

Looking to our future

2016 to 2019 strategic plan



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Contents

| | | |
|------------|--|---------|
| 1.0 | Introduction | Page 3 |
| 2.0 | About West Midlands Employers | Page 4 |
| 3.0 | The WME Strategic Review | Page 5 |
| 4.0 | Looking back at the 2013-16 Strategic Plan | Page 6 |
| 5.0 | WME Vision and Principles of Working | Page 8 |
| 6.0 | Looking Forward – Strategic Objectives for 2016-19 | Page 10 |
| 7.0 | WME Governance | Page 11 |
| 8.0 | Regional Employers' Organisation Subscription Services | Page 12 |
| 9.0 | Options for WME subscriptions 2016-19 | Page 14 |

Foreword

It is with great pleasure we are able to introduce the WME 2016 to 2019 Strategic Plan. Reflecting upon our first 3 years as a free standing Regional Employers' Organisation we have exceeded our expectations for the establishment and growth of the organisation, as you will see on pages 6 and 7.

Looking forward to our next 3 year period the challenges facing our core client base of the region's Local Authorities are significant, both in terms of navigating a fundamental re-balancing of the public sector and associated financial reductions. However, we are encouraged by the clear message from chief executives, reflecting our own view, that this provides opportunity for WME to further develop our commercial activity through innovative solutions, whilst promoting greater collaboration across the sector. WME is here to provide expert professional support to help organisations manage, transform and redesign their workforce.

We have worked with a reference group of Chief Executives in shaping this Strategic Plan and they gave us a clear message; that they value WME's contribution including our annual growth plans and the development of a shareholder approach to future funding arrangements which will encourage and reward greater client engagement with our commercial activities.

We are looking forward to meeting that challenge and this Strategic Plan sets out the guiding principles on how we will do that.



Councillor Roger Phillips
Chair, WME Management Board



Colin Williams
Director, WME

1 Introduction

1.1

West Midlands Employers (WME) was established as a stand-alone Regional Employers Organisation in April 2013. Since then the organisation has both expanded and successfully delivered its range of HR, resourcing and organisational development services to its core client base of Local Authorities in the West Midlands and has grown its traded services with other public sector organisations.

1.2

In April 2013 WME published its first 3 year strategic plan. In 2015 we spent some time working with our member organisations to look at where the next 3 years will take the organisation and how we can best support the public sector bodies that we are here to serve. Following a comprehensive consultation exercise we have developed our new strategic plan 2016 to 2019.



2 About West Midlands Employers

2.1

West Midlands Employer rose like a phoenix from the flames of the disestablishment of a regional tier of government in 2013. It is proud to be a stand-alone Regional Employers' Organisation, owned by the 32 subscribing local authorities, providing a range of core support and commercial services, working within a streamlined governance framework under the oversight of an elected member Management Board reflecting representation from across the whole of the region.

2.2

WME has a dedicated and experienced team of 17 delivering a multi-faceted business model, across three key strands of activity.

I.

Regional Employers' Organisation Services:

Our 'core employment service' that is provided to constituent local authorities, through annual membership subscriptions.

II.

Regional Shared Services: Additional and valued subscription based services that authorities can opt into i.e. the WMJobs e-recruitment portal an end to end recruitment service and the WM Coaching and Mentoring Pool.

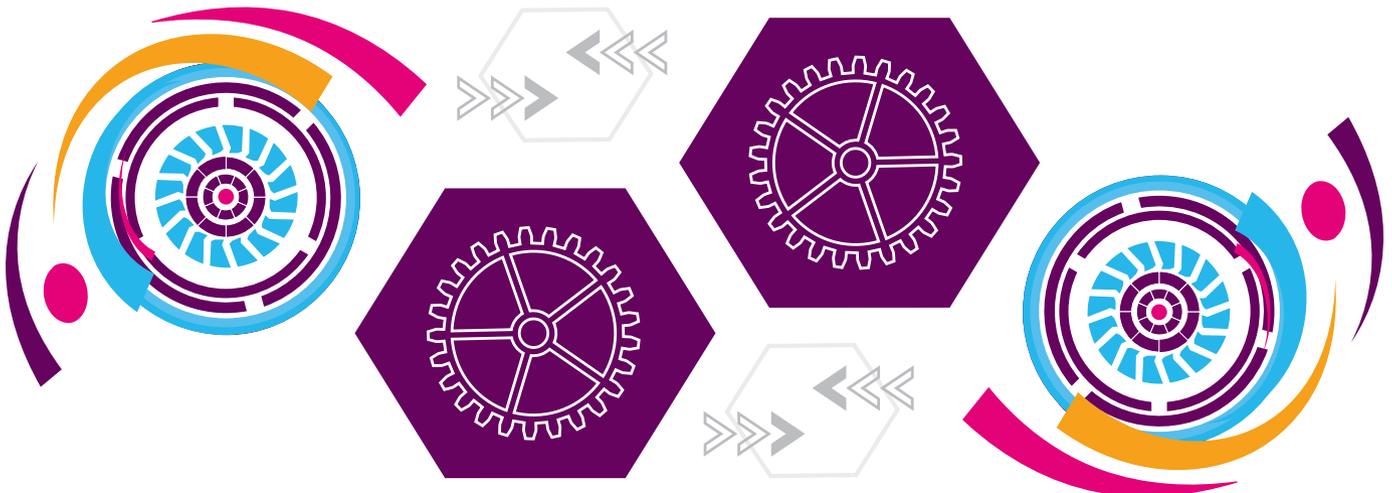
III.

