

Wolverhampton City Council

**OPEN INFORMATION ITEM**

**Audit Committee**

Date **29 SEPTEMBER 2011**

Originating Service Group(s) **DELIVERY**

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Title/Subject Matter **HR IMPROVEMENT PLAN**

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**SUMMARY**

1. That the Audit Committee notes the contents of this report.

## **Context**

- 1.1 To provide Audit Committee with an update on the HR Improvement Plan. When HR Shared Service was established in January 2010, there were several organisation drivers for this change in service delivery model.
  - To save £0.5 million in operating costs
  - To find a way of operating to the Paces target operating model without a HR system to underpin it
  - To provide consistent HR advice which could not be provided from six disparate HR units
- 1.2 HR Shared Service was structured on the principles of the Ulrich model of Business Partners, Centres of Excellence and Service Operators at Tiers 1 and 2. Although this model is industry best practice it was premature to introduce it in HR Shared Service as there was no IT system or prevailing organisation culture to support the change. The structure contained a number of professionally qualified officers but was heavily weighted to reliance on unqualified staff.
- 1.3 In March this year 'Leading for a Stronger City,' introduced a senior management restructure which in turn had implications for the structure of HR Shared Service. 'Leading for a Stronger City' deleted the post of Chief HR Officer and moved HR under the management of the Assistant Director, Corporate Services, (Section 151 Officer) within the Delivery Directorate. The first stage of the restructure was approved by the Cabinet Member for Organisation, People & Performance in April 2011 and two new posts were established – Head of HR Strategy & Policy and Head of HR Operations. These posts were ring-fenced to the HR Leadership team and Sue Davies and Janet Lowe were appointed to the two respective posts.
- 1.4 Payroll was moved to Finance and now reports to the Financial Controller (Deputy Section 151 Officer). However, the close working relationship between HR and Payroll will continue.
- 1.5 The Single Status Program continues to report to Brian Bailey and the Programme Manager will drive the project together with a dedicated fixed term HR Lead as subject matter expert. Delivery of the programme will be through matrix management, commissioning work from HR and workstreams which are led by business colleagues.

## **2. Drivers for Change**

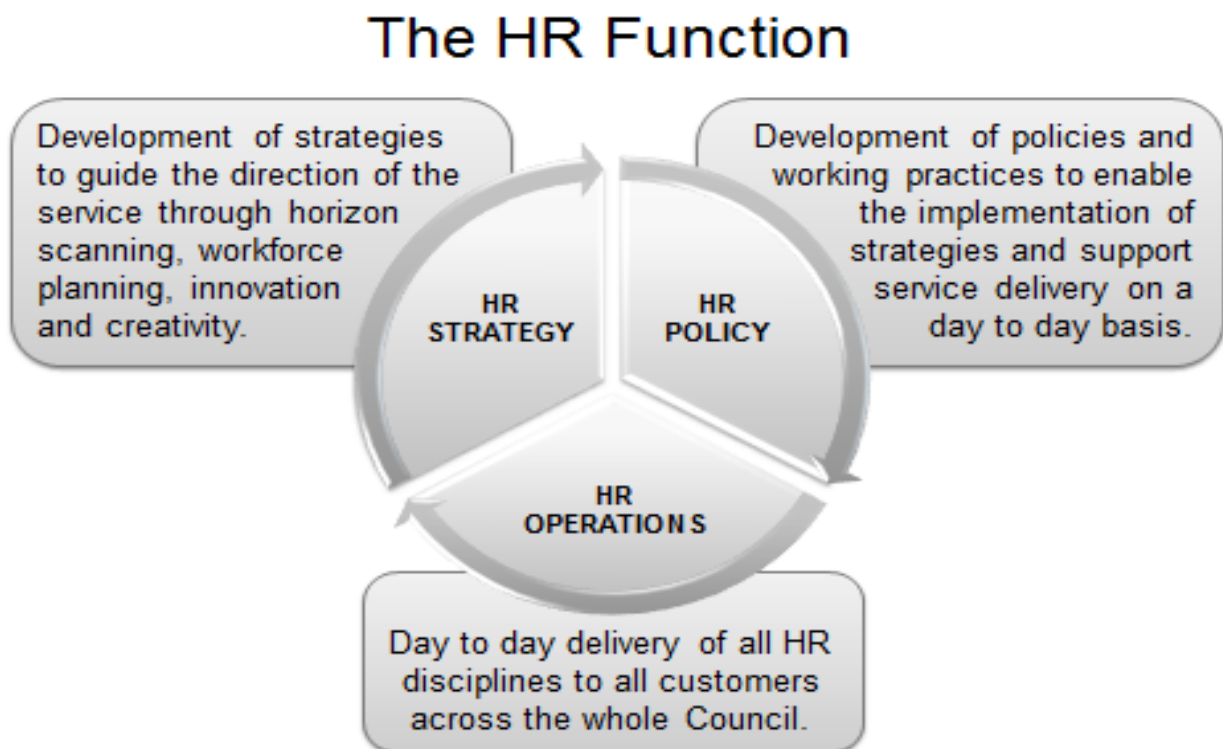
- The need to improve the services that customers receive from HR and embed excellent customer service
- Focus on value for money services which our customers want to buy
- Alignment with new organisation structure
- To free up resources to work on major Council projects, i.e. Single Status, Mainframe Replacement.
- Reduce number of HR direct reports to Assistant Director for Corporate Services

