


## Update on Selected Risk for Review

Risk title and description	Previous score (Feb 2016)	Direction of travel	Current score (June 2016)	Target score and date
<p><b>Employee Management</b></p> <p>If policies dealing with employee management and in particular appraisals are not effectively implemented and complied with then:</p> <ul style="list-style-type: none"> <li>employees may not be fully aware of the Council's objectives and their contribution to the achievement of them, and</li> <li>employees may not have the appropriate training and support to achieve high standards of performance</li> <li>the Council may not have the required capability to deliver its objectives.</li> </ul> <p>Risk owner: Kevin O' Keefe Cabinet Member: Cllr Milkinderpal Jaspal</p>	<p>8</p> <p><b>Amber</b></p>		<p>4</p> <p><b>Amber</b></p>	<p>Achieved</p> <p>Transfer to operational registers</p>

### Background

- 1.1 At the March 2016 meeting of the Audit and Risk Committee, members requested further information and assurances in respect of strategic risk 17 – employee management be provided to the Committee. This note updates the Committee on the progress made by the Council in this area and the further actions required to manage the risk and the corporate performance indicator in respect of the number of appraisals completed.
- 1.2 The risk was first identified for inclusion in the strategic risk register by the Committee in October 2014, following an internal audit review at the time which found that the completion rate of appraisals was very low. At this time, the risk was assessed as amber.
- 1.3 In February 2015 the Audit and Risk Committee was provided with a further update on the progress that had been made against the corporate performance indicator, which showed approximately 63% of appraisals had been carried out across the Council.

### 2 Current position

- 2.1 The Cabinet (Performance Management) Panel meeting of 8 June 2016 received an update on the progress made against this indicator. The following information was reported.

- 2.2 All line managers across the council are responsible for completing their individual employee appraisals and ensuring that they follow the current guidelines, processes and use the appropriate templates. They are also responsible for uploading and updating this information directly onto the council's system.
- 2.3 The system used to record appraisal activity and performance is Agresso. The performance management system used to extract data for the quarterly reporting is QlikView. Management and development of the Agresso system was the responsibility of the Hub, until 1 May 2016, when responsibility transferred to Finance. QlikView is currently being developed as part of the C3 Digital Transformation Programme and the Council's Transformation Team.
- 2.4 The performance against the corporate indicator at the end of 2015/16, Quarter 4 was 70.8% (73.4% previous year) of our eligible workforce who have a current appraisal. This is against an annual target of 100%.
- 2.5 Progress against the target earlier in 2015/16 was noticeably slow. This raised concerns at the time as managers were informally reporting more progress than the figures recorded on the system. This matter was investigated and identified a number of issues which the Transformation team believe have contributed to this as follows:
- The performance indicator is reported as a cumulative figure over a set financial year i.e. April to March. However; appraisals are recorded on a rolling basis and therefore can produce a deficit figure as they exceed the 12 month period from the previous financial year.
  - Over recent years there have been a significant number of post and team changes across the Council. If an existing employee moves to a new post or has their current post (e.g. title) changed, the system automatically reset their appraisal timeline to start from that date. Unless the information is manually transferred to the new post, this remains the case. Equally, if the previous post is neither deleted nor modified for the new holder, it will register as overdue once the 12 month deadline originally set is reached. This could have added to the deficit figures.

### **3. Risk mitigation**

- 3.1 To address the above issues the following actions have been/ are being taken:
- Development of a facility to schedule future appraisals on the system. This will produce a baseline forecast for those appraisals due and produce a quarterly target to performance manage against. This means the outturn target of 100% can be used.
  - Regular reporting will be set up for managers to highlight how many employees are due a scheduled appraisal, whether appraisals have been carried out in accordance with the schedule and which ones are overdue.
  - Managers will be required to take responsibility for checking their reports and ensuring any highlighted issues are addressed. These reports will reflect data and information as recorded on Agresso. If the reports identify any issues with incorrect

establishment lists, it will be responsibility of managers to raise this with the Hub and ensure that they are addressed.

- Service Directors will receive regular reports, identifying the position by the different services within their area to enable them to proactively address any issues.
- Following feedback from managers there are modifications being considered to improve ease of use of the current systems.
- The entire appraisal process is being reviewed in conjunction with the Council's refresh of the Corporate Plan. The review will focus on the actual value of appraisals to the individual employee, the council and our communities and will take into account the completion rate alongside the quality and effectiveness of appraisals.
- The results of the recent employee survey demonstrated employees have a good understanding of the council's priorities.

3.2 As a result of the above the risk assessment has been reduced. Any on-going actions are being dealt with at an operational level and the risk has therefore been transferred to the relevant operational risk registers.