



Blueprint for Human Resources

Draft v 0.9

City of York Council

September 2009

Distribution

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Release: Draft

Date: 30th September 2009

Document Number: v 0.9

Background

The blueprinting process for HR included the clarification of the vision for the future HR service, the identification of the nature of the service, the outlining of the principles upon which it will be based and the benefits derived from implementing the changes. This process builds upon the previous projects under the HR Transformation banner and expands them to include aspects of the wider HR provision. This document sets out a planned course of action to deliver the vision.

Context and HR Journey

There are significant dependencies within this blueprint to projects already underway within HR. The overall vision relies on having effective technology in place, so the e-recruitment and HR and Payroll System projects are essential in delivering the desired final outcome. In addition, the Management and Leadership Framework and Workforce Development and Planning projects all provide the foundations for the required service.

The focus of this blueprint is the work required within years 0 and 1 to deliver the initial benefits. There may be opportunity to expand the scope in subsequent years to build upon the vision, once the work outlined in this document has delivered the foundation for a more flexible service.

Whilst the blueprint looks to deliver efficiency savings, a similarly critical feature is the creation of capacity within the service to support the transformation agenda over the next 3 years. For this reason, the savings are not seen as the maximum possible reduction in cost, but rather a result of moving to a more efficient delivery model with enhanced capacity.

Human Resources Vision

A Human Resources team which develops, flexes and shapes itself to continually meet the authority's strategic aims.

This includes:

- aligning, supporting and developing processes together with customers to ensure timely, user-friendly HR processes
- developing and supporting a flexible approach to working practices and workforce development, to ensure that the council is an 'employer of choice'
- ensuring all employment practice meets the statutory, strategic and ethical requirements of the council

- providing HR services, including payroll and Health & Safety elements, to deliver a single and consistent service to all employees, managers, senior stakeholders, schools and partners
- enhancing the service to deliver efficiencies and improvements within the constraints of resource.

This vision supports the HR elements within the Corporate Strategy, under Effective Organisation, specifically:

- “We will embed our values in our strategic planning and appraisal systems:
 - Delivering what our customers want.
 - Providing strong leadership.
 - Supporting and developing people.
 - Encouraging improvement in everything we do. “
- “We will support staff by offering personal development opportunities, implementing fairness at work policies and a wide range of benefits. “

Principles

Working in partnership with our colleagues

- Partnership with our customers to identify and understand their requirements.
- “One Team” approach within the council to deliver our customer requirements.
- Being driven by performance indicators which are aligned to priorities.
- Focus on continuous improvement through actively seeking feedback and acting upon it.

Objectives

- Ensure strategic HR input into our customers’ plans and operations.
- Gain key stakeholder support for the HR model.
- Build HR business partnering and account management to ensure managers and services have clear HR support.
- Actively manage and continue to develop relationships with key internal stakeholders and service areas.
- Equip line managers with key HR skills.
- Use a collaborative approach to decision making in areas where HR holds central responsibility on behalf of the council.
- Establish “value added” performance indicators.

Creating ownership of the end-to-end process

- Standard employment processes, fit for purpose for our council.
- Clarity of ownership and roles with minimum transfer of information between parties where this does not add value.
- Embedded processes which support service areas in reviewing their performance and continuous improvement.
- Career development paths which develop expertise.

Objectives

- Establish end-to-end processes to replace the current separate directorate approach.
- Establish a "catalogue of services", revised procedures, and adoption of a case management approach.

Optimising the use of technology

- Give our managers and staff more appropriate and efficient tools for the job.
- Increase ownership and control for staff and managers through self service and other media.
- Adopting a standard approach to software, avoiding customisation.
- Implementing accurate, timely and consistent management information reporting.
- Look to achieve economies of scale by exploring the sourcing of systems through cross public sector collaboration.

Objectives

- Implement a new suite of HR and payroll systems including e-recruitment.
- Implement manager self-service, on-line and accessible pay and performance information.
- Introduce employee self-service.
- Implement digital management of all personnel and employment records.
- Develop an accessible "How do I?" methodology to provide support for managers and staff through internet channels.
- Provide key people information from a single data source.

Developing high performing people

- Leaders and managers who are capable and high-performing.
- People who are engaged.
- Clear skills, capability frameworks and performance management.
- Structured career development paths.

