

## HARROW COUNCIL

<b>Meeting:</b>	Overview & Scrutiny Committee
<b>Date:</b>	Tuesday, 2 <sup>nd</sup> March 2004
<b>Subject:</b>	Annual Report of HR Portfolio Holder for 2002/2003
<b>Key decision:</b>	No
<b>Responsible Chief Officer:</b>	Executive Director (Organisational Development)
<b>Relevant Portfolio Holder:</b>	Portfolio Holder For Finance, Human Resources & Performance Management
<b>Status:</b>	Part 1
<b>Ward:</b>	N/A
<b>Enclosures:</b>	None.

### 1. **Summary**

- 1.1 This report sets out the HR work of the council over 2002/03, the key service objectives and progress made to date implementing these objectives.

### 2. **Recommendations**

- 2.1 **That the Overview & Scrutiny Committee note the report of the HR Portfolio Holder.**

### 3. **Consultation with Ward Councillors**

- 3.1 N/A

### 4. **Background Information**

- 4.1 Your meeting on 22<sup>nd</sup> January 02 received a report from the Human Resources Portfolio holder which set out how the Personnel service was delivered and work carried out over 2000/01, the key service objectives and progress made to date implementing these objectives. The report also outlined the composition of the council's workforce in terms of ethnicity and gender and detailed the representation of disabled people in the workforce.
- 4.2 The Chair asked for such a report on an annual basis, and this report details progress during 2002/03.

## 5. How The Personnel Service Is Delivered

- 5.1 The HR work in the authority is delivered via the Personnel Services division. Personnel Services is a service unit within the Chief Executives department. There are 8 separate units within the service. These include departmental Personnel units that provide a comprehensive service to all departments of the council; the occupational health and health and safety units; payroll; pensions; training and development; and the workplace nursery.
- 5.2 The service is delivered by the council's staff who are largely based at the civic centre. The Occupational Health Service is provided under an agreement with Northwick Park Hospital Trust.

## 6. Key Performance Indicators

- 6.1 Personnel Services are responsible for monitoring and reporting the Council's performance against a range of indicators, including a number of Corporate Health BVPIs.
- 6.2 Compared to 2001/02 the Council has improved its performance against all those Corporate Health BVPIs monitored by Personnel Services. However it has not achieved all its performance targets. Performance compared to last year and the targets for 2002/03 is set out in the table below:

Performance Indicator	2001/2002 Performance	2002/2003 Targets	2002/2003 Performance
(a) <b>BV2</b> - The level of the Equality Standard for Local Government to which the authority conforms.	BVPI amended	Level 1	Level 1
(b) Success Ratio for black and ethnic minority job applicants	0.47	0.7	0.53
(c) The proportion of black and ethnic minority appointments reflect the proportion of black and ethnic minorities in the local community.	39%	42%	44%
(d) <b>BV17</b> - The percentage of black and ethnic minority employees of the total workforce.	23%	25%	27.4%
(e) <b>BV11b</b> – The percentage of black and black and ethnic minority staff in senior management in the top 5% of earners.	BVPI amended	10%	5.3%
(f) To achieve a balanced workforce which reflects the economically active ethnic profile of the local community of Harrow.	23%	25%	27.4%
(g) The proportion of women appointments reflect the proportion of women in the local community	59%	51%	64%
(h) To achieve a balanced workforce which reflects the gender profile of the local community of Harrow.	77% women 23% Men	51% women 49% men	76% women 24% men

Performance Indicator	2001/2002 Performance	2002/2003 Targets	2002/2003 Performance
(i) <b>BV11a</b> - The percentage of Senior Management posts filled by women, based on the top 5% of earners.	BVPI amended	40%	35%
(j) <b>BV16</b> - The percentage of staff of the total workforce declaring a disability.	2.1%	3%	2.4%
(k) The numbers of employees using or subject to the procedures is proportionate to the workforce profile in terms of ethnicity, gender and disability.	Overall black and ethnic minority staff appear to be disproportionately affected except in relation to ill health dismissals.	Proportionate to the workforce profile.	Potentially adverse impact on black and ethnic minority staff only appears in the disciplinary & probationary procedures
(l) That access to training is at least proportionate to the workforce profile in terms of ethnicity, gender and disability.	Target achieved except for black and ethnic minority employees participating in training courses, which is 22%.	Target will not prevent positive action for black and ethnic minority staff, women or disabled staff.	Target exceeded for: BEM 39% Disabled 4% Women 71%
(m) <b>BV12</b> – The number of working days lost due to sickness absence	10.65	9.50	9.98
(n) <b>BV14</b> – The percentage of employees retiring early	0.32	0.45	0.12
(o) <b>BV15</b> – The percentage of employees retiring on grounds of ill health	0.74	0.50	0.47

