JOB EVALUATION PROCESS

LEAD OFFICER: Len Gleed
REPORT AUTHOR: Neil White

Recommendation: that the Committee considers the progress on Council's current Job Evaluation Process.

BACKGROUND

The Committee at its last meeting requested that a report be brought to this meeting on the Council's current Job Evaluation Process.

At Appendix "A" and "B" are reports that have been considered by the Council's Executive on the proposed pay and workforce project and by Personnel Panel on the process that had been made on the project.

Len Gleed, the Council's Human Resources Manager will be at the meeting to answer members' questions on the current progress.

List of Appendices

Appendix "A" – Report to the Executive 25 July 2006 – Pay and Workforce Strategy Project

Appendix "B"" – Report to the Personnel Panel 24 April 2007 - Pay and Workforce Strategy Progress Report

List of Background Documents:
None

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

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North West Employers'

WORKFORCE PLANNING
MODEL PROCESS AND TEMPLATE

INTRODUCTION

The Local Government Pay and Workforce Strategy says that for local authorities to be effective it needs to ensure that it has the right people with the right skills in the right place at the right time. As a first step to achieving that aim it is essential that each local authority considers what sort of workforce it has now together with what sort of workforce it will need to deliver effective services to the community in the future. To help in that task the development of a workforce plan will enable a comparison of current competencies, skills and other workforce features with future needs, thus providing a simple means to identify significant gaps. However whilst it is impossible to predict the future with any certainty this process enables the organisation to make staffing decisions now that take account of the longer-term context. Additionally if authorities adopt the same consistent approach to workforce planning it increases the potential to identify common gaps that cannot be resolved locally but may be capable of resolution at a sub-regional, regional level or national level.

A more comprehensive definition of workforce planning is:

"A process in which an organisation attempts to estimate the demand for labour and evaluate the size, nature and sources of supply which will be required to meet that demand " (Reilly 1996)

The production of a workforce plan and accompanying workforce development plan will significantly help authorities in dealing with capacity issues arising from CPA, implementing the efficiency review and achieving more effective procurement. Whilst drawing up and implementing a workforce plan enables local authorities to "tick the right boxes", the overriding reason is to assist in the delivery or procurement of customer focussed, continuously improving and effective services to the community.

BACKGROUND TO THE MODEL PROCESS AND TEMPLATE
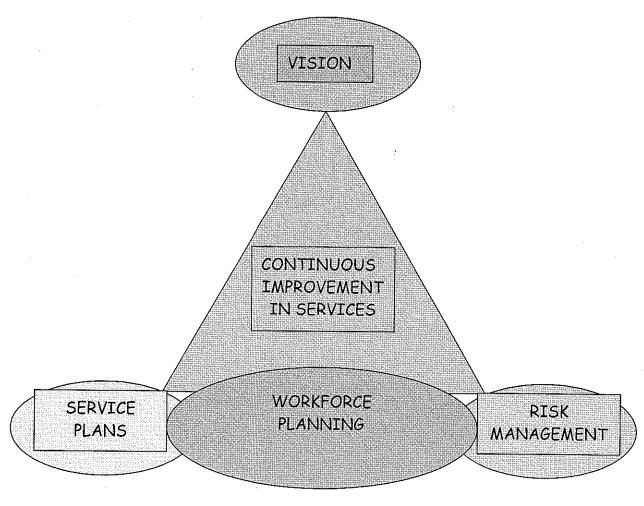
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In recent months it has emerged that the task of drawing up a workforce plan can be onerous especially when there are scarce resources available and when the task is seen as an add-on to other planning processes. For that reason a group

of district councils, facilitated by North West Employers, got together to identify a simpler method of creating a workforce plan. They felt that:

- A simple template or framework that was easy to use would make the process manageable.
- The process should not be the sole preserve of the Human Resource function, but should be corporately driven.
- The approach needed to be simple, practical and tangible that managers would buy into.
- The format should enable consistent and comparable information to be produced that could be used both regionally and sub-regionally.

It was seen as particularly important, especially amongst those line managers who took part that the workforce plan is integrated and merged with the corporate, service planning and risk management processes so it isn't viewed as a separate exercise.

