Health Professions Council
Finance and Resources Committee Meeting 21st March 2007

Human Resources Strategy and Workplan 2007/2008

Executive Summary and Recommendations

Introduction

This paper sets out the Human Resources Department's strategy and workplan for the coming financial year.

Decision

The Committee is asked to:
- discuss the strategy and workplan attached to this paper;
- agree the priorities, projects, and principles outlined; and
- agree to keep the document under review, and request that the Executive amend the workplan accordingly.

Background information

This document is intended to supplement the HPC strategy, and sits alongside other departmental level strategy documents such as the IT strategy, the Finance strategy, the Operations strategy, and others.

Resource implications

The resource implications of the attached are assumptions which are already part of the HPC budget for 2007/2008.

Financial implications

The attached paper's assumptions are all accounted for in the current version of the HPC budget for 2007/2008.

Appendices

None.

Date of paper

7th March 2007

HPC's Human Resources Strategy

Finance and Resources Committee

Park House, 184 Kennington Park Road, London

21st March 2007

Larissa Foster, Director of Human Resources

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HPC's Human Resources strategy is to ensure we have the appropriate employees to deliver our objectives

- **Open, Transparent and Effective Recruitment Processes**
  - Grow our own talent
  - Recruit specialist skills where needed to achieve the quality of people we need

- **Promotes Training of Employees**
  - Use internal and external training resources to improve quality and competence of our employees

- **Foster a Modern Working Culture**
  - Non-hierarchical
  - Flat structure
  - Inclusive decision making
  - Hard working with social activities
  - Work/home life balance

- **Customer Service Focus**
  - Recognition of the importance of customer service internally and externally

- **Supportive Work Environment**
  - Flexible hours offered to employees with family responsibilities
  - Home Working
  - Supportive of further study
  - Graduated return to work/part time work offered to parents

- **Innovation and Creativity**
  - Open-door policy by senior management leading to opportunities for employees to propose ideas and solutions
  - Forums (middle management group) for people to express opinions/opportunities for improvement on processes

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HPC's Human Resources strategy is to ensure that we comply enthusiastically with all Human Resources legislation

- **All Human Resources legislation is complied with, the most**

  All legislation complied with, most significantly:

  - Employment Act July 2002
  - Disability Discrimination Act 2005
  - Human Rights Act 1998
  - Equal Opportunities Act 2005
  - Employment Equality (Age) Regulations 2006
  - Flexible Working (Eligibility, Complaints and Remedies (Amendment) Regulations
  - Information and Consultation Regulations

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Human Resources Department 2007 – 2008 Workplan

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Introduction

The Human Resources Department has been in existence since HPC was first established. However, the past year has seen an expansion of the work performed by the Department. During the financial year April 2006 – March 2007, the Partner management function was added to the Department. Partner management responsibilities will therefore be incorporated into the Human Resources workplan for the first time this year.

Work throughout the past year in relation to the employee management function centred around the introduction, strengthening and embedding of relatively newly introduced generalist human resources procedures and policies at HPC. The Partner management work performed was more reactive. The reappointments process involved the expiration of 385 Partner agreements during 2006 and with a resulting 81 Partners not reappointed to their previous Partner roles.

This document

This document explains the work priorities for the financial year April 2007 – March 2008. It addresses how the Human Resources Department will progress over the next year to both improve and embed generalist processes for employee management at HPC. The aim is also to increase the accountability of overall Partner management through the reappointments process, and clearer Partner management policies and procedures.

It should be noted that the Human Resources Department does not manage any of the human resources related functions which apply to Council (such as recruitment of Council members) and that this work is delivered by the Secretariat.

Resources

The Human Resources Department consists of four employees as follows:

Larissa Foster   Director of Human Resources
Kelly Webster   Human Resources Manager
Charlotte Urwin   Human Resources Team Administrator
Yasmin Hussain   Partner Manager

At the current time, there is also a Partner Administrator (Simon Wood) engaged on a 12 month contract basis. There are currently no plans to increase the Department with any additional team members.

The Director of Human Resources is responsible for the overall management of the team, the day to day running of the Department, the development of the strategy and the workplan and the development and management of new projects. Many of the day to day tasks such as interviewing (particularly for higher level posts), disciplinary and incapability meetings and other employee relations matters are undertaken by this post holder and/or shared with the Human Resources Manager.

