

DRAFT HUMAN RESOURCES STRATEGY 2009-14

1. Executive Summary

With the changing environment in which we operate it is becoming more imperative that there is a HR Strategy that supports the Council's plans and encourages an approach of workforce planning that adheres to corporate principles yet can be adaptable to different circumstances.

The Council Plan centres on serving the needs of the local community and subsequently in line with the 'golden thread' approach that the Council follows, the HR Strategy enables this to happen through the Council's employees. The strategy focuses on 5 priorities set by the Chief Executive, Director of Law, Property & Human Resources and the Corporate Assistant Directors group.

- People & performance management
- Leadership
- Skills development, flexibility & organisational change
- Pay & reward
- Recruitment, retention & diversity

These priorities were supported through consultation on the draft strategy with the Cabinet Member for Law, Property & Human Resources, Unions, Corporate Board, Corporate Equality & Diversity Leadership group & opposition HR portfolio holders.

The strategy has not been the subject of an Equality Impact Assessment. However all new and updated HR policies from May 2009 will have Equality Impact Assessments completed. There will also be an Equality Impact Assessment for the proposed activities in years 2 to 5.

2. Key Drivers

Key drivers include likelihood of reduced government funding for the Council, transformation proposals that may require different ways of working, recommendations from the Audit Commission, changes to the demographics of the local population, changing demands from customers, legislative requirements such as the Equalities Bill and the Council's decision to centralise the management of the Human Resources function. The strategy will also need to respond to the local impact of economic recession conditions in terms of both increased service demand and reduced revenue.

The effectiveness of the strategy will be assessed by both qualitative and quantitative measures derived from key performance indicators, and feedback from employees and managers, and external inspections.

2.1 The guiding principles of our HR Strategy

- Flexible resource responses;
- Workforce planning and staff structures driven by service/business need;
- Staff competencies developed in response to service/business need;
- Robust review processes & performance management;
- Creation of employment conditions & partnerships that encourage retention in the face of competition;
- Robust procedures for dealing with grievance issues and long term or persistent absence;
- Valuing our employees and treating them fairly.

3. Introduction

This strategy provides a clear, corporate focus for the management of people within the Council. It sets out HR activities in order to directly support Corporate aims and objectives. Any HR activities in relation to a specific Directorate are not contained in this strategy & action plan, they are in that Directorate's Strategic Plan. In delivering this strategy the Human Resources function will add value to the organisation.

The activities for year 1 are largely based on outcomes of reviews, audits and legislative changes.

Activities for years 2 – 5 are only proposals at this stage as they may change as a result of responding to Equality Impact Assessment outcomes, improvement plan from the Use of Resources Assessment, learning within the Council and from others as part of the annual update of the strategy. Delivery of the activities will be used to prioritise the use of staff resources within the HR function. No health and safety activities are included as these are in a separate corporate action plan produced following a corporate audit & review of health & safety

4. Background

The Council Plan for 2010 outlines the Council's aims and objectives and centres upon the aspirations set in the Dudley Community Strategy and the challenges faced in meeting the Local Area Agreement. The Dudley Community Strategy sets out a vision for the borough in 2020, shared by major public bodies, the private sector and the voluntary and community partnerships in the borough.

Dudley Borough's Community Strategy 2005-20 sets out the vision for promoting stronger communities through the borough. Over the next ten years the Council will contribute significantly to this vision through providing strong leadership on equality, diversity and community cohesion, working with partners and all the borough's communities.

Local Area Agreements are three yearly plans giving us and our partners the flexibility to find local solutions to local problems. The Council's Plan is based upon feedback from the local community of what they expect from us their local Council. The Council conducts an annual review of the Council Plan, and key to the success of delivering the Council's aims and objectives is performance management.

There have been many changes faced by Dudley MBC which have had an influence on this strategy. The demographics of the local population are changing and becoming more diverse; customers are demanding more choice in the service provided; the very act of service improvement itself raises customer expectation still further; there has been an increase in the commissioning of services; some services are being shared across the region and there is increased partnership working. These factors all influence the levels of staffing at the Council. By ensuring that workforce planning is integral to the Council's change management and service planning processes, we ensure that people issues are considered within the improvement and redesign of services.

The Community Strategy is subject to a review process in 2009 in order to refocus its key partnership priorities, and this will feed into the next roll-forward of the Council Plan from 2010-2013.

The HR Strategy aims to ensure that performance is managed, and that the Council's strategy can be delivered through its employees. The Audit Commission have also made some key recommendations which contribute to this HR Strategy.

5. Drivers for Improvement

As a four star Council that seeks to build up from its solid foundations, we want a HR Strategy that reinforces our policy of "One Council" as regards its approach to managing people that will take us beyond excellence. In 2010 we will have the first external assessment of the Council's approach to people management & workforce planning. We will use the judgement of this as a baseline to review resources and if agreed develop an improvement plan aimed at achieving top quartile performance against the HR Key Line of Enquiry within 3 years of the first judgement being received.

