



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 5

**Committee of the Whole
February 1, 2017**

February 8, 2017

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: January 18, 2017

SUBJECT: Proposed 2017/18 Multi-year Human Resources Budget and Business Plan

ORIGIN

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented in the Information Report of November 22, 2016, staff is required to present the 2017/18 draft Business Unit Budget and Business Plans to the Committee of the Whole for review and discussion prior to consideration by Regional Council.

LEGISLATIVE AUTHORITY

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

RECOMMENDATION

It is recommended that the Committee of the Whole direct staff to proceed to prepare the 2017/2018 Multi-year Human Resources Budget and Business Plan, including 2018/2019 in principle, as proposed in the accompanying presentation and consistent with the preliminary fiscal direction.

BACKGROUND

As part of the design of the 2017/2018 Budget and Business Plan development process, the Committee of the Whole is reviewing each Business Unit's high level budget and proposed plans in advance of detailed HRM Budget and Business Plan preparation.

At the December 6, 2016 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and on December 14, 2016 provided fiscal direction for the 17/18 multi-year budget, directing staff to: "develop the 2017/18 Multi-year Budget and Business Plans in support of the fiscal direction and approved priorities."

DISCUSSION

Staff has prepared the proposed 17/18 Budget consistent with the preliminary fiscal direction received from Council on December 14, 2016 and aligned with Council Priorities as approved on December 6, 2016.

Following direction from the Committee of the Whole, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 2017/18 Multi-year Budget and Business Plan documents to be presented to Council, as per the process and schedule in the November 22, 2016 Information Report.

RISK CONSIDERATION

None are specifically associated with this report.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed 2017-18 Multi-year budget. There are no immediate financial implications from these recommendations. The broader financial implications will be discussed and debated as the budget is developed in more detail.

COMMUNITY ENGAGEMENT

None are specifically associated with this report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

The Committee of the Whole can choose to amend the Budget and Business Plan as proposed in the accompanying presentation through specific motion, and direct staff to proceed to prepare the Budget and Business Plan for inclusion in the proposed HRM Budget and Business Plan documents.

ATTACHMENTS

Human Resources 2017 – 2018 Multi-year Budget and Business Plan Presentation

**Human Resources Business Unit
Proposed 2017/2018 Multi-year Budget and Business Plan
Council Report**

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February 1, 2017

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Catherine Mullally, Director of Human Resources/CHRO, 902.490.1467

Original Signed

Report and Financial
Approval by:

Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308

The word "HALIFAX" is written in a bold, white, sans-serif font. It is positioned in the upper right quadrant of the slide, set against a dark blue background that is part of a larger geometric design consisting of overlapping triangles in various shades of blue.

Human Resources Multi-Year Budget & Business Plan

Committee of the Whole on Budget

February 1, 2017

Business Unit Overview

- Human Resources is committed to providing innovative and practical human resource strategies and solutions that address business needs and promote service excellence.
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Service Areas

- ❑ **Director's Office** - Provides leadership and develops HR strategic priorities that align with business needs; ensures HR structure, resources, policies and business practices are aligned to support organizational efficiency and effectiveness.
 - ❑ **Client Services** – Provides strategic business unit HR advisory and consultative services to Business Units to ensure efficient and consistent delivery of HR services and integration of human resource principles and practices in day-to-day operations.
 - ❑ **Shared Services** – HR's first point of contact for employee inquiries/service requests. Provides foundational support for HR programs and services including training administration, compensation/benefits and pension inquiries. Collects and administers HR data, information and reporting.
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Service Areas

- ❑ **Labour Relations** – Serve as the employer’s negotiator in collective bargaining with various unions representing its employees. Provides expertise and consulting to Business Units to ensure efficient and consistent delivery of labour relations service and integration of labour relations strategy and principles to support sustainable municipal services.
 - ❑ **Organizational Effectiveness & Learning** – Responsible for the Corporate Learning & Development strategy and the delivery of training and professional development programs and services to meet business needs. Supports organizational effectiveness through policy and program design to impact employee and corporate performance.
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Service Areas

- ❑ **Talent & Total Rewards** – Responsible for the development of HRM's Talent Management Blueprint and Total Compensation Strategy including policy framework, program design, pension & benefits plan consulting and administration.
 - ❑ **Health, Safety & Wellness** – Responsible for administering the Corporate Health and Safety Plan including strategies to reduce incident/accident trends and risk while focusing on consistency of awareness and compliance.
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Human Resources' Accomplishments

