

Cherwell District Council

Personnel Committee

9 December 2015

Investors in People accreditation

Report of the Head of Transformation

This report is public

Purpose of report

To outline the new Investor in People (IIP) standard and assessment rules and to recommend that the Council ceases subscription to the standard and associated accreditation process.

1.0 Recommendations

The meeting is recommended:

- 1.1 To agree that the external IIP assessment and accreditation process no longer be undertaken.
- 1.2 To agree that the resources associated with the IIP accreditation process be reprioritised in light of the Council's strong performance culture, underpinned by a positive and engaging approach to industrial relations and employee development, which is clearly linked to our business priorities, as evidence of the need to continually challenge how we represent value for money and added value in all that we do.
- 1.3 To note that the same recommendation is being made to the South Northamptonshire Council Appointments and Personnel Committee.

2.0 Introduction

- 2.1 The IIP standard allows each organisation to build up a complete picture of how employees' are managed and where improvements could be made by measuring against the IIP standard.
- 2.2 CDC has standard accreditation for IIP.

- 2.3 The old standard that both CDC and SNC have been previously assessed against is being incrementally removed with effect from September 2015 and will be phased out in 2016.
- 2.4 IIP believe the new standard has a simplified structure and is easier to navigate. It has updated content to reflect a modern workplace and is underpinned by nine of the original performance indicators with a progression model for better measurement.
- 2.5 CDC's full IIP assessment was due to take place by June 2016.
- 2.6 As the standard is changing it has given both CDC and SNC an opportunity to review whether IIP still represents value for money and adds value.

3.0 Report Details

- 3.1 Major changes to the new IIP standard accreditation process includes additional cost for assessment at £10,550 plus VAT and expenses, a mandatory all staff survey (40 questions) and an annual assessment rather than an 18 month review.
- 3.2 The changes between the assessment process for the old standard against the new standard, and the increase in costs and resource requirement is shown in Appendix 1.

Note: The new standard will be used for all reassessments due in 2016 or after this date (with flexibility when an 18 month review is due to continue to use the old standard until the full 3 year assessment is actually due).

- 3.3 Since the introduction of IIP at the Council in 1998 it can now be seen that we have our own well developed suite of alternative and duplicate measures to those already offered by IIP. These include:
 - Staff survey – full staff survey completed every two years
 - Appraisal scheme
 - Competency Framework – agreed by committee in July 2015 and will be rolled out over the next few years (there is correlation between the new indicators of the new IIP standard and the competency framework).
 - Robust business planning and performance management framework which aligns employee objectives to strategic business objectives
 - Our customer satisfaction survey results; providing strong evidence that the council's performance and our ability to represent value for money has increased year on year for the last four years, and is now at its highest level since the satisfaction survey commenced in 2006
 - The strategic transformation programme of the two councils
 - External accreditations such as awards; either shortlisted for or actually won
 - Recognition from DCLG that the two Councils are exemplars in transformation
 - Above average sickness absence levels compared to all sectors (as measured against the Chartered Institute of Personnel and Development sickness absence survey of 8.2 days per FTE - October 2014 report).
 - An organisational change policy

- Positive industrial relations with Unison and staff representatives
- Low levels of employee grievances
- Employee exit interviews

3.4 If the recommendation to cease IIP accreditation is agreed, use of the logo would cease at expiry of accreditation.

3.5 **Impact of the IIP standard upon recruitment and retention**

There is no evidence to suggest that the use of the IIP standard logo on recruitment documentation encourages greater levels of applications for employment at either Council or that prospective applicants understand what IIP actually stands for. Application rates are usually fairly good with the exception of professional posts where the issues relate to a lack of suitably trained professionals. Similarly there has been no evidence through exit interviews that the IIP standard informs an employee's judgment about the Council as an employer.

