

**JOINT STAFF CONSULTATIVE COMMITTEE**

**05 APRIL 2017**

\*PART 1 – PUBLIC DOCUMENT

AGENDA ITEM No.

**7**

**TITLE OF REPORT: PEOPLE STRATEGY UPDATE**

REPORT OF THE CORPORATE HUMAN RESOURCES MANAGER

**1. SUMMARY**

- 1.1 To update the Joint Staff Consultative Committee on the progress made in the last quarter on the People Strategy 2015 - 2020 which covers the Workforce Development needs.

**2. RECOMMENDATIONS**

- 2.1 To note the progress made in the last quarter, January to March 2017 on a number of HR Projects and work streams as part of the People Strategy for the period 2015 – 2020.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 The People Strategy supports the achievement of the Authority's key objectives.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Not applicable.

**5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 5.1 No consultation has been carried out because the People Strategy is focused on employee and organisational related projects.

**6. FORWARD PLAN**

- 6.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

**7. BACKGROUND**

- 7.1 Progress against the People Strategy is reported to all quarterly JSCC Meetings. Attached at Appendix B is the HR work plan, taken from the HR Service plan for 16/17. The terms of reference for the Joint Staff Consultative Committee are to be the corporate interface with employees on major Human Resource issues and to be the Strategic HR Forum for NHDC Members. HR projects do require support from other support services such as IT, Finance, Legal Services and others.

## 8. ISSUES

- 8.1 Recruitment continues to be busy due to turnover, departmental restructures and recruitment of new apprentices. Six new apprentices have started with us, with two more to join us shortly. (Do we need details of their departments?)
- 8.2 The HR Service plan project highlights show the progress made since the last JSCC in December 2016.
- 8.3. There are major changes coming forward for how Apprenticeships will be run in the future with a new apprentice training levy and public sector targets to employ apprentices coming in April 2017. Details on the Levy have been published and from April 2017 we are required to pay 0.5% of our total pay bill into the levy. We can then use this to fund apprentice training for new apprentices.
- 8.4 From 6<sup>th</sup> April 2017 changes to the Intermediaries Legislation ("IR35"), will affect how workers contracted to the Council through an intermediary, usually a Personal Services Company (PSC) are managed. Self-employed contractors who undertake work directly for the Council are not affected.

Work is therefore underway to assess which contractors currently working for the Council are using a PSC or other intermediary and if so, from 6<sup>th</sup> April 2017, arrangements will be put in place to deduct tax and National Insurance from their invoices and to pay the remaining value and VAT via the NHDC Payroll system (SAP). Revisions to vary the contractual terms and conditions of any existing PSC contracts and a new standard contract have also been drafted.

These changes mean the use of contractors and agency workers will become more administratively onerous and costly for the Council. It has therefore been recommended to managers that going forward they avoid using this type of worker wherever possible by using direct recruitment methods to fill resourcing needs.

- 8.5 Feedback for a new improved shortlisting process has been good and the process is now being used for the majority of vacancies. Discussions around online shortlisting for Managers have taken place with IT, and an outline process has been drawn up. HR are waiting for timescales from IT for them to commence building the system.
- 8.6 As outlined in the information note on the 2016 Equalities Data on the Agenda, the publication of data requirements under the Equalities Act 2010 were met for this year. Work is now also well underway in respect of the mandatory gender pay gap reporting requirements which take effect from the end of March 2017.
- 8.7 The new Regular Performance Review (RPR) has been successfully implemented and will enter it's second full cycle in April 2017. It has been well received and applied consistently across the organisation. A new set of organisational competencies have been developed and agreed by Corporate Board. These will be introduced during the course of 2017. This will not only be used for RPR but also integrated into our recruitment and succession planning processes.
- 8.8 The Learning and Development team are continuing to develop activities that support organisational change under the heading of 'Meeting the Challenge' A workshop for managers was run in October and will be run again during 2017/18.