The Team Administrator provides administrative support in relation to the employee management functions (not the Partner functions). This primarily involves co-ordinating the

paperwork associated with advertising and interviewing for new posts, and dealing with correspondence. The Administrator also maintains the human resources databases and filing systems.

The Human Resources Manager is responsible for the whole range of generalist human resources tasks. These include interviewing, inductions, management of sick leave across the organisation, development and implementation of human resources policies and procedures, and advising managers and employees on human resources issues.

The Partner Manager provides a service to the Partners of HPC. Her activities incorporate the day to day management of Partner issues such as recruitment and reappointments processes, resolving Partner complaints, administrating Partner expense matters, and assisting Department heads with the training of new and existing Partners.

The Partner Administrator (who is engaged on a temporary basis) has been employed recently to assist with the correspondence and contract administration around the Partner reappointments process, as well as assisting with general Partner queries.

Human Resources activities in 2007 - 2008

There are 8 main areas of work undertaken within the Human Resources area. The following paragraphs summarise the headline employee and Partner activity for the year.

Employees

Recruitment, selection and induction will remain the key focus for the Human Resources Department in 2007. Employee numbers now total 89 and despite a low staff turnover figure (an average of 2.4% over the past twelve month period) replacement of ad hoc positions as they arise and the filling of newly approved posts in the budget remains a key activity for the Department.

The newly approved posts in the budget this year consist of 19 (including 6 temporary posts) in total;

- senior Education Officer (1), Approvals and Monitoring Department
- Team Leader (1), Customer Services Manager (1), and temporary Registration Officers (6) at renewals time, Registrations Departments
- Case Managers (6), Hearings Officer (1) and Administrator (1), Fitness to Practise Department, and
- Policy Officer (1) and Administrator (1), Policy and Standards Department.

Maintenance of the **Human Resources database (Professional Personnel)** will continue to be a priority. This is an opportunity to generate and analyse statistics such as equality and diversity, track successful methods of advertising, and maintain electronic records for employees. A key aim in 2007-2008 will be to develop the intranet function of Professional Personnel so that employees can access their details and electronic records.

The **Employee Handbook** is an important method of providing policy information to our employees in an expeditious way. In 2007-2008 one of our main projects is to review and develop our Handbook (which is now 4 years old) to ensure that is reflects current legislation, future legislative changes, and departmental and organisational needs. This will require consultation with employees.

Support and training for managers and employees will continue to be a major factor for the Department in the coming year. Last year saw a strong focus on managerial training however this year will see an increase in employee training (diversity and equality training, project management training, financial skills training for the middle management layer). There will also be ongoing support and on-the-job training provided to assist Managers in implementing policies (for example, those around sickness review meetings, and incapability/incapacity meetings). Through support and training, it is hoped that the unique hard working, innovative and happy work culture at HPC can be maintained.

Last year also saw a number of challenging employee relations issues arise which are impossible to anticipate or predict. It is crucial that the Department be able to redirect its activities to address such situations as necessary, and provide the support to Managers early on in the process so that if any matter results in a tribunal hearing, HPC is well able to defend its position.

Partners

The **reappointments process** will be undertaken once again this year in order to address the issue of 310 contracts expiring at various dates throughout 2007, and the fact that Partner numbers are still over-recruited due to over-recruitment several years ago. We aim to improve the process from last year by developing more stringent criteria and providing Partners with a greater level of information about the process. This is a time consuming exercise involving significant input from the Office of the Commissioner for Public Appointments. It is the hope that, pending the outcome of the process this June, we may then have Partner numbers stabilised.

Partner recruitment for new posts this year will involve the recruiting of Continuing Professional Development (CPD) Assessors. At this stage, we are awaiting direction from relevant Department heads on the number of CPD Partners and types of skills required. We aim to firstly utilise our existing pool of experienced Partners to fulfil our requirements, and only advertise externally if need be, however, an accountable and transparent recruitment and selection process will still need to be undertaken. Recruitment for appropriate Partners when professions such as the Applied Psychologists and the Hearing Aid Council come on board will also be a major action. However we are currently not able to predict when this will occur.

An area for development is the **Partner Handbook**. There are a number of Partner policies which exist or are practised currently but are not yet reflected in a comprehensive Handbook which is available on our website for Partners to access. This year will see the development of a Handbook to reflect existing policies and practises.

