

Vale of Glamorgan

Overview Report: Review of HR and Workforce Planning

November 2011

Content

1	Introduction	1
2.	Review Findings	3
3.	The Way Forward	17

1 Introduction

Background and Approach

As part of our work to support the WAO Improvement Assessment in 2011, it was agreed that Grant Thornton would review the Council's progress in developing its HR function and workforce planning arrangements. As well as covering the key issues contained within the WAO question hierarchy, it also covers the Council's improvement objective regarding the implementation of a new pay structure, based on the outcome of job evaluation.

In undertaking this work, we have considered:

- the strategic vision for Human Resources (HR) and people management;
- the performance management arrangements for HR;
- plans to optimise capacity and capability;
- workforce planning processes;
- ICT support for HR; and
- the management of risks in this area.

Our work was carried out in October 2011 and included an interview with the Head of HR and the Head of Service for Accountancy and Resource Management and a review of relevant documentation.

Key Findings

Overall, our work indicates that the Council is making progress in this area.

- A strategy is being developed for HR that is consistent and supportive of the wider corporate objectives.
- The performance of the HR function is reviewed through a number of routes, although this can be relatively informal.
- Policies and plans are in place to ensure that capacity and capability is maximised across the organisation (for example, the Council's absence management policy).
- The work of the HR function continues to support the strategic aims of the Council
- Workforce planning is in train and the publication of a corporate workforce plan will follow. This will emerge from joint working between service areas and the corporate team and support the delivery of strategic objectives and financial targets.
- ICT is in place to facilitate progress.
- Risks are identified and monitored, as part of the service planning process and as part of the management of corporate risks (for example, job evaluation is a corporate risk).

Our overview indicates that there are three areas that should be considered further, to enhance the arrangements already in place and protect the best practice established.

- Introducing regular, formal performance reports assessing key elements of the HR function would enable more routine and systematic scrutiny of the service, by the senior management team and members;
- Prior to any reconfiguration of the HR service, evaluating the current service and options for change will help to ensure that best practice and 'what works' can be perpetuated and that any new model addresses acknowledged weaknesses.
- Ensuring that all services consider how skills and learning within their areas can be documented and passed on to other staff will help learning to be retained within the organisation and the development of appropriate succession planning arrangements.

We understand that the Council is aware of these issues and action is either being undertaken or planned in the immediate future to address them. We will keep a watching brief on this area to monitor progress over the coming months.

The following section presents the detailed findings from our review.

2. Review Findings

Level 2 questions	Level 3 questions	Prompts	Findings
1. Does the Council have a clear strategic vision for managing people effectively?	1.1. Does the Council have a current HR Strategy which is fit for purpose?	If there is a current and relevant strategy, does it support the achievement of corporate objectives?	<p>The Council has an HR Service Plan that was agreed in October 2010 and is in the process of producing an HR Strategy (an outline of the key content was available at the time of the audit).</p> <p>There is a clear relationship between the Service Plan and the Council's corporate objectives, particularly, 'managing the Council's assets and resources effectively and securely'.</p> <p>The Plan also considers how the HR team can continue to support change management across the whole Council, as it supports the wider improvement agenda.</p>
	1.2 Is the HR function an integral part of the change/transformation agenda?	Does the Council consider HR to be one of the drivers of change?	<p>The Council's HR function is actively supporting change management across the Council, as noted above. It offers training to managers on change management and monitors its impact. This has been operating for a number of years and is well established.</p> <p>In addition to supporting the change process indirectly, there is evidence that HR is actively contributing to the change agenda itself:</p> <ul style="list-style-type: none"> • a paper was presented by HR to the Cabinet/Scrutiny Committee on proposed changes to the Senior Management Team in Sept 2011; • HR is leading the Job Evaluation programme and working to break the impasse after the leadership lost a vote on proposed changes by a small margin; and • HR has played a significant role in the range of organisation change projects including letting of the leisure contract.

