

## EFFICIENCY AND PRODUCTIVITY MEASURE DETAIL

<b>SERVICE AREA</b>	Corporate Support
<b>MEASURE</b>	CS 2: Cost of human resources per 1,000 employees
<b>SUMMARY DEFINITION</b>	This measures the total cost of the HR service per 1,000 FTE employees
<b>RATIONALE FOR MEASURE</b>	<ul style="list-style-type: none"> <li>• Universal</li> <li>• Opportunity to share services and save</li> <li>• Of interest to external stakeholders</li> </ul>
<b>DETAILED DEFINITION (with inclusions and exclusions)</b>	<p>The cost of the human resource function should be reported in line with following guidance:</p> <p><b>Include</b> the cost of all recognised HR staff, whether employed centrally or within service departments, together with admin and clerical and secretarial support, who provide core HR activities ie HR policy, absence management, employee relations, employee development, recruitment, health and safety.</p> <p>The cost of such staff should be based upon pay including employers' costs (NI and pension).</p> <p>All such FTE staff on the payroll as at 31 March each year should be counted, regardless of whether or not they are permanent or temporary staff.</p> <p>If part of the remit of these staff falls outside the core activities specified, then this time should be apportioned out accordingly.</p> <p>If a council buys in HR services from an external provider, the cost of such contracts should be used to calculate this measure.</p> <p><b>Exclude:</b></p> <ul style="list-style-type: none"> <li>• payroll, pension administration and equal opportunities (apart from employment related issues)</li> <li>• the cost of administration and delivery of training other than training in HR matters provided by HR staff eg grievances, disciplinary, irrespective of whether that training is provided in-house or bought in</li> <li>• any bought in occupational health and recruitment services</li> <li>• cost of travel, property costs, supplies and services</li> </ul>
<b>FORMULA</b>	<p><math>N = A/B \times 1,000</math> where:</p> <p>A = Cost of HR (central + service based)</p> <p>B = No of FTE permanent staff</p>

<b>UNIT OF MEASURE</b>	£	<b>DECIMAL PLACES</b>	None
<b>MEASUREMENT PERIOD</b>	Snapshot at 31 March	<b>DATA SOURCE</b>	Council budget records
<b>DATA AVAILABILITY AND QUALITY</b>	This data should be available although external reporting is not currently required beyond the inclusion of this cost within service expenditure. Councils may need to take extra steps to identify and collate this cost.		
<b>QUALITY CHECK MEASURES</b>	<ol style="list-style-type: none"> <li>1. Staff satisfaction</li> <li>2. Staff absence</li> <li>3. Staff turnover</li> </ol>		
<b>DRILL DOWN MEASURES</b>	<ol style="list-style-type: none"> <li>1. Total number of HR professionals and staff</li> <li>2. Number of HR professionals and staff in each service area</li> </ol>		
<b>REPORTING YEAR</b>	<b>06/07</b>	Yes	<b>07/08</b> Yes
<b>PROPOSED FUTURE MEASURE (where applicable)</b>	There may be value in the future in measuring the cost of key HR activities, for example the cost of recruitment and appointment of staff.		