Consultancy and Development Services: A diverse portfolio of pay-as-you go products and services, ranging from personal development programmes to in-house training provision and open courses, through to a comprehensive consultancy service. WME member organisations can access these services at substantially discounted rates.

2.3

WME is part of a national infrastructure of Regional Employers Organisations for local authorities covering each of the 9 regions in England, plus Wales and Northern Ireland. Working closely with the LGA, the regional employers provide an essential conduit to ensure local authorities inform and contribute to the national employers agenda, including nominating elected member representatives to the National Association of Regional Employers (NARE) and European Public Sector Employers Organisation CEEP (European Centre of Enterprises with Public Participation).

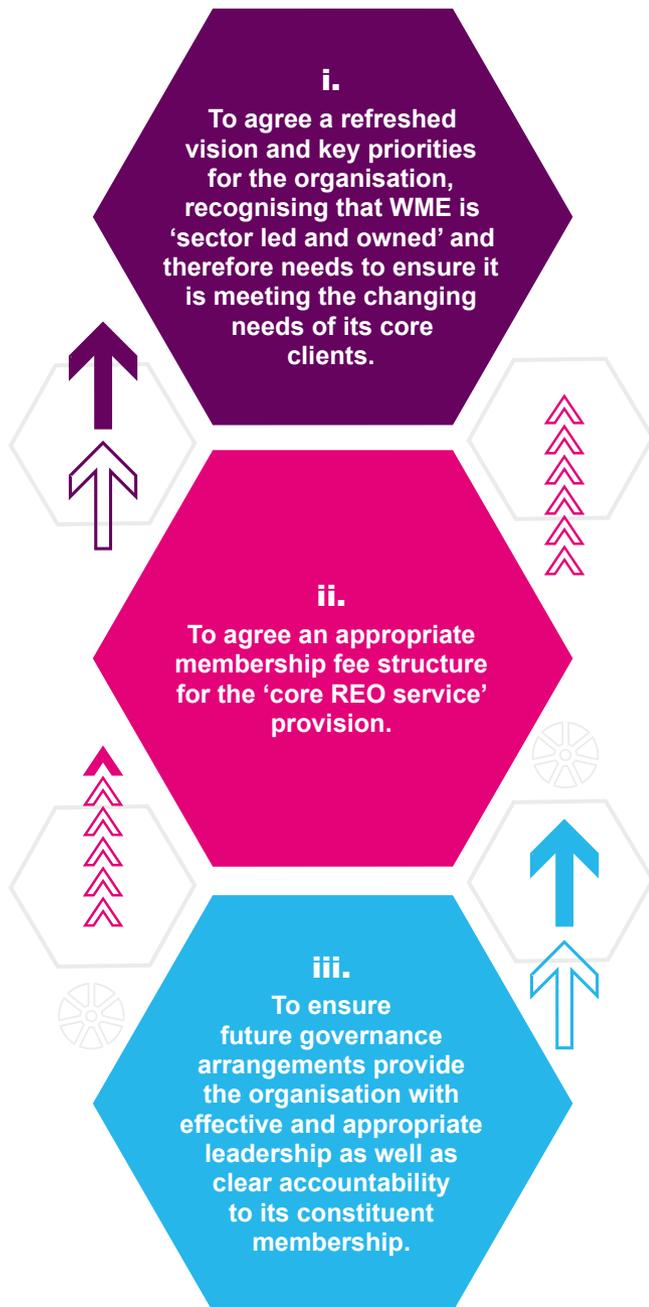
WME actively leads and engages with our regional partners to deliver joint programmes of activity that are becoming nationally recognised such as the Aspire Strategic HR & OD Business Partner Programme; bringing significant added value to the region and raising the profile of WME.



