



North Hertfordshire District Council - People Strategy 2015 – 2020 (Incorporating the Councils Workforce Development Plan)



INVESTOR IN PEOPLE



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1. Introduction

This strategy document is an update to the 2011 - 2015 People Strategy. Immense progress has been made from this and from former People Strategy's since 2002. All these were delivered and very positive results have been seen.

However, since 2008, national and local government has changed dramatically with the Council along with it. The most significant change has been the onset of recession in 2008 and the austerity which followed and is expected to continue in Local Government in the years ahead.

The Council has faced a huge decline in funding over the 2011 to 2015 period and the next four years could see the need to generate around another 6 million in savings/efficiencies. The impact this has had and will continue to have in terms of the services we provide and the capacity to deliver them is dramatic. Outsourcing, partnership working, commercialisation, income generation and creative use of community or even staff run services through the right to challenge policy has become even more important and the council is considering various options for providing its services in radically different ways. It is therefore timely and appropriate to review and refresh the strategy for the next 5 years.

HR can support the achievement of the Key Objectives in many ways. By improving skills, recruiting, retaining and developing hard working and talented people, the employees of the authority will be best placed to deliver the Council's services over a period of radical change and austerity in the years ahead so this strategy and workforce plan has been developed to closely link to the key objectives and corporate projects.

2. Background & Context

2.1 Current Employment Profile

2.1.1 Equalities and the Workforce

NHDC is committed to equal opportunities and to having a diverse workforce that reflects our community. We monitor and evaluate our performance using management information. Management information and analysis for performance indicators shows the following:-

Workforce. At the end of 2014/15 we had 294 FTE (Full Time Equivalent) compared to 340 FTE at the end of 10/11 This is a significant reduction in staff and demonstrates to what extent efficiencies over the past five years have impacted on the number of people we employ. (Source BVPI performance reporting pack for 2010/11 and 2014/15 figures.

Cultural and ethnic origin. The workforce at NHDC is predominantly white. The black and minority ethnic population of the District is around 10.5%, The ethnic minority population is culturally diverse and includes people from Chinese, Bangladeshi, Pakistani, and African Caribbean, Asian, Polish and Italian backgrounds. At end of March 2015, the number of ethnic minority employees represented 6.23% of the Councils workforce, a figure that has remained fairly constant since 2010 During this same period we raised the representation of minority ethnic employees who are in the top 5% of earners from 0% to 6.8% compared to a local government shire district average of 2%.

Disability. As at March 2015 4.45% of employees describe themselves as having a disability. This is compared to 10.23% economically active disabled people in the district and has reduced since 2010 when it was 5.6%. On a positive note 20.41% of the top 5% of earners at NHDC have declared that they have a disability, which is significantly higher than the national average of 3% and demonstrates that disability is not a barrier to career progression(source: 13/14 Local Government Workforce Survey).

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Gender. 66% of the workforce is female and 34% of our employees are part-time. These figures have varied little since 2010. As at March 2015, 40.81% of the top 5% of earners were women compared to a local government average for districts of 32% (2013/14 Local Government Workforce Survey).

Age. 24% of the workforce are aged 55 years old and over. Since 2011 the percentage of staff who are under the age of 25 has increased from 2.3% to 5.3% (2014). These figures give an indication of the success of the Apprentice scheme in increasing the number of young people working at the Council in roles other than that of Play workers on seasonal contracts which were traditionally where younger people tended to be employed by NHDC.

Equalities in Practice

The Council is also concerned as to the views held by its employees in respect of whether they feel fairly treated at work and asks a number of questions on this area in each staff survey carried out. In the most recent staff survey (2014) Employees were asked if they believed that the Council was committed to Equal Opportunities in practice. 77% responded that they believed the Council was committed to Equal Opportunities in practice which was an increase of 2% from the previous Survey in 2012.

