

Corporate Support Services Review

HR BUSINESS CASE

June (2006)



Leicester
City Council

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HR BUSINESS CASE

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1. Purpose

- 1.1 The purpose of this Business Case is to document the costs and benefits of changing from the current “decentralized operational” HR model to a Corporate “Shared Service Centre” and out-posted “service partner” model. The Business Case also describes changes required to Health and Safety and Staff Development to enable the delivery of the objectives of the Business Improvement Programme. The business case anticipates that these changes can result in improved and more consistent service provision, efficiencies, and greater recognition of the role the HR Service can play in the strategic management of the Council.
- 1.2 The business case has been compiled following a period of work involving:
 - (a) identification of the current best practice model for HR;
 - (b) analysis of the current cost and staffing of the service;
 - (c) analysis of present activity, including workshops with staff and managers, and a questionnaire;
 - (d) comparison with other authorities;
 - (e) analysis of how the best practice model might fit Leicester’s circumstances;
 - (f) identification of implementation issues and risks.
- 1.3 A draft of the business plan was completed in March, and issued for further consultation and comment.

2. Introduction

- 2.1 The HR Service is important to the Council. The service is a good one, excellent in part and highly valued by many service customers. The business case is about building on these positive aspects as well as addressing acknowledged areas for improvement.
- 2.2 Technology and other service developments over the past few years mean that the time is now right for considering a fundamental change in the service. Work done to produce the draft business case identified a high level of support for change.

- 2.3 The report of the HR Best Value review in 2002 concluded that the HR service should seek to move to a “strategic interventionist” role, better able to support corporate goals and targets, and this business case will provide a crucial means of achieving that aim.
- 2.4 Best practice information from professional and other organisational sources can help to inform the nature and scale of change, along with local stakeholder feedback. Whilst the business case presents some new opportunities for the service and its staff, it will also cause some anxiety and uncertainty. It is important that these issues are addressed as part of the process of change and implementation. It is stressed that the business case presents a case for managed change over an appropriate period of time.
- 2.5 Further work needs to take place with schools, to ensure their requirements can continue to be met when the proposed model is operational. It is recognised that the schools’ needs are different to the rest of the authority, and this needs to be catered for (and the proposed model implemented flexibly to suit different needs). In particular, it is envisaged that key specialist activities which are important to schools will be carried out in the “service partner”. Consultation with schools will be “joined up” with a wider exercise planned by the Children and Young People’s Services Department.

3. Executive Summary

- 3.1 This business case presents the case for radical transformation of the Council’s HR function, based upon:
- (a) A shared service centre; consisting of a single, Council-wide service for HR administration and information management, together with teams for recruitment and job evaluation;
 - (b) A health and safety function which reports corporately, but is largely outposted in the departments it serves;
 - (c) Consolidation of the Council’s corporate training arrangements into a single centre of excellence (but with specialised staff development for Adults and Children’s services departments being provided separately in recognition of the key issues facing those services);
 - (d) HR advisors in each department (the “service partner”) providing accessible HR advice to directorates; complemented by a HR strategy and policy function in the Resources Department.

- 3.2 Present HR services are primarily decentralised. This model has proved successful in providing on-site support to departments, but developments in technology mean this is no longer the optimal service configuration. Whilst staff in HR are well regarded, the longstanding nature of present arrangements has led to elements of inefficiency and duplication emerging. These include inconsistent management information, inconsistent processes and application of policy, duplication and differing resource levels between departments. Our present service is now demonstrably expensive compared with published comparators.
- 3.3 The shared service model is increasingly emerging as the model of choice for local government. Authorities moving towards the shared service model often need to invest in technology to make the transition. The Council has already made substantial investment in a new payroll/HR system, and needs only to exploit its full potential to make change possible.
- 3.4 It is believed the proposed model will enable the HR function to play an enhanced role in the Council, contributing at a high level to its strategic management and facilitating organisational change.
- 3.5 Implementation will be a major organisational and cultural change programme, which (when coupled with savings expectations) is inevitably a high risk project. It will require significant organisational commitment to make it succeed.
- 3.6 A properly resourced project is required to deliver the proposed arrangements, and success is dependent upon the following:
- (a) Delivering cultural change, in particular:
 - Providing services which, whilst not managed (although sometimes located) in the departments they serve, are nonetheless recognised as being flexible and responsive and of consistent quality. This will require new mechanisms to demonstrate that the new corporate approach will fully reflect all stakeholder needs;
 - Improving corporate working, and levels of trust;
 - (b) Early simplification of our HR policies, and streamlining procedures to make better use of the capabilities of the new system;
 - (c) Successful development and implementation of the HR features of the new payroll/HR system;
 - (d) Adopting a well-planned process of change.
- 3.7 Successful implementation will, I believe, result in:

- (a) More efficient, automated processes and less duplication of work;
- (b) More consistent decision making (and timely introduction of the new arrangements will help protect the integrity of the new job evaluation system once it is operational);
- (c) An HR organisation better able to focus on business development and change;
- (d) Savings of over £1m per annum in due course.

4. Objectives of the Business Case

4.1 This business case supports the overall objectives of the Business Improvement Programme. These objectives are to:

- Achieve business improvement – this is allied to the Corporate Plan Key Priority 11 – to optimise the use of council resources in support of service delivery with the outcome of the most effective and efficient use of the council resources based on knowledge of what the community wants. It is also allied to Key Priority 14 – to manage the council well with the outcome of good use of public resources.
- Enhance a focus on the customer; this is allied to Corporate Plan Key Priority 15 to provide a prompt, accurate and accessible service to improve the economic well being for customers.
- Deliver £2m of efficiency savings from support services, as part of the Council's overall budget strategy.

5. Definition and Scope

5.1 The Council's HR service contains distinct professions within it. The principal ones are "core HR" (incorporating personnel services); health and safety; and staff development. As discussed below, precise definition is less simple.

5.2 At the beginning of this process I interpreted HR as meaning all roles in relation to personnel services, training and development, health and safety, and equality. After discussion with various managers and officers from within these roles, this has changed slightly and includes only some equalities (self-defined by departments to recognise service vs people tensions) and some business services and other support functions that contribute to people management in this authority (again self defined).

- 5.3 In my thinking and application of information in this project I have used a functional definition of “people management” used in the Employers’ Organisation survey of 2005. So HR is defined as the direct functional activities of recruitment and retention; employee relations; strategic activities e.g. HR policy and planning; organisational development and design; skills and staff development; facilitating change; absence management; departmental payroll (I have excluded central payroll as this is subject to a different review process); reward/pay management/job evaluation (I have excluded the temporary staff and project arrangements for the JE Project); health and safety; staff performance management support and appraisal; some equality and diversity; CRB and other safeguarding checks; and employee records.
- 5.4 There has been some debate about the inclusion of Health and Safety, mostly in terms of the distinction between property based issues and people based issues. As it is an area that has its own Head of Profession, legislative and authority wide aspects and is included within the Employers’ Organisation’s scope of HR, it is included unless departments have successfully demonstrated that officers wholly relate to property functions. The RAD risk management and insurance team however is excluded.
- 5.5 It needs to be stressed that, once the business case has been adopted, more detailed work will take place to implement it. The shape of the new services will be better defined as part of this work, and it is recognised that the scope may vary slightly if there are grounds to do so.

6. What type of HR Service do we need?

- 6.1 The Best Value Review of HR (2002) identified four types of HR service, and concluded that a strategic choice needed to be made by the Council about the type of service it required. The four types were:
- (a) a more regulatory service, prioritising the application of processes (“operational interventionist”);
 - (b) a more supportive helper, where priority would be given to responding to local needs of service managers (as defined by them) (“operational non-interventionist”);
 - (c) more advisory, with a service more closely allied to departmental business priorities (“strategic non-interventionist”);
 - (d) change maker, with a more proactive remit to help achieve corporate goals and targets (“strategic interventionist”).
- 6.2 The review concluded that the main focus of the service should move towards the strategic interventionist role, something which has become more imperative since the emergence of the national public sector efficiency agenda, and is recognised by the

bringing together of business improvement and HR in the parallel review of the Resources Department and Chief Executive's Office. The Best Value review recognised the need for a more corporate structure and new skill requirements to develop this role.

6.3 More specifically, the Council is looking to achieve:

- (a) a service which plays an enhanced role in the Council, more strategically focussed both at corporate and departmental level;
- (b) an emphasis on HR as a supporter and facilitator of change;
- (c) a service which involves a broad approach to workforce development and strategies to attract people into the organisation and develop them while they are here;
- (d) a service which can respond to national and local policy development, engaging and supporting local partners in the achievement of this aim;
- (e) a service that promotes a productive working environment where safety is championed, risks are managed, and creativity and innovation are fostered.

7. Options

7.1 The HR review forms part of the wider support services review, which is itself part of the Council's business improvement programme. All workstreams of the support services review are being run under a "triage" process, which was established as part of the project initiation document (approved in September '05). The aim of the process is to identify best practice solutions and test their applicability to Leicester, rather than carry out detailed analysis of all conceivable options.

7.2 In September 2005, the Support Services Review Project Board (which was then the Corporate Directors' Board) approved the investigation of greater consolidation of operational HR to be the focus of work for an HR work-stream. At the Support Services Review Project Board of the 19th December 2005 (see the report to Project Board and the minutes for further information), three options were identified and the merits of each outlined. The three options were:

- (a) Current model of Corporate Core and decentralised operational HR – the predominant model in unitary authorities (but changing);

- (b) A totally centralized model – common in small authorities and geographically compact authorities such as London Boroughs;
- (c) A Shared Service Model with varying degrees of “strategic core”, professional expertise centres and continuing departmental resources (“business or service partnering”) – This model is emerging across Local Government but is also advocated by the HR Professional Body (CIPD) and is being adopted across other public agencies and within the private sector.

- 7.3 The shared service model is more sophisticated than simply “centralisation”, although it is clearly envisaged that routine administrative tasks would be centralised. Otherwise, there is flexibility to determine the extent to which functions should be consolidated or not.
- 7.4 The Project Board confirmed the decision of the CDB (in September) that a radical approach was to be pursued and approved the continued evaluation of a Shared Service Centre Model. This business case has developed this further, and sought to identify how an improved more cost-effective service can also raise the profile and contribution HR makes to the Council; whilst recognising that the model needs to be distinctive enough to accommodate the different needs of “core” HR, Health and Safety, and Staff Development.
- 7.5 As part of the formal consultation process on the draft business case, we have been criticised for only evaluating one model. It is accepted that the “triage” approach is a radical innovation for the Council in carrying out reviews, but the clear aim was to establish best practice and evaluate this rather than review all possible models. The shared service model is flexible in its interpretation, and detailed work on its implementation will fill in details that some have commented are lacking in the business case. The HR service is one in which best practice is generally recognised (in addition to the examples given above, the essential framework of the model was also recognised as best practice by the Gershon review “Releasing Resources to the Front Line” published by the Treasury in 2004) and it is difficult to argue that any other model could remotely be perceived to be a front runner. We will also, almost undoubtedly, be urged to consider sharing support services with other local authorities (and/or other partners) as a consequence of Spending Review 2007, to which a shared service centre for transactional services would be almost a pre-requisite.
- 7.6 The review has not considered outsourcing as this is one potential approach to implementation of a best practice model rather than a best practice model in its own right. Outsourcing some elements of HR is feasible, but it is not recommended that this is considered prior to the Council being clear about the HR Service it wants and its future organisation. To consider outsourcing too early is to risk passing the benefit of efficiency gains to the private sector.

8. Current Model of HR Service Provision

- 8.1 The current Leicester model is one with devolved departmental teams and a small corporate core. It is much more common in unitary authorities and large Counties than in districts or smaller authorities (12% of all local authorities use this model). The model is characterised by a strategic HR unit to develop and implement HR strategy, policies and corporate functions including those where consistency in approach is seen as critical, e.g. job evaluation. Teams within the departments they serve provide operational HR. In some organisations, the departmental units report back to the Corporate Head of HR in order to maintain a professional link and overview; in others, units report to the departmental director and only a dotted line relationship exists to the Head of HR (as at Leicester).
- 8.2 The aims of this approach are:
- Clear distinction between strategic and operational HR
 - Corporate consistency in areas provided by the central/strategic units
 - Operational HR is delivered in a way that more closely matches the requirements of the service, which is of particular importance in some areas (eg services to schools).

9. The Present HR Service

- 9.1 The HR Service is complex with management and service units spread across the Council. It is a predominantly devolved service with 18.5 FTEs working in Corporate Units based in the Resources department, with the remainder (162 FTEs) based in departments.
- 9.2 The HR Strategy Group includes the most senior HR professionals (corporate and departmental) representing the main professional areas; Core HR, Staff Development and Health and Safety. It is chaired by the Head of Profession for HR and it meets regularly and is responsible for the overall management and direction of the service. This section summarises the organisation and structure of the three main professional strands along with the issues raised in the consultation workshops and questionnaires and the main themes that will need to be addressed by this review.

Training and Development

- 9.3 There is a small Organisational Development and Learning function located on A7 in NWC. It provides a corporate management development service, including the 360° appraisal process and the nationally accredited series of ILM management development programmes. It leads and co-ordinates the Council's organisational and workforce development strategy and plans and a number of other corporate training services including basic skills. It also coordinates activities with

other departmental based trainers and links with other partner organisations e.g. the Learning & Skills Council provide funding for the Basic Skills programme that has benefited over 500 Council employees to date.

