

Human Resources (HR) - Update

1. This report outlines the current strategic workload priorities in HR, including details of the support being provided to achieve the people management savings outlined in the council's business plan.

Workload Priorities

2. The HR Strategy & Policy Team has been in place since March 2010. The strategic workload priorities of this team are: -

- a. **HR policies & procedures** – Reviewing and updating existing policies and procedures and developing new policies where needed. The schedule of policies is attached in Appendix 1. A new “house style” has been developed to provide the policy and procedure information in a consistent format. “Plain English” has been used to aide the understanding of the policies, and all policies give clear guidance on the responsibilities of managers in the deployment of the policies. This will deliver efficiencies in the time taken to deploy policies and reduce the level of HR support needed.

The revisions to the policies are subject to consultation with a stakeholder panel (managers from across the council), trade unions and HR managers and staff. Revisions to policies and procedures and new policies are also subject to an equality impact assessment to ensure any equalities issues are considered and where necessary changes are made to remove any issues identified.

- b. **HR Direct** – The development of a new self service HR tool for managers and employees to replace the current HR Online tool. The new web tool will provide managers with access to information about policies and procedures, their responsibilities in the deployment of the policies, access to forms, and flowcharts to aide their understanding. Staff will also have access to information to enable them to find answers to questions they may have about HR policies and procedures.

The structure of HR Direct will ensure easy access and navigation. Staff have been surveyed about their use of HR Online, and asked for suggestions about improvements needed. Workshops have also taken place across the county to collect feedback on the needs of managers and staff in relation to HR support. This information is being used to ensure the web tool is aligned to customer requirements.

- c. **Workforce planning** – The development and implementation of a workforce planning framework is underway. Workforce planning ensures the effective analysis of workforce data and the development of actions to ensure a workforce is developed that has the skills and knowledge needed to deliver services now and in the future. The aim is to support each service area to ensure they have a skilled, motivated, flexible and diverse workforce in place to deliver value for money services that make a difference to the communities they serve. A separate report has been provided to the committee outlining the progress with this area of work.
- d. **Supporting the achievement of £16m annual savings in people management costs** - These savings are to be achieved by:

- The management review – a review of the management structures and the removal of 240 management posts will deliver annual savings £8m. (See point 4 for a progress update)
- Reducing the annual cost of temporary agency and consultancy staff will deliver annual savings of £5.5m.
- Reducing the cost of some terms and conditions will deliver annual savings of at least £2.5m. (See points 5 – 14 for a progress update)

Management Review.

4. In preparation for this review HR & OD has provided the following support: -
- Negotiated changes to the redundancy, redundancy pay and appointments policies, reaching agreement with the three recognised trade unions, UNITE, UNISON & GMB.
 - Evaluated 135 new and revised jobs for the new management structures.
 - Prepared structure charts for all changed structures for publication on The Wire
 - Developed a comprehensive employee assistance programme for staff at risk of redundancy.
 - Produced 1262 redundancy quotes (voluntary and compulsory) and 122 pension quotes for staff placed at risk of redundancy as a result of the review.
 - Produced 571 personalised letters for staff placed at risk of redundancy, and information packs including information about policies, the employee assistance programme, voluntary redundancy application form and redundancy/pension quotes.
 - Briefed corporate and service directors on the redundancy process for the management review and provided them with a consistent presentation for collective consultation, notes to support the collective and individual consultation meetings and a set of frequently asked questions to support them throughout the process.
 - HR Advisory support to 25 collective consultation meetings across the county.
 - Support to service directors at the end of each day from 10th to 16th November to resolve any issues arising each day.
- b. A total of 571 managers have been placed at risk of redundancy for one of the following reasons: -
- Their post has been deleted from the proposed new structure, or reduced to a lower number within the proposed new structure, or;
 - Their post has substantially changed as a result of other elements of the proposed restructure – for example the addition or deletion of duties, or;
 - Their post is within the affected service area and is a grade above or below any post which is likely to be removed or substantially changed,

and could be a suitable alternative employment opportunity for someone whose post has been deleted.

