

**REPORT OF THE FORMER EQUALITIES AND HUMAN RESOURCES OVERVIEW AND SCRUTINY COMMITTEE****RETENTION AND DEVELOPMENT OF STAFF IN THE CITY COUNCIL****1 INTRODUCTION**

- 1.1 One of the current challenges the City Council faces, resulting from the economic climate, is to manage change in the City Council's workforce. This includes moving towards different ways of working as well as making reductions in headcount.
- 1.2 Since 2009 the City Council's workforce has reduced from around 26,000 to 20,000 employees, excluding schools. Including schools the workforce has moved from around 53,000 to 46,000 employees<sup>1</sup>. This has been achieved through a number of means such as natural wastage<sup>2</sup> and voluntary / compulsory redundancies.
- 1.3 Members of the former Equalities and Human Resources Overview and Scrutiny Committee felt that, whilst contributing a significant amount to the Council's required budget savings, this could generate difficulties for the organisation both now and in the future. These could include, for example, a loss in key knowledge and skills as people leave the organisation; lower levels of morale, motivation and productivity; and damage to the reputation of the City Council as a place to work.
- 1.4 Last municipal year Members of that Committee undertook a short piece of work examining retention and development. The key aim was to find out whether the City Council was doing enough in this important area and to look at how the Council can continue to be a place where people want to pursue a career.
- 1.5 The purpose of this short report is to make the findings available to Members, raise awareness of some of the messages coming from the workforce and provide recommendations for further work to be undertaken.

**2 BACKGROUND**

- 2.1 The City Council has made significant progress, both in terms of the support available around staff development and in the ability of the Council to use workforce information to best effect. Less than a decade ago, the Council was in a position where it was difficult to ensure consistency in the application of policy, little was done to understand perceptions within the workforce and a number of separate data systems meant that an overall picture of the workforce was difficult to achieve.

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<sup>1</sup> Information taken from workforce profile reports presented to Overview and Scrutiny in June 2009 and March 2012.

<sup>2</sup> For example, employees retiring or leaving to move to another role elsewhere.

## The Excellence in People Management Programme

- 2.2 The main catalyst of recent progress has been the Excellence in People Management Programme (EPM). This was one of a series of Business Transformation programmes which aimed to increase efficiency, improve processes and improve the quality of service for customers. The key objectives for the EPM programme included:
- To maximise the value of the Council's workforce;
  - To achieve sustainable high performance;
  - Provision of a comprehensive management toolkit;
  - Self service portals for managers and staff;
  - To enable workforce agility and capability to meet future needs.
- 2.3 The Business Case for EPM was approved in October 2007. This was then updated and resulted in a Revised Full Business Case in March 2009. The programme was completed in a number of phases, including being rolled out as a purchased service to 400 schools. In November 2011 the final EPM programme board met to agree that the programme was complete and the outputs had become 'Business As Usual'.
- 2.4 These outputs included a new single payroll system; a whole workforce database; an interactive portal for employees and managers; and the introduction of a performance review process. New processes around workforce planning, organisational design and talent management have also been put in place.
- 2.5 One of the overall results of the programme was a shift in the way the Council operates towards one in which managers are made more responsible for day to day transactional activity in their teams. A web based portal, named People Solutions, was put in place to support this. Employees can now view their own personal information at their desktop and submit requests for things such as annual leave, whilst managers can access the information regarding their team and deal with those employee requests. All staff using People Solutions have access to Council Policy and guidance. There are over 20,000 hits on People Solutions each month, with 80% of managers registered on the system accessing People Solutions services on a monthly basis e.g. to handle a whole workforce database on a daily basis (per 2011. Annual Report 2011-12)

