

## **MANCHESTER CITY COUNCIL REPORT FOR INFORMATION**

**Report to:** Resources and Governance Overview and Scrutiny Human Resources Subgroup

**Report of:** Head of Personnel

**Date:** 6 October 2009

**Subject:** Personnel Service Improvement Project - Update

### **1. PURPOSE OF THE PAPER**

1.1. At the previous meeting of the Sub Group on 30 June 2009, Members asked the Head of Personnel to provide an update on the Personnel Service Improvement Project. This report sets out:

- progress on implementing the restructure approved by Personnel Committee in May 2009;
- implementation of the Personnel Shared Service Centre;
- the role of departmentally based Personnel Advisers;
- key priorities for the Personnel Service.

### **2. BACKGROUND**

2.1 The Personnel service is located in the Corporate Services Directorate with the Head of Personnel being one of seven Heads of Service reporting direct to the City Treasurer. The organisation structure for Corporate Personnel was last reviewed in 2002 and consisted of the following functional Groupings:

- Personnel Strategy and Change Management
- Employee Relations and Personnel Advisory Services to Chief Executive's and Corporate Services Departments
- Workforce and Organisation, including recruitment services to Chief Executive's and Corporate Services Departments
- Health, Safety and Welfare.

2.2 In 2005 and 2006, management responsibility for personnel services in Children's Services and Neighbourhood Services Directorates respectively

transferred to the Head of Personnel. The previous structure for the service is shown at Appendix 1.

2.3 The Personnel Service Improvement Project was initiated in 2007, as part of the Back Office programme to improve internal processes within the Council to optimise the organisational benefits of the newly introduced SAP system. The Project coincides with the development of key Council policies including the People and Community Strategies.

2.4 The vision agreed for the Personnel Service is to support the delivery of the Community Strategy through creating and maintaining a strategic framework which enables the City Council to:

- be an excellent employer;
- attract, retain and develop the best talent available;
- manage appropriate and effective reward strategies;
- have a workforce that is diverse and reflective of the make-up of Manchester residents; and
- transform the organisation by:
  - empowering managers to manage more effectively;
  - producing a motivated and customer-focused workforce that is responsive to the changing needs of residents.

2.5 The Project has been undertaken collaboratively with a Manchester Improvement Programme project team being located within the Personnel service, supporting management and staff through the change process.

2.6 To support development of the service, restructure proposals have recently been approved by Personnel Committee and are in the process of being implemented. The restructure will support the Personnel Service to empower and enable managers to deliver effective people management. The Personnel Service will be divided into five teams:

- Personnel Advisory and Resourcing Team;
- Personnel Strategy and Organisation Team;
- Health, Safety and Well-being Team;
- Personnel Shared Service Centre; and
- Personnel Projects Manager.

See Appendix 2 for revised structure.

- 2.7 Key priorities for the revised services have been identified and are summarised at Appendix 3.
- 2.8 The target savings for the Personnel Service is £719,000. It is anticipated that the majority of the savings will be realised through the service restructure and the introduction of the Personnel Shared Service Centre. The savings will be realised during financial years 2009/2010 and 2010/2011.
- 2.9 The remainder of this paper highlights the key achievements to date of the Project, and the work programme for the forthcoming year.

### **3. PROJECT PROGRESS TO DATE**

#### **3.1 Personnel Shared Service Centre**

- 3.1.1 The Personnel Shared Service Centre was established in November 2008 by centralising the previously Directorate based support teams for Personnel Administration, Organisational Management, Recruitment Administration and CRB checking, and moving them to one location at Pink Bank Lane.
- 3.1.2 Work is continuing to establish standardised and streamlined transactional processes with the other branches of the personnel function, to eliminate duplication and ensure that the overall product is customer focused. Whilst the initial review of processes within the Shared Service has been completed, further options are being explored to move towards better use of technology including self- service for employees supported by a contact centre.
- 3.1.3 The Personnel Shared Service Centre's 'official' launch took place on 9 September 2009, at which managers across the Council were taken through the new standardised processes.
- 3.1.4 In the longer term, the Personnel and Finance Shared Service Centres will be integrated into a single service

### **3.2 Occupational Health and Health and Well-being Reviews**

3.2.1 Since April 2009, the implementation of the outcomes of these reviews has been ongoing. The restructure of both areas was completed in May 2009 with £185,000 savings achieved. Both Health and Well-being and Occupational Health have currently completed 40% of their implementation plan.

