

## NORTH YORKSHIRE COUNTY COUNCIL

## CORPORATE AND PARTNERSHIP OVERVIEW AND SCRUTINY COMMITTEE

## HR AND COMMUNICATIONS UNIT WORK PLAN AND FOCUS

28 MARCH 2011

**1.0 Introduction**

- 1.1 This report outlines the HR and Communications work programme now and into the immediate future. Current work is obviously focused on supporting the organisation in terms of restructuring and changing on a huge scale whilst continuing to communicate with and involve staff at a corporate and local level on the changes which effect them as well as the wider budget issues.

**2.0 HR Work to Support Budget Savings Needed**

This work focused on 3 areas

1. To support Directorates restructure and change their services and workforce and ensure due process is followed and legal requirements met.
2. To support staff in a redundancy position
3. To change staff terms and conditions to contribute to savings

**2.1 Support to Directorates**

The scale of Directorate restructuring is such that HR resources are almost wholly focused on supporting Directorates deliver their changes. The savings required from HR have been taken from corporate teams in order to retain the level of operational support available for directorates and staff. Even so given the sheer volume of change it is not possible for HR to provide the level of “hand holding” support which would previously have been provided to managers. In anticipation of this;

- relevant policies and supporting documentation have been reviewed, changed in order to make them more straightforward for managers. These and other resources such as information and learning resources have been included in a user friendly tool kit online via the intranet for managers.
- HR operational staff have delivered numerous briefings for managers on the policies and the practical issues of implementation. These practical briefing sessions have complemented corporately delivered skills base sessions on how to handle the inevitable conflict and motivation issue that will result as well as how to address personal frustration and concern. It must be noted that many managers implementing restructuring and dealing with the outcomes for staff are themselves affected by directorate changes and restructuring and may well be in the same position as their own staff.

- HR continue to provide advice and guidance as well as coaching for managers and are always at the end of a phone or happy to sit down with managers and go through the actions needed and the issues.

To date this approach is working well and managers are in the main increasingly comfortable with being self sufficient and less reliant on HR for direct support and intervention. Out of the hundreds of staff affected by restructuring to date there have been a handful of appeals, one union dispute which was resolved quickly, and there is one tribunal claim lodged.

## 2.2 Redeployment and Redundancy Support

In order to provide dedicated support to staff to maximise redeployment and reduce redundancies a dedicated team has been established for 18 months consisting of a Redeployment Project Lead and Redeployment Officer managed by the Recruitment Manager. The team work closely with HR Teams and external partners who are able to offer additional support and specialist guidance.

48 separate restructures have begun since mid 2010. 15 of these have been completely implemented, 6 are still at the consultation stage and the remaining 27 are in the process of being implemented. The restructures completed up to February 2011 achieved a reduction of 40 posts with only 11 compulsory redundancies, by taking advantage of vacant posts and actively supporting redeployees to secure posts through the internal talent pool. Overall the establishment (non schools) was reduced by some 160 FTEs due to these restructurings but also the removal of vacancies and non renewal of fixed term contracts.

To date 109 staff have been successfully redeployed within NYCC. Many other staff have been supported to increase their ability to secure jobs externally, to undertake retraining or a career change, or to consider setting up their own business or self employment.

The number of active redeployees registered on the internal talent pool has risen steadily to a peak of 125 at the end of February, but dropped to 90 as of mid March as more staff have been redeployed or redundancy has taken effect. A number of restructures are due to complete during April and hence the number of redundancies will rise during the next month.

In addition new restructures and closures are continuing across directorates, for example, in ACS the Learning Disability Service review involves 141 staff and a possible reduction of 22 posts. The closure of Settle and Ingleton middle schools involves the loss of 85 posts. There are 218 staff needing redeployment to avoid redundancy from the restructures currently being implemented

To date redeployment support has included:

- Run 10 'Getting Started' information sessions for 114 staff (update for Scrutiny) in Northallerton, Scarborough, Knaresborough, Settle, and Cumbria. These sessions provide an overview of the internal redeployment process and details of the regional redeployment scheme, information to aid job seeking, including free training accessible from Job Centre Plus and Careers Advice Service Nextstep. Staff are signposted to

Business Link to access information, advice and training to support self employment, and to resources to help with job search, writing CV's and applications and interview skills.