3 The WME Strategic Review

3.1

Recognising the importance of continually engaging with our client base, we sought to carry out a detailed review of WME's governance, business focus and funding during 2015. The Strategic Review had the following 3 objectives:



3.2

A core group of Chief Executives, mirroring the geographic representation of the WME Elected Member Management Board, were invited to provide a strategic steer to the review, advising the Management Board Chair, Councillor Roger Phillips.



| Chief Executive | Representing |
|--------------------|--|
| Jan Britton | The Black Country Councils |
| Jerry Hutchinson | Warwickshire, Coventry and Solihull Councils |
| Jack Hegarty | Worcestershire Councils |
| Richard Partington | Shropshire, Herefordshire and Telford Councils |
| Steve Winterflood | Staffordshire and Stoke Councils & representing the District Council Network |
| Sarah Homer | Birmingham City Council (on behalf of Mark Rogers) |
| Helen Riley | WME Host Chief Executive from Staffordshire County Council |

4 Looking back at the 2013-2016 Strategic Plan

4.1

WME's first Strategic Plan (2013-16) set out a series of high-level strategic objectives and more detailed 'service priorities'. As an organisation WME has remained flexible over the past 2.5 years in the delivery of ambitious service plans. A short summary of progress against our 2013 to 2016 objectives is below.

Strategic Objectives 2013-16 - Progress Report

A sustained reputation for providing high quality services whilst delivering a 10% year on year reduction in WME member subscription rates.

WME has met this commitment to organisations including 'front loading' the overall reduction for Unitary Authorities as part of transitional savings arrangements.

A continued high level of satisfaction in our services and stronger engagement and take up of our products and services.

Satisfaction levels remain high with WME core service provision and our recent client survey gave the following headline statistics:

- 94% response - the extent to which we meet overall needs (35%) 'excellent' (59%) 'good'
- 96% response - the quality of support from individuals (50%) 'excellent' (46%) 'good'
- 93% response - our responsiveness to their specific requests (46%) 'excellent' (47%) 'good'
- 93% response - the overall quality of our services/products (41%) 'excellent' (52%) 'good'

In terms of engagement all of our products and services have demonstrated growth and greater levels of engagement.

Business growth through sustained levels of core membership to the organisation alongside a diversified customer base within and beyond the region.

WME has retained its core membership since April 2013 and welcomed the return of Birmingham City Council in 2015 and new associate members Black Country Consortium and Sandwell Inspired Partnership Services Education Ltd.

Both within and beyond the Region, we have engaged numerous partner organisations to our subscription based shared services, for example Oxfordshire and Gloucestershire County Councils to the Coaching Pool and over 100 organisations paying to advertise vacancies on WMJobs.

The identification, development and growth of shared service initiatives working in partnership with individual and groups of local authority and other public sector clients.

WME has been fostering embryonic dialogue with HR leads in the County Council and Unitary Authorities on the scope for collaborative working and shared services across the sector, within the West Midlands (within the emerging combined authority context).

Whilst WME is facilitating and leading the dialogue, the outcome of discussions is entirely down to the ambition and drive of the Local Authorities to make shared HR services a reality.

WME is well placed to support the implementation of the outcomes from any dialogue currently taking place and this will continue to be a strategic objective for WME in 2016 to 19.

WME has also entered into a partnership with the PPMA to merge our regional operational networks into one; the West Midlands Workforce Matters (WMWM) Network to deliver a programme of inspirational events and a forum to discuss and debate operational HR issues.



A strong commercial ethos, including evidence that our people and leadership services remain self-sustaining and have capacity for continuing business growth.

WME has honed its commercial approach during the period 2013 to 15 to enable business growth without increasing resources. We have undertaken an internal business process transformation programme to drive efficiencies and increase productivity (including the introduction of a CRM system).

WME has moved to a position where our reliance on core funding has decreased and now represents just 25% of our overall income.

Stronger partnership working with other regional employer organisations, broadening the market place and delivering an expanded service offer through collaborative and mutually beneficial service delivery.

WME has been playing a leading role nationally with other Regional Employer Organisations and the LGA. In 2014/15, the Chair of WME chaired the National Association of Regional Employers.

WME provides national leadership to and manages the governance and financial elements of the national Epaycheck service on behalf of the REOs and LGA.