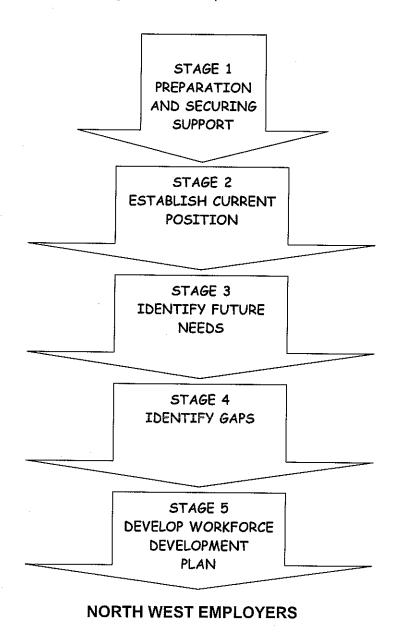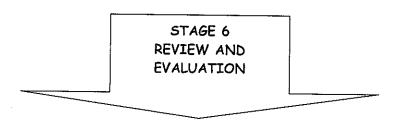The following model illustrates how they link together:

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THE PROCESS

This paper brings together the thoughts of those people who attended the workshop and provides a suggested process and draft template for developing a workforce plan. Whilst the model was designed with districts in mind it may also be of use in larger authorities.

The process for establishing a workforce plan is as follows:

**STAGE 1
PREPARATION
AND SECURING
SUPPORT**

**STAGE 2
ESTABLISH CURRENT
POSITION**

**STAGE 3
IDENTIFY FUTURE
NEEDS**

**STAGE 4
IDENTIFY GAPS**

**STAGE 5
DEVELOP WORKFORCE
DEVELOPMENT
PLAN**

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┌─────────────────────┐
│      STAGE 6        │
│   REVIEW AND        │
│   EVALUATION        │
└─────────────────────┘
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STAGE 1 – PREPARATION AND SECURING SUPPORT

- Develop the "why" message based on benefits to the organisation, the risks of not doing anything and the links with other strategies and plans.
- Get the Management Team signed up to the process
- With Management Team establish a clear understanding of the vision and what the authority wants to achieve. Additionally they also need to consider who should be involved. It may be appropriate to consider a steering group approach involving (subject to local circumstances) Senior Management Team Member, HR, Heads of Service representative(s), Line manager(s), Trade Unions, staff representatives.
- Establish how the process will be implemented and integrated with the service planning process
- Agree the message to be communicated to managers and employees
- Decide timescale for workforce plan – 1, 3, 5, 10 years.
- Draw up outline project plan that should indicate likely level of commitment required, timescales etc.
- Assess what internal and external information is available to enable current and future analysis of workforce and service requirements. (See checklist in Stage 2 below).
- Assess what you know already about people management issues in each service area e.g. recruitment/retention difficulties, attendance, skill requirements/shortages, levels of performance, etc.

STAGE 2 – ESTABLISH CURRENT POSITION

For each service area the following data is essential to enable you to complete this phase:

- Service plan
- Risk management plan

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- Numbers of full-time staff employed}
- Number of part-time staff employed}
- Numbers of agency staff
- Staffing levels
- Grades
- Types of contracts of employment (Temporary/permanent/casual)
- Attendance
- Age profile – 16 to 18 years

          18 to 24 years

          25 to 39 years

          40 to 49 years

          50 to 59 years

          60 and over
- Vacancies
- Gender
- Ethnicity
- Turnover
- Overtime
- The number of staff who hold a relevant professional or vocational qualification.
- The number of staff in professional/ vocational training.
- The highest academic qualification held:

          Below NVQ level 2

          NVQ level 2

          NVQ level 3

          NVQ level 4 and above

          Trade apprenticeship

          Other qualifications

  (For definitions under each category see Appendix 1.)
- Significant training needs
- Destination of leavers
- Information you already know about people who may be leaving or starting or areas that may be at risk with the potential for redeployment /redundancy.

Other essential sources of information that will help in terms of identifying future service and skill requirements are:
- Community Plan
- Corporate Plan
- Improvement Plan
- Financial plan
- Local social demography
- Predicted legislative changes
- Performance information (BVPIs etc) indicating current level of performance in comparison with others, particularly high performing councils.

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Those authorities that have developed a competency framework or have access to a skills audit tool will be able to use that information to improve their analysis of the current workforce.

STAGE 3 – IDENTIFY FUTURE NEEDS

To ensure that the authority has the right people in the right place with the right skills at the right time to deliver continuously improving services it is necessary to try and predict the level of service and the way that it will be delivered in the future. However whilst it is impossible to predict the future with any certainty undertaking this process enables the organisation to make staffing decisions now that take account of the longer-term context.