- An Information Fair at County Hall with stands including Job Centre Plus, Next Steps Careers advice, Trading Standards, Business Link, Pensions, Tax, Adult Learning, HR and Redeployment. This was well attended by over 40 staff, and was a particularly effective forum for addressing the range of issues staff face.
- 4 information and skills development sessions on careers advice, starting a business, interview skills and project management.
- Providing information on 21 posts across North Yorkshire advertised by neighbouring authorities or partner organisations for which NYCC redeployees are given prior consideration before external candidates.
- Putting 8 staff in touch with Leeds City College to access free training to support their access to redeployment, including training in finance, project management, customer service, driving, tiling and plastering and chain saw certificate.
- Contacting neighbouring authorities and other public sector employers to support staff interested in redeployment opportunities, including South Lakeland, Barrow, South Tyneside, Manchester City and Durham Councils and North Yorkshire and York PCT. There is a local and regional arrangement with other authorities to share vacancies
- Schools have been contacted on an individual basis where a redeployee has expressed an interest in a vacancy both within North Yorkshire and the East Riding area. A report to the North Yorkshire Schools Forum, encouraging schools to offer redeployees a suitability interview for any appropriate vacancies, was well received.
- work with individual recruiting managers to ensure all internal vacancies are filled by redeployment if at all possible. This includes advertising all vacancies for 1 week for redeployees only; checking the internal talent pool to identify possible matches with all vacancies; and implementing a vacancy justification process to ensure there are objectively justifiable reasons for not offering a suitability interview or appointing a redeployee.

### 2.3 Changing Terms and Conditions

Work has been ongoing over the last couple of months to develop proposals to change staff terms and conditions in a way which will deliver savings of £2 million but be manageable and acceptable to staff. All options were considered and these were provided to staff, with detailed consultation with UNISON as the recognised union for collective bargaining (for non teaching staff).

The outcome is a set of proposals as outlined below which are currently subject to a UNISON ballot, with the results due on the 22/23 March. If the ballot result is positive the changes will be implemented, some from April 2011 and some from April 2012 and will apply to all council staff, (except school based teachers). It will be for individual schools to decide whether they wish to apply it to their non teaching staff.

- **Reducing Mileage Rates from 1<sup>st</sup> April 2011 (Saving £0.5m) - NYCC** mileage rates are currently 47 pence per mile for the first 8,500 miles and 25 pence per mile thereafter. In 2009/10, NYCC paid £5.6m in total mileage allowances, for approximately 13 million working miles. The

proposal is to move to the HMRC threshold rates of 40p per mile for the first 10,000 miles and 25 pence per mile for mileage over 10,000 miles.

- **Reducing Pay protection / Home to Work travel mileage protection from 1<sup>st</sup> April 2011** - Currently, where a member of staff's pay is reduced, due to being redeployed into a different post or their post being changed following a restructure, their pay is protected at its current rate for two years. Given the current and ongoing level of restructuring this is costly and delays the delivery of savings from restructurings putting further pressure on staffing budgets. In order to contain costs it is proposed this protection period is reduced to one year.

Likewise, where a member of staff is moved to a different duty centre, their travel mileage is similarly protected for two years which is proposed to reduce to one year also. (save approx £45k on mileage).

