



Leicester
City Council

CABINET

9 April, 2001

**PEOPLE MANAGEMENT SERVICES BEST VALUE REVIEW – SCOPING
EXERCISE**

**Report of Michael Powell, Acting Assistant Director (Human Resources
& Employment Equality) Town Clerks & Corporate Resources**

1. BACKGROUND AND PURPOSE OF REPORT

To advise members of the outcome of consultations on the scope of this review, revised following discussion and comments received at Directors Board on 20th February. To also receive members' views and comments on the scope.

2. RECOMMENDATIONS

Members are recommended to:

- (i) Endorse the work carried out in order to inform the scoping recommendation.
- (ii) Agree the scoping recommendation.

3. REPORT

- (i) ***How does the theme relate to the Performance Plan and Key Strategies?***

Community Plan

The Community Plan presents a range of focused goals and indicators that more indirectly than directly are affected by the delivery of people management services in the Council.

The way the Council recruits, rewards, promotes and develops its employees will contribute to some of the key goals of the Community Plan. In particular those relating to:

Diversity

- To work with others to learn the lessons from the Stephen Lawrence Inquiry and take action, including tackling institutionalised racism.

Jobs and regeneration

- To target disadvantaged groups in the labour market to increase their employability prospects. Disadvantaged groups include disabled people, members of ethnic minority communities, the long-term unemployed, those without appropriate skills, and women returning to employment.

The Human Resource Strategy's' streamline: "Our service counts - our people matter" intends to convey the very tangible and vital role that people management services makes to the delivery and provision of services to the people and communities of Leicester. By ensuring a highly motivated, competent and effective workforce the Council is well positioned to provide quality services. This makes the contribution of the Councils employees central to best value services.

The Best Value Performance Plan

In addition to the service specific indicators that people management services support there are 8 people management performance indicators that the best value review will pay particular attention to:

- | | |
|----------|--|
| BV2 | The level of the Commission for Racial Equality's standard for local government to which the Authority conforms. |
| BVPI 11: | Percentage of senior management posts filled by women. |
| BVPI 12: | Proportion of working days/shifts lost to sickness absence. |
| BVPI 13: | Voluntary leavers as a percentage of staff in post. |
| BVPI 14: | Early retirements (excluding ill-health retirements) as a percentage of the total workforce. |
| BVPI 15: | Ill-health retirements as a percentage of the total workforce. |
| BVPI 16: | The number of staff declaring that they meet the DDA disability definition as a percentage of the total workforce. |
| BVPI 17: | Minority ethnic community staff as a percentage of the total workforce |

(ii) What are the strategic imperatives?

The principle and overarching aim of people management services in the Council is to:

Provide a framework for policy, procedure and practice for Council employees to facilitate the most effective delivery of services.

Human Resource Strategy

Over 60 % of the councils revenue budget is spent on people therefore our approach to managing them is critical to achieving our aims and objectives. The overall purpose of the human resource strategy therefore is to ensure: -

- the Council has the appropriate level of staffing to achieve its key priorities as set out in the community plan and key strategies;
- our staff have the right level of skills and competencies to perform their duties for the benefit of all communities across the city;
- the council has adequate but flexible procedures to:
 - *Meet its statutory obligations*
 - *Maintain good industrial relations*
 - *Operate efficiently and effectively including the use of IT and e-business processes.*

The management of the human resource function across the council achieves Best Value. (Human Resource Strategy, Jan 01)

(iii) What are the key issues raised by stakeholders?

Stakeholders through consultation on the scope of this review have raised the following comments and questions. However many of the service provider issues have previously been raised as part of the development of, and incorporated in, the Human Resource Strategy and therefore are not repeated here. Those that are listed have potential implications for other reviews and therefore require Directors' consideration:

- Several comments questioned whether the review should go ahead given the revitalising neighbourhoods initiative.
- Employment equality should be included in this review as most departments have integrated management of equality in their human resource (personnel and training) functions? "HR is about our relationship with our staff - employment equality is a key aspect of that and should be considered integral to HR. By doing equality separately we would be re-affirming it as an 'add-on'." "The review must not short change on the equality work carried out by HR teams."
- It is also suggested that the interface of PM services with managers and employees will be a key element of the review in terms of the quality of PM service provision to managers and employees. However, the operation of PM activities by managers in their people management roles will not be the subject of investigation by this review.