## 7. **Composition Of The Workforce**

7.1 The number of employees 5637 has marginally decreased compared to 5689 in 2002. (NB all figures are as at 31 March).

### **Black and Ethnic Minorities**

7.2 The overall proportion of ethnic minority employees in the workforce is now 27.4%.

Payband		Profile as at 31.03.03	Profile as at 31.03.02	Profile as at 31.03.01	Profile as at 31.03.00
Band	1 White	67%	70%	68%	71%
	1 Ethnic Minority	33%	30%	32%	29%

Payband		Profile as at 31.03.03	Profile as at 31.03.02	Profile as at 31.03.01	Profile as at 31.03.00
Band 2	White	67%	77%	79%	79%
	Ethnic Minority	33%	23%	21%	21%
Band 3	White	81%	82%	79%	84%
	Ethnic Minority	19%	18%	21%	16%
Band 4	White	88%	93%	92%	93%
	Ethnic Minority	12%	7%	8%	7%

7.3 The Council's local performance indicator for 2002/3 was that the proportion of black and ethnic minority appointments reflects the proportion of black and ethnic minorities in the general population and was set at 42.7%. As can be seen from the figures below, the Council exceeded its target.

ETHNIC MINORITY APPLICANT MONITORING			
Year	Applications	Shortlisted	Appointed
2002-03	59%	52%	44%
2001-02	58%	51%	39%
2000-01	53%	46%	38%
1999-2000	49%	45%	39%

7.4 The table also shows that the proportion of ethnic minority appointments is lower than the proportion of ethnic minority applicants hence the Council has fallen short of its success ratio target of 0.7.

### Disability

7.5 The Council's target for the employment of disabled people is 3% of the workforce. There has been a marginal increase in the number of staff declaring they have a disability, which is 2.4% compared to 2.1% last year.

7.6 The number of applications received from people who declared that they considered themselves to have a disability is 92(2.3%). The number of applicants with a disability shortlisted is 34 (2.6%), and 3 applicants with a disability were appointed out of 382 appointments (0.8%).

### Gender

7.7 The Council set a target of 51% for its local performance indicator that the proportion of women appointments reflects the proportion of women in the local community. The proportion of women appointments for 2001/02 was 64%. The Council has exceeded its performance target.

7.8 The proportion of women applying for posts is 63% compared with 37% for men. The proportion of women being shortlisted is 64% compared with 36% for men. The proportion of women appointed is also 64%. The proportion of women appointed is higher than men at all paybands and is consistently at 60% or above.

- 7.9 An analysis of the number of appointments by payband and comparisons with the previous two years is shown below:

Appointment of Women by Payband				
Payband	2002/03	2001/02	2000/01	1999/2000
Band 1 Men	43	88	45	93
Band 1 Women	68	90	102	210
Band 2 Men	66	50	39	72
Band 2 Women	123	132	91	90
Band 3 Men	21	32	20	15
Band 3 Women	41	24	21	48
Band 4 Men	8	14	5	8
Band 4 Women	12	20	12	10

## 8. Sickness Absence

- 8.1 Employees in Harrow took an average of 9.98 days sickness absence in 2002/03. This compares with 10.65 days last year and is the 3<sup>rd</sup> year on year reduction. However, our sickness absence remains in excess of the target set by government of 9.1 days.
- 8.2 An absence management project has commenced with the intention of accelerating the rate of improvement so that we are able to reach the government target by 2004/05

## 9. Turnover

- 9.1 Around 10% of the workforce leaves each year for voluntary reasons, with 0.12% retiring early and 0.47% of the workforce retiring on grounds of ill health during 2002/03.

## 10. Review Of 2002/03

- 10.1 The launch of the New Harrow Project and the subsequent re-build of the organisation has been the subject of much of HR focus and attention during the year including the restructuring of the Senior Management Team.
- 10.2 Significant numbers of staff were involved in the national strike by UNISON and GMB in support of their national pay claims and the continuing regional strikes by UNISON and GMB and the NUT in support of the London Allowance claim. Although locally the action was, in the main, handled in a responsible manner the disputes created a significant distraction, which adversely affected progress on local employee relations issues.
- 10.3 As part of the continuing programme of development of the workforce, the majority of managers have now attended a development centre where they have been assessed against Harrow's management competencies and as a result attended management development programmes and developed personal development plans.