WME is developing a regional franchise model for its successful Aspire HRBP development programme and associated 360 review service to enable delivery by other REOs.

A nationally recognised brand identity for West Midlands Employers and our People and Leadership portfolio of services.

The WME 'brand' is now well established with the support of high quality design services provided by one of our Region's Local Authorities.

In 2013-15 WME has produced a wide range of marketing materials, including 8 WME newsletters, 12 HR bulletins, 9 short service films and hosted 2 annual conferences and 2 coaching conferences, alongside a variety of other one day events and webinars.

Through our many publications and our website WME has now developed a strong and easily recognisable brand.

A strong sense of sector led ownership across political and officer leadership, focused through a Management Board which has pride in the organisation it governs.

WME has sustained strong sector led ownership amongst our key client base (HR, Recruitment and OD practitioners), Chief Officers and Chief Executives, measured through continued levels of engagement.

However, whilst political ownership and accountability at Management Board provides effective governance, engagement with wider elected member representatives has proven more difficult to sustain. This review therefore recognises the need to consider the necessity and benefit of wider member engagement and contains a series of recommendations to review governance arrangements to reflect the developing commercial business/service model (see section 7).

4.2

Our first year was transitional but years two and three focused on a high output of services and support. Having now found our stride we are able to publish an annual summary of performance in the form of service infographics. These can be viewed on our website and will be updated annually. www.wmemployers.org.uk/about-us

5 WME Vision and Principles of Working

5.1

The WME Vision has been revised, reviewed and endorsed by our member organisations to ensure it reflects the core purpose of the organisation, now and into the future.

“WME working for you and with you – everything we do supports the creation of a strong public sector workforce”

5.2

To complement the organisation’s vision, we have developed principles of working that are based on a ‘CAN DO’ approach to delivery and allow us to operate and compete with commercial competitors, without losing sight of who we exist to benefit:

Customer Obsessed

We are **customer obsessed** and where appropriate we add personality to the customer experience. Everything we do is about creating an excellent customer or client experience with a personal edge.

Accountable to the Councils of the West Midlands

We know where our roots are and that we are sector owned and we make sure everything we do provides a benefit to our stakeholders and we are **accountable** for this to the Local Authorities in the West Midlands Region.

Networking is key to our business

Our relationships with clients drive our business; **networking** is an important part of what we do to support the sector, generate innovative new products and services and to promote our existing services.

DNA is in the Public Sector

We are focused upon trading exclusively with the public and voluntary sector and public sector providers. You could say it’s in our **DNA** and we strive to be the best provider of services that cover the full employee lifecycle and organisational development journey.

One Organisation

We work with our clients as ‘**one organisation**’ to offer a seamless whole package solution that meets their needs.