- 9.4 Social Care and Health have a well established Staff Development Unit that provides professional, managerial and technical training and workforce development for the department and some other organisations (e.g. Health). Grant funded and statutory training forms a large part of their activity with, for example, annual PI reporting required by the department to the national Department of Health. The unit is increasingly engaged in partnership working with other organisations e.g. College of FE, other local authorities, Learning disability Services and has played a successful role in attracting ESF funds from the Learning & Skills Council for the external partnerships. The demands from the two new departments on Organisational Development, Change Management and Workforce Development will provide new challenges to the SDU and other aspects of the Council's Learning and Development resource capabilities. The unit has developed expertise in NVQ's that could have a wider benefit to the Council, its workforce and partner organisations. The corporate directors of Adults' and Children's Services have formal accountabilities for delivering the workforce development agenda.
- 9.5 Other departmental based training is arranged as follows:
- Housing's training service is based at the Ian Marlow Centre providing a wide ranging managerial, technical and professional training and development service for the Housing department. They are also commissioned by Corporate HR to deliver recruitment and selection training and to deliver ILM management training.
 - Regeneration and Culture have a training and development service that provides a range of personal, professional and managerial training and development. They are also commissioned to provide some corporate training e.g. corporate induction and co-deliver ILM management training.
 - Resources have a Training and Development Advisor who co-ordinates departmental training and development, including some delivery and support to departmental Investors In People and related programmes. The department also provides some member training.
- 9.6 There are 42 FTEs in Training and Development and a total budget of £1.66m, with a significant variation between departments.
- 9.7 Feedback from managers indicate some support for aspects of the Training Service, e.g. the Corporate ILM programme, links between appraisals, training plans and employee needs, innovative approach to one departmental online booking system and specialist departmental training needs being well catered for.

- 9.8 Criticism of the function included the lack of a cohesive training function with support for a corporate training centre and more equitable access to and distribution of available training and development resources.
- 9.9 The demand for employee and workforce development will increase. The Council has some excellent practice and expertise on which it can build. However the contrast in training and development resourcing between and across departments and the lack of a current coherent corporate training delivery service are key areas for service improvement.

Core HR Services

- 9.10 The Human Resources Unit (HRU) is responsible for the development and delivery of HR policy and related corporate projects and the Council Job Shop provides a corporate recruitment handling service.
- 9.11 Each department has its own HR Service delivery unit. The range of functions varies, e.g. some provide an integrated HR, Training and Health and Safety support service, whereas other departments have separate management arrangements for respective functions.
- 9.12 Core departmental HR Services includes professional advice and management support, caseload management, departmental employee relations including Trade Union liaison (e.g. departmental JCC's).
- 9.13 Some departments have additional responsibilities for policy development and implementation for specific groups of employees (e.g. Education/Children's Services) as additional core functions, and some also have additional legislative and statutory requirements to deal with (e.g. Adult and Children's Services). Working with partner organisations (e.g. Health) is an increasing area of activity in some departments. The Education HR team has responsibility for advising schools whose staff are employed to different terms and conditions, and who themselves need to respond (with advice) to Government workforce reform initiatives. Some HR services are provided to schools on the basis of trading agreements, which schools are able to opt out of. The Resources HR team manage the Council's Workstep scheme for Disabled employees and are also responsible for providing professional advice and support for the Council's Standby Register. They also co-ordinate Work Experience applications across the Council.
- 9.14 All departments carry out their own administration and transactional services including payroll support. The development of Resourcelink is anticipated to have an impact on these arrangements with new opportunities for greater efficiency of HR transactional services and the move to greater manager self service.
- 9.15 109 FTEs provide core HR Services, 11.5 of whom are corporately based (10.5%). This represents a spend of £4.2m in total with corporate costs representing £700k or 16.5% of the overall total.

- 9.16 Feedback indicates support from operational managers for HR advisory services, including specialist knowledge to meet the requirements of particular business areas. Good relationships between operational managers and professional advisers is also reported.
- 9.17 On the other hand departmental inconsistency is cited as a weakness, as is a lack of sharing best practice. The corporate centre is reported as being detached from departments' needs and specific service areas are suggested as being better provided on a corporate basis, e.g. Job Evaluation. Better co-ordination of HR activities and processes is needed, with specific service areas being too fragmented, e.g. equalities.
- 9.18 There are evident capacity shortfalls e.g. Council HR policies need updating in the light of changes in Employment Law and best practice and strategic employee resourcing and workforce planning and development are currently under developed areas of service provision with limited staffing capacity. The new pay and grading structure will also have implications for the future management of the Council's pay and workforce development strategy and require new skills and professional expertise. At the same time there is evidence of duplication e.g. Job Evaluation, and there are 3 separate CRB centres.

Health and Safety

- 9.19 The Central Health and Safety Unit (CHSU) is responsible for corporate policy and coordinates the annual service work plan and delivery against agreed service priorities. The Head of Health and Safety leads the service and chairs the Safety Advisers Group (SAG) which includes departmental professional safety advisers and meets regularly to review service performance and progress. He represents SAG on the HR Strategy Group and also liaises closely with senior professionals in related areas including Risk Management and Property.
- 9.20 Each department has its own Health and Safety function. This provides support and an advisory service to departmental managers. Management arrangements vary with Health and Safety located within HR teams in some departments or outside of HR in others.
- 9.21 The range of services provided can also vary with some departments incorporating some risk management services and/or extending into property related safety management areas.
- 9.22 The Head of Health and Safety also has strategic responsibility for the management of the Council's Occupational Health Service. This is an outsourced service provided by National Britannia following the outcome of the Best Value Review of HR (which included Health and Safety services).

- 9.23 29.5 FTEs are employed in Health and Safety and the service has a total budget of £873,000. It is noted that at the time of the Best Value Review, there were 14.25 FTEs employed in the service and a total service expenditure of £320.8k. Some of this increase has been related to an extension of service activities (e.g. Risk Management and Property related).
- 9.24 The appointment of the Head of Profession has helped to join up our Health and Safety work across the authority. Consultation feedback suggested that there is a need to look at the integration of certain Health and Safety functions, e.g. training within the wider range of HR services.
- 9.25 The development of Health and Safety resources and the range of functional activities included within Health and Safety is worthy of further investigation, particularly the apparent increase in staffing and other resources since 2002. We also need to further clarify its core role and function, and its management relationship with other services, including Risk Management and Property Services.

Overall

- 9.26 The Best Value Review of HR (2002) identified a service that was, at the time, providing a predominantly operational, non-interventionist role. The Council agreed that the service should play a more strategic, interventionist type role, but that in order for it to do so, two things needed to happen:
- There needed to be a major investment in an integrated Management Information system
 - There needed to be a major investment in the training and development of Council managers particularly as good people managers.
- 9.27 Since that time, the Resourcelink project has produced an integrated HR and Payroll Management Information System. This is now able to access records of all Council employees. Additional modules on Absence Management and Recruitment will also be fully functional soon. The new system has streamlined and standardised key operational HR processes with a high degree of automation. Resourcelink is already reducing the amount of document completion required, as forms previously passed from HR to Payroll are now entered on-line by HR staff. The system has the capability for managers to enter information directly (through “self service”) which will reduce paper flows even further. More work is required, however, to make it fully functional, which needs to be appropriately resourced.
- 9.28 The timing is now right for the HR service to make a more fundamental step change in line with the recommendations made in 2002, streamlining its operational service delivery and redirecting available capacity to address higher level, value added service.
- 9.29 Over 500 Council managers have gone through a 360° competency assessment and development process. In addition, a further 500 have participated in the Council’s Integrated Management Development Programme over the past 3 years. This is the start

of a programme to better develop the capacity of Council managers such that the nature of HR Service Support can be directed to support managers in new and better ways and address some longer term, strategic business and organisational development issues that will help managers better manage the performance of their staff.

10. Cost and Staffing Baseline

10.1 At present Leicester City Council budgets and spends circa £6.8m on the HR activities taken into account in this report (excluding individual training charged directly to costs centres). This is shown in table 1 below. These figures have been through an extensive period of verification and iteration involving all departments, and have proven extremely difficult to compile. Of necessity, it is based on the Council's 2005/06 budgets and departmental structures.

Department	Gross Expenditure Budget (2) 0506	Total Number of Staff in Department (3)	Total Number of HR staff in departments	FTEs of HR staff in departments
RAD	£1,715,271	1,065	41	35.5
• Corporate	£1,073,298		19	18.5(4)
• Departmental	£641,973		22	17
Education and Life Long Learning (1)	£1,098,845	8,657	40	38.5
Housing	£869,728	1,566	25	19
Social Care and Health	£2,108,790	2,072	67	62
Regeneration and Culture	£978,283	2,548	28	25.5
Total	£6,770,917(5)	15,908	201	180.5

Table 1

(1) ELLL includes three posts (all full time) temporarily working on JE but funded from ELLL and on their permanent establishment and six posts (5 ftes) in Health and Safety funded through Admin and Governor Services. (2) All of this information is taken from HR specific cost centres augmented by other cost centres where appropriate. (3) Staff numbers exclude casual staff which can be considerable e.g. in Regeneration and Culture more than 750 casual staff are employed at any one time. (4) This excludes central payroll, which has 33 posts, (5) 79% of this figure is staff costs (£5,332,320)

- 10.2 In table 1 the budget figures exclude training expenditure and income and staff budgets have been adjusted for staff in HR functions but not in main HR cost centres. The ELLL budget includes the cost of services provided to schools, for which income of £250,000 is received. In addition to the £6,770,917 budget on direct HR teams, a further circa £2.5 million is budgeted across the Council by individual cost centre Managers for internal and external training (excluding schools that spent £0.7m last year).
- 10.3 Table 2 shows the proportion of budget and staff split between the three sub functions of core HR, Health and Safety and staff development. Percentages are also given to aid comparison. Analysis of the types of posts we have reveals that there are over 65 different types of posts within these three core areas of HR.

Dept	Core HR (inc. departmental payroll)		Staff Development		Health and Safety	
	Budget £	Staff fte	Budget £	Staff fte	Budget £	Staff fte
RAD						
• Corp	699,398*	11.5	222,200	3	151,700	4
• Dept	380,583	9.5	46,800	1	214,590	6.5***
ELLL	1,005,900	33.5	0**	0	92,945	5
Housing	527,200	10.5	294,733	6.5	47,795	2
SC&H*****	934,700	26	947,490	28****	226,600	8
R&C	686,483	18	152,000	3.5	139,800	4
Total for LCC	4,234,264	109	1,663,223	42	873,430	29.5
	62.5%	60.4%	24.5%	23.3%	13%	16.3%

Table 2

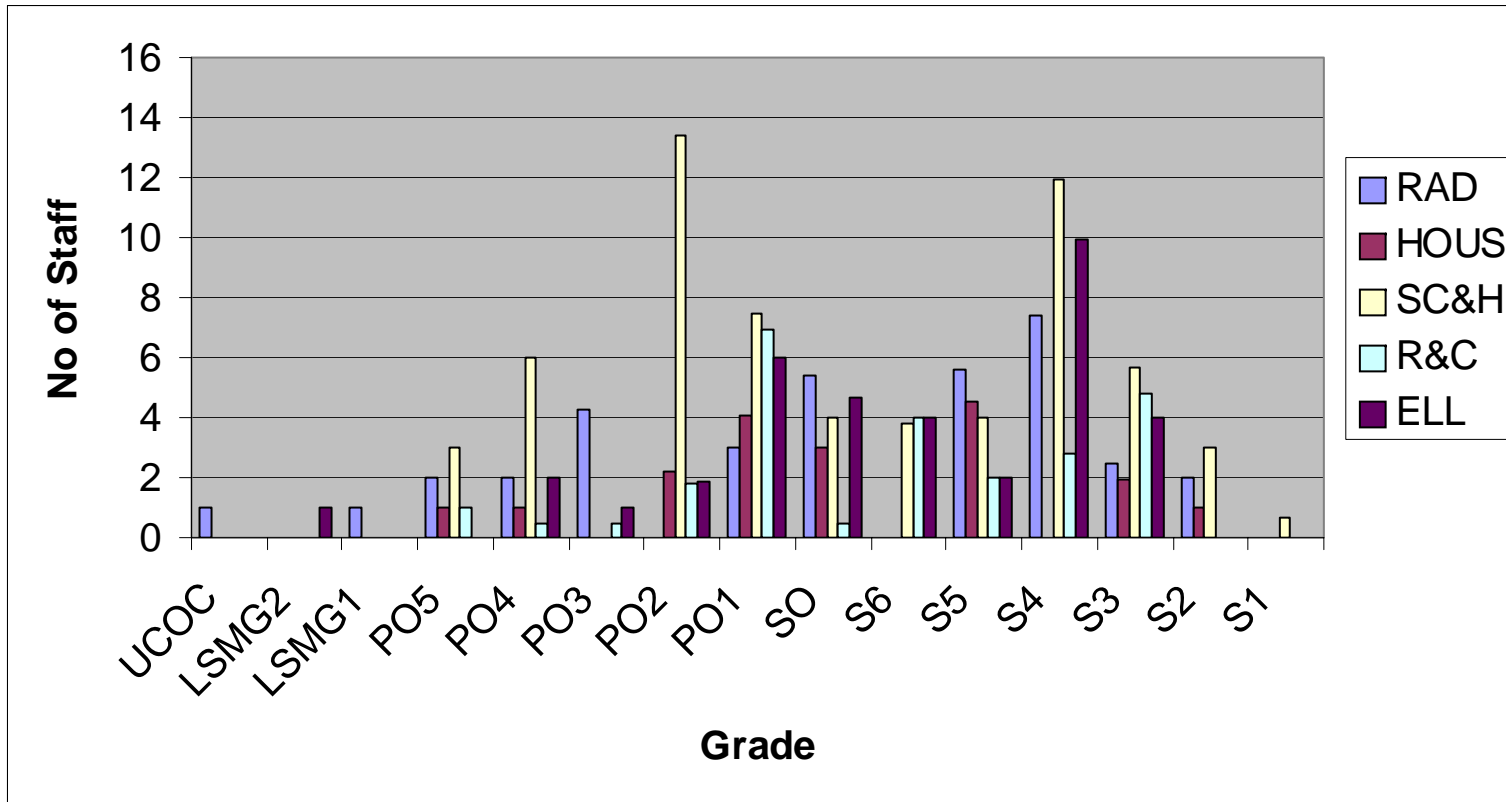
** includes job shop, **Schools have own training budgets, ***Half of these relate to the Corporate Property function, ****excludes 3 posts that do work for the voluntary sector and partners. ***** A number of posts included are currently funded from grant income.*

- 10.4 Table 3 designates HR staff by three bands and shows the proportion of staff cost and staff under each band, the graph below shows the number of staff by grade e.g. 12 PO4 officers, 6 PO3 and 19 PO2.....32 scale 4, the average salary cost per HR staff (weighted to reflect the three salary bands used below) is £29K.