The Key Line of Enquiry (KLOE) is:

Does the organisation plan, organise and develop its workforce effectively to support the achievement of its strategic priorities? Evidence will be required that the organisation:

- Has a productive and skilled workforce.
- Knows in the medium to longer term what staff it will need, with what skills and has plans to achieve this.
- Engages and supports its staff in organisational change.
- Has policies which support diversity and good people management

5.1 Audit Commission

The Audit Commission encourages Councils to think more strategically to meet the changing environment in which we operate. The financial climate is becoming increasingly difficult and the local population is becoming more diverse. We have an ageing workforce, with many employees close to state pension age bringing with it the concern of replacing key skills. A successful Council is one where the leadership is engaged in discussions about the future workforce. Effective recruitment and retention enables us to ensure strategic objectives are met but also in delivering equality and diversity objectives. We have a below average proportion of employees with a disability compared to other local authorities and will take action to address this. We will also over the duration of this strategy explore further opportunities for shared staff/services in order to maximise effectiveness in terms of value and cost.

The Audit Commission recommends that a strategic approach driven from a corporate perspective is adopted by Councils to enable us to be more responsive and flexible in the light of changing priorities and new challenges. To be more successful we may need to work more collaboratively with partners in areas where recruitment and retention is an issue, in order to achieve greater impact. One area where this is already demonstrated is the West Midlands job portal for local authority jobs (www.wmjobs.co.uk) and the Black Country School Improvement Partnership.

An effective Council is one that uses its workforce information strategically, using the data, information and knowledge effectively to plan for workforce needs. From April 2009 this data will be shared with Corporate Board, Cabinet & Assistant Directors.

In accordance with the Single Status agenda, and to ensure that all employees receive equal pay, pay and reward is also a priority. The Council remains committed to modernising our pay and grading system, but in a timely way that learns from the changing legal position and experience of other Councils. In a draft report on Single Status Implementation (May 2009) The Audit Commission states that the Council has good project plans and sound project management in place to implement this high risk programme, with Councillors and senior staff fully involved and supportive. It also says that the Council's risk assessment and review processes for the project are robust.

The demands on HR staff to provide information for Equal Pay claims through grievances and tribunals and to work on the Grading & Pay review continue to grow and its subsequent implementation could affect the delivery of this strategy, this will be taken account of in the annual review and update. Approximately 130 hours per month are already being spent by HR staff on Equal Pay & Grading & Pay (this excludes staff in the project team). This is now beginning to impact on their delivery of usual services to Directorates and will have to be reviewed and addressed through the Grading & Pay Policy Group and Corporate Board.

5.2 Equality & Diversity

The Council has a ten year vision for equality & diversity. In ten years it aims to be one:

- which will be recognised nationally as a leading Council on equality and diversity.
- which has improved its response to the needs of the borough's communities.
- whose services receive high satisfaction ratings from across all the borough's communities.
- whose workforce reflects the local community at all levels of the organisation and for which people from all backgrounds want to work, and
- which has improved its equality training and the skills of its employees in dealing with all customers.

5.3 Unifying the Human Resource function

The HR function has been centralised in name since April 2006, and following the creation of the new Human Resources & Citizenship Division in April 2009 working practices and structures will be reviewed to ensure a more consistent approach to HR is adopted across the Council and centralisation implemented where this leads to efficiencies or improvements. Efforts need to be co-ordinated not competing, conflicting or duplicating.

The HR staff aim to provide a professional, effective and accessible service that delivers the corporate HR Strategy, consistently implements Council HR policies and supports Directorates in achieving their aims and objectives. They do this by:

- Assisting Directorates in service development, facilitating change and new ways of working.
- Being accountable for the HR advice provided.
- Being flexible in meeting current and anticipated need.
- Enabling and supporting managers to effectively manage, plan and manage their workforce.
- Enabling best HR practices to be shared and avoiding duplication.
- Providing advice on people management within the overall policies, objectives and values of the Council.
- Providing or obtaining specialist advice on areas such as pay, policies, employee relations, employment law, staff training and development.
- Understanding the services they are supporting and influence decision making at an early stage through involvement

The HR team provides services in the main following areas across the Council:

- Absence Management – support managers in resolving sickness absence problems with advice and knowledge to work through potential outcomes and solutions.
- Development – develop a skilled, innovative and motivated workforce to deliver excellent and efficient customer focussed services.
- Employee improvement, discipline and grievance – supporting and advising managers in the speedy resolution of employee improvement, discipline and grievance matters, including identifying options and risks.
- Employment – provide professional advice, guidance and interpretation on conditions of service.
- Employment Policies – review, develop and assist managers in implementing policies and procedures, including consultation with managers and employee representatives.
- Health & Well-Being – promotion of good employment practices in employee relations whilst developing a sense of well-being, involvement, fairness and trust amongst employees.
- Partnerships – work with others to explore the benefits & challenges in joining up workforce initiatives.
- Recruitment – management of recruitment processes to assist the council attract, recruit and retain a diverse high calibre and appropriately skilled workforce.
- Workforce planning – work with managers to anticipate and tackle future workforce challenges.