3.2.2 Measures achieved so far include the centralisation of Health and Safety within a single team, including 24/7 contact number. The changes within the Health and Safety service will provide the platform to deliver:

- standard approaches to risk,
- manager and employee training, and
- targeted assurance audit and a project managed health and safety work plan for each strategic directorate.

3.2.3 The Corporate Occupational Health Unit has two key objectives:

- To support improvements in the health and well-being of Council employees through targeted interventions which promote improved health and improved employee resilience.
- Introduction of strong, visible performance management focused on the core purpose of the Unit, i.e. to provide clear opinions on fitness for work.

3.2.4 At present the Unit Manager is concentrating on implementing systems to ensure throughput of referrals is balanced with key timely and appropriate management advice to enable managers to effectively improve employee attendance.

### **3.3 Manager Reports**

3.3.1 In order to support and empower managers, a range of tools and support are being developed. The introduction of Manager Reports enable Line Manager's to have access to data relating to absences and their structure, therefore assisting them to manage their staff.

3.3.2 Managers' Desktop gives managers easy access to information about absence, structures and their employees in SAP and allows them to run reports on absence and the organisational structure directly from their own PC. Managers' Desktop has been piloted successfully in Libraries and Leisure and managers there have agreed that easy access this information will help them to:

- Identify attendance issues;

- Manage attendance issues;
- Manage their structures effectively;
- Access data relating to their employees, e.g. home address, start date etc. when needed;
- Check and make sure that the information held against their employees in SAP is accurate and up to date.

Plans are in place to roll this facility out across the rest of the City Council.

### **3.4 Intranet**

- 3.4.1 The Personnel Intranet is the key way of providing managers with information about their staff and the procedural framework in which to manage them. The Intranet site is being relaunched with improved content and additional functionality such as web forms.
- 3.4.2 An editor from the Personnel service has been appointed to oversee the site, with the support of 'approvers' from each area of Personnel, who will ensure that their pages are kept up to date.
- 3.4.3 Access and menus have been redesigned in consultation with managers and staff, and the content has been rewritten in order to be more customer focussed.
- 3.4.4 Managers and employees will be encouraged to 'self serve' wherever possible; step by step guides have been introduced to guide employees through and the site will be promoted as the first point of contact for all basic personnel related queries.

## **4. WORK PROGRAMME FOR 2009/10**

### **4.1 Restructure of Personnel Service**

- 4.1.1 The restructure of the Personnel Service was approved by Personnel Committee in May 2009 and the senior management team have been appointed. Work is now progressing on implementing the remainder of the structures to deliver the improved service.

### **4.2 Personnel Advisory Service**

- 4.2.1 At present there are three Personnel Advisory Teams supporting the Strategic Directorates:
  - Chief Executive's and Corporate Services
  - Neighbourhood Services and Adult Social Care
  - Children's Services

- 4.2.1 Under the new engagement model, there will continue to be Personnel Advisory Teams, reporting through the Personnel Manager (Advisory and Resourcing) to the Head of Corporate Personnel. However there will be a much more cohesive advisory service, encompassing employment policy and employee relations issues. This will balance the need for corporate consistency with empowering managers to take their services forward.
- 4.2.2 Common line management will ensure provision of higher quality, consistent personnel advice and practice across all services, thus reducing risk against damaging litigation. Personnel Advisors will, however, continue to support proactive case management on performance management issues, resolving cases, assessing risk and providing options/solutions.
- 4.2.3 As well as providing direct support to managers on operational and strategic issues on performance management and Workforce Planning, Personnel Advisors will spend more time working on enhancing management capacity in managing people – through policy development and implementation, practical workshops and individual coaching.

