
**Manchester City Council
Report for Information**

Report to: Human Resources Sub Group - 28 July 2016

Subject: HR Reviews Update

Report of: Deputy Chief Executive (People, Policy & Reform)

Purpose of the report

This report provides the Sub Group with an overview of the outcomes from two external reviews of the Council's HR activity which took place earlier this year. It sets out the key findings from the reviews, the activity which has already taken place to deliver a number of identified 'quick wins' and the approach to delivering further improvements in line with the reviews' findings.

Two appendices are also attached which provide specific information as requested by the committee covering:

1. A progress update with the delivery of employee and manager self service (*mi people*)
2. A summary of the current position on employee time recording activity across the Council.

A presentation providing an overview of the strategic workforce context for the organisation will also be provided to Members at the sub-group meeting.

Recommendation

The Sub Group is asked to note the report.

Wards Affected: All

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Background documents (available for public inspection):
None

1. BACKGROUND

- 1.1 As Sub Group Members may be aware, external reviews were undertaken of the strategic and transactional human resources activity provided across the HROD and Shared Service Centre functions earlier this year. The reviews sought to identify current strengths and areas for improvement across both facets of HR against best practice models and in the strategic context. The reviews set out a range of clear recommendations to inform the future development of the function which are now being progressed.
- 1.2 The scopes of the two reviews covered the full spectrum of human resources activity and are summarised below.

The strategic activity and approaches within the scope of the strategic HR review included:

- Succession planning,
- Talent management,
- Forecasting workforce demand and supply,
- Understanding and developing workforce skills,
- Employee engagement
- Organisational and role design

The transactional business processes and support services within the scope for the transactional review included:

- All Resourcing activity;
- Payroll (salaries, wages, fees and other financial awards) processing including transactional pensions activity
- Statutory compliance activity including maintenance of employee records and files;
- Support for service redesigns and maintaining the core structures and payment profiles
- HR advice and support to managers and staff.
- Employee lifecycle activity and our relationship with staff.
- All systems, processes, databases and activities supported with the above activity.

- 1.3 The final reports setting out the review findings were received at the end of April 2016.

2. MAIN FINDINGS

- 2.1 The reviews provided a detailed examination of the HR & OD services provided by the Council and involved detailed interviews and workshops with a broad range of HR & OD staff, staff in the Shared Service Centre and staff across directorates. Associated systems and technology was also reviewed in detail and a survey undertaken across all people managers in the Council to gather their views.

- 2.2 A summary of the findings across the two reviews, grouped as 'Strengths' and 'Areas for Improvement', is provided below:

Strengths

- Apprenticeships are delivered effectively and are extensive, and are linked well with local schools.
- There is talent and highly skilled people within the service.
- Some good relationships with the business
- The workforce has a wealth of knowledge and experience.
- A lot is delivered with limited resources.
- Self service has made a significant impact.
- Significant savings have already been delivered
- The Council is a good employer and turnover is fairly low

Areas for Improvement

- Current service provision felt more reactive than proactive
- Lack of capacity in organisational development that is impacting on talent management and succession planning.
- Some system improvements needed and some processes have multiple hand offs and manual stages.
- HR & workforce issues require a stronger voice at the Council's Senior Management Team
- Poor data integrity impacting effectiveness
- Siloed HR team culture and lack of collaboration – also lack of clarity to service users about the right access points.
- Poor rigour and challenge of HR Processes.
- Risk averse, too much policing and managers wanted to be trusted to get on with things
- Opportunities for improved collaborative working with transactional colleagues and those across the Corporate Core.
- Structure and strategy needs to be defined

3. EARLY ACTION AND 'QUICK WINS'

- 3.1 At its meeting on 1st June 2016 the Council's Personnel Committee approved one of the key recommendations from the external reviews, the establishment of a post of Head of HR and OD. This new post is part of the Council's Senior Management Team, reporting to the Deputy Chief Executive (People, Policy & Reform), and will play a key role developing frameworks for consistently good management practice and programmes of cultural change across the Council, in order to support the development of Our Manchester. The post will also hold accountability for leading the redesign of the HR and OD Service, ensuring that key improvements are achieved. As part of this work consideration is being given as to how best to bring together the strategic and transactional elements of HR, including the workforce functions of the shared service centre. Recruitment to this post is underway and will be completed in the Autumn, with interim arrangements in place to cover the role in the meantime.