Dept	Snr Managers in HR PO3 and above		Middle Managers and Senior Officers PO2 – SO		Junior Officers and Assistants Sc 6 to Sc 1		Total Staff costs and numbers ftes	
	Cost £	Staff fte	Cost £	Staff fte	Cost £	Staff fte	Cost £	Staff fte
RAD	498,923	11	230,303	7.5	356,231	17	1,085,457	35.5
ELLL	217,151	5	437,855	13.5	426,177	20	1,081,183	38.5
Housing	88,762	2	281,658	9	170,069	8	540,489	19
SC&H	369,853	8.5	840,469	24.5	598,854	29	1,809,176	62
R&C	84,387	2	305,987	9	310,586	14.5	700,960	25.5
Total LCC and %	1,259,076 24%	28.5 16%	2,096,272 41%	63.5 35%	1,861,917 35%	88.5 49%	5,217,265 100%	180.5 100%

Table 3

The above table reflects actual staffing, and therefore varies slightly from the budget information in table 1.



Graph 1

10.5 The departmental and grade analysis shown in table 3 and graph 1 evidences the view expressed by staff in the workshops that we do pay differently across different departments for similar work. Having a grade range from Scale 6 to PO3 for a non-supervisory, qualified professional HR officer suggests inconsistent application of the job evaluation scheme. Similarly the difference in the numbers of senior staff in departments varies across departments.

10.6 In table 4 the budget and staff numbers are shown as percentages and ratios to enable a simple analysis of departmental comparative positions. It doesn't analyse service levels, satisfaction or the differential functionality of different departmental HR roles, and only some of that analysis is summarised later. Furthermore, it provides information in respect of the aggregate HR function, and arguably the ratios are most suitable for core HR comparison. Despite what it doesn't illustrate I think it is an important high-level piece of information that, when taken in conjunction with comparative staffing ratios analysed later, demonstrates the need for change.

Department	% of LCC total HR Budgets	HR budgets as a % of employee budget	Ratio of all staff to 1 HR (fte) staff
RAD	25.5		
• Corporate	16		
• Departmental	9.5	4	62
ELLL	16	1	225
Housing	13	4	82.5
Social Care and Health	31	4	33
Regeneration and Culture	14.5	2.5	100
Total for LCC	100	2.5	88*

Table 4

**This total includes the RAD corporate team not shown in the departmental totals*

***This excludes all training and development and health and safety staff*

- 10.7 In my analysis, the RAD corporate team has not been included in the RAD departmental analysis as they are a corporate resource and do not service the RAD Department. The Housing Department discharge some of the HR functions (as defined here) through their Strategy and Performance Team e.g. job evaluation and organisational review support; none of these resources have been included in this analysis and will need to be considered as a part of implementation and any formal review. The Employers' Organisation use staff to HR staff ratios to compare different authorities rather than budget information, which can be distorted by the fact that different parts of the organisation pay staff at different rates. The Employers' Organisation also takes account of outsourced staff to ensure comparability. In using these ratios as comparators, the SCH and RAD departments have higher HR staff to employee ratios than other departments, particularly the former who have historically placed a premium in having a well-resourced HR team. Conversely, the Education Department has lower ratios, partly reflecting the greater autonomy schools have over staffing matters.
- 10.8 These tables only show budgets for specific team based activities on these functions. Training spend (including seminars, external training events and internal courses etc) which has been delegated to cost centre managers is additional. Development of a more cohesive approach to training, such as central booking of events, could enable the authority to exercise better oversight of these costs and make further savings in the future.

11. Analysis of Present Service

Activity Analysis

- 11.1 To complement the budget/cost and staffing information, I asked HR managers to complete an activity analysis firstly to gain a picture of what HR staff spend their time doing by functional area (as detailed in table 5 below); and then, for each functional area, the level of work involved (as detailed in table 6 below). I asked HR Managers to base their returns to me on their professional judgement and experience, which was carried out in Housing and R&C; other departments based their returns on the numbers of different types of posts they have, which is problematic as I know from the workshops and my own HR team that professional officers carry out simple and administrative tasks and sometimes vice versa. The activity definitions match those used in the Employers' Organisation survey of 2005 enabling some comparisons to be made.
- 11.2 The questionnaire did not ask for information on the quantity (or quality) of work undertaken in terms of cases, numbers of policies written, training sessions held etc as there is no readily available consistent data collection across these functional areas for each department.
- 11.3 Later I provide comparative information from the Employers' Organisation Survey of 2005, which had responses from 186 different local authorities. We contacted the Employers' Organisation to ensure we completed the information on a similar basis.
- 11.4 The analysis lacks reliability, due to the difficulties and elements of subjectivity required in compiling it. However, it is not possible to obtain anything better, and (used with care – see below) it helps corroborate evidence obtained elsewhere:

% Of Time Spent On Activity							
HR ACTIVITY	HSG	E & LLL	R & C	SC & H	RAD Dept	RAD Corp	LCC AVE
Strategic activities	4.3	9.1	3.0	6.0	10.3	40.4	12.2
Facilitating change	24.5	2.1	4.0	5.3	6.9	0.3	7.2
Reward/pay management	17.8	15.5	3.0	5.3	6.9	0.6	8.1
Recruitment and retention	8.4	37.0	16.0	5.3	6.9	0.3	12.3
Employee relations	12.2	9.5	18.0	5.3	10.3	5.8	10.2
Managing own staff	2.7	7.5	4.0	7.8	11.3	8.4	6.9
Health and safety	6.3	0.1	12.0	5.0	20.2	2.5	11.0
Skills and development	13.6	0.9	16.0	51.6	9.9	9.6	16.9
Performance management / appraisal	5.5	0.4	4.0	1.8	3.5	0.2	2.6
Payroll	4.7	1.7	18.0	3.5	6.9	0	5.8
Other: (Please define)	0	16.2	2.0	3.5	6.9	11.9	6.8
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 5

11.5 In the second part of the questionnaire, HR Managers were asked to categorise the work of their teams on these functional activities into four areas:

- (a) admin (described as initial call handling, booking courses/events, compiling statistics, updating records/transactions, completing simple procedures or processes etc);
- (b) low level professional work, described as simple queries/case work, routine change, standardised training, advising Managers on simple procedures or routine processes, TU consultation on the above;
- (c) high level professional work, described as complex cases, bespoke training, interpreting new legislation, management development, implementing new policies, TU consultation on the above;
- (d) business development, described as big restructuring, policy development, service planning, service development.

11.6 The way departments completed the questionnaire has (viewing activity as a pro rata of types of posts) skewed the results towards high level and business development work, and away from admin and low level work.

	HSG %	ELLL%	R&C %	SC&H %	Dept RAD %	Corp RAD %	LCC AVE
HR ACTIVITY							
Admin	23.9	14.5	16.7	10.2	10.8	4.9	13.5
Low Level	28.3	41.9	26.1	18.9	16.5	8.4	23.4
High Level	34.8	19.5	41.9	34.9	60.8	27.5	36.5
Business Development	13.1	24.1	15.3	36.0	12.0	59.3	26.6
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 6

11.7 It would be dangerous to base conclusions on the information shown in both tables 5 and 6 as correlations whilst easy to make are difficult to be certain about. This exercise also caused most discomfort to some HR managers and staff. However, as another piece of information it helps to paint the picture of HR at Leicester City Council.

The HR Questionnaire

11.8 A HR questionnaire that contained 60 closed questions and 5 open questions was sent out to: 178 HR staff and 57 responded; 37 sectional and team managers and 7 responded; 30 heads of service and 15 responded; and 26 Service Directors and 8 responded.

11.9 The results generally reflect the organisational tensions and perceptions we believe to exist e.g. departmentalism, lack of strategic cohesion and direction, poor perception of the corporate centre for HR, perceived lack of investment in HR tools and ICT, lack of consistent application of policies, a lack of faith by Heads of Service in the JSA process and lack of corporate accountability. Despite no trainers completing the questionnaire, there was a lot of support for the current training provision. There was a perceived lack of evaluation of the benefits of HR work.

11.10 What was surprising is that in considering the technical options there was a high level of support for change, particularly by managers wishing to develop “self-service” (direct input to the system); and by all groups on better use of ICT and increasing HR’s role in service and business improvement. Consolidating HR admin received mixed support, with Heads of Service disagreeing the most and team managers agreeing the most, but arguably as team managers make the most use of routine transactional HR their view should perhaps be given more weight.

11.11 In reviewing the commentary provided against the closed questions and the responses to the open questions several themes emerge, which are taken account of in later sections of this report.

- Over complicated and too many policies and procedures and the inconsistent interpretation and application of some policies causing organisational problems. Linked to this are comments that we interpret policies in a risk averse way, emphasising the rights of individuals at the expense of the health of the organisation.
- Support for some specialised HR resources that are close to services staying in departments particularly in relation to the various statutory (service) frameworks that exist.
- Support for consolidating some activities and resources into single service centre(s).
- Poor availability of management information and systems.
- Too many personality clashes, history, conflict, baggage etc within the overall HR family.
- Too much duplication and waste.

[Further analysis of the responses is provided at Appendix One]

Workshop Feedback

11.12 Throughout January and February five different workshops were organised involving 140 different staff (some on more than one occasion). HR practitioners (Trainers and Health and Safety) organised a further two. A separate workshop was organised for trade unions. Every department participated as fully as possible: generally speaking HR staff and Managers and Service Managers were targeted by these workshops. The focus of the workshops were to gain an understanding of perceptions of HR currently, ask the HR 'family' what improvements could be made and Service Managers what improvements they would like to see and to also start to gain intelligence on how to populate the shared service element of the model.

11.13 The workshops identified lots of strengths within HR, and the key ones are as follows.

- Good relationships built between managers and HR staff.
- Departmental teams are geared to serve the needs and interests of specific groups of users.
- Specialised knowledge to meet the requirements of business areas.
- Approachable staff.
- Provide good welfare role.
- The ILM management development programme.
- Good links between employee appraisals, training and employee needs.
- Delivers a safe service, eg the CRB checks.

11.14 The bullet list below draws out the perceived weaknesses and problems identified through the workshops on the basis that these are the bits HR staff and a sample of Managers (albeit relatively small) are saying we need to address and fix.

- Departments paying for the same HR work differently
- Best practice not shared
- Unequal allocation of HR resources across departments
- Duplication of work in departments
- Poor coordination and integration of work
- Poor communication and a general lack of management information
- Poor relationship with business improvement
- Slow and bureaucratic, poor decision making
- Inconsistent processes and application of policy across departments
- No strategic/clear direction

11.15 Key issues raised by the trade unions were:

- risks of work displacement and management capacity, particularly if self-service simply transfers work from HR teams to over-stretched managers (this was also raised by managers);
- the need for any solution to be acceptable to schools, who have to “buy in” to it (schools can, of course, opt out and this would affect the unions’ ability to negotiate with a cohesive service).

Performance Data

11.16 The following data help to show the impact of the service on the performance by the Council.

		Performance 2004/05	Position
1.	<u>BVPI</u> Women in top 5% earnings EMC in top 5% earnings Average days sickness per employee Early Retirements (excl ill health) Ill health retirements Proportion of workforce declaring disability Proportion of workforce EMC	47% 13% 10.04% 0.49% 0.2% 2.44% 21.65%	Top quartile Top quartile Top quartile Top quartile Top quartile Top quartile Top quartile
2.	<u>Other HR Pls</u> Grievances H&Ds Disciplinaries % of workforce male/female % of workforce 50+ Labour turnover % of recruitment application: - Asian - Black - White % of post entry training received: - Asian - Black - White	14 4 105 42/58 23% 13.14% 35.9 5.5 54.3 37 5 58	
3.	The service also benchmarks its performance with neighbouring local authorities including, Nottingham City, Derby City, Coventry and Leicestershire County. Details on BVPI performance is summarised below		

Table 7

BV Performance Indicators 2004-2005

Comparisons with other East Midland local authorities

	Leicester City Council	Nottingham City Council	Derby	Coventry	Leicestershire County Council
BV11a - Top 5% earners that are women	47.06%	40.89%	48.50%	47.78%	41.80%
BV11b - Top 5% earners that are from black and ethnic minority communities	12.99%	8.73%	5.60%	4.20%	2.35%
BV12 - Avg. no. of working days lost to sickness per employee	10.04 days	9.89 days	9.49 days	13.32 days	TBC*
BV14 - Early retirements (excluding ill-health) as a proportion of the total workforce	0.49%	0.93%	0.15%	0.69%	0.29%
BV15 - Ill health early retirements as a proportion of total workforce	0.20%	0.26%	0.24%	0.31%	0.25%
BV16 - The percentage of employees declaring that they meet the Disability Discrimination Act 1995 disability definition compared with the total workforce	2.44%	4.05%*	2.40%	4.57%	TBC*
BV17 - Proportion of the workforce from black and ethnic minority communities	21.65%	11.89%	10.10%	10.67%	3.60%

*To be confirmed.

