

AGENDA MANAGEMENT SHEET

Name of Committee

Cabinet

Date of Committee

2nd November 2006

Report Title

Delivery of HR services

Summary

This report seeks endorsement of changes in the way that HR services are delivered throughout the County Council, allowing more effective exploitation of the new HRMS system, greater economies of scale and a clearer focus on the delivery of HR advice and policy development.

For further information please contact:

Bob Perks
Head of Human Resources
Tel: (01926 41)2027
bobperks@warwickshire.gov.uk

David Carter
Strategic Director,
Performance and
Development
Tel: (01926 41)2564
davidcarter@warwickshire.gov.uk

Would the recommended decision be contrary to the Budget and Policy Framework?

No.

Background papers

None

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

Other Committees

Local Member(s)

Other Elected Members

David Booth "would like clearer details on the resource / savings implications when these become available"

Cabinet Member

Cllr Peter Fowler

Chief Executive

Legal

David Carter

Finance

Other Chief Officers

District Councils

Health Authority

Police

Other Bodies/Individuals

FINAL DECISION

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by
this Committee

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

Agenda No

Cabinet - 2nd November 2006.

Delivery of HR services

Report of the Strategic Director – Performance & Development

Recommendation

That the changes to the way that Human Resources (HR) services are delivered throughout the County Council, as set out in this report, including the creation of a single unit for transactional purposes, are endorsed

Background

1. The way in which HR services have been delivered across the County Council has remained largely unchanged for many years. Prior to the restructuring of departments earlier this year, each of the nine Council departments had their own HR team. These varied in size according to the numbers employed in departments, and were responsible for both issuing advice and undertaking the administration associated with recruitment, pay, record keeping, etc.
2. In addition, a small corporate team has existed, responsible for policy development and for tackling those individual or collective issues that could not sensibly be addressed at departmental level.
3. The Best Value review of HR undertaken in 2002/3, benchmarking with other similar organisations and, to a certain extent, our CPA assessment have drawn three broad conclusions about our HR services,
 - that , in overall terms, HR is under-resourced compared with other similar organisations
 - that the HR function needs to be more focussed on strategic issues that contribute to cultural change and an improved customer focus and, by implication, less embroiled in 'transactional' processes (ie. those administrative or clerical tasks that do not require a professional level of input)
 - inconsistent HR practices and processes across departments have been both inefficient and unhelpful to a 'one Council' approach.
4. It has not proved possible to meet all the identified shortfall in HR resources, although some progress has been made. However, what is clear is that the HR

function needs to use those resources that are available more effectively and efficiently. Specifically, the following issues need to be addressed,

- **we do not achieve economies of scale** – by having the same transactional processes undertaken by different staff around the Council, often as a small part of each individual's job, the imperative to undertake these processes more efficiently is weakened. In particular, the business case for exploiting the capacity of HRMS is undermined.
 - **time and effort is spent on seeking to achieve consistency** – where similar processes are carried out by staff in different directorates, a constant effort has to be made to achieve consistency of practice and shared learning. The result is more time spent in meetings!
 - **professional HR staff become embroiled in transactional processes** – since many transactional tasks have peaks of workflow, such as the distribution of application forms when there is a recruitment drive, professional HR staff find themselves caught up in routine administrative work. This is both expensive and wasteful of their expertise.
5. These issues are not peculiar to Warwickshire and indeed most large local authorities and similar organisations have found themselves addressing the same concerns. There is now extensive research evidence and experience to suggest that for HR to make an effective contribution, transactional processes need to be re-engineered so that they are delivered separately from professional policy and advice work.
6. This has led to the widespread growth of 'shared service' centres – in many cases, a misnomer in that the services are not shared outside the organisation but instead reflects a single unit in which all of those services that can most efficiently be undertaken within one place are co-located.
7. A more detailed study of HR being organised on this basis in Staffordshire County Council and Coventry City Council has suggested that there is considerable scope for making both efficiency gains and service improvements.

The future delivery of HR services

8. Accordingly, Strategic Directors Management Team have supported the establishment, from April 2007, of a single corporate unit to deliver those HR transactional processes that need not be delivered at directorate level. This will initially be a cost neutral exercise in that it will involve bringing together existing staff from separate teams into a single unit. However, in the long-term it should produce efficiency savings as economies of scale are achieved and the capacity of HRMS is exploited. Examples of the latter should include moving towards recruitment processes that are wholly or mainly 'on line' and personal records that are maintained electronically rather than in paper form.
9. Initially, the focus will be on bringing together those recruitment processes that precede the actual selection process, ie. advertising, marketing the Council as

an employer, sending out recruitment material and processing applications. At present, these tasks are undertaken at directorate level, or in some cases at section or team level. This has made it difficult to market the Council as a single employer, encouraged the retention of local, paper-based processes and caused directorate-based HR professionals to become involved in the management and supervision of these processes.

10. Other tasks that would sensibly lend themselves to being undertaken in a single unit might included the issuing of standard contracts of employment, maintenance of HRMS data and processing pre-employment checks.
11. Consultation with staff at all levels in HR has shown an understanding of the need to change the way in which we deliver HR services and a wish to be involved in the way in which future arrangements are shaped.
12. The Cabinet is recommended to endorse the changes to the way that Human Resources (HR) services are delivered throughout the County Council, as set out in this report, including the creation of a single unit for transactional purposes, are endorsed

David Carter
Strategic Director of
Performance & Development

Shire Hall
Warwick