

Manchester City Council Report for Resolution

Report to: Personnel Committee – 25 July 2018

Subject: HROD Senior Structure Review

Report of: Deputy Chief Executive

Purpose of Report

This report sets out progress in delivery of Our People Strategy. It also proposes changes to senior capacity within the HROD Service in order to deliver highlighted priorities and to continue to strengthen core people management activity and processes across the Council.

Recommendations

The Committee is requested to:

1. Note the progress in delivering Our People Strategy
 2. Agree the regrade of the post of Head of HR Operations from Grade 12 to SS2 (£67,182-£72,721) to take account of the broadened operational remit and increased strategic role of this post.
 3. Agree the redesignation of the post of Head of Organisation Development to Head of Workforce Strategy and regrade from Grade 12 to SS2 (£67,182-£72,721) to take account of the broadened operational remit and increased strategic role of this post.
 4. Note the reduction of the post of Head of Employee Relations from full time to part time (0.45 FTE)
 5. Agree that a permanent senior HROD post (SS2, £67,182-£72,721) will be established and deployed across the Manchester Local Care Organisation and Manchester Health and Care Commissioning as a Strategic Business Partner on a full time basis as part of the new integrated arrangements for health and social care. This posts will retain a matrix reporting line to the Director of HR/OD and formalises the current interim arrangements in place.
 6. Note that a number of structural changes at Grade 12 and below will take place over the coming months to ensure effective operational management arrangements are in place to account for the changes and priorities described. This will include additional dedicated Organisation Development expertise.
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Wards Affected: All

Financial implications for the revenue and capital budgets

The total increased costs of the proposed changes within this report are £142k, made up of £49k costs of regrading the two grade 12 posts to SS2, and £93k costs of establishing the additional SS2 strategic business partner post. These costs assume top of grade and also include employers on costs.

The additional costs will be funded from within the existing HROD budgets, £46k will come from the savings from deleting of 0.54FTE of the Head of Employee Relations and the balance of £96k will be funded from across the overall service approved budget in the context of the overall service changes outlined below.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

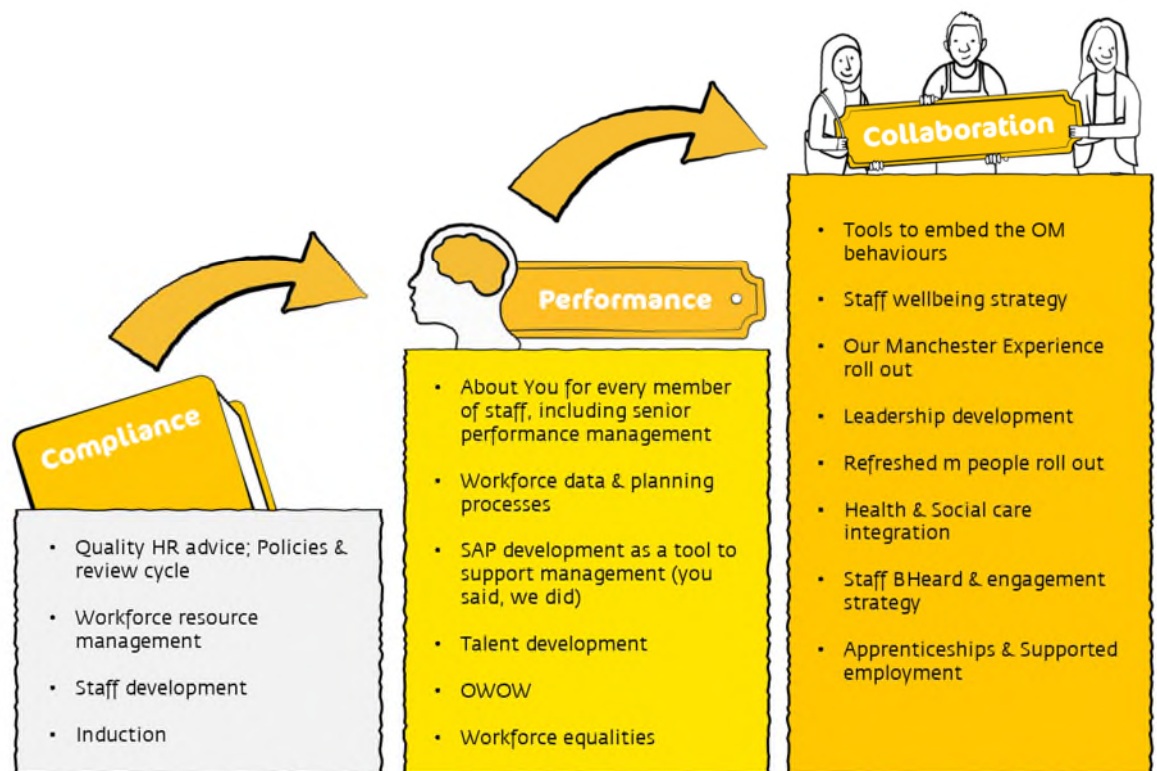
Personnel Committee 28 June 2017 - *HR/OD Service Restructure - Final Proposals*

