

CABINET – 14TH OCTOBER 2021

Report of the Strategic Director; Environmental and Corporate Services

Lead Member: Cllr Margaret Smidowicz

Part A

ITEM 7 HUMAN RESOURCES AND CORPORATE HEALTH & SAFETY SERVICE 2021-2023

Purpose of Report

The report sets out options for the provision of the Council's Human Resources (HR) service, which also includes Corporate Health & Safety support, and asks Cabinet to approve implementation of the recommended option.

Recommendations

1. That Cabinet approves a 2 year contract with Leicestershire County Council for the continued provision of the HR Service and Health and Safety Service based on the current terms and conditions.
2. That Cabinet delegates authority to the Strategic Director of Environment and Corporate Services to take actions necessary to enable an agreement with Leicestershire County Council for the continuation of the HR and Health and Safety Service to be signed.

Reasons

1. To ensure that there is continuity of HR and Health and Safety provision to the authority and to ensure that Charnwood Borough Council receives the best service possible.
2. To ensure that the contract can be signed in a timely manner to ensure continuity of service

Policy Justification and Previous Decisions

Cabinet agreed at their meeting on the 13th May 2010 (minute 14 refers) to enter into an inter authority joint working arrangement with Leicestershire County Council (LCC) for the provision of a HR Service. On the 24th September 2015 (minute 6 refers), Cabinet agreed to extend this arrangement for a further 5 years to November 2020. Due to the Coronavirus pandemic and the diversion of resources a waiver was agreed to extend the existing arrangement for a further 12 months, to the 31st October 2021.

Corporate Health & Safety support has been provided by Leicestershire County Council's Health, Safety and Wellbeing service since February 2018. This support has

been provided as an addition to the HR Service contract, and it is proposed that this arrangement should continue.

Implementation Timetable including Future Decisions and Scrutiny

The current agreement with LCC expires on the 31st October 2021. The recommendations will enable the service to continue with no break in service continuity.

The new contract will run for 2 years with the option to terminate on either side with no penalties with six months notice.

Report Implications

The following implications have been identified for this report.

Financial Implications

The current cost of the HR contract with LCC is £201,600 and is subject to an annual uplift equivalent to the percentage pay rise received by LCC employees at grade 13 and below.

The current cost of the Corporate Health & Safety support provided by LCC is £43,800 and is subject to the same annual uplift provisions as the main HR contract.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
That the service developed does not meet the needs of the organisation	Unlikely (2)	Serious (3)	Moderate (6)	Consultation has already been undertaken to identify any changes the Council want to make to the service and these will be included in the Improvement Plan
That the proposal is not compliant with procurement legislation as the original contract was entered into as part of an inter-authority joint working arrangement	Unlikely (2)	Serious (3)	Moderate (6)	Since the original contract was entered into the Council has an arrangement with LCC for the sharing of accommodation at Southfields for the Coroners and Registration Services, and a 'Touchdown' area for Adult Social Care staff.

Equality and Diversity

Maintaining a continuous HR service is important in meeting our Equality and Diversity requirements to employees.

Key Decision: Yes

Background Papers: Cabinet Report, 13th May 2010, Item 14 (exempt)
Cabinet Report, 24th September 2015, Item 6

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Part B

1. Background

- 1.1 Following a review of the future provision of the Human Resources Service, Cabinet agreed at their meeting on the 10th May 2010 (Item 14 Refers) to approve a contract for Leicestershire County Council (LCC) to provide the Council's Human Resources Service. This was to ensure that a cost effective, high quality and resilient service would be provided. The service went live on 1st November 2010.
- 1.2 At their meeting on the 24th September 2015 Cabinet agreed to a 5-year extension to the arrangement to October 2020. Due to the Coronavirus pandemic and the diversion of resources a waiver was agreed to extend the existing arrangement for a further 12 months, to the 31st October 2021.
- 1.3 The LCC model is based around line managers within Charnwood Borough Council (CBC) taking greater responsibility for people management decisions. There are four significant elements to the model;
- HR Administration including HR Helpline
 - HR Advice Service
 - HR Business Partner approach
 - Role of Line Manager
- 1.4 Whilst initially transactional HR Services were included in the contract, from January 2014 it was agreed that this element of the service would be provided by CBC. This resulted in the creation of 2 part time HR Administration posts, employed by Charnwood. Both posts were 21 hours therefore providing resilience for holidays and sickness. The post holders commenced employment in February 2014.
- 1.5 The HR Advice Service and delivery of policy continues to be delivered by the Strategic HR function within LCC, who provide dedicated support for 37 hours a week and focus on providing advice and guidance to managers on all employment related matters.

2. Current Structure

- 2.1 Details of the current structure provided by LCC are outlined below;
- LCC - Charnwood HR Manager, full time
 - LCC – Senior HR Advisor, 30 hours
 - LCC – HR Advisor, full time
 - LCC – Assistant HR Advisor, 30 hours
- 2.2 The cost for the current contract with LCC is £201,600.
- 2.3 In undertaking this review the Senior Leadership Team have been consulted with. This session took place on the 30th June 2021.

3. Going Forward

- 3.1 As the waiver, established in November 2020 is due to expire on the 31st October 2021 it is relevant to consider and agree the best way forward.
- 3.2 Longer term service delivery is being considered and the Council has been actively building relationships with neighbouring authorities. However, currently each authority is at a different stage with their HR service.
- 3.3 One possible option is to bring the service back in house which would ensure that the service would be completely within the remit of the Council to direct and manage. Under TUPE regulations it is possible that the same staff would transfer over to the CBC model. However, compared to the current arrangement the Council would lose the level of resilience the LCC contract provides and therefore access to more specialised and senior HR staff.
- 3.4 A further option would be to outsource the service. Outsourcing has been explored previously and the model put forward by interested organisations is a more remote and less personalised service in order to be competitive in price. There is also the risk that the contract could be poorly drawn up therefore exposing the organisation to cost creep and poor service delivery. In addition procurement costs would be incurred.
- 3.5 The current arrangement with LCC is a model which is working within the organisation. The Council has on site a dedicated team of staff who are available 37 hours a week offering a range of skills. In addition, the Council has access to a wider pool of LCC staff therefore providing additional skills and resilience.

4. Corporate Health and Safety Service

- 4.1 Corporate Health and Safety support has been provided by Leicestershire County Council's Health, Safety and Wellbeing service since February 2018 as an amendment to the HR contract.
- 4.2 The agreement provides for a dedicated Health & Safety Officer to be on site for 4 working days per week with access to a Duty Officer on the non-working day, and provides the Council with increased resilience and access to an extensive knowledge base.
- 4.3 The flexibility and resilience of the arrangement has been demonstrated during the pandemic, where the Council has been able to obtain an additional day a week of specialist health and safety support which has been extremely useful in responding to the ongoing impacts of Covid.

5. Conclusion

- 5.1 At this stage it is recommended that Cabinet approve a 2 year extension to the existing HR and Health and Safety arrangements with LCC to allow for the continuation of service provision.

5.2 In the interim period, further exploration is undertaken with neighbouring authorities to determine if there is scope for a more joined up services.