- **Removing Overtime enhancement from April 2012 (saving £0.25 m)** - Overtime is currently paid at time and a half and double time Sundays/bank holidays. NYCC is due to spend £750,000 and £100,000 in 2010/11 on overtime payments for time and a half and double time respectively (inclusive of flat rate). It is proposed these enhancements are removed.
- **Increments – removing for those at the top of their pay band who are not performing satisfactorily (Saving £0.3m)** - The performance criteria currently applied to incremental progression is that staff in the last 12 months had a satisfactory appraisal, no conduct or capability issues and no more than 7 days off sick in the last year or a total over the last 3 years of 21 days. It is proposed to introduce this same criteria to staff at the top of their pay spine and be able to remove an increment if they are not performing satisfactory.
- **Additional ad hoc payments (Saving £88K)** - Ad hoc payments to cease including Long Service and Attendance awards. The thank you payment corporate budget will cease but the scheme will continue should Directorates want to make thank you payments to staff from their own budget
- **Unpaid Leave (Saving £0.7m)** - The introduction of 2 days unpaid leave for all staff (unless exceptions are agreed on the basis of cost of cover). The leave, where possible, to be mandated between Boxing day and New Year, alongside 1 days annual paid leave, facilitating a Christmas closedown for appropriate Council building and services. This will come into effect for the Christmas leave period of December 2012. The cost to staff will be spread evenly throughout the year. If due to service delivery 2 days unpaid leave cannot be taken over the Christmas break it should be taken at another time more convenient for the service. This unpaid leave equates to a 0.8% pay cut for all staff.

### 3.0 Future Workforce

In addition to dealing with the 'here and now' it is important that NYCC considers the workforce it needs in the future, once the large scale restructurings and service changes are complete.

- 3.1 The expectation is that over the next 5 years NYCC's workforce (non schools) will reduce by some 10 – 12%.

Profiling work to date reveals the following;

- significant reduction in the number and type of organisational support roles as a result of increased use of new technology to automate processes, rationalisation of functions across directorates and council wide, a reduced workload following the demise of targets, inspection requirements, and other nationally mandated process,
- specialist organisation support roles such as “Policy and Performance”, “data management” and other roles will reduce in response to the reducing government requirements around collection, reporting and monitoring will significantly reduce.
- Admin and business support posts will drastically reduce as a result of organisational review work, increased use of new technology and online access to information and service for customers.
- Specialist front line roles will reduce in number and type as a result of a national requirement for initiatives involving them ceasing or diminishing eg Road Safety
- Management/Supervision posts will substantially reduce as services reduce and in response to organisational review work on management and staff ratios and hierarchies. It is expected that the number of supervisors and managers will reduce by some 25%.
- Frontline service delivery posts will account for a larger proportion of a smaller workforce whereby support roles disproportionately reduce. The size and composition of the frontline workforce will depend on service decisions taken on whether and to what extent services reduce and any alternative delivery options. It is expected that some aspects of the frontline workforce will not change significantly eg cleaning and catering, with other large numbers notably care dependant upon commissioning decisions.

Consideration will be given to these likely trends and the impact they have on the County Council's workforce planning. For example,

- The admin resource will be significantly smaller and will have to be more IT literate and multi skilled than is currently the case.
- Managers and supervisors will be smaller in number, have to manage larger groups of staff, including a number working in a mobile way in a different way as and traditional line management arrangements eg team meetings, face to face 121s, become less feasible.
- The professional workforce will need to be much more flexible in terms of mobile and home working, use of technology on line access etc.

#### **4.0 Work to Reduce overheads and staff costs as a result of new processes and approach**

- 4.1 HR continues to change processes and approaches relating to staff which save money and deliver improvements though an increasing number of systems

development accessible via the intranet with developments scheduled for 2011 as follows;

- **Leave management** - The online leave management module allows managers to manage all staff absences (leave, sickness, maternity etc) and will see the cessation of leave cards.
- **Online recruitment/CRB** - A new system is now in place with roll out underway. The system automates all recruitment processes for both recruiting managers and applicants. It includes a module for Criminal Records Bureau checks (CRB) online reducing processing time from an average of 8 weeks to 6 days, and automating processes for both new applicants and re-checks.
- **Online timesheets** - This is currently used by various staff including cleaners and supply staff in schools and it will be rolled out from January 2011 – December 2011 for all staff using timesheets.
- **E Payslips and Expenses** - With effect from 31<sup>st</sup> March 2011 staff will no longer receive a paper copy of their payslip and will be required to submit expense claims electronically. Current and historic payslips will be available online for staff to access and print as required. Likewise all mileage and other expenses module currently in use by many staff will be mandated for use by all staff.

Other developments such as the eDRMS (electronic document record management system) follow closely behind the delivery of these initiatives. This moves all paper personal files for some 24,000 staff to an e-file and will act as a key enabler joining processes together and facilitating greater efficiencies around the automation of the processes.

