

GLOUCESTER CITY COUNCIL

PROPOSAL/BUSINESS CASE FOR SHARED HR SERVICES

Introduction and Background

The City Council (GCC) and Gloucestershire County Council (GlosCC) entered into an initial shared services arrangement in 2012 when GlosCC made arrangements to provide a payroll service to GCC. The service also gives GCC line managers access to their employee information through a self service portal on the SAP IT system.

During 2014, GCC & GlosCC facilitated by the LGA began exploring further opportunities to share back office services, to create efficiencies and economies of scale which would benefit both councils.

This proposal considers both the business case and potential approach for the development of a shared HR service.

Current City Council Position

The City Council's Head of Human Resources left before Christmas. The City have two HR professional members of staff who are managing the service in the absence of a Head of HR and while they are holding the fort well, the Acting Head of Paid Service is currently spending more time than would be normal in this role, dealing with day to day HR operational matters. In addition, the size of the current team has meant that the City has not been able to access the capacity, skills and expertise to:

- provide strategic direction and advice on the development of the organisation;
- create a coherent development programme which would include fostering and developing talent;
- ensure employment policies reflect modern employment practices and are consistently applied across the council; and
- drive leadership development through the organisation.

Gloucester City Requirements

Following a conversation between Martin Shields, Corporate Director GCC, and Dilys Wynn, Director of People Services, GlosCC, a proposal for the GlosCC to provide HR services for GCC was requested, based on the following criteria:

- The team TUPE from GCC to GlosCC and become employees of GlosCC.
- The HR team are reconfigured around a Business Partner model and City HR staff are coached to be able to work to that model.
- GCC has access to GlosCC specialist HR/OD resources and that GlosCC provide the HR service for and on behalf of GCC.
- There should be some financial savings arising from the new method of working.

Gloucestershire County Council

The current model for the provision of HR services to the Council (3,400 employees) and 280 schools is based on proportionally a much smaller staff resource than that at GCC. This has been achieved through:

- The creation of 2.5 Business Partners for the Council who between them currently support 11 Directors and 24 Heads of Service.
- The Business Partners access through what is commonly called a HR Hub; specialist case workers who manage disciplinary/grievance etc, and change advisors who manage specific change projects. They also look at development and organisational design with their Directors and access any specialist OD advice through the OD advisors or training through a neutral vendor training provider contract with WDR. The Hub also provides resource for policy development and reviews.
- There is an HR Helpline manned throughout office hours which provides a first line service for managers and headteacher queries.
- HR administration is undertaken by the Business Support Centre and not HR.

This model has allowed GlosCC the flexibility to allocate resources to priorities and keep costs down whilst providing a respected professional service to the council and schools.

Agreed Way Forward

Further to detailed conversations the following proposals were presented for consideration, discussion and agreement, which incorporate costing and savings information;

- The Business Partner model be adopted for GCC. This role will provide high level HR support to GCC's Managers. They in turn will be supported by the Head of HR at GlosCC who will provide professional support, development and be a point of escalation. The HR Business Partner will attend GCC's Senior Management Team (SMT) on a monthly basis and attend Committee Meetings as and when required.
- The HR team are re-located to offices at the county. The most effective method is through a TUPE transfer. The team will initially be set up as the Gloucester HR Hub working in parallel with the County HR Hub.
- The Gloucester City HR Business Partner accesses their support from the Hub, whether this is casework support, change project support etc. Management information will also be provided from this resource and based in GlosCC's existing management information team.
- The Gloucester City Business partner will access specialist input on issues like OD etc.
- City managers will have access to the general HR Advice line.
- GlosCC will seek opportunities for the City to access existing negotiated contracts for training, agency staff, recruitment and benefits and access to their OHU service etc.
- A review will be undertaken after 6 months to assess the success of the arrangements.
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Benefits

The benefits are as follows:

- The City will have a dedicated Business Partner, who can access professional support from the existing team and/ or wider County hub resource, thus creating capacity for the current Head of Paid Service, future MD and City Managers.
- The City can access specialist skills on a cost effective basis to meet the needs identified above.
- By entering into a s101 agreement it avoids very complicated governance arrangements, a significant management service charge and the potential for the MD to be drawn into disputes over HR practice and performance management issues.
- Improved development opportunities for GCC staff who will be included in GlosCC's HR development programme.
- The City and County will have a largely pooled resource which will create savings for the City and improve resilience for the county.

Risks

- Appetite for change and risk. City managers/trade unions and staff have been fully engaged in the proposals.
- Reputation – failure of GlosCC to get service provision and change adequately communicated to GCC Managers could damage the reputation of the service.

Costs/Savings

GCC's existing HR budget will transfer to GlosCC as part of the arrangement.

Savings for the City will be achieved through the deletion of the existing Head of HR role. This will release approx £71k (including on costs). However, some of this budget will be utilised to fund the HR Business Partner role. Once the service has 'bedded in' further savings may arise from restructuring within the team.

Additional savings are envisaged from the centralisation of training budgets from across GCC and from a more strategic approach to training and development of staff.

It is anticipated that savings in the region of £36k per annum will be achievable.

Section 101 Agreement

This Implementation Plan will be developed into a detailed Section 101 Agreement between GCC and GlosCC which will be signed off by the Head of Paid Service at the City and Director of People Services at the County. The agreement will include performance standards, Governance arrangements and break clauses to name just a few elements of the agreement.

Implementation

In order to ensure the smooth implementation of the new arrangements there will be a number of actions that need to be undertaken to achieve this. These have been broken down into 3 stages.

Stage 1 - Information gathering re GCC needs and desired outcomes

Achieved through:

- Focus group with a representative sample of managers.
- Attendance and discussion at SMT.

County and City HR produce a summary of service needs, arrangements for governance along with commentary/proposed arrangements.

Stage 2 - Workshop with HR Team

- Information gathering on current arrangements, feedback from manager consultation, building relationships with key personnel, dealing with queries and concerns.
- Beginning of consultation process with the HR team.

Stage 3 – Proposals & Implementation

- Present proposals to SMT.
- Consultation with affected staff, trade unions and wider workforce as appropriate.
- Detailed plan for implementation following consultation.

The intention is to formally launch the new service with effect from 1st September 2015.