		Performance 2004/05	Position
4.	<u>Health & Safety Indicators include:</u> <ul style="list-style-type: none"> - RIDDOR major and over 3 years incidence rate (per 1,000 employees) - Cost of accidents - Employer liability claims: - number <li style="padding-left: 20px;">- value *Activity analysis: <ul style="list-style-type: none"> - Audits completed - Inspections completed - On site visits undertaken - Training session delivered - Attendees at training session - Incident investigations completed * <u>Note:</u> figures exclude one department <ul style="list-style-type: none"> - No. of HSE interventions 	 8 £228,405 24 £143,382 151 176 330 178 2,259 26 0	 6 £159, 808 79 £370,683 N/K
5.	<u>Health and Safety Benchmarking with other unitary authorities</u> This is also being carried out, but this is a new initiative and comparators are not yet available.		

Summary

11.18 The intelligence and evidence gained in the processes outlined above – data collection, workshops, the survey, meetings etc provide a good snapshot of our current HR organisation. In the next section I look at some comparator information across local government and at some of the changes made by other local authorities and the drivers for some of those changes. This helps to ground this business case in the experiences of others and also helps with the migration approach detailed later.

12. How do we compare

- 12.1 The first level of comparison I make is in relation to the results of the Employers Organisation Survey 2005. The tables below illustrate our position compared with respondents to that survey - 186 different local authorities (please reference: Employers Organisation, survey of people management, 2005, for full details).

Ratio of HR staff to all local government staff		Ratio of HR staff to all local government staff by CPA score	
Type of Authority	Ratio	CPA Score	Ratio
District	1:78	Poor	1:57
Met District	1:146	Weak	1:183
Shire County	1:181	Fair	1:149
Unitary	1:178	Good	1:133
London Borough	1:96	Excellent	1:118
Total	1:141		
Leicester	1:88	Leicester (4 star)	1:88

Table 8

The private sector ratios based on like surveying from the IRS Employment Review 2005 are 1:110 and 1:112 in manufacturing.

- 12.2 As explained in section 4 our central payroll is not included in this project, however, if for the purposes of this benchmarking exercise we were to put it in (as other authorities included their whole payroll function in the EO survey) Leicester's ratio falls from 1:88 (as in table 8) to 1:75. It is not safe to draw too many conclusions from such an exercise, as we can never be certain that other authorities have completed it consistently, despite the EO's best endeavours. However, we are considerably out of step. Comparing with unitary councils, the data suggests we would need to reduce our staff by over 100 FTEs to achieve the same ratios. This conclusion is also corroborated by the 2002 Best Value Review of HR, which suggested (based on FTEs of 130 compared to the present 180!) that the Council had 17% more "core HR" staff than comparators, 26% more training staff, and 6% more health and safety staff.
- 12.3 Caution needs to be expressed in relation to staff development, as Social Care and Health specifically chose to provide this activity internally to a higher extent than other authorities who have purchased the same services from outside, which is bound to distort the figures. The position is such, however, that Leicester's figures are significantly high even if the SDU was disregarded in its entirety!

12.4 It is also possible to compare the analysis of activity completed by HR managers with the analysis of such activities carried out by other Councils. The caveats associated with this have already been explained, but the big differences appear to be in the areas of:

(a) the Council's activity is higher than others in:

- staff development (influenced no doubt by the policy of the Social Care and Health Department as to how the workforce reform agenda was to be resourced);
- health and safety (corroborating other indicators that the Council is a high spender on this function);

(b) the Council's activity is lower than others in:

- recruitment and retention (an area of known development need);

12.5 The full comparative analysis is shown at Appendix 2.

Case Study Examples

12.6 The team has collected the following information (this in addition to the earlier work conducted by the EMLGA reported and agreed by Project Board in December 2005). We have tried to focus on excellent and/or unitary authorities but have looked at a few others as well. Out of the 38 4 star authorities contacted, only 16 have replied so far. Out of these only one out-sources its HR, 11 use a shared service model with 6 of these having moved from a decentralised model fairly recently, only 2 remain decentralised and 2 mixed.

- **Coventry City Council**, Unitary CPA rated 2 stars (heading for 3 - good), 16,500 employees, 120 HR (fte) staff (excluding Health and Safety). Its HR function has recently undergone a major remodelling. The agenda for change stems from a "One Council" agenda, which looked to change the culture of the organisation of one of 'departmentalism' to 'One Council'. HR was seen as being critical to achieving this shift. Previously Coventry had a de-centralised HR function with 3 Corporate HR units reporting to the Strategic Director (Corporately) and each individual Directorate had its own Personnel Teams reporting to the Departmental Directorate. First phase of the change established a Corporate Head of HR and changed the reporting lines for Departmental HR Managers to the Corporate Head of HR. Phase 2, which started in 2004 has brought HR administrative transactions together (such as recruitment, payroll admin, contracts of employment), taking them out of Departmental Directorates and placing them into a Shared Service Centre under the post of HR Manager Resourcing. Phase two also created four new posts of HR Manager – Service Support. These posts retain some of the directorate HR Manager posts and have additional responsibilities of service improvement, project work and change agenda. These posts are generic and carry a

clear corporate strategic brief. Coventry were recent winners of the Human Resources Award in the National Awards for Local Government 2006.

- **Rotherham MBC**, CPA rated 3 stars - good, 13,464 employees, 107 HR (fte) staff (employed and contracted), have adopted a shared service model in partnership with a private sector partner – secured £30 million investment and 30% of on going and new cost savings given back the Council.
- **Camden LBC**, CPA rated 4 stars - 7,000 employees, 113 HR (fte), view themselves as very expensive, currently have a 'mixed economy' are now moving towards a shared service model
- **Derby City Council**, CPA rated 4 stars – excellent, 12,500 FTE's employees, 110 HR (fte). Five years ago they moved from departmental HR teams to a one corporate service model. HR is now split into corporate teams: Employee Development, Job Evaluation, Policy & Industrial Relations, Operations, Occupational Health/H&S. Dept HR and H&S report into both the Corporate Head of Service Operations and Departmental Management Teams. Both lines are dotted, which they acknowledge doesn't always work that well in practice. Corporate Employee Development undertake all training across the organisation apart from the what was Social Services, who have retained their own training and development team. Recruitment and HR administration is dealt with by Dept HR teams, however this arrangements is now under review –with a view to creating a Shared Service Centre, for Payroll and Employee Administration and also for Recruitment .
- **Stockport District Council**, CPA rated 4 stars – excellent, 19,000 employees – 90 HR staff (fte) including health and safety, moved to the shared service model at the end of 2004. No problems have sprung up yet, though it is still early days.
- **Leicestershire County Council**, CPA rated 4 stars – excellent, 19,000 employees – 52.27 HR staff (fte) including 4 health and safety advisors The Council moved to a one corporate service model 3 years ago, previously each department had their own HR team. The Corporate Director of HR has full line management responsibility for all HR apart from Adult Services and Children/YP Services where the line is dotted (staff numbers additional to the 52.27). HR administration and recruitment is devolved to service teams, however this arrangements is now under review with proposal to establish a corporate Shared Service Centre for the whole organisation to include employee administration and recruitment.
- **Hampshire County Council** – CPA rated 4 stars – excellent, 33,000 employees of which 13,746 are non schools – 230 HR (fte) including health and safety and staff development, work to the shared service model. Have recently moved back into Chief Execs and are exploring the possibility of a corporate contact centre. The model will develop to have share services for administration and small consultancy centres.
- **Buckinghamshire County Council** – CPA rated 4 stars – excellent, 14,735 employees – 102 HR F.T.E. and 9.5 ftes for Health and Safety, HR and Development have been a centralised function since 2004. The department is split into the Advisory and Business Team, which is a shared service, Consultancy, Organisational Development, and Change Management. Occupational Health and recruitment advertising are outsourced. They are in the process of implementing

the shared service model for Payroll, who will become part of HR in April. This is being done as part of the Advisory and Business Team review. Overall HR budget - £3,590,865 pa.

- **Leeds City Council** – CPA rated 4 stars – excellent, 34,000 employees - 287.5 HR (fte) including health and safety and staff development, the model is current mixed with a central team and departmentalised HR groups. Payroll and Recruitment are shared services. HR is currently being reviewed as it is felt that the maximum use is not being made of technology. They are currently looking at Gershon efficiencies/centres of excellence and shared service models.
- **Tameside Metropolitan Borough Council** – CPA rated 4 stars – excellent, 8,500 employees – 75 HR (fte). Undertook a Best Value Review in 2002. They had a small corporate HR team and devolved departmental HR teams. The review identified areas of poor performance, duplication and lack of strategic approach. Moved to one corporate service in 2002/03 covering all HR activity including H&S, Training & Development, OH, HR transactions and Operational HR, and also included in this is services to Schools. Some HR provision is out-posted back into departments. The change is well bedded down and their view is that there have been real, measurable improvements (which is subject to both internal and external scrutiny).
- **Devon County Council** – CPA rated 4 stars – excellent, 23,500 employees – 170 HR (fte) including health and safety and staff development, centralised HR and have not changed recently. They are currently going through some large changes and the implications that this will have on the HR structure are uncertain at present.

12.7 Other public sector examples we are aware of include:

- **The Cabinet Office** have a Shared Services Team that are responsible for the development and implementation of Shared Services Centres across the Civil Service. The DfES have said their shared service centre had led to a reduction in HR staff from 270 to just over 100. Further reductions were planned following the decision of DfES management to buy their HR services from DEFRA and not their own department.
- **Transport for London** introduced a Shared Services Centre about 18 months ago. It serves 19,000 employees from 19 different businesses (London Underground, Buses, Victoria Coach Station etc.) each with their own separate Terms and Conditions. They receive 10,000 queries a month and expect to be able to resolve 80% of them directly. Staff numbers went down from 530 to 282. The centre does appear to provide a wide range of services including service development and business change, Payroll and Reward, Resourcing, Learning & Development services and people management advice including 'higher level' employment law Support. There are also a number of business partners within the 19 businesses and a separate HR Strategy and Policy Unit.

12.8 Closer to home, Nottingham City Council are well advanced in the creation of a shared service model.

12.9 Those that have adopted the Shared Service model have been driven by service improvement or to reduce costs or both. The report to the Project Board of the 19th December 2005 featured details of the HR organization in other different local authorities,

please reference this work also if you require those case studies. It cannot be emphasised enough that the dominant trend in HR in local government is the adoption of a one service model and the development of shared service centres.

12.10 The Employers' Organisation survey of 2005 has indicated that 13% of Local Authorities use a shared service/business partner model for their HR services, this is the fastest growing model of HR delivery in the Country and is especially prevalent in 4 star authorities.

13. The Shared Service Model of HR Service Provision

13.1 Shared service centres provide services needed by several, if not all, other parts of an organisation from one location using common systems. Two distinctive features of HR shared service centres are:

- They offer a common service provision of routine HR administration and, sometimes, additional HR services
- They are service-focused, enabling the customers of the shared service to specify the level and nature of the service.

13.2 The content of shared services vary from one organisation to another. A shared service centre can provide the full service from routine administration in, for example, recruitment, payroll and staff development, right through to supplying specialist HR information and advice on HR policy and practice. In local government, the model also needs to be introduced in a way which is receptive to the needs of schools. The model needs an intelligent approach to staff development and health and safety, which may require different approaches to core HR.

13.3 HR shared service centres can be resourced by in-house personnel or they can be outsourced to specialist third party outsourcing providers. In practice, it is becoming more common to see hybrid models. One example of a hybrid model might be whereby the majority of the HR services are provided through an in-house shared service centre, with a few specialist areas being outsourced (eg employee 'wellness').

13.4 Shared Service Business Benefits:

- **Shared know-how** - the benefits associated with the sharing of knowledge and practice across the organisation. This may involve sharing best practice in business and HR processes, leveraging HR expertise, pooling and sharing knowledge about what works across different parts of the organisation.

- **Reducing costs and avoiding duplication of effort** - the benefits from economies of scale and elimination of duplicated effort can streamline and simplify services to reduce costs. There is also the potential to exploit common buying power from shared services for example, training and development providers.
- **Improving quality of service to customers** - the benefits from more efficient processes can deliver greater consistency, timely and accurate information and advice to customers,. With the increasing requirements for organisations to understand, measure and manage their human capital, these improvements in information availability are of increasing importance. Sharing services can also help to reduce competition and rivalry between different parts of the business.
- **Responding to and facilitating organisational change** - the benefits of greater structural flexibility, improving organisational learning, and freeing up HR from the more day-to-day routine enquiries are seen as an important levers for re-positioning the contribution of HR as a business-driven function focused on facilitating and supporting organisational change.

13.5 Shared services are increasingly enabled by technology. Many organisations have introduced call- centre technology and/or intranet systems for on-line self-service as part of their shared service provision. This is seen to have benefits both for employees and managers. For employees, an intranet can allow them to update their personal details or complete flexi recording on line, for example. For managers, it can mean significant savings in their time. For example, having access to every aspect of an employees record, inputting once across the organisation etc (see IDS Studies 750, Personnel policy and practice, HR Service Centres, May 2003).

13.6 At Leicester we are in an advantageous position as we have already purchased, installed and are using the basic software with the introduction of ResourceLink (the Council's payroll/HR system). This system provides a unified payroll service for the Council, it also provides a single electronic employee record charting their whole career at Leicester City Council with the ability to record information from accidents to appraisals. It also has modular enhancements available in areas such as recruitment, absence management , which are in the process of being installed at Leicester. To have already made the investment we have this must represent another big driver for change and the suitability of a shared service model. It is recognised, however, that it is not yet fully implemented and that we must keep resource focussed on achieving full benefits from this investment.