- c. It anticipated that a minimum of 240 posts, and therefore redundancies, will be necessary to deliver the annual savings of £8m required.
- d. Collective consultation meetings have taken place (10th November) across all service areas affected. Individual consultation meetings with staff will take place between 10th and 26th November, and the deadline for initial applications for voluntary redundancy is 26th November.
- e. Corporate and service directors will be briefed again on the 29th November on the next stage of the consultation process, this briefing will be delivered by HR and will include:-
 - How to select volunteers for redundancy and confirm their selection
 - How to deal with appeals against not being selected for redundancy
 - How to complete the appointments process
 - How to deal with appeals against ownership/ring fencing/moderated grades.
 - Seeking further volunteers for redundancy

Reducing the cost of terms and conditions of employment

5. HR are part of the Wilshire Council negotiating team and over recent months there have a number of meetings with the unions to discuss the need to make savings over the next four years.
6. The unions have been given detailed information about the need to make savings of £16 million from people costs by April next year and that £8 million of this amount will be found from the review of our management structures and reducing our number of managers by around 240. The anticipated annual savings of £5.5 million from the reduction in the use of temporary agency and consultancy staff has also been discussed.
7. The unions have been advised of the need to find further annual savings of £2.5 million from our people costs. In these discussions areas where savings could be achieved are those where staff terms and conditions have been locally agreed. There is currently no intention to negotiate changes to nationally negotiated terms and conditions.
8. In order to change terms and conditions of employment for staff who are subject to the National Agreement on Pay and Conditions of Service (Green Book) and the agreements negotiated locally that supplement these, the council negotiates with the recognised trade unions. These are UNISON, UNITE and GMB.
9. At a meeting with the unions on 1st November there were discussions about possible areas which could, if agreed, deliver the £2.5 million of savings. These proposals include:
 - Removal of the payment of essential car user allowances and lump sums, and the casual car user allowances – potential annual savings of £750,000.
 - Withdrawal of market plussage payments – potential annual savings of £500,000.

- Reduction in overtime rates – potential annual savings of £250,000.
 - Removal of unsocial hours' plussage payments – potential annual savings of £500,000.
 - Withdrawal of subsidised lease cars – potential annual savings of £250,000
 - Withdrawal of the payment of a six month increment to staff who join, or are promoted on or after 1 October and before 1 April – potential annual savings of £250,000.
10. Other areas discussed with the unions included proposals to generate income by introducing a charge for staff car park permits. This could achieve an estimated annual income of £500,000.
 11. There were also discussions about cost avoidance proposals including the reduction in the time new pay protection is paid from three years to 18 months, and the reimbursement of new excess home to work travel claims would only be paid where the excess mileage is over 15 miles. Payment of these travel claims would be reduced from three years to one year.
 12. The estimated annual cost of not taking the actions described in point 11 is a minimum of £750,000. If these arrangements continue, savings of the same amount will need to be found from other staffing costs. This was made clear to the unions during the discussions. UNISON is now consulting with its members to determine whether members would support these proposals, and whether there are alternative ways that these savings could be made.
 13. It was made clear to the unions during the discussions, that the alternative to not achieving savings by reducing some terms and conditions, will be further job losses.
 14. A further meeting with the unions will take place on 18th November at which the proposals outlined in points 9 – 11 will be discussed, as well as any proposals received from the unions.

Pay Harmonisation Update

15. It was outlined in the HR update to the committee on 16th September that the Pay Harmonisation Project had been halted due to the financial constraints and pressures that the council is now facing and because the increase to the total pay bill as a result of pay harmonisation would be unaffordable. In that paper the on-going commitment to achieving equal pay was outlined.
16. The Pay Harmonisation Team remains in place to pick up a range of work associated with achieving this commitment, preparing proposals to reduce the cost of some terms and conditions, as well as supporting other key projects. The priorities for that team are outlined in Appendix 2.
17. The Pay Harmonisation Executive Board and Pay Harmonisation Steering Board have been replaced by the Staff Management Board. Details of the terms of reference for this board are in Appendix 3.

Barry Pirie

Service Director

HR & OD

10th November 2010