

AGENDA ITEM 'A5'

**Corporate People Management  
Peer Review**



**CPM Peer Review  
Final Report**

**September 2006**



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## INTRODUCTION

Following a request from East Herts District Council, a team of five peer assessors, led by Richard Roddie of Excellence in Business, was recruited to conduct this peer review. The team comprised:

- Councillor Alan Dean, Liverpool City Council, Elected Member;
- Paula Grainger, IDeA, Regional Skills & Capacity Advisor - Yorkshire & Humberside;
- Jonathan Hambling, Warrington Borough Council, Human Resources Manager;
- Kelly Sandiford, IDeA, Assistant Director (Skills & Development);
- John Williams, Malvern Hills District Council, Corporate Performance Manager.

The Council acknowledged that the timescales in which it wanted the review completing were tight and consequently there was less time for the Council to complete the self-assessment document prior to the team's planning meeting. However, the review was undertaken in line with the following stages:

- A planning meeting was held to establish how the team would operate and who they wanted to interview as part of a two-day site visit, as well as to confirm the focus of the interviews;
- The team reviewed some documentation provided by the Council, including a self-assessment, to help identify the key issues to explore during the site visit;
- A two-day site visit was carried out involving a wide range of officers, members and stakeholders, during which the team had several meetings to share and discuss their emerging findings;
- A one-day consensus meeting and report drafting session was held to agree the team's views on the strengths and areas for improvement for each of the framework's attributes;
- The draft report was circulated to the team for comment and following final revisions, sent to the Council for any factual inaccuracies to be highlighted;
- The final report was generated following the feedback presentation and sent to the Council.

This report represents the team's findings, based on the interviews that took place and documentary information made available during the site-visit. The process does not seek to make binding judgements on the authority; it is designed to strengthen the Council's self-awareness in order that it may focus on the main strengths and areas for improvement identified by the Peer Review Team.

Finally, the assessment team would like to thank the authority for the hospitality extended to them during their visits to Hertford and Bishops Stortford, as well as those who participated in interviews for their helpful contribution to the process.

## THE CORPORATE PEOPLE MANAGEMENT (CPM) ASSESSMENT FRAMEWORK

The development of this Corporate People Management (CPM) peer assessment framework was in recognition of a number of key external drivers and imperatives for local government. There is no doubt that the modernisation agenda for local government places a premium on a skilled and motivated workforce, one which is committed to driving forward continuous service improvement in line with Council objectives.

The challenge is to develop the true capacity of local government to position itself for the future. It is widely recognised that, in order to improve the efficiency and effectiveness of public services, increased opportunities for involvement, learning and development are needed.

The Employers' Organisation for Local Government defines an effective HR function as one that can deliver the following:

- *Be able to facilitate change and support the developing agenda of the Council, its component parts and partners;*
- *Ensure that the HR function can provide strategic advice, such as the ability to link people management with the overall objectives of the Council;*
- *Ensure that the HR function can provide specialist advice on particular areas such as pay policy, employee relations, etc;*
- *Improve lines of communication - across departments and across the Council, and between strategic and implementation activities;*
- *Position HR practitioners close to the customer and be able to influence decision-making organisationally and departmentally;*
- *Be flexible and therefore able to meet the current and anticipated requirements of the Council, its component parts and partners;*
- *Allow for clearer accountability to enable consistent, high quality HR advice relative to need;*
- *Enable HR best practice to be effectively shared across the Council, its component parts and partners to avoid duplication of effort;*
- *Facilitate the ongoing professional and career development of HR employees.*

**Comprehensive Performance Assessment (CPA) 2005** continues to recognise the importance of effective people management in bringing about continuous improvement in Council performance. The impact that people management can have on service delivery efficiency is also central to **Gershon's** thinking. Another key imperative, the **Pay & Workforce Strategy**, recognises the need to develop leadership capacity as well as the skills and capacity of the workforce. A summary of some of these key drivers are summarised below.

The CPA key lines of enquiry for 2005 ask the following questions of councils:

- *Does the Council have clear accountability and robust decision-making processes that ensure it has the capacity to deliver improvements for local people?*
- *Does the Council use its internal capacity effectively to deliver against its ambitions and priorities?*
- *How effective is the Council at maximising its capacity through partnership working to deliver its ambitions and priorities for local people?*
- *How does the Council ensure that its capacity will grow and be sustainable in the future?*

The National Pay and Workforce Strategy for Local Government (PWS) focuses on five key themes, namely:

- *Developing Leadership and Capacity;*
- *Develop the skills and capacity of the workforce;*
- *Pay and Rewards;*
- *Resourcing Local Government;*
- *Developing the Organisation.*

