

Scrutiny – 2 July 2009**PERSONNEL AND PAYROLL – SERVICE REVIEW****Report of The Shared Head of Human Resources**

Statutory Powers: None applicable to this report.

Financial Implications: None directly arising from this report

Purpose

To provide Members with a detailed budget analysis of the Personnel and Payroll service and an opportunity make relevant observations.

This report is linked to Council Corporate Priority 6 'Value for Money'

RECOMMENDATIONS

That Scrutiny RESOLVES to note the report and identifies any observations that it wishes to be considered during the 2010 / 11 Budget setting process.

BACKGROUND

- 1 During consideration of the 2009 / 10 Budget, Members felt that in order to ascertain a greater understanding of the individual services within the Council, it was important for Scrutiny Members to receive detailed service and budget reports from the appropriate Head of Service. Whilst considering such reports, it was anticipated that Members would gain a better understanding of the priorities of each service to assist the 2010 / 11 Budget setting process. This report provides this opportunity in relation to the Personnel and Payroll Service.
- 2 South Hams believes that its employees are its most valuable asset and that they are key to providing high quality services to the Community it serves. The Personnel and Payroll Service provides the framework against which Personnel Policies are developed and delivered, thereby providing a culture where employees can maximise their potential and make the best possible contribution to improving service delivery.
- 3 Effective People Management and development is fundamental to achieving service improvement. The Council needs to be able to attract, retain, develop, manage and motivate skilled employees in order to meet the increasing demands for high performance, improvement and efficiency.
- 4 The Council currently has 472 employees (424.83 Full Time Equivalents), 9 of which are employed in the Personnel and Payroll Service.

Key Service Functions

- 5 **Employee Relations** – Working closely with the Trade Unions and Employee Forums to determine and implement terms and conditions of employment, policies and procedures in line with legislation and best practice. Managing Disciplinary and Grievance cases. Managing the Single Status Project.
- 6 **Employee Training and Development** – To ensure the Council has the right knowledge, skills, attitude and competencies at corporate, service, team and individual level, in order to meet corporate, team and individual objectives.
- 7 **Employee Resourcing** – To actively recruit and retain effective and efficient employees, manage performance and workforce planning.
- 8 **Employee Reward** – To ensure employees and external customers are paid accurately and timely, including salary, expenses and benefits. To ensure all staff are aware of how to access information, guidance and support with regard to Pension provision.

SERVICE BUDGET

9 Budget

The vast majority of the Personnel and Payroll Service Budget is associated with staff costs.

	Actuals 2008/2009 £	Budget 2009/2010 £
Employees	242,710	232,030
Premises	9,592	12,000
Supplies & Services (08/09 includes £24k of legal fees for employment/tribunal advice)	54,925	31,690
Income	(18,600)	(17,500)
Anticipated Income		(1,100)
Total	293,684	257,120

In addition to these costs, the Personnel & Payroll Service is also responsible for 3 corporate budgets which are used for the benefit of all Council employees.

	Actuals 2008/2009 £	Budget 2009/2010 £
Medical Fees	10,208	6,000
Expenses of New Appointments (any overspend on this budget is funded from vacancy savings)	81,004	62,680
Corporate Training	38,720	37,190
Total	129,932	105,870

10 Service Reductions and Bids

	2006/07 £	2007/08 £	2008/09 £	2009/10 £
Reductions Savings	4,800 Streamlining processes and exploring partnership opportunities	2,900 Reduced staff time and overtime budget	None	5,000 Corporate Training
Bids Funding	3,700 Admin Support	20,000 Increase in Corporate Training	None	None

11 Use of Agency Staff

2007 / 08	£
Vacancy Cover due to recruitment difficulties	28,407
Maternity Cover	40,945
TOTAL 2007 / 08	69,352
2008 / 09	£
Maternity Cover	22,590
Total 2008 / 09	22,590

12 Use of Consultants

The only spend on Consultants relates to Single Status and details will be contained in a full report at the appropriate time.

STAFFING LEVELS AND STRUCTURE

13 There are currently 9 members of staff within the Personnel and Payroll Service. This comprises 5 part time employees, 3 full time employees and 1 full time Modern Apprentice.

- 14 The Head of Service is a shared post with West Devon Borough Council.
- 15 The Senior Personnel Officer provides professional Human Resource (HR) support to West Devon Borough Council and works from the Tavistock office one day per week.
- 16 A structure chart is attached at Appendix A.
- 17 The table below shows the number of full time equivalent employees over the last 3 years.