13.7 Organisations that have adopted this model have found the following particular benefits:

- Lower and more transparent costs
- More efficient resourcing
- Better quality services
- Higher customer satisfaction ratings

- A more integrated total solution approach to problems
- More selective and strategic contribution from HR
- Improved corporate learning by having a common database available to the whole organisation
- Better management information
- Improved service specification and performance monitoring

13.8 Issues raised by their experience:

- Convincing some HR customers and practitioners and gaining support from senior management
- Ensuring that sufficient attention is given to aligning organisational values and culture and accepting new ways of working.
- Understanding the need for large-scale capital investment in technology
- Choosing the best design and deliverer – whether in-house or outsourced wholly or partly
- Undervaluing the knowledge and experience of incumbent employees in staffing new positions

(see the IDS Study referred to above)

13.9 The diagram below represents the model agreed at the Project Board of 19th December 2005 and confirmed in January of the HR Service Provision that should be investigated for implementation at Leicester City Council.

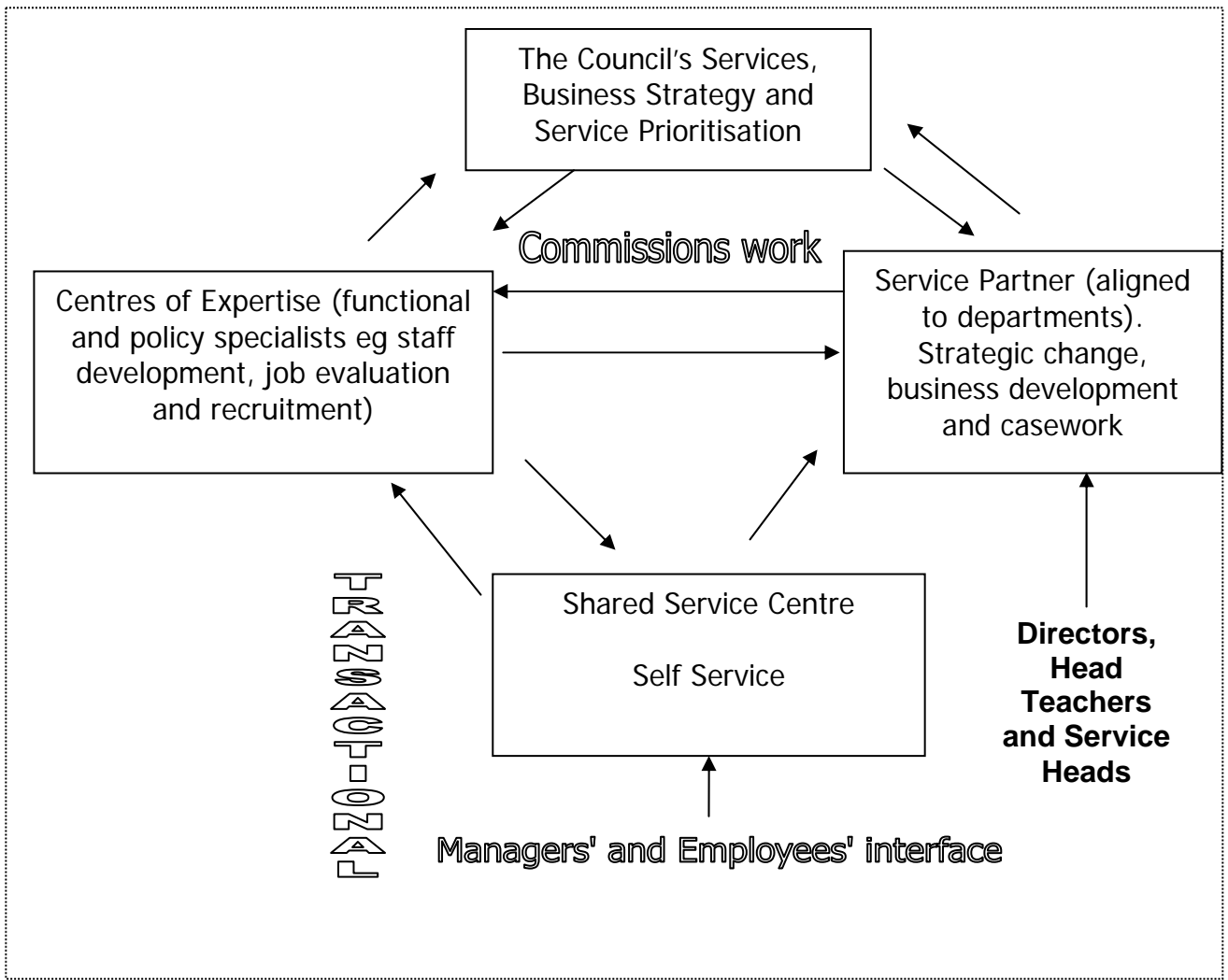


Diagram 1

14. A Shared Service Model for Leicester City Council

- 14.1 Given the information, feedback and analysis in the above sections, the case for change at Leicester is incontrovertible. It is the extent and speed of change that requires consideration and judgement.
- 14.2 The question needs to be answered whether or not the demonstrable need to change at Leicester and the growing emergence of the shared service model means that the shared service model is necessarily best for us. Where is the evidence that links the two? It is accepted that this cannot be conclusively proven: there is no means by which all the data for Leicester can be analysed (if we had it all), processed and demonstrated that the model is the “best for us”. All that can be given are pointers:
- (a) the Council has a demonstrably expensive, process intensive current service;
 - (b) the Council has already accepted, via the Best Value review, the need to move from an “operational tactical” (ie non-strategic) service to a “strategic interventionist” (change maker) role;
 - (c) the technology now exists, and we possess it, to radically change our processes for the benefit of the business and to save money;
 - (d) corporate consolidation of functions will bring efficiencies of scale;
 - (e) others have shown it can be done.
- 14.3 It needs to be further asked whether there are any reasons why Leicester should not adopt the model, ie whether Leicester is sufficiently different from others. Two key issues have been raised with us:
- (a) the huge competing demands for HR resource at the present time, given the requirements of job evaluation and the creation of children’s/adults’ departments in particular. This, however, points towards the need for managed change; taking time as needs be to implement sensibly;
 - (b) the strong disinclination of the Council to rely upon “centralised services”, and a desire to keep all departmental support under one roof as far as possible. This is partly cultural, and partly born of past experience. This is a real issue – if the model is to be implemented successfully this hurdle has to be overcome. We cannot, however, argue that we should not do it for these reasons and thus condemn ourselves to fall behind; we need to tackle the issues themselves.

14.4 Table 10 provides a functional illustration of how we could populate a shared service model. Once we have agreed the extent of the changes we wish to create, if Leicester City Council are to capitalise on the improvements that can be created from a Shared Service Model the changes we need to implement are five fold:

- Change and simplify our business procedures and operational processes
- Change and simplify our policies and procedures
- Restructure the HR organisation
- Deliver organisational culture change
- Re-focus HR to play a very strong role in the organisation's strategic management.

The basic functional split for our HR Services can usefully be subdivided into the following, prior to identifying the most appropriate basis of allocations activity within a shared service model:

Strategy	<ul style="list-style-type: none"> ● Policy Development and Research including Equality ● Health & Safety Policy ● Policy co-ordination and interpretation ● Training and development framework planning ● Service development strategy ● Workforce development framework
Professional Expertise	<ul style="list-style-type: none"> ● Performance Management ● Case work - management support ● Occupational Health & Welfare Reviews ● Strategic Change Management ● Health & Safety QA ● Departmental Health & Safety ● Professional Development and Training Design (inc Children's and Adults Social Services) ● Projects ● Management Development ● Doing work force development and training
HR Admin	<ul style="list-style-type: none"> ● Administration of recruitment and selection exercises (recognising there are also professional elements of recruitment strategy) ● CRB, CPR POVA and POCA systems and administration (whilst recognising there are also professional elements of this work)

	<ul style="list-style-type: none"> ● Organisational Inductions and arranging service inductions ● Starter set-up / leaver close-down ● Contracts issuing ● Basic occupational health and welfare enquires (including booking) ● HR-Payroll system and administration and queries ● Management information ● Intranet update and cleaning ● Payroll processing ● All training administration and booking ● Monitoring and verification ● Low level employee advice
Self Service	<ul style="list-style-type: none"> ● More complex record keeping ● Employee record keeping (a single electronic record inc. appraisals, training) ● Employee management ● Some employee relations

Table 10

Self Service

14.5 Self service involves managers and employees directly inputting data to the HR/Payroll system. The functionality for this exists within the system for areas such as submission and approval of expense claims, holiday and training requests; sickness absence, appraisal and disciplinary data; and employees' personal details. The changes required for self-service are not great but need to be co-managed with the Resourcelink rollout, and that roll out needs to be sufficiently resourced and timed to fit the implementation of the HR service review. In effect Managers (insofar as provision of data is concerned) will be doing what they do now, the only difference being that they will input changes to the employee records direct onto the electronic system, rather than by hand or on a separately designed database ready for someone else to then input or assimilate into a manual record. This needs to be supported by effective training to ensure we do not increase their burden.

14.6 It is additionally proposed that managers become more self-reliant on employee relations issues. There are a number of pre-requisites to this. The People Management resources available on the Intranet need to be much more user friendly, accessible and simple to understand and easy to find – in this sense the intranet should become (along with the Shared Service Centre) the first line support for managers. The policies and procedures also need review, updating and simplification.

14.7 Full development of the above is essential to the proposed changes in the rest of the review.

- 14.8 Other issues that need to be dealt with appropriately in the implementation are:
- What to do about the expressed reluctance of some managers to take up self-service due to capacity and culture issues. We recognise that a programme of communication and engagement is required. But equally HR and people management is a CORE requirement of managers
 - That good quality training will need to be provided and that this will be included within implementation planning
 - It is also recognised that as at present some managers, in carrying out their functions, may delegate some activities to their admin support. Issues re access to data, security, data protection will need to be addressed and will form part of the project plan for managers' Self Service roll-out.

Other aspects of the model

14.9 We propose a pragmatic shared service model, which takes the best of the model, and builds upon what presently exists at Leicester and recognises the weight of support for continued “on site” professional expertise in departments. The model would involve:

- a) A shared service for all HR administration, together with low level HR advice, recruitment and job evaluations.
- b) Corporately provided high level HR policy support to the authority;
- c) Corporately managed health and safety service (although in practice, health and safety officers would be outposted to departments);
- d) A consolidated training service provided for the Council as a whole, with (as agreed on an exception basis) very specialised functions continuing to be provided locally. One significant exception will be a development function dedicated to the specialist training and development issues facing the Adults' and Children's Services Departments;
- e) Service partners (professional HR advisors) in each department, providing service specific HR advice, and supporting managers involved in complex casework.

14.10 The benefits of this proposal are:

- a) a greater strategic role for the HR function, supporting the Council's future development;
- b) Making best use of our IT investment, to develop input to the Payroll/HR system as close to source as possible; with a single, unified service responsible for the integrity of our HR information;
- c) Encouraging greater manager self-reliance, with a “hotline” for low level queries and support;
- d) Freeing HR staff remaining in departments from administration, to concentrate on supporting their departments' strategic needs;
- e) A single point of contact for all job evaluations, to protect the integrity of the new job evaluation system (and to prevent the drift experienced under the existing system);

- f) A pragmatic approach to workforce development which seeks to bring together and consolidate the Council's total needs, whilst leaving separate the increasingly complex and statutorily driven needs of the adults and children's departments.

14.11 The individual functions, and the rationale for their remit, is further discussed below.

Shared Service Centre

14.12 It is proposed that this would be divided into 3 sub-teams, covering:

- a) Transactional administration, involving processing of all data not input at source by managers. This would include (subject to what self service will provide) new starters, leavers, time sheet and absence management data. The team would manage all CRB and other employee checks. The team would also be responsible for the integrity of other data on Resourcelink, ensuring it is kept up to date and for providing management information. The team would also deal with calls from managers seeking non-complex advice, may carry out routine training (eg core induction) and sign post and liaise with other parts of the HR organisation for more complex work and requests;
- b) All aspects of administering recruitment and selection, subsuming the present job-shop. It is envisaged that the team would manage the entirety of the process of recruitment advertising (seeking value for money solutions). The team would have a specific remit to optimise recruitment activity, eg by designing processes to meet the Council's need for new generic administration assistants through quarterly recruitment processes;
- c) All aspects of job evaluation, with a particular remit to ensure organisational consistency.

14.13 Comment needs to be made about the procedures and processes for safeguarding vulnerable children and adults, as considerable comment has been made about this. This work is particularly high profile, and the safety of service users depends upon it; the expectations of CSCI, furthermore, are becoming more rigorous. Concerns expressed about this have been recognised. Whilst there are considerable process elements associated with safeguarding (eg checking potential new employees) that can be carried out in a service centre, there are other elements which we recognise do require professional judgement (eg responses to any checks which are not "clean").

Health and Safety

14.14 It is proposed that there is a need to reconfigure corporate HR support to accommodate and respond to the other changes proposed in the report (eg redefining the nature of professional expertise needed to support the service partner and shared service centre). There is recognition in this that there are current capacity gaps and under-developed areas of professional service delivery. These changes should also address the Health and Safety service function. Action is needed to address the apparent growth in staffing and resources, the integration within related HR functions eg training, along with the functional spread of 'Health and Safety' and its relationship with Property and other service areas. A redefinition of core role and function is required and the relationship with other services including Risk Management and Property Services. It is proposed that the

current dotted levels of responsibility are reversed and that a separate health and safety workstream is included in the implementation project. It is recognised that the health and safety model needs considerable further development at implementation. It is envisaged that present accountabilities for health and safety (which advisors support) will change.