#### **4.3 Resourcing**

- 4.3.1 The Agency Client Group, Manchester 'Temps', and the strategic oversight of honoraria, act-ups, secondments and redeployment are being consolidated into a single 'Resourcing Group'. This will help to reduce the spend and reliance on temporary/agency staff and consultants and provide a corporate "one stop" resourcing service.
- 4.3.2 Supported by consistent standards, in terms of both practice and performance, the central Resourcing Group will ensure that Managers receive effective advice on the range of temporary and permanent options available to them. This will also enable managers to choose the most effective solution in terms of meeting their needs and minimising their costs.
- 4.3.3 The Resourcing Group will also develop more strategic links with personnel colleagues on workforce planning including forecasting supply and demand and making better use of existing resources. This will be done through skills transfer from consultants, oversight of development opportunities and the reorientation/retraining of supernumerary employees.

#### **4.4 Personnel Strategy & Organisation Group**

- 4.4.1 In order to create an integrated approach to the principles set out in the People Strategy, the amalgamated capacity within the Personnel Strategy and Workforce and Organisation Groups will be responsible for developing strategic approaches to organisational design and future

reward and remuneration strategies, whilst maintaining the integrity of the Council's Scheme of Delegation for Staffing Proposals.

- 4.4.2 This Group will also work closely with key internal stakeholders and external partners to optimise employment opportunities for Manchester residents, worklessness and 14-19 employability agendas for the city. This will include management and coordination of work placements and internships, existing employment initiatives (including IRES and IRES Manchester, and the Residents Wages Project), together with new recruitment initiatives arising from skills pledge commitments (including significantly increasing the number of individuals recruited into apprenticeships across the workforce).
- 4.4.3 This Group will continue to work closely with the Organisational Development service and the Director of Transformation to support broader delivery of the Skills Pledge.
- 4.4.4 Personnel strategies will be developed to ensure the City Council is able to recruit and retain skilled workers through modern recruitment, retention, reward and diversity strategies in order to secure a workforce that is able to meet the challenges of future service delivery. This will contribute to achieving flexibility and mobility across the workforce, supporting our aim to be an 'employer of choice', and, better workforce planning strategies that address the pace and scale of organisational change.
- 4.4.5 Organisational Design will advise Heads of Service on all aspects of reviewing and changing organisational structures. This function will incorporate advice and support to Heads of Service and managers for all structural change previously provided through Directorate based Personnel Advisory teams through to implementation of revised structural and grading/Job Evaluation arrangements.
- 4.4.6 Job families, generic roles and entry level apprenticeships will be developed across the organisation as part of the considerations of structural design. This will balance the development of leaner and flatter organisation structures with clear development pathways that will assist with the achievement of the skills and worklessness agendas.

## **4.5 Health, Safety and Wellbeing**

- 4.5.1 To support the development of healthy workforce a revised approach is being taken to instil health and safety good practice within services. This is being delivered in partnership with other Council services to provide a joined up solution for managers in regards to risk management and property related health and safety. Developed joint working will now be rolled out within agreed work plans.
- 4.5.2 To support improved employee consultation and collaboration a more structured approach has been taken to engage with Trade Unions.

This will ensure improved engagement with Trade Union partners in understanding health and safety issues and the development of appropriate strategies for protecting employee health and safety.

- 4.5.3 Within the Occupational Health Service the priority is to improve the back office functions to ensure the efficient handling of referrals from line managers. In parallel, the service will work with colleagues in other parts of the Personnel service to improve the quality of information provided to line managers supporting employees with health problems.
- 4.5.4 The Occupational Health SIP implementation plan sets out the framework of interventions to take the service forward, these include locating the service in a single location, standardising systems and approach across all practitioners and providing managers with improved information / guidance on using the service. The implementation of a robust management information system will provide the mechanisms for evaluating the impact of interventions on timeliness of delivery and quality of service delivered.
- 4.5.5 This group is also working with the Centre for Organisational Health and Well-being, Lancaster University, to develop and evaluate organisation interventions which improve the health and well-being of Manchester City Council employees.