Employees and Partners

We will continue to support organisation-wide **projects** by providing Human Resources support and advice for projects which may be major areas of development for the organisation. Projects in 2007-2008 which will require Human Resources input include CPD, Equality and Diversity, increased staffing should HPC regulate new professions this year, and Partner training.

The nature of the issues that any Human Resources Department manages will be subject to any "crisis" situations which may occur as a result of unpredictable changes in the work environment. It is important that Departmental planning allows for timely response to such unpredictable situations, and that the workplan incorporates an ability to respond to external factors. In particular, recognition must be given to the impact of the **White Paper**, which for the Human Resources Department will involve potential employee and Partner recruitment and training issues.

Budget Management

This year will see the Department manage both the Human Resources general budget and the Partner budget. The general Human Resources budget totals £366,785. Headline areas of the budget consist of £35,000 for organise wide training, £20,000 allocated to legal expenses associated with employment related matters, and £92,000 budgeted for organisational recruitment.

The Partner budget of £146,436 largely consists of provisions for Partner recruitment and training. A sum of £73,600 has been allocated to cover recruitment and training of CPD Assessors and refresher training for Partners working within the Fitness to Practise Partner roles.

Achieving the Human Resources Objectives in 2007 - 2008

We have identified nine objectives in the strategy. In 2007-2008 we will undertake the following activities in support of these objectives.

Human Resources (employees) Objective 1:

To increase the level of customer service from Human Resources to employees and Managers we will:

- develop the intranet function of the human resources database (professional personnel) which will enable employees to view all of their own information including documents attached to their personnel file through a confidential log-on
- roll out the system which allows employees to submit leave forms and Managers to authorise these electronically
- conduct training for all employees on this service and
- allow employees to change their personal and payroll details on-line

The timescale for this objective is September 2007

Human Resources (employees) Objective 2:

To provide a clearer understanding of entitlements, compliance with legislative requirements, and improve existing processes for employees and Managers we will:

- undertake a review of the Employee Handbook (in particular, of the disciplinary, incapability and safety policies)
- consult with employees about any significant changes or adjustments and
- roll out any revised changes where necessary.

The timescale for this objective is July - September 2007

Human Resources (employees) Objective 3:

To improve our recruitment and selection processes we will:

- undertake an audit against our existing practices and procedures as part of the Equality and Diversity project from June – December
- trial numerical and written skills testing in the recruitment of Registrations Officers for the Registrations Department
- enter all new applicants on the recruitment section of Professional Personnel and generate statistics for analysis on successful methods of recruitment and equality and diversity.

The timescale for this is December 2008

Human Resources (employees) Objective 4:

To improve the level of training and support offered to employees which will maintain our loyal, hard working culture we will:

- expand the range of organisational training offered to include areas such as finance and project management training for middle managers
- offer communications training to senior management
- train all employees on equality and diversity issues
- investigate possibilities of developing 360 degree feedback as part of the performance review system and
- support employees through the changing of the pension scheme.

The timescale for this is January 2008

Human Resources (employees) Objective 5:

To meet our legislative obligations in relation to Human Resources practices we will:

- closely monitor employee numbers as the Information and Consultation of Employees Regulations 2004 are likely to apply to HPC for the first time and

- when HPC employee numbers reach 100 (and have averaged this over a 12 month period) we are obliged to begin negotiating an information and consultation agreement which we will begin researching this year.

The timescale for this will be ongoing dependent on employee numbers.

Human Resources (employees) Objective 6:

To assist other Departments and Committees in managing processes which impact all employees we will:

- work with the Finance Department to manage the pension scheme transfer in relation to employee relations aspects
- ensuring that all legal obligations to employees throughout the pension scheme transfer are adhered to and delivered in a timely manner
- work with the Finance Department to administer the annual pay review and provide associated pay policy papers to the relevant Committee
- advise Registrations Departments on the implementation of their planned restructure, and
- work with the Communications Department to implement any employee related aspects of the internal communications strategy.

The timescales for this support will be ongoing and dependent on the timescales defined by the relevant departments.