## 4.2 Agency Update

It is estimated that for the past 3 years NYCC spend approx £3m per annum on agency workers procured at local level. In November 2010 a corporate contract was introduced utilising a managed service model, where the supplier procures and negotiates agency supply on behalf of NYCC. The benefits being: consolidated spend and therefore economies of scale procurement, robust agency utilisation management and recording and readiness for the Agency Workers Directive in October 2011 (legislation that provides equal treatment for agency workers of 3 months duration including pay, holiday etc.).

November 10 to February 11 - corporate contract agency spend was £273,434 achieving a saving of £46,474 (14%). Off contract spend was estimated as £76k for this period, and will cease by end of April 2011. This represents an estimated annual agency spend of £1.1m, which compared to the previous annual spend is a reduction in agency utilisation of some £2m. Some of this reduction can be associated with direct care spend previously included in the estimated agency spend and the period included Christmas with historically low utilisation, nevertheless it depicts a reduction in agency spend overall and provides a recording base to target further reductions.

## 5.0 Internal communications

- 5.1 **Current arrangements:** A communications plan to support both the council's budget and savings programme and specifically the consultation on staff terms and conditions, has been implemented throughout the last six months.

Communication has involved regular updates through the printed staff newsletter, County Talk, through payslip messages and through the development of the Meeting the Challenge area on the intranet.

Staff have been kept informed of budget decisions by members, service restructures and reviews, proposals for internal changes (to accommodation, reducing bureaucracy, etc.) as well as being provided with transcripts of senior manager interviews and media statements. This has primarily been provided through the intranet, with extra information available and signposted.

In particular, there has been a communications plan to support the consultation on staff terms and conditions which has focused on staff involvement and feedback. This began in late January by publishing options on variations to terms and conditions. On the 'Meeting the challenge' area of the intranet, signposted from the chief executive's fortnightly message, key messages, and the chief executive's emails to managers asking managers to make their teams aware of the discussions. In addition, 2,000 copies were printed for distribution to cleaning and catering colleagues and details of the consultation appeared in January and February's County Talk.

Staff were invited to respond by emailing the Epanel which is monitored by the Communications team. Relevant officers responded to staff questions and a series of FAQs were produced based on commonly asked questions and published in the same area of the intranet.

Percentages were also published in favour and against each of the options and updated this regularly. The following terms and agreements reached the highest level of agreement to go forward for discussion with Unison:

- Reduction on mileage rates – 66%
- Reducing pay protection – 72%
- A flat rate for overtime – 65%
- Removing increments for poor performance from those at the top of their grade – 87%
- Stopping ad hoc payments such as long service awards – 93%

Around 700 responses were received, made up of BES - 17%; CEG – 7%; FCS – 6%; CYPS – 37% and ACS – 33% with the vast majority from staff with council an email account. Two paper copies were received and only 3% of responses came from non-council email accounts.

- 5.2 **Future internal communications** - During this difficult and potentially confusing time for local government staff, it is important that communications stay clear and responsive. The council will have a number of challenges in communicating with staff.

In particular, with the removal of printed payslips, the council's printed corporate staff newsletter, County Talk, will cease to be printed and distributed. In addition, whilst NYTimes was not aimed specifically at staff, over 80% of staff

live in the county and valued NYTimes as a source of communication and this is no longer available.

Therefore, electronic communications will become increasingly important, through both the intranet and email, where detailed information can be provided regularly. The increased use of systems and the move for all staff to access payslips electronically, will increase the council's ability to reach more staff online. Whilst this will not reach everyone, it will represent an increase on our current level of online communication. This change to electronic communications will need to be effectively promoted to staff and supported by managers. The online consultation exercise on terms and conditions has clearly illustrated the value of online communication.

The role of face to face communication will become more important, with managers being required to maintain regular open dialogue with their staff. Managers will be provided with resources to explain key changes, with questions and answers and the ability to feedback comments and questions. Senior managers will also need to be visible and the CEX will be using both the intranet and electronic communications to explain the future direction of the council and his vision for the future, to be followed up with arrangements for some face to face sessions later in 2011.

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