Corporate HR Support

- 14.15 Corporate policy should be focused as a centre of excellence for setting the high level authority-wide policy, coordination and interpretation of policy and strategy, organisational TU and employee relations, coordinating and ensuring consistent pay and recruitment strategy and policy, and management of the occupational health contract.

Staff Development

- 14.16 It is proposed to create a new corporate service for staff development under the management of a Head of Staff Development (or equivalent). This will bring together all aspects of workforce development for the Council and the provision of developmental service to our partners. This would ideally be coupled with the creation of a new centre for the delivering of such services and replace the need to use external facilities and a range of other sites, although co-location is not essential.
- 14.17 It is also proposed that the specialist expertise within the Staff Development Unit continue to serve the needs of the Adults' and Children's Departments, in recognition of the complex and demanding changes impacting on the area; and the specific formal accountabilities of the two corporate directors. Generic training carried out by the SDU would, however, become a part of the new Corporate staff development service.
- 14.18 This proposal is designed to achieve the following benefits:
- (a) managing all corporate work from a single point;
 - (b) economies of scale, rationalising present ad hoc arrangements;
 - (c) single point of access for all staff, except for specialised workforce development in Adults/Children's services;
 - (d) it maintains the existing development support in the area of greatest change, expanding its present remit to include former Education Department activities, and recognises the risk inherent in trying to bring this into a corporate centre (it does too much too soon);
 - (e) recognises the formal accountabilities of the directors of adults' and children's services for the development of staff working in this field.

Service Partners

- 14.19 New HR Departmental teams should be created. These teams will provide policy support; service planning, development and change support; complex casework; Departmental TU and employee relations; complex absence management support, and performance management. (This is a wider remit than has been implemented elsewhere). These teams will be smaller than present HR teams and more focused on strategic work, business improvement and performance management. It is envisaged that the Children and Young People Services Team, will provide support to schools in the area of school policy developments, work on school terms and conditions, developing the traded service offer and support to workforce remodelling (these functions have a very specific focus which is different to the rest of the Council). It is also anticipated that low level advice to schools will be provided by this team rather than the transaction centre, dependent upon further work.

Schools

- 14.20 Further work needs to be done to ensure the model fits the needs of schools and is implemented in a way which is acceptable to them. There have not been many responses from schools to the consultation on the draft business case, and there has been concern about centralisation of staff (and a fear that the service will become remote). Assurances have been given that there will not be any detriment to the service, but a number of respondees are seeking improvements in present services (one respondee preferring centralised to current arrangements). Schools are, of course, able to buy their HR service from elsewhere which some have intimated they are considering regardless of this review. This issue is bigger than that of lost income (only £250,000 pa) but about the cohesiveness of the service.
- 14.21 It is expected that schools' wishes centre upon the need to have named, expert advisors who they trust and can approach with confidence; the model will need to ensure such availability in the Children's Services service partner.
- 14.22 It is essential that the implementation phase includes full dialogue with schools, and the model reflects their specific circumstances. This dialogue will take place as part of a wider consultation with schools on traded services more generally, which is planned by the Children and Young People's Services Department. It may be that (given the balance of resources across departments, which indicates the former Education Department had lower staffing ratios than elsewhere) there is a need for a rebalancing of support to departments. Any such rebalancing, however, could have an impact on the amounts charged to the separate schools' block budget which would need discussion with schools. No change can of course be made to the existing traded service agreement for 2006/07.
- 14.23 The integrity of the model, however, requires that schools' transactional services are carried out in the shared service centre.

Summary

- 14.24 It cannot be stressed enough that it is not possible to precisely populate the model with specific functions at this stage. It can only be done in outline, and there are a number of particular areas requiring more detailed consideration. These include:

- (a) Health and safety in its totality;
- (b) Work experience, where there is a need for a corporate approach, possibly the development of a single Council-wide opportunities programme which can be promoted to schools;
- (c) Equalities, and whether this function fits neatly into the next phase of the review or not.

14.25 The implementation phase of the programme will include detailed analysis and mapping of processes – from this work will flow the most logical separation of functions, and the boundaries between them (and what must be referred from one to another).

14.26 Nonetheless, the above can be used as guiding principles for future development. The exact structure and size of teams and their functionality will need to be established following a period of process and role redesign and organisational review. Likewise, process mapping will confirm the balance of staffing required in each function. Nonetheless, it is believed that the new structure can be designed with a reduced staffing complement at a cost saving of over £1m in due course. It is accepted that this figure cannot be evidenced: it is an “intelligent target” which has been arrived at by:

- a) Comparison with other authorities. Even after making these savings, our comparator costs would still be high, and it is noted that comparator authorities are undertaking similar exercises themselves, which will reduce their own costs;
- b) Indicative sizes of shared service centres at like authorities already embarking on this route;
- c) Savings to be made from consolidating and rationalising staff development and health and safety functions and the proportion of our budget devoted to these activities compared to other authorities;
- d) Savings from consolidating basic administration and low level advice;
- e) Consolidation of core training for the Council as a whole.

14.27 Whilst the above will be subject to further development, it is proposed that a cost envelope be established and that the project manager for the next phase be asked to work within it, reporting back to Cabinet if at any time it appears to be giving rise to unacceptable risk. No “target” is given for any head-count reduction – if it is possible to develop centres of excellence that can generate external income, this can be used to contribute to the savings expectation. It is proposed that the envelope be set at a reduction of £1.2m on current costs, from 2008/09; without a specific target being set for 2007/08. This is developed further in the financial implications.

Changing roles and accountabilities

- 14.28 The proposed model presents an opportunity for the Council's HR function to raise its profile and contribute strongly to the Council's change and improvement agenda. To enable this to happen, it is proposed that:
- a) the service director for the service should be a member of the Corporate Directors' Board, and his deputy a member of SRG;
 - b) HR managers who are departmentally based should associate more strongly with the corporate HR service. Prime accountability needs to reflect the fact that we are creating a brand new HR service, and be to the service director for HR (subject to any arrangements necessary to ensure directors' statutory responsibilities can be delivered). There will, of course, continue to be strong service links and reporting to the department in which they are located and be delivered;
 - c) Departmental service partners should have a strong focus on change management and organisational development in their departments, and should be key members of their departmental management teams.

These proposals are consistent with best practice, as promoted by the Employers' Organisation, and will enable our people (and their performance) to be given the appropriate level of focus and priority in all our decision making.

- 14.29 The current 65+ different job roles within our HR teams should be reduced considerably (I estimate as a minimum 20 different job roles are required), new roles need to be defined to work in the new structure required for a new HR organisation in the Council. New jobs will be based on common and shared definitions of roles that will be consistently and fairly applied across the new HR organisation in Leicester City Council.
- 14.30 Finally the whole organisation should be run with a budget and the cost centre managers to be accountable for that budget with the service director for HR being ultimately accountable. The present complex system of recharging costs will be abolished. The HR service should be accountable for its performance through agreed PIs and annual satisfaction surveys. If the Council wishes to grow or reduce this service in the future then it should be subject to the same budget process as other services.
- 14.31 Special consideration needs to be paid in the next stage to the relationship between the Authority and schools, not just in terms of cost and savings disaggregation but in terms of service continuity and improvement.

15. Migration Approach

15.1 At the start of section 14 above I identified three different aspects of our HR services we need to change, these are:

- Deliver organisational culture change (Change culture), both departmentally and centrally
- Change, simplify and unify our business procedures and operational processes (Change Business Processes)
- Restructure the HR organisation (A new HR Organisation)

These three areas should be the focus of the project over the next 12 months and involve the work and interdependencies described.

Change Culture

15.2 The team do not wish to labour the cultural issues that confront the organisation and a project of this nature, much has already been said and done. As most of the changes advocated throughout this business case are motivated by a desire to change results (outputs and outcomes) focusing on changing culture is too nebulous – we need to change what we do and how we do it. This is not easy but if the following lessons and principles are applied it will give the change a much higher chance of success.

- Our Changes must be ultimately focused on improved results
- Change needs to be both bottom up and top down
- Trying to change behaviour by changing culture or attitude is approaching the problem from the wrong direction
- True change is about reprocessing (new behaviour) rather than just restructuring (different jobs – same people)
- Change is about progress and action not words and reports
- The right change requires the right information, for the right people, at the right time
- Implementing change should not be tacked onto people's day jobs
- Change requires excellent communication
- Change requires superlative project management

We have to work these lessons and principles into our change processes and not repeat the mistakes and experiences of the past.

Change Business Processes

15.3 Reprocessing and redesign are going to be fundamental to successfully implementing the changes described in this report. Already HR Managers as a part of the Resourcelink project have drafted detailed process maps of most of the core HR processes, this work needs to be taken to the next stage which is to redefine processes in the context of the new responsibilities and focus of the new HR organisation and its constituent parts. This will require help from outside of HR but not necessarily from

outside the Council. The crucial aspect of the support required will be to provide facilitation resources and enable HR Managers and staff to do the reprocessing themselves, with support.

- 15.4 The rollout and modular development of Resourcelink are crucial to the reprocessing work that needs to occur as some of this work will be systems led e.g. reprocessing recruitment and selection will be dependent upon the recruitment module of Resourcelink. The likely successes of some of the self and shared service aspects of this project are inextricably linked with the development of Resourcelink.
- 15.5 Part of the process review has to look at the suitability and functionality of our HR policies and procedures, moving to a new unified and single HR organisation will mean that some of our current policies and procedures should be able to be clearer, simplified and interpreted in a unified organisational context. This may result in a unified (electronic) procedures manual.
- 15.6 Special consideration needs to be given to managing change for schools, particularly in the light of other projects impacting support to schools (the roll-out of the Integrated Services Project, which will include decisions about how services are commissioned and supplied to schools; rolling out Resourcelink, which could improve the efficiency of current practices; and the review of traded services). It is accepted that schools need, and will continue to need, high level advice to address a far-reaching change agenda.

16. Implementation Steps

- 16.1 Once the business case has been agreed by the Cabinet, we need to move towards implementation. This will involve mobilisation of a project team and appointment of a project manager.
- 16.2 Given the different issues involved, it is expected that separate workstreams will consider staff development, and health and safety. The latter activity in particular needs more detailed consideration – the business case recommends little more than the overall framework for this service. Whilst all service areas need to be represented in the implementation activity, it is particularly important that the health and safety function is able to contribute to the development of the service.
- 16.3 An early responsibility of the project manager will be to produce a detailed project plan. However, key steps are identified below.
- 16.4 There are a number of constraints on full, early implementation which will mean that some elements may not be capable of being delivered as quickly as would otherwise have been the case. Certainly, significant reductions in staffing levels are going to be dependent upon:

- (a) progress on the corporate job evaluation project, which now looks likely to extend to October 2007;
- (b) development of the features of Resourcelink to a point where the technical infrastructure supports the proposed model;
- (c) resolution of property requirements.

16.5 Implementation effort can begin immediately however. The following can be planned to commence as soon as possible:

- (a) development of the high level structure reporting to the Service Director, following the Council's normal consultation protocol for organisational review;
- (b) consultation with schools on development of the model to meet their needs;
- (c) continue development of Resourcelink's features, in particular the "self service" module;
- (d) review of business processes and much more specific allocation of tasks and responsibilities in the new structures between the various parts of the model. This will require wide involvement of Council managers;
- (e) review of policies and procedures;
- (f) development of the new approach to training, in particular a corporate development programme;
- (g) fuller review of health and safety;
- (h) design of the future organisational structure below management team level, again following the Council's normal consultation protocol;
- (i) design of a career development structure for the new organisation, for all staff (but recognising the need to give staff in the shared service centre development opportunities);
- (j) work with managers to develop their overall competencies as a pre-cursor to introducing greater self-reliance.

16.6 Substantial achievement of the above is expected to be complete by April 2007; in particular it is expected that (a), (b), (e), (f) and (g) will have been completed.

- 16.7 Subject to completion of job evaluation and overall dependencies, it is envisaged that the bulk of implementation will be complete by October 2007 and fully complete by April 2008.
- 16.8 It is suggested that the project work to design a new service within a cost envelope which will achieve ongoing savings to the Council of £1.2m by 2008/09, with such lesser amount as is achievable in 2007/08. Given the nature of this target, it will need to be tested further during the implementation phase of the project, with the project manager asked to report back to Cabinet if he/she believes it to be difficult to achieve without creating unacceptable risk to the Council (or loss of funding).

17. Risk Planning

The project is a major organisational change programme, and is inevitably a high risk project. Management of these risks is crucial to its success, and key risks are identified below.

