

Audit Committee – 27 September 2024

Title of paper:	HR and EDI Assurance 2023/2024	
Director(s)/ Corporate Director(s):	Lee Mann, Strategic Director HR & EDI	Wards affected: All
Report author(s) and contact details:	Lee Mann, Lee.Mann@nottingham.city.gov.uk	
Other colleagues who have provided input:		
Does this report contain any information that is exempt from publication?		
No		
Brief Summary		
<p>This report and supporting appendix provide an overview of key activity across the HR function's statutory functions and organisational obligations during 2023/24.</p> <p>The report and appendix include benchmarking and service delivery data, with a focus on progress against priorities including workforce development, EDI, employee relations, policy development, sickness absence, employee wellbeing, pensions and pay.</p>		
Recommendation(s):		
1	To note the work being done within the HR division to ensue the Council's statutory and non-statutory obligations relating to people management and equalities are being met and/or progressed.	

1 Reasons for recommendations

- 1.1 The HR & EDI division supports the organisation in meeting its various statutory and organisational obligations in relation to employee management, employment and equality law, and other legislation. The division also adds value through the role it plays in developing organisational culture, improving employee engagement and leading on employee wellbeing and development.
- 1.2 This report seeks to provide assurances that both statutory and organisational requirements are being met or progressed and monitored through the activity in the functions/areas described in summary within the report and in additional detail in the appendix.

2 Background

- 2.1 In addition to supporting the statutory and non-statutory activities set out within this report and in the appendix, the HR service is undergoing significant change in relation to its operating model and service offer.
- 2.2 Significant capacity is currently being used to support reshaping the organisation to deliver the Duties and Powers savings in 24/25, with planning beginning in Q4 23/24. In addition, HR are a key enabling function in delivering organisational transformation activity and will play a critical role in proposing cross cutting initiatives to deliver budget strategy savings for 2025/26.

- 2.3 With approximately £1.5m of savings to be delivered from within the HR service, the majority of which are staffing costs, cross function work to review the HR operating model and related customer service offer over the last 9 months. In anticipation of the staff saving requirements, vacancies have been held to mitigate the requirement for redundancies across the service.
- 2.4 The new operating model will seek to maximise manager self-service across the Council. Key strands of activity include a fundamental review of the HR intranet pages to ensure key policies and guidance are much easier to find. Guidance for key HR processes are currently being updated to ensure that managers have the right tools to self-serve and the HR function is working alongside EMSS to direct all manager queries through the Employee Service Centre so that queries can be effectively triaged and tracked.
- 2.5 A key element of the revised HR service offer will be a renewed focus on data and analysis to more effectively inform identification of workforce issues and deliver solutions. New data packs have been designed for DLTs, providing additional insight and benchmarking (internal and external)
- 2.6 A summary of key information from Appendix 1 is set out below for ease of reference.

Workforce Development and Change

- 2.7 Introduced as a tool to more effectively identify underperformance and hold employees to account, the revised approach to Individual Performance Reviews is now in its third year. Compliance with the process in the previous reporting year have increased, with 95% of employees having objectives set in 2023/24 and the number of end of year reviews being completed much higher (90%) to the corresponding time in 2023 (50%).
- 2.8 Engagement with the corporate development offer remains consistently higher than three years ago, with over 4000 staff engaged in training and development during the year, over 1600 of which attended virtual or face to face development workshops.
- 2.9 A range of talent development programmes have been delivered during 2023/24, including continuation of the Leadership Development Programme, Accelerated Development Programme and Nottingham Leaders Transformation Programme. All the above programmes will be reviewed, including learner feedback, to ensure they are fully aligned to the Council's strategic priorities and the Council's new Improvement Plan.
- 2.10 Participation in the Councillor Development Programme further increased in 2023/24, in part due to the post-election six week induction programme delivered from May 2023.

Equality, Diversity and Inclusion

- 2.11 A key focus of EDI work over the last 12 months has been the development of a new EDI Strategy aligned to the latest Strategic Council Plan. Following further engagement with trade unions and staff networks, the new strategy will be launched in autumn 2024.
- 2.12 Extensive activity has also been undertaken with the staff networks, providing dedicated HR support as they mature as additional forums for the Council to seek the views and lived experience of its workforce to help inform further development of policies and practices.