3.6 **Benchmarking against other Councils**

A survey of other local authorities was undertaken to determine if the increased cost and resource of the new standard had influenced their decisions to continue with IIP accreditation. Of the 15 who were approached 9 responded and only 1 confirmed that they intended to remain with IIP (Appendix 2). Most organisations cited that the main reason for not continuing was down to the cost, lack of resource and other more pressing organisational projects taking priority.

3.7 Reassessment for CDC will coincide with the continuation of service reviews for both Councils as part of the joint transformation programme. This is often an unsettling time for employees and careful consideration needs to be given to whether IIP assessment is an appropriate activity to undertake during this time, and whether our resources are better invested in other business driven priorities.

3.8 It is unlikely that trading companies created under the confederation model will share the Councils' accreditations. Individual companies will be required to seek their own accreditation under the new standard, if they choose to do so.

3.9 It is clear that there would be a requirement for more time and resource to be invested in the management of annual IIP assessments, and this investment of additional resource (financial and people) would only increase further as the confederation model evolves.

4.0 **Conclusion and Reasons for Recommendations**

4.1 With the increase in costs associated with the IIP accreditation process and the lack of evidence to demonstrate that the IIP standard holds any meaningful status amongst employees, prospective employees or indeed other business partners, the report concludes that IIP no longer represents value for money or added value to this Council and this view is supported by the Joint Management Team

4.2 The Council and external environment has developed significantly since the IIP standard was first introduced in 1998 and was, at that time, a useful measure of organisational culture, health and employee development to ensure delivery of the business objectives. The Council now has many other forms of data capture that

either do the same or a better job of demonstrating how effective we are at aligning employees and the organisational culture to our strategic priorities, as illustrated in paragraph 3.3 above.

- 4.2 Future trading companies under the Confederation model (Appendix 3) would be responsible for funding and managing their own IIP accreditation if they choose to apply. The Council as a parent company is not able to share accreditation and this therefore has to be considered in the longer term association with IIP.

5.0 Consultation

CDC/SNC Joint Management Team

Councillor Wood, Leader with portfolio for HR and Organisational Development matters

6.0 Alternative Options and Reasons for Rejection

- 6.1 An alternative option is to continue with IIP which is not recommended.

7.0 Implications

Financial and Resource Implications

- 7.1 The increased financial cost of £10,550 plus VAT and expenses (appendix 1) need to be found from a growth bid.
- 7.2 There is no specific allocated budget for IIP; the costs are met from the corporate training budget, therefore no saving is proposed.
- 7.3 In addition more resources would be required for annual assessments which would fall at a time when resources are better invested elsewhere, with much duplication of task.

Comments checked by:

Denise Taylor, Group Accountant (Budgets & Accounts), 01295 221982,

Denise.taylor@cherwellandsouthnorthants.gov.uk

Legal Implications

- 8.1 There is no risk to the Council in not continuing with IIP accreditation.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107

kevin.lane@cherwellandsouthnorthants.gov.uk

Document Information

Appendix No	Title
Appendix 1	Summary of changes
Appendix 2	Survey of Local Authorities
Appendix 3	The Confederation Model
Background Papers	
None	
Report Author	Vicky Claridge, L&D Business Partner
Contact Information	vicky.claridge@cherwellandsouthnorthants.gov.uk 01295 227071