Table 11

ID	Originator	Date Raised	Description/consequence	Probability	Impact	Risk Band (A-E)	Mitigating Action	Risk owner	Risk status	Next update required by	Contingency/Comments	Category
1	CL	03.04.06	Lack of detail in project plan leading to failure in meeting requirements	Low	High	C	Project Plan developed to be reviewed by Project Team throughout implementation and reported to Project Board. Key Milestones agreed with Project Board and monitored through monthly Project Manager reports.	Project Manager	Open			Project Management
2	AK	28.03.06	Other organisational reviews impede and derail the HR BIP Project work stream	Medium	Medium	C	Project Plan developed to be reviewed by Project Team throughout implementation and reported to Project Board. Key Milestones agreed with Project Board and monitored through monthly Project Manager reports.	Project Manager	Open			Implementation
3	MN	02.05.06	Transition to new model results in some functions failing to find a new location	Medium	High	B	Process map all current functions and where these will sit in new structure. Ensure mapping exercise is signed-off by relevant senior officers so no service area or function is overlooked excluded.	Project Manager				Implementation
4	AK	28.03.06	Modular roll out of Resourcelink delays implementation of a shared service and self service	High	Medium	B	Include roll-out of Recruitment, Training, H&S modules and Manager's Self Service within project Scope. Revise project plan and implement in phases.	Project Manager	Open			Implementation
5	CL	03.04.06	Operating costs are higher than expected	Medium	High	B	Ensure project budget and financial projections are clearly defined and validated throughout the project. Any changes should be assessed for impact on project budget and ongoing financial projections.	Project Board	Open			Financial Management
6	CL	03.04.06	The cost of implementation escalates	Medium	High	B	Develop a robust implementation plan that clearly defines all tasks and assumptions. Ensure the plan is approved, contains adequate contingency, validates all assumptions and is monitored through monthly Project Manager reports.	Project Manager	Open			Financial Management
7	AK	28.03.06	Schools choose to buy the HR service elsewhere.	Medium	Medium	C	Retention of existing arrangements throughout 06/07. Detailed consideration of the level of service and resources required for the Schools'	Project Manager	Open			Requirements Management

ID	Originator	Date Raised	Description/consequence	Probability	Impact	Risk Band (A-E)	Mitigating Action	Risk owner	Risk status	Next update required by	Contingency/Comments	Category
							Service partner. Consultation with schools on the service they want provided before any changes are made.					
8	AK	28.03.06	The project fails to meet the business requirements.	Medium	High	B	Ensure business requirements are formally captured, documented and form part of the implementation process. Actively manage and communicate any changes.	Project Board	Open		Independent Project Assurance review undertaken and reported to Project Board	Requirements Management
9	CL	03.04.06	Project heavily dependent on key technical personnel	High	High	A	Ensure future actions are planned and documented such that others could take over if necessary. Ensure procedures are developed to move the project from implementation to operational stage.	Project Manager	Open		Independent Project Assurance review undertaken and reported to Project Board	Implementation
10	CL	03.04.06	Staff consultation is of limited effectiveness	Low	Medium	D	Ensure there is an open dialogue with affected staff and union representatives to keep them informed of the current status of the transfer process, solicit their issues and concerns and provide feedback.	Project Manager	Open		Formal Organisational Review to start	Communications
11	CL	03.04.06	Staff feel disenfranchised by the process, resulting in staff leaving	Medium	Medium	C	Ensure there is an open dialogue with affected staff and union representatives to keep them informed of the current status of the transfer process, solicit their issues and concerns and provide regular and targeted feedback.	Project Manager	Open			Communications
12	CL	03.04.06	Lack of accommodation availability for shared service centres delays implementation	Medium	High	B	Ensure accommodation needs are captured early in process. Identify contingency measures	Project Manager	Open			Communications
13	CL	03.04.06	Tight deadlines mean that shortcuts are taken in implementation resulting in unapproved changes	Medium	High	B	Ensure all staff involved in implementation are aware of and understand the need for strict change control management	Project Manager	Open			Configuration Management
14	CL	03.04.06	Training is not effective. This may result in dissatisfied staff and managers who are not	Low	Medium	D	Ensure training effectiveness is regularly monitored and corrective action taken as necessary. Obtain feedback from early courses.	Project Manager	Open			Training

ID	Originator	Date Raised	Description/consequence	Probability	Impact	Risk Band (A-E)	Mitigating Action	Risk owner	Risk status	Next update required by	Contingency/Comments	Category
			adequately prepared to use the new systems and/or business processes									
15	CL	03.04.06	Staff concerns regarding the implications of the project cause delays.	Medium	High	B	Establish a formal communication process to keep staff informed of progress and discuss their concerns. Implement a plan to address the people issues.	Project Board	Open			Communications
16	CL	03.04.06	Requirements for training may be underestimated	Low	Low	E	Ensure there is a clear agreement on the scope and delivery process for project-specific training to be provided. Ensure this is an integral part of the implementation stage plan.	Project Manager	Open			Training
17	CL	03.04.06	Implementation/operating costs are increased by delays to decision making process	Medium	Medium	C	Ensure the consequences of delay are understood and that financial projections and budgets contain adequate contingency. Ensure Key Milestones agreed with Project Board and monitored through monthly Project Manager reports.	Project Manager	Open			Implementation
18	CL	03.04.06	Insufficient Council resource to effect complete implementation	High	High	A	Obtain resource estimates as early as possible. Develop a robust implementation plan that clearly defines all tasks and assumptions. Ensure the plan is approved, contains adequate contingency, validates all assumptions and is monitored through monthly Project Manager reports.	Project Board	Open			Implementation
19	MN	02.05.06	Lack of organisational support for project leading to delays in implementation, inadequate resources/funding etc	High	High	A	Deputy CX to have watching brief and ensure any blockages are "unblocked." Periodic reports to Programme Board, focusing particularly on organisational participation and achievement of Key Milestones.	Project Board	Open			Implementation
20	MN	02.05.06	Lack of support by Manager's to self-service, leading to delays in implementation, continued pressure on HR and/or reduced integrity of Resourcelink data	Medium	Medium	C	Establish a formal communication process to keep managers informed of progress, benefits of Self Service and discuss their concerns. Implement a plan to address the issues.	Project Manager	Open			Implementation
21	CL	03.04.06	Roles and responsibilities during transition to new arrangements are not	Medium	High	B	Develop a robust implementation plan that clearly defines all tasks and assumptions. Ensure the plan is approved, contains adequate	Project Manager	Open			Implementation

ID	Originator	Date Raised	Description/consequence	Probability	Impact	Risk Band (A-E)	Mitigating Action	Risk owner	Risk status	Next update required by	Contingency/Comments	Category
			clear leading to delays in implementation and derogation in service performance				contingency, validates all assumptions and is monitored through monthly Project Manager reports.					
22	MN	02.05.06	Continued dependency on "departmental HR teams" (Service Partners) following implementation of new arrangements	Medium	Medium	C	Deputy CX to have watching brief and ensure any blockages are "unblocked in relation to organisation participation. Also ensure training and procedure notes, intranet site etc. provide clarity as to role of managers.	Project Manager	Open			Implementation
23	JR	05.05.06	Stress in individuals due to inadequate management of change leading to increased absence levels, and delays in implementation	Medium	Medium	C	Ensure: Employees are aware of why change is happening and the key steps of the change. Individuals directly affected are involved. Regular and clear communication via agreed routes throughout the review and implementation. Employees and groups likely to be affected are identified as early in the process as possible.	Project Manager	Open			Communications
24	JR	05.05.06	Inadequate management of H&S (including stress) risk factors due to new operational structures	Medium	Medium	C	Ensure: There is a clear management structure and that roles and responsibilities for staff, premises and operational areas are understood and communicated. That procedure manuals/notes are relevant and up to date. That there is a support and training plan for staff moving to new/different service areas.	Project Manager	Open			Implementation
25	CL	05.05.06	Work will move from HR admin to Service admin and that there will be a growth in departmental support.	Medium	Medium	C	Establish a formal communication process to keep managers informed of progress, explain benefits of Self Service and discuss their concerns. Ensure Corporate Directors are aware of this risk which may need monitoring within dept.	Project Manager	Open			Implementation
26	CL	05.05.06	IT infrastructure patchy leading to delays and increased cost of implementation	Low	Medium	C	Undertake analysis of PC specifications, internet access for Manager's Self Service. Including within resource plan and timetable for implementation.	Project Manager	Open			Technical
27	CL	05.05.06	Inadequate planning and implementation management leads to failure in meeting legislative	Medium	High	B	Process map all current functions, responsibilities and where these will sit in new structure. Ensure mapping exercise is signed-off by relevant senior officers so no service area,					

ID	Originator	Date Raised	Description/consequence	Probability	Impact	Risk Band (A-E)	Mitigating Action	Risk owner	Risk status	Next update required by	Contingency/Comments	Category
			requirements e.g. H&S, Safeguarding children				responsibility or function is overlooked excluded.					

18. Formal Consultation Responses

18.1 The business case was launched in draft for formal consultation during March, and a considerable number of responses have been made. These have predominantly been received from staff in the affected service, but also from trade unions, managers and schools. The position of schools has already been referred to above.

Staff and Trade Unions

18.2 There is considerable concern expressed by staff and trade unions that the business case is inadequate to support the conclusions reached, which (in the most part) they do not support. There is considerable strength of feeling on this matter.

18.3 Particular concerns of staff include:

- (a) that only one option was explored;
- (b) the loss of on-site support to departmental managers, and concerns over centralization of some functions;
- (c) a view that the draft business case was weighted towards core HR and not enough attention given to staff development and health and safety (this point is accepted, and the revised version seeks to address this);
- (d) concern over the service impact of job losses and the timing of the changes at a period of considerable HR activity within the Council (revisions to the case recognize the need for appropriate phasing);
- (e) concerns that Resourcelink may not be ready in time (which needs to be dealt with during implementation, but is a recognized constraint);
- (f) concerns that a model appropriate to core HR has been forced to fit Health and Safety and Staff Development, and that the model proposed for staff development was not fit for purpose. The model in respect of staff development has been revised to reflect very constructive suggestions made in this regard, and it is recognized that further work on health and safety needs to be carried out during implementation.

18.4 There are, however, some points of support:

- (a) recognition from some respondees (including HR managers) of the case for a shared service centre, at least for transactional services;

- (b) recognition of the need to consolidate training;
- (c) a view that job evaluation may be a task best carried out corporately (Unison).

Managers

18.5 Concerns have also been expressed by managers. These principally relate to:

- (a) concern over loss of on-site support which they value (particularly where that support is addressing complex change agendas – adults’ and children’s services);
- (b) concerns that the model proposes greater self-reliance which is going to create additional work for them at a time of generally reducing capacity. (It is noted that direct input of employee details is unlikely to create additional work, as it transfers current paper based work to electronic form; greater independence from HR more generally does require manager development but is in reality part and parcel of a manager’s job). Managers are not, however, going to be expected to be self-reliant in respect of complex case-work or dealing with allegations by service users; and it is certainly not envisaged that they will be expected to carry out procedures such as disciplinaries without HR support.

19. Financial Implications

Projected savings

- 19.1 The business case, envisages savings of £1.2m by 2008/09, with such lesser amount as is achievable in 2007/08.
- 19.2 At this stage, potential savings have been identified in their totality. No account has been taken of the proportion of savings that will leak out of the general fund – i.e. as a result of reduced HR costs to schools, HRA and DSO’s, which will benefit these areas directly. This is not anticipated to be a significant sum, but general fund savings will be less as a consequence.
- 19.3 Comment has been made during the consultation about workforce development being an area of essential growth due to growing policy requirement for workforce qualification. It is not expected that such growth should simply be accommodated – the review is seeking to make savings through efficiency. Any growth pressures on the service need to be considered within the Council’s budget strategy and such additional funding provided as would be necessary if the HR Review was not happening (dependent, of course, upon the Council’s overall financial position). It is important, however, that this is properly quantified to avoid achievement of the efficiency target being obscured.

Implementation costs

- 19.4 It is stressed that implementation costs cannot be established with any accuracy at this point. It is expected that the following resource will be needed to achieve implementation:
- (a) a full-time project manager for a period of 18 months (or longer);
 - (b) a full-time personnel officer, who can lead the implementation of Resourcelink's features;
 - (c) resource to work within Resourcelink's system administration team.
- 19.5 The implementation will also need to draw upon the resources of the programme office, which has communications, accountancy and administrative support. The budget for the BIP project envisaged the appointment of 3 business process engineers, who will be shared across projects but will (initially) be heavily deployed on the HR project.
- 19.6 Where achievable, the project resource will be recruited by means of internal secondment. In addition, support and input will be needed from staff teams in core HR, staff development and health and safety.
- 19.7 Expected implementation costs to fall on the HR review specifically are:

	£000s
Project manager (18 months)	71
Personnel officer	37
Resourcelink support	46
	154

- 19.8 This is higher than originally envisaged, due to a longer than expected implementation programme. Detailed budgets for the whole BIP programme have been prepared, but these are actively managed as needs are refined and specified in more detail. At present, £47,000 has been set-aside to meet the above costs, but the balance can be found from an unallocated contingency of £230,000.
- 19.9 The total budget for the BIP is £4.2m (including £2.5m set-aside for development of Resource Management Systems), and as at the end of 2005/06, £0.4m had been spent.
- 19.10 IT start up costs estimated to fall due in 2006/07 are provisionally estimated at £100k. This includes new telecom equipment for the Admin and Recruitment Shared Service Teams, (potentially) computer hardware and software, intranet development and

furniture. On-going IT costs are expected to be contained within existing budgetary provision. £100,000 would exhaust the BIP programme contingency, but is not a concern given the fluidity of the total budget – we will work within the total.

Other associated costs

- 19.11 The project has assumed accommodation to be cost neutral. Although overall accommodation requirements are likely to be less, it is expected that different types of spaces will be needed e.g. a single venue for (potentially) 50 or more staff, and (potentially) a training venue. This needs to be considered in stage 2 of this project.
- 19.12 The appropriateness of training accommodation has not been considered as part of this review. The suitability of existing training accommodation and subsequent proposals will be considered as part of the CLABS project.
- 19.13 Similarly, no provision has been made for any expansion of IT equipment to widen access to self-service.