To help make that assessment the following information will be important:

- A clear understanding of the corporate vision and objectives
- The likely impact of central government initiatives e.g. efficiency review, procurement, ten year vision for local government, e-government, etc.
- The key objectives for each service area.
- Planned major changes/reorganisations
- The predicted workforce profile in five/ten years
- What initiatives are already in place to fill future skill gaps e.g. succession planning, specific training initiatives, graduate training schemes, etc.
- What plans are in place to improve the level of performance
- Future funding
- Recruitment and retention hotspots
- Demographic changes that could impact on services

STAGE 4 –IDENTIFY THE GAPS

Having established what the future may look like together with the skills and competencies that may be expected it is necessary to compare that information with the information gathered from Stage two. Once the gaps have been identified it will then be necessary to prioritise based on their impact:

Large gap	Priority 3	Priority 1
Small gap	Priority 4	Priority 2
	Low impact	High impact

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Priority 1	High impact and large gap
Priority 2	High impact and small gap
Priority 3	Low impact and large gap
Priority 4	Low impact and small gap

STAGE 5 – DEVELOP YOUR WORKFORCE DEVELOPMENT PLAN

Once the gaps have been identified and prioritised it will be possible to draw up a workforce development plan that will set down how the authority intends to deal with the gaps and the different needs identified and prioritised. Of course not all of the gaps may be capable of local solution but if all authorities adopt the same approach, especially in terms of initial data collection, it would be possible to additionally identify sub-regional and regional gaps enabling local authorities to work together with regional and sub-regional agencies to help find appropriate solutions.

The workforce development plan is therefore an action plan detailing what action the authority will take to meet future needs. Such actions should not be restricted to learning and development solutions but also to the following:

- Review of qualification and entry requirements for jobs that are difficult to recruit to.
- Extend sources of recruitment.
- Enhanced role/promotion opportunities for internal staff across departmental boundaries
- Commence dialogue with education providers about future needs
- Removal of recruitment inhibitors by providing greater flexibility e.g. more flexible working arrangements, cafeteria style benefits package, competitive pay levels
- Job redesign and remodelling
- Opportunities for joint delivery with other authorities.
- Process redesign and improvement
- Improved productivity

The workforce development plan should also include performance indicators to measure progress and clearly indicate resource implications. It should also take account of other initiatives that may impact upon the plan.

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STAGE 6 – REVIEW AND EVALUATION

For the workforce plan and accompanying workforce development plan to be effective it should be subject to regular review and evaluation. For effectiveness the review process should be integrated into the annual service planning process and should be updated when major initiatives/changes are planned. The authors of any reports proposing significant changes should therefore be required to show the people management and consequent resource implications of their proposals as well as the impact upon the workforce development plan.

MAKING THE PROCESS WORK

For the process to work there needs to be:
- A persuasive and convincing argument why a workforce plan and accompanying workforce development plan is necessary.
- Commitment from the Senior Management Team and leading members.
- An approach that is merged into existing corporate and service/business planning processes rather than something which just appears to make more work.
- A willingness by managers to help, especially in identifying future service needs.
- A champion or champions with influence to drive the initiative forward.
- A flexible approach that acknowledges that all the pieces may not be present for the "perfect" plan and that it may be necessary to improvise making best use of what is available.
- A willingness to look at a variety of different and innovative solutions to resolve supply, competency and skill gaps

HELP AND SUPPORT

To discuss any help and support you may need to apply the model process, please contact Liz McQue, Director of Capacity and Learning at North West Employers on 0161 214 7102 or e-mail lizm@nweo.org.uk

ACKNOWLEDGEMENTS

Those people who attended the workshop and whose ideas contributed to this document.
The Welsh LGA for their template ideas.
The Employers Organisation for the variety of publications on the subject.
Lancashire Personnel Officers Group
Debbie Corcoran, Lancashire Learning and Skills Council

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Prepared by Vic Hewitt, Chief Executive, North West Employers - May 2005.

VBH/02/P&WS Activities/Dist. Pilot 2005

DRAWING UP THE WORKFORCE PLAN – A SUGGESTED TEMPLATE

INTRODUCTION

The introduction should cover:
- The purpose of the plan
- How the plan fits in with other initiatives/strategies/plans
- Areas the plan will cover and lifespan of the document
- Endorsement by Leader and Chief Executive
- Contact point for further information

BACKGROUND AND CONTEXT

This section should cover:
- The organisations key priorities and community needs now and in the future
- Current workforce profile and evaluation
- Current and future skill gaps
- Current and future recruitment/retention difficulties
- Planned changes to services and service delivery
- Expected changes to customer base
- Linkages to corporate strategy, improvement plans and service delivery plans.

THE ACTION (WORKFORCE DEVELOPMENT) PLAN

This section should include:
- Actions to be taken to meet the people management issues identified above.
- Milestones or performance indicators to measure progress
- Links with other initiatives that impact on the plan
- The resource implications of the actions proposed

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INFORMATION FOR MANAGERS ON THEIR ROLE

Involvement of managers is essential for the ongoing development of the workforce plan and this section should indicate what managers need to do to support the process and ensure the plan remains viable.

INFORMATION FOR EMPLOYEES

This section should explain the process and the impact upon employees.

