

HR Strategy 2007 – 10

‘Valuing Our People’

Add in Company's visual image

EXECUTIVE SUMMARY

NCH's Ten Year Strategy sets out the Company's mission and vision:

Our mission: To deliver excellent services

Our vision: NCH: homes and places people want to live in

NCH recognises that our diverse employees are our biggest asset and the way in which they are trained, developed, rewarded, motivated and achieve job satisfaction very much influence how we perform as a Company. We need to be clear about and communicate our expectations; nurture and develop skills and abilities; manage performance; encourage, celebrate and reward achievements; provide a safe, healthy, supportive and inclusive working environment; and treat all people fairly and with respect. The particular skills and talents that our employees use every day make a difference to our customers.

We are a major employer within the city and, the very nature of our work puts us at the heart of communities. We aspire to be an organisation which local people want to work for and where they can see their career progress.

Equally important are aspiring customers who wish to become involved in governance of the Company and the provision of development routes which facilitate succession planning to the Board of the Company and subsequent ongoing development and performance improvement.

The background to the development of our HR Strategy is a greater focus on our diverse range of customers and meeting increasing expectations, value for money, improved quality and more flexibility and innovation in the delivery of our services.

We know that we will only be successful in meeting our expectations if we set clear aims for NCH and ensure that we have the right arrangements in place to retain a skilled, motivated, committed and well-managed workforce who ensure that our customers come first. We also recognise the importance of cultural change so we have a workforce who can adapt to new situations and make the necessary changes in the way they work, supported by progressive modern employment practices.

The HR Strategy sets out our ambitions for the next 3 years and the outcomes we intend to achieve. The HR Strategy has been developed in consultation with senior managers, trade union and employees and is endorsed by the Board. It will be used to regularly monitor performance against key outcomes and report to Executive Management Team twice a year and the HR Committee and tenants annually.

Chris Langstaff - Chief Executive

INTRODUCTION

The mission for NCH is set out in the Ten Year Strategy to 2017:-

To deliver excellent services

To deliver our mission we will:

- Deliver a customer focused service
- Work to promote equality and reduce disadvantage
- Work in partnership to identify and exploit new opportunities for joint working for the benefit of our customers
- Make effective use of resources and develop our infrastructure
- Make business improvements
- Value and support a highly motivated and well trained workforce
- Develop as a learning organisation

Our approach to human resource management is a crucial element of delivering the mission. Through valuing and supporting a highly motivated and well trained workforce and ensuring our employees work within the spirit of our organisational values, NCH will realise its vision:

Nottingham City Homes – homes and places people want to live in

This strategy is not just about structures, policies, procedures and processes it is about our organisational values and our approach to human resource management for NCH which must empower and enable managers to handle employment issues within their services competently and effectively.

We must enable managers to manage, in the best interests of their services and customers, with the HR function providing advice that supports this aim.

The HR Strategy is supported by a People Development Plan which describes in detail the development opportunities that NCH will focus on. There are four key areas covered:

- core development
- technical and professional development
- community leadership and
- governance and leadership and management development.

NOTTINGHAM CITY HOMES CONTEXT

There are a number of important factors within Nottingham City Homes for HR to consider and address and this section provides the organisational context for the HR Strategy.

Nottingham City Homes is a Company, established 1st April 2005, wholly owned by Nottingham City Council and responsible for managing, maintaining and improving the Council's housing stock. NCH's workforce profile is attached at Appendix A which also includes other baseline information.

The Company wants to retain what is excellent from the local government framework of terms and conditions that it has inherited, for example - local government pension scheme (LGPS), apprenticeships and flexible working policies. However, in order to achieve its ambitions, the Company wants to learn from best practice in Human Resource Management and adapt accordingly.

Our working relationship with the recognised trade unions is important to the successful delivery of this Strategy and their contributions run through all the themes. Also important are our relationships with our Ethnic Minority Employees Forum and non-unionised employees and their engagement and involvement.

Our strong commitment to equality and diversity is embedded in all aspects of our work and in initiatives to attract, retain and make the most of the talents from the different sections of the community we serve.

Our partners are identified in our 10 Year Strategy:

- Our formal and contractual partners, particularly that with Nottingham City Council and our Decent Homes partners
- Our involvement in strategic partnerships such as One Nottingham and the Crime and Drugs Partnership
- Partnerships at a local, operational level

Organisational Development also have internal partners within NCH – our operational departments who are customers of Organisational Development as a corporate service.

Our HR Strategy needs to support increased levels of partnership working to enable us to achieve the customer focused, excellent services we aspire to.