- Environment, Health & Safety Management corporate wide system (SAP) was implemented to better inform a Safety First Workplace culture
 - New collective agreements were achieved with NSUPE 13 and CUPE 108
 - Corporate Learning and Development Strategy was introduced to improve employee and organizational performance
 - Workplace Rights –Harassment Prevention Policy was revised to support a healthy and productive workplace culture.
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16/17 Update

16/17 Plan	Status Update
HR Service Delivery Modernization <i>Service Excellence - Service Improvements</i>	<ul style="list-style-type: none"> Modernized HR structure to better support HRM's business needs. Technical solutions to support service improvements are in progress.
Corporate Occupational Health and Safety Plan <i>Our People - Health & Safety</i>	<ul style="list-style-type: none"> Total Accident Frequency has reduced from 12 to 10 after year 2 of plan (frequency = # of total accidents per 100 full time equivalent).
The HRM People Plan <i>Our People - Performance</i>	<ul style="list-style-type: none"> Initial consultation with the Business Units on priorities over the next 1-3 years completed. "Our People" Working Group has been established to partner with HR on finalizing HRM's Human Capital Strategy and prioritizing activities.

16/17 Update

16/17 Plan	Status Update
Attendance Support Program <i>Financial Responsibility - Responsibility for Resources</i>	<ul style="list-style-type: none">• First phase of the BI attendance tool launched. Quarterly data provided to BU's through HR staff.• HR staff provided training to Leadership colleagues on the revised Attendance Support policy.• Tracking of attendance support "stages" is in progress.• Initiated Attendance Support Working Group to address business areas with high sick leave usage.

16/17 Update

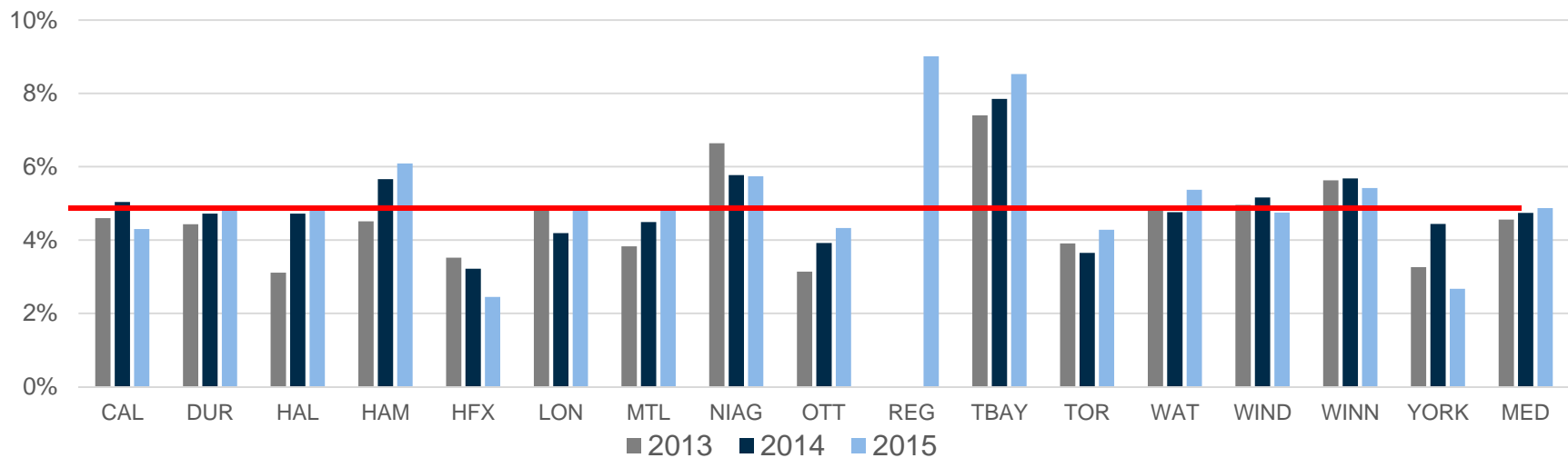
16/17 Plan	Status Update
<p>Lead Collective Bargaining <i>Financial Responsibility - Responsibility for Resources</i></p>	<ul style="list-style-type: none"> • Collective Bargaining activities which occurred in 2016-17 include: <ul style="list-style-type: none"> • NSUPE 13 – New two year collective agreement signed on May 2, 2016. • CUPE Local 108 – New two year collective agreement signed on November 30, 2016. • HRPA (Police) – Collective bargaining concluded. Awaiting arbitration decision. • IAFF (Fire and Emergency) – Collective bargaining has commenced. • ATU 508 (Transit) - Collective bargaining has commenced. • CUPE Local 4814 –Stakeholder consultation is ongoing - collective agreement expires March 31, 2017.