- 3.2 The alignment of the HROD, Policy, Partnerships & Research and Reform & Innovation functions together under the leadership of the Deputy Chief Executive (People, Policy & Reform) will support the service to strengthen its alignment to the Council's overall policy and reform agenda. Importantly, it will place HROD at the centre of the Corporate Core's role in driving forward Our Manchester through developing and supporting the workforce in line with this approach, which will be fundamental to its success. Work is underway to develop an updated People Strategy for the organisation which will articulate the organisation's core workforce priorities. This work includes a particular focus on:
- Developing a framework for more consistent high-quality leadership and management across the whole of the organisation.
 - Delivering significant improvements to workforce engagement in response to the BHeard survey.
 - Strengthening the organisations approach to ensuring the skills required for the future are in place, developed and retained
 - Continuing the work on lean systems to improve all people management processes.
- 3.3 A range of 'quick wins' (improvement actions identified in the review that were able to be started immediately) have been already implemented (or are being tested prior to implementation) and include:
- Changes to resourcing processes, including a reduction in hand-overs and automation of resourcing requests via an easy to use intranet based form for managers (R1 Sharepoint system). Feedback to date from managers has been very positive.
 - Streamlining of the matching process i.e. how we match individuals searching for a role in accordance with the **m people** principles – this has reduced the average matching time from around 3 weeks to 5 days.
 - A further change to the matching process has been developed and is being piloted with Neighbourhood delivery managers and will be rolled-out from August 2016. This change extends access to the matching 'portal' to both managers and individual employees – initially only HR staff had access – and this wider access broadens the ownership of the process whilst also introducing additional automation for interview invites.
 - The Service Redesign process has been simplified, removing duplication and reducing documentation. This speeds up the change process, ensuring engagement with managers and HR staff is in place at the outset so that the quickest and simplest route forward is identified.
 - A streamlined system for managing the financial control of agency staff has been developed by HR and Finance colleagues and will reduce the related administrative work. It has been introduced on a pilot basis with two agencies and will be rolled out to other agencies from August 2016.
 - A number of enhancements to the **mi people** Self Service functionality are being tested with further enhancements planned. An overview of **mi people** Self Service and developments over recent months is appended below.
- 3.4 Many of the suggested improvement actions identified in the reviews require wider consideration e.g. they are more complex and/or require further

evaluation work, require further financial investment or need to be considered within the context of wider matters. A significant number of the suggested improvements are linked to the increased use of technology and Officers from HROD are working closely with ICT colleagues to develop a clear HR Technology Roadmap aligned to the Council's new ICT strategy. This road map will cover a range of areas ranging from enhancing transactional activity, including E-Recruitment, to systems support to Talent Management. Further detail on the Council's current position in relation to employee time recording, a specific area of interest identified by Members, is appended below.

4. IMPLEMENTATION PROGRAMME

4.1 A Programme Board, chaired by the Deputy Chief Executive (People, Policy & Reform), has been established to lead the work programme that will implement the agreed actions from the HR&OD reviews. As a first stage in this work an initial Project Definition Workshop was held on 14 July 2016 which brought together colleagues from HROD, the Shared Service Centre and ICT. The workshop agreed a broad implementation programme for the required activity and identified the following thematic work-streams:

- Resourcing and recruitment
- HR Processes, scope and access points
- HROD Organisational Model

4.2 ICT representation at the Board level of the Programme is critical given the extensive reliance on ICT systems for both business as usual activity and for improvements. It will be important that the HR&OD Implementation Programme is not only fully informed of the wider ICT strategy, but also informs any related corporate decisions.

4.3 Work is now underway on finalising the scope of the work-streams and identifying their key objective and time-frames.

4.4 In addition to the detailed review findings, this programme of work is being progressed cognisant of the strategic context for HR, as set out in the accompanying presentation, and, in particular, Our Manchester. It will also be aligned with wider work to review transactional processes and operating arrangements across the council's core support functions.

5. CONCLUSION

5.1 Good progress has been made on a number of the immediate improvements identified by the HR&OD reviews. However, there remains a significant volume of activity to be undertaken in order to deliver the possible improvements identified by the reviews. Resources & Governance Scrutiny Committee (HR Sub Group) may wish to receive a further update on this work at a future meeting.

APPENDIX A: *mi people* UPDATE

The *mi people* Self Service Project launched new parts of SAP to the circa. 5,500 employees and managers with IT access on 28 July 2015.

The launch of the system sought to

- Enable the Council to remove time consuming non-productive administration processes;
- Move the dependency from Shared Services Centre for entry and processing of data to managers;
- Improve the data quality and reporting in SAP;
- Decrease the time for claims to be approved and paid to employees;
- Improve the availability of reports to managers in SAP supporting them in their roles.

