



OPTIONS FOR CONSIDERATION WHEN LOOKING AT A TRADE REMUNERATION PACKAGE

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Background

- NCH currently operates as an ALMO to Nottingham City Council
- Move from Contractual arrangement to negotiated Repairs & Maintenance Agreement (10 year) with NCC
- Move away from traditional DLO working arrangements
- Move away from SOR system of charging towards budget management process
- Part of a wider service review programme underpinned by Employee Engagement Initiative
- Drive towards continuous improvement
- Drive towards increasing Customer Satisfaction

Role of APSE



- Bring knowledge and experience to organisation
- Enables access to wider public sector environment
- Identify key business themes to be analysed and linked back to client brief
- Engage with staff across organisation to gather information
- Challenge existing practices / processes
- Undertake Options Appraisal and model alternative options to obtain solutions
- Draw conclusions and offer recommendations to inform the future direction and culture of NCH
- Prepare final report for management

APSE Approach



- **Adaptation of Lean Six Sigma Methodologies**
 - **Define:** What is required from the project
 - **Measure:** How are NCH currently performing
 - **Analyse:** Identify alternative processes or solutions to present working arrangements or identified problems.
 - **Improve:** Offer conclusions and recommendations on way forward
 - **Control:** Not undertaken as part of this proposal.

Methodology



- **Stage 1 :** ***Define & Familiarisation of Property Services Function***
 - Meeting with project proposer
 - Review of PN and external Data
 - Literature and documentation review
- **Stage 2 :** ***Measure***
 - Data Collection
 - Background Research
 - Meetings with key personnel

Methodology



- **Stage 3 :** ***Analysis of information gathered at Stage 2 above***
 - Review of NCH documents, policies and procedures
 - Review of Terms and Conditions for Craft Operatives
 - Any areas of concern
 - Further analyse of PN and external Data

Methodology



- **Stage 4 :** ***Compile Conclusions and Recommendations***

- **Stage 5 :** ***Final Report***

Weekly Management Updates



- Attended by Management Team (i.e. Assist. Director, Project Managers, Management Accountant)
- Review of work undertaken by consultant that week and queries from previous weeks report.
- Observations and Queries
- Results of analysis carried out
- Proposed Action Plan for forthcoming weeks
- Open discussion
- Question & Answers

- Weekly Update Reports prepared for management

Key Themes Considered



- Craft Operatives Remuneration
- Craft Operatives Terms & Conditions
- Performance Management
- Operational related issues
- Customer Care / Satisfaction

Craft Operatives Remuneration



- Analysis of current salary/bonus scheme operated by NCH
- Analysis of earnings across other public sector organisations for comparison
- Profiling of earnings across trade groups and teams
- Options Appraisal of various alternative salary schemes
- Modelling of operatives earnings for various salary levels
- Identify pros and cons of using alternative schemes
- Impact on organisation i.e. costs / productivity / performance

Options Appraisal



- **Craft Remuneration:**
 - **Option 1:** Maintain current position – 63% salary / 37% bonus
 - **Option 2:** 100% Salary no incentive element
 - **Option 3:** Higher basic element lower bonus element 95% / 5%
 - **Option 4:** Move to a 100% Salary (Repairs & Maintenance) / Salary & Bonus (Capital Works)

Options Appraisal



- Benefits to Organisation
- Benefits to Employees
- Benefits to Customers
- Identifies Pros and Cons for each Option
- Financial impact associated with each option
- Impact on service delivery
- Impact on employees

Options Appraisal



- Analysis undertaken:
 - Comparison of average earnings across authorities
 - Productivity levels across teams and trades
 - Range of earnings
 - Types of work activities – repairs, planned, capital
 - Profiling of costs associated with various schemes

Craft Operatives Terms & Conditions



- Review of current T&Cs
- Identify areas to improve or change to meet new demands in service delivery
- Specific Areas reviewed included:
 - *Working patterns / shift working*
 - *Standby / Out of hours arrangements*
 - *Flexibility of workforce – additional skills, “job completion skills”*
 - *Use of IT / PDA systems*
 - *Home / Depot start*

