

WIRRAL COUNCIL

CABINET 22 July 2010

REPORT OF DIRECTOR OF LAW, HR AND ASSET MANAGEMENT

The centralisation of the HR/OD service

1. Purpose of the Report

To outline the benefits of moving to a centralised Human Resources and Organisational Development function with an outline phased plan for delivery.

2. Background

This report is written in response to the Cabinet Resolution of 24 June Report 31A. The resolution asked "The Director of Law, HR and Asset management to report back to the next Cabinet on the potential implementation and benefits of centralising the HR/OD Service".

3. The current structure of the Human Resources/Organisational Development Service

The existing model for HR/OD at Wirral Council is one that has worked well for the Council in a period of relative stability, where organisational change, whilst delivered, has not been on the scale of change envisaged over the next few years.

The HR/OD service currently has the following component parts:

- i. A corporate HR/OD function
- ii. Departmental HR/OD teams in: Children and Young People's Department, Adult Social Services, Technical Services and the Finance Department.
- iii. Staff are located in departmental teams who deliver or support HR/OD, but this forms only a part of their role
- iv. There is already an established centralised shared service for employee administration and payroll services
- v. There is a schools service level agreement covering HR advice, professional development, schools administration and payroll service.

4. The Benefits of centralising the HR/OD Service

Wirral Council is facing unprecedented change within a difficult financial context. The greater the change, the greater the need for consistent HR/OD policy and practices. This can be better delivered as one function

The challenges will require HR/OD to work differently; this will need consistent leadership and direction, working as one team.

To meet the needs of the Council's change programme, HR/OD support will be required in different areas, at different times. We will need the capacity to re-direct resources as required.

To improve the performance of the HR/OD service and reduce its cost over time it will be necessary to make strategic decisions for the organisation about what type of HR/OD service it needs and can afford.

The benefits articulated above will be realised more effectively with the HR/OD team working as one team, with flexible resources. At a time of change this will give the Council greater value for money, addressing the Council's priorities for change.

5. Phased Plan for Delivery

Given the demands in the HR/OD service to support organisational transformation, it proposed to introduce a phased plan of delivery.

Phase One Structure re-alignment July – October 2010

- (i) The identification of all HR/OD staff across the organisation
- (ii) The centralising all HR/OD staff and budgets
- (iii) The confirmation of reporting lines, with each lead HR/OD professional reporting directly to the Head of HR/OD on HR and OD issues. Where HR/OD is part of the lead officers role, their professional accountability to be to the Head of HR/OD with the remaining part of their role using current reporting arrangements.
- (iv) It is not proposed to physically re-locate staff in phase one. However this will be an option to be considered as required over time.

Phase Two – Alignment of HR/OD practices July 2010 – April 2011

- (i) To align HR/OD policy and practice to ensure consistency and reduce any duplication.
- (ii) To identify specific HR/OD resource requirements to meet the needs of the Change Programme and to re-direct resources as required. This will include the identification of skill requirements with staff supported with a development plan.
- (iii) This phase will also see the roll out of phase one of the new HR/Payroll system. Further work is required to maximise the potential of the system beyond HR/OD service extending across the whole organisation.

Phase Three – Future Service Design April 2011 onwards

- (i) To identify the principles of the future service design. The issues to be addressed will include the following;
 - a. The cost and performance of the service
 - b. The role of line management in people management
 - c. The benefits of shared services and delivery
 - d. Opportunities of change

to meet the ongoing and future needs of Wirral Council.

- (ii) To assess the position of HR/OD services for schools, in particular the changing role of the local authority through academies and free schools programme.

6. Financial Implications

There are none identified in this report

7. Staffing Implications

There are none identified in this report

8. Risk Assessment

1. The HR/OD service has a challenging agenda over the next few years. Whilst the benefits of centralisation should enable those challenges to be managed in a strategic way, we need to recognise that Departments have planned changes dependent upon an allocated resource. This will need to be managed carefully in order to balance priorities

2. The schools HR Service operates through a Service Level Agreement. The school HR service is provided through a Service Level Agreement between the CYP Department and schools. It is one of fifteen such Service Level Agreements (SLA's) income from schools both to the department to Corporate HR for Payroll services, recruitment and employee administration. All fifteen SLA's are due for renewal by schools from April next year. Schools would need to be consulted further about any proposed changes. Any loss of schools to other providers would mean a loss of income used to fund staff.

9. Equal Opportunities Implications/Health Impact Assessment

There are none identified in this report

10. Community Safety Implications

There are none identified in this report

11. Local Agenda 21 Implications

There are none identified in this report

12. Anti-poverty Implications

There are none identified in this report

13. Social Inclusion Implications

There are none identified in this report

14. Local Member Support Implications

There are none identified in this report

15. Background Papers

There are none identified in this report

16. RECOMMENDATIONS:

It is recommended that the cabinet approve the following:

The centralisation of HR/OD staff and budgets in line with the phased plan outlined in the report.

Chris Hyams
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and Organisational Development
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