Employees were asked to provide an agreement rating about how they are treated as an employee by NHDC in respect of gender, ethnicity, disability, age, religion and sexual orientation. Levels of agreement rose or remained the same for all factors other than disability, which decreased by 8% when compared against 2012's results. The 2014 Survey also included three questions around bullying / harassment at work and the results showed that since the last survey, concern over bullying from management had decreased, but there was been an increase in concern over bullying and harassment from colleagues and customers, up by 1% in each case. Whilst there has been an overall increase in concern over bullying and harassment, these figures remain extremely low. There is very good policy and prevention measures in place to tackle any problems.

Two Equal Pay Reports have been produced since 2010 when pay was analysed by the criteria of disability, religion and sexuality for the first time. The Reports have not shown any significant inequalities in pay that need to be addressed. An equal pay audit is also underway in 2015.

We have also taken steps to collect more equality data from staff and there has been a significant reduction in the number of staff for whom we have no information on certain protected criteria. Disability is down from 27.7% to 15%, Religion 32% to 23.3% and Sexuality 31.6% to 18%.

2.1.2 Recruitment Retention and Retirement

From 2011 to 2015, the changes to the employment market have been considerable.

The main demand on workforce costs over the last five years has focused on reducing costs through restructure efficiencies, shared services, management restructuring and outsourcing. The expectation that we would see employee-led spinout organisations has over the sector shown solid work but in a very limited number of councils and we have not had any movement of this sort as yet.

Pay freezes and very limited pay increases have led to lower pay rates, indeed the Local Government National Pay Scales have had to be "propped up" at the bottom levels because the lowest pay rates were falling below minimum wage levels. The January 2014 to April 2016 pay increase was bottom loaded to increase rates at the lowest level and this was applied to our pay scales.

2015 has seen the first sustained sign that the economy is in a state of slow recovery. This will not be felt in local government with austerity set to continue in the years ahead. What may

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happen is staff may be attracted away to take up private sector jobs at better pay rates and although turnover appears to be rising its virtually certain to become far more of a problem from 2015 – 2020.

National Unemployment Rates

Nationally unemployment fell by 102,000 to 1.86 million in the three months to the end of January 2015 [Office for National Statistics \(ONS\)](#) figures.

The number of people claiming Jobseeker's Allowance in February 2015 fell by 31,000 to 791,200, its lowest level since 2008, the ONS said. The employment rate now stands at 73.3%, *the highest rate of people in work since the ONS began keeping records in 1971*. Contrast this to 2011 where the unemployment rate for the three months to January 2011 was 8% of the economically active population. The total number of unemployed people had increased by 27,000, to reach 2.53 million, the highest figure since 1994. The unemployment rate for those aged from 16 to 24 had increased by 0.8 to reach 20.6% and the number of unemployed 16 to 24 year olds had increased by 30,000 to reach 974,000, the highest figures since records began in 1992. At that time the issue of high unemployment was expected to impact on retention and push the turnover rate down too low.

Public Sector

There were 5.37 million people employed in the public sector for March 2015. This was down 22,000 from December 2014, down 59,000 from a year earlier and this was the lowest figure since comparable records began in 1999. In comparison there were 25.68 million people employed in the private sector for March 2015. This was 136,000 more than for December 2014 and 483,000 more than for a year earlier.

Regional Unemployment Rates

The East of England rates have seen a steady fall in unemployment rates. the region saw a decrease in the level of unemployment over the period November to January 2015 compared with the previous quarter. The rate was 157,000, down 21,000 on the previous year and 2,000 on the previous quarter. In February 2015 there were 50,000 jobseekers down 2,000 on January 2015. Rates of unemployment are falling in this region but less so than many other regions with the South East with the lowest fall rate of 1,000 on the previous quarter. The South East, in February 2015 had 62,000 jobseekers down 3,000 on January 2015.

Turnover 2010 – 2015

The Local Government Workforce Survey 2013/14 reported the median average turnover rate in Local Government was 11.9 per cent)

NHDC

2010/11	10.63%
2011/12	14.45%
2012/13	15.24%
2013/14	10.07%
2014/15	12.58%

Average	12.59%
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Removal of the Default Retirement Age and an Aging Workforce

There is now a clear trend emerging that as a society we are working later than previous generations, the health charity The King's Fund predicts the number of over 60's in the workplace will grow by 41% to almost 20 million people by 2030. The reasons include rising longevity and state pension age. The abolition of the default retirement age and the decline in occupational pension benefits as defined benefit schemes become less affordable. As an employer that will mean we may have to manage and motivate much older people than has been the case in the past. This may include people who had no intention of working for so long but may have to do so despite deteriorating health.