Appendix 1

Summary of changes

Standard	Old Process	New Process	Resource for old assessment	Resource for new assessment	Old assessment cost	New assessment cost
Old – individual assessment CDC	3 yearly accreditation 18 month review	3 yearly accreditation <i>Annual</i> assessments	*Pre-assessment admin on a 3 yearly basis	*Pre-assessment admin on an <i>annual</i> basis	**£6000 plus VAT and expenses 18 month review approx. £400 plus VAT	This will be withdrawn during 2016 and replaced with the new standard
Old – individual assessment SNC	3 yearly accreditation 18 month review	3 yearly accreditation <i>Annual</i> assessments	*Pre-assessment admin on a 3 yearly basis	*Pre-assessment admin on an <i>annual</i> basis	***£3000 plus VAT and expenses 18 month review approx. £400 plus VAT	This will be withdrawn during 2016 and replaced with the new standard
New – individual CDC	This is a new standard and therefore no old process	3 yearly accreditation with <i>annual</i> assessments	NA	*Pre-assessment admin on an <i>annual</i> basis	This is a new standard therefore no old costs	£10,550 plus VAT and expenses
New – individual SNC	This is a new standard and therefore no old process	3 yearly accreditation with <i>annual</i> assessments	NA	*Pre-assessment admin on an <i>annual</i> basis	This is a new standard therefore no old costs	£5,275 plus VAT and expenses
New - Joint	This is a new standard and therefore no old process	3 yearly accreditation with <i>annual</i> assessments	NA	*Pre-assessment admin on an <i>annual</i> basis	This is a new standard therefore no old costs	£13,900 plus VAT and expenses

*Pre-assessment admin includes the following; booking assessor, booking interview rooms, arranging interviews (4% sample size in addition to all staff survey), communications to the organisation, arranging IT support

Based on 500 employees /*Based on 250 employees

Note: There is no allocated budget for IIP assessment or accreditation at present. Budget is currently found from the training budget held centrally by HR for both Councils. There is no proposal to make a saving from non-continuation of IIP; however a growth bid would be required if continuation was to be considered.

Appendix 2 Survey of local authorities

Council	Historically in IIP	Continuing with IIP	Justification
South Oxfordshire	Yes	Unsure - Accreditation due November 2016 but undecided if continuing or not	Unsure of new standard and potential cost implications
West Oxfordshire	Yes pre 2011	No	Some accreditation for certain services pre 2011. Again cost was the reason for not continuing accreditation.
Cheltenham Borough Council	Yes - held for 19 years	Yes	Decision to stay in made January 2014, the reasoning being that there was nothing in the standard that did not constitute good business sense, so why would they not do it.
Forest of Dean	Yes pre 2011	No	Decided to not pursue accreditation in 2011 as the cost and time investment could not be accommodated alongside other major shared service projects.
Cotswold District Council	yes pre 2011	No	Some accreditation for certain services pre 2011. Again cost was the reason for not continuing accreditation.
Bracknell Forest Borough Council	Partially - only corporate services	The Corporate Services Department has IIP and intends to continue to go for the award if they can as a single department	We don't do it for the whole organisation as other departments have other standards that they choose to go for that are deemed more relevant for their part of the business - for example our Leisure Services go for Chartermark. I'm not sure if you can still go for IIP for only part of an organisation - we first went for it when that was explicitly allowed, so they let us continue, but I think I recall someone saying they had changed their position on that for new organisations.
Wokingham District Council	Yes	No - pulled out three years ago	At the time of accreditation there were a number of cost cutting measures and it was decided that this would be let go to cut expenditure. It was generally felt that this was a viable measure as it was agreed the accreditation was no longer adding value to the organization and was not bringing about any changes so was no longer worth the money. It was longer ago than I thought that we exited the scheme, back in 2010.
Oxfordshire County Council	Yes	Yes - but will potentially not renew in 2017	We are currently an Investors in People accredited organisation. We first achieved corporate IIP accreditation in 2004 and were reaccredited in 2008, 2011 and more recently 2014. Whether we opt to go forward for reaccreditation in 2017 is currently under review for reasons similar to those you refer to in terms of time, resource and cost.
Reading Borough Council	Yes pre 2001	No	Reading Borough Council used to have accreditation to IIP, but only part of the organisation achieved this (Social Services) and it was some time ago (2001 I believe). It was intended that we would try to extend the accreditation across the whole organisation however, a sense of apathy and high costs meant this fell off the agenda. A recently renewed appetite for organisational development has raised the question about whether we seek accreditation across the whole organisation, but I suspect that the costs of doing so will prohibit this. Our Organisational Development objectives will seek to embed the principles of IIP, but I doubt whether we will seek accreditation in the foreseeable future.

Appendix 3

The Confederation Model