#### **4.6 Personnel Projects**

- 4.6.1 The Council is increasingly undertaking a wide range of initiatives to modernise and improve services for the future. Many of these initiatives require substantial professional personnel support to ensure the adoption of best people management practice in line with Council values, People Strategy, policies and procedures.
- 4.6.2 The Council is increasingly undertaking a wide range of initiatives to modernise and improve services for the future, which would benefit from a dedicated capacity to support personnel-related work streams arising from such projects. In particular the Town Hall Transformation Programme comprises fundamental change across normal service and organisational boundaries, and will require a significant input from the Personnel Service to support the temporary decant staff and subsequent return of staff the refurbished Town Hall complex.
- 4.6.3 In the first instance, the newly created post of Personnel Project Manager has been seconded to work as part of the Town Hall Transformation Team. Key responsibilities for the post include the development, promotion and introduction of the new workplace cultures and behaviours. This includes new and flexible ways of working, which will support the delivery of improved customer standards for residents, visitors, businesses and partners.



#### **4.7 Embedding change through education of customers and personnel staff**

- 4.7.1 As part of the Personnel SIP, tools and processes have been developed to support customers and personnel staff in delivering new ways of working. In order to sustain these changes in the future, a holistic support framework is being developed in order to educate and communicate personnel staff and customers into these new ways of working.

