

Report of Chief Officer – Human Resources

Report to Corporate Governance and Audit Committee

Date: 4 July 2012

Subject: Role of the People Plan in Corporate Governance

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Reporting is in place to ensure that all 12,600 full time equivalent employees have annual appraisals, six-monthly reviews and personal development plans, which develops their capacity and capability.
2. Engagement is measured quarterly for overall staff engagement levels, the extent to which the Council delivers what employees need to feel engaged and engagement survey response rates.
3. The size and cost of the Council's workforce is measured monthly by reporting on staff and agency expenditure.
4. The People Plan is used to provide accountability, ensure adequate scrutiny and measure performance in the above key areas by reporting to the Leader of the Council, Executive Members, Corporate Leadership Team, Corporate and Central Services Scrutiny, Corporate Joint Consultative Committee and Directorate Leadership Teams on a monthly and quarterly basis.

Recommendations

1. To note the existing monitoring, reporting and scrutiny arrangements for appraisal processes, employee engagement, workforce planning and control of the Council's workforce budget.

1 Purpose of this report

- 1.1 To provide a report outlining the role of the Council's People Plan and how it aligns with the Council's Code of Corporate Governance in respect of: the appraisal process; employee engagement, workforce planning and control of the Council's budget.

2 Background information

- 2.1 The People Plan sets out the Council's priorities for all 12,600 full time equivalent employees and is a plan for the organisation, not just the HR Service. The People Plan was launched during 2011 and performance measures for the five themes of the People Plan (Flexible, Healthy, Enabled, Engaged and Performing) have been reported monthly at Council-wide, directorate and service levels using performance scorecards since November 2011.
- 2.2 Scorecards are produced on 20th of each month and they go to the Leader of the Council, Executive Members, Corporate Leadership Team, Corporate and Central Services Scrutiny, Corporate Joint Consultative Committee and Directorate Leadership Teams.
- 2.3 The People Plan and scorecards have been updated for 2012/13 to update the targets, incorporate amended Council priorities and to be fully aligned with Outcome-Based Accountability. The revised People Plan is attached as Appendix 1 to this report and the revised scorecard has been included as Appendix 2.

3 Main issues

- 3.1 The Council's target is for all employees to have an annual appraisal and the People Plan supports this by monitoring the percentage of completed appraisals down to Chief Officer level, and to Service level where appropriate. The People Plan also measures the percentage of six-monthly reviews completed and if each employee has a personal development plan (linked to the Council's purpose), which is an indication of a good quality appraisal.
- 3.2 The Performance and Learning System has been developed and rolled out to facilitate the recording and implementation of all three appraisal-related measures. This will help the Council achieve its targets of 'quality appraisals' for all employees it and developing the capacity and capability of officers to be effective whilst ensuring that officers play their part in making the Council the best City Council in the UK.
- 3.3 One of the five People Plan themes is dedicated to staff engagement to ensure that everybody is respected, involved, heard, well led and valued. Staff engagement has been embedded as a key management accountability and it is measured quarterly. A key People Plan target is to increase the percentage of staff who feel engaged, which aligns with the sixth Code of Corporate Governance principle of engagement, albeit internally.
- 3.4 Staff engagement is now measured quarterly, instead of biennially, by sampling a proportion of employees. The People Plan also measures the extent to which the

Council delivers what employees need to feel engaged and engagement survey response rates. Quarterly reporting performance in these areas ensures that services are constantly aware of, and able to react to, staff engagement levels.

- 3.5 The primary outcome of the 'Flexible' theme in the People Plan is that the Council has the right people with the right skills in the right place at the right time. This involves effective workforce planning linked to Council and directorate priorities whilst managing a reduction in the headcount as outlined in the Council's Business Plan and budget.
- 3.6 This is measured within the People Plan by monthly and quarterly monitoring of staffing budget expenditure, the number of full time equivalent (FTE) employees and the use of agency workers in terms of FTE and cost. All these measures are included in monthly performance scorecards.
- 3.7 People Plan progress, including appraisal, staff engagement and workforce planning, is reported to key decision-making bodies either monthly or quarterly. This includes the Leader of the Council, Executive Members, Corporate Leadership Team, Corporate and Central Services Scrutiny, Corporate Joint Consultative Committee and Directorate Leadership Teams. The scorecards are produced within 20 days of the end of each month and quarter to provide information that is accurate and up to date.
- 3.8 This regular and timely performance reporting demonstrates adherence to the Code of Corporate Governance principles of accountability and effective scrutiny. It also means that the Council's leaders are constantly updated on progress in these three critical areas throughout the life of the People Plan. This allows the Council's leaders to take prompt action if any areas of concern are highlighted through the People Plan reporting mechanism. For instance, the Corporate Leadership Team recently asked for a further in-depth report on the use of agency workers based upon information contained in the performance scorecards.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 All the key stakeholders referred to in 3.7 were consulted in the development of the People Plan and the scorecards. Consultation has also taken place with employee groups, Equality Team, Performance Teams, Financial Management, Business Support Centre and Human Resources. The scorecards are published monthly and communicated widely as shown in 3.7.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The People Plan aims to increase the diversity of the workforce and make it representative of the City of Leeds by monitoring the percentage of women, people with disabilities and people from black and minority ethnic groups at senior levels.

4.3 Council policies and City Priorities

4.3.1 The Council's Business Plan sets out the Council's ambition to be 'the best City Council in the UK'. The vision for the HR Service is to enable the Council to achieve its ambition through its people. The People Plan sets out the Council's priorities for its people across the five themes. Underpinning the People Plan are the Council values, our commitment to joint working with trade unions and our commitment to partnership working with the public, private and voluntary sectors.

4.4 Resources and value for money

4.4.1 The People Plan and scorecards are monitoring and reporting tools to help the Council leaders and services to monitor the use of their resources.

4.5 Legal Implications, Access to Information and Call In

4.5.1 Not applicable.

4.6 Risk Management

4.6.1 Separate corporate and directorate risks are already established for appropriate areas covered by the People Plan.

5 Conclusions

5.1 The People Plan and performance scorecards provide a robust tool for monitoring and reporting on the key areas of appraisal processes, employee engagement, workforce planning and control of the Council's budget.

6 Recommendations

6.1 To note the existing monitoring and reporting arrangements for appraisal processes, employee engagement, workforce planning and control of the Council's workforce budget.

7 Background documents¹

7.1 People Plan 2012-15 and Performance scorecard.

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.