

meeting COUNTY COUNCIL

date 19<sup>th</sup> May 2011

agenda item number **11a ix**

## **REPORT OF THE CABINET MEMBER FOR PERSONNEL AND PERFORMANCE**

### **Purpose of the report**

1. The report seeks to update Members on various issues relating to the Personnel portfolio.

### **Implementation of the pay strategy**

2. The outcomes of the evaluations for school support staff were published on 2 March 2011.
3. Of the 4,500 jobs evaluated, to date 450 completed appeals have been received, but the deadline has now been extended to the end of May following discussions with the recognised trades unions. Work is now underway to evaluate the appeals submitted and it is intended that the consideration of appeals by the joint panels will start around mid May 2011. Wherever possible, appeals will be considered on a school by school basis once all registered appeals have been received. It is hoped that consideration of all appeals will be completed by the end of December 2011 if possible, dependent upon the final number of appeals received overall.
4. It is intended that the first phase of the application of the new pay scales will start from May onwards on a phased roll out basis during the summer term, with the majority being completed by July 2011.
5. Discussions have been continuing with the trade unions over the complex issue of Equal Pay liability and the payment of back pay for those staff with an increase in pay.
6. As confirmed in my last report, new grades resulting from the evaluation will be applied from 1 April 2008, based on the evaluation of jobs at that date. Any back pay entitlement arising from that, along with any back pay and Equal Pay entitlement prior to that date will be

made through formal signing events on a phased basis, with completion planned by around January 2012.

### **Wellbeing and Attendance Management**

7. Data from sickness absence returns for the fourth quarter of 2010/11, that is that is Quarter 4, 1<sup>st</sup> January 2011 to 31<sup>st</sup> March 2011, is currently being fully validated and a complete set of updated performance information will be available later in May.
8. The overall figure for Quarter 4 has fallen to 9.19 days lost average per employee, a continuing downward trend from 9.52 days in Quarter 3 of 2010/11.
9. An end of year comparison with Quarter 4 2009/10 indicates an overall fall of 0.61 days average per employee from 9.8 days at the same time last year.
10. Moving forward into the 2011/12 reporting cycle, the whole authority target for the whole year 2011/12 is 8.5 days sick days on average per employee.
11. From Quarter 1 2011/12, that is 1<sup>st</sup> April 2011 to 30<sup>th</sup> June 2011, absence data will reflect the new departmental structures. This will affect the council's ability to provide meaningful comparative trend analysis between the old and new structures on a rolling basis. The next report to County Council will include an impact analysis.
12. The implementation of a single business management system (BMS), in October 2011, will enhance manager's direct personal responsibility for reporting, monitoring and managing absence. In order to retain the impetus of improvement with stretch targets in mind, managers will be reminded of their responsibility in this respect as part of their training on the new system over summer.
13. As a key deliverable of the service review of Occupational Health and Counselling services, from Monday 6<sup>th</sup> June, the County Council will be working in partnership with an external provider, Care First (a division of Partnerships in Care Ltd), to offer counselling services to employees on a business led basis.
14. The focus of the new counselling service will be on supporting the delivery of the Council's Employee Wellbeing Strategy through the provision of counselling on work related matters, where it can be evidenced that these are impacting on an individual's ability to attend work. This will follow a process of management referral.

15. Established since 1994, Care First has wide experience of providing counselling and employee assistance services to organisations across the public and private sectors, including other County Councils.
16. Management information from the service provider will be used to identify any hotspots for management intervention and to inform an analysis of the outcomes of counselling inputs and their impact on:
  - Preventing work related absence
  - Effecting an early return to work where absence has occurred
  - Improving the employee's performance at work
17. The new stress management e.learning package for managers is now live, having been launched on the Council's intranet on 4<sup>th</sup> April. In the first month up to 3<sup>rd</sup> May over 20 managers had already accessed and undertaken this on-line training. Further publication of the programme is planned.

## **Performance**

### **Building Cleaning**

18. This service was tasked to deliver savings to reduce its reliance on central funding to fund NJE costs. Consequently, it launched a 3 year operational plan to recover these costs. The recovery plan sought to generate savings by cost reduction, the renegotiation of contract price and the re-engineering of service delivery at individual establishments in order to ensure customer retention.
19. As a result of launching these business initiatives buyback levels have exceeded target and this service managed to generate an additional £250k of turnover. Further direct costs and overheads have been contained inline with increase activity.
20. Consequently operational performance is better than targeted and this has resulted in a significant reduction in the central funding required to fund NJE costs. A central budget provision of £1.15 million was provided to fund NJE costs and as a result of these business initiatives only £360K of this NJE funding is required.

### **Landscape Services**

21. Landscape services faces strong competition from external competitors. This was made more difficult due to budget pressures which resulted in significant reduction in internal income and project works from schools. Despite this service buyback levels for core maintenance contracts from schools and external customers was greater than anticipated. Further direct costs and overhead costs have been targeted to ensure this service achieves its break even target.

Consequently this service has made a surplus of £6k at the end of this financial year.

### **Schools Catering**

22. The School Catering Service received a subsidy from the County Council to fund increased employee costs following National Job Evaluation. One of the key objectives for the service has been to reduce reliance on this subsidy by making the service financially viable through a sustained increase in the take up level of school meals and efficiency savings. It is pleasing to report that as a result of these the number of meals sold in primary and secondary schools have gone up by 5% and 2% respectively. Increased employee productivity and cost savings through better procurement of food produce have led to better financial performances whilst maintaining the quality of school meals which continue to be healthy and nutritious.
23. All the above factors have contributed to a significant improvement in operational business and consequently this service will not require any funding from central resources to fund NJE costs. A central base budget provision of £1.1 million was originally provided to fund NJE costs for this service. This is no longer required. In addition, due to the strong business performance secondary schools were given back £365k as part of existing profit share agreements.

### **County Hall Facilities Management**

24. County Catering has been severely affected by the strict spending regime imposed because of budget pressures. This resulted in a substantial reduction in internal sales and function works. In order to address these issues direct costs have been well managed and substantially reduced.
25. Further efficiency savings were identified within the facilities management services areas to ensure this service achieves its breakeven target. Estimate outturn is a surplus of £43K for County Hall facilities management. It is also worth noting that the recent improvements in FM Services are expected to yield cost reductions of nearly £300,000 during 2011/2012. This is equivalent to a saving of 30% in FM provision for county offices.

**CLLR ANDY STEWART  
CABINET MEMBER FOR PERSONNEL AND PERFORMANCE**