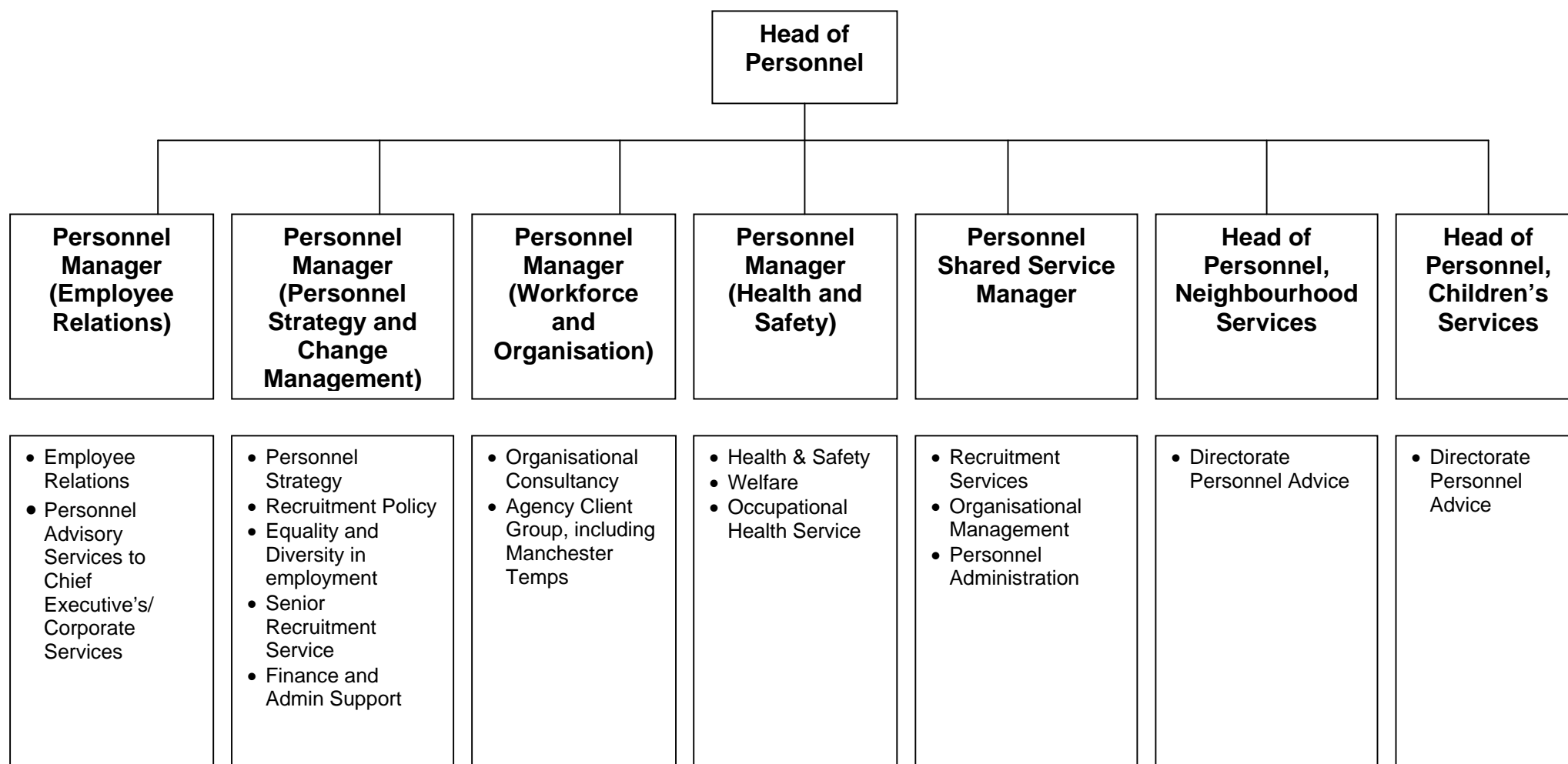
#### **5. CONCLUSION**

- 5.1 This report sets out progress to date on the Personnel Service Improvement Project, together with details of the next phases of work. The new service is committed to embedding new ways of working and provide more flexible personnel advice, policies and practice to effectively support the strategic aims of the organisation and its constituent services.