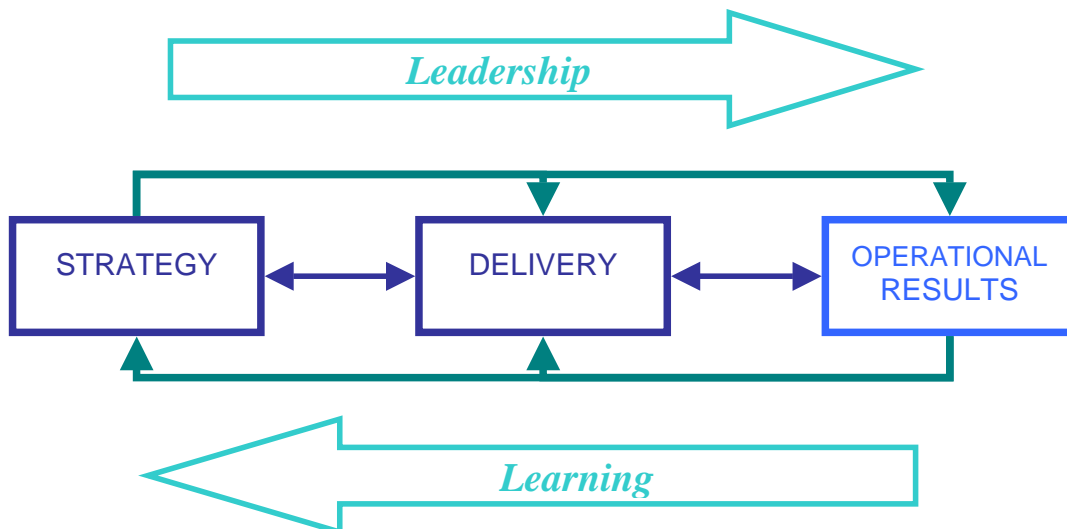
The Investors in People (IiP) standard, the EFQM Excellence Model and the Chartered Institute for Personnel Development (CIPD) all offer good practice with regard to the management of people and recognise the important role of the HR function in providing strategic direction for an organisation.

Recognising the importance and relevance of all of the key drivers referred to, as well as the good practice models that already exist, the Corporate People Management framework has taken full account of these in its design and development in order to ensure it addresses all aspects of the requirements of the ongoing modernisation agenda for local authorities and their HR functions. It represents a model of excellence for people management and the Human Resources function and promotes best practice, joint working, improvement planning, benchmarking, service and personal development.

**The Corporate People Management Framework has been designed and developed around the following rationale:**

**Leaders** determine the high-level **Strategy** for people management within the Council. They ensure that there is an appropriate **Delivery** model in place, including management arrangements and processes, to translate high-level strategy into **Operational Results**.

**Learning** from the implementation of corporate people management arrangements and the results achieved is used to drive continuous improvement within the Council.



Each of the **Attributes** (Leadership, Strategy, Delivery, Operational Results and Learning) is broken down into a series of **Key Indicators**, which are assessed individually. Examples of the evidence that may be considered in order to arrive at a judgement on each of the indicators is also provided for assessors in the full framework document.

However, this is not intended to be an exhaustive list and assessors are not bound rigidly by them. The applicability and priority attached to each of the indicators and associated evidence varies from council to council and assessors will endeavour to recognise the context and constraints facing each council during a peer review.

## The Aim of a CPM Peer Review

The overall aim of a CPM Peer Review is as follows:

*'To enable councils to develop their people capacity to ensure that there are the right number of people, in the right places, at the right time, with the appropriate skills to efficiently deliver excellent services to local people now and in the future'*

A review will:

- Provide a comprehensive assessment of a council's people management arrangements and HR function;
- Help to promote, develop, and share best practice through joint working and collaboration;
- Help ensure employees have the skills and competencies required to deliver efficient, quality services;
- Support the identification and development of core competencies for HR professionals;
- Enable officers and members to become trained peers, forming a collective resource across the regions;
- Provide continuing professional and personal development for peer assessors.

## Benefits of a CPM Peer Review

Peer Review has already proven its ability to provide tangible benefits to local authorities. The Scheme will lead to tangible outcomes for participating councils; in particular, it will:

- ✓ Provide a full assessment of a council's people management arrangements and HR function;
- ✓ Offer an objective and fresh perspective through a 'critical friend' style assessment;
- ✓ Help councils to understand their strengths, areas for improvement and the barriers to making progress;
- ✓ Identify the key improvement themes and help prioritise improvement activity;
- ✓ Support Best Value Review activity, particularly the 'Challenge' aspect;
- ✓ Help support a council's preparations for future CPA inspections;
- ✓ Contribute to the council's overall capacity to improve and become more efficient;
- ✓ Help ensure employees have the skills and competencies to deliver efficient, quality services;
- ✓ Help to promote, develop, and share best practice through joint working and collaboration;
- ✓ Identify potential efficiency gains in line with Gershon through improved management of people; and
- ✓ Raise levels of self-awareness and encourage benchmarking.