Level 2 questions	Level 3 questions	Prompts	Findings
	1.3 Is the council focused on achieving efficient and effective ways of working	<p>Are there any examples of innovative use of the workforce to deliver services differently?</p> <p>What progress/plans are in place for changing ways of working?</p>	<p>There are examples of staff being used in different ways to deliver services more effectively. An example is the use of library assistants to resource the Council's one stop shop, the continuing 'OneVale' project and the improved use of staff providing building maintenance services to Council House tenants.</p> <p>The most significant plan for changing the way in which officers work emanates from the recently initiated SPACE project. Policies have been agreed with members regarding the amount of space that officers should have to work within and on homeworking. The implementation of these policies will enable the Council to evaluate how the physical office accommodation can be better utilised, and surplus capacity released.</p>
<p>2. Does the Council measure and review its HR function?</p>	2.1 Is the Council measuring the performance of its HR function?	<p>How does the Council measure the quality and consistency of HR advice?</p> <p>Are progress reports on HR's performance produced regularly and scrutinised?</p>	<p>Every two weeks, all senior HR staff meet and are presented with key corporate messages, to ensure that consistent advice and information is disseminated through the organisation.</p> <p>In addition to this, regular meetings take place with other members of the HR team, in part for the same purpose.</p> <p>Regular communication between the Head of HR and Heads of Services monitors the success of this approach (that is, are all service areas receiving the same messages?).</p> <p>Key performance measures are reviewed by Scrutiny Committee on a quarterly basis and delivery against the service plan on an annual basis. The work of the HR function is reviewed by the Director or Finance, ICT and Property as part of regular supervision and by the Cabinet Lead for Human Resources as part of the annual appraisal process.</p> <p>Targets for HR are included within the HR Service Plan. These are RAG rated (red, amber or green, depending on progress) and reviewed by the HR management team on a monthly basis.</p> <p>The implementation of Job Evaluation has dominated reports in recent months.</p> <p>Key reports are presented to CMT as appropriate. For example, the annual Health and Safety Report was considered by CMT in September 2011.</p>

			<p>It is accepted that it may be of value to introduce more formal mechanisms to ensure accountability.</p> <p><i>Proposal for Improvement</i></p> <p><i>Expand regular performance reports to include an assessment of the work of HR, to enable systematic scrutiny.</i></p>
Level 2 questions	Level 3 questions	Prompts	Findings
	2.2 Is the HR service reviewed regularly?	<p>Does the HR structure support and help the Council achieve its strategic vision?</p> <p>If there have been changes to the HR structure in the last three years, what is the rationale for these?</p> <p>Is staff capacity monitored by HR HoS in order to deal with changing priorities?</p>	<p>Please see above</p> <p>HR is looking to reconfigure its relationship with service areas to ensure appropriate use of resources and strengthen its strategic contribution There is an appreciation that a “business partner” approach would better 'fit' with the needs of the Council.</p> <p>There has been no fundamental change to the HR structure in the last three years.</p> <p>Staff capacity to deal with changing priorities is carefully monitored by the Head of HR. Whilst stretched, it is considered adequate for managing current demands.</p>
	2.3 Do HR staff have clear management and professional accountability?	Do HR staff have responsibility for specific service delivery areas/strategic development activities?	<p>HR staff are responsible for delivering specific activities. The details are set out in the HR Service Plan.</p> <p>Professional accountability is also clearly set out.</p>

Level 2 questions	Level 3 questions	Prompts	Findings
	<p>2.4 Is the HR model currently meeting the needs of the Council?</p>	<p>What model of HR service delivery does the Council use? Is it a centralised or devolved model or a mixture between the two? Is the model feasible/fit for purpose/cost effective?</p>	<p>Although our work identified no specific shortcomings in the model currently in place (a central support team supported by dedicated leads for each service area), consideration is being given as to how the service could be more appropriately organised to deliver the needs of the Council.</p> <p>Although a “business partner” approach is currently being considered, there has been no assessment of the cost effectiveness of the current arrangements or the proposed changes.</p> <p><i>Proposal for Improvement</i> <i>Ensure that current services and options for change are fully evaluated prior to the implementation of a reconfigured HR service, to ensure that best practice and 'what works' is retained and for any new model to address acknowledged weaknesses.</i></p>
	<p>2.5 Does the Council consider it needs to change its HR service delivery to better support service transformation and more efficient ways of working?</p>	<p>Does the Council have a clear plan to change to a new model? Is there a clear rationale for this (eg to save money or be more effective)? Is the Council considering options with other Council HR services to share services?</p>	<p>There is consideration to developing a “business partner” model of service delivery (noted above).</p> <p>The development of an HR 'self-service' arrangement would support this change.</p> <p>The Council played an active part in the South East Wales Shared Service project which sought to develop a shared HR and Payroll function for a number of authorities in the region.</p>