	2006/07	2007/08	2008/09	2009/10
Personnel	6.81	3.12	3.86	4.66
Payroll	2.5	2.5	2.5	2.5

PERFORMANCE INFORMATION

18 Key Best Value Performance Indicators are shown in the table below.

	2006/07	2007/08	2008/09
BVP12 – Working Days Lost Due to Sickness	12.19	11.53	10.10
PP5 – Staff Turnover	9.6	12.9	8.2
BV11a – Top 5% of earners women	28.63%	25.10%	24.58
BV11b – Top 5% of earners ethnic minority	0.00%	0.00%	0.00%
BV11c – Top 5% of earners disabled	0.00%	0.00%	0.00%
BV14 – Percentage of Early Retirements	0.00%	0.00%	1.75%
BV15 – Percentage of Ill-Health Retirements	0.00%	0.00%	0.25%
BV16a – Percentage of Employees with a Disability	3.27%	3.86%	3.88%
BV17a – Ethnic Minority Representation in the Workforce	0.8%	0.5%	0.3%

KEY FACTS

Employee Relations

- 19 Successful reassessment of the IIP Award, South Hams has now been an IIP recognised employer for 15 years.
- 20 Currently supporting the Local Government Review HR agenda
- 21 Currently supporting the Shared Services agenda and the Joint Management Team.
- 22 Significantly reduced the number of Long Term Sickness Cases. Dealt with 40 cases during 07/08 and 08/09. We currently only have 2 cases and the number of days lost due to long term sickness absence has halved.

23 Significantly reduced the number of Discipline and Grievance cases. Dealt with 17 disciplinary cases and 16 grievances during 07/08 and 08/09. There are no current cases.

24 Wellbeing at Work operate a confidential counselling service and have provided 53 counselling sessions to our employees on our behalf.

25 We are currently looking at expanding our HR service to Town Councils and other companies.

Employee Training and Development

26 Successful training partnership with Teignbridge District Council, Mid Devon District Council, West Devon Borough Council and Dartmoor National Park.

27 European Computer Driving Licence (ECDL)

- a. 53 employees have completed the full ECDL
- b. 88 employees have completed Level 1 (basic concepts, using the computer and managing files, information and communication)

28 Management Courses

- a. 2 employees have completed Level 2 Award in Team Leading
- b. 4 employees have completed CMI Introductory Certificate in Management Level 3
- c. 4 employees have completed Award in Management Level 4
- d. Currently we have 2 employees on Level 2, 3 employees on Level 3 and 4 employees on Level 5
- e. Further courses are planned for later in the year.

29 South Hams Corporate Training Courses

- a. 37 employees have undertaken Primary Induction
- b. 27 employees have undertaken the Full Induction
- c. 42 employees have attended Diversity training
- d. 42 employees have attended courses through the training partnership.
- e. 130 employees have attended training in the new competency framework (41 managers and 89 staff)
- f. A Managing People modular training programme is currently being attended by 77 Managers .

Employee Resourcing

30 Employee turnover for 2008 /09 in South Hams comprises

- a. 41 new permanent employees.
- b. 15 new temporary employees.
- c. 1 seasonal employee.
- d. 15 Casual employees.

31 New Competency Framework introduced.

32 Revised Disciplinary, Grievance and Managing Absence Policies and Procedures.

33 Re-Organisation of Environment Services.

34 Supporting the Revenue and Benefits shared service project.

Employee Reward

35 The Payroll service produces 9,000 payslips per year and generates £18,600 income.

36 The Payroll team provides a service to external customers.

37 New business is currently being sought.

38 Recently launched an employee health care scheme with Pay Care.

39 Currently in the process of signing up to the National Cycle Scheme.

Single Status

40 In addition to the above activity, the Service is leading on the Single Status initiative for the Council and a full report will be published at the appropriate time.

RISK ASSESSMENT

The following are the significant risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits / Mitigation
To identify areas of potential savings. To reduce operating costs.	Impact on ability to deliver high quality service.	Effective management of the budget enables value for money.

CONCLUSION

This report outlines the budget allocation and expenditure to the Personnel and Payroll Service together with the functions that it performs in order to assist in the delivery of Council services.

Jan Montague
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Scrutiny
02 July 2009

Background Documents:
None