## SUMMARY OF THE CPM FRAMEWORK ATTRIBUTES

### Attribute 1: Leadership

*The Council's leaders constantly reinforce the importance of people management and are effective in this role themselves. They lead by example, are accessible and champion the changes required to modernise. Leaders engage employees and promote the Council's values and a culture of empowerment. Leadership is also provided by the HR function to ensure a consistent approach is adopted across the Council.*

No.	Key Indicators:
1.1	The Council's leaders offer a <b>clear Vision and direction</b> promoting the <b>Values</b> and importance of managing people effectively. They are focused and willing to take and stick to <b>tough decisions</b> . There is <b>clarity</b> among members and officers about their respective <b>roles</b> and <b>responsibilities</b> and they have <b>professional</b> and <b>constructive</b> relationships
1.2	The HR function provides <b>strategic leadership</b> on people management and human resource issues ensuring that there is a <b>consistent approach</b> across the Council
1.3	The Council's leaders are involved in developing the <b>strategies for managing change</b> , based on an understanding of the key national and local drivers. The resistance to change is being minimised by <b>fully engaging employees</b> through the use of effective <b>people</b> and <b>change management arrangements</b>

### Attribute 2: Strategy

*A strategic approach to HR and people management, which focuses on outcomes, not processes and positions HR at the core of the organisation. The overall strategy and ancillary policies are improved based on learning and results.*

No.	Key Indicators
2.1	The Council has a well developed and up to date <b>HR Strategy</b> , linked to corporate aims and objectives
2.2	The Council has strategies, plans and approaches in place to <b>build and release the capacity</b> of its employees and elected members
2.3	The Council is committed to a <b>diverse workforce</b> , providing <b>equal opportunities</b> to all in order to build an inclusive organisation

### Attribute 3: Delivery

*Employees are effectively managed through clearly defined processes and structures. The management arrangements are aligned with the Council's corporate strategy. The HR function is fit for purpose and is resourced to reflect the HR Strategy and the needs of the Council.*

No.	Key Indicators
3.1	The Council has identified its <b>key processes</b> in relation to the management of people and is <b>implementing</b> and <b>measuring</b> them effectively
3.2	The HR Function is <b>appropriate to the needs</b> of the Council and its approach to people management
3.3	The Council has developed and maintained a culture of positive and constructive <b>Employee relations</b>
3.4	The Council recognises the need for effective <b>performance management</b> and is successful in managing the performance of employees and developing them to give their best to achieve the Council's objectives

### Attribute 4: Operational Results

*The Council is achieving high levels of employee satisfaction and is improving its performance against a balanced range of HR performance indicators. Trends over three years indicate a positive direction of travel, in line with HR Strategy. Targets are set, achieved and benchmarked with 'best in class' organisations. Its achievements reflect the needs and expectations of its customers, employees and relevant stakeholders and are in line with national expectations and requirements.*

No.	Key Indicators
4.1	The Council routinely measures and manages <b>Employee satisfaction levels</b> . This information is used to inform change and improvement in the way that the Council values and manages its people
4.2	The Council has in place a balanced set of <b>people related performance indicators</b> (national and local) in order to monitor, understand and improve the performance of its people in delivering services
4.3	The Council gathers relevant <b>customer and stakeholder perceptions</b> and these are used to inform decisions about service delivery and improving performance



## Attribute 5: Learning

*Learning is a way of life and is routinely used to improve strategic approaches to people management. The Council and its HR function are willing to learn from experience, its people, other organisations and external 'challenge' in order to improve*

No.	Key Indicators:
5.1	The Council and HR function are <b>self-aware</b> in relation to the effectiveness of people management arrangements and the contribution made by the HR function
5.2	The HR function plays a key role in promoting the need to share information, enabling the Council to become a <b>learning organisation</b>

### Assessment Guidance

In assessing how well a council is performing in relation to each of the **Key Indicators**, the assessment team will use the following guidance:

#### For Leadership, Strategy, Delivery, and Learning, they will explore:

1. What is the organisation's approach in this area?
2. What is the rationale for doing it this way?
3. Is it done in this way consistently across the organisation?
4. How does the organisation measure the impact of what it is doing?

#### For Operational Results, they will explore:

1. Does the organisation have in place a balanced set of indicators covering all aspects of people management?
2. How has it performed over the last three years?
3. How does it set targets and how is it performing against them?
4. With whom does it compare its performance and how is it performing against them?

## EXECUTIVE SUMMARY

During this Peer Review, the assessment team has sought to operate as 'critical friends' and be supportive of the Council's desire to open up to external challenge. Therefore, in reading this report and using it to focus any subsequent improvement activity, it will be important to distinguish between 'inspection' and 'peer review'. Acknowledging the 'snapshot' that a two day site visit offers, the assessment team does not seek nor is it able to make concrete judgements about the Council's people management arrangements. Instead, the team aim to reflect back and offer objective interpretation on evidence presented to it through documentary and interview based information. The team have identified both strengths and areas for improvement and it is important to read these in conjunction rather than in isolation of each other, as a stated strength may also have an area for improvement associated with it and vice versa. It should also be pointed out that the review focuses on the effectiveness of the Council's corporate people management arrangements and the contribution made by the HR function. Unless otherwise stated, the statements within the report refer to the Council as a whole as opposed to the HR function.

Finally, it is hoped the Council will look to conduct future internal assessments against this framework using the findings within this report as part of the self-improvement agenda being encouraged by central government.

### Leadership

There is a new sense of leadership and direction being provided by the Chief Executive and Leader who are clearly setting out an organisational vision for the Council. This seeks to focus the Council and its structures on the key issues involved in creating a "modern council". The Council's leaders have also shown a clear commitment to improving people management arrangements and the implications of change on staff by appointing an HR Committee with executive powers, creating the Transformers Group and establishing a new policy framework.