Objectives

- Provide clear vision, strategy and context for key stakeholders, staff, managers and members.
- Continue to improve two way communication within HR, key stakeholder groups and the wider authority.
- Ensure by working with directorates that:
 - everyone has a development plan
 - objective setting has integrity and is robust.

Business Cases

To deliver this vision, three specific work areas have been identified. The following sections describe the business cases which support these activities. The key decisions relating to the proposals are shown in bold, with a reference to the Key Decisions in Annex 3.

Business Case 1 - Consolidated HR structure and Business support team

Strategic Fit

The current HR structure is fragmented, with both HR and non-HR staff undertaking varying HR roles for each directorate. There is good practice within teams, but processes are not consistent across CYC. Good working relationships have been built and maintained between HR and business areas, but there are no consistent, agreed outputs, quality assurance mechanisms or measures in place to ensure the consistent high performance of the service.

The structure of HR needs to become more cohesive, allowing the service to flex with the changing requirements of the business. Greater standardisation of HR teams will provide increased consistency and the opportunity to accelerate the improvement of processes and procedures in a managed way.

There should be separation of transactional and operational HR roles, to ensure the capacity within advisory teams to fully support managers and staff during times of significant change.

Changes to the delivery model within HR will require appropriate technology to support them. Functionality such as self-service and the capture of full staff records within a single system is necessary to allow the service to operate in a more flexible way. The use of case management to log individual queries and requests, transfer them to the correct people and record progress will also allow the more efficient deployment of advisory staff.

Objectives

A new HR structure is required to support a modern HR service, reducing risk through greater consistency and control of processes. The structure should reflect a single HR service for the council, with appropriate specialist skills and knowledge to cater for our more complex requirements and deliver continuous strategic improvement.

Transactional and administrative tasks must be separated and processed effectively to ensure professional development and delivery of these critical functions. HR advisory capacity will be more clearly identified, and aligned more directly to supporting managers and service areas.

A flexible structure, underpinned by new systems, will support efficiency savings associated each of the HR business cases.

A consistent structure will provide greater clarity of roles, with clear points of access for staff and managers to the HR service. Most requests should be resolved directly through a single team, without the need for bureaucratic duplication or unnecessary paperwork between different teams.

Recommendation

The proposed option is to develop a new HR structure, based upon a central business support team, HR business partners and specialist HR policy and strategy teams (Key Decision HR-D-002.)

The business support team will be created through the grouping of HR and payroll administrative staff, and the proposed transfer-in of non-HR people (resources or equivalent) currently undertaking HR and payroll transactional activities within directorates (Key Decision HR-D-003.)

Staff, managers and schools will have a single point of contact through the business support team for HR enquires. This team will resolve the majority of contacts directly, providing advice on processes and initiating transactions.

The team will cover a range of areas including:

- pay, benefits and rewards
- recruitment
- temporary resourcing
- payroll
- training and development
- management information
- administration of health and safety processes.

This is outlined in the contact model diagram in Annex 1. By supporting each area of CYC from a single team, the processes will be consistently controlled and their performance monitored through a robust framework. Workload shared across the business support team will reduce bottlenecks currently experienced when individual directorates have a peak in transactions.

The work of the team will also be supported by self-service, for both staff members and managers. People will log onto the new HR and Payroll system to input timesheets and overtime, travel and subsistence claims, log sick leave, request annual leave and book training courses. This range of functionality will be phased in over time, with the principle that the individual or manager initiates the process online, and the workflow functionality transfers information and tasks to the next person in the process without the need for manual intervention.

The business support team will provide a management information function, producing reports for the HR Management Team, Directorate Management Teams and individual managers. This will support the overall performance management of the HR service, and underpin the monitoring and development of workforce issues across all directorates.

For requests or queries requiring more specialist advice, individual cases will be referred to HR advisors. Advisors will retain specialist expertise and knowledge of business areas where appropriate, but there will also be cross-directorate and matrix management working where it is efficient to do so. Subject to detailed design, the Lagan CRM system will be used to log all enquires coming into the business support team. Work will then be allocated to advisors with the correct skills and the capacity to process it. All cases will be reportable, and the status and ownership of cases known at all times.

