

## Baseline Assessment Summary

The full Baseline Assessment document comprises of some 50 pages of detail, with a number of Source Documents annexed. It is broken down into 21 sections, which follow the corporate format. In accordance with guidance from the Corporate Best Value Working Group, the key findings from each section are summarised below.

### **1. Profile of South Derbyshire District (HRM related issues)**

- (a) Youthful age profile – 62% are working age
- (b) 2.5% Unemployment – this is below national average of 4%
- (c) 1.6% of residents are from ethnic minority backgrounds – this is the highest in reorganised Derbyshire, but is below the national average
- (d) We are a major employer in the district
- (e) The organisation has adopted a new modernised political structure in July 2001. Training and development is required to adapt to changes for members and employees

### **2. Scope of HRM Best Value Review**

- (a) This is a whole service review of Personnel & Development Services
- (b) The key objectives are to:-
  - ensure value for money services
  - review policies & systems that address performance management – identified in BVPP 2000/01
- (c) The range of services currently provided include - Professional support and advice to members, management, & employees, on all aspects of Personnel & Development Services, employee relations (including JNG/JCC), recruitment and selection, pay and grading, absence management, stress management and employee welfare, staff newsletter, training and development (including Induction, and Investors in people), Equal Opportunities in employment, Discipline, grievance, harassment procedures, policy development, corporate working, human resource data management, single status job evaluation, support to the Best Value Process, support to health and safety of employees and occupational health.

### **3. Democratic Process**

- (a) The Modernised Structure has changed committee reporting processes recently
- (b) There are examples of joint working with members and TU's i.e. JCC and the more recently established SSSG
- (c) Decisions are made by a 6 weekly committee cycle
- (d) There is some delegation of operational duties to Chief Executive, but is still relatively strong control of Personnel issues by members

#### 4. Corporate Objectives

There are 20 no. or 44% of corporate related critical success factors identified in the Corporate Plan that relate to the division. They are as follows: -

- (a) Put In Place Arrangements for Good Corporate Governance
- (b) Develop Management Competencies
- (c) Implement Service Planning
- (d) Establish training and development plans for employees & members
- (e) Implement Best Value Review
- (f) Implement Absence Management Policy
- (g) Managing Service Delivery
- (h) E-government in service delivery
- (i) Organisational Change
- (j) Supporting the Improvement of Morale
- (k) Ensuring people are treated fairly and equally
- (l) Promoting a right first time ethos
- (m) Supporting the improvement of communication with employees
- (n) Establish arrangements to monitor employee satisfaction
- (o) Improve on current levels of our customers satisfaction
- (p) Supporting and promoting team working
- (q) Working to conclude a Single status agreement & Ongoing Implementation of the Single Status Job Evaluation Scheme
- (r) Formulating policies and practice that assist in the introduction of an effective, integrated performance management culture
- (s) Improve performance where govt. has set national targets
- (t) Achieve at least 50% of the targets set for Best Value and Audit Commission PI's

#### **Opportunities from Corporate Challenges**

- (a) to focus the resources of the Personnel & Development Division on the key strategic priorities of organisation
- (b) to contribute to the significant people related challenges the Corporate Plan has identified
- (c) to contribute to the ongoing organisational change and support ongoing improvements
- (d) to deliver Best Value
- (e) to assist the organisation in being an Investor in People employer

- (f) to contribute to the development of members, management and all employees of the council, to enable the Council to meet to its corporate aims.
- (g) to assist the organisation in its aim of treating all people fairly
- (h) to assist the organisation in safely adhering to UK and European employment legislation and developing best practice as an employer
- (i) to contribute to joint working with the trade unions through the implementation of the Single Status Job Evaluation Scheme.