Since the arrival of the new Chief Executive, there have been regular meetings of key leaders to discuss strategy, the vision and organisational development. There have also been a number of briefings and presentations to staff providing further examples of leadership for the transformation of the Council.

The establishment of the Transformers Group as part of the change programme provides clear evidence of commitment to engage with staff in an open and honest way and there is emerging evidence that some Heads of Service are beginning to own and lead the change programme and recognise they will have a role in driving change throughout the Council.

However, there is evidence that not all Directors and Heads of Service have taken ownership of the Vision for the future or are providing leadership and direction for the transformation of the Council. Despite the communication (in the form of briefings and presentations) that has taken place since the arrival of the new Chief Executive, there is evidence that some staff and managers appear to be unclear about the process and associated timescales for the re-organisation, which is beginning to lead to some concerns about when and how it may affect them. It appears that the plans and timescales for the proposed restructure of the authority have not been widely communicated and are only known by a small number of people.

Although positive changes have been made to re-establish the HR function and raise its profile, it has been damaged by a very poor reputation and there does not appear to be a clear plan which sets out how the function plans to address this. Similarly, the role of HR in providing strategic leadership on people management and human resource issues, or 'championing' organisational change does not yet appear to have been clarified or defined.

Although there is evidence that Officer and Member relationships have improved significantly there is some evidence of Members blurring roles by becoming too involved in operational activities. It also appears that in some cases trust has been lost and it is not clear how the Council plans to re-build this.

## Strategy

An HR Service Plan 2006/07 exists with targets for improvement and a detailed risk assessment including budget bids for additional staff to deliver the necessary improvements. There is some evidence that a Workforce Plan is being initiated in order to build capacity within the Council and there is evidence of a strategy to increase the resources within the HR function to deliver a more effective service.

The Council's CPA Improvement Plan contains a number of actions relating to the restructuring of the Council and developing people management capacity, including the introduction of a Management Development programme to address a key weakness in this area. At present, the content, delivery method, cohorts and timescales are being considered.

However, although the Council makes reference to an HR Strategy, there is no evidence of its implementation or that it is providing strategic direction for the management of people. Similarly, while there is currently much HR/Personnel activity underway, it does not appear to be taking place within a strategic framework or timetable based on a comprehensive risk assessment of the issues. While a great deal of responsibility for the transformation of the Council appears to have been given to the Transformers Group, its role and relationship with the organisation is still unclear to many staff and Members.

There appears to be insufficient capacity for strategic HR within the Council which may be exacerbated by the departure of the Interim Director. It is also not clear how resources will be identified and allocated to the implementation of the HR strategy. While there is a strategy to improve the people management skills of managers through a development programme, plans are still only at an early stage in terms of improving the leadership skills to support those who will be part of the new management structure in leading the Council and managing the transformation. Linked to this, there is no evidence of a strategy to develop Member capacity with no formal induction or the identification of their development needs.

## Delivery

There is evidence that recruitment of the Interim Director of OD and new Head of HR have made a difference and they have kick-started many of the changes that need to take place. There has recently been agreement to recruit an additional HR Officer which should add further capacity to the function and the Head of HR has the full support of her team. A number of key HR policies and procedures have already been completed and approved by the Council's Executive including Disciplinary, Grievance and Capability procedures. This should provide a framework for improving the consistency across the Council and there is some evidence that this is already enabling managers to tackle sickness and conduct issues with staff.

There is evidence that the trade union, UNISON, is being involved in consultation on the new policies. There is a meetings framework in place that involves Management, Members and the Trade Union. Job Evaluation using the Hay scheme has been successfully carried out for all staff and continues to be used when required.

There is evidence of the Council reviewing its competency framework and reducing the number of competencies for managers and staff to a more manageable level. There is also evidence of beginning to take advantage of e-HR through the use of a dedicated section on the intranet. There is however, still scope to strengthen this means of providing access to HR documentation and advice.

However, there is clear evidence that managers and staff do not know what to expect from the HR function and there has been no consultation, lead by the HR team, to establish their needs and requirements culminating in a shared understanding of what can be delivered (potentially structured around some form of service level agreement). The lack of HR policies and procedures has clearly impeded the effectiveness and confidence of HR Officers and managers in handling employee relations matters. The residual impact of this is likely to take some time to resolve despite the policy work being undertaken by the Council at this time.

There is evidence that the PDRS is not being implemented consistently across the whole Council with many staff viewing it as a 'tick box' exercise. Some managers also believed the PDRS is complicated and that the same competencies do not seem relevant to both staff and managers. Concerns were also raised that training and development needs are not being systematically identified through PDRS. There is also evidence that most staff and managers are unaware of the position regarding training budgets and how to access training and development. There appear to have been very low and inconsistent levels of training and although there is a Corporate Training Plan, it does not effectively or systematically address training needs in line with the Council's objectives.

It is not clear how the HR information presented to the Management Board informs the strategic direction for the HR function. Also, managers interviewed said that they weren't receiving people management information such as turnover, sickness levels etc to enable them to manage any issues this may highlight.