To support the principle of a single point of contact, the advice and administration of any HR aspects which have previously been devolved to the business, including health & safety, training & development and payroll, should be re-aligned under HR resources (Key Decision HR-D-004.)

Business partners will be closely aligned with DMTs to provide strategic advice and guidance on their HR issues. They will form a key part of strategic planning for each directorate, and will ensure that the HR service is able to meet the current and future needs of each area.

Specialist teams will provide the strategic, policy and procedural input for areas including health & safety, employee relations, change management, workforce development, organisational development, pay and rewards, resourcing and equality & diversity. They will set the framework within which the business support team, HR advisors, managers and staff will work.

By adopting this model, CYC will see an HR service more able to adapt to changing requirements, whilst delivering a greater consistency of service. It

will maintain expertise of HR staff, ensuring these are utilised effectively across the organisation. HR staff will work across functional areas, on projects and issues outside the structural silos through a matrix management approach. This will facilitate greater visibility of how the service is performing as a whole.

The move to a transactional model could be expected to achieve efficiencies of around 15%. The current HR service does not have high levels of staffing, however, and with the significant requirement to support the management of change during More for York, part of the efficiencies will be absorbed in creating this capacity and the proposed service improvements.

The establishment of the business support team will create £40k of staff efficiencies, over years 1 and 2.

The HR service is currently sized appropriately for the existing number of CYC employees. With the market testing of other service areas, a reduction in the overall CYC headcount will require an proportionate reduction in the HR establishment. This has been calculated as a saving of £224k over years 2 and 3.

Commercial Aspects

N/A

Affordability

The cost of moving to this model is minimal, with only small costs relating to the physical movement of staff.

In order to enable case management for HR Advisors, the use of Lagan has been proposed. The assumption is that there would be no licence cost associated with this, and that integration with the HR and Payroll System would cost £20k.

Achievability

See Annex 6 - Milestone plan

The proposed option will be supported by the co-location of HR staff initially. By bringing people together into a shared location, the move to a transactional model will be made more straightforward.

There appear to be no health and safety impacts of this proposal, but a further analysis will be carried out.

Risks

- If the proposed structure is not adopted, significant risks remain, due to inconsistency of practice. The implementation and take-up of the new

systems would be hampered by the fragmented nature of the structure if HR activity continues outside the HR team. The performance of processes would remain difficult to measure, and the ability to adapt to and support change across CYC remain limited.

- A do-nothing option would fail to create the capacity within HR to support the change agenda.
- Failure to embed improved transactional processes within the business support team prior to implementation of the new HR and payroll system will prevent the staff efficiencies in year 1.

Communications Plan

See Annex 3

Decisions Log

See Annex 4

Business Case 2 – Weekly to Monthly Pay and Payroll Processing

This proposal is to transfer 1,900 weekly-paid employees to a monthly pay frequency (Key Decision HR-D-005.) This will require a change to the process for claiming variable allowances and place greater emphasis on managers being familiar with the pay policies and procedures of the council.

It will significantly reduce the volume of transactional data being processed and generated, with 75,000 fewer payslips and timesheets per annum. It will reduce the number of line manager timesheet authorisations from 100,000 to 23,000 per annum.

The overall outcomes of this change will result in:

- lower costs of administering payroll
- reduced administration and bureaucracy for managers
- a clearer and more transparent process for employees in the claiming of allowances
- reinforced accountability of line managers.

Strategic Fit

This proposal contributes to the authority's overall business strategy in the following ways:

- Removes unnecessary bureaucracy and managers' time.
- Provides optimum routes for paying and administering employees' pay.
- Reduces paper usage significantly, contributing to the environmental goals of the council.
- Improves the consistency of pay practice, enabling the smoother implementation of other HR initiatives.

This change will take place before the implementation of the new HR and Payroll System, which will facilitate more straightforward data migration.

Objectives - What will the service look like?

This proposal delivers the payroll processing aspects of the HR vision. Key objectives in achieving this goal are to:

- implement pay processes which are simple and easily understood by managers and employees
- apply pay and policies on a consistent basis
- ensure managers and employees have understanding of pay policy for their relevant areas

- provide support for managers and employees on pay related issues via the business support team
- utilise scanning technology to process variable claims data, increasing the speed and accuracy of claims processing.