A Head of HR will remain as the support for each Directorate as they support Directorate Management teams and understand the services they are supporting. To improve consistency across the Council each of the four Heads of HR will also have responsibility for an area of work and associated policies eg: recruitment or occupational health. This builds on the successful model where one of the Heads currently manages two corporate HR functions, the PSE service & Temp Solutions as well as an operational team supporting a Directorate.

Equal Pay & Grading. This is now beginning to impact on the delivery of usual services to Directorates and will impact further and have to be reviewed and addressed through the Grading & Pay Policy Group & Corporate Board.

6. Roles & Responsibilities - Strategic Leadership

The Cabinet Member for Law, Property & Human Resources has responsibility for and represents the interests of HR at Cabinet level. The Cabinet Member is responsible for all matters relating to the management of the Council's employee resources (except employees of School Governing Bodies which is the responsibility of the Cabinet Member for Children's Services).

7. Performance Management

Both quantitative and qualitative measures are to be used to measure the performance of the Human Resources & Citizenship Division, these will be developed and reviewed over the lifespan of the strategy. Targets will be set based on year one performance where activities are being measured for the first time, or in some instances nominal targets have been set for year one.

Corporate workforce information from April 2009 will be reported on a quarterly basis to the Assistant Director of Human Resources & Citizenship; Cabinet Member for Law, Property & Human Resources; Chief Executive; Directors; Cabinet Members and Opposition Members with HR portfolio responsibilities. These Performance Indicators include at a corporate level:

- Labour Turnover
- Percentage of employees declaring they have a disability
- Percentage of BME employees
- Days lost to sickness absence

Additional local quantitative measures at a corporate level are:

- Percentage of employees where ethnicity is unknown
- Gender profile of workforce
- Age profile of workforce
- Religious profile of workforce
- Cost of Advertising vacancies
- Data and intelligence on staff absence

Qualitative measures will be introduced which focus on areas such as what employees and managers think of the support that they receive from HR. Do they find Corporate policies accessible, understandable and do they enable managers to manage their employees' performance etc;. The cost of the service as a percentage of the Council budget will also be monitored.

Some employment monitoring information analysed by racial groups is currently required by the Race Relations Act and this information is included in the Councils Annual Review of Equality & Diversity which is reported to the Cabinet. The reporting requirements may change with the 2009 Equalities Bill.

8. Corporate HR Risks

Risk	Controls or mitigating actions
Discrimination or bullying 0001	<p>1/ Managed directly by each line manager</p> <p>2/ Council policies and procedures to be adhered too.</p> <p>3/ Records kept within PSE to assist absence monitoring.</p> <p>4/ Reports for managers to identify trends/patterns</p>
Inconsistent advice/action on personnel issues 0002.	<p>1/ Centralising the HR staff in Directorate of Law, Property & Human Resources from 01/04/09.</p> <p>2/ Regular Heads of HR meetings to discuss issues.</p> <p>3/ Individual Heads of HR to be responsible for allocated HR policies to improve consistency.</p> <p>4/ Policies reviewed and are compliant with legislation.</p> <p>5/ Policies to be held in 1 location on website.</p> <p>6/ Managers briefed and where required trained in policies.</p>
Inappropriate and or unsuitable recruitment 0003	<p>1/ Corporate policy for recruitment</p> <p>2/ All managers attend recruitment and selection training</p> <p>3/ Refresher training includes “Recruiting People legally”</p> <p>4/ HR staff available for assistance and guidance.</p> <p>5/ Separate checks required within the recruitment process.</p>

Risk	Controls or mitigating actions
<p>Poor staff performance/excessive absence 0005</p>	<p>1/ Managed directly by each line manager</p> <p>2/ Council policies and procedures to be adhered too.</p> <p>3/ Records kept within PSE to assist absence monitoring.</p> <p>4/ Reports for managers to identify trends/patterns</p>
<p>Failure to undertake Equality Impact Assessments (EIA's)</p>	<p>1/ Specialist external trainer in EIA's on policies rather than services to be identified and training procured.</p> <p>2/ Specialist training to be provided to relevant HR staff involved in writing and reviewing policies.</p> <p>3/ HR Strategy to state EIA's will be done on new and updated HR policies.</p>
<p>Failure to implement the outcome of the Grading & Pay review.</p>	<p>1/ Project sponsor & policy group monitoring.</p> <p>2/ HR involved in developing the proposals & implementation plan.</p> <p>3/ HR strategy recognises implementation could require additional resources or re-prioritisation of existing HR work.</p>

9. Monitoring and Review of the Strategy

The work plan will be half yearly by the Assistant Director of Human Resources & Citizenship and the Cabinet Member for Law, Property & Human Resources at a performance meeting for managers in the division. Any areas of concern will be included in the quarterly performance report for the Directorate of Law, Property & Human Resources which goes to Corporate Board and Cabinet.

Each year in February a progress report will go to the Corporate Assistant Directors group and the strategy and work plan reviewed and updated taking into account planned activities for the year ahead in Directorate Strategic Plans and the Council Plan & Community Plan reviews.

The attached action plan to implement the strategy has been written up under the agreed priorities, each activity has an accountable person.

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