INVESTORS IN PEOPLE

Organisation Improvement Framework

Review Report

Commercial in Confidence

Halton Borough Council
Municipal Offices
Widnes

UNDERTAKEN BY
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On behalf of Investors in People North West

LAST DAY ON SITE
May 6th 2010

INVESTORS IN PEOPLE | North West

Introduction

Halton Borough Council is situated in North Cheshire and includes the towns of Widnes and Runcorn. It has been a unitary authority since 1998 and is responsible for providing services to the community including Education, Social Care, Planning, Street Cleansing, Youth Support, libraries and recreational facilities. The Council serves approximately 120,000 local residents and employs just over 3000 people, excluding schools staff.

Change is not new to the Council. At the time of the last review a restructure had reduced the number of Directorates and transferred housing to an arms length Trust. In spite of cuts in budgets and cost savings, budget challenges have persisted and 12 months ago KPMG were commissioned to carry out a review of budgets.

KPMG's work has resulted in an efficiency programme that in its first year has made savings in excess of £3million. The shape of services has changed across the council following reductions in senior management posts and business support and administration services being moved to Centres of Excellence in the Corporate Centre. The council is seeking savings of £6 – 8 million each year from its programme for the next 3 years.

Halton Borough Council was first assessed against the Investors in People Standard in 1997. The last review took place in October 2006.

This review was carried out over 6 days, during which 120 people were interviewed either individually or in small groups, by 2 assessors working as a team. The sample was drawn from each directorate and covered all staff from front line posts to the Chief Executive and Leader of the Council. A breakdown of the sample size is included on page 9.

Outcome

Having carried out the assessment process in accordance with the guidelines provided for assessors by UK Commission for Employment and Skills, the Assessors were satisfied beyond any doubt that Halton Borough Council continues to meet the requirements of the Investors in People Standard. On behalf of Investors in People North West the Assessors would like to congratulate Halton Borough Council on this achievement.

The next review is due in October 2012, unless the Council chooses to be assessed sooner in relation to its Continuous Improvement Plan, or aspects of it.

Objectives

The objectives for the assessment have been informed by internal discussion, documentary review and meetings between the assessor, senior managers and staff.

The council decided that it did not wish to be assessed against the 'Your Choice' indicators of the Standard; although it welcomes informal feedback against those indicators particularly where good practice is found.

First and foremost the review will establish if Halton Borough Council continues to meet all the indicators of the National Standard.

Managers have identified that in addition they would like feedback on how the standard and your choice indicators of the framework Standard has helped and can continue to help the Council to:
- manage change,
- manage performance and
- improve work life balance.

The report has been written around these objectives.

Executive Summary

Halton Council provides outstanding training opportunities for its staff and elected members. This is highly valued and is one of the reasons people said that they are attracted to work for the Council.

The investment in training and development goes beyond job related training. Many excellent examples of career development and progression were provided particularly for members of staff in Environment and Economy where a culture of learning and investment in career progression is led from the top.

There is a structured approach to leadership and management development which is well embedded and many examples were provided of people undertaking and achieving ILM and MSc's in leadership and management. The Council has additionally invested in leadership and management skills to support its change programme, with a programme for members of its extended leadership team and feedback from managers on this was very good.

The recently introduced competency framework provides the opportunity to review the relationship between competencies and leadership and management development. The framework is still new and is not well understood or used by managers and staff. Its link not only to training but also to recruitment and EDR (Employee Development Review) needs to be explained, so that people can be clear about what the competencies mean to them and how they will be incorporated into ways of working.

The 1st wave of the efficiency programme has been very well managed. The transfer of responsibility for implementation from KPMG to managers within the council has resulted in empowerment and ownership of change. Stakeholders including Trade Union representatives have been consulted and involved from an early stage.

There has been a significant investment in people who were 'at risk' including the skills for change programme, and an enhanced redundancy package. It is a credit that savings have been made whilst morale largely appears to remain good. Interviewees understood the need to make savings and were pleased to have come through the review with a job. In some cases people were able to benefit from the changes in structure and applied for and were appointed to more senior positions.

EDR is well embedded with very few examples of people who have not participated in EDR this year. There is a clear cascade of objectives from the corporate and directorate plans to individuals and some very good examples of this were brought to interview by people. Continuous encouragement of managers to carry out EDR's along with an audit of practice should ensure that everyone has an EDR, as those who said they had not had an EDR were amongst the very few interviewees who appeared less satisfied in their roles.