1. Background

- 1.1 In June of last year Members agreed final proposals for a revised structure of the Human Resources and Organisation Development Service (HROD). These arrangements were informed by two independent reviews of activity across the Service and within the HR functions of the Shared Service Centre. The proposals sought to address a number of operational challenges as well as aligning capacity to the priorities of the Our People Strategy, with specified objectives to “inspire, Empower and Connect” the workforce, agreed earlier in the year.
- 1.2 The changes agreed removed four roles above Grade 12 from the service structure, retaining the associated budget to commission strategic support on a flexible basis.
- 1.3 Over the past year significant progress has been made with delivery of the objectives of the Our People Strategy including:
- Delivery of the 17/18 Apprenticeship Strategy with 200 apprentice starts, exceeding the corporate target of 169, with a clear plan in place for 18/19
 - Successful transition to an outsourced provision for coordinating agency staffing with a reduction in spend in 17/18 of circa. 17% compared to 16/17
 - A continued downward trend in sickness absence levels
 - A 5% increase in BAME workforce representation (now 25%)
 - A significant increase in staff engagement to “Ones to Watch” Best Companies status
 - Universal ICT access roll out to circa. 800 staff
 - Circa. 40% of Leaders & Managers participating in the Council’s core development programmes
 - Roll-out of About You, a strengths-based performance management framework for all as well as performance-based senior grade progression for staff above Grade 12
 - Launch of the Our Manchester Behaviour Framework and Experience with over 1,000 participants and 90+% positive feedback
 - Launch of an Employer Supported Volunteering Scheme and Policy with 130 staff contributing over 750 hours to supporting our residents and communities
 - Launch of a new Employee Assistance Programme (24/7 support for staff on a range of issues) with circa. 1,400 calls
 - Launch of a strengthened process to support staff redeployment as part of a review of *m people* arrangements
 - Achieving re-accreditation of at the Excellent level of the Equalities Framework for Local Government (EFLG) for the Council’s work, with a supporting and similarly positive review form an independent organisation of the workforce equalities offer
 - Improvement of mi People self service, including streamlining the sickness absence recording process as a basis for improving compliance

2.0 Priorities for 2018/19

- 2.1 With the benefit of a now much stronger foundation of basic people management processes, an assessment has been made of the delivery priorities for the year ahead.
- 2.2 The original objectives to inspire; connect and empower staff reflects an aspiration to move towards a culture based on trust; engagement and empowerment. Staff feedback from BHeard tells us, however, that whilst some Council services are already operating in this way, a number do not yet have the confidence in basic processes and management skills for this to be a reality. The engagement levels of senior leaders were found not to compare as well as the front line workforce and analysis of workforce data and HR case loads also shows the ongoing challenge of getting the “basics” right, including persistent high levels of staff absence; significant agency spend in some services and a lack of confidence in managing staff performance (for example very low utilisation of the workforce Capability procedure). The extent of these challenges is not surprising given the complexity of managing a workforce of c7000 people across multiple locations; hundreds of service and an earnings range of c£180 000.
- 2.3 Organisation development theory sets out three stages to embed a culture of collaboration, which is a helpful framework to incorporate the issues and opportunities which the Council has identified. These are:
- a foundation of compliance, to ensure there is a consistent understanding across the Council of strategic purpose, objectives, plans and “rules” (i.e. policies)
 - a performance framework and underpinning organisational culture which is outcome focused and consistent whereby staff have the direction, tools and accountability to be highly effective in meeting organisation direction
 - a culture of collaboration within which the voices and contribution of every highly performing colleague are brought together on the basis that “nobody is as good as everybody” and where decisions are made at the most appropriate level.
- 2.4 The people strategy delivery plan for this year will therefore seek to complete and “shore up” the work that is already underway across the three components of compliance; performance and collaboration rather than press on with expansive new strategy. The objective is to consolidate progress made over the past 12 months and ensure that the following basic components of core people management process are in place consistently:



2.5 In more detail, priorities for the year ahead to achieve this framework are as follows:

- Maintaining a focus on optimising workforce resources, including improvements in staff attendance; reductions in the use of agency staff and management of workforce under spends
- Embedding integrated teams across the wider health and social care partnership
- Continuing work to refresh **m people**, specifically:
 - continuing to embed the work with redeployees to move them to a new post within 12 weeks
 - strengthen processes to minimise medical movers by providing reasonable adjustments within services
 - the development of a meaningful “opt in” offer to encourage the career development of staff and flexible deployment of the workforce. This includes the scope to “opt in” to secure additional hours as an option to increase earnings of existing staff and broaden their skills base
- A strong focus on organisation development (OD), to restore the internal capacity that was removed historically. In doing this it will be necessary to prioritise and invest in OD in order to embed the Our Manchester behaviours across the workforce through the policies, skills and practice of managers and staff across the organisation. Particular priorities include:

- Ongoing investment in the processes and content of the staff development offer, to drive up the skills profile of the workforce; continue to invest in leadership and management development and develop an asset-based staff development offer in particular
- Development of specific strategies to deliver Our Manchester as a lived experience for staff, including the ongoing roll out of the Our Manchester Experience; tools to embed the behaviour framework; workforce wellbeing; embedding Our Ways of Working as a tool for absolute flexibility by complementing the Estates changes with refreshed HR policies and leadership development; continuing to grow the performance management framework, a new coaching and mentoring offer and developing employee “voice” through staff groups and tools for co-design
- The development of a talent strategy which supports progression from entry-level to the most senior roles including through apprenticeships and opportunities for out placements. - This, in turn, will support the Council's Social Value priorities.

2.6 In addition, the HR Team are working to develop a People Strategy framework across Manchester, working with partners to co-design and deliver interventions that align the wider City workforce with Our Manchester. (The Council is contributing to a similar piece of work across Greater Manchester to deliver the GM Strategy: Our People, Our Place)

2.7 In addition to the strategic direction of the Council's Our People Strategy and growth of city-wide work, the HROD service will grow this year, with additional responsibilities including:

- The movement of resourcing, organisational management and compliance (DBS) functions and associated staff from the Shared Service Centre into HROD, in line with the recommendations from the external review
- A strengthened leadership role as part of the Our Ways of Working programme following the departure of the current Director of Trading Services
- A series of additional organisational accountabilities on the recommendation of recent audit reports, as follows:
 - Strengthening organisational compliance activity in relation to IR35, staff expenses and purchase card use.
 - The Director of HR to become the Council's Lead Counter Signatory for DBS

3. Revisions to the HR/OD Departmental Management Team

3.1 A number of revisions are proposed to the senior structure of the service to ensure the right capacity is in place to deliver on the Council's people

priorities. These proposals take account of both learning from the past twelve months and the broader organisational changes outlined.

- 3.2 The post of **Head of Employee Relations** (SS1) was created in June of last year with a remit focused on leading the delivery of a review of HR policies and procedures and associated budget savings as well as providing oversight of complex HR advice and employee relations matters, including the Service's interface with the Trade Unions. A clear strategy is now in place for the delivery of the HR policy and procedure savings and operational management within the HR Management Support and Policy teams is now firmly established providing day-to-day management capacity on casework and policy development. In the light of this, it is now possible to reduce the capacity within this post and realign the focus of the role to oversight of the most complex cases, Trade Union relations and the delivery of a programme of skills transfer and development across the Service on technical HR matters, including pay and grading. The post will therefore reduce to 0.45 FTE which has been enabled by the post-holders flexible retirement agreed in line with Council policy.
- 3.3 The post of **Head of HR Operations** is now operating effectively as one of two deputies to the Director, taking on an increased strategic role and providing strong leadership to all HR operational functions within the Service including first-line HR support to managers, HR projects and organisational change activity, agency and specialist recruitment, *m people* and the Business Partner function (including support to Schools). The scope of the role will be further enhanced with the movement of the resourcing, organisational management and compliance (DBS) functions and associated staff into the HROD Service and greater leadership of the Our Ways of Working programme. In recognition of the changes to this role and following evaluation through the Council's senior job evaluation scheme the proposal is to regraded this post from Grade 12 to SS2.
- 3.4 The Head of Organisation Development has also been operating as an effective deputy to the Director on both Organisation Development and HR Strategy matters, including equalities. In the context of the strategic ambitions of Our People Strategy this year and growing city-wide workforce strategy activity it has been assessed that the scope of this role is too great however, and that capacity is required across the strategy and OD portfolios respectively. It is therefore proposed that:
- Leadership of technical organisation development is removed from this role and a dedicated post is established within the wider structure, described below. The revised remit of the post, which will be re-named **Head of Workforce Strategy**, will be leadership of workforce intelligence; equalities; HR policy and strategy development and programme management of the People Strategy and wider HROD Service Plan. This post will play a key role in supporting the workforce considerations of the emerging Corporate Strategy and, in particular, the development of an organisational strategy to support workforce planning and talent management in response to this. The post will also take on an increased role in relation to city-wide workforce

strategy development in support of Our Manchester and SMT and SLG development, following the departure of the Head of the Executive Office. In recognition of the changes to this role and following evaluation through the Council's senior job evaluation scheme the proposal is to regrade this post from Grade 12 to SS2

- Note that as part of the review of posts at grade 12 and below it is proposed that a new **Organisation Development Lead** will be established at Grade 12 which, for the information of the Committee, will be a technical expert in the behavioural science of OD. The post will have responsibility for the design and delivery of interventions which embed Our Manchester behaviours through particular tools; individual and team leadership and management development; competencies and skills. The post will manage a small team of practitioners and be responsible for the commissioning budget held by the service to procure expertise in particular specialisms as required. This post will be a member of the HROD Departmental Management Team to ensure appropriate focus on OD as a core aspect of Our People Strategy.