### Operational Results

The Council undertook a Staff Satisfaction Survey in 2002 and 2003, conducted by MORI, and achieved an increase in response rate from 38% to 43%. The return rate in 2003 is slightly higher than the MORI average of 39%. The scope of the survey is fairly comprehensive and deals with the key aspects of people management. There is evidence of significant improvement in staff satisfaction levels between the last two surveys which although does not constitute a positive trend, is indicative of the direction in which the Council was moving at this time. Examples include: 'most aspects of the job'; 'communications'; 'line management style'; 'attitudes to change'.

Of the 13 'Corporate Health' BVPs reported by the Council for 2005/06, 7 are on or above target.

However, no staff survey has been conducted since 2003 due to a view from senior officers that the climate was not conducive to conducting a survey. Consequently there are no trends in staff satisfaction or a current understanding of satisfaction levels. However, a repeat of the survey is planned for the autumn of 2006.

Of the 13 'Corporate Health' BVPs reported by the Council for 2005/06, 6 are 6% or more off the target. There is, however, limited evidence of establishing and using a balanced set of local HR PIs to regularly measure the performance of the HR service and help to demonstrate impact as well as highlight where the service needs to improve e.g. quality of PDRS, career development, turnover rates, numbers of grievances and disciplinaries, employment tribunals won and lost etc.

### Learning

The Council appears to have a reasonable understanding of its strengths and weaknesses in relation to people management and the contribution currently made by the HR function. As a result action has been taken to address weaknesses e.g. the recruitment of a new HR manager; the re-positioning of HR within the Chief Executive's Department; the establishment of the HR Committee; the planned HR 'manual'; review of competency framework.

The Transformers Group has been asked to make recommendations to develop a culture that encourages staff to test out ideas and develop solutions. Membership of professional associations and forums is supported. Many staff value the learning and development opportunity that arises from contact with other councils and relevant organisations.

However, there does not appear to be a clear and systematic strategy/approach used by officers and members for seeking, capturing and sharing knowledge and learning. There is also limited evidence of a culture being established which encourages and facilitates regular and on-going training and development for managers and staff and there has been an absence of learning based on the evaluation of the impact of training & development.

There is a perception amongst some staff and managers that the Council has been poor in learning from previous mistakes e.g. there have been several reviews undertaken by previous interim managers/executives and yet little appears to have changed or improved. There is also limited evidence of analysing, learning from and acting on the Corporate Health BVPIs and other HR performance data used by the Council.

Finally, based on the experience of conducting this Peer Review of the Council, the assessment team wish to make the following observations:

- There is a very notable degree of pride amongst most staff in the work that they do for the Council and despite the problems encountered in recent years, they are committed to providing high performing, quality services to the community;
- There is a real sense of expectancy within the Council created by the Interim Director of OD, the Chief Executive and the re-organisation plans. Managing these expectations over the coming months will be critical if the good will amongst staff and managers is not to be diminished;
- There is evidence to demonstrate that the Council's existing structures are too 'top heavy' and the planned re-structure at Director and Head of Service level will address this balance;
- Resourcing of the HR function appears adequate for the advisory/transactional services it provides, but not in terms of performing its strategic role and championing the changes associated with the re-organisation. Although improving, perceptions of the service are poor and the lack of consultation to date with managers and staff has prevented an understanding of expectations and requirements being established;
- The revised competency framework, while an improvement on the previous one, does not appear suitable for use in conducting PDRs for both managers and staff as the competency statements and levels of achievement are the same for both.

### Key Improvement Areas

As a result of this peer review and subsequent discussion at the feedback presentation, the team believe the following improvement areas would be the most beneficial for the Council to address at this point in time. They are not listed in any order of priority and it will be important for the Council to consider these in the context of its own priorities, pressures and constraints. The list below should not preclude the Council addressing other improvement activity which may arise from this point forward:

1. Clearly define and communicate the role and responsibilities of managers in dealing with people management issues, both positive and negative.
2. Develop a comprehensive 'Leadership & Management Development Programme' for the new Directors and Heads of Service ensuring that it is in place in time to support the changes associated with the re-organisation and transformation of the Council. It will be important to develop a 'bespoke' programme, based on consultation with these offices, rather than opt for an 'off-the-shelf' package.
3. Improve the arrangements for and the role of 'leaders' (including elected members) in recognising the contribution and efforts of officers towards achieving the Council's targets and objectives.
4. Develop a balanced set of people management related PIs as well as arrangements for monitoring, reporting and acting on these.
5. Undertake a consultation exercise to establish what managers expect/require from the HR function and, based on the service a 'modern' function should be producing, establish a 'service level agreement'.
6. Review the capacity within the HR function for the provision of strategic advice to the Council following the completion of the Interim Director for OD's contract. This should be combined with ensuring the HR Strategy is implemented and providing strategic direction for the management and development of officers.