## **5. Legal Framework**

- (a) Personnel & Development is not a statutory function – but the Division is an enabler of safe and reasonable employment practice
- (b) The Council has a legal requirement to be a safe and responsible employer and to meet legislative requirements.
- (c) Legislation is dynamically ever-changing – UK, Europe, and Case Law and impacts directly on the Division's workload
- (d) Key areas addressed in the Division's Service Plan are:
  - Human Rights Act 1998
  - LBP Regs 2000
  - Data Protection Act 1998
  - Towards Equal Pay for Women
  - Race Relations Amendment Act 2000
  - Part Time workers Regs 2000
  - Fixed Term Employment Regs 2001
  - CRB – Disclosure
  - Work & Parents – Green Paper
  - Disability Discrimination Act

## **6. Personnel & Development - Current Resources**

- (a) There has been a rapid recent development in no's of staff in team
- (b) There have been many years of neglecting level of resources
- (c) There is a need to 'catch up'

- (d) This is a small team, and therefore allows for some opportunities for generic working
- (e) The staff in the team have varying levels of LG service, but only 1 employee had more than 5 years service in Personnel at SDDC.
- (f) Sickness levels in the team are very low, which is a positive indicator
- (g) Staff are well educated/developed to meet the needs of their posts
- (h) Staff are undertaking ongoing CPD activities
- (i) Equipment used is predominately IT related, and all equipment is mainly for use in corporate employee development & HRM database. There will be the need to purchase some hardware and software for the implementation of Single Status Job Evaluation during this year.
- (j) Accommodation – issues have been identified that need addressing regarding charges for Training Room 2, and suitability of the room.

## 7. Service Costs

- (a) There are total costs of £290633 allocated to the division. The breakdown of these costs are as follows:

### Non-controllable costs

|                            |            |                    |
|----------------------------|------------|--------------------|
| Central Recharges          | 28%        | £81377.24          |
| Corporate Subscriptions    | 2%         | £ 5812.66          |
| External Training Expenses | 11%        | £31969.63          |
| <b>Total</b>               | <b>41%</b> | <b>£119,159.53</b> |

### Controllable costs

|                           |            |                   |
|---------------------------|------------|-------------------|
| Salaries and assoc. costs | 48%        | £139503.84        |
| Other costs               | 11%        | £ 31969.63        |
| <b>Total</b>              | <b>59%</b> | <b>£171473.47</b> |

- (b) Potential Budget Reductions already identified are: -
  - Lease Cars/Cash Alternative will cease for 3 out of 6 staff in the team
  - Salary Protection has ceased this year for one member of the team
  - Recruitment & Relocation costs will not appear in future years, and were a one-off in 2000/01
  - Buildings costs need addressing, including allocation of costs for Training Room 2

- PC support costs should be reduced, as the no's of PC's for training purposes are reduced, and the PC Training budget has been recommended for deletion for future years, due to step changes in service delivery in IT training, through the recent introduction of an Open Learning Centre, and Workbook style distance learning approach, delivered through Corporate Training
- Central recharges / Non controllable Costs are being reviewed corporately
- Opportunities for Joint working are ongoing that should provide step change and increased value for money in provision of Occupational Health Services, including a more proactive approach to the issue

## 8. Organisational & Management Structures

- (a) Division reports direct to Chief Executive, and is part of Chief Executive's Department (See Organisation Chart at Annexe C)
- (b) Manager of division has undertaken relevant management development.

## 9. Service Standards and BVPI's

- (a) The Division has a service plan, approved at the last meeting of this committee which identifies the current standards, and PI's.
- (b) A wide-ranging service is currently provided to divisions, in addition to a corporate role.
- (c) There is concern over how Financial Crisis may have impacted on BVPI's.
- (d) BVPI's reflect the organisational health, in areas where the Division does not have direct control over results. The authority has implemented an absence management policy recently to address the issues of ill health.
- (e) Results of BV PI's show compared to national targets:-
  - High levels of sickness absence
  - High level of early retirements
  - High level of ill health retirements
  - Some work undertaken on Equalities Monitoring, that needs to be developed further.

