

Review of Human Resources & Organisational Development

**A Proposal Document for
Consultation**

1. Introduction

With the ongoing delivery of the Corporate Plan at the heart of what we do, the City Council is looking to build on the work undertaken so far aimed at improving prosperity for the City. The quality of services received by our residents and improving the environment in which people live, work and play is of paramount importance to us as an organisation.

In achieving the aims of the Corporate Plan and the specific outcomes that lie beneath them, it is essential that the authority has a 'fit for purpose' structure that is right for a Council which continues to see significant budget reductions year on year. High levels of performance underpin each of our aims so it is vital that we are structured appropriately to continue to improve performance across the organisation.

Why is restructuring needed?

All employees are aware of the need to make ongoing budget savings. The Council's money plan has identified areas of potential savings across a wide range of services, which are now under review. Members are very keen to retain front line service delivery and to minimise the impact on the services that deliver outcomes directly to residents. Previous service reviews have focused on reducing duplication, eradicating waste and improving efficiencies in the way we deliver our services and this will need to be an ongoing focus for us for the future.

We have already achieved some success through business and performance reviews but we need to continue to strive to eradicate duplication across a range of services through performance monitoring, business improvement, organisational development and better client management.

Proposals and Key Outcomes

The Human Resources & Organisational Development (HR & OD) service will enable the Council to maximise the contribution of people to deliver its goals by:

- building the people strategy;
- providing the framework of policies and procedures related to the employment of staff;
- providing the tools to do this effectively;
- providing guidance, support and advice on the effective implementation of the strategy, policies, procedures and tools.

The HR & OD team will be a source of expertise on people issues in the Council; it is there to formulate policy and practice on people issues, to advise on the people aspects of organisational change and to take a 'people perspective' identifying solutions to address the challenges the organisation faces.

Some of the key things that HR will do:

- build and manage relationships with key stakeholders in the business; including recognised Trade Unions;
- train and advise managers on how to manage people effectively;

- communicate what HR does (and doesn't) do;
- use HR metrics to identify trends;
- develop leadership and managerial capability.

The next steps

The HR & OD team is currently made up of 4 FTE at a cost of £131,524 (+ approximately 30% on costs = £170,980).

Current structure:

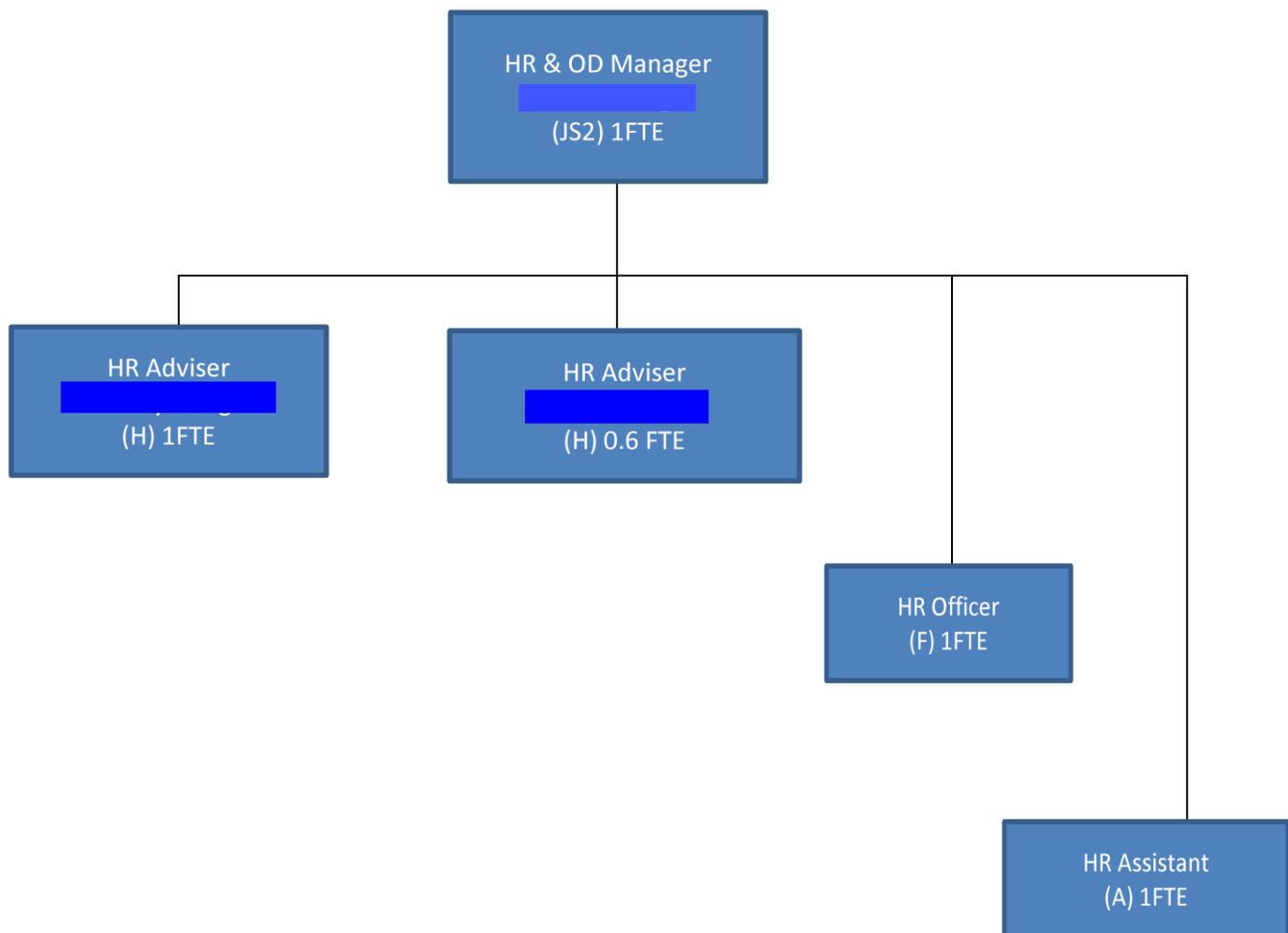
| Role | FTE / Grade | Actual Salary | + on costs estimated at 30% |
|------------------|-------------------|-----------------|-----------------------------|
| HR & OD Manager | 1FTE – Job size 2 | £45,548 | £59,212 |
| HR Adviser | 1FTE – H | £33,998 | £44,197 |
| HR Adviser | 1FTE – H | £33,998 | £44,197 |
| HR Administrator | 1FTE – C | £17,980 | £23,374 |
| Total | 4 FTE | £131,524 | £170,980 |

The above table takes into consideration the incremental increases due to be awarded on 01st April 2014.

Although there does not appear to be a direct saving in the proposals, the creation of a fully resourced HR & OD team will negate the need for temporary staff and Consultants to carry out payroll duties and employment relations case work.

Proposed structure:

| Role | FTE / Grade | Actual Salary | + on costs estimated at 30% |
|--------------------------------------|-----------------------|-----------------|-----------------------------|
| HR & OD Manager | 1FTE – Job size 2 | £45,548 | £59,212 |
| HR Adviser | 1FTE – H | £33,998 | £44,197 |
| HR Adviser | 0.6FTE – H | £20,399 | £26,519 |
| HR Officer (systems & data analysis) | 1FTE – F (indicative) | £23,945 | £31,129 |
| HR Assistant | 1FTE – A (indicative) | £14,880 | £19,344 |
| Total | 4.6 FTE | £138,770 | £180,401 |



It is clear that current organisational needs demand a greater delivery of competitive advantage, via HR & OD agendas and practices, and require HR to have true strategic influence that is internally coherent with the values of the Council and aligned to its goals and objectives. The way in which HR & OD is structured to deliver its services is a key factor in determining its operational success.

The new HR Officer (systems and data analysis) role has been proposed and will be mandated with the overall role of providing direction, guidance, and managing the growth, operation, and maintenance of the Council's human resource systems and programmes (including payroll processes and FOI responses).

There is also an ongoing need to provide accurate Management Information. This is data and statistics which is collected and used to measure performance in given areas of the organisation (absence / performance management, workforce statistics) and to drive change for improvement where needed. This is currently not being provided due to a lack of resources in the team.

The proposed structure sees the Council's outsourced payroll function formally moving from Finance to HR & OD. This role is currently being done by an agency worker. Direct employment will make a huge saving (current charge is £18 per hour, 1FTE - £34,632 per annum compared to £23,945 as part of the proposed HR Officer role).