Flexible Retirement

One policy response to this has been to allow flexible retirement. Instead of people continuing to work full time those aged 55 and over whom, with the employer consent, reduce their working hours or grade, can continue to work in what may be a less demanding role. This option allows them to continue to pay into the pension scheme and because the scheme is career average rather than final salary will make this more attractive. Alternatively providing that the full actuarial reduction for drawing their pension early is applied, they have the option of earning and taking their pension at the same time.

Pension Changes

The Local Government pension scheme has changed again in the last five years following the previous scheme changes in 2008. In 2014 it became the current Career Average Revaluated Earnings (CARE) Scheme.

In 2014 automatic enrolment was introduced. Whilst it has historically been our practice to add all newcomers into the scheme they could opt out easily. The changes make opting out more difficult, it also meant putting all staff that had opted out previously back into the scheme and anyone who does opt out will be put back in the scheme every three years.

Pension contributions rates have risen for all but those on the lowest rates of pay and this with pay freezes has led to more of a decline in take home pay. Furthermore in April 2016 the practice of an occupational pension scheme allowing people to contract out of SERP's and employees and employer paying a lower rate of NI will end. The new format state pension is introduced in April 2016 and employer and employees will pay NI at the standard rate which will again reduce take home pay for employees.

Apprentices and Intern Scheme

One big success during the austerity and pay freezes of 2011 – 2015 was the decision to fund apprentices and Interns. During 2012 Cabinet approved that a budget of £212K was made available from General Fund/Special Reserves for a 12 month Apprenticeship scheme (approximately £90K in 2012/13 and £122K carried forward to 2013/14 and to include a similar level of funding in 2013/14. This funding lasted into 15/16 where a top up for the year was approved and going forward £130,000 (sufficient for 8 places) may be made available each year subject to annual agreement through the Corporate Business Planning process.

The scheme has proved a great success with apprentices or interns having worked in IT, HR the CSC, Revenues & Benefits, Housing, Careline, Parking Services, Electoral Services, Museums, the MSU, Active Communities, Environmental Health and Property Services. A number of these have found temporary or permanent roles to move into at the end of the 12 month placement. This is now beginning to improve the demographic profile of the workforce and turn up future

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talent to develop into managers and senior managers of the future. Such is the enthusiasm of services that have had apprentices demand has now exceeded the ability to supply places because of the budget.

The 2013/14 Local Government Workforce Survey revealed that there was a median of 9 apprentices per council. With the council's funding declining it will be necessary to identify how the scheme can be permanently funded going forwards. It's clear that other Councils are finding the benefits outweigh the costs and providing local jobs for young people is seen to be a good thing for Local Authorities.

Absence

In November 2003, attendance and long term absence management policies were introduced and during the life of the 2005 – 2008 People Strategy, managers were provided with a significant amount of training in managing attendance. This training continues to be given to all new managers and existing managers wanting to recap on their knowledge. The HR also team frequently coach managers on attendance management. In 2009/10 we reduced our absence rate from over 10 days to 8.68. In 2010/11 a step change was seen with absence dropping to a rate of 6.51 days. During the life of the 2011 to 2015 our absence rates have stayed astonishingly low and under control. The 2013/14 Local Government Workforce Survey shows the average rate to be 8.4 days per FTE. The findings of the CIPD's 2014 Absence Management survey show that the average level of employee absence in the private sector has fallen from 7.6 to 6.6 days per employee. Compare these rates to the 4.88 days achieved in 13/14.

