

EAST DEVON DISTRICT COUNCIL AND SOUTH SOMERSET DISTRICT COUNCIL SERVICE INTEGRATION

HUMAN RESOURCES

Executive Summary

6TH September 2010

Produced by [REDACTED] EDDC) and [REDACTED] (SSDC)

1. Purpose

This document summarises the Human Resources business plan and provides the outline scope, plan, timescales risks, benefits and costs for moving towards a joint approach to service management, operations and delivery.

2. Objectives of the project

The project will focus on delivering against the following objectives in order to manage the integration of the Human Resources service:

- Implement a shared management structure for the current services provided by SSDC and EDDC. The new structure to be effective from 1st April 2011.
- Develop and implement, processes and systems to support shared operation and delivery.
- Implement the shared operation and delivery of services – with an initial target date of 1st April 2012.

3. Project scope

This project considers Human Resources, Payroll Services and Learning and Development. Although part of Human Resources in SSDC, the Work Place Nursery has not been considered as part of this report.

The scope does not include the costs to enable ICT to provide new infrastructure for a shared Payroll system.

4. Options

In order to address the forecasted budget deficits of £1.2m(EDDC) and £1.8m(SSDC) in 2011/12 and those expected in later years, we have discounted the ‘do nothing’ option. The report explores the options for change in Human Resources, Payroll Services and Learning and Development.

4.1. Implement a new shared HR organisation structure

Create a centralised HR team providing services to both EDDC and SSDC utilising existing systems and new processes.

Human Recourses

Terms and conditions, policies and practice will need to be harmonised, together with people processes such as appraisal and performance management approaches.

A likely timeline for harmonisation is April 2013. This is longer than desired but acknowledges the limited availability of UNISON and GMB. **This is a likely programme wide constraint.**

We anticipate combining EDDC and SSDC pay and grading structures but believe current resource levels will need to remain during the transition to a single harmonised organisation.

We will also consider a possible move to an HR Business Partner model as part of the structure review and design.

There are likely to be few savings.

Payroll Services

Once policies and terms and conditions are harmonised, the view is that payroll should be merged so that ultimately there is a combined Payroll Service for both Councils.

The timing of migrating payrolls to one host system will be dependant on our ability to host the system at one site without upgrading the current Trent Software (used by both Councils) to the browser based version.

Learning and Development

The main proposal is to share the current Learning and Development Manager post. Alternatively the Learning and Development Manager post could be made redundant and allow both councils to make use of a shared budget on an ad hoc basis, however, it is recommended that the service is shared as soon as possible as it can help support the organisation through change.

The role, cost and potential for e-learning across both organisations will also need to be evaluated together with alternative training procurement opportunities.

Cumulative cost and benefit table

Costs (New Structure and payroll system)	2011/12 (£,000)	2012/13 (£,000)	2013/14 (£,000)
Current Total	568		
Anticipated Total	520 - 557	517 - 554	470 - 507
Total Savings	48 -11	51 - 14	98 - 61

The FTE savings are included in the table above together with the savings associated with establishing a shared licence for the Trent payroll system (£3k).

The costs (est £47k) associated with upgrading the Trent payroll system are not included and are subject to further review.

5. Milestones for delivering the preferred option

- Commence dialogue with UNISON and GMB October 2010
 - Develop Job Descriptions and Person Specifications TBD
 - Consultation with Unions and individuals TBD
 - Appoint shared HR Manager April 2011
 - Hear appeals and effect redundancies and dismissals TBD
 - Implement Learning and Development option (in house post/outsourced) April 2011
 - Harmonise Human Resources, policies, process, people, pay and grading April 2013
 - Upgrade Payroll services system and migrate April 2013

These dates are subject to change and will be influenced by the availability of ICT infrastructure for the payroll system and the availability of UNISON and GMB.

6. Resources

Resources will be made available from the existing Human Resources team to manage harmonisation and migration to the new structure. External resource will be required to implement and commission the new payroll system.

7. Risks and Issues

- The availability of UNISON and GMB may delay harmonisation and migration.
Early engagement is essential if we are to realise the savings identified in the new structures.
 - Investment funding may not be available in 2010/11 or 2011/12 for the purchase and implementation of a combined payroll system.
If enough savings can be found from structure and process changes there is a better chance of securing funding.

8. Conclusion / Recommendation

To ensure the new HR organisation structure delivers the maximum benefits required to meet our objectives i.e. to contribute to savings of £3m in 2011/12, we must explore all the opportunities available for more effective service delivery based on a combine structure and approach. The investment in structure, process and payroll system appears to be justified.

It is recommended that we progress with the changes identified and work with ICT to ensure all infrastructure needs are delivered to support the new payroll system.