planning. This is attached as Appendix D.

5.6 Work is currently being carried out with the Corporate Team to begin prioritising the large number of HR interventions which the PWS project potentially includes.

6 RESOURCES

6.1 Creating and delivering an effective pay and workforce plan is potentially a very resource-hungry activity, as can be seen from the raft of activities listed in Appendix D. Of themselves, a Pay and Grading Review, Equal Pay Audit, and achievement of Single Status could add anything up to £600,000 to the cost base of the organisation. It is therefore vital that the budgeting process and the medium-term financial plan take account of the strategic priorities that emerge in Copeland's PWS.

6.2 Elected Members will be involved at various stages of the PWS project, as the performance improvement loop shows:



7 RECOMMENDATION

7.1 Members are asked to note the progress made so far in relation to the Pay and Workforce Strategy project, and to comment on the proposals for the key groups described in Appendices B and C. When the prioritising exercise referred to at 5.6 is completed, a detailed project plan and resource requirements will be presented.

List of Appendices

- Appendix A NWEO Model Process and Template
- Appendix B People Strategy Group Membership & Terms of Reference
- Appendix C People Action Group Membership & Terms of Reference
- Appendix D HR Interventions “State of Play” Report

List of Background Documents: Transforming the Organisation, Improving Performance: the Local Government Pay and Workforce Strategy 2005

List of Consultees: Cllr N Williams; Leader; Deputy Leader; Corporate Team