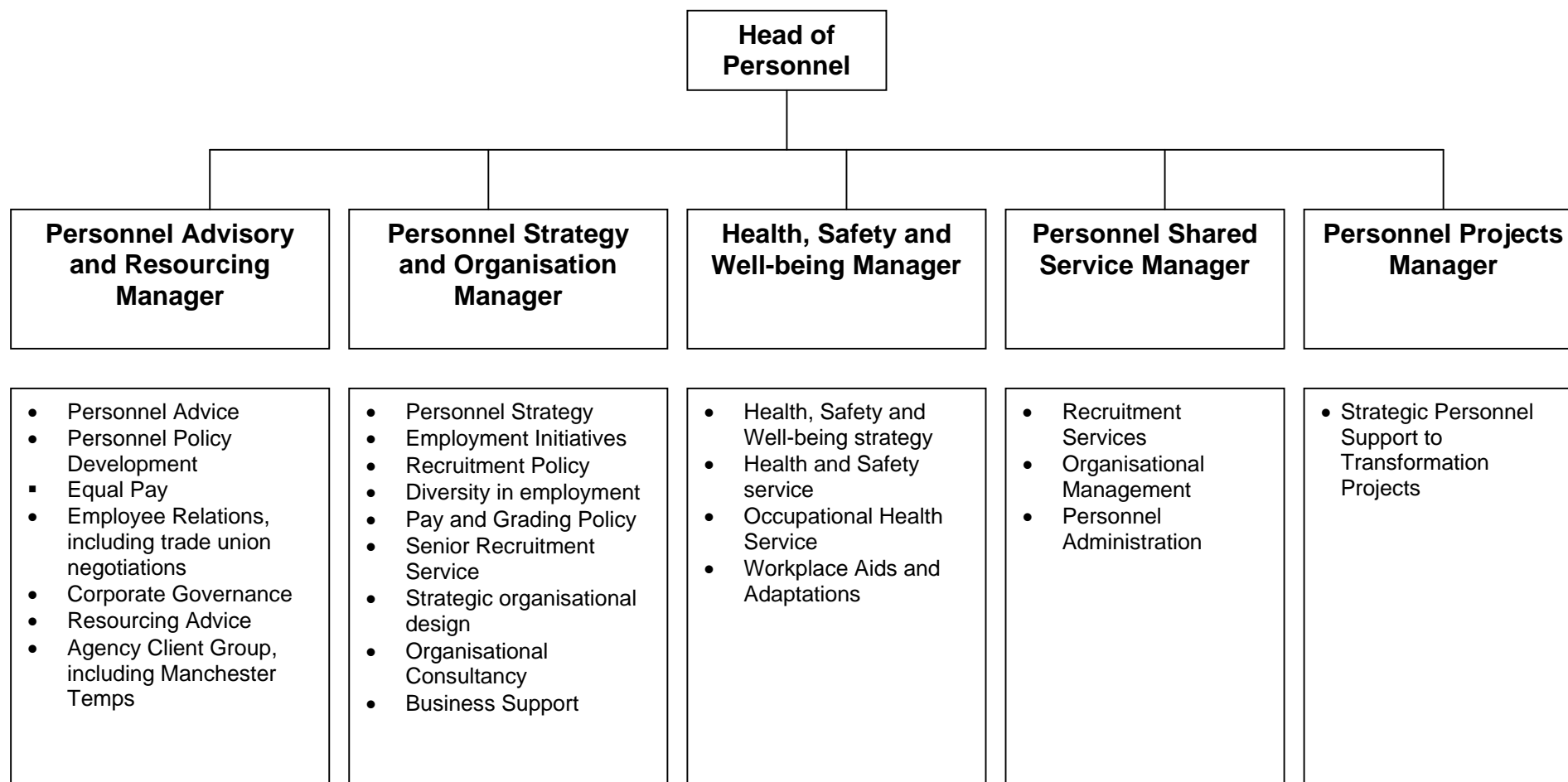
#### **ATTACHED AS APPENDICES**

1. Previous Personnel Service Management Structure;
2. Current Personnel Service Management Structure;
3. Targets and Performance Indicators.

## PREVIOUS PERSONNEL SERVICE MANAGEMENT STRUCTURE



## CURRENT PERSONNEL SERVICE MANAGEMENT STRUCTURE



## Key Priorities for the Personnel Service

Objective	Strategic Fit	Benefit	Timescales
Tackling worklessness by working in partnership with other agencies to create new opportunities that continually support the employability agenda by promoting opportunities for Manchester residents to secure employment either with the city council or other public and private sector organisations. Plus developing and implementing the pre-employment model to ring fence city council entry level roles to workless residents and ensuring that when employed there is the appropriate training opportunity available i.e. apprenticeship frameworks. This can then be developed as a strategy across other partner organisations and further into any services the council procures.	Focuses directly tackling worklessness and skills which will have a contributory factor to creating economic growth and neighbourhoods of choice. This objective is reflected in the People Strategy ethos and targets. It will also support National Government targets and a UK wide objective to up skill the working age population through the use of apprenticeship frameworks.	Contribute to the worklessness agenda through converting entry level roles to apprenticeships (aiming for 200 new recruits in apprenticeships by end 2010) and through using job evaluation to support succession planning frameworks and development of career families that will provide for progression within the workforce.	Long term - up to 2 years (and beyond)

Objective	Strategic Fit	Benefit	Timescales
Using the Town Hall Complex Transformation Programme as a platform for improvement by creating workplace cultures in which new and flexible working practices are adopted to deliver services in new ways. This will be both support and complement wider approaches being adopted to allow new, flexible working arrangements across all Council services ( inclusive of the Part 3 agreements).	This will support the aims of the People Strategy in terms of creating a flexible and motivated workforce that will be more equipped to then support the broader Corporate Priorities of the Council incorporated in the Community Strategy etc.	This will also provide the Council with more efficient ways of working enabling financial savings to be made on cost on physical work space, electricity, and unsocialable hours payments.	Medium term 6 -12 mths
Create a range of Management Resourcing Options -empowering managers to plan and manage their workforce by providing a coordinated and complementary suit of options i.e. redeployment, secondment, agency staffing etc.	Supports worklessness by enabling managers across Services to ensure resourcing is more efficient.	In support of Performance and Improvement. This will enable quicker resourcing solutions, that are cost effective, allow a single point of contact and consolidate resources both internally and in the future across partners. This will enable managers to make the right choices and support workforce stabilisation – with subsequent reduction in associated costs and dependency on temporary/ interim workforces.	Medium to long term 12 mths – 2 years