Performance Management



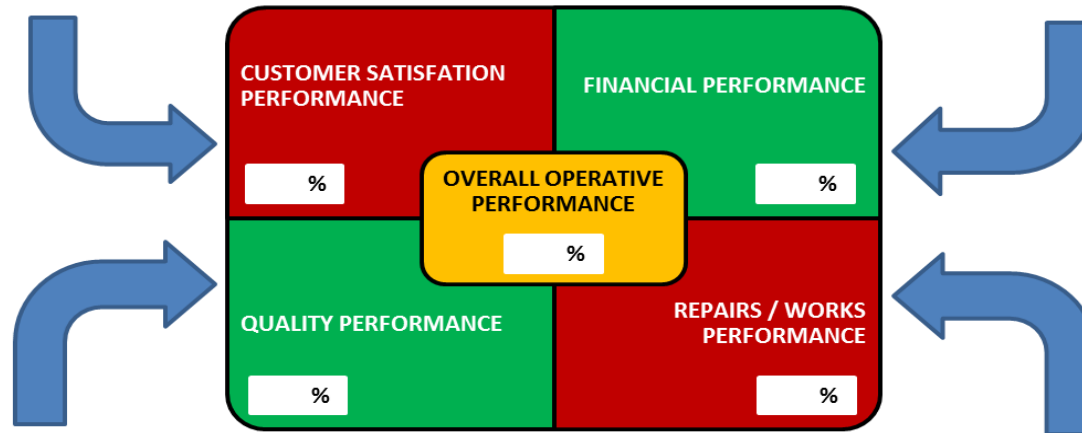
- Productivity main performance measure at present
- Performance should be based on number of factors not just productivity
- Customer focused measures
- Encourage positive culture for employees
- Communicate Performance information directly to operatives
- Give more responsibility/ownership to operatives to manage performance
- Consider new protocols / toolkit for ensuring performance e.g. Employee Dashboards

Employee Dashboard



Overall Customer Satisfaction (Operative)	<input type="text"/> %
Overall Service / Team Total	<input type="text"/> %
Customer Satisfaction (Operative)	<input type="text"/>
Customer Satisfaction (Service / Team)	<input type="text"/>

Value of Work Completed (Operative)	£ <input type="text"/>
Average Job Value (Employee)	£ <input type="text"/>
Average Job Value (Service / Team)	£ <input type="text"/>
Accuracy of Information	<input type="text"/> %



<u>No. Jobs Completed Right 1st Time</u>	
Operative	<input type="text"/>
Service Average	<input type="text"/>
No. of Recalls (Operative)	<input type="text"/>
No. of Recalls (Service / Team)	<input type="text"/>

<u>No. Of Jobs Completed :</u>	
Weekly by Operative	<input type="text"/>
Weekly Average for Service / Team	<input type="text"/>
No. of Appointments Kept (Operative)	<input type="text"/>
Appointments Kept (Average for Service / Team)	<input type="text"/>

Operational Related Issues



- Analysis of SOR codes in relation to charge rates and SMVs (demonstrate VFM)
- Analysis of Repairs Priorities – Emergencies, R2R, Urgent, Routine, Planned.
- Workforce Profile – skills, trade mix experience
- Apprentices

Customer Care



- Analysis of Customer Complaints
- Analysis of Appointments system
- Quality of Work
- Analysis of Customer Satisfaction

Challenges



- Appetite of management to introduce changes
- Willingness of employees and Trade Unions to engage in change process
- Moving away from a traditional DLO way of working
- Moving the focus away from craft operatives and onto the customers
- Maintaining service delivery during period of change
- Demonstrating continuous improvement after changes are introduced
- Demonstrate increased employee & customer satisfaction

Benefits to NCH

- Independent view of organisation, practices, culture and relationships
- Access to wider public sector environment
- No hidden agendas
- Additional resource to undertake specific piece of work
- Allows day to day work to continue without need to use existing resources
- Brings external dimension to the table
- Generates discussion within team
- Generates new ideas / ways of working



Questions?