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APPENDIX 1

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EQUIVALENT QUALIFICATIONS

These groupings are intended to provide guidance to group equivalent qualifications; it is not an exhaustive list.

NVQ level 4 and above:
- Higher degree
- NVQ level 5
- First degree
- Other degree
- NVQ level 4
- Diploma in higher education
- HNC/HND, BTEC higher etc
- Teaching – further education
- Teaching – secondary
- Teaching – primary
- Teaching – level not stated
- Nursing etc
- RSA higher diploma
- Other higher education below degree level

NVQ level 3:
- NVQ level 3
- GNVQ advanced
- A level or equivalent
- RSA advanced diploma or certificate
- OND/ONC, BTECH/SCOTVEC national
- City & Guilds advanced craft
- SCE higher or equivalent
- AS level or equivalent

Trade apprenticeship:

NVQ level 2:

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- NVQ level 2 or equivalent
- GNVQ intermediate
- RSA diploma
- City & Guilds craft
- BTEC/SCOTVEC first or general diploma
- O level, GCSE grade A-C or equivalent

Below NVQ level 2:
- NVQ level 1 or equivalent
- GNVQ/GSVQ foundation level
- CSE below grade 1, GCSE below grade C
- BTEC first or general certificate
- SCOTVEC modules or equivalent
- RSA other
- City & Guilds other
- YT/YTP certificate

Extract from the Local Government Employers Organisation People Skills Scoreboard Survey 2004

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People Strategy Group

<u>Group Members</u>
Liam Murphy
Terry Chilcott
Fergus McMorrow

<u>Supporting Officers</u>
Hilary Mitchell
Len Gleed
Hannah Kozich
Sheena Mounsey

Terms of Reference

1. To develop a clear strategy for people management within Copeland Borough Council.

2. To provide strategic control ensuring the effective use of consultation, planning and communications processes.

3. To be accountable for ensuring implementation plans are developed and delivered to meet strategic outcomes.

4. To raise the level of understanding of the strategy and gain buy-in from key groups and promote awareness of the reasons for the strategy and how it will achieve the Council's corporate aims.

5. To evaluate outcomes and to ensure that learning is shared.

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People Action Team

Team Members

Heads of Service
Line management representative(s) from each Service Unit
Trade Union Representative(s)
Communications Manager

Terms of Reference

1. To provide objective feedback on proposed people management strategy.

2. To develop a clear, realistic project plan for implementing the people management strategy.

3. To measure progress on the delivery of the plan, and to report progress to Corporate Team, Portfolio-holder and Improvement Board.

4. To co-ordinate communication of key stages and decisions effectively to employees, members and the public via the media.

5. To contribute to reports, information briefs and presentations about implementation of people management strategy.

6. To raise the level of understanding of people management strategy and gain buy-in from key groups and increase everyone's awareness of the reasons for people management strategy and how it will achieve the Council's corporate aims.

7. To contribute to evaluation people management strategy and to ensure that learning from the project is implemented.

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PWS Priorities – What's been done, ongoing and outstanding as at June 2006

PRIORITY 1 - DEVELOPING THE ORGANISATION		Copeland Borough Council Pay and Workforce Strategy Development
Criteria	**Done/Ongoing**	**To be done**
People and Performance	• Reviewing HR Policies • Developing Managers' HR Toolkit • New style job profiles • Basic CBC bespoke behavioural competency framework • Flexible working • H&S Officer Action Plan • Performance Management Framework • Improved member development	• Job profile quality check • National LG competency framework • Further development of flexible working arrangements • Implementation of H&S Action Plan • Relaunch Employee development/appraisal • Training and development on change management skills • Succession planning • Improve employee engagement/TU engagement including JCSP
Process Redesign	Performance improvement team in place IEG programme delivered	Communicate priority actions and achievements of team
Equality and Diversity	Commitment to Level 1 of Equality and Diversity national standards All job profiles include equality and diversity standards of behaviour	Launch training software Equal Pay Audit Recognition of the advantages of a diverse workforce Review Policies to recognise Age Discrimination legislation
Partnership working	Involved in a wide range of partnerships • LSP • Community Safety • Market Town Initiatives • Regeneration issues • Nuclear issues	Review/produce action plan on service specific partnerships Skills training on partnership working

PRIORITY 2 - DEVELOPING LEADERSHIP CAPACITY		Copeland Borough Council Pay and Workforce Strategy Development
Criteria	**Done/Ongoing**	**To be done**
Developing Leadership capacity with both officers and members	Attendance of senior members on National Leadership Academy Corporate Team restructure Management Skills Training (ILM)	Corporate Team Development Identification of leadership training needs across the organisation Succession Planning