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D

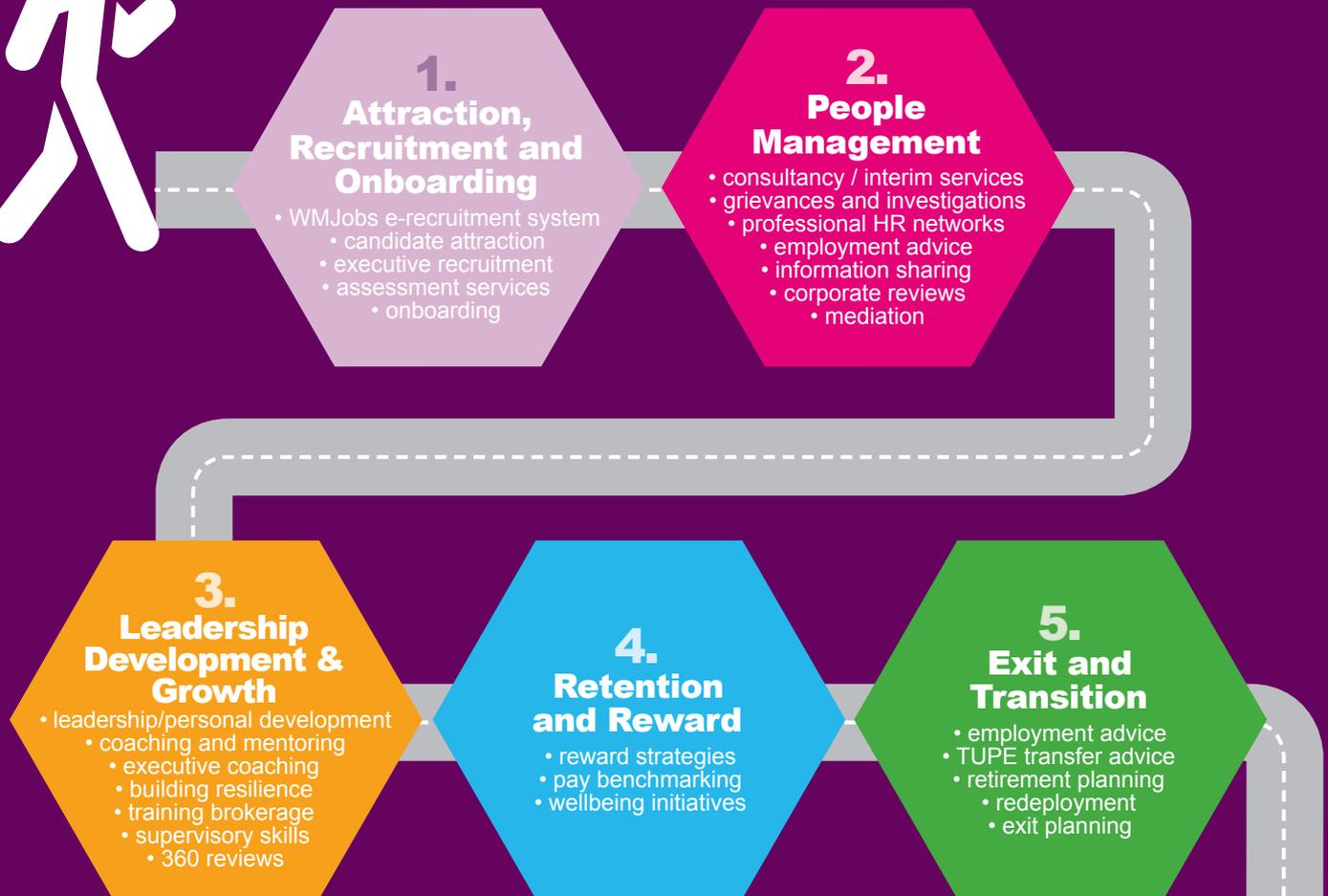
O



Framework for our services



The Employee Journey



The Organisational Journey

Organisational development is unique in both its meaning and approach within every organisation. Working at the heart of the local government family, WME is well positioned to provide advice and support to organisations across the spectrum of people and organisational development, including;

- Organisational Structure Reviews
- Supporting Cultural and Change programmes
- Building organisational capacity
- Developing OD strategies

Working with a team of highly experienced Associate Consultants, WME can help a client to develop bespoke solutions to their organisational development needs.

- sector focused products and services
- professional advice and consultancy support
- partnered solutions
- shared service management
- training brokerage
- confidential trusted advisor
- value for money
- membership benefits

6 Looking Forward

Strategic Objectives for 2016-19

6.1

WME recognises the pace of change within our constituent authorities that we need to respond to and as such we have taken the decision to define a series of high level strategic objectives for 2016 -19, but will consult our core client base annually on current priorities and areas for growth to reflect the need to be responsive.

6.2

Our Strategic Objectives for 2016-19 are:-

- Maintain sector ownership with each and every West Midlands Council having a 'stake' in WME either as a constituent member or through participation and engagement in our services.
- Lead, facilitate and support the Strategic Shared Services debate and any subsequent initiatives on behalf of the Region, using our unique experience and expertise to make the West Midlands a recognised 'best in class' region for efficient practices in HR, OD and Resourcing.
- Sustain the high organisational reputation for WME as an REO and provider of employer services, and that of those professionals working at WME - reinforcing WME as a 'can do' organisation.
- Develop a broader product offer both in terms of resourcing and leadership development, which both anticipates, leads and responds to the needs of both the West Midlands and wider public sector client base.

- Develop stronger partnership arrangements with public and private sector bodies working across our service portfolio, recognising and responding to our own capacity constraints by delivering through and with relevant partners and building our commissioning capacity.
- Seek opportunities to share services with other regions or as delivery models; to generate income and raise the profile of WME and the role of our constituent councils as employers..
- Deliver business and financial performance objectives as defined by our constituent local authorities and Management Board.

6.3

To reflect the need to be more commercial in our approach, we produce an 'annual growth plan' to focus the organisation and resources on those services which reflect existing and emerging demand, whilst ensuring our commercial commitments are taken fully into account.