Objective	Strategic Fit	Benefit	Timescales
Management empowerment and ownership – in changing the offer/ service to managers through the implementation of the MSS/ESS systems and restructuring / change in the HR service delivery model there will be a parallel development of an underpinning culture change which ensures empowerment and ownership of people management.	This will give managers an appropriate range of solutions to issues that the use of will be informed by their increase in knowledge, accountability of people management issues and the appropriate people measures. This will support the People Strategy and enabling transformation cultural change in the way we manage a largest and most expensive resource.	This would involve less intervention from HR, more focus on management development, capacity building, and monitoring of continuous improvement (see point below). In creating this model of empowerment there would be inclusion of broader / simplified policies/ process but accountability through measurement of how policies where used (absence levels, honorarium, special leave). This will allow HR to support to focus on areas where value can be added to the organisation and free up time to improve the quality of interaction between HR and managers.	Long term – up to 2 years

Objective	Strategic Fit	Benefit	Timescales
Establish HR key performance indicators and more robust measurement and benchmarking of improvement.	Through conducting constructive challenges to managers on people management issues and measures where there needs to be improvement and change enabling focus to be provided to priority people management targets to produce more productivity and reduce costs. It will also enable AIMS/ ICT and Information Strategies to be realised and a more streamlined and effective Council to support objectives of the Customer strategy.	Implementing a focus for both HR and managers on key measures that will create the maximum efficiency and value for money whilst improving quality of services to the city and residents. This will involve improving information systems / tools / sharing, and manager's use of the data freeing up resource to be distributed elsewhere.	Medium term up to 12 mths

Objective	Strategic Fit	Benefit	Timescales
Promote much more proactive measures with managers to reduce sickness absence levels through interventions to affect earlier returns to work – or contract terminations.	<p>Through conducting constructive challenges to managers on people management issues and measures where there needs to be improvement and change enabling focus to be provided to priority people management targets to produce more productivity and reduce costs. Supporting the People Strategy in creating managers and leaders of the future and becoming an employer of choice.</p> <p>Develop and evaluate targeted interventions. Aims to achieve a step arrange in attendance within Services with poor attendance.</p>	<p>Achieving a 20% reduction in absence across all services. This would achieve cost saving in terms of the required HR intensive support and would free up HR time to focus on more strategic value adding initiatives. This reduction would also provide cost savings in Services both in spend on sickness pay and inefficiency in Service delivery caused by high levels of absence from work.</p> <p>Better alignment of absence management interventions in core business planning and operational management. Increased ownership of Heads of Service in tackling attendance issues.</p>	<p>Medium term up to 12 mths. ( empowering managers)</p> <p>Absence Management self Financing Pilot 30K to achieve 100K savings. Medium term up to 12 mths.</p> <p>Well-Being intervention 100K (savings). Short term 6-12 mths</p>



Objective	Strategic Fit	Benefit	Timescales
To consolidate resources across partners city wide and regionally- AGMA.	A city wide People Strategy - To develop joint workforce planning: responses to redeployment of people resources to avoid redundancies, promote development opportunities for employees and move over resourced and skilled resources to those that are under resourced; creating a process for secondments across other public sector partners ( links to management resourcing options and managing the internal workforce going into budget constraints) and shared service with partners ( e.g. advisory, occupational health). This approach would also provide a basis to support issues such as worklessness.	Would be resource intensive to establish but would once realised free up time and reap vast cost savings across the Council and other partners.	Long – term up to 2 yrs