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PRIORITY 3 - Developing Workforce skills and capacity		Copeland Borough Council Pay and Workforce Strategy Development
Criteria	**Done/Ongoing**	**To be done**
Developing workforce skills and capacity across the corporate centre of authorities, specific services, management and the frontline workforce	- Part skills audit - Draft Corporate Training Plan for 06/07 - Management Skills programme(ILM) - Ad hoc training and qualifications support - IIP status - Training Admin software	- Comprehensive skills audit - Skills Gap assessment - Training and Development Policy - T& D plan including identification of future training needs - Training on use of TA software - Bring TNA/Plan/Budget processes into line - Provide up to date, accurate training records and performance management information - Training evaluation process - Retain IIP status(2008)? - Embedding PWS into service planning - Progress devolved training budget ? - Devolvement of selected HR practices to line managers - Continuation of work to reduce sickness absence.

Criteria	Done/Ongoing	To be done
Ensuring that authorities recruit, train and retain the staff they need	Part-developed competency based job profiles Electronic availability of selected recruitment information and application form Procured HR recruitment software package Life Skills training package Working from home pilot ongoing	Workforce plan Develop e-recruitment in Cumbria partnership Revisit recruitment policy and expand to include retention Revisit recruitment and selection procedures Revisit and relaunch Induction policy and process Develop a competency based approach following national local government guidelines for a range of HR activities Review recruitment materials and records making better use of IT Interviewing training to allow managers to be self-sufficient in the recruiting process Review the role of members in the recruitment process Review and relaunch exit interview package Review relocation policy Progress options for shared services options Consider relaunch of student training schemes Revisit employee benefits package Understand and promote practices to improve employee engagement, including a heathy employer's strategy Provide accurate employee mix information

		Pay closer attention to T&D analysis

PRIORITY 5 - PAY AND REWARDS		Copeland Borough Council Pay and Workforce Strategy Development
Criteria	**Done/Ongoing**	**To be done**
Having pay and reward structures that attract, retain and develop a skilled and flexible workforce while achieving both value for money in service delivery and fairness		Single Status Pay and Grading Review Equal Pay Audit

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PAY AND WORKFORCE STRATEGY – PROGRESS REPORT

EXECUTIVE MEMBER: Councillor Norman Williams
LEAD OFFICER: Len Gleed, Human Resources Manager
REPORT AUTHOR: Len Gleed, Human Resources Manager

Summary and Recommendation: This report up-dates the Panel on the Council's progress in relation to matters covered by the national Pay and Workforce Strategy.

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1. INTRODUCTION

1.1 The Executive decided on 14 March 2006 that up-date reports on progress with activities covered by the national Pay and Workforce Strategy should be presented to the Personnel Panel. This is the first such report.

2. THE NATIONAL AND REGIONAL CONTEXT

2.1 The Pay and Workforce Strategy (PWS) was launched in 2003 as a Government initiative supported by the Local Government Association and the Employers' Organisation. It was presented as a framework for delivering improved services, greater efficiency, and better customer focus. In particular it was concerned with ensuring there is effective leadership and capacity (particularly the right people with the right skills) within local authorities.

2.2 In view of the constantly changing external environment, the national strategy framework has been revised several times. The current version, published in 2005, contained 5 Key Priorities:

- Developing the Organisation (including updating processes and improving productive time by reducing sickness etc)

- Developing the Leadership of members and officers

- Developing the Skills of the Workforce (including management development)

- 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)

2.3 There is a North West Regional Implementation Team for PWS, made up of Council Chief Executives, and representatives of North West Employers, GONW, the IDeA, Audit Commission and the Trades Unions. Its most recent meeting was informed of work being carried out by the IDeA to develop the latest revision of the PWS. The IDeA were said to be "......aiming for a strategy, based on a positive 10 year vision for local government, which shapes priorities for local, regional and national action; and which is owned and valued by local authorities themselves. The target is to launch the revised Pay and Workforce Strategy over the summer, and to link this with the National Improvement Strategy for Local Government which is also currently being developed."

2.4 Under the auspices of the Cumbria capacity-building "ACE" Programme, the programme's Strategic HR Group has been developing a "People Strategy for Cumbria", with support from the IDeA. The draft strategy, yet to be finalized, is intended to respond to the Cumbria Chief Executives' Group's desire for "more coherence on how elements of the Pay and Workforce Strategy could be developed across local authorities in Cumbria, to result in effective and co-ordinated solutions."