- 10.4 Supporting the transfer of the Council's domiciliary care service to BNA provided significant challenges but was successfully accomplished including ensuring the transferring staff retained their membership of the LGPS.
- 10.5 Following Harrow's award of Beacon Status for its work in promoting racial equality. The Council hosted a very successful Beacon Conference, which involved Personnel Services presenting its achievements and disseminating information on best practice in employment monitoring with other Councils and communities.

**11. Progress Against Key Objectives**

Key Objective	Progress
<input type="checkbox"/> To review and develop Harrow's recruitment and retention policies, to ensure that it can attract and retain high quality staff in the current labour market.	<input type="checkbox"/> A protocol for implementing market supplements has been developed which has been used for LGV drivers and Planning staff
<input type="checkbox"/> To ensure that the workforce has the skills and competencies required to deliver high quality services.	<input type="checkbox"/> The emphasis in the year was on the development of managers in relation to defined competencies.  <input type="checkbox"/> Over 2000 staff undertook off the job training through the corporate unit with all training courses clearly defining the skills and competencies to be achieved
<input type="checkbox"/> To produce a revised integrated equality policy, ensuring that it meets the CRE Code of Practice and other equality standards and guidance.	<input type="checkbox"/> The Council's revised Equality Policy 'Making a Difference' was launched in June 2002
<input type="checkbox"/> To implement Harrow's Equality Policies to ensure that its Employment Policies and Service Delivery Policies address the needs of Harrow's diverse community.	<input type="checkbox"/> The Council's Race Equality Scheme and 3 year action plan to impact assess all functions and policies was launched in June 02.  <input type="checkbox"/> Three Council Guides on disability were launched in January 03
<input type="checkbox"/> To have a workforce that is representative of Harrow's diverse community.	<input type="checkbox"/> The Council improved it's performance in all areas of workforce representation

Key Objective	Progress
<input type="checkbox"/> To ensure Harrow's resourcing needs are met via effective management of absence and ill health retirement - ensuring that turnover is not excessive and analysing the reason for leaving.	<input type="checkbox"/> Days lost through absence improved but continues to be above target. The number of ill-health retirements remains within acceptable limits  <input type="checkbox"/> Turnover remains within acceptable limits
<input type="checkbox"/> To review and modernise Harrow's Personnel Policies and Policies ensuring that they support service delivery, including developing new ways of working.	<input type="checkbox"/> The Protocol for Managing Organisational Change was developed which underpins the restructuring required to achieve the objectives of the New Harrow Project
<input type="checkbox"/> E-HR - to use technology including the Inter & Intranets to improve, personnel administration transactions, process and performance.	<input type="checkbox"/> Personnel Services launched their intranet site, which contains up to date information for staff on a range of HR information.  <input type="checkbox"/> LGOL funding was obtained to develop an e-learning strategy and e-learning opportunities for Council staff, with an initial e-learning programme developed for recruitment and selection.
<input type="checkbox"/> To ensure that elected members are inducted into the organisation and that they are supported to meet their changed roles in the new political structure.	<input type="checkbox"/> A comprehensive induction programme for new members was developed. A member development panel was formed and funding obtained to provide an on-going programme of member development
<input type="checkbox"/> To develop and implement the Council's response to Single Status	<input type="checkbox"/> Negotiations commenced but became protracted and stalled as a result of UNISON's failure to engage. Negotiations recommenced in 2003.
<input type="checkbox"/> Ensure achievement of IIP within Chief Executive's department	<input type="checkbox"/> The Chief Executive's department was re-accredited as an IIP and the external assessor was impressed by the progress made since initial accreditation three years ago

### What has gone well?

- 11.1 2002/03 was relatively successful for Personnel Services despite resource constraints and a challenging employee relations climate.