For employees the system has provided the ability to undertake the following activities 'on line':

- ✓ Request annual leave and flex leave;
- ✓ Update personal details such as home address, emergency contact;
- ✓ Submit work expense claims with an automatic alert sent to their manager for approval;
- ✓ Submit additional payments including Overtime Hours, Bank Holiday Payment, Weekend Enhancement, Night Rate Plussage, Standby Payment, Unsocial Hours, Sleep Ins;
- ✓ Submit mileage claims;
- ✓ Change bank account details;
- ✓ View payslips online.

For managers, additional functionality includes the ability to:

- ✓ View their team details and absence in one calendar;
- ✓ Run their own reports such as absence reports;
- ✓ Enter sickness reason and dates;
- ✓ Receive and approve or reject:
 - Annual leave and flex leave requests;
 - Expense claims;
 - Mileage claims;

The system launch represented an important step change in moving the organisation towards a more self service model of transactional activity, with an increased emphasis on individual and line management ownership and responsibility. As part of the project a change managing workstream was delivered which was responsible of the coordination of a significant range of communications activity during the system launch and beyond, and also the delivery of two E-Learning modules to support staff and managers in using the new system.

Whilst, at present, circa 1,500 employees without ICT access are continuing to make use of paper based processes, the ultimate aim is that through technological developments and the delivery of Universal Access these paper processes can be removed fully.

At the previous meeting of the Finance Scrutiny Committee (HR Sub Group) Officers noted that concerns had been raised around the accuracy of reporting on compliance with the Return to Work process since the launch of the new system. Following that meeting work has been undertaken to address a number of minor technical issues which have been identified as well as to strengthen the guidance available to managers to support them with this process.

At the last meeting of the Sub Group Members also asked for further information around system usage levels given recent reductions in reported employee sickness absence. Reporting shows that the system is being used across all Services in the Council. However, analysis has identified a number of areas where usage levels appear lower. These areas include Libraries, Business Delivery within the Adults Directorate and Children's Social Care. Work is underway in these areas to support staff and managers in fully utilising the system.

In direct response to feedback from staff and managers a number of improvements and enhancements are progressing to both improve the user experience of **mi people** and increase the number of transactions which form part of self service. This includes a number of relatively quick win tasks which, subject to ICT support, should be in place within the coming weeks/months such as:

- A reduction in the number of sickness absence categories from circa. 300 to circa. 30 (aligned to the Health and Safety Executive recommended list) to make recording sickness absence more user friendly whilst retaining the ability to report reasons accurately
- Activation of the 'Who's Who' staff directory functionality
- Revising the list of work expense categories in response to staff feedback
- Considering utilising the 'Annual Leave' functionality for recording other types of employee leave.

Other, more technically complex enhancements including:

- Utilising a more user friendly interface ('form') for the sickness reporting, annual leave recording and mileage processes and integrating the sickness absence recording process with arrangements for Return to Work interviews and Attendance Monitoring Reviews.
- Increasing the ability for staff and managers across teams to view team annual leave calendars to understand availability.

As noted above, enhanced use of technology is a key area of focus in implementing the outcomes of the HROD review. Increased utilisation of **mi people** Self Service will be one consideration as part of this work.

APPENDIX B: TIME RECORDING OVERVIEW

At the last meeting of the Sub Group Members asked for a short overview of time recording systems in use across the Council.

Manchester City Council employees are based at approximately 150 locations / establishments across the city. Within these locations employees who access “Flexi Time” utilise various methods of time recording, the primary system being Timenet, which is used in a number of locations, covering a large number of staff, including the Town Hall Extension, Alexandra House and Wenlock Way which accommodate circa. 3,000 employees. Timenet does not currently interface with the Council’s SAP system however, it does incorporate a reporting functionality (used by System Administrators) which can provide line managers with access to reports on employee time records through their Citrix desktop.

SAP is used for annual leave recording by all employees with ICT access across the Council and for recording sickness absence by all line managers via *mi people*. However, whilst there is a Time Management module within SAP this is not currently configured and making use of this would need to be considered as part of an overall appraisal of SAP ‘fit for purpose’.

Whilst it would be theoretically possible to interface Timenet with SAP or activate the SAP Time Management module neither of these options is straightforward or inexpensive and would need to be considered alongside the consolidation of the multiple other systems available. Any development in the use of time recording would also need to be considered in the context of the broader roadmap for HR technology and priorities and approach to staff management.