3. PROGRESS AT COPELAND

3.1 Because many of the strategic issues addressed by PWS are relatively long-term, the development of a comprehensive Pay and Workforce Strategy for Copeland can only make sense if:
a) The organisation expects to exist well into the future, and
b) The Council has a clear medium-term Corporate Plan

3.2 The current short-term uncertainty regarding local government reorganisation, and the fact that the new Corporate 5-year Plan is only due for approval this month, have caused the Council's PWS activities so far to be concentrated in specific areas. Using the framework described at 2.2 above, progress has taken place as follows:

3.3 **Developing the Organisation (including updating processes and improving productive time by reducing sickness etc)**

The work of the Process Improvement Team is continuing to update and improve business processes in pursuit of better customer service. At the same time, the Council's HR software package has been up-graded and over the coming months will enable the production of improved workforce data for managers, particularly in key areas such as improving productive time.

An Attendance Task Group, made up of Managers, employees and Trades Union representatives has been focussing on ways to reduce the Council's unacceptably high level of sickness absence.

An improved Occupational Health support service is about to be launched, following an innovative joint procurement project involving Copeland and 4 other Cumbrian authorities.

3.4 Developing the Leadership of members and officers

2 Members are currently benefitting from the Council's on-going participation in the national Leadership Academy, bringing the total number of Copeland participants so far to 8.

Since early 2006, 30 Managers have participated in an Institute for Leadership and Management programme for first line Managers, delivered locally.

3.5 Developing the Skills of the Workforce (including management development)

Corporate and individual training and development continues in line with plans derived from the Employee Development Process. 2007/8 is set to be a challenging year in this respect, given the limitations of the budget.

3.6 Ensuring resources meet requirements (by having a longer term Workforce Plan, and tackling issues of recruitment and retention)

Given the factors referred to in paragraph 3.2 above, this is currently the least developed aspect of Copeland's approach. The People Strategy Group, chaired by the Chief Executive and including the Portfolio Holder will be reviewing this aspect in the next 3 to 4 months.

It is likely that the Council will face considerable risks in the immediate future in terms of recruitment and retention. Uncertainty about the future of the Council, and other external factors including the effect of the NDA on the local labour market are already beginning to have an impact.

3.7 Pay and Rewards (including Job Evaluation, Equal Pay, Single Status, flexible working)

Like many Councils, Copeland has not met the deadline date included in the 2004 national pay agreement for completion of its Pay and Grading Review (31 March 2007). The target is now to complete the review in the current Municipal Year. To that end, a joint Management/Trades Union Steering Group is overseeing a Job Evaluation project, using the computerized version of the national J.E. Scheme. A 25 job Pilot evaluation is already underway, which will pave the way for the evaluation

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of all posts below Chief Officer Grade by 31 December 2007. The new Pay Structure is planned to be put in place by 31 March 2008.

The People Strategy Group, referred to above, will be reviewing other associated equal pay and single status issues in the next few months.

4. CONCLUSIONS

4.1 The Panel is invited to note and comment on progress.

5. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

5.1 The financial and HR implications of PWS are obviously wide-ranging, both in terms of funding the work required to develop and implement the strategy, and funding the outcomes in the future. Existing budgets, combined with earmarked reserves, are being used to support the work. In addition, the 2007/8 agreed Budget includes provisions anticipating the resources required for future implementation of the Pay and Grading Review.

6. PROJECT AND RISK MANAGEMENT

6.1 Individual work packages are being project planned, and risk management is included in service planning.

7. IMPACT ON CORPORATE PLAN

7.1 The effective strategic management of human resources is clearly critical to the successful delivery of the Corporate Plan, given the people-intensive nature of the organisation.

List of Appendices

None

List of Background Documents:

The Local Government Pay and Workforce Strategy 2005 – "Transforming your authority – creating real and lasting change".

List of Consultees:

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The Local Government Pay and Workforce Strategy 2005
Transforming your authority – creating real and lasting change

Executive Summary

Key messages from the Local Government Pay and Workforce Strategy 2005

Transforming your authority to create real and lasting change is the main focus of the Local Government Pay and Workforce Strategy. In order to achieve this change local government in England needs to have the visionary leadership, organisational flexibility and people capacity to deliver improved services, greater efficiency and better customer focus in front line services. The Office of the Deputy Prime Minister (ODPM) and the Employers' Organisation (EO) for Local Government (on behalf of the Local Government Association) have developed the strategy. The strategy is a living document and is updated annually. This document summarises the key messages of the strategy for authorities.

The priority for 2005/6 is to encourage all authorities to embrace the challenge of organisational transformation. The Strategy calls on authorities to develop comprehensive organisational development approaches to people management. ODPM, EO and partners on the National Implementation Group[1] are co-ordinating activities at local, regional and national level to support authorities in addressing workforce reform.