Year	Long term absence per FTE	Short term absence per FTE	Total Days lost per FTE
2011/12	4.42	3.36	7.78
2012/13	1.42	3.09	4.51
2013/14	1.49	3.39	4.88
2014/15	2.40	2.83	5.23

Long Term Absence

From this table you can see there was a huge decline in long term absence from 2011/12 rates to those seen in the following two years. We were fully expecting rates of long term absence to rise because during those two years we often had whole months without a single employee suffering a serious illness and that is of course good luck for both the Council and it's employees but has realistically been seen as a situation unlikely to continue. Rates did rise as expected in 14/15. The September 2014 Joint Staff Consultative Committee had a discussion paper on the management of absence and the following was a high level summary of how long term absence cases are managed.

An overview of Case Management

- A long term sick absence is an absence of 21 days and over.
- After 21 days or a medical certificate that shows the absence will extend beyond that period, an occupational health (OH) referral is made.
- The council has a contract for (OH) and holds regular clinics to see people who are on long term sick leave.
- HR adds the employee to a list of long term sick cases to manage the case to its final conclusion.
- A specific HR Partner is assigned to each case to work with the manager and OH to resolve the case.

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Short Term Absence

In 2014/15 Short Term Absence became the BVPI target for the first time and the target was set at 3.5 days, you can see from the table over the last few years we have achieved just under that but in 14/15 we have seen it drop below 3 days. We always thank staff in team talk after year end because its clear that its staff playing the big part on our lowered absence rates. Below is an extract from the June 2015 Team Talk.

“We know that we are all human and from time to time we become unwell and on occasion this will prevent us from being able to work. Happily, what appears to be happening, in the vast majority of cases, people are working through minor illnesses and are also attempting to return to work as soon as possible when they have needed to take time off. It is these efforts that are really making a difference. As a result of this, a total of 34% of staff had 4 days or less and a fantastic 53% had no absence at all. We want to say a big thank you to all the people that have played a part in us achieving this and let’s hope we can maintain our reduced absence rates in 2015 and beyond.

Flu vaccinations were offered for the first time in 2013 and an annual budget is now set aside to continue to do this. This was not aimed at reducing absence levels but it is sure to be playing a part and it’s good to help people avoid this very unpleasant illness. This is one way we have sought to help staff during a difficult period by adding this small contribution to the reward package.

2.1.3 Reward and Development

Learning & Development

The council was successfully re-accredited with Investors in People, for the 6th time, in June 2014 an achievement that applies to the whole organisation and has done so since 2000, demonstrating our commitment to people management and development even through times of austerity.

There are various processes in place, to ensure that the skills requirements for the council are considered in line with the key priorities. The service plan template that is created every year as part of the Service Planning process was updated to include learning and development needs as an integral part of it. This is to ensure that learning and development requirements are considered as part of the corporate business planning process and aligned with the service and key priorities.

There is also a comprehensive appraisal process, which includes an annual and 6 month formal reviews, as well as one to one meetings between staff and their manager. The appraisal also includes personal development plans for all staff, the outcomes of which are collated by the HR team to inform the learning and development arrangements over the subsequent year.

Coaching has become embedded in the learning culture during the last five years with a significant number of staff and managers becoming accredited coaches. This form of training is promoted through the appraisal process.

The arrangements for corporate learning and development (i.e. cross service) are now discussed and coordinated by the learning and development function and presented to the Senior Management Team, for their input.

The learning management system was upgraded in 2014 (LMS) is now well embedded and staff have access to a library of open learning resources and information about the workshops that are on offer. The LMS also provides a central record of corporate learning and development activities.

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The team was changed in the 2014 restructure of Human Resources and now comprises of a Learning and Employee Engagement Manager and a Training Officer, both posts are part time.

Employee Engagement

The HR team supports the engagement and wellbeing of staff in a myriad of ways. On top of training and education opportunities, there is help and advice on healthy lifestyle and support through occupational health and an employee assistance programme for people when they are unwell. We run events such as blood pressure, weight and cholesterol checks, to walk to work week and we have agreements with local shops to provide discounts. The bi annual Staff survey provides vital information on how well managed and motivated our employees are. Despite a number of years with pay freezes or marginal increases, 77% of our staff reported being satisfied with their job. The Council's Active Communities team is now also playing an important part in Staff wellbeing with events such as breakfast at work days, provision of healthy snack boxes and hints and tips on a leading a healthy lifestyle.