EXTERNAL CONTEXT

The HR Strategy is directly informed by a number of key external influences which impact on people performance and practises as follows:-

- Gershon
- Local Government Workforce Strategy 2007 (launched 28 Nov 2007)

The Gershon efficiency savings target has increased and will require us to achieve a significant level of cashable savings over successive financial years.

The Local Government Workforce Strategy 2007 - '**Local Government: the place to be, the place to work**' is a national strategy which aims to support faster, fitter, more flexible, citizen focused and personalised local public services. It's predecessor the National Pay and Workforce Strategy (PWS) 2003 underpins the HR strategy of our partner Nottingham City Council.

The five priority areas in the Local Government Workforce Strategy 2007 are organisational development, leadership development, skill development, recruitment and retention and pay and rewards. These are reflected in the themes within our cultural change programme and in our HR Action Plan (at Appenix B).

CURRENT CONTEXT

It is important to have an understanding of where the Company currently sits in terms of performance and culture. A mock inspection was undertaken in October 2007 which helped identify key strengths and areas for development.

Key Strengths

1. Commitment to delivery of quality services
2. High level of self awareness about Company strengths and areas for improvement
3. Strong leadership from the Chief Executive and new leadership team
4. Pockets of good practice across the Company, which we can all learn from.

Key Areas for Improvement

1. Bottom quartile for a large proportion of performance indicators with the exception of repairs
2. Poor communication and coordination across teams and service areas
3. High costs, poor value for money
4. Diversity issues beyond Black and Minority Ethnic are not fully developed

Where we want to be

The table below depicts where as an Company we would want to see ourselves. Reference to the past is based upon evidence collated from the 2005 employee survey, face to face meetings with employees, 2005 Audit Commission report and 2007 mock inspection report. Reference to the future is primarily based upon feedback received from the May 2007 road shows and subsequent Company Manager Conferences.

7S Model	The past	Where we want to be
Shared Values	<ul style="list-style-type: none"> • Values not embedded • Silo approach 	<ul style="list-style-type: none"> • Living the values • Joined up cross Company working to meet organisational goals
Style	<ul style="list-style-type: none"> • Less efficiency • Command and control management 	<ul style="list-style-type: none"> • Investing where it matters • Being cost conscious • Empowered managers and employees
Strategy	<ul style="list-style-type: none"> • Internal focus • Disjointed approach 	<ul style="list-style-type: none"> • External, multi-stakeholder focus • Customer orientated
Skills	<ul style="list-style-type: none"> • Workforce not developed or fully utilised • Internal focus 	<ul style="list-style-type: none"> • Multi-skilled workforce – e.g. talent pools • Continuous professional development of all staff • Learning organisation
Systems	<ul style="list-style-type: none"> • Loose controls • Bureaucratic 	<ul style="list-style-type: none"> • Effective governance • Balance between control and flexibility • Clear accountability
Structure	<ul style="list-style-type: none"> • Rigid and silo based • Top heavy 	<ul style="list-style-type: none"> • Flexible, adaptive and evolving • Value for money
Staff	<ul style="list-style-type: none"> • Very defined roles 	<ul style="list-style-type: none"> • Pools of staff that can move flexibly to meet most urgent Company needs • An employer of choice

(Based upon McKinsey's 7S Model for Change)

CULTURE CHANGE PROGRAMME

The framework for our HR Strategy has been determined through our cultural change programme, which has seven themes. These themes are closely connected to the 7S model as described on page 6, with each heading relevant to the needs of the Company.



Customer Focused Organisation

We face the challenge of making sure that the services we provide meet the needs of our diverse community. We are all aware of the huge changes that have taken place in relation to access to information, supplies and services. This has raised expectations of public services too. While face to face services remain at the heart of service provision, we are taking opportunities to transform the way that some of our services are provided and accessed, taking advantage of technology to improve the quality and accessibility of service delivery.

Customer focus also means that our tenants perceive that we are delivering a quality service with frontline delivery employees being competent, polite and listening to our tenants. We have begun a cultural change programme to achieve this and to meet our service standards.

Leadership and Management

A major review has been undertaken in 2007 of all operational structures within NCH to produce structures which are fit for purpose to deliver the strategic direction required by the Company and to achieve excellence.

NCH wants clear structures which are flexible, responsive and adaptive to meet the business needs and which can be further modified over time to respond to the implementation of new strategies, e.g. Accommodation, Asset Management, etc..

We will take effective action to attract, develop and retain the leaders we want for today and look at succession planning for the leaders of tomorrow.