16/17 Update

16/17 Plan	Status Update
HR Technology Roadmap <i>Service Excellence - Service Improvements</i>	<ul style="list-style-type: none">• EHSM Project - system has been implemented and is live. Training for managers/supervisors is in progress.• SAP Pension reconfiguration completed.• Telephony solution in progress to streamline HR service requests.• Work to procure an Service Request Intake Solution continues in partnership with Finance & ICT.

Overall Permanent Voluntary Employee Turnover

Median = 4.87%



YEAR	CAL	DUR	HAL	HAM	HFX	LON	MTL	NIAG	OTT	REG	TBAY	TOR	WAT	WIND	WINN	YORK	MED
2013	4.60%	4.43%	3.11%	4.51%	3.52%	4.91%	3.83%	6.64%	3.14%	N/A	7.40%	3.91%	4.93%	4.96%	5.63%	3.26%	4.56%
2014	5.04%	4.72%	4.72%	5.66%	3.22%	4.19%	4.49%	5.77%	3.92%	N/A	7.85%	3.65%	4.76%	5.16%	5.68%	4.44%	4.74%
2015	4.30%	4.81%	4.87%	6.09%	2.45%	4.84%	4.89%	5.74%	4.33%	9.01%	8.53%	4.28%	5.37%	4.75%	5.42%	2.67%	4.87%

* External Data Source MBNCanada - 2015 Performance Report



16/17 Update - EHSM

- Environment, Health & Safety Management system
- Corporate-wide technology go-live mid September 2016
- 434 Supervisors/Managers trained or 82%
- 101 Safety and 178 Health Incidents entered



2017/18 and 2018/19 Human Resources Draft Budget and Business Plan

HALIFAX

Initiatives

Initiative / Priority Outcome	Proposed 17/18 Cost	Projected 18/19 Cost	Efficiency Gain / Value for \$ / Comment
<p>Multi-Year Corporate Health & Wellness Strategy <i>Health & Safety – Health Workforce</i></p>	<p>\$0</p> <p>* Costs included in compensation budget</p>	<p>\$0</p> <p>* Costs included in compensation budget</p>	<p>Improve the workplace and employee health and well-being. Focus will be on areas of high importance for the prevention of the municipality's leading health indicators, mental health awareness, absenteeism indicators and reducing Worker's Compensation costs.</p>
<p>Modernizing HR Core Service Delivery <i>Our People – Performance</i></p>	<p>\$0</p> <p>* Costs included in compensation budget</p>	<p>\$0</p> <p>* Costs included in compensation budget</p>	<p>To support client-focused service delivery, HR will build the Shared Services division in order to commence centralizing HR transactional service delivery and improve efficiency and effectiveness through business process redesign.</p>

Initiatives

Initiative / Priority Outcome	Proposed 17/18 Cost	Projected 18/19 Cost	Efficiency Gain / Value for \$ / Comment
Talent Management Framework <i>Our People - Talent</i>	\$0 * Costs included in compensation budget	\$0 * Costs included in compensation budget	To support business unit operational priorities, HR will develop a corporate talent management framework, that will guide the development and delivery of HR programs and tools. Year 1 will focus on recruitment, succession planning, employee learning, rewards and recognition.
Collective Bargaining <i>Our People – Talent</i>	\$0 * Costs included in compensation budget	\$0 * Costs included in compensation budget	Meet the municipality's obligations and support the delivery of sustainable, efficient and effective municipal services.

Operating Budget Overview

HR Expenses by Service Area	15/16		16/17		17/18	18/19
	Budget	Actual	Budget	Projections	Proposed Budget	Proposed Budget
Compensation and Benefits	4,761,500	4,524,774	4,794,900	4,794,900	5,075,000	5,089,200
Office	34,600	40,206	33,600	33,600	34,200	30,000
External Services	683,100	1,018,048	215,600	215,600	249,600	249,600
Supplies	1,500	734	1,500	1,500	1,500	1,500
Materials		306				
Building Costs		3,020				
Equipment & Comm.	3,000	681	3,000	3,000	1,000	1,000
Other Goods and Services	439,300	427,393	427,800	427,800	438,700	438,700
Interdepartmental		(276,803)				
Other Fiscal	(389,600)	(389,653)				
Total Expenditures	5,533,400	5,348,705	5,476,400	5,476,400	5,800,000	5,810,000
Other Revenue	(80,000)	(54,190)	(80,000)	(80,000)	(80,000)	(80,000)
Total Revenues	(80,000)	(54,190)	(80,000)	(80,000)	(80,000)	(80,000)
HR Net Budget	5,453,400	5,294,514	5,396,400	5,396,400	5,720,000	5,730,000