Employee Relations Casework and HR Policies

- 2.13 Analysis of casework trends in relation to employee relations forms a key tranche of the revised HR data packs that are shared quarterly with Directorate Leadership Teams.
- 2.14 A detailed analysis of the average resolution times and outcomes are included in the detailed appendix. In summary, average resolution times for disciplinaries, grievances, probation and capability all remain under 70 days. Further work will be done in 24/25 to analyse in more detail the outcomes and whether further work is required from a cultural perspective to more effectively resolve cases.
- 2.15 For example, relative to the size of the organisation, the number of disciplinary cases in 2023/24 appears high at 199. When set against the outcomes recorded for the last financial year, there may be a range of factors that impact on this; from the focus of the IAB on dealing with performance and behavioural issues, potential lack of manager competence / confidence in informal resolution or a need to recalibrate understanding of what would constitute formal disciplinary action versus informal management.
- 2.16 Work to update our policies continues across the function, with a recent focus on performance management, disciplinary and grievance procedures all recently reviewed and updated, including a refreshed development offer for managers to support them in understanding their roles and discharging their responsibilities.

Sickness Absence

- 2.17 A new approach to sickness absence monitoring has been adopted in the revised HR data packs, moving away from total days lost per quarter and number of incidences, to a trend-based reporting approach showing Days Lost per FTE. This provides an ability to benchmark internally within and across directorates as well as assessing relative performance regionally and nationally against other core cities.
- 2.18 It should be noted that the Council saw a significant increase in the total number of days lost to sickness absence in 2023/24 compared to the previous year, and this is in part attributable to the TUPE transfer of circa 1000 Housing staff into Growth and City Development.

Employee Wellbeing

- 2.19 A corporate offer of provision to support employee health and wellbeing including an in house OH service are in place.
- 2.20 Services provided include an EAP (Employee Assistance Programme), Wellbeing Initiatives such as Mental Health First Aiders, a nurse led occupational health assessments and OHP (physician led) appointments to support with a range of HR processes, access to physiotherapy services and HSE required health surveillance, plus specialist advice on complex cases.
- 2.21 Corporate contracts for OHP and Physiotherapy provision have recently been renewed and the tender exercise for the Employee Assistance Programme is being completed.

Pensions and Pay

- 2.22 The HR Pensions Team provides statutory administration for the LGPS, Teachers Pensions and NHS schemes for NCC, EMC and maintained schools.
- 2.23 The withdrawal EMSS from the schools market to concentrate on their core customers has meant schools are now using external payroll providers. This has created some additional work for the Council's Pensions Team, ensuring that data provided is consistent and compliant in line with the requirements of Nottinghamshire Pensions Fund (NPF).
- 2.24 In addition, the team has restructured as part of the HR service's budget savings commitments and this has required joint working with NPF to transfer a range of administrative tasks from NCC to NPF and redesign of the service offer. This work has been positive, with the transition due to complete formally from 1 January 2025.
- 2.25 During 2023/24, a revised pay structure was implemented from September following collective agreement with the Council's Trade Unions. This included expansion of pay scales and the introduction of incremental progression subject to satisfactory performance at GLPC and SLMG levels. There is an ongoing piece of work to keep the pay structure under review in relation to attraction and retention in the Council.
- 2.26 A final key activity to note is the reintroduction of the Pay Governance Board. The key functions of the Board are to monitor the operation of the Council's Pay Policy and ensure principles of the Council's Pay Policy are being adhered to. The Board makes decisions on discretionary payment elements and makes recommendations on the Pay Policy and its application, and reports through DLTs on a quarterly basis.

3 Background papers other than published works or those disclosing exempt or confidential information

3.1 Not applicable.

4 Published documents referred to in compiling this report

4.1 [Corporate Scrutiny Committee Wednesday, 29th May, 2024 9.30 am](#)

- Workforce analytics
- EDI Strategy