The Annual WME Growth Plan can be viewed on our website www.wmemployers.org.uk/about-us



7 WME Governance

7.1

From April 2016 new governance arrangements will ensure that WME is accountable to its constituent authorities (or shareholders) through their Chief Executives and through an Elected Member Management Board drawn from the sub-regions, for the oversight and direction of its business.

| 2015/16 Representative | Sub-regional Group |
|------------------------------|---------------------------------------|
| Cllr Paul Sweet (Vice Chair) | The Black Country |
| Cllr Ken Meeson | Warwickshire, Coventry and Solihull |
| Cllr Paul Middlebrough | Worcestershire |
| Cllr Roger Phillips (Chair) | Shropshire, Herefordshire and Telford |
| Cllr Philip Atkins | Staffordshire and Stoke |
| Cllr Ian Ward | Birmingham |
| Cllr Chris Saint | District Council representative |

7.2

Accountability to our Councils

WME is a not for profit regional employers' organisation; owned by its subscribing authorities and accountable to them through the Chief Executives who collectively form a 'Membership' body. WME will engage with these decision makers who are best placed to influence the business objectives and service development plans for WME.

Chief Executives (or their nominated representative to serve on WME) will be invited to attend a WME AGM and a half-yearly meeting to facilitate a wider strategic dialogue with on the key people and organisational development issues facing the sector. These meetings will also consider evolving delivery strategies, budget

considerations and provide necessary accountability to the member authority in relation to its share of ownership in WME.

7.2

Political Oversight

As an organisation owned by Local Government and working on behalf of local government, there is a need ensure appropriate political oversight and involvement in the work of WME as a regional employers' organisation. WME is managed through a small Elected Member Management Board comprising representative nominations from the six geographic sub-regions and one for District Councils.

| |
|---------------------------------------|
| Birmingham |
| The Black Country |
| Shropshire, Herefordshire and Telford |
| Staffordshire and Stoke |
| Warwickshire, Coventry and Solihull |
| Worcestershire |
| District Councils |

The Management Board elects a Chair and Vice Chair and also nominates elected members to represent WME on other bodies such as the National Association of Regional Employers and CEEP UK.

The Management Board is the executive body for WME responsible for the approval of business plans, financial statements and annual returns.

7.3

Managing the business

The work of WME is managed through a small management team comprising Colin Williams, Director, Rebecca Davis, Assistant Director, Sharon Phillips, Head of Financial & Business Services and Manny Sandhu, Head of Resourcing. This team work closely with the Management Board to ensure a robust and transparent approach to governance.

8 Regional Employers' Organisation Subscription Services

8.1

The 2013-16 subscription model for WME reflected financial constraints and challenges facing constituent authorities. WME fees offered a substantial reduction on those paid to the former regional body and further guaranteed ongoing reductions so that by 2015-16 the fee would reduce for unitary authority and county councils from £15,950 to £12,920 and for district councils from £4,750 to £3,850.

8.2

The WME membership subscription directly funds the core 'REO service' that includes advice, support and representative services, and currently represents 25% of overall expenditure, with the balance being met by income from individual (optional) traded service contracts and consultancy income.

8.3

The range of services funded by core subscription include;

- Telephone and email advice line services (over 1,400 hours of advisory support in 2014/15), covering employment law and terms and conditions for both teaching and non-teaching staff; provision of regular employment law bulletins and updates on emerging employment issues, together with a responsive HR information / survey service.
- Direct support to Elected Members, Chief Executives, and Heads of HR on sensitive and other issues which require independent expertise and input e.g. supporting Chief Executive Appraisals; advising on senior management pay and restructuring (including ongoing independent job evaluation services); and providing independent advice on sensitive employment issues at a senior level.
- Identifying, representing and advocating the views of the regions Councils at a national level e.g. in respect of national pay negotiations, emerging legislation, other public sector employment issues and through its membership of CEEP, providing a direct route into European Social Dialogue. This includes supporting the elected members appointed to represent the West Midlands on the National Association of Regional Employers.

- Facilitating regular and bespoke officer networks across the HR and OD community in order to enable the sharing of information and intelligence on various employment related developments.
- Facilitating, developing and supporting collaborative activity across the region as a whole with regard to the development and delivery of shared service arrangements (at corporate management level and in relation to HR & OD service provision).
- Arranging and facilitating a number of regional events such as our annual Employment Law Updates, which attract over 120 delegates from across the region's HR community.
- Working with other regions and partners for mutual benefit such as the national Epaycheck online pay benchmarking service, to which 29 Councils in the Region are members.