- Mirror new Council vision and values
- Service delivery in line with agreed performance management standards

### 3. The Vision

- 3.1 HR will be restructured into Strategy, Policy and Operations. Staff will be consulted on the proposed structure in September. The new structure will be recruited to in the autumn and operational from the early new year. The structure will redress the current skill mix and HR Officers will undertake a generic role across all the disciplines of the HR function rather than the current functional specialisms.
- 3.2 The restructure of HR is based on the need to change how we operate and to acknowledge that there is room for improvement in how we deliver the HR service to our customers.

The HR organisation chart is detailed as **Appendix 1**.



- 3.2 The Strategy function will be responsible for shaping the HR response to the strategic organisational needs as defined in the Corporate Plan, leading for a Stronger City and to reinforce the 'golden thread' of a one organisation approach.

Priority areas to be addressed include:

- The People and Learning Strategy
- Core competency/Behaviour framework
- Succession Planning
- Performance Management
- Workforce Development
- Worklessness Agenda – e.g. apprenticeships
- Pay & Grading

3.3 Once the Strategy has been developed it will pass to the policy team for development of policies, procedures and business rules and bring the strategies to fruition.

Priorities for this function include:

- Review of HR policies and procedures
- Modernisation of terms and conditions
- Changes to legislation
- HR communication/engagement
- Employee Relations
- Restructuring & Regrading
- Health & Wellbeing

3.4 There will be a major focus on Workforce Development. This is a much neglected discipline in the City Council and it will be addressed in the restructure. There will be a dedicated Workforce Development Team which will focus on reviewing the organisation's workforce requirements, short, medium and long term. There will be an in depth analysis of the organisation's skills, number and change requirements. The team will compliment the work of the Strategy team in relation to core competencies and behaviour, succession and replacement planning, performance management etc.

3.5 The Operational team will comprise of three HR Managers who will manage teams of HR staff. The HR Manager will be responsible for managing the customer relationship and working with the service group to agree operational priorities.

3.6 The focus of the operational team will be the delivery of day to day transactional processing and case work support across all HR disciplines.

Priority focus for this function include:

- Service Desk – First time fix
- HR Process review
- Systems Thinking interventions
- Customer relationship management

#### **4. HR Improvement Priorities**

4.1 A **skill mix review** and gap analysis will form part of the restructure with a return to a higher ratio of qualified to unqualified staff.