People welcome the extension of flexitime and the removal of core hours. A large number of interviewees said that it is much easier to balance family commitments now that the core hours have been removed, which helps with child care arrangements and appointments.

Whilst no members of staff who left the organisation were interviewed people welcomed the approach and achievement of reductions without compulsory redundancies. The 3 year pay protection that the council offered to those whose grades have been reduced has also helped staff to manage this difficult situation.

The evidence provided through interviews signalled that the Council portrays good practice against some of the 'Your Choice' indicators of the Standard, and may meet some of these if assessed against them. These have been highlighted in blue on the topic map below.

Areas for development

The following areas for development were identified:
- Strategies and plans will be more focused if they are directly linked to a needs analysis. For example data on the % of the workforce from an ethnic minority background, who are leaders and managers, should underpin a plan to provide access to development for growing future leaders from this group. Also the number of posts and post holders that require mandatory /key training such as safeguarding should be identified both in the council and across the partnership so that an assessment of the % of post holders that require training can lead to a more targeted training plan. The corporate training programme should be directly related to the identified needs of Operational Directors and Divisional Managers.
- The return on investment in training resources should be quantified to inform future decisions, this would include identifying the costs per head of providing training, taking account of the costs of space, resources and staffing. The usage of resources should also be considered including the days spent training and the occupancy of training rooms.
- The good practice for planning and evaluating training evident in adults social care needs to be extended across the council so that learning and development planning and evaluation practices meet the same standards across the council, and are continually improved.
- More face to face communication needs to be provided as part of the current and future efficiency programmes and people need to be told when there is a change to the plan or timescale and when nothing is happening.
- Savings can be made to the provision of training, by reviewing processes and doing things differently such as on line registrations and sending out course materials electronically rather than printing off and putting together 'packs'.
- The competency framework needs to be embedded into HR processes such as recruitment, EDR, and job descriptions so that it can be a useful framework for recruitment, development and progression.
- Flexible working needs to be more directly linked to the council's accommodation strategy and better promoted so that managers and staff understand the benefits and management implications and fully consider all the options for flexible working.

These areas for development have been included in the draft continuous improvement plan at the end of this report. They should be considered by training and development professionals and service representatives as with the exception of the Return on Investment and Evaluation recommendations they fall into the Your Choice indicators of the Standard and may or may not reflect agreed priorities.

The council may wish to be assessed against some of the 'Your Choice' indicators to measure progress against their objectives or to recognise formally good practice. If required the Council can apply to be assessed against indicators which will qualify for a bronze, silver or gold award.

The lead assessor will be pleased to provide further guidance if required.

Findings against the Objectives

The council chose 3 objectives as the focus for this review. These are:

- Change management
- Performance management and
- Flexible working.

This report has been written using these headings identifying good practice and areas for improvement against the Standard, and appropriate 'Your Choice' indicators.

<u>Change Management</u>

There is a strong sense of ownership of the programme of efficiency savings. People expressed this in terms of feeling empowered by the decision to bring the programme in house, rather than change being 'done to' them.

Involvement was extensive with elected members setting the framework for change at the outset, followed by early engagement with Trade Unions. There was very positive feedback from interviewees about this approach, with comments on the strong early communication and road shows.

However although communication started very positively people felt that as the programme progressed there was more email communication which did not provide the same opportunity to engage in questions and answers and face to face discussion. Those who were involved in the first wave of efficiencies said that they would have liked updates to explain any delays in the timetable and to be kept informed when there was nothing to report. This is a learning point for the current and future programmes of change that is recognised and addressed.

Whilst communication could have been improved generally people responded well to the programme and morale appears to have held up. Interviewees really welcomed the fact that managers were open and honest and kept their word. One interviewee who had come from another borough that had been through a similar programme said how refreshing it was to be told at the outset by his manager that there would be a job for him at the end of the process if he wanted it, and more importantly that what he was told materialised.

Importantly there has been a big investment in those people who were at risk, with training provided in interview skills and the Skills for Change programme, which has been put forward for external recognition. Training coupled with enhanced severance packages and a policy of no compulsory redundancies has been a major contributor to the success of the programme and the realisation of savings.

The reduction in management posts has opened up opportunities for career progression and for expansion of roles. A number of interviewees welcomed the opportunities provided to further develop their skills and careers. They have all felt very well supported in the transfer to new and or expanded roles. In particular people spoke highly of the programme provided through the University of Chester for members of the extended leadership team, 'Leading through Change'. They also felt well supported in taking on their new roles. Many provided examples of extended handover periods prior to previous managers leaving.