Recommendation

This proposal allows the early change from weekly to monthly pay, supported by the re-engineering of methods used to administer and claim for payroll allowances. This early adoption will deliver staff efficiencies of £60k in year 1.

Following implementation of the new HR and payroll system, a further £100k of staff efficiencies will be made, due to the improved processes and reduced administration.

Commercial Aspects

N/A

Affordability

All costs incurred in the life of the projects will be covered by efficiency savings generated by the project.

Achievability

The main processing system already exists; the change will use existing processes and procedures in the main.

Risks

- Any delay in the implementation of the HR and payroll system in year 2 will make it difficult to realise the later efficiencies.

Source Information

Information leading to the completion of this blueprint has been obtained from:

- City of York Council Efficiency review
- Service & Business Plan 2009/10
- Consultation with HR and Payroll teams

Business Case 3 – Resourcing Strategy

The development of a resourcing strategy is key in the delivery of the strategic objectives of the council, including any transformational programme. This strategy will outline the framework and approach which is required to ensure the council continues to have access to the correct skills and experience, either via a direct or indirect workforce. It includes tactical approaches to ensure the Council can derive best value from the labour market. This will allow for the changing demands of services and meet the growth agenda for some service areas.

Strategic Fit

This proposal contributes to the authority's overall business strategy in the following ways:

- delivers best value in the recruitment of agency, casual, temporary and fixed term workers;
- creates an explicit flexible/firm resourcing model which provides greater flexibility where workload maybe subject to fluctuation (e.g. discretionary services);
- provides a tactical approach to those areas which will be subject to market testing by managing overall levels of direct labour;
- enables explicit planning of resourcing requirements to ensure they meet the council's needs and aspirations;
- ensures all employment agencies and contractors are monitored to ensure they operate to the standards and ethical practices required by the Council.

Objectives - What will the service look like?

The proposal delivers the resourcing aspects of the HR vision. Key objectives in achieving this goal are to:

- provide a clear administrative process to support managers in obtaining staff with the appropriate skills, of the right quality, on a timely basis;
- use workforce development plans to identify resourcing needs and ensure the resourcing strategy supports the overall strategic; aspirations of the council. Actively manage and annually review the mix of staff on a flexible/firm basis. Ensure core activities are maintained and linkages are made to the overall workforce development plan;
- create an "informed buyer" role, ensuring all procurement of resource is consistent with the council's aims and objectives;
- ensure both internal and external temporary and fixed-term contract resource is procured using the most effective and efficient methods;
- mandate the use of the revised framework contracts and arrangements for all directorates with no opt-outs;

- use performance management to control the relationships with framework suppliers;
- ensure fixed term employees' leave and costs cease on the last date of the assignment or funding.

Recommendation

The proposal is to develop a strategy for employment and resourcing (in the context of workforce planning and development) which effectively manages different contractual arrangements in accordance with the changing needs and size of services, based on the Strategic Fit and Objectives listed above.

This will take into account the link to the current expenditure controls, which provide the data and foundations for identifying savings in each business area. The strategy will ensure that the current and future needs and constraints of service areas are built into workforce development plans.

The strategy will require that:

- we don't unnecessarily increase the size of the permanent workforce whilst undergoing high volumes of change and market testing
- we review the sole provider contract arrangement in terms of cost and usage, and the use of the internal recruitment pool to ensure resourcing is carried out in the most efficient way.

The strategy will consider:

- the employment channels available to ensure the council has access to temporary, casual and fixed-term staff in the most efficient way
- how we can ensure we do not pay above the market rate for temporary staff
- how we ensure that all temporary posts are fully funded at the commencement of assignments, including exit costs. This includes ensuring that fixed-term contract staff are released at the end of their contract
- the correct route for securing temporary resource, based on the skills required
- a performance and governance framework which ensures compliance with processes and that all contractual arrangement in place are consistent with the council's strategic aims and objectives
- how the redeployment process can be used to reduce potential redundancy costs and provide resource where it is most needed.

The strategy will be put to CMT for approval (Key Decision HR-D-006.)

Commercial Aspects

There is the possibility of providing notice and re-tendering the current agency contract to provide a wider provision. This could enable a more robust framework and more flexible sourcing arrangements than the current contract allows.