- 8.9 An Institute of Leadership and Management level 5 programme has been completed and assignments are near completion. The L & D team will investigate the need for further training of this type.
- 8.10 The L & D team have developed new organisational values which have been agreed by Corporate Board. These will be launched and communicated following further consultation and used to drive and support organisational change. These new values more fully reflect the current environment and context in which the Council operates.
- 8.11 Corporate Board have agreed that the organisation continue to be assessed against the Investor in People Standard. The standards have been updated and NHDC will be assessed against these new criteria in July 2017. Work has commenced to create an action plan prior to assessment. This will draw on the staff survey results. An IIP group has been set up that will help communicate information about IIP and also collect local examples that demonstrate how NHDC is meeting the standards.
- 8.12 The team are currently supporting a service restructure, in addition to the usual absence management and employee relations case work.
- 8.13 In his Autumn Statement the Chancellor announced changes to salary sacrifice car leasing schemes which mean that from 6<sup>th</sup> April 2017 the tax and national insurance contributions savings for employees and employers will be reduced. The new rules however do not apply to ULEVs (Ultra Low Emissions Vehicles).

All salary sacrifice vehicles currently being driven by employees under the scheme, or ordered before the new tax year, will be unaffected by the changes, and all current agreements will be honoured for the duration of their term up to a maximum of April 2021. From 6<sup>th</sup> April 2017 the Council's Justdrive Scheme will be amended so that only ULEVs cars will be available to order. Staff will also be asked their opinion on whether or not the scheme is a valuable benefit via an on line survey. The results of this will inform the Council's thinking as to whether such a scheme will be retained for the future.

## **9. MEASURING THE SUCCESS OF THE STRATEGY**

- 9.1 Balanced Scorecard measures will continue to be collated to measure the success of the People Strategy Key measures are as follows:-
- Number of days lost to sick absence per employee
  - Turnover
  - Percentage of staff that have completed an appraisal

## **10. LEGAL IMPLICATIONS**

- 10.1 The People Strategy enables the Council to meet its legal obligations to employees.

## **11. FINANCIAL IMPLICATIONS**

- 11.1 Implementation of the strategy will be contained within existing budgets and any additional costs arising from the recommended actions in the action plan will also be contained within existing budget provision.

11.2 The Apprenticeship Scheme commenced in January 2013 with total budget provision of £424k made available to fund the first two years of the scheme. The approved investment proposal in the 2015/16 Corporate Business planning process was to continue to provide apprenticeship/ internship opportunities to NHDC residents, with the proviso that this is to be reviewed annually. Eight apprentice posts were incorporated into the 2015/16 staffing establishment. The investment bid to make permanent budget provision for the Apprenticeship Scheme was approved in the process of setting the budget for 2017/18 and will be reviewed annually as part of the business planning process.

## **12. RISK IMPLICATIONS**

12.1 The Corporate Risk entitled Workforce Planning identifies the following as key risks:

- Loss of key staff or temporary absence due to the pressure of on-going change, with the highest risk being loss of those in professional roles and senior manager positions
- Loss of staff with key skills and knowledge due to the age profile of the workforce
- Failure to have sufficient turnover to bring new ideas and processes to the Council
- Failure to have effective succession planning
- Failure to plan the future workforce needs of NHDC effectively.
- Loss of staff due to more competitive salaries being available at other local authorities or in different employment sectors
- There are unanticipated additional costs associated with the implementation of the Senior Management restructure/pay review or its delay

Delivery of a People Strategy is key to managing the identified risks.

12.2 A new risk entry has been added to the Risk Register relating to Intermediaries Legislation (IR35) and it has been linked to the Workforce Planning Corporate Risk.

## **13. EQUALITIES IMPLICATIONS**

13.1 The Equality Act 2010 came into force on the 1<sup>st</sup> October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5<sup>th</sup> April 2011. There is a General duty, described in 13.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.

13.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

13.3 Part of the work contained in the People Strategy is to train our staff to understand their role in complying with the Public Sector Equality Duty by eliminating unlawful discrimination, harassment and victimisation and fostering good relations with colleagues and as officers of the council with our service users. The provision of employee benefits such as flexitime, home-working, childcare vouchers, and flu jabs help to ensure that the authority attract and, at a time when turnover has increased slightly, retain the best possible staff to take the organisation forward. An organisation that encourages a diverse workforce will increase the knowledge of different parts of the community; better understand resident/service user behaviour; make NHDC an employer of choice and grow to have a representative workforce.

#### **14. SOCIAL VALUE IMPLICATIONS**

14.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at paragraphs 13.

#### **15. HUMAN RESOURCE IMPLICATIONS**

15.1 The HR implications are detailed in the main report.

#### **16. APPENDICES**

16.1 Appendix A – Key Performance Measures

16.2 Appendix B – HR People Strategy Work Plan for 2016/17

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**18. BACKGROUND PAPERS**

18.1 People Strategy 2015 - 2020