## 10. SARATOGA Benchmarking Report

(a) SARATOGA undertook comparisons with other districts on their database, and national figures, which include Private Sector. The results were as follows:-

- **Employee pay & pensions**, as a % of total expenditure is 25.3%. This is an average level in comparison to other districts, and the national figures.
- **Sickness Absence Rates** are high in comparison to the district and national samples at 4.6%. The levels of sickness absence costs are therefore equally high. They recommend action to particularly target the 'hot spots' of concern.
- **Employee Voluntary Turnover** is healthy at 6.0%.
- **Ill Health Retirements** are very high at 1.4%
- **Involuntary Termination Rates & Early Retirements** are high
- **Recruitment & Equal Opportunities** demonstrated that **female diversity** in the authority is below the diversity within the local workforce, at all levels.
- **Levels of employment for applicants from Ethnic Minority backgrounds** are also below the local workforce diversity. There are also some positive trends emerging however, following recruitment exercises over the last 18 months.
- CRE Standards have not been fully adopted by the authority, and clearly this requires urgent attention.
- **Disability Diversity** is relatively low at 18% of local diversity, although this is above average in the district sample, although the appointment rate is poor, with no disabled employees being appointed in the last 18 months.
- **Overall appointments of external candidates** generally were low; this is to be expected bearing in the mind the restructure at that time, and the recruitment freeze for a large part of the year. Also acceptance rate of external candidates was low.
- **Training & Development** in comparison to the SARATOGA district sample, has a larger ratio of Training staff per FTE.
- However, when compared to the national averages, which includes the private sector, the ratio reduces significantly, to demonstrate average staff ratio levels per FTE.

- Economies of scale should be considered and SARATOGA confirmed that the private sector generally invest more in training and development.
  - Training costs compared to the SARATOGA district sample are high.
  - However, when compared to the national average, this reduces considerably, and Training costs are well below average. Cost issues are addressed earlier in detail.
  - The authority's current needs, delivery and effectiveness are what the authority has to consider.
  - The levels of training days per FTE compared to the SARATOGA district sample is well above average
  - The levels of training days are just below average compared to the national figure.
  - It is important to note that good levels of training activity occurred within the authority, despite the fact, that there was no internal training during the first half of the year, due to the financial crisis.
  - SARATOGA confirm SDDC, need to ensure that retraining quantity and costs are linked to these organisational outputs.' The newly implemented Performance Development & Review process should assist with this, by providing all employees with the opportunity for a PDR interview, and individual training plan linked to corporate objectives. A local performance indicator has been introduced this year for the first time to measure the level of employees receiving PDR interviews, and having individual training plans.
  - **Personnel Services** When compared with SARATOGA district sample, also demonstrate a relatively large function
  - However, when compared to the national average they are well below average, and sit close to the lowest quartile.
  - The costs of the function are similarly reflected.
- (b) Cleansing the environment Best Value review concluded that Personnel costs were relatively low in respect of Refuse.
- (c) Costs issues are discussed in detail earlier.
- (d) SARATOGA confirms that the authority's investment must be appropriate to the requirements of the authority.'

- (e) Until the last year the authority has had a significantly under-resourced Personnel & Development function. There will therefore inevitably be a fair amount of 'catching-up' to do.
- (f) Reduction in resources at this time could be detrimental to significant level of personnel & development related corporate aims and objectives of the authority, that are clearly outlined in the Authority's Corporate Plan.
- (g) Resources should be reviewed as other divisions i.e. in terms of the reprioritisation and refocusing exercises
- (h) It is likely that there will be a lack of cost benefits in outsourcing the whole of such a small wide-ranging function, when generally the private sector and national averages demonstrate higher ratios of staff and costs per FTE than we do.
- (i) SARATOGA recognises the need for successful organisations to align HRM policies and strategies to meet corporate needs. The Division's Service Plan demonstrates how the service has made these links.

**11. Audit Group Comparison's results received following telephone audit are as follows:-**

- BVPI 11      **Senior Mgt Posts filled by Women** - 5 authorities had better results than SDDC, 3 had poorer results
  - BVPI 12      **Working days lost due to sickness absence** – 6 authorities had better results than SDDC, 2 had poorer results
  - BVPI 13      **Voluntary Leavers** – 1 authority has a lower turnover, and 7 have poorer levels of turnover
  - BVPI 14      **Early Retirements** – 7 authorities had better results than SDDC, and one was poorer
  - BVPI 15      **Ill Health Retirements** – 7 authorities had better results than SDDC, and one was poorer
  - BVPI 16      **Staff who meet DDA as % of workforce** – 2 had a better result, 1 was the same as SDDC and 5 had a poorer result
  - BVPI 17      **Ethnic Minority Staff as % of workforce** – 7 had a better result and one had a poorer result.
- Actual No. of Personnel Staff** – 3 had a higher number of staff, 2 didn't respond, 3 had a lower number of staff



**Actual No. of Training Staff** – 2 had a higher number of staff, 2 didn't respond, and 4 had a lower number of staff - (which equated to 1 or zero training staff)

Generally the above survey results from audit group authorities seem to reflect the similar outcomes in the SARATOGA benchmarking exercise, and national BVPI comparisons.