Affordability

All costs incurred are to be covered by efficiency savings generated. The savings identified are based on the potential for efficiency improvements, but will need to be validated against the specific elements of the strategy, and the initiatives that come out of it.

Achievability

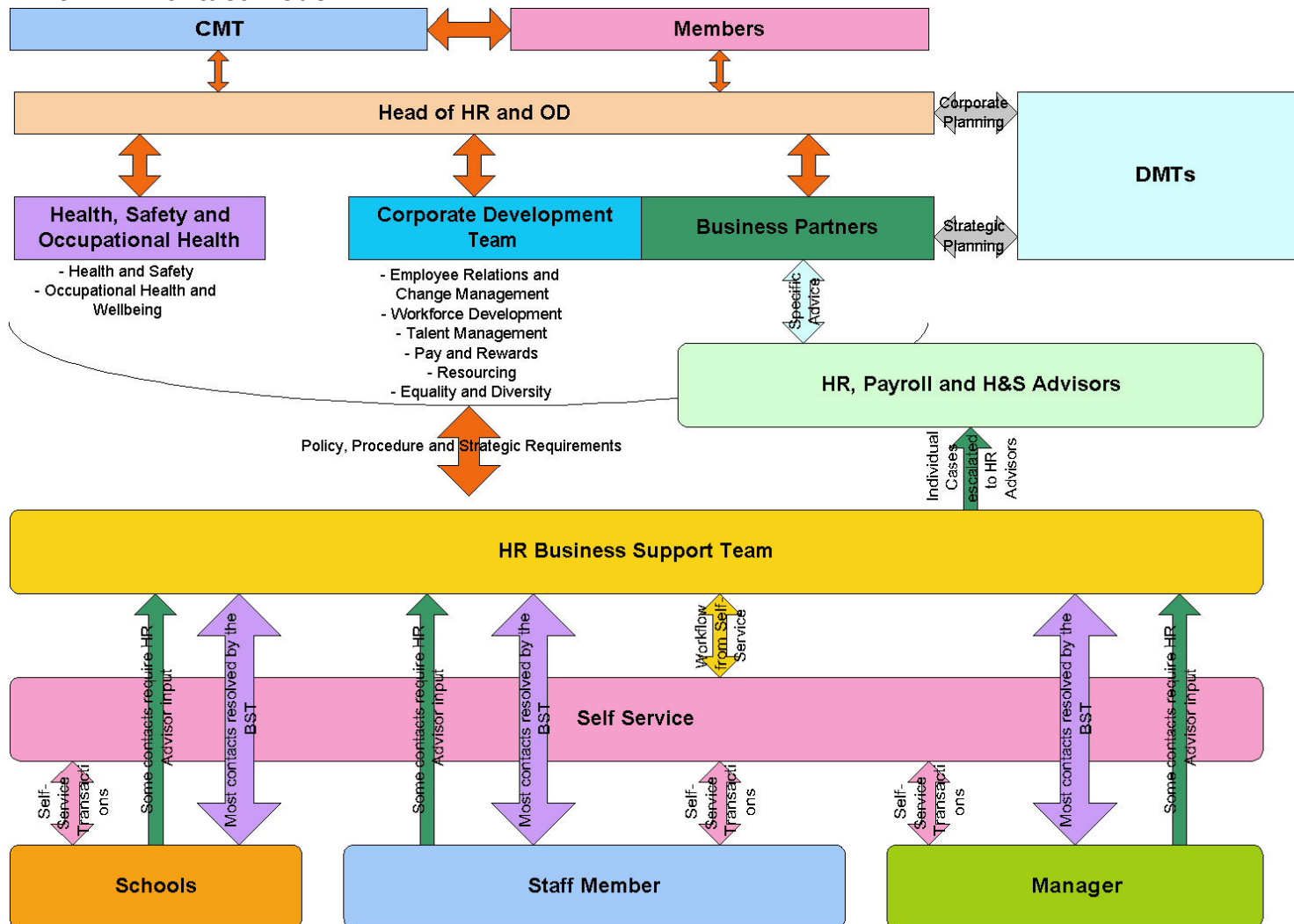
The likely proposals follow the adopted standard working practice in many local authorities. The overall changes are viewed as low risk.