Human Resources (Partners) Objective 7:

To resolve the issues of over recruited Partners and agreements expiring at different times throughout the year we will:

- write to all Partners with expiring Partner agreements from January to June 2007 to extend their agreements to July 2007
- invite all Partners with expiring agreements in 2007 to reapply for their roles
- undertake a second reappointments process
- utilise a representative from the Office for the Commissioner of Public Appointments to advise on the selection process
- ensure that all Partner agreements will now expire together in July 2008 and
- analyse numbers of Partners for 2008 and ensure that we are ready to renew the Partner contracts for a two year period.

The timescale for this is July 2007

Human Resources (Partners) Objective 8:

To recruit, select and train the numbers and types of partners required for HPC to perform its functions we will:

- liaise with the Office for the Commissioner of Public Appointments on the best method(s) of recruitment for CPD Partners

- work with the CPD project team to organise role briefs and advertising and organise the appropriate interview panels, having Partners in place by June 2008
- work with the necessary Department heads when two new professions (Applied Psychologists and the Hearing Aid Council) join HPC to recruit the appropriate Partners required
- provide ongoing new Partner and refresher Partner training as required and
- begin the process of training all Partners in Equality and Diversity issues.

The timescale for this is March 2008

Human Resources (Partners) Objective 9:

To ensure development of improved practices in relation to our Partners we will:

- develop a Partner Handbook reflecting existing practices and procedures
- ensure that areas such as recruitment, expenses, code of conduct and complaints procedures are covered
- place this on the Internet for a cost effective, easy to access mechanism for all Partners to view and
- increase the Partner performance review system to all Visitors and then for other Partner roles.

The timescale for this is March 2008

2008 - 2009

2008 – 2009 will be a year in which we continue to undertake our established activities, but also strive to improve and embed best practice procedures within these processes. It is an opportunity to roll out practices which are new for HPC, improve on our current services to employees (development of the employee Intranet function) and to create more appropriate policies and procedures where they do not currently exist (Partner Handbook). Some of our work will continue to be reactive (recruitment of CPD Partners) however we will be better organised with this than external events have allowed us to be previously.

In 2008 – 2009 we will build on this year's work as we continue to plan better in relation to our Partners (prepare for all contracts expiring in July 2008 and the roll out of CPD) and for employee matters such as the obligations under the Information and Consultation of Employees Regulations 2004 which may apply to HPC for the first time in this period.

Human Resources activities in the past year 2006 - 2007

It would be useful to review the activities contained in the work plan which was submitted one year ago as part of the background which has formed the basis of this new workplan. Five major projects for 2006- 2007 were proposed at the time and were completed as follows:

1.   Training Needs Analysis

A training needs analysis was conducted for the first time at HPC in March 2006 following the annual performance review process. A training plan for the year was developed and completed courses were recorded on the Human Resources Information System. Along with individual training for employees, all Managers received training in Interview Techniques, Equality and Diversity, Managing Performance and Disciplinary Issues, conducting Performance Reviews (new Managers only) and Finance for non-Finance Managers training. Training evaluation forms were completed for all training.

The training needs analysis was a success, created an audit trail, and will now be completed automatically following the performance reviews which are conducted in February each year.

2.   Recruitment Strategies

The Human Resources Department worked to fill 17 new vacancies throughout 2006/2007 as well as replacing ad hoc positions when people resigned. The recruitment process was vastly improved by Professional Personnel being developed to enable recording of application forms and all correspondence in relation to the recruitment and selection process on this database.

The aforementioned training for Managers in relation to interview techniques, and equality and diversity has led to significant improvements in the way people interview and write position descriptions (competency based). The final aim of this objective was to develop a criminal record checking policy for applicable employees (those who deal with vulnerable adults). This is currently already being implemented for new starters and will be implemented for existing employees within the next month.

3.   Developing the Human Resources Information System (Professional Personnel)

The work plan for 2006 – 2007 committed the Human Resources team to developing the training module, annual leave module, recruitment module, diversity module and intranet function for employees.

All of these modules have been developed and are currently being utilised however the Intranet function (the final component) has been delayed due to time currently being taken on other emergency matters such as the pension issues. It has also proven to be a longer job for IT than initially anticipated and therefore will be delayed until August 2007.

4.   Employment Contracts

Following approval of new employment contracts for employees by the Finance and Resources Committee in late 2005, and introduction of these contracts for all new employees, the Human Resources Department committed to rolling these contracts out for existing employees in September 2006. This was completed in November 2006 as the consultation period was

longer than the Department had anticipated. All employees are now signed onto the new employment contracts.