We will foster the development of leadership skills and leadership behaviour at all levels in the Company so our managers feel empowered to take decisions.

We will embed policies, cultures and practices that effectively increase the percentage of women, people from black and ethnic minority background and people with disabilities in leadership positions.

Strategy and Planning

Our HR Strategy and People Development Plan will support implementation of other key Company strategies, the strategic priorities outlined in our Delivery Plan 2007-09 and will be reviewed regularly to ensure ongoing alignment.

Our managers will be developed to improve their strategic thinking, risk management capabilities, mainstreaming of equalities and diversity through Equality Impact Assessments and improved consultation with our diverse communities.

Performance Management and Accountability

The performance of our managers and employees is a key focus for Organisational Development. We will support the culture change needed to ensure all employees recognise the benefits to themselves and the Company of their contribution to continuous improvements in performance.

We want employees who say '**what can I do for the Company and our customers**' rather than '**what does the Company owe me**'. We want employees who aspire to be the best, to say '**I'm responsible and accountable**' and who are proud to work for the Company.

Systems, policies, procedures and standards

We need to support the introduction of ISO 9001:2000 and modernise delivery practices, removing unnecessary processes or bureaucracy that waste time and stifle innovation and flexibility.

The way in which we manage our employees is an important contributory part of being a more efficient and flexible organisation. The support provided to managers by flexible, enabling HR policies, procedures and processes should ensure that managers provide the right work environment for improved productivity and performance.

Equally important is the health and safety of our workforce, partners and customers and we will embed policies, procedures and practices which will raise the profile of health and safety within the Company and ensure its effective implementation and monitoring.

Business Planning and Financial Management

The delivery of significant efficiency savings and Value for Money is a challenge throughout ALMOs. NCH aim to deliver 3% savings each year over the next three years. Within this, there are dependencies with Human Resource Management and we need to keep our pay bills under control by anticipating and addressing potential risks and managing vacancies, undertaking appropriate workforce planning to meet changing business needs.

Whilst ensuring that we are appropriately resourced to deliver business improvements, 2 stars at the next inspection and Decent Homes we will look to reduce our central overheads and ensure more effective working practices.

Within the Organisational Development and Finance, ICT and Governance directorates we will improve the quality of workforce related data to assist with performance management and cost control.

Attendance Management is a key area for performance improvement and demonstrating Value For Money. The ALMO benchmarking results for 2007 showed that NCH were 16th out of the 21 ALMOs who responded, with average number of days absent at 14.88 per employee at December 2007.

We have appointed an Absence Management Project Manager who will work with managers to reduce sickness absence through a range of initiatives.

Values, Styles and Learning Organisation

NCH has been developing organisational values during 2007:

- **Tell the truth**
- **Keep your promises**
- **Be fair**
- **Respect the individual**
- **Work as one team**
- **Encourage fresh thinking**
- **Strive for the best**

We will be embedding these into the Company through a range of means including the culture change programme, Investors in People (IIP), Employee Personal Development Review (EPDR), one to ones and regular team meetings.

We will enable managers and employees to develop and learn from best practice internally and from other leading organisations in housing, our partners and the wider community. Whilst we want to 'get it right first time' wherever possible we know we also need to put in place mechanisms to allow us to learn from our mistakes and avoid repeating them.

CONCLUSION

We believe that living the values and demonstrating how we 'value our people' will enable us to achieve Employer of Choice status and to win awards for innovation and improving our service delivery to our customers.

The seven themes under the culture change programme show how the Company's Organisational Development function can effectively contribute to the achievement of NCH's vision.

The Action Plan at Appendix B identifies headline tasks or projects which are needed to implement the strategy and target dates. Many of these projects are directly related and cannot be seen in isolation.

The Organisational Development structural review in 2007/8 will enable all the HR, Learning and Development and Health and Safety teams to deliver a fresh approach to the real value which they can add to the Company through the Business Partner model and to focus on service improvements for our customers, employees and managers.

The HR Strategy, People Development Plan and Action Plan provide a framework, which in tandem with an effective performance management framework, will develop organisational capacity, drive organisational change and development, positively influence organisational culture and deliver improved

performance. It reflects a consensus across the Company about the people management and development initiatives that are most relevant to the achievement of NCH's mission and vision.

The Director of Organisational Development has the lead responsibility for the implementation, monitoring, evaluation and review of the People Strategy. Progress will be overseen by the Executive Management Team and HR Committee.

It is intended that the delivery of the HR Strategy will become part of everyday management activity within each service area and that annual Service Plans will incorporate specific action relevant to the delivery of the Strategy.