Service Area Budget Overview

Net Operations Support Expenses by Service Area	15/16		16/17		17/18	18/19
	Budget	Actual	Budget	Projection	Proposed Budget	Proposed Budget
Administration	481,400	417,444	358,000	479,900	511,200	513,100
Org. Effect.& Learning	1,707,000	1,681,419	1,831,700	1,396,000	1,002,300	1,004,600
Client Services	1,529,800	1,513,603	1,542,800	1,288,300	1,376,100	1,378,100
Talent & Total Rewards	698,100	751,946	728,900	608,800	550,450	549,750
Shared Services					506,100	502,400
Labour Relations	597,200	600,336	560,900	699,300	709,650	713,350
Health Safety & Wellness	439,900	329,765	374,100	631,750	1,064,200	1,068,700
HR Total	5,453,400	5,294,514	5,396,400	5,401,050	5,720,000	5,730,000

Staff Counts (FTEs)

Service Area (Pre-Modernization)	2015/16	2016/17	Service Area (Post-Modernization)	2017/18 (Proposed)	2018/19 (Proposed)
Director's Office	3	3	Director's Office	3	3
Client Services	16	16	Client Services	13	13
Labour Relations	6	6	Labour Relations	7	7
Organizational Development, Health & Safety	16	16	Organizational Effectiveness & Learning	8	8
Corporate Safety	5	5	Health, Safety & Wellness	9	9
Total Compensation	8	8	Shared Services	9	9
			Talent & Total Rewards	5	5
Business Unit Total	54	54	Business Unit Total	54	54

Summary of 2- Year Budget Changes

	Proposed 2017/18 Budget	Proposed 2018/19 Budget
Starting Budget 2016-17	5,396,000	5,396,000
Total Change Included	324,000	334,000
Proposed Budget	5,720,000	5,730,000

Changes Included in Proposed Budget

Proposed Change	Proposed 17/18 \$ Impact	Projected 18/19 \$ Impact	2 Year Cumulative	Impact on Service Delivery and/or Council Priority
Compensation and Vacancy savings	280,000	294,000	574,000	Compensation adjustments consisting mostly of a major reduction in Vacancy Management, which was unsustainable moving forward with the HR Modernization Plan.
Good & Services	10,000	6,000	16,000	Inflationary increases
Employee & Family Assistance Program (EFAP) – projected contract increase	34,000	34,000	68,000	Pressure on staffing due to higher target for vacancy savings (e.g. inability to be at full staff) which impacts service delivery levels to clients.
Total Impact of changes	324,000	334,000	658,000	

Operating Options Below Budget

Option Description	17/18 Amount	17/18 Avg. Bill Impact	18/19 Amount	18/19 Avg. Bill Impact	2 Year Cumulative	Strategic Alignment (Priority Outcome)
<p><u>Bridging the Gap Program</u> (Fiscal Services)</p> <p>Reduce number of interns from 20 to 15:</p> <ul style="list-style-type: none"> • \$60,000 x 5 = \$300,000 	-\$300,000	0.93	-\$300,000	0.95	-\$600,000	Our People - Talent
Total Impact of options	-\$300,000	0.93	-\$300,000	0.95	-\$600,000	

Operating Options Over Budget

Option Description	17/18 Amount	17/18 Avg. Bill Impact	18/19 Amount	18/19 Avg. Bill Impact	2 Year Cumulative	Strategic Alignment (Priority Outcome)
Corporate Learning & Development Program expansion	\$100,000	\$0.31	\$100,000	\$0.32	\$200,000	Our People – Leadership
Employee Engagement Survey	\$60,000	\$0.19	\$0	-	\$60,000	Our People – Culture
Total Impact of options	\$160,000	\$0.50	\$100,000	\$0.32	\$260,000	

Our People

We make a difference

- To support HRM in the achievement of business goals and Council's priorities, HR will continue to focus on the modernization of HR systems, programs, services, tools and related technologies.
- Key priorities include improved access for all stakeholders to utilize HR services, modernizing standardized HR programs, policies and service levels, as well as enhancing client focused service delivery through strategic partnering and quality consultation.

Questions and Discussion