## 11.2 Personnel Services has achieved: -

- A second annual benefit statement was issued to all members of the local government pension scheme
- Introduced a task management system to payroll and pensions
- Negotiated an admission agreement for transferring Domiciliary Care staff
- Exceeded the targets for provision of Information Advice and Guidance in training and career opportunities
- Co-hosted a Job and Career Fair focussing on employment opportunities for members of local minority ethnic communities
- Held a series of conferences on Diversity throughout the autumn
- Re-established the in house Certificate in Management and created a pool of coaches and mentors for managers
- Completed a pay and grading review for all jobs in Contract Services
- Health & Safety promoted activities to mark European Safety Week including lifestyle screening, yoga and 'stress busting' classes and supported a working group to address violence and aggression at work.
- Additional support was provided on fire safety during the Fire Brigade Strike.
- Management of Harrow's response and contingency arrangements during the national and regional industrial action by the NUT, Unison & GMB.
- Developed published and launched the Council's revised Equal Opportunities Policy and Race Equality Scheme
- Developed published and launched a series of Council Guides on Disability
- Reviewed and revised the Council's Maternity, Adoption and Paternity Policies to bring them into line with statutory changes and national agreements.
- Contributed to the satisfactory OfsteD assessment of the LEA

### **What has not gone so well?**

- 11.3 We had intended to review the way we recruit in order to improve both the efficiency and quality of our processes and product for example the way we advertise. Recruitment and retention continues to be a problem in specific work areas, though the initiatives introduced during the year are easing the problems for some staff groups. Whilst minor improvements have been implemented a full review is required and is a priority for the next year.
- 11.4 The success rate for black and minority ethnic applicants continues to be below our target. Further work needs to be undertaken to identify potential causes and any remedial action.
- 11.5 Although we have improved our performance, the number of days lost through absence is below the Council and government target. Improving the way we manage absence will be a priority for the next year.
- 11.6 Negotiations to implement Single Status have been delayed by the local UNISON Branch's failure to engage on some of the more difficult issues. Both the Branch and the Council sought support from UNISON Regional Officers but the response was poor and negotiations stalled.
- 11.7 Similar difficulties were encountered during discussions on the Protocol for Managing Organisational Change. As a consequence there was a significant delay in reaching



agreement on the protocol, which is key to the roll out of the restructuring required to achieve the objectives of the New Harrow Project.

11.8 A more systematic approach to member development needs to be developed and greater clarity of roles and responsibility in the member development processes defined

## **12. Key Service Objectives For 2003/04**

- To develop appropriate change management policies, practices and procedures to ensure the effective implementation of the New Harrow Project.
- To develop and align the HR Strategy and HR Development Strategy to the New Harrow Project Corporate Objectives.
- To develop and implement individual performance management schemes that translate corporate objectives into individual targets.
- To develop and implement development programmes for Elected Members and Senior Managers to develop their leadership skills.
- To review and develop Harrow's recruitment and retention policies, to ensure that it can attract and retain high quality staff in the current labour market.
- To ensure that elected members and the workforce have the skills and competencies required to lead and deliver high quality services
- To implement Harrow's Equality Policies to ensure that its Employment Policies and Service Delivery Policies address the needs of Harrow's diverse community.
- To have a workforce that is representative of Harrow's diverse community.
- To ensure Harrow's resourcing needs are met via effective management of absence and ill health retirement - ensuring that turnover is not excessive and analysing the reason for leaving.
- To review and modernise Harrow's HR Policies and Procedures, ensuring that they support service delivery, including developing new ways of working.
- To promote a healthy and safe workplace through appropriate policies and practices.
- To review the structure of the personnel function to ensure that Harrow is managing people in the best possible way and that the Council's strategic objectives are achieved.
- E-HR to use technology including the Internet & Intranet to improve, personnel administration transactions, process and performance.
- To ensure that elected members are inducted into the organisation and that they are supported to meet their changed roles in the new political structure.
- To develop and implement the Council's response to Single Status.

## **CPA/IDeA Improvement Plan**

- 12.1 In March 2003 Cabinet agreed a Working Draft Improvement Plan in response to the Comprehensive Performance Assessment and IDeA Peer Review.
- 12.2 Service objectives will be prioritised to focus on achievement of the 2003 tasks set out under Priority 9 (Human Resources Strategy) of the Improvement Plan which are detailed below:
- Commission bi-annual staff attitude survey
  - Programme of measures to address sickness absence
  - Review current management competencies and management development programme
  - Develop Human Resources Strategy incorporating vision and values (Key Priority 2) and the need to bring about organisational change as part of the New Harrow Project
  - **Areas For Further Development At End Of 2003**  
Audit 6 key policies and then re-write in light of new organisation. Key policies are those for Recruitment and Retention, Grievance, Disciplinary Procedure, Performance Management, Absence, and Training & Development.

## **13. Author**

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## **14. Background Papers**

- 14.1 Reports to the Overview and Scrutiny Committee meetings on 22 January 2002 and 12 February 2003