## LEADERSHIP

### Strengths

1. There is a new sense of leadership and direction being provided by the Chief Executive and Leader who are clearly setting out an organisational vision for the Council, which seeks to focus the Council and its structures on the key issues involved in creating a “modern council”;
2. The Council’s leaders have also shown a clear commitment to improving people management arrangements and the implications of change on staff within the Council by appointing a HR Committee with executive powers, creating the Transformers Group and establishing a new policy framework;
3. There is evidence of leaders within the Council now taking tough decisions e.g. the reduction of Directors and Heads of Service, the change to the Redundancy & Redeployment policy and the leisure contract with ASPIRE;
4. Since the arrival of the new Chief Executive, there have been regular meetings of key leaders to discuss strategy, the vision and organisational development. There have also been a number of briefings and presentations to staff providing further examples of leadership for the transformation of the Council;
5. The establishment of the Transformers Group provides clear evidence of commitment to engage with staff in open and honest way as part of the change programme;
6. There is evidence that leaders have now recognised that people management is critical to the success of the transformation of the Council and is planning to design a Management Development Programme to improve leadership and line management skills;
7. Following the results of the 2002 MORI Survey, a decision was made by leaders to significantly improve internal communications and a number of new processes were introduced e.g. Team Briefing, Team Tactics and 1:2:1 meetings. The results of the 2003 survey highlighted improvements had been achieved and the Council has continued to review its communication processes;
8. There is emerging evidence that some Heads of Service are beginning to own and lead the change programme and recognise they will have a role in driving change throughout the Council;
9. There is evidence of a new commitment from leaders to deal with and effectively manage under performance of staff.

### Areas for Improvement

1. There is evidence that not all Directors and Heads of Service have taken ownership of the Vision for the future or are providing leadership and direction for the transformation of the Council;
2. Although a set of Values has been developed, it is not clear how they have been communicated and what expectations have been placed on leaders to role-model them;
3. Despite the communication (in the form of briefings and presentations) that has taken place since the arrival of the new Chief Executive, there is evidence that some staff and managers appear to be unclear about the process and associated timescales for the re-organisation, which is beginning to lead to some concerns about when and how it may affect them. It appears that the plans and timescales for the proposed restructure of the authority have not been widely communicated and are only known by a small number of people;
4. Although positive changes have been made to re-establish the HR function and raise its profile, it has been damaged by a very poor reputation and there does not appear to be a clear plan which sets out how the function plans to address this. Similarly, the role of HR in providing strategic leadership on people management and human resource issues, or ‘championing’ organisational change does not yet appear to have been clarified or defined;
5. Although there are plans to introduce a new Recognition Scheme, many staff perceive there is currently an absence of day-to-day recognition of them by leaders for their commitment to delivering quality services;

6. There are a number of divisions or silos within the Council e.g. between strategic management and operational management, individual services and between Hertford and Bishops Stortford with limited evidence that these are being addressed by leaders;
7. Although there is evidence that Officer and Member relationships have improved significantly there is some evidence of Members blurring roles by becoming too involved in operational activities. It also appears that in some cases trust has been lost and it is not clear how the Council plans to re-build this;
8. While there is some evidence of a strategy to address equality and diversity, including the Director of Policy overseeing the VDAG, there is limited evidence of leadership at all levels and across the Council in promoting and encouraging their importance.

## STRATEGY

### Strengths

1. An HR Service Plan 2006/07 exists with targets for improvement and a detailed risk assessment including budget bids for additional staff to deliver the necessary improvements;
2. The Council has recognised that its HR policies are out of date and the HR Team are currently active on policy development. There are plans to deliver training for managers on the new/revised policies as they are issued;
3. There is some evidence that a Workforce Plan is being initiated in order to build capacity within the Council;
4. There is a plan to introduce a Management Development programme to address a key weakness in this area. At present, the content, delivery method, cohorts and timescales are being considered;
5. There is evidence of a strategy to increase the resources within the HR function to deliver a more effective service;
6. There is some evidence of a strategy to address issues of equality and diversity e.g. an Equality and Diversity policy, a Race Equality scheme, a Disability Equality scheme and through the establishment of the Valuing Diversity Action Group. Implementation and compliance with E&D legislation is monitored as part of the Performance Management Framework;
7. The Council's CPA Improvement Plan contains a number of actions relating to the restructuring of the Council and developing people management capacity.

### Areas for Improvement

1. Although the Council makes reference to an HR Strategy, there is no evidence of its implementation or that it is providing strategic direction for the management of people. Similarly, while there is currently much HR/Personnel activity underway, it does not appear to be taking place within a strategic framework or timetable based on a comprehensive risk assessment of the issues;
2. There appears to be insufficient capacity for strategic HR within the Council which may be exacerbated by the departure of the Interim Director. It is also not clear how resources will be identified and allocated to the implementation of the HR strategy;
3. There is clear evidence of inconsistent people management practices across the Council as a consequence of the lack of a strategy to update policies and provide training to managers although this is now being addressed. This includes the advice provided by the HR function;
4. While there is a strategy to improve the people management skills of managers through a development programme, plans are still only at an early stage in terms of improving the leadership skills to support those who will be part of the new management structure in leading the Council and managing the transformation;
5. There is evidence of genuine concerns amongst some staff and managers that the planned re-organisation may lead to a reduction in the level and quality of service delivery and it is not clear what contingency plans the Council is considering to deal with this possibility;
6. While the organisational changes appear sound, have a clear rationale and form part of the CPA Improvement Plan and Risk Register which is monitored quarterly by CMT and the HR Committee, there is no explicit reference to a plan to evaluate the impact of these following the re-organisation;
7. There is no evidence of a strategy to develop Member capacity with no formal induction or the identification of their development needs;
8. There is no evidence of capacity building initiatives taking place or planned for the future other than occasional training events e.g. joint working with other local authorities or bodies;
9. While a great deal of responsibility for the transformation of the Council appears to have been given to the Transformers Group, its role and relationship with the organisation is still unclear to many staff and Members;