The HR Officer post holder will coordinate between internal employees / HR and the external provider (Gloucestershire County Council) regarding payroll and pension queries. Statutory pension obligations have increased significantly with the emphasis on employer responsibilities increasing. The appointed employee will manage ongoing auto enrolment processes.

The HR Assistant role will be an entry level development role to support the team in administering HR & OD related documentation (recruitment and selection, personnel files, absence records etc).

Across the whole economy, the median number of employees to each HR practitioner is on the ratio of 1:75. In the proposed structure, the Council will continue to enjoy the support of two HR Advisers which with the HR & OD Manager, equates to 1:104 (based on an FTE of 311). Currently the ratio is 1:156 due to Jo Hawkins' maternity leave.

The creation and development of a fully resourced generalist HR team will reduce the need to rely on external resource in the delivery of operational employee relations processes. This will create another huge saving for the organisation. Consultants may be used in the future for their specialist expertise and skills in areas such as Psychometrics and Learning & Development.

There will be no change to the delivery of the Council's Apprenticeship Scheme. This will be reviewed separately and continues to produce £3.5k savings per annum for the Council having replaced the previous post holder.

It is emphasised that these proposals are for consultation, and as such final structures and roles may be revised as a result of consultation feedback.

The following indicates how the proposals will affect individual employees:

| Current role | |
|------------------|--|
| HR & OD Manager | HR & OD Manager – included as part of the 'Realigning the Management Resource' |
| HR Adviser | Assimilated to HR Adviser 0.6 FTE (following maternity leave). Updated JD / PS, no fundamental change. |
| HR Adviser | Assimilated to HR Adviser 1 FTE. Updated JD / PS, no fundamental change. |
| HR Administrator | Employee will be placed on the redeployment register. |

Overview of the Process

General support

Any reorganisation can be distressing for those involved and for their colleagues so it is recognised that it will be a difficult time for staff.

HR support throughout the process will be provided by Peter Gillett, Corporate Director of Resources. Support of a more general nature will also be provided by Martin Shields (Corporate Director of Services and Neighbourhoods).

Our aim at all times will be to provide clear and timely information for everyone involved and to maintain a close and open dialogue with the Trade Unions throughout.

Assimilation

In line with the Council's Organisational Change policy, where all of the following conditions apply, current post holders will be directly assimilated to the equivalent position in the new structure:

- the job is essentially the same (at least a 60% match), and
- the grade is the same, and
- the numbers of posts available is the same or greater than the number of current post holders.

Ring-fence competition

In line with the Council's Organisational Change policy, employees who do not secure a position in the new structure via direct assimilation will be included in a ring-fence if:

- their posts are deleted, and
- an alternative position or positions are introduced, and
- the employee's grade is the same (or one above / below) as the grade of the new post(s) or the employee is at the management tier appropriate to the new post(s).

Redeployment

Any employee who does not secure a post in the new structure or an ongoing position through transfer, change of working arrangements etc will be given notice of redundancy and simultaneously placed on the redeployment register for the period of their notice.

Selection process

There will be a consistent, robust recruitment and selection process for the new posts and vacancies will be advertised internally only initially.

Appeals

Guidance on how to appeal against any stage of this process can be found in the Council's Organisational Change Document (attached).

Implications for those affected

We fully appreciate the challenging nature of this process, the anxiety and the uncertainty that may be felt by staff. It is important that we provide help and support throughout this period of change, particularly to those who are directly affected.

If any staff would like to be considered for voluntary redundancy or early retirement they should contact Peter Gillett for an informal discussion.

The Council's free, confidential and external counselling service can be contacted on 01452 750586.

Timetable

| | |
|--------------------------|----------------------------|
| Consultation with SMT | Starts 18 March 2014 |
| Consultation with Staff | Starts 19 March 2014 |
| Trade Union consultation | Ongoing from 19 March 2014 |
| Close of consultation | 18 April 2014 |
| Formation of new team | Starts w/c 28 April 2014 |
| Group Leaders | TBC |
| Employee Forum | TBC |
| OD Committee | TBC |

4. **How to respond**

Please send your comments or questions to:

Peter Gillett, Corporate Director of Resources. Email: Peter.Gillett@gloucester.gov.uk