Building on achievement

Local authorities need the right people, working in the right way and within the right culture. Achieving this demands nothing less than a transformation in many authorities' working practices. Authorities can't afford to take a piecemeal approach to workforce issues, responding to problems as they arise in an ad hoc way. They need to look ahead, analyse the key workforce issues, anticipate problems and take a strategic approach to develop the workforce needed to achieve their corporate objectives. How to kick-start this revolution is the focus of the revised 2005 strategy.

Transformation involves a complex series of processes and organisational change but this cannot happen unless people at all levels lead, anticipate and manage reform.

Authorities that are well on the way to achieving the aims of the strategy are the ones that are:

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[1] Members of the National Implementation Group include: IDeA, SOCPO, SOLACE, Leadership Centre, 4PS, Investors in People, LACORS, Learning and Skills Council, Other government Departments, Asset skills, TOPSS England, Audit Commission, Association of Local Government, Trade Unions and Local authority representatives.

- Taking an organisational development approach to change management
- Implementing a people strategy that comprehensively and effectively addresses leadership and skills development, recruitment and retention and pay issues
- Implementing local pay reviews having agreed a salary structure that support service improvement and equality

The challenges

Local government's challenge is to provide community leadership and improved services within controlled budgets. The context is ever changing and customers expect greater choice. Demographic changes create new customer needs and a changing workforce. Working in partnership brings both opportunities and challenges; and authorities need to work together, and with their partners, to attract talent, as well as promote equality and diversity.

Local government also faces the challenge of key government initiatives:

- **The 10-year local government vision** – which sets out a coherent strategy for the next decade, covering areas such as leadership, neighbourhoods, partnerships between central and local government, citizen engagement and the ongoing performance agenda

- **Local Area Agreements** – allows local authorities and their partners to decide which local priorities best reflect local circumstances and gives flexibility to decide how funding is best spent

- **The Efficiency Review** – which requires councils to deliver a minimum of 2.5% efficiency gains each year. Key activities will include rationalising procurement, corporate support services, transactional service and maximising productive time

- **The Audit Commission's 2005 Comprehensive Performance Assessment** – emphasises the importance of people as a key resource and will expect councils to show evidence of workforce planning and development

- **Childrens services** – the Children Act 2004 requires every top-tier or unitary local authority in England to appoint a director of children's services and to designate a lead member for children's services. Together they will have a key role in establishing children's trust arrangements to both integrate and transform services for children and young people

Taking the strategy forward

The success of local government services depends heavily on the attitude, skills and knowledge of its people. Services run by authorities directly, or

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indirectly, or by partners, will still need to be staffed by motivated and skilled people.

Getting people management right is not simply a task for Human Resources departments. It requires major cultural change and demands a council-wide approach.

The Local Government Pay and Workforce Strategy has five strategic priorities: .

- Developing the organisation
- Developing leadership capacity
- Developing workforce skills and capabilities
- Resourcing, recruitment and retention
- Pay and rewards

1 Developing the organisation

The Strategy urges authorities to take an organisational development approach to people management and development.

"The practice of planned intervention to bring about significant improvements in organisational effectiveness."

ODPM is supporting a new document which outlines how Organisational Development (OD) can help authorities transform the way they work and meet the rising aspirations of their communities. The document has been produced by SOLACE Enterprises and Swiftwork on behalf of the joint ODPM/LGA Capacity Building Programme.

Guidance and support will be provided to encourage authorities to undertake:

Process redesign and improvement
All authorities need to take a fresh look at processes and systems. Authorities need to move away from rigid models and traditional ways of doing things. A continuous improvement approach has the potential to make significant contributions to the efficiency agenda, as evidenced by the very wide variation which exist between local authorities in performance and cost.

Workforce remodelling
The best systems have the right balance of professionals, para professionals, operational staff and administrative support. There is considerable scope for remodelling job profiles to fit both new modes of service delivery and the sharing of services between authorities and within partnerships. It will be increasingly important for authorities to discuss and develop principles for organisational improvement jointly with their partners.

High performance people management and increasing productivity
Authorities may need to embrace widespread and difficult organisational changes to achieve improved performance. However, such programmes are

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likely to stall unless the people management implications are addressed from the outset. As well as increasing the capability of managers to deal with change, it is vital to provide a flexible environment for staff to deliver more effectively to citizens requiring greater choice in the way services are delivered to them. Productivity of the workforce can be improved in a number of ways, maximising the use of productive time cannot be achieved without the appropriate OD tools and techniques.

2 Developing Leadership Capacity

The Government published Vibrant Local Leadership in January 2005, setting out some of the key leadership challenges facing local government.

Developing strong leadership skills among both officers and members is an important role for local authorities. Good progress is being made by many authorities in developing leadership capacity and nationally the Leadership Centre for Local Government has been set up to support and co-ordinate better practice in leadership development.