10. It is not clear how the PDRS process links the Council's vision and priorities to individual objectives, helping to establish the 'golden thread';
11. It is not clear what is the Council's approach to promoting the health and well being or the work-life balance of its staff;
12. Although the Council has recently established the VDAG (Valuing Diversity Action Group) led by the Director of Policy and with council-wide membership (including the Executive Member with portfolio for equality and diversity), there is limited evidence that equalities and diversity is yet being mainstreamed effectively or that adequate awareness raising and training has been provided to staff.

## DELIVERY

### Strengths

1. A number of key HR policies and procedures have already been completed and approved by the Council's Executive including Disciplinary, Grievance and Capability procedures. This should provide a framework for improving the consistency across the Council and there is some evidence that this is already enabling managers to tackle sickness and conduct issues as well as deal with the legacy of under performance with staff;
2. There is evidence that recruitment of the Interim Director of OD and new Head of HR have made a difference and have kick-started many of the changes that need to take place. There has recently been agreement to recruit an additional HR Officer which should add further capacity to the function. The Head of HR has the full support of her team;
3. There is some evidence of CPD being encouraged and taking place for certain posts/functions and those staff who participate in it are happy with the level of support they receive;
4. There is evidence of the Council reviewing its competency framework and reducing the number of competencies for managers and staff to a more manageable level;
5. There is an appraisal scheme (PDRS) in place which is based on the competency framework and provides an opportunity for discussions with individual line managers;
6. There is evidence that the training needs from across the Council are now beginning to be compiled into a Corporate Training Plan;
7. There is evidence that the trade union, UNISON, is being involved in consultation on the new policies. There is a meetings framework in place that involves Management, Members and the Trade Union;
8. There is evidence that a monthly report is produced by the HR function on key performance measures such as sickness absence, turnover etc and carries out benchmarking against CIPFA and St. Albans Council;
9. Job Evaluation using the Hay scheme has been successfully carried out for all staff and continues to be used when required;
10. Staff surveys have been used in the past to establish satisfaction levels. There is some evidence that action has been taken as a result of the findings;
11. There is evidence of the Council beginning to take advantage of e-HR through the use of a dedicated section on the intranet. There is however, still scope to strengthen this means of providing access to HR documentation and advice.

### Areas for Improvement

1. There is clear evidence that managers and staff do not know what to expect from the HR function and there has been no consultation, lead by the HR team, to establish their needs and requirements culminating in a shared understanding of what can be delivered (potentially structured around some form of service level agreement);
2. There is clear evidence that the lack of HR policies and procedures has impeded the effectiveness and confidence of HR Officers and managers in handling employee relations matters. The residual impact of this is likely to take some time to resolve despite the policy work being done by the Council at this time;
3. There was a view held by many staff that HR team may 'burn out' due to the amount of work required to implement the necessary changes within appropriate timescales unless resourcing levels are addressed;
4. There is evidence that most managers do not believe the Council is providing specific support to help them deal with the implications of the planned changes e.g. change management training;
5. There is evidence that the delivery of induction appears inconsistent with some staff having a timely and useful induction while others have not received one at all;
6. There is evidence that most staff and managers are unaware of the position with training budgets and how to access training and development. There appear to have been very low and inconsistent levels of training and although there is a Corporate Training Plan, it does not effectively or systematically address training needs in line with the Council's objectives;

7. It is not clear how the HR information presented to the Management Board is used to inform the strategic direction for the HR function. Also, managers interviewed said that they weren't receiving people management information such as turnover, sickness levels etc to enable them to manage any issues this may highlight;
8. There is a perception that the Trade Union is only involved in issues when it suits the Council and there does not appear to have been any evaluation of the effectiveness of the joint consultative arrangements;
9. There is evidence that the PDRS is not being implemented consistently across the whole Council with many staff viewing it as a 'tick box' exercise. Some managers also believed the PDRS is complicated and that the same competencies do not seem relevant to both staff and managers. Concerns were also raised that training and development needs are not being systematically identified through PDRS;
10. Whilst there is a formal project management toolkit in place within the Council, there is evidence that it is not fully embedded and consistently used within the organisation. There is also no clear rationale why officers are not required to use it and may 'cherry pick' those elements which they find useful;
11. There were concerns expressed by some staff that the membership of the Transformer Group was not representative of all departments across the Council;
12. Whilst there are internal communication processes in place, there is some evidence that not all staff have regular opportunities to discuss issues with their line managers.