Reward - National Pay Bargaining

It's been a bleak period for reward in Local Government during the period 2011 to 2015. On National Pay bargaining, in 2009 1% was paid to all staff except Chief Officers, in 2010 no increase was paid and the same applied for a 3 year period in total 2010 – 2012 (a national pay freeze). In 2012 most public sector workers on the lowest rates of pay got a £250, increase but this was not extended to local authorities.

Every year the unions put in a very detailed pay claim. The employers carry out a consultation with local authorities on affordability. For 2012 and 2013 the unanimous response from Local Authorities nationally was no pay increases were affordable with the austerity budget cuts. However in 2013 the pay freeze did end with the award of 1% to all staff other than Chief Officers who were still on their 2008 pay level.

The pay Freezes and low pay rises had caused a crisis at the lower points of the National Local Government Pay Scales and in 2013 a 1% pay award plus deletion of the national pay scale bottom pay point was put in to avoid breaching National Minimum Wage.

In effect the national pay scales had fallen so low that the lowest point was below the national minimum wage and the employers were very concerned about that. The Employers decided to wait until the minimum wage changes were made in April 2014 before they responded to the Unions pay claim and this led to the Trade Unions registering a dispute.

There was a day of industrial action in July 2014, but talks resumed after that and for 2014 to March 2016, there is currently a pay settlement for most staff of 2.2% for Chief Officers 2% and for the lowest paid higher increases.

For 2016 The Unions have submitted a pay claim for pay to be brought up to at least the living wage and for those earning more than that to get an extra £1 an hour. The July budget saw the introduction of the National Minimum Wage becoming a new living wage of 7.20 per hour for over 25's rising to £9 per hours by 2020. In the same budget it was announced public sector pay would be capped at 1% per year for 2016 – 2020. The LG Employers technically are the body responsible for setting Local Government pay but the last public sector pay freeze was applied in Local Government so it's expected that this will be the position. With rising employment this is another key sign that turnover particularly on some professional areas will become a big problem.

Reward - Micro Benefits

Despite the restraint in pay the HR team has sought during this period to be creative about the employee's benefits package. A range of salary sacrifice and staff discounts schemes have been introduced and promoted. The popular bike for work scheme was opened up again in May 2015

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and the Child Care Voucher scheme continues to be popular but we will be investigating how free nursery care will impact on the scheme. The scheme does however cover after school care and is not just focused on the care of pre school age children. During the last quarter we have started to offer staff with relatives that live in the district, Careline Service discounts. There is also a range of Local Shops that offer staff discounts along with Leisure Discounts. We also introduced the Wider Wallet scheme to allow staff access to discounts on supermarket shopping, holiday's domestic appliances and much more.

A salary sacrifice scheme for cars was launched in December but has not generated any orders as yet.

3.0 Key Influences & Challenges

The council therefore has a number of difficulties and opportunities for improvement to address the following issues:

- The Council has already faced a huge decline in funding over the 2008 to 2014 period and the next 5 years could see need to generate around another 2.4m in savings/efficiencies.
- A restructure of Senior Management that may go further is planned for 15/16 to fit with the Corporate Business Planning timetable and proposals are expected to be announced in December 2015. This will be coupled with work on the top team succession plans and leadership development.
- A rising rate of Employment in the economy as a whole , with gradual economic upturn in a period whilst the Council faces more declining funding and austerity over the next five years its expected this will put pressure on turnover with staff leaving to join private sector jobs. Periods of uncertainty where the Council is exploring restructure opportunities, shared services, or other ways to run services differently will impact on staff morale and turnover. In 2011 the concern was the turnover rate would go too low, in 2015 the expectation and the trend is that it will rise sharply.
- An ageing population, no retirement age and pension benefit changes may mean that as an employer we may have to manage and motivate much older people than has been the case in the past. This may include people who had no intention of working for so long but may have to do so despite deteriorating health. 24% of the Councils workforce is aged 55 years old and over.
- An opportunity to further develop our apprenticeship scheme to provide employment prospects for young people, and for growing our own professionals. However there are issues of demand for apprentices from a central fund out-stripping the ability to supply to services and this will require some creative work to maintain the scheme. The scheme has been funded from the new homes bonus and the scheme is at risk if this funding stream is to be cut.
- High house prices discourage people from living and working in the area, our proximity to London and more competitive salaries may impact on us with a return to recruitment difficulties with some professional posts.
- The ongoing requirement to explore and implement new and more efficient ways of working with the resources this work entails and the uncertainty that prevails among the teams that may be affected by these projects.
- Developing and applying the new skills and knowledge to operate effectively within the changing Local Government environment for example skilling managers to think and work commercially.
- Adapting to and working within the requirements of new policy and key legislative changes.