Staff reduction costs

- 19.14 It is extremely difficult to accurately predict the likely costs associated with redundancy and early retirement as these are very specific calculations on an individual basis taking into account factors such as age and length of service. There are presently vacancies within the service and natural turnover will increase these. That said, experience can be drawn from previous organisational reviews and by doing that, an estimate of up to £600k has been arrived at. Of this sum, a significant proportion can be spread over 5 years and thereby funded by being offset against future savings. One-off costs can be met from the provision of £0.5m made in the 06/07 budget for restructuring costs arising from the BIP.
- 19.15 A further sum of up to £200k is estimated to be required relating to the cost of pay protection. Again it is proposed that this is funded by offsetting this cost against future savings.

Questionnaire Findings

Question Reference	Question	HR Staff (Departmental)				HR Staff (Separate)				HRS				Non-HR (Service Directors)				Non-HR (Heads of Service)				Non-HR (Tier below Head of Service)					
		Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown		
HR Strategy	HR Strategy																										
1a	A corporate HR strategy has been developed and implemented within the organisation	19	12	6	3	6	1			1	4		2	3	1	3		3	5	2	3	3	3	2			2
1b	A Corporate HR strategy is clearly communicated and understood within the HR teams	7	10	23	1	2	2	3		5			2	1	4	2		1	6	2	4	2	3			2	
1c	A Corporate HR strategy is clearly communicated and understood within the entire organisation	2	10	29	1	1	1	5		3	2	2		1	6			1	2	8	2	3	3	4			
1d	A Corporate HR strategy is aligned with the needs of the organisation	6	17	14	4	4	2	1		4	1	2		1	1	5		1	5	3	4	1	2	3		1	
1e	The HR strategy minimises duplication of effort and unnecessary expenditure	6	13	19	3	1	3	3		2	3	2		3	4			2	6	2	3	3	2	1		1	
2a	Current input of HR enables the organisation to provide approved services	37	2	2	1	6	1			3	1		2	7				10	1	2		6	1				
2b	HR policy is viewed as a priority within the organisation	12	9	16	3	3	1	3		2	2	1	2	1	3	3		2	5	2	3	5	1			1	
2c	There is sufficient investment in HR to ensure the provision of approved services	8	8	24	1	2	2	3		2	3		2	2	4	1		5	3	3	2	2	4			1	
		50	35	136	17	25	13	18	3	13	25	4	26	15	17	24	0	25	33	24	21	23	16	9		8	
Business Engagement	Business Engagement																										
3a	HR integrates the development of business strategy and operates within the organisation	28	7	7		5	1	1		5	1		1	6		1		11	1	1		6	1				
3b	The main department's activity is aligned with corporate HR in order to improve service delivery	10	9	15	7	2	1	4		3	3	1		1	4	2		2	2	5	4	1	3	2		1	
4a	HR policies and procedures are widely disseminated and well understood	17	16	9		3	3	1		2	4	1		3	1	3		7	4	2			5	2			
4b	There are good relationships between corporate HR and other departments	6	19	14	2	3	1	3		1	1	3	1	2	3	2		3	6	3	2	1	3	1		1	
4c	There is dialogue between corporate HR and all levels of the organisation in order to support business improvement	9	11	16	4	6	2			2	2	1	2	3	2	2		1	3	6	2	1	2	1		3	
4d	Effective change management procedures are used in all HR implementations	4	10	23	5	3	2	2		4	1	2		1	2	4		3	8	2	1	3	2	1		1	
5a	HR is used as a driver for change for business processes within the organisation	5	20	12	5	1	3	2	1	1	4		2		5	2		4	6	2	3	1	1	1		2	
5b	A formal HR change management framework is present throughout the organisation	11	10	17	3	1	5	1		4	1	2		1	1	5		4	8	1	1	4	1	1		1	
5c		12	13	13	4	2	2	2	1	5			2	1	2	4		2	4	5	2	1	3	1		2	
		100	115	126	30	25	20	16	2	3	26	13	14	18	20	25	0	23	28	47	16	10	23	13		11	
Governance	Governance																										
6a	The roles and responsibilities within each of the departmental HR are clearly defined and understood	12	15	12	2	3	3	1		4	1	2		4	2	1		3	3	5	2	1	5			1	
6b	HR policy is understood and discussed at the highest levels in the organisation	10	15	12	4	3	3	1		1	2	1	2	1	3	3		4	3	3	2	3	2	1		1	
No ref given	HR Policies are applied consistently across the org	4	13	23			2	5			1	4	2	1	2	4		1	2	6	2	1	3	2			
6c	Members are actively engaged with HR	4	17	15	5	3	2	1	1	4			2	1	3	3		4	4	4	1	3	1	1		2	
7a	HR implementation is supported by relevant business cases	9	19	7	5	2	3	1	1	4	1	2		2	2	3		1	5	2	4	2	3			2	
7b	HR implementation is evaluated to ensure its benefits are being realised	6	12	19	5	3		4		3	2	2		3	4			4	4	4	1	4				2	
7c	HR implementation is subject to both TCO (Total Cost of Ownership) and ROI (Return on Investment) review	3	17	10	7	1	3	3		3		3		3	4			4	4	4	1	2	1			3	
		27	108	96	28	15	16	16	2	1	21	9	15	9	16	22	0	9	25	30	22	10	22	5		11	
Configuration, Development and Technical	Configuration, Development and Technical																										
8a	There are clear and consistently used guidelines in place for the use, development, customization and integration of HR Policies	16	16	8	3	2	2	3		1	2	2	2		6	1		2	6	1	3	1	2	2		2	
8b	There is a skilled knowledge/specialist base for HR in the organisation	36	5	1	1	6	1			3	1	1	2	3	4			5	7			5	2				
		62	21	9	4	8	3	3	0	4	3	3	4	3	10	1	0	7	13	1	3	6	4	2		2	
Technical Opinions	Technical Opinions																										
9a	HR administration should be consolidated to a single location	12	15	14		5	2			4	1	1	1	2	3	2		5	6		4	2	1				
9b	Operational managers and supervisors should be empowered to have greater responsibility for their staff	25	9	5		7				4	1	1	1	4	3	1		9	2	2		3	3	1			
9c	ICT can be used more effectively to reduce the HR administrative burden on operational managers and supervisors	34	7			6		1		5	1		1	7				8	4	1		6	1				
9d	Access to Resource Link (the new employee and payroll system) would help Operational Managers do their jobs	26	10	5		6	2			5	1		1	3	4			8	3	1		4	2			1	
9e	Some HR support will always be needed in service departments	41		1		5	1	1		3	1	2	1	7				13				6				1	
9f	The Council should support a model of HR that prioritises service improvement and business development	38	3			7				3	2		2	6	1			10	2			7					
9g	HR consolidation poses a significant risk to the services provided to the organisation (internal customers)	25	10	5	1	2		5		2	1	2	1	2	3	2		7	5	1		4	2	1			
9h	HR consolidation poses a significant risk to the services provided to the organisation (external customers)	22	12	6	1	2	1	6		2	2	2	2	1	4	1		5	6	2		1	4	3			
		223	80	36	2	37	6	12	0	28	11	6	10	33	15	4	0	60	28	15	0	36	14	7		1	

Performance Management	Performance Management	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown
10a	Service Level Agreements (SLAs) exist between central HR and organisational departments	12	36	5	7	3	2	2		1	3	1	2	2	2	1	1	1	6	1	4		3		4
10b	Service level agreements exist between departmental HR teams and providers	17	9	6	5	2	4	1		1	2	1	3	2	2	2	1	2	3	6	2	2	2		3
10c	SLAs are regularly measured and reviewed	6	36	11	7	2	2	2		3	2	2	2	3	2	1	1	5	4	5	3	3		4	
10d	SLAs address customer satisfaction levels	6	11	14	7	2	2	2		3	1	3	2	2	2	2	1	5	4	5	3	3		4	
10e	There is a process of continuous service level agreement within a standard framework	5	17	12	5	3	2	2		2	3	2	2	2	3	1	1	5	4	2	1	3		3	
		46	89	50	28	12	12	14	0	2	13	8	12	15	11	7	5	4	23	20	14	3	14	0	18
Performance and Project Management	Performance and Project Management	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown
11a	The organisation has implemented project management methodologies to deliver HR projects (e.g. PRINCE2)	9	22	5	6	5	2			2	2	1	2	4	2			3	3	2	4	3	2		1
11b	There are consistent standards of project management throughout the organisation	4	14	16	6	4	1	2			3	1	3	2	2	3		2	2	7	2	4	1		1
11c	There is a continuous improvement review of project management capability, using timely evaluation	2	22	9	9	1	2	4			2	1	3	3	2	2		1	4	5	3	5			1
		15	58	32	20	10	5	6	0	2	6	3	6	9	6	5	0	6	9	14	9	3	11	1	3
Skills Management	Skills Management	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown
12a	The organisation provides sufficient HR training in order for you to perform effectively	16	12	9	2	4	1	2		2	2	1	2	5	2			10		2	1	4	2		1
12b	The organisation provides sufficient HR training in order for others in the organisation to perform effectively	10	14	17	3	4		3			3	2	2	2	4	1		7	3		3	4	2		1
12c	The organisation is responsive in identifying training requirements	12	36	10	3	3		4		2	3	1	1	4	2	1		7	4	1	1	3	3		1
12d	The organisation provides HR training and actively encourages part of all employees to develop HR skills	11	12	16	2	3	1	3		1	2	2	2	2	4	1		6	4	2	1	3	3		1
		51	54	52	10	14	2	12	0	5	10	6	7	13	12	3	0	30	11	5	6	14	10	4	0
Service Delivery	Service Delivery	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown
13a	The organisation has reviewed its HR delivery against industry best practice guidance	6	22	6	5	2	2	3		1	3	1	3		5	2		5	2	5	1	4			2
13b	The organisation reacts to gaps between current HR delivery and industry best practice	6	36	14	5	2	2	3		1	3	1	3		3	4		5	2	5	1	4			2
14c	HR service management is proactive in supporting the needs of the organisation, and has a focus on continuous improvement	17	14	7	3	4	2	1			4	1	2	2	3	2		7	3	2	2	2	1		2
		26	62	29	13	6	6	7	0	2	10	3	6	2	11	6	0	0	17	7	12	4	10	1	6
HR Support	HR Support	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown
15a	HR support provision has been reviewed against best practice and plans have been developed to address any gaps	6	22	7	5	3	2	2		1	3	1	2	2	2	2		6	1	5		4			2
15b	HR support is being improved to meet industry best practice	6	30	10	5	3	2	2		1	3	1	2		4	2		6	1	5	3	3			1
15c	HR support is continuously being reviewed and improved according to the organisation's requirements	9	33	9	5	3	2	2		1	3	1	2	1	2	4		1	5	1	5	1	4		2
		21	80	26	15	9	6	6	0	3	6	3	6	3	6	6	0	1	17	3	16	4	11	0	5
User Opinion	User Opinion	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown	Agree	Neutral	Disagree	Unknown
16	Corporate HR services meet my expectations as a user/provider	4	13	20	2	5	1	1		3	2	1	1		1	6		7	5	1		5	2		
17	Corporate HR services provide a fast efficient service	4	15	17	3	5	1	1		2	2	1	1	1	2	4		1	6	3	3		4	2	1
18	Corporate HR services provide a safe call efficient service	2	13	18	3	5	1	1		2	2	1	1	1	3	3		7	3	3		4	2		1
19	The organisation actively follows best practice guidelines	11	20	6	2	3	2	2		2	3	1	1	1	3	3		1	6	3	3	1	6		1
20	HR service delivery would be improved by increased outsourcing	1	13	24	1	1	4	2			2	3	2	1	2	4		2	3	7	1	3	5		
21	HR service delivery is consistent throughout the organisation	8	9	20	2			7			2	4	1		4	3			3	6	3		6	1	
22	The current HR organisational structure is able to meet the requirements of the organisation	12	15	12	2	1	1	5			4	2	1		3	4		2	4	5	2	3	1	1	1
		42	86	117	15	20	62	19	0	12	17	13	8	4	16	27	0	6	36	32	16	4	26	13	8

For qualitative comments in response to questions Z5-Z7 see report author

		EO Survey (133 Authorities)					Leicester City Council						
		Corp Depts %	Social Services %	Educ %	Other Service Depts %	All %	All depts %	Hsg %	ELL %	R&C %	SC&H %	RAD Corp %	RAD Dept %
1	Recruitment and retention	16	15	17.5	18	17	12.3	8.4	24	16	5.3	0.3	6.9
2	Employee relations	11	15	15	13	13	10.2	12.2	9.6	18	5.3	5.8	10.3
3	Strategic activities – e.g. HR policy development and planning, organisational design and development	15	10	8.5	8	12	12.2	4.3	9.1	3	6	40.4	10.3
4	Skills and development	10	13	8	9	10	16.9	13.6	0.9	16	51.6	9.6	9.9
5	Facilitating change	8	10	8.5	7	8	8	24.5	2.1	4	5.3	0.3	6.9
6	Absence management	7	9	8.5	8	8	Inc in 2	Inc in 2	Inc in 2	Inc in 2	Inc in 2	Inc in 2	Inc in 2
7	Payroll (for LCC not inc. central payroll)	6	6	9.5	8	7	6	4.7	1.7	18	3.5	0	6.9
8	Reward/pay management including job evaluation/grading	8	5	4.5	5	6	6.5	17.8	14.8	3	5.3	0.6	6.9
9	Health and Safety	6	3	4	11	6	14	6.3	14	12	5	22.5	20.2
10	Performance management and appraisal	5	5	5	5	5	3	5.5	0.4	4	1.8	0.2	2.6
11	Equality and diversity	5	5	3.5	4	4	Inc in 12	Inc in 12	Inc in 12	Inc in 12	Inc in 12	Inc in 12	Inc in 12
12	Other	3	4	7.5	4	4	12	2.7	24.4	6	10.3	20.3	18.2
	Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

COMPARATIVE ACTIVITY ANALYSIS

Appendix Two