3.5 Work is underway to review the detailed operating structure below these posts which will include both strengthened capacity for OD and an enhanced programme management function to ensure oversight of the People Strategy delivery plan. - These changes will be delivered within the Service's existing budget.

4. Senior HR/OD Support to Health and Social Care

4.1 Following the changes to the Service's management arrangements in June 2017, a senior HROD post (SS2) was deployed on a time limited basis across Manchester Local Care Organisation (MLCO) and Manchester Health and Care Commissioning (MHCC) to act as a Strategic Business Partner to the partnerships as part of the transitional arrangements. To effectively represent the Council's interests as an employer and ensure appropriate support to those Council employees within MHCC and MLCO this post will be established on a permanent basis and will draw in support from the wider HROD Service as required. - The post will be managed jointly by the Director of HROD and the Workforce Directors from MLCO and MHCC.

5. Comments from Director of HROD

5.1 These proposals provide a strengthened senior structure for the HROD service which will provide a solid foundation for delivery of the Our People Strategy.

6. Comments from Trade Unions

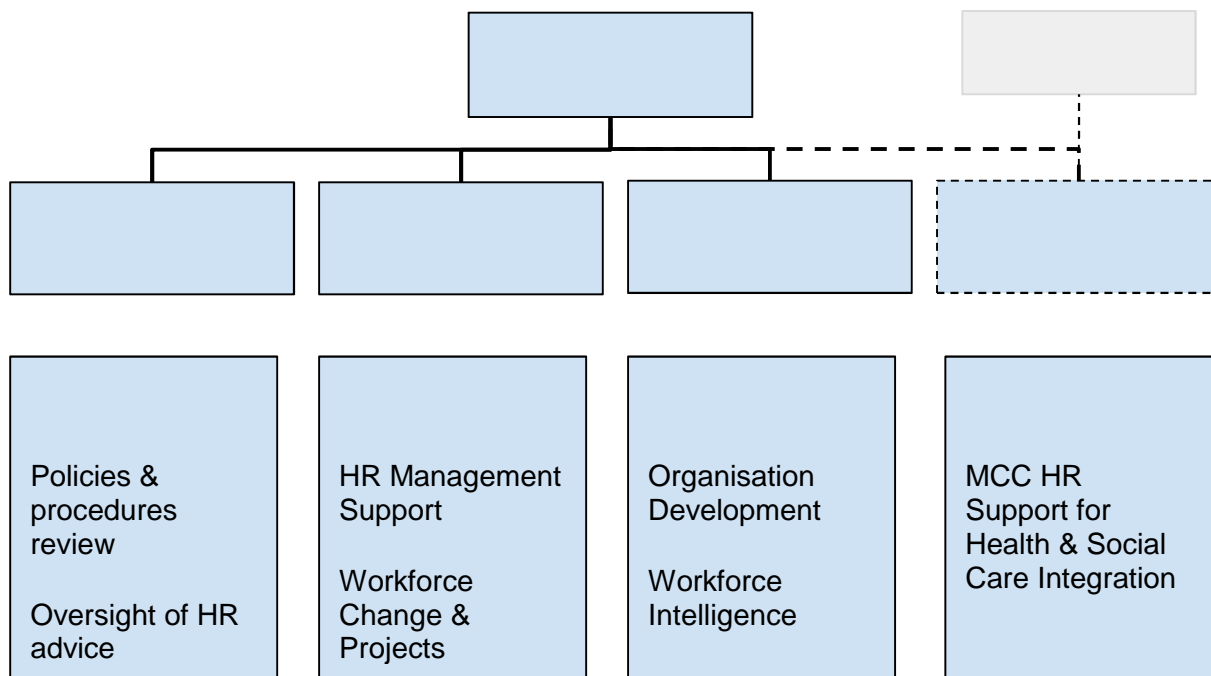
To follow.

7. Conclusion

- 7.1 Members are asked to note the progress made in delivering Our People strategy as a core component of Our Manchester and to agree the proposals set out in relation to the HROD Service senior management structure which seek to ensure effective strategic capacity is in place to deliver, within the existing budget envelope.

Appendix - Service Structure

As is



To be