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- Tackling an expected rise in staff turnover will require some strategic planning to try and retain the right people whilst having depressed pay increases and potential reviews of other terms and conditions.
- Managing and planning for an ageing workforce including the likelihood of a number of retirements within this period of key senior members of staff and the need for robust succession plans to manage this and planning for the appropriate capture of knowledge.
- Working in a political environment during austerity when members will have to make tough decisions on changing or stopping providing some services.
- Meeting customer expectations with reduced resources and capacity.
- Keeping pace with an incredible pace of change in technology that is changing the way we work with and communicate with people.
- The office accommodation project will also be another challenge in 16/17, there is a risk that this change may also have some impact on turnover.
- Recruitment and retention problems are set to resurface in some key services and early planning in those areas is needed to address this.

4.0 Linking HR to the Strategic Objectives

The Vision For North Hertfordshire

Making North Hertfordshire a vibrant place to live, work and prosper.

The Mission for North Hertfordshire District Council

To work collaboratively with our partners and communities to deliver the vision for the district of North Hertfordshire.

Our Key Objectives for 2016 – 2021

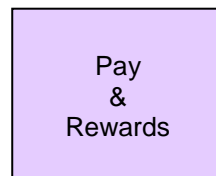
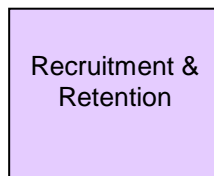
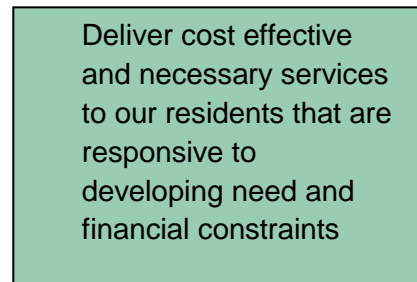
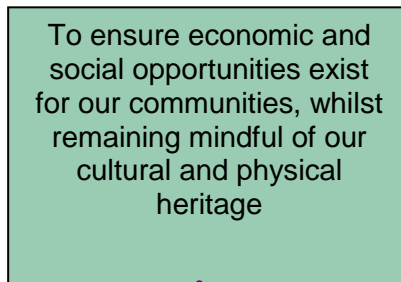
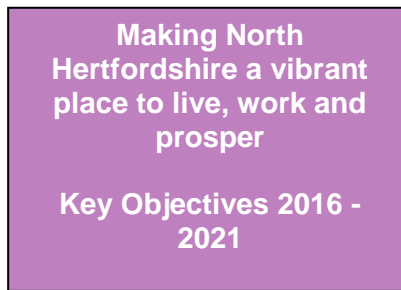
- To work with our partners to provide an attractive and safe environment for our residents, where diversity is welcomed and the disadvantaged are supported
- To promote sustainable growth within our district to ensure economic and social opportunities exist for our communities, whilst remaining mindful of our cultural and physical heritage
- To ensure that the Council delivers cost effective and necessary services to our residents that are responsive to developing need and financial constraints

Our Values

- Aiming to deliver what our customers want
 - Delivering high quality services
- Striving to continuously innovate and improve
- Encouraging a listening and learning culture amongst our colleagues
 - Promoting equality in service delivery and within our organisation

The People Strategy Objectives and Actions have been separated into 6 areas:

- Organisational Development
- Leadership Development
- Skills Development
- Recruitment & Retention
- Pay & Rewards
- Providing a Human Resource Service



4.1 Organisational Development

The future shape of the Council is for possible transformation over the next five years and beyond as we watch the rush towards devolution bids by the treasury deadline of 4th September.