## **The Performance and Development Review process**

- 2.8 The Performance and Development Review (PDR) process is a way of recognising good performance, enabling pay progression and supporting employees in training and development. It is a performance management process, focusing on the day to day actions and behaviours of employees to help improve performance.
- 2.9 PDRs are not new to the organisation; however before the formal introduction of the electronic PDR process through People Solutions in 2009/10, the completion rate of PDRs across the organisation was low and was not consistent. In addition the PDR was not linked to pay progression. The roll out of the new process has been successful, with years one and two of the new PDR process achieving an over 90% completion rate across the workforce.
- 2.10 The PDR involves a two-way discussi

individual, is one where if the role was vacant for a length of time it would cause a

2.21 More recently, work has been undertaken on rewards for staff and a new website, 'My Birmingham Rewards<sup>3</sup>' has been launched. This provides a range of local and national discounts ranging from supermarket shopping and other goods to holidays and travel. To date, around 6,636 employees have signed up to the scheme, creating a total saving of around £48,000 on a spend of £770,000.

### **3 FINDINGS**

3.1 One of the aims of Members was to find out the workforce's views on retention and development, particularly their thoughts on the support available to them. A small section of the workforce was asked for their feedback. At a time of significant change, it was unsurprising to find that morale and perceptions around progression and development were low.

3.2 Members then went on to consider the tools that have been put in place to ensure that these were fit for purpose, were giving staff the best opportunities for their own development and were presenting the organisation in such a way that made it an attractive place to work.

#### **Feedback from the workforce**

3.3 Quarterly 'Your Voice' surveys, developed by Human Resources, are now being carried out on a regular basis across the workforce. Employees are asked a number of questions relating to their confidence in the Council, their own job and how the Council is seen as an employer. 1,727 employees completed the survey in November and 1,600 in February. This represents around 8.4% and 7.8% of the workforce respectively. The next set of results is expected to be available in the early summer.

3.4 Based on the information received and presented in Table 1, it is clear there are particularly low scores in relation to questions on retention and development, particularly when employees are asked whether 'the organisation is good at retaining staff'. When asked what would improve engagement, responses covered the following themes as examples;

- Invest in next generation of staff;
- Tackle poor and mediocre performance;
- Senior officers back to the floor;
- Set up a staff consultation panel, equivalent to the trade unions;
- Focus on health and well being of staff;
- Raise standard of management.

3.5 Undertaking these surveys quarterly and publishing the results quickly and in an accessible way is another positive improvement and an excellent way of providing feedback

underway to look at some of the results in more detail. These should continue to be a forum through which employees can express their views freely and honestly.

3.6 Anecdotal evidence Members received reflected the results of the survey, with employees citing such things as the recruitment freeze and reductions in training budgets as reasons for their reduced confidence in the organisation.

If BCC is to retain staff it needs to really think about the way it demonstrates that it values staff and to think about how people can progress upwards through the organisation, and start to remove some of the barriers.

**BCC Employee**

I understand that at a time when we are shedding staff it will be difficult, but there needs to be some kind of 'recovery plan' to give people confidence that there is light at the end of the tunnel and that the organisation is worth sticking with.

**BCC Employee**

Table 1: 'Your Voice' employee survey results 2011-12

**% of respondents who agree or strongly agree**

3.8 Overall however there was a feeling that there were still some barriers, aside from budget considerations, standing in the way of progression. Fro instance two employees stated:

I know times are difficult, but for those of us that are constantly getting positive feedback and being told they deserve to be in a higher grade/role, to then just feel you are stuck is quite de-motivating.

**BCC Employee**

Although I do understand that priority movers need to be given first pick of roles, it does make it extremely difficult for people like myself to progress within the Council.

**BCC Employee**

3.9 One of the barriers highlighted to Members was the ringfencing policy. This currently states that ring fences should be identified for each role or group of roles undergoing a







allow the organisation to challenge perceptions which might not reflect the reality of a situation.

4.4 The following recommendations set out how improvements can be made.

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	<b>Recommendation</b>	<b>Responsibility</b>	<b>Completion Date</b>
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