Undoubtedly the reduction in management posts will put additional pressures on managers. One Operational Director said he had lost over 400 years of experience as a result of people leaving the organisation. The loss of experience and knowledge coupled with much larger teams and more varied services that managers are leading will require OD's and DM's to work 'smarter', to encourage self management, and decision making at

lower levels in the organisation. Members of the extended leadership team will also need continued support and investment in their skills from development programmes and from the planned coaching and mentoring, to help them in their new roles and to manage staff through the programmes of efficiency savings in their service areas.

The change for administrative staff has been difficult. This group of staff have not only been brought to the corporate centre in a Centre of Excellence which is in itself a significant change to their working and management arrangements but many have also been re-graded at lower pay levels. Pay protection is generous at 3 years but morale is lower amongst this group of staff than others. Loss of the specialist knowledge that administrative staff have of IT systems such as care first is a risk that the service will need to address quickly by investing in greater flexibility of skills.

Protocols have been established to prevent a growth in new roles in the directorates; meanwhile there are still some administrative staff in their traditional service areas so that the change process is not complete, and interviewees felt that this left uncertainty about the future.

The council is self aware and learning from its programme to use its knowledge to inform future change. The issues raised by the assessors are understood and improvements for example in communication are being introduced.

Staff have also learned from the first wave of efficiencies and can be expected to be more demanding not only of information but also understanding in the next rounds of change. One of the issues raised with the assessors was the need to better understand the rationale for change; the criteria for being at risk and for even more transparency in the process.

It is too early to fully evaluate the impact on service delivery, although one interviewee remarked that the loss of administrative support meant that his service were unable to turnaround requests from schools as quickly, and possibly not within specified agreement times. Consideration will need to be given to the impact of change on all service provision and decisions may need to be taken on non core business that the council is willing to forego.

HR self service will require individuals to do more for themselves and reductions in administrative support will require managers and staff to undertake more of their own administrative work. These changes are not new to councils; others have introduced self service. Halton council staff appear to have good IT skills and training is available for those who need or want to further develop these. Newly qualified social workers for example are able to do the ECDL programme to extend their IT skills and knowledge and there is no concern that people will not have the skills to undertake these duties, however the extent to which it will put pressure on social workers for example will need to be monitored.

Performance Management

The efficiency programme has resulted in changes to the organisation structure and many newly formed service areas have yet to finalise their annual plans. Few current service plans were seen either for service improvement or for training and development. Strategies and plans that were reviewed included the Corporate Plan, Children and Young People's Plan, the People Strategy and the Training and Development Plan for Adult and Community Services.

Plans will need to be finalised quickly to enable EDR's to reflect the current year's priorities and to give sufficient time for the delivery of objectives set. It may be challenging to respond to learning and development needs identified in PAP's where these differ from the internal programme provided.

It is really important that changes resulting from the first wave of efficiencies and those planned for the future do not adversely affect performance management, and that the

investment of time and effort that is put into performance management is maintained. Close monitoring will be required to ensure this does not happen.

The current level of investment in management development including training in sickness absence and attendance, grievance and disciplines needs also to be maintained particularly as there are many new managers and many managers with responsibilities for increased numbers of people.

A refresh of HR plans including the Children and Young People's Workforce Strategy and the People Strategy will provide the opportunity to strengthen the needs analysis so that a far more focused plan for improving performance can be produced. Data capture is crucial and whilst there is data on the makeup of the workforce this will need to be reviewed following the restructure to reflect differences in the makeup of each directorate. The good practice that exists in data capture informing policy and practice (including training) in managing sickness absence should be applied across people management practices as appropriate.

Training and development data capture also needs strengthening so that reporting on the posts and numbers of people who require training can better inform programme planning and costing and can enable more informative reporting on the % of staff who require specific training, who have undertaken it.

Performance indicators will also need to be reviewed to measure improvement in those aspects of the service that are important, where these are not covered by national indicators. These will include for example targets to measure the impact of the efficiency programmes and in training targets to measure the return on investment of the training resource centre.

People were asked to bring along to interview copies of their EDR's and through discussion it was clear that in all those cases there is a strong golden thread between individual objectives and priorities for service delivery over the past 12 months. The investment in time and effort given over to EDR's is evident and the assessors were impressed by the ones that members of staff shared with them. The quality of objective setting is very good although on occasions the number of objectives set seemed high (in some cases there were 12-14 objectives set).