8.4

Councils subscribing to WME also benefit from a heavily discounted day rate for other support and consultancy services, representing a circa 40% reduction on externally charged rates (from £1,000 and £750 respectively down to an average of below £500 per day). The 'surplus' income target for REO consultancy services 2015/16 is £153,000 which provides a further direct subsidy to the core services outlined above. In 2013/14 the budgeted surplus target was £122,000 with outturn at £153,000; and in 2014/15 £156,000 outturn against an increased target of £137,000.



8.5

REO support to the People and Leadership Team (PLT)

WME has a 9 strong People and Leadership Team, operating traded services on a non-profit basis, contracting with partner Councils for the provision and management of a range of key services from April 2016 these activities will be fully integrated into the WME core service provision.



It is important to recognise that **around 10% of the WME core subscription funds the overall management of the organisation** from which our traded services operate. This has provided the platform upon which the PLT has been able to develop and deliver a strong portfolio of products and services offering both efficiency and effectiveness benefits to subscribing councils at rates significantly lower than those available in the commercial market. There is a symbiotic relationship between the core REO services and that of the PLT services which in turn provides a platform for strands of REO consultancy (e.g. Executive Recruitment). The co-ordinated and single management and leadership of these services enables continued close relationships with the core client base (in order to shape and direct service growth) and fosters greater synergy between products (for example the Recruitment and Resourcing service uses WMJobs as its delivery platform and our Leadership programmes use the Coaching Pool as an integral service element).

WMJobs is a leading edge shared service providing an end-to-end recruitment and recruitment advertising jobsite to over 30 partner organisations and 150 advertising organisations across the region. The jobsite advertised over 16,662 vacancies in 2014/15, averaging over 5 million visitors, and the end-to-end recruitment service processed in excess of 6,000 applications per month and collectively the team delivered 129 days of consultancy at discounted day rates to partners.

The **West Midlands Coaching and Mentoring Pool** is a subscription based service that has provided over 688 hours of coaching and mentoring support to managers in 2014/15, with 32% of those at head of service level or above. It averages a 141% return on investment for subscribing partners and has over 90 coaches working within its framework.

Our **Transcend, Accelerate and Catalyst** management development programmes have featured in the development strategies of a number of Councils and have been delivered to over 50 aspiring chief executives and 375 managers.

8.6

From 2016 WME will also be offering all WME members significantly reduced costs for our WM360 service as part of our core service; that had previously required a separate subscription to access. This will enable Councils to deliver 360 questionnaires internally, paying only for reporting and feedback services - offering additional value to WME membership.

9 WME fees and shareholder rewards

9.1

WME is mindful of the financial challenges facing authorities and seeks to balance this against the value for money and sectoral expertise that WME can offer councils to help them meet those challenges. Consultation on this business plan told us that WME needs to continue to provide the high quality services currently offered and to further develop as a cutting edge employers' organisation, retaining the widest sector ownership sustained through a blended funding model. In developing this business plan we considered a range of funding options with Chief Executives and Members. Our aim was to secure a subscription model that continued to offer best value for our shareholder authorities, as well as securing a sound financial base upon which WME could build strong commercial offers for traded services to generate higher income levels, with a view to then 'sharing' any financial success with our membership.

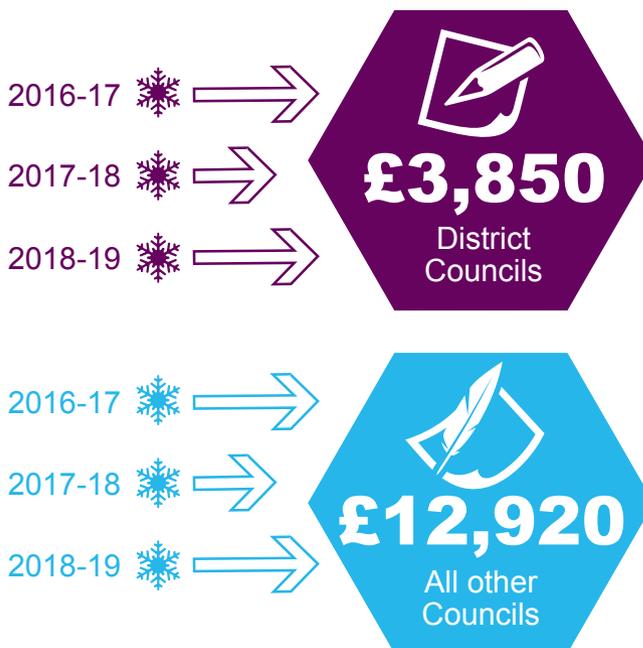
9.2

The WME 2016-19 funding model is based on an ongoing commitment from councils to continue to support the organisation; both in relation to their annual subscription and take up of our traded services to our mutual benefit. It offers WME stability to manage inflationary costs, business risk and longer term commitments, whilst also providing a mechanism for WME to reward shareholder through a repayment of generated surplus.