Source Information

Information leading to the completion of this blueprint has been obtained from:

- City of York Council Efficiency review
- Service & Business Plan 2009/10

Annex 1 – Contact Model



Annex 2– Communications Plan

TBC

Annex 3 – Decision Log

Ref No.	Decision - Details	By Who	Date	Owner
HR-D-001	Sign-off of the HR vision and confirmation of the direction of travel.	CMT	30/09/09	Angela Wilkinson
HR-D-002	Agreement to a new delivery model for HR, as a centralised service. This includes case management for HR advice.	CMT	30/09/09	Angela Wilkinson
HR-D-003	Agreement to the transfer of specific non-HR staff (or equivalent resource) undertaking HR transactional work into the HR business support team.	CMT	November 09	Angela Wilkinson
HR-D-004	Agreement that functional advice related to HR disciplines (including payroll, H&S and training and development) should be provided through the HR service.	CMT	30/09/09	Angela Wilkinson
HR-D-005	In principle, agreement that all council employees should be paid monthly.	Exec	Oct 09	Angela Wilkinson
HR-D-006	In principle, agreement to the development of a resourcing strategy based on the key concepts outlined in Business Case 3, including direct workforce and sourcing via the sole provider contract and internal recruitment pool.	CMT	November 09	Angela Wilkinson

HR Financials

	Year 0	Year 1	Year 2	Year 3	Total / Run Rate
Savings	-	230k	716k	778k	£1, 724k
Investment	-	20k	-	-	£20k

Annex 4 – Benefits Realisation Plan

HUMAN RESOURCES	Year 0 2009/10	Year 1 2010/11	Year 2 2011/12	Year 3 2012/13	Total
Staff Efficiencies	£ -	£ 80,000	£ 116,000	£ 228,000	£ 424,000
Change in sourcing arrangements for temporary and fixed term employees (To be validated in line with resourcing strategy)	£ -	£ 100,000	£ 500,000	£ 400,000	£ 1,000,000
Contract compliance for Agency and temporary staff	£ -	£ 50,000	£ 100,000	£ 150,000	£ 300,000
Total Human Resources	£ -	£ 230,000	£ 716,000	£ 778,000	£ 1,724,000
Investments		£20,000			£20,000

Annex 5 – Milestone Plan

			Milestone Plan - Human Resources v4																		
	Activity	Owner	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10			
HR Transformation	Blueprinting	Angela Wilkinson	▲ CMT approval	▲ Executive sign on	▲	Agree the outline for the year 2 plan.									▲	Agree the outline for the year 3 plan.					
	Managers - Support & Development		Programme Development	▲	▲ Employee support relaunched?		Issue: TMP, is this to be administered by the PMO, links with HR?														
	Management Information & Performance Mgt	Chris Tissiman	▲ Addecco Manpower and Internal MI suite				▲	Stage 2 Performance Pack: - Recruitment -Disciplinaries -Grievances							▲	Stage 3 Performance Pack: -SLA's -Full HR measures -Case Management					
	Structure - Phase 1 "Consolidation"				▲	Interim reporting lines															
	Structure Phase 2 "Change"					▲	Agree new structures		▲	Realign budgets	▲	Implement new structures									
	Definition of Roles			▲	Baseline all procedures					▲	Prepare Intranet external and internal HR view			▲	All process changes implemented						
	Resourcing including Adecco	Chris Tissiman				▲	Resourcing paper Flexifirm Temp Casual	▲	Implementation of new sources arrangements for FTC and temps.			▲	Complete review on Resourcing Pool and Casual work ops. Including			▲	NFP - Review Supply Teachers, Teaching Assessment				
	Business Centre	Janet & Angela		▲	Commence migration of processes			▲	Work migration complete				▲	Front Desk goes live							
Operational	CAA	Pauline Stuchfield to supply dates																			
	Health & Safety	Jon Grainger																			
	Workforce Development Plan	Claire and Mark	▲	Interim Report			▲	Report to CMT			▲	Recommendations fully implemented									
	Office of the future	Chris Tissiman													▲	Formal reviews leading to Implementation					
	Staff Benefits	Chris Tissiman		▲	Development of Salary sacrifice		▲	Staff benefits fair								▲	Staff reward statements				
	Management & leadership framework	Sandra Whitnal																			