It is a credit to the organisation that the commitment to development reviews comes from the top and is led by the performance review that the leader undertakes with the Chief Executive. The investment in training and development for elected members is also impressive.

It is very commendable that there were few people reporting that they had not had a performance review. Even so there needs to be a continual drive to ensure that all managers are managing the performance of their staff members and making training and development opportunities available to them.

Involvement in service planning and in reviews of plans is well developed. Interviewees could describe the process by which they could inform service planning and said that their suggestions were taken into account. The approach appears to be more 'bottom up' with team plans feeding up the chain into directorate plans than the reverse and if this is the case then it will be important to ensure that the national, regional and corporate priorities are not lost in the process. Good practice examples provided of reviewing plans included quarterly review days and audit of files against the 5 outcomes for Children and Young People.

Evaluation of learning and development is still developing. First level evaluation - satisfaction with training and development is widespread and a well embedded process; whereas evaluation at a more strategic level is still patchy. The best examples were seen in Adults and Community and whilst the commissioned evaluation report was not available there were 2 evaluation reports which provided more detailed analysis. They covered ssafeguarding vulnerable Adults and NVQs.They provide a benchmark standard for future evaluation of all significant training across the council.

Historically there is little information on Return on Investment for the training centre itself. Now that the service is provided through a centre of excellence the return on investment will be easier to calculate. By quantifying the costs of the training facility alongside the costs of trainer time and use of resources the CSDG will be better placed to demonstrate the value of the investment whilst identifying potential cost savings. Some cost savings can be made by better use of IT for example to enable people to book courses on line and by distributing course information electronically.

<u>Flexible Working</u>

In the last few years the council has abolished core hours from the flexi time system and offered a day and half of flexi- leave in any month. Interviewees were really enthusiastic about this policy and their ability to use it to meet child care and other out of work commitments. Flexi time is a benefit that staff really value.

The council's flexible working strategy encompasses different patterns of working other than flexi time such as compressed hours, home working and hot desking, however few people appear to be aware of these alternative options, and the assessors were not sure whether this is because there has been little marketing of it or whether it is because some managers are not keen to promote it. Where people said they use home working this is mainly infrequently and to provide some dedicated quiet time for report writing.

The service that appears to have benefited significantly from home working is the benefits service. Interviewees said that they routinely work 2 weeks at home followed by 1 week in the council's offices. The nature of the work means that performance monitoring is easy to manage and in fact both managers and staff reported that performance had improved since the introduction of home working. Home working has reduced the need for office space with accommodation savings from hot desking.

Some managers said that flexible working is being considered along with accommodation as part of every efficiency review, however the assessors wondered whether there would be greater benefit to be gained from making this the subject of a separate review.

If the council is serious about flexible working and the contribution it can make to reward and to accommodation strategies then consideration needs to be given to how flexible working in its broadest sense is promoted and taken forward.

Abbreviations Used

EDR – Employee Development Review
PAP – Personal Action Plan
CSDG – Corporate Staff Development Group

Business Strategy	Learning & Development Strategy	People Management Strategy	Leadership & Management Strategy	Management Effectiveness	Recognition & Reward	Involvement & Empower	Learning & Development	Performance Measurement	Continuous Improvement
The Standard - Top Managers should make sure (and their people should confirm) that:									
Organisation has vision/purpose strategy and plan People involved in the planning Rep.groups (where app.) are consulted when developing plans	Learning priorities are clear and linked to the plan Resources for learning and development are made available The impact will be evaluated	People are encouraged to contribute ideas There is equality of opportunity for development and support	Managers are clear about the capabilities they need to lead, manage and develop people People know what effective managers should be doing	Managers are effective and can describe how they lead, manage and develop their people	People believe they make a difference People believe their contribution is valued	Ownership and responsibility are encouraged People are Involved in decision-making	People's learning and development needs are met	Investment in learning can be quantified Impact can be demonstrated	Evaluation results in improvements to people strategies and management
Your Choice - Top Managers should make sure (and their people should confirm) that:									
Clear core values relate to vision and strategy Key performance indicators are used to improve performance Social responsibility is taken into account in the strategy People and stakeholders are involved in strategy development	The learning and development strategy builds capability Plans take account of learning styles People help make decisions about their own learning Learning and development is innovative and flexible There is a culture of continuous learning	The recruitment process is fair, efficient and effective A diverse, talented workforce is created A work-life balance strategy meets the needs of its people Constructive feedback is valued The structure makes the most of people's talents	Leadership and management capabilities for now and the future are defined Managers are helped to acquire these capabilities Leadership and management strategy link to business strategy, taking account of external good practice Everyone is encouraged to develop leadership capabilities	Managers are role models of leadership, teamwork and knowledge sharing Coaching is part of the culture People are helped to develop their careers There is a culture of openness and trust	Reward and recognition strategies link to business strategy and are externally benchmarked What motivates people is understood Success is Celebrated Benefits strategy goes beyond legal requirements Colleagues' achievements are recognised	Effective consultation and involvement is part of culture People are supported and trusted to make decisions Knowledge and information are shared Representative groups are consulted (where appropriate) People committed to success There is culture of continuous improvement People can challenge the way things work There is a sense of ownership and pride in working for the organisation	Learning and development resources are used effectively Innovative and flexible approaches to learning and development are used People are given the opportunity to achieve their full potential All learning is valued/celebrated and is an everyday activity Mentoring is used Personal development is supported	The contribution of people strategies is measured and evaluated Impact on key performance indicators can be described Performance improves as a result Career prospects Improve Flexible and effective approaches to measuring return on investment are used ROI in people is reported to stakeholders	Self review and information from external review are used Effective feedback methods are used to understand people's views on how they are managed Internal and external benchmarking are used People's views on how they are managed improves Learning is an everyday activity People believe it's a great place to work