Level 2 questions	Level 3 questions	Prompts	Findings
<p>3. Are HR policies and plans in place to maximise the Council's capacity and capability?</p>	<p>3.1 Does the Council have an up to date set of key policies that are accessible to managers and consistently used?</p>	<p>Key policies include:</p> <ul style="list-style-type: none"> • Attendance management • Disciplinary • Grievance • Capability • Equality/Diversity • Dignity at Work • Maternity and Paternity Leave • Flexible Working • Training and Development • Lone working • Health and Safety • Redundancy and redeployment. <p>a. Do the managers know where to find them, are they considered to be easy to use?</p> <p>b. Is training, coaching available to staff/managers on use of policies?</p> <p>c. Does the Council know if the policies & procedures are being followed? Does HR monitor the use of the policies/ procedures and their effectiveness?</p> <p>d. Is the content of the policies/procedures reviewed regularly to comply with changes in legislation?</p>	<p>The Council has a full set of HR policies, and mechanisms are in place to ensure that the policies are regularly updated. This happens every four years or in the light of any developments in legislation or policy change.</p> <p>The implementation of policies is monitored by HR.</p> <p>We have not tested, as part of this review, how easy managers find the policies to access, or the training and coaching supporting them.</p> <p>Arrangements are in place to test their effectiveness (primarily through feedback from HR service leads and through Heads of Service).</p>

Level 2 questions	Level 3 questions	Prompts	Findings
	<p>3.2 Is attendance management being managed effectively?</p>	<p>(a) Who is responsible for managing sickness absence?</p> <p>(b) Within the policy are roles and responsibilities at different stages of absence clear?</p> <p>(c) Are procedures applied consistently? Does the Council have accurate and up to date data (is this consistent between the HR team and the managers?)</p> <p>(d) Is there a culture of wellbeing? Does the Council actively promote the importance of health and well being?</p>	<p>Roles and responsibility for attendance management are clear. The policy implemented by the Council in 2008 remains in place and is effectively delivering improved performance.</p> <p>The current rate of absence is 9.1 days against a target of 9 days. The Council has the lowest sickness absence rate amongst all Welsh authorities and continues to manage the issue carefully (both at officer and member level). Overall, performance is 0.6 days better than at the same time in 2010.</p> <p>The latest performance information is available on the Council website.</p> <p>The mechanism for achieving this improvement remains as per the findings of the Grant Thornton review in 2009.</p> <ul style="list-style-type: none"> • A robust system for collecting data is in place. • Managers regularly review the data. • HR supports managers in ensuring the consistent implementation of the policy across service areas. • Regular reports are presented to CMT and Cabinet on progress. • The promotion of positive well-being is a key feature of the arrangements.

Level 2 questions	Level 3 questions	prompts	Findings
<p>4. Does workforce planning support the delivery of strategic objectives and financial goals?</p>	<p>4.1 Is the Council making effective use of its current skills and capacity?</p>	<p>Are there effective arrangements to identify and meet training needs for staff and members which are linked to business requirements? Is there a performance management system to monitor individual performance: Appraisal, PDPs</p>	<p>Workforce planning is now linked to service planning. All services have been going through a three year visioning exercise (completed Summer 2011). This has informed workforce plans which are now in place for all service areas and will be collated within a Corporate Workforce Plan.</p> <p>The main issues emerging from the workforce plans concern the need to deal with the residual issues of recruitment and retention, the need to strengthen the approach to succession planning and the need to progress a staff engagement strategy</p> <p>Scrutiny committees review all workforce plans.</p> <p>Succession planning is still in its infancy and is one element of workforce planning where further work is required</p> <p>Arrangements are in place for individual performance to be monitored through the appraisal system.</p> <p><i>Proposal for Improvement</i> <i>Ensure that all services consider how skills and learning within their areas can be documented and passed on to other staff, so as to allow for learning to be retained within the organisation through appropriate succession planning arrangements.</i></p>