- Should payroll services be considered as part of this or the finance review?
- There should be commitment to greater equality and quality in the provision of services. This can only be achieved if staff are well informed, well paid, valued and highly motivated.
- The authority should be working to continuous improvement in the terms and conditions of all employees.
- The organisation and structure of the profession and related functions across the Council and the resource implications of options at both departmental and corporate levels.
- Personnel Managers Group at its recent meeting was concerned to proceed with an analysis of the service provided centrally and departmentally to ensure the appropriateness of the service to be provided in the future.
- SRG considered that the thrust of the review should be on "outcomes" in preference to structures and performance which can be dealt with appropriately elsewhere

Where comments were provided and these are not represented above this is due to the likelihood that issues are integrally addressed in the Councils HR Strategy that is viewed as the guiding document for developing this scope. Or, comments related to outcomes that relate to an organisational level and not specifically to the key focus of this review i.e. the Council's people management services.

(iv) What is the potential scale of the review?

The information provided above indicates the potential scope of this review.

(v) Are there common areas of function, process, site or others that could assist in the organization of the review?

As referred to above there are a variety of delivery models applied in different departments and these will need to be considered to determine the effectiveness of one against another. Most services are provided from within the New Walk Centre complex, the current exceptions are Social Services Personnel and Staff Development Teams, and the Corporate Health and Safety Unit, Education Personnel at Marlborough House and Commercial Services at 16 New Walk.

(vi) Are there areas that could be excluded and if so for what reason?

As recommended below the Payroll service should be excluded from this review. The view generally held is that payroll would best be considered under the finance review consistent with its line of management.

(vii) What are the final recommendations for the scope and why?

I would like to recommend members support the scope of this review as detailed below and will address the stakeholder issues presented earlier in this report.

Leicester City Council aims to deliver its HR Strategy through a wide range of functions and services that include:

- Health and Safety at both a corporate and departmental level
- Occupational Health Service
- Departmental Personnel Teams including personnel support to schools
- Departmental Training & Development Teams
- Corporate Human Resources Section
- Corporate Management Development Unit
- Employment equality at both a corporate and departmental level
- The Jobshop service
- Standby Register and other employment registers applied in departments.
- Use of agencies and external People Management Service providers
- Supported Employment Scheme for Disabled Employees
- The Workplace nursery

This review will examine whether the service provided by the City Council is a good service by asking the following:

- Are its aims clear and challenging?
- Does it meet these aims?
- How does its performance compare?

(From: Audit Commission, Seeing is believing)

And in addition:

- Are there other ways of providing this service?

4. FINANCIAL IMPLICATIONS

As referred to above the majority of the Council's revenue budget is dedicated to the management of people. The largest part of this of course, relates to salaries and this will not be the subject of examination in this review except, the salary costs of people management services. In addition the operating budgets/costs of providing PM Services at both a departmental and corporate level will be considered in comparison with other providers of similar services and from different sectors.

This review will buy into the services of Saratoga Europe who, with the Society Of Chief Personnel Officers (SOCPO) have developed a system for assessing and evaluating the performance of people management services. They will provide a range of comparisons and

benchmarking with other local authorities and private sector organisations. The cost of this service is expected to be in the region of £12,400. All departments have agreed to an equal split of this cost.

5. EQUALITIES

Employment equality is integrally linked to delivering equality in the Council's services and as such will be given particular attention in this review. This review aims to be a model of best practice for consideration of equality issues.

6. SUSTAINABLE AND ENVIRONMENTAL IMPLICATIONS

None immediately arising from this paper however, the process of undertaking the review will be attentive to sustainable and environmental considerations on an integrated basis.

7. CONSULTATION

- Directors' Board
- Strategic Resources Group
- All Assistant Directors
- All managers of people management services
- Joint Trade Unions
- Andrew Cozens - Scrutiny Director

8. Report Author

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