Widening the pool of political leaders and strengthening their skills remains a priority. More needs to be done to increase the diversity of senior management teams in order for councils to reflect the communities they serve. Authorities should use succession planning and development of "home-grown" managerial leaders, as well as continuing to look for potential leaders outside the sector.

Nationally, programmes such as the National Graduate Development programme, the Accelerated Development programme and the Future Leaders programme will continue to support authorities in attracting, developing and retaining the leaders of the future.

3 Developing workforce skills and capacity

The majority of authorities have fully or partially achieved the Investors in People standard, with 74% of the workforce now covered. Spend on training is going up but it is still only £216 per person per year and the average employee only spends 1.5 days a year on a training course.

Authorities need to spend more resources and time on skill development if they are going to have staff able to rise to the increasing and changing demands of modern local government. Key skills for improvement include:

- Organisational development and change management
- Business process analysis and redesign
- Performance, productivity and people management
- Customer relations management
- Project and financial management
- Procurement and client side management
- Partnership working and community engagement
- Managing and promoting diversity

- Maximising the use of technology

Development opportunities for front line staff are important, including offering 'skills for life' opportunities for those who need help in improving their basic skills.

Councils should make skills development a key part of their strategic approach and forge local and regional skill development partnerships, including those with Learning and Skills Councils. (The Learning and Skills Council, now has local government as one of its six priority areas.)

Regional and sub-regional initiatives will be encouraged to support local authorities investing in skills development.

4 Resourcing, recruitment and retention

Whilst individual local authorities have attempted to address recruitment and retention issues, the sector as a whole has failed to recruit and retain enough skilled staff. The 'top ten' skills shortages still continue to be in the field of social workers, occupational therapists, environmental health officers, trading standards officers, residential social workers, planning officers, building control officers, educational psychologists, teachers and librarians. Downward pressure on budgets in the past led some authorities to reduce training activity and budgets, with increasing reliance on devices such as paid temporary contracts for staff with specific skills that are then lost to the authority. This approach is not sustainable.

What is required is an appropriate system of workforce planning which:

- Projects workforce trends for individual authorities' and identifies future staff numbers and skills needed
- Includes gender, race and disability data
- Analyses future changes such as use of technology in service improvement and reduction in needs for services

Workforce planning needs to be integrated into corporate and service planning. Leaders and Chief Executives need to focus on people management as a strategic rather than technical issue. This includes a focus on high-performance people management as a means of developing and retaining staff. Workforce plans should be capable of aggregation at sub regional, regional and national levels to help develop solutions as well as share problems. In some cases this will not be through recruitment but business process redesign. Shared workforce plans must lead to shared actions; local authorities need to work in partnership to promote local government as a career.

5 Pay and rewards

Authorities must balance the need for attractive salary packages with providing value for money. Issues that need to be considered are:

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Pay Equality
Authorities, if they haven't done so already, need to undertake and implement a local pay review as a matter of urgency to ensure that pay is fair, to support service improvement and to avoid very expensive equal pay claims. The 2004 pay agreement requires authorities to implement equal pay reviews by March 2007. However, authorities should also seize the opportunity to:

- Link pay to personal development and contribution rather than time served
- Review the impact on costs of overtime and unsocial hours while still maintaining fairness
- Consider flexible pay and benefits packages involving a range of non-pay benefits that can be traded, for example, against basic pay

Occupational segregation
Removing pay discrimination will close the gender pay gap but will not eliminate it. Women and people from ethnic minorities are often clustered in lower paid jobs in specific sectors. Many authorities are examining how they can tackle this. Nationally, good practice examples will be disseminated.

Total reward packages
Authorities need to consider all the rewards that they might offer employees. They need to communicate to staff and potential staff the full value of the total rewards they receive. Individuals should be allowed to 'flex' their packages to suit them at different stages in their life.

Support for authorities in implementing their local workforce strategies

Many national and regional initiatives have been set up to support authorities in implementing the Strategy locally. These include providing detailed guidance, best practice advice and other support and development opportunities. Details of the national projects are on the ODPM and EO websites www.odpm.gov.uk and www.lg-employers.gov.uk. Details of regional initiatives can be obtained from ODPM Regional Directors and Regional Employers' Organisations. The EO's e-alert service provides updates on new EO national work or information at:
http://www.lg-employers.gov.uk/alert/index.php

Links to other workforce strategies

ODPM and EO/LGA are working closely with other government departments producing workforce strategies that cover parts of local government such as the Department for Education and Skills and the Department of Health on the Children's and Social Care Workforce Strategy. A copy of the Childrens' Workforce strategy can be found on the Dfes website at: www.everychildmatters.gov.uk. The Department of Health will publish the Social Care Workforce Strategy in Autumn 2005.