9.3

Chief Executives opted to freeze subscriptions for 3 years

The WME annual subscription for 2016-2019 will be fixed at £3,850 per year for district councils and £12,920 per year for all other councils. This is a freeze of 2015-16 fees - the last year of a 3 year approach to reducing fees by 33% from £4,750 and £15,950 respectively.



The 2016-19 subscription funds the services and activities of the core REO function as described in section 8.

WME offers a wide range of traded and shared services, some with discrete client groups who are driving service development and reinvestment. The core subscription helps to facilitate these wider services by providing an important umbrella organisation under which they can operate and trade and contributes to the growth of our commercial opportunities.

9.4

WME already offers 'discounted' rates to member councils across many of our services and products as part of a subscription reward package. We now want to take this a step further and introduce a '**shareholder reward**' that will incentivise councils to use as many of WME's services as possible - **the more you trade with us, the greater potential 'shareholder reward'** which can be offered to your council or re-invested collectively in shared initiatives or projects.

9.5

Introducing the WME Shareholder Reward

At the end of each financial year WME will report a general surplus* after all business funding commitments are met (*approved by the Management Board and detailed in the annual statements).

70% of this general surplus will be set aside as a shareholder reward.

When WME announces a Shareholder Reward we will write to Chief Executives of subscribing councils and ask them whether they wish to;

- (a) receive individual reward payments
- (b) collectively invest the reward in a shared business priority that could offer a greater return during that financial year
- (c) rollover the shareholder reward to the next financial year, with a view to accumulating a greater 'lump sum' for investment at the end of the next year, anticipating a year on year surplus.

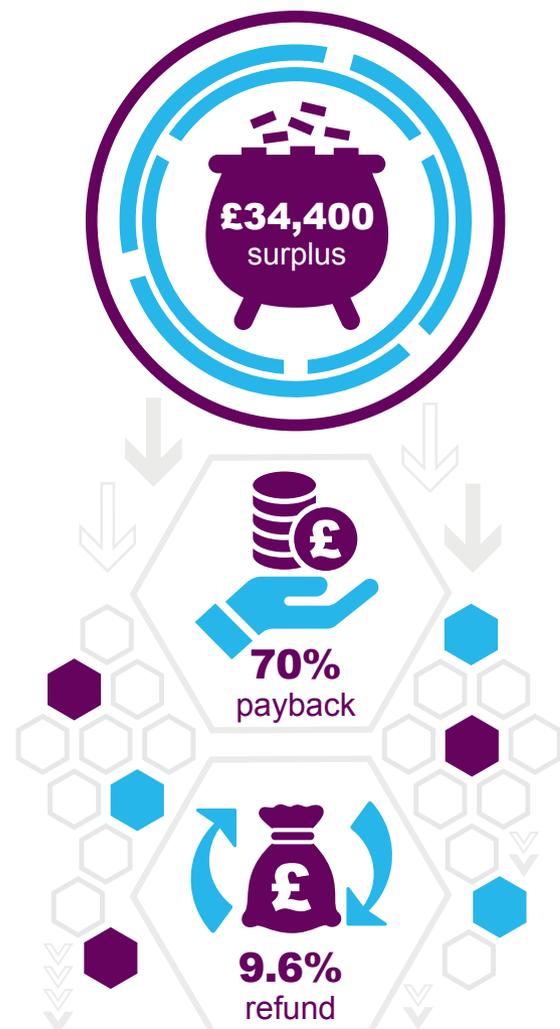
The decision will be made by majority vote and the option with the highest votes will be enacted for that financial year.

Reward payments will be distributed equitably amongst subscribing councils as a percentage refund of their subscription. Reward investments will be agreed collectively by Chief Executives and administered by WME.

The remaining 30% of general surplus will be retained by WME in reserves, to allow us flexibility to invest in ad-hoc in year service development and improvement or to mitigate unforeseen costs.

Example of shareholder reward

WME surplus in 2014/15 was £34,400; 70% payback pot of £24,080; representing 9.6% refund of subscription value to each council; valued at £371 and £1,244 (for districts and all other councils respectively) giving a 'real' subscription rate of £3,479 and £11,676.



Get in touch

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www.wmemployers.org.uk

Proud to design for WME



good services, good value