Traffic lighted (Red, Amber and Green) – See Key on Evidence Matrix

Blue highlighted topics are those where evidence from the review indicated that the Council may demonstrate good practice against the Your Choice indicators of the Standard

Evidence Requirements assessed were as follows:

Traffic lighted (Red, Amber and Green)

The Standard – Evidence Requirements										
ER	1	2	3	4	5	6	7	8	9	10
1	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
2	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
3	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
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Key:

✔	Evidence Requirement Met		D	Met with Development Opportunity
X	Further Evidence Required			Evidence Requirement Not Assessed

CONTINUOUS IMPROVEMENT PLAN

Objective/Priority/Issues	Suggested Development Activity	Client Action	Assessor Support	IiP Centre Support
Change Management	Continue to develop skills and improve knowledge of change management by learning from feedback from the first wave of efficiency programmes, identifying networking opportunities and programmes with local government providers and by access to material on the Investors in People website. Assessor can highlight material of interest on the GoodPractice.net website and others.		Yes	
Performance Management	Ensure service plans and training and development planning takes place and is not disrupted by the efficiency reviews. Continue to strengthen leadership and management skills to support planning and the EDR process by making training opportunities available. Strengthen the link between the competency framework and leadership and management skills by taking advantage of programmes offered including those that are available through the IiPNW centre and by embedding the framework in processes such as recruitment, induction, and EDR			
Family Friendly policies	Consider the potential role for family friendly policies and flexible working in the efficiency review programmes as part of a total reward strategy and linked clearly to accommodation.			
Review the IIP Health & Wellbeing Good Practice Award initiative launched in March 2010.	Use the Investors in People framework to support the above, considering assessment either against the Your Choice indicators of the 'Wider Framework' or this can be facilitated by the implementation of a Health & Wellbeing strategy utilising the IIP Health & Wellbeing Good Practice Framework. The framework is supported by the Department of Health and could add value in keeping the workforce healthy, balanced and sane. Further information at www.investors in people co.uk.			Yes

Objective/Priority/Issues	Suggested Development Activity	Client Action	Assessor Support	IiP Centre Support
Calculate the return on investment for the training centre to inform future decision making and strengthen evaluation.	Continue to look at models that can help to strengthen evaluation, whilst sharing good practice in Adults and Community services with other services. Consider the benefits of seeking formal recognition of the good practice that exists beyond the National Standard either through the Bronze Silver or Gold awards or with reference to a particular objective such as Change Management or Flexible Working.			

Conclusion

In conclusion the assessors consider that the considerable investment in training and development, particularly to support the change process, along with a policy of no compulsory redundancies, an enhanced retirement package, and good flexible working provisions have helped to maintain morale at a time when people have been asked to make changes and sacrifices in their working lives. It is to the credit of the council that people are attracted to work for Halton Council and to build careers here.

Halton council meets all the indicators of the National Standard as well as displaying good practice in some or all service areas against the topics identified above on the topic map.

The Assessors would like to thank all those involved in organising the assessment and site visit, for their efficiency in providing all the materials requested and for support and refreshments provided. The Assessors would also like to thank all the interviewees who made time to meet with them or talk to them over the telephone.

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