APPENDIX A

HR BASELINE INFORMATION AS AT 31 DECEMBER 2007

Workforce Profile

NCH employs 1101 employees plus 97 agency employees. The level of agency employees is high because of restrictions on external advertising due to ongoing restructurings within the Company.

The table below shows the BVPI summary based on workforce (excluding Craft Workers) and workforce (including Craft Workers) which is historically predominantly white male.

BVPI/KPI	Description	Target (to be reviewed)	Actual (excluding Craft Workers)	Actual (Including Craft Workers)
			Total No of employees: 709	Total No of employees: 1101
TOP 5% EARNERS				
BV011a	Percentage of NCH's top 5% earners that are women		40%	15%
BV011b	Percentage of NCH's top 5% earners from BME communities		12%	2%
KPI	Percentage of NCH's top 5% earners that are disabled		2%	5%
WORKFORCE BREAKDOWN				
BV016a	Percentage of employees meeting the DDA definition of disability		9.69%	7%
BV017a	Ethnicity Breakdown numbers and percentages		22%	16.5%
KPI	Total Number of Females and Percentage against NCH total workforce		51%	33%
	Percentage of employees who are relatively young (between 16 and 44)			48%

With regards to our workforce being representative of the tenants we serve:

- About 20% of our tenants are from black or other minority ethnic groups
- A significant proportion of our tenants (40%) are relatively young (between 16 and 44)

Age Profile as at 31.12.07						
Age Range	16 - 25	26 - 35	36 - 50	51 - 55	56+	Total
Number	78	180	512	155	176	1101
Percentage of Total	7.08%	16.35%	46.50%	14.08%	15.99%	100.00%

The Company's turnover rate of employees, for all reasons, was 13.38% for 2006/7.

Learning and Development profile:

We have 8 PATRA trainees, 17 trade apprentices and 7 housing apprentices. We have had *** short term work experience placements and *** longer term work experience placements for students undertaking NVQ qualifications in construction. (Data to be added)

Nationally, the median gross training expenditure per employee per annum for 2005/06 was £249, up from £176 in 2001/02¹.

NCH's training expenditure per employee was:

For 2005/06 - £172.12

For 2006/07 - £358.77

For April 2007 to Oct 2007 - £144.86

Note – 2006/07 expenditure was affected by use of Assessment Centres

Nationally, during 2005/2006 the average (median) number of off-the-job training days per employee in England was 1.6 days²

NCH's average (median) number of off-the-job training days per employee was:

For 2005/06 – 13.89 hrs or 1.9 days

For 2006/07 – 9.88 hrs or 1.4 days

For April 2007 – Oct 2007 – 4.29 hours or 0.6 days per employee

Note - 2006/7 saw a reduction in the overall number of training days in comparison to the previous year largely due to the fact that the focus and financial investment for the Company and the Employee Development Team was on the Leadership and Management Development Assessment and Development Centres.

For the financial year 2007/8 figures across the whole Company both in terms of attendance and investment per head are expected to increase significantly with the introduction of the Company wide customer care and culture change

1 and 2 Comparative data from Workforce Strategy 2007

programme “let’s make the difference” that will include the training of all employees from December 2007 to May 2008.

Absence Management:

The Institute of Personnel and Development reported the following for 2007:

The average level of employee absence has increased to 8.4 days per employee per year (10.3 days for the public sector). The average annual absence level for manual employees is 9.8 days per employee compared to 6.2 days per employee for non-manual workers.

Nationally, for both public and private sector the average cost of absence per employee rose from £598 to £659 in the last year. Public services organisations recorded the highest average cost of absence, £732 per employee per year, compared with the previous year’s figure of £680.

NCH’s top 5 causations of absence are:

1. Stress whether it be work related or non work related.
2. Muscular skeletal issues such as bad backs etc
3. Stomach upsets
4. Heart conditions i.e. blood pressure etc.
5. Undisclosed issues.

Our current absence statistics are as follows. These figures are days lost per month:

September			
Short term sickness	359 days	Long term illness	1059 days
October			
Short term sickness	569 days	Long term illness	1113 days
November			
Short term sickness	571 days	Long term illness	1046 days

NCH average days are **15.46** for monthly employees and **14.17** days for manual workers (weekly pay).

Average days per employee as at December 07 is **14.88** days. Average cost to NCH per employee is approx £896 per year - £986,500 p.a.

General

A portfolio of performance indicators is being prepared which will align with Nottingham City Council's statistics and will include breakdown by ethnicity, gender, disability, etc.