4.2 A **service desk** will be established in the new operating model which will nurture a high first time fix rate. A customer service ethos will be developed and officers will receive extensive customer service skills which will be measured through the introduction of service level agreements.

4.3 **HR Officers** will be aligned to Directorates and will develop in-depth business knowledge to support the organisation's change agenda.

4.4 A root and branch review of **HR policies/procedures and working practices** will be undertaken across all HR disciplines. Amongst the priority policies to be reviewed will be management of attendance, discipline and grievance, bullying and harassment, equal opportunities, flexible working, pay & reward.

- 4.5 The **Occupational Health** Management System (OPAS) was upgraded in 2009/10 to provide significant improvement and automation of the referral process and absence case management. A natural progression of this system is to provide OPAS as the absence management system. In the Autumn OPAS will be a web enabled system which will allow managers to record absences at source and have access to 'real time' management information which will provide them with the essential data to manage attendance issues without delay. This technology, together with significant policy revision, will enable the organisation to take a robust approach to reducing absence and managing costs.
- 4.6 **Disciplinary, Grievance and Capability** procedures are also to be reviewed to remove unnecessary complexity and to make them more reflective of modern day working practices. Unison will be consulted on the proposed changes to policies.
- 4.7 As part of this review the **HR manual** will be updated to reflect changes and provide up-to-date concise advice for managers and employees.
- 4.8 The objective of the **policy review** is to modernise the employment relationship and inform and reinforce the nature of the contract between employer and employee.
- 4.9 A **competency framework** will be developed in order to grow and nurture the organisation's skills, knowledge and behaviours to deliver excellent services to the citizens of Wolverhampton by:
- Strengthening the organisational culture as defined by Strategic Executive Board and Elected Members.
  - Providing employees with clear expectations about what is required in their roles
  - Equipping the organisation to assess transferable skills and identify required behaviours
  - Align individual objectives to Council direction
  - Promote continuous improvement in the workplace

Enabling employees to meet commitments to customers more effectively

- 4.10 An approach to **succession planning** will be developed in order to meet the organisation's immediate and longer term priorities in terms of skills and knowledge.
- 4.11 A new **performance management system** will be developed which will directly link to the competency framework and will provide an objective measure of individual employee performance and behaviours and will enable the organisation to deal with under performance in a robust, timely and efficient manner.

## **5. Shared Service Transformation**

- 5.1 The shared service transformation programme will have a significant impact on the HR function. The scope of the programme is to implement a partner's systems and processes for customer services, human resources, payroll, procedure and finance.

5.2 The key business requirements that the programme must deliver are:

- Improve the efficiency of customer and shared service support
- Have more flexible and agile customer and shared services
- Exploit opportunities for sharing and partnering in the public sector
- Establish a long term partnership that fits the Council's culture and style.

5.3 Shared Services transformation is to be welcomed in HR as it will enable the organisation to operate on a modern technology platform which will provide the ability to meet the efficiency and flexibility requirements of the organisation.

## **6. Organisation Improvement Priorities**

6.1 Addressing the HR structure, identifying and prioritising the 'broken' policies and resolving the technology issues through the Shared Services Transformation Programme will enable HR to meet the organisation's aspiration for improvement and agility in the services provided.

6.2 The organisation does need to acknowledge that these changes alone will not solve the management accountability/responsibility gap that exists. There is a triangulation between HR service, technology and management culture/competence – all three of these significant elements need to be addressed if we want to achieve the scale of the improvement and change required.

## **7. Legal Implications**

7.1 There are no direct legal implications arising from this report.  
[FD/30082011/D].

## **8. Financial Implications**

8.1 It is anticipated that the costs of implementing the HR Improvement Plan can be accommodated within existing budgets.  
[DM/31082011/W]

## **9 Equality Implications**

9.1 The acquisition of a HR system will enable accurate recording and reporting of equality information. The technology will also facilitate swift interrogation of data held so that potential equality issues can be readily identified and dealt with.

## HR Organisation Structure Strategy & Policy



## HR Organisation Structure Operations

