

WYRE FOREST DISTRICT COUNCIL**CABINET MEETING**
20TH JULY 2010**Review of Human Resources Arrangements**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	Stronger Communities
CORPORATE PLAN AIM:	A Better Quality of Life
CABINET MEMBER:	Councillor N J Desmond
DIRECTOR:	Director of Resources
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APPENDICES:	Appendix 1 – Schedule of additional services Appendix 2 – Summary of responses to consultation exercise (to follow)

1. PURPOSE OF REPORT

- 1.1 To present a proposal in relation to the transfer of Human Resources staff to the County Council to increase resilience and increase the opportunity for both greater efficiencies and improved opportunities.

2. RECOMMENDATION

The Cabinet is asked to RECOMMEND TO COUNCIL that:-

- 2.1 That the proposal to transfer the current Human Resources team to the County Council be approved and a contract agreed until 31st March 2015.**

3. BACKGROUND

- 3.1 The current Human Resources team was transferred to the Resources Directorate as at 1st April 2010, following the review of the Chief Executives Directorate.
- 3.2 Currently the Council employs 3 staff within the Human Resources team, which is made up of two Human Resources Officers and one assistant. In addition, in October 2009, the Council purchased one day a week support for strategic Human Resources support from the County Council, this has been increased to two days from April 2010. It was acknowledged that since the departure of the Head of Human Resources in August 2009, and the Principal Personnel Officer that this additional support was required.
- 3.3 Following the success of the arrangement in relation to the strategic Human Resources support, discussions have been ongoing between Wyre Forest District Council and Worcestershire County Council to consider the viability of various models of delivery; performance measurements and costs for the full Human Resources service. These are now at an advanced stage and it is therefore viewed

appropriate to commence consultation with staff directly affected and their representatives.

- 3.4 It is recognised that Wyre Forest District Council continues to require a professional and responsive Human Resources function in order to enable it to meet its priorities and key objectives. It is also recognised that over the past 12 months or so, considerable progress has been made including sickness absence training for managers, development of the workforce development plan and a Mobile/Flexible working policy.
- 3.5 However, due to the current position in relation to the public finances and the increasing demand for Human Resources services as a result of the transformation agenda, it is viewed that the current size of the Human Resources function is too small and may result in key deadlines/initiatives not being met due to capacity and resilience issues. The current arrangements also provide no career development opportunities for staff.
- 3.6 It is inevitable that Wyre Forest District Council will experience reductions in its Government grant in future years. While the budget adopted by full Council is balanced over the next two years, there is already a gap of almost £700K in 2012-13 and further reductions are anticipated from the results of the spending review expected in the autumn.

4. KEY ISSUES

- 4.1 It is proposed that Wyre Forest District Council should enter into an arrangement with Worcestershire County Council for the delivery of the whole Human Resources function, building on the present arrangements for providing strategic capacity which also came into force on 1st April 2010.
- 4.2 This would involve the three posts identified above being transferred from 1st November 2010 to the County Council.
- 4.3 In the short term from point of transfer, it is not envisaged that the posts' current responsibilities or location from where they are based will change, except for the known relocation of posts to new offices in 2012. However, it is anticipated that each aspect of Human Resources service delivery will be reviewed to ensure that processes are streamlined and resources and skills are maximised and as a consequence changes may result and which need to be consulted separately on.
- 4.4 TUPE regulations will apply at point of transfer in terms of the postholders existing terms and conditions with any future changes being linked to economic, technical or organisational reasons rather than the transfer itself.
- 4.5 The financial implications of this proposal remain the same as if the service was being delivered in-house except for an additional service fee of £5K, to be financed from existing Resources Directorate budgets, in order to access additional Human Resources services as detailed in Appendix 1 but includes recruitment and selection, training courses at a discounted rate, policy development and best practise advice. In return, resilience is guaranteed along with access to increased capacity and service improvement which would not be achievable through remaining as a stand alone function and therefore this option has not been pursued.

- 4.6 The staff concerned and the unions have been consulted upon this proposal and the summary of their responses is attached at Appendix 2, this appendix will follow.

5. FINANCIAL IMPLICATIONS

- 5.1 This proposal sees an increase in cost of £5k per annum which will be met from the Resources budget. However, the proposal does give scope for potential reductions in fees in the future and the access to services which would otherwise cost far greater than the £5k charge.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Council has the authority within the Local Authority (Goods & Services) Act 1970 that allows a public authority to contract with another for the provision of professional services. In addition s101 of the Local Government Act 1972 enables the Council to delegate such functions to another local authority.

7. EQUALITY IMPACT NEEDS ASSESSMENT

- 7.1 An initial screening has been undertaken and found that a full impact assessment is not required.

8. RISK MANAGEMENT

- 8.1 This proposal provides additional resilience and support to the Council from the HR function. It is acknowledged that in the years ahead greater call will be made upon this service as the Council embraces organisational change in response to reduced funding.

9. CONCLUSIONS/ACTIONS

- 9.1 This proposal whilst slightly increasing the current cost of the service is required to improve the Council's ability to react to future changes. The additional benefits of the partnership outweigh the increase in the overall cost of the function.

10. CONSULTEES

- 10.1 Corporate Management Team
10.2 Councillor N J Desmond
10.3 All staff and Unions

11. BACKGROUND PAPERS

- 11.1 Shared Services Strategy

SERVICE FEE ENTITLES WYRE FOREST DISTRICT COUNCIL TO FULL ACCESS TO AT NO EXTRA COST:

- Recruitment Services including end to end administration, all clearances and soon to be launched on-line end to end system.
- Access to same agency rates as used by Worcestershire County Council.
- Human Resources policies and advice.
- Workforce Information Services including production of regular workforce statistics if Wyre Forest District Council utilise SAP Human Resources /Payroll Services.
- Health & Safety support and advice.
- Training Administration Services.
- Up to a total of 25 free training days per year for Wyre Forest District Council staff when they attend a Worcestershire County Council course (excluding any external fees).
- All other training days on Worcestershire County Council courses to be charged at 10% below the external rate.
- Access to Learning & Development consultancy to design bespoke training.
- Access to Worcestershire County Council coaching pool and Human Resources facilitators at a daily rate equivalent to the Worcestershire County Council employee's salary; on-cost + business mileage.
- Management actions associated with ensuring service delivery across all Human Resources services as defined in any Service Level Agreement (SLA) between the Council's.