4.2 Leadership Development

The Top team of the council is mainly over 50 with five member aged 58 and over by their next birthday. A restructure of Senior Management is planned for 15/16 to fit with the Corporate Business Planning timetable. Leadership team development for the current and potential successors will be critical for the next five years.

4.3 Skill Development

A new appraisal process is being designed with a principle aim of having regular performance discussion through 1-1 meetings to ensure performance and learning needs stay focused on the key projects. Coaching has become embedded in the learning culture during the last five years with a significant number of staff and managers becoming accredited coaches. This form of training is promoted through the appraisal process. Other crucial new skills for the Local authority of the futures will be skilling managers to think and work commercially as Councils face a shift towards independence from local government grants.

4.4 Recruitment & Retention

2015 has seen the first sustained sign that the economy is in a state of slow recovery. This will not be felt in local government with austerity set to continue in the years ahead. What may happen is staff may be attracted away to take up private sector jobs at better pay rates and although turnover appears to be

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rising its virtually certain to become far more of a problem from 2015 – 2020. Our proximity to London and more competitive salaries may impact on us with a return to recruitment difficulties with some professional posts.

With the fastest growing segment of the workforce being over 50's this correlates with the Council's older workforce and retaining these people is important. This generation are coming to be known as the "sandwich generation" as they juggle with the caring of children and elderly relatives at the same time. Our Family friendly policies will continue to play a very important role in helping people to continue to work through this and to benefit from gradual transition into retirement.

4.5 Pay & Rewards

The bleak outlook for Local Government pay will continue to add pressure to retaining the right people at a time when we are having ongoing pay restraint. Reviews of terms and conditions will be explored at a time when other pressures such as the changes to NI Contribution rates will also reduce take home pay. There will need to be maintained effort with other important factors, office accommodation, learning and development opportunities and work-life balance policies which may contribute to attracting and retaining people. We may also need to explore introducing retainers to attract and retain some key individuals.

4.6 Providing a Human Resources (HR) Service

The HR team has down sized considerably in the last 5 years with the more recent changes being the outsourcing of payroll to join the HCC Shared Managed Services Contract from 2014/15 with payroll currently provided by Serco. This created an annual saving of £20,000 per annum. The team was restructured in the winter/ spring of 2014/15 and now has a staff structure of 7.48 FTE providing the HR service to the Council.

After a failed shared services project in 2012/13 there is another project underway in 2015/16 led by HCC to explore sharing Human Resources with HCC, other districts and other public sector partners. We are taking a watching brief on the developments going on with that project.

The HR Service is currently run economically and in a technically sensible way, configured around the needs of the Council, with payroll contracted out already; this model appears to be providing best value. With the significant challenges ahead from 2015 – 2020 and beyond, there is a huge role for HR and this may be best undertaken by a good quality, low cost, tailored service based on the identified needs of the Council. It is uncertain that a shared service could deliver this.

5.0. The People Strategy & Workforce Development Work Plan

The People Strategy work-plan is refreshed each year with the Corporate Business Planning Cycle and Service Planning and the 2015/16 HR Service Work plan is included at **pages 16 – 19**.

6.0 Workforce Planning - Workforce needs both immediate (within 12 Months) and within the life of the Strategy i.e. 2015 – 2020.

To inform the long term workforce planning needs HR carried out consultation meetings with the Strategic Directors, Heads of Service and Corporate Managers to ensure that specific Directorate and Service needs were considered and any other organisational trends and requirements were identified. These meetings were semi structured, focussing on both strategic and operational issues currently and anticipated over the lifecycle of this People Strategy.

Much of what is expected in the next five years has already been identified by the process of refreshing the People Strategy but to summarise the key challenges:-

Devolution - A number of counties have announced work is to start on a devolution case. Should Hertfordshire County Council and the Districts decide to progress towards a possible County devolution deal for Hertfordshire, should this progress it may mean the more immediate focus turns from planning the future as a District to working towards a Unitary or something similar.