Level 2 questions	Level 3 questions	Prompts	Findings
	<p>4.2 Do services undertake workforce planning that clearly demonstrates how the Council plans to maximise its use of staff?</p>	<ul style="list-style-type: none"> - Is there a corporate workforce plan and meaningful/ current workforce plans across all services? - Have the key people been involved in developing these? <p>Do they link with business plans and specific activities within the plans?</p> <p>Is the current and projected WFP costed and affordable - if not are there plans in place to achieve this as part of an overall strategy so that the impact on services is considered</p>	<p>See above.</p> <p>Workforce plans have been drafted by service areas and are being collated into a corporate workforce plan (this task was outstanding at the time of our review).</p> <p>Key people have been involved in developing the plans. The remit of this review did not allow for the process behind the development of the plans to be tested in detail.</p> <p>All services are aware of the cost envelopes that they need to work within.</p> <p><i>This is an area that will need to be reviewed in further detail once the corporate workforce plan has been published.</i></p>
	<p>4.3 Has there been an assessment of the skills and capacity required for the future?</p>	<p>Does the Council have a clear vision for the service delivery changes that it wishes to make?</p> <p>Does the vision include identifying the type of skills / competencies required for the future?</p>	<p>This has been included as part of the service approach workforce planning and will be reflected in the corporate plan.</p> <p><i>This is an area that will need to be reviewed in further detail once the corporate workforce plan has been published.</i></p>

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	<p>4.4 Do services critically evaluate the need to replace a post, including the skills required, prior to beginning the recruitment process?</p>	<p>- Is there a sign off process? Who is involved in this? What system is used to link the person specification with service requirements? Are there examples of changing roles to meet business needs, rather than replacing more of the same?</p>	<p>Detailed processes are in place which must be followed when staff need to be replaced. A vacancy control form must be completed and then signed off by the Head of HR prior to any advertisement.</p> <p>External advertisements are only authorised after the post has been through the job evaluation process, and the 'at risk' list has been checked for internal candidates.</p> <p>The Council is also working with other Councils in Wales regarding 'at risk of redundancy' staff. If appropriate, vacancies will be filled with officers identified at risk elsewhere.</p> <p>The Council has a good record on redeployment.</p>
	<p>4.5 Reductions in agency and locum expenditure</p>	<p>Is there a corporate policy on the use of temporary staff? Is this policy complied with across all services or are there exceptions depending on the nature of the service? At what management level can decisions be made on recruitment of temporary staff?</p>	<p>Within the Service Plan actions are planned to reduce further costs on agency and locum expenditure.</p> <p>There is no corporate policy but an agency protocol has been developed. A business case must be completed to justify the need for employing temporary staff.</p> <p>As this was an overview, we were unable to test this area of performance in detail during our review. However, Internal Audit has recently completed a review that we will consider when available.</p>

Level 2 questions	Level 3 questions	Prompts	Findings
5. Do ICT services support HR? (please refer to ICT thematics)	5.1 Are the ICT resources to support HR delivery appropriate?	What are the ICT arrangements for supporting the delivery of HR services?	Although no issues were reported during our work with the supporting IT systems, the remit of our work this year did not allow us to test this area in detail. We understand that there are no significant gaps in the infrastructure or changes planned.
	5.2 Is ICT clearly linked with the Council's HR strategic vision?	Is there a clear joined up vision & delivery plan for HR IT systems?	
	5.3 Do ICT systems and support enable effective people management?	Do the Council's systems generate usable and relevant HR /management information? Do managers have web access to HR policies and procedures?	
	5.4 Are there appropriate HR metrics for schools	Does the Council report regularly on HR data for schools? How is the data gathered? Is the data consistent between the school & the HR department? What is the current performance for schools in terms of: <ul style="list-style-type: none"> • Sickness absence rates • Turnover • Supply teacher costs? 	