**12. East Staffs BC Comparative Benchmarking Exercise** – this Council is our neighbouring authority, and although different in size and structure, are seen as comparators by our general public.

(a) Their survey provided a summary of HR service delivery across their audit group. Areas where outsourcing is typically undertaken is in Occupational Health & Counselling.

(b) Results of this survey demonstrate that in relation to the areas of service surveyed, the source of provision was predominantly similar to the arrangements at SDDC. Although the survey did not necessarily cover every service outlined in the Division's service plan, or the level or quality of service in each area.

(c) When asked 'What are the major issues facing their family group authorities HR services in the next few years' the issues were similar to SDDC's.

(d) When asked 'What processes do you use for communicating to staff?' the results again reflected similar processes to SDDC's.

**13. Corporate Employment Policies & Procedures**

(a) A wide range of Policy development has been undertaken over the last 2 years, with implementation and training being concentrated into the last 12 months. This is still ongoing in some areas. These policies are widely circulated, using the recently established Personnel folder on the Public Folders Intranet, and the newly introduced Staff Handbook. Also they are communicated through 'Inside Out' the Staff Newsletter produced by the Division and through delivery of internal training. There has been an issue identified in terms of clarification of our role in these policies and better communication of this.

**14. External Service Providers**

(a) We currently have a limited level of external service providers, but this appears to not be untypical in district authorities. ESBC's survey demonstrated that it is mainly Occupational Health, Specialist Training, and Job Evaluation, where external services for HR at district level are purchased. These are again the same areas of service where SDDC has some external service provision. Other

areas currently include Pensions Administration, and some external support on Best Value Benchmarking.

- (b) We have also identified some joint working opportunities, and work is ongoing currently, in areas relating to Occupational Health, and specific areas of training.

## **15. Relationship to other internal Services**

- (a) Areas of overlap identified with internal service divisions that have been examined are identified below: -
- Recruitment & Selection
  - Discipline & Grievance, Absence Management etc.
  - Payroll administration (overlap area)
  - Health and Safety Officer (overlap area)
  - Corporate policy team (overlap area)
  - Training admin. and some departmental organisation of training, in consultation with the Employee Development Officer, for all departments
  - Close working, consultation, & negotiation with trade union representatives in accordance with wide range of corporate policies and procedures
  - Legal Services (overlap area identified in various procedures & member development)

## **16. Who are our stakeholders?**

- (a) These have been identified as employees, Members, Trade Unions, Central Govt. & National Bodies, and external service providers.

## **17. Relevant Information from Significant Others**

- (a) Best Value Inspectorate for the following reviews: -
- Cash Office Services
  - Development Control
  - Sheltered Housing
  - Financial Management & Control
  - Cleansing the Environment
- (b) Main HRM common issues arising from above reviews identified by the BV Inspectorate were: -
- Need for performance management, including the identification of training needs
  - Sickness Absence
  - Improving Morale/Motivation
  - Reviews had lack of external focus outside the authority and across departments

- (c) District Audit Management Letter 1999/00
  - Recommended range of Performance Management Initiatives
  - Best Value Training Provision

## 18. Customer Consultation

- (a) Results of Staff Survey undertaken identified that:-
  - Mainly PO2 – Sc3 Clerical employees responded
  - There is a need to clarify the Division's role and improve communication of what we do
  - There was a positive recognition of the quality of information available on employment policies
  - There was a lack of understanding of responsibilities, i.e. JD's
  - There are still ongoing fears / insecurity following LGMB JE and the 2000 organisational review.
  - There was positive feedback with employees seeing us as improving service
- (b) Members Survey
  - There was again a lack of understanding of our role
  - There was a view that through LGMB JE we were seen as management tools
  - That low staff morale is our responsibility
  - There are currently a limited number using the member development opportunities we provide