5.   Exit Interviews and Statutory Grievance Procedures

Exit interviews at the HPC have now been successfully running for two years. These are confidential interviews, conducted on a voluntary basis only, and only disclosed in a summary form to the Executive Management Team. Employees have recently been given the option during the interview to choose whether the report can be shown to their Manager or the next Manager in the hierarchy, in an attempt to make the results of the interviews more useful and actionable. Due to the low turnover at HPC (average of 2.4% over the past 12 months) the findings are compiled in April each year and presented to EMT at the EMT Away Day in June. As yet, no statutory grievance procedures have needed to be invoked as a result of the interviews however the Human Resources Department is keeping a critical eye on the interview responses to ensure that if they happen, concerns are actioned appropriately.

Trends so far have shown that people have remained at HPC for the benefits (annual leave, pension scheme, culture) however have tended to move on due to the fact that it is a small company and some people have wanted further challenges or have gained higher level posts elsewhere.

In addition to these activities, an **internal audit** was conducted of the Human Resources Department by PKF Auditors (this did not audit the Partner aspects of the Department). The audit was positive with only one action recommended for the Department (one document was missing from one employee's file, and this has now been rectified).

Risk Management

The Human Resources department manage risks within the HR department, and throughout the company in relation to overall employee management.

Key areas are recruitment and health and safety for both employees and Partners. On the employee risk management area, issues such as turnover, skills development, managing employee performance matters and ensuring compliance with employment legislation including managing any litigation.

See the appendix below for details.

Appendix: risks managed by the Human Resources department (employees)

Risk		Risk Owner	Significance Feb 2007	Probability Feb 2007
11.1	Loss of key HPC employees (person cover risk)	President, Chief Executive and EMT	Medium	Low
Mitigations Committee Chairmen cover for President loss, Present and EMT cover for CE loss until interim appointment made, middle managers or CE cover for EMT members until interim appointment made, cross training and process documentation				
11.2	High turnover of employees	Director of HR	Low	Low
Mitigations Remuneration and HR Strategy, Training and support, regular performance reviews, exit interviews analysis, monitoring of turnover trends				
11.3	Inability to recruit suitable employees	Director of HR	Low	Medium
Mitigations HR Strategy and adequate resourcing of the Department, careful specification of recruitment adverts and interview panel selection, planning time of year to advertise for peak periods				
11.4	Lack of technical and managerial skills to deliver the strategy	Chief Executive	Low	Medium
Mitigations HR strategy and gorals and objectives (but in the skills vs staff up-skilling on the job versus training), training needs analysis and trading delivery				
11.5	Health and Safety of Employees	HR Director and Facilities Manager	Low	Low

Mitigations Health and Safety Training, polices and procedures, Health and Safety assessments (Lawrence, Webster Forest. Restricted access to the building site 22/26 Stannery Street				
11.6	High sick leave levels	EMT	Low	Medium

Mitigations Adequate staff (volume and type), return to work interviews and sick leave "trigger" monitoring, regular progress review, incapability/incapacity meetings				
11.7	Employee and ex-employee litigation	Director of HR	Low	High

Mitigations Regular one to one session between Manager and employee and regular performance reviews, HR legislation and HR disciplinary policies carried out correctly, compromise agreements if necessary				
11.8	Employer/employee inappropriate behaviour	Director of HR	Low	Low

Mitigations Whistle blowing policy, other HR policies and procedures, employee assistance programme				
11.9	Non compliance with employment legislation	Director of HR	Low	Low

Mitigations HR Strategy, legislation updates and legal advice, HR polices and Manager training				

Appendix: risks managed by the Human Resources department (Partners)

Risk		Risk Owner	Significance Feb 2007	Probability Feb 2007
6.1	Inability to recruit and/or retain suitable Partners	Partner Manager	Low	Low
Mitigations Sound recruitment strategy, training, HR Strategy – appropriate compensation strategy in place				
6.2	Incorrect interpretation of law resulting in CHRE review	Director FTP and Director of Operations (Visitors)	Low	Low
Mitigations Training, legal assessors advice availability				
6.3	Health and Safety of Partners	Partner Manager	Low	Low
Mitigations Personal injury and travel insurance, liability insurance, road safety policy for vehicle drivers, restricted access to the building site 22/26 Stannery Street				