## OPERATIONAL RESULTS

### Strengths

1. The Council undertook a Staff Satisfaction Survey in 2002 and 2003, conducted by MORI, and achieved an increase in response rate from 38% to 43%. The return rate in 2003 is slightly higher than the MORI average of 39%. The scope of the survey is fairly comprehensive and deals with the key aspects of people management;
2. There is evidence of significant improvement in staff satisfaction levels between the last two surveys which although does not constitute a positive trend, is indicative of the direction in which the Council was moving at this time. Examples include: 'most aspects of the job'; 'communications'; 'line management style'; 'attitudes to change';
3. The results of the 2003 staff survey confirm that the Council was performing favourably with other Councils and was in line with or above the Local Authority average for most key areas at this time;
4. There is some evidence of improvements resulting from the 2002 survey e.g. communication methods;
5. Of the 13 'Corporate Health' BVPIs reported by the Council for 2005/06, 7 are on or above target;
6. The Council has achieved the Investors in People award.
7. The Council won a national IPR award for Internal Communications in 2004.

### Areas for Improvement

1. No staff survey has been conducted since 2003 due to a view from senior officers that the climate was not conducive to conducting a survey. Consequently there are no trends in staff satisfaction or a current understanding of satisfaction levels. However, a repeat of the survey is planned for the autumn of 2006;
2. Of the 13 'Corporate Health' BVPIs reported by the Council for 2005/06, 6 are 6% or more off the target;
3. The 2003 staff survey also highlights a number of unsatisfactory results and it is not clear what action has been taken to address the relevant areas for improvement;
4. While MORI has produced reports on the two surveys conducted to date, there is no evidence of the Council producing its own summary, communicating this and agreeing the actions and improvement targets to address key areas of weakness;
5. There is limited evidence of establishing and using a balanced set of local HR PIs to regularly measure the performance of the HR service and help to demonstrate impact as well as highlight where the service needs to improve e.g. quality of PDRS, career development, turnover rates, numbers of grievances and disciplinaries, employment tribunals won and lost etc;
6. There is no mechanism in place for monitoring and evaluating the quality and impact on service delivery of staff learning and development or any information on the return on investment. There is also no information on access to training by gender, ethnicity, grade etc;
7. There is no evidence of seeking and using the perceptions of stakeholders to inform an understanding of effectiveness of people management and development.

## LEARNING

### Strengths

1. The Council appears to have a reasonable understanding of its strengths and weaknesses in relation to people management and the contribution currently made by the HR function. As a result action has been taken to address weaknesses e.g. the recruitment of a new HR manager; the re-positioning of HR within the Chief Executive's Department; the establishment of the HR Committee; the planned HR 'manual'; review of competency framework;
2. There is evidence that the HR Service Plan is based on an understanding of the current strengths and weaknesses of the HR function and is being monitored against a planned time table of delivery;
3. The briefing sessions, led by the newly appointed Chief Executive on the transformation of the Council is a good example of learning from previous mistakes in communicating key messages;
4. The Transformers Group has been asked to make recommendations to develop a culture that encourages staff to test out ideas and develop solutions;
5. There is evidence that the Council has been/is open to, and has been proactive in seeking out external challenge, including this Peer Review;
6. Membership of professional associations and forums is supported. Many staff value the learning and development opportunity that arise from contact with other councils and relevant organisations;
7. The Council has previously used employee surveys in order to facilitate the gathering of staff opinion and the opportunity to learn and improve.

### Areas for Improvement

1. There does not appear to be a clear and systematic strategy/approach used by officers and members for seeking, capturing and sharing knowledge and learning within, but particularly across the Council;
2. There is limited evidence that staff exit interviews are being acted upon or learnt from;
3. There is limited evidence of a culture being established which encourages and facilitates regular and on-going training and development for managers and staff and there has been an absence of learning based on the evaluation of the impact of training & development;
4. There is a perception amongst some staff and managers that the Council has been poor in learning from previous mistakes e.g. there have been several reviews undertaken by previous interim managers/executives and yet little appears to have changed or improved;
5. Other than those comparisons provided by MORI on staff satisfaction, the Council does not proactively compare its performance on a range of people-based PIs with other authorities or organisations in order to benchmark and learn;
6. There is limited evidence of analysing, learning from and acting on the Corporate Health BVPIs and other HR performance data used by the Council;
7. There is some evidence that staff are not encouraged to review and question 'custom and practice' and suggest possible changes and improvements.
8. Although the Council has used employee surveys on two previous occasions, with the exception of communication, it is not clear what actions have been taken to address the other weaknesses identified.

## CONCLUSION

Throughout the 'Peer' Review, the team has sought to operate as 'critical friends' and be supportive of the Council's desire to open up to external challenge. The assessment team have been impressed with the positive and responsive way in which the Council has received this review as well as the importance it has placed on its outcomes. Despite the difficulties of recent years, there is a great sense of expectancy about the future coupled with a desire to transform and improve the Council. We very much hope that the Council finds this report constructive and helpful in focusing its people management and HR improvement activity.

Should the Council wish to discuss or clarify any aspect of the report then the team will be more than happy to do this during the feedback presentation.

**Richard Roddie**  
**Excellence in Business Peer Review Manager**