## 19. Personnel & Devt. Staff Consultation/Involvement

- (a) We have a small team of staff, who have been extensively involved and consulted.
- (b) Their views are: -
  - There is a need to clarify our role
  - Is the service too wide-ranging?
  - SARATOGA report – there were concerns over how it had been presented and recognition that it did not provide a qualitative comparison
  - They see the comparison results as a snapshot of a difficult year following the financial crisis.
- (c) In response to the feedback from the Staff questionnaire their views were that: -
  - Feel employees generally in the organisation seem insecure
  - There is a need for improved communication, and visible leadership at all levels of the authority.
  - There is a need to in-build ongoing evaluations of service
  - They have already offered some ideas for improvement for next stage of review

**20. Implementation of Corporate Policies / Framework**

- (a) Division has an approved service plan
- (b) All Staff have had PDR's in team, and have individual training plans.
- (c) Whole service covered by current Best Value Review

**21. Local, Regional, National Context of Service**

- (a) The Council works within a National and regional employee relations framework, that allows some local discretion's
- (b) The Regional Employers Organisation is also a provider of network support

## KEY ISSUES FACING THE HRM OF SDDC

| KEY ISSUE  | EVIDENCE  |
|--|---|
| <b>1. Clarification &amp; Communication of role of Personnel &amp; Devt., including areas of overlap with other service providers</b>  | <ul style="list-style-type: none"> <li>• Staff Survey</li> <li>• P&amp;D Staff Consultation</li> <li>• Member Survey</li> <li>• Feedback from other internal support service providers</li> </ul>   |
| <b>2. Democratic Processes – do existing arrangements support/add value to HRM function. Ethical Standards Agenda. Employee &amp; Member Development, &amp; Staff Consultation mechanisms</b>  | <ul style="list-style-type: none"> <li>• Change to Council's Structure 2-7-01</li> <li>• Corporate Plan</li> <li>• Service Plan</li> <li>• ESBC Survey</li> <li>• Members Survey</li> </ul>   |
| <b>3. Implementation of transparent, and responsible Single Status Agreement, which includes the Single Status Job Evaluation Scheme</b>   | <ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Service Plan</li> <li>• National Joint Council Agreements</li> <li>• ESBC Survey</li> <li>• Local Agreement with Trade Unions</li> <li>• Legislation re: Equal Pay</li> <li>• Staff Consultation</li> <li>• SSSG Terms of Reference</li> </ul>   |
| <b>4. Recognition of the importance of People Issues, and dynamic impact legislation has on the service area</b> <ul style="list-style-type: none"> <li>• Need to understand and manage high levels of Sickness Absence &amp; Ill Health Retirements</li> <li>• Ensuring People are treated fairly &amp; equitably in employment</li> <li>• Supporting the Improvement of Employee Morale</li> </ul> | <ul style="list-style-type: none"> <li>• 44% of Critical Success factors in Corporate Plan are people related</li> <li>• Service Plan</li> <li>• Legislation</li> <li>• SARATOGA Report</li> <li>• BVI's</li> <li>• Audit Group Comparison</li> <li>• BV Inspectorate Reports</li> <li>• ESBC Survey</li> <li>• Staff Survey</li> <li>• P&amp;D Staff Consultation</li> <li>• Members Survey</li> </ul> |
| <b>5. Supporting the ongoing development of a performance management culture</b>   | <ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Service Plan</li> <li>• District Audit Letter to Management 1999/00</li> <li>• BV Inspectorate Reports</li> </ul>  |

|   |   |
|---|---|
| <p><b>6. Role of assisting the organisation to develop its customer focus</b></p>   | <ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Service Plan</li> <li>• ESBC Survey</li> <li>• Staff Survey</li> </ul>   |
| <p><b>7. Delivery of a Value For Money service &amp; need for continuous audit and review of systems, linked to organisational priorities</b></p> | <ul style="list-style-type: none"> <li>• Corporate Plan</li> <li>• Service Plan</li> <li>• ESBC Survey</li> <li>• Best Value Performance Plan</li> <li>• P &amp; D Staff Consultation</li> <li>• SARATOGA Report</li> </ul> |