Level 2 questions	Level 3 questions	prompts	Findings
<p>6. Are HR related risks well managed?</p>	<p>6.1 HR is likely to be a significant area of risk. Is the level of risk recognised?</p>	<p>Is HR included in the corporate risk register? Does HR have a risk register?</p>	<p>HR risks are included within the corporate risk register.</p> <p>The main issues regard:</p> <ul style="list-style-type: none"> - capacity, and ensuring that the right people are in the right place, at the right time; - job evaluation, due to the threat that it presents to the good relationship established with employees; and - absence management- ensuring that progress continues at a time of great change. <p>The HR risk register is included within the service plan.</p>
	<p>6.2 Are steps being taken to mitigate the main HR risks?</p>	<p>What actions are in place to mitigate the main HR risks? What are the HR reputational risks? How does the Council assess the morale of its workforce?</p>	<p>Risks are reviewed monthly and mitigating actions discussed.</p> <p>The Council monitors the morale of its workforce informally and formally. There are regular fora with Unions (including teaching) and Councillors, along with other consultative meetings and employee surveys</p> <p>The Head of HR meets monthly with Unions to discuss changes within the organisation.</p> <p>Channels for communicating with Individual staff include the 'staffnet system' and regular briefings from CMT and others.</p>

Level 2 questions	Level 3 questions	Prompts	Findings
	<p>6.3 Is the Council successfully delivering single status? (link with financial auditors)</p>	<p>Has the Council made progress in achieving single status? Has the Council completed job evaluation? Has the Council completed job matching? What progress has been made on developing and consulting on a new pay model? What is the estimate of the total cost of achieving the new pay model and single status? What is the Council's timetable for achieving a new pay model and single status? Are members aware of the impact and risks associated with single status and a new pay model?</p>	<p>This is critical to the change programme in the Council and will be (completed by the end of 2011. Whilst all the ground work has been completed, the outcome of the final ballot of staff and unions is expected at the end of December 2011.</p> <p>Completing this work is recognised as a priority and must be achieved prior to other elements of the change programme being carried out.</p>

Level 2 questions	Level 3 questions	prompts	Findings
<p>7. Does HR support the Council in actively engaging with staff in working in partnership with them?</p>	<p>7.1 Is there a commitment to partnership working with staff?</p>	<p>Has the Council signed up to Partnership and Managing Change - A Partnership Agreement for Public Services in Wales?</p> <p>How does the Council consult with staff on plans, changes to services and single status?</p> <p>Does the Council have joint staff forums, working groups, staff representatives on decision making groups?</p> <p>How does the Council measure their effectiveness?</p>	<p>The Council has signed up to the Memorandum of Understanding with the trade unions on managing change and discusses the local implementation of this on a regular basis with the trade unions.</p> <p>The Council has arrangements in place for consulting with staff on changes to services and single status, which include forums (of teaching and non-teaching staff), working groups and staff representations on working groups. Monthly meetings are held with Unison. Individual staff also have access to staffnet and other briefings.</p> <p>The effectiveness of the arrangements are judged by the success in implementing the change programme.</p>

Level 2 questions	Level 3 questions	Prompts	Findings
	7.2 Are the communication flows working well, bottom up as well as top down?	<p>(a) How does the Council gather the views of its staff? What mechanisms exist for allowing staff views to influence decisions?</p> <p>(b) Is consultation with staff meaningful, open & honest or does the Council consult after it has made decisions? Does the Council consult with staff promptly when changes are proposed?</p> <p>(c) Does the Council provide staff with accurate information and data when consulting on any issue? Is the Council's relationship with the unions considered to be effective?</p>	<p>Staff views are gathered through staffnet and the mechanisms detailed above.</p> <p>It was not possible, as part of this review, to test the quality of the arrangements from the perspective of employees.</p>

3. The Way Forward

Given the progress being made by the Council, and the work currently in train, we will maintain a watching brief on this area of the Council's work as part of audit during the coming year.



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