

**CABINET**

**Review of HR Policies  
09 December 2008**

**Report of Chief Executive**

| PURPOSE OF REPORT   |                          |                               |                          |
|---|--------------------------|-------------------------------|--------------------------|
| To advise Cabinet on the financial implications of reviewing the effectiveness of the Council's existing HR Policies in particular: |                          |                               |                          |
| (a) Early Termination of Employment Policy  |                          |                               |                          |
| (b) Redeployment Policy   |                          |                               |                          |
| Key Decision  | <input type="checkbox"/> | Non-Key Decision              | <input type="checkbox"/> |
|   |                          | Referral from Chief Executive | <b>X</b>                 |
| Date Included in Forward Plan   | N/A                      |                               |                          |
| This report is public   |                          |                               |                          |

**RECOMMENDATIONS OF THE CHIEF EXECUTIVE**

- (1) That North West Employers Organisation (NWEO) are requested to undertake a 'desk top' review of the City Council's "Early Termination of Employment Policy" and the related "Redeployment Policy" and to identify from published best practice, any immediate improvements that could be made.
- (2) That the NWEO be asked to identify how many days' work would be required to customise best practice in this area of activity to produce policies in line with Lancaster City Council's Policy Framework, and it be noted that such work would be funded by the Fairpay Reserve.

**1.0 Introduction**

1.1 Cabinet, at its meeting on the 12 November 2008, resolved amongst other things,:

That Cabinet

- (6) Requests officers to review the effectiveness of existing Human Resources policies relevant to managing the Council's establishment and workforce planning issues.
- (8) Asks for a report identifying the costs of implementing Recommendation 6.

## **2.0 Proposal Details**

- 2.1 In order to maximise the use of its limited resources and maintain Council Tax increases to an acceptable level, it is imperative that the council's establishment is configured to support the delivery of the council's corporate objectives/priorities and meet its statutory responsibilities. In order to achieve this, the council needs to have effective HR policies in place.
- 2.2 Whilst the Council has a range of HR policies to manage its workforce, the two most significant ones are the Early Termination of Employment Policy and the Redeployment Policy. Due to the time and resource constraints facing the council, it is proposed that this work is commissioned from outside the Council. The City Council subscribes to the North West Employers Organisation and has previously commissioned work which has proved to be an effective arrangement for the Council to obtain good advice. The proposal is therefore that the North West Employers Organisation (NWEO) is commissioned to undertake a study to evaluate the City Council's Early Termination of Employment Policy and the related Redeployment Policy against current best practice as it is some time since these policies were reviewed. If Cabinet wishes this work to be undertaken in the next 6-9 months, it will be necessary to commission the work from outside the City Council.

## **3.0 Details of Consultation**

- 3.1 None.

## **4.0 Options and Options Analysis (including risk assessment)**

- 4.1 Option 1 – Commission the NWEO in the near future to undertake this work. Initially this would be a 'desk top' study and this might need to be followed up by a more detailed piece of work. This would enable the work to be completed in the near future which would be timely given the current budget situation.
- 4.2 Option 2 – To undertake this work when the Fair Pay process has progressed sufficiently to free up internal human resources. It is difficult to estimate when this would be, but would not be possible in the next six months.

## **5.0 Officer Preferred Option (and comments)**

- 5.1 The preferred officer option is option 1 for the reason outlined above in the report

### **RELATIONSHIP TO POLICY FRAMEWORK**

The Council's policy framework strives to ensure that the council's limited resources are allocated to deliver its corporate priorities and statutory responsibilities. Effective management of the council's establishment is crucial to providing value for money and service delivery that reflects local needs.

### **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

None arising directly from this report.

#### **FINANCIAL IMPLICATIONS**

There will be no additional costs associated with the desk top review. Thereafter, any additional works would be funded from the Fairpay reserve, and delegated authority is already in place for this. Whilst this would reduce the amounts remaining for Fairpay, this impact would be very small, comparatively.

#### **SECTION 151 OFFICER'S COMMENTS**

The effectiveness of the Council's strategic financial planning (i.e. its Medium Term Financial Strategy) should be both informed and supported by effective HR planning, amongst other things. The s151 Officer would support any options available that would improve these links, and sooner rather than later.

#### **LEGAL IMPLICATIONS**

Legal Services have been consulted and have no further comments.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

#### **BACKGROUND PAPERS**

Funding of the Employee Establishment Report to Cabinet and Minute from the 12 November 2008.

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