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After a bleak period for reward during the period 2011 to 2015 the gloom is expected to continue with the announcement in the July 2015 budget that further austerity and severe pay restraint is to be expected for 2015 – 2020 in Local Government. The effect of this against the national position of rising employment and economic recovery in the economy against a backdrop of ongoing austerity in Local Government

The age profile of the Council, particularly among a number of key senior managers will require robust strategic work on succession planning and leadership development.

The pace of technological change is moving at a lightening speed and the council must move along with this making use of the latest developments. There is a significant role for IT, Customer Services and Communications in this area.

In the immediate future, 2015 – 2017 the Office Accommodation changes will require the input of staff and managers to cope with the changes ahead. Home-working that is well managed is vital to underpin that.

The period of austerity and on-going organisational change will add the pressures of job insecurity. This will be an area of focus with potential projects as wide ranging and transformational as combining Councils or creating a Unitary under consideration via the Devolution agenda.

At the same time the council must continue to work to balance the budgets over the next 5 years and beyond and this will require innovative plans to balance the books as we face having to do this independently of local government grants.

7.0 Measuring Performance

7.1 Performance Assessments

In 14/15 there were a number of useful Performance Assessments of the quality of the HR Service.

- The Staff Satisfaction Survey 2014 returned a 78% overall Job satisfaction score despite a long period of pay restraint.
- The Council was successful in renewing our Investors in People for the whole organisation accreditation, a standard we have held for 14 years.
- The Council's absence rates fell to a record low of 4.51 days per person in 12/13. 13/14 was also a good year with absence ending up at 4.88 days per person and our success was covered by an article in the Municipal Journal. The measure for 14/15 concentrated on Short Term absence per person with a target of 3.5 days per person for 14/15 we finished over a half day under target at 2.83 days lost per person to Short Term absence, lower than 2012/13 and 13/14 at the same time of year. We did experience more cases of Long term sick in 14/15 than last year but it was expected.
- Turnover in 14/15 was well under control with a rate of 12.5% Jan to December 2014

7.2 Key achievements and outcomes from 2014/15

Outsourcing Payroll

By far the most difficult and intensive project the team has had to manage due to the short period in which to achieve it was the project to outsource the payroll service by joining the Herts County Council Shared Managed Services Contract through the HCC framework agreement we now have a cost effective and more resilient payroll service.

HR Service Plan 14/15

All projects in the 14/15 service plan were delivered highlights include the Apprentice Scheme, On-line Recruitment, Pension Auto Enrolment and Investors in People reaccreditation.

APPENDIX C

Learning & Development

The Learning and Development team have delivered a huge range of good value development interventions and opportunities. For example, IIP reaccreditation, an effective Coaching Scheme, Career Development and training for the new Payroll Service.

Employment Legislation Changes

For 2015, a new Shared Parental Leave Policy has proven to be the most challenging piece of new Employment Legislation. The recently announced review of the designated Independent Person arrangements for statutory officers will also be a very challenging piece of work.

Recruitment

We have worked with IT to design and implement a new bespoke online recruitment system to provide an efficient and user friendly recruitment service and we have made great progress in providing an online application form.

NHDC Benefits Extras

These were launched in June 2013 incorporating a salary sacrifice bikes for work and childcare voucher scheme and a staff discounts scheme. Nine staff are now using Child Care Vouchers and an excellent response was received for the bikes to work scheme with 14 staff signing up the bikes scheme will be offered again in Spring 2014. 2015 We supported a finance led project to introduce a salary sacrifice lease car scheme for all staff to access. The scheme was launched in December but so far has not proved to be popular with staff. We have had the scheme in place for 6 months but as yet we have not had an order. Staff discounts continue to be popular and the latest addition to these is Discounts for the Careline Service. The Bikes for work scheme has been offered again in May 2015 and Flu Vaccinations were offered in September 2014

Apprentice and Intern Scheme

We have seen the scheme improve our demographic profile by retaining a number of apprentices in new roles and we are seeing these young people start their career development with us.