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| WEST LONDON WASTE AUTHORITY |  |
| Report of the Head of Service Delivery | 23 June 2023 |
| **HR services update**  |
| SUMMARYThis report provides an update on the Authority’s Human Resources (HR) services. The key points are:* The Authority has outstanding actions following an HR internal audit.
* Work is now taking place to improve the HR service. HR consultants will be appointed to deliver essential support and meet the audit requirements whilst a longer-term solution is sought.
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| **RECOMMENDATION(S)** The Authority is asked to:1. Note this report
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1. **Introduction**

The Authority has a small establishment of 40 employees, including front line operational staff. The organisation’s HR priorities are to:

* manage the employment market risk by maximising retention,
* embed the organisation’s culture and values, and
* obtain external advice on how to further develop the service.

HR work was historically delivered in-house by the finance and performance team, with specialist ad-hoc support from external HR advisors. In 2019 a full-time HR Manager was recruited to support the organisation’s development and reported to the Finance Director with additional support and direction from the Managing Director. Shortly after the recruitment, the HR workload increased dramatically because of the pandemic and some complex HR case work.

The HR service was given ‘Limited Assurance’ status in an internal audit last December. Key actions included:

* Reviewing and updating policies
* Undertaking relevant DBS checks
* Getting employee files fully up to date and complete
* Delivering recruitment training to staff
* Creating a checklist for new starters
* Addressing a backlog of email requests for HR support

An action plan was developed but only partially implemented (36% of actions are now fully completed). Resource is needed to provide immediate HR support, address the audit actions, and develop a longer-term service improvement plan. Accountability for HR Services has transferred to the Head of Service for a six-month period between March and September.

1. **Approach**

In the immediate term, an HR consultancy will be commissioned to:

* provide specialist HR advice to all employees,
* deliver HR specialist elements of business-critical services, e.g. recruitment, and
* complete critical audit actions.

This work will last between three and six months, and during this time an external review of the Authority’s HR services will also be commissioned. The review will determine the level of work required to deliver against the organisation’s HR priorities and meet future needs. It will also identify options for HR service delivery.

Timescales for the work:

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| **Date** | **Work completed** |
| 30 Jun 2023 | HR advisors appointed |
| 30 Sep 2023 | Critical outstanding audit actions complete (>85% of total actions) |
| 30 Sep 2023 | Review of HR services complete |
| 31 Dec 2023 | All audit actions fully complete and long-term HR solution is being rolled-out |

1. **Financial Implications**

The approach will initially require an intense period of work which will exceed the budget. The budgeted monthly cost of HR employees (the HR Manager plus a 0.6 FTE HR Coordinator – budgeted but not yet recruited) is £8.9k. The cost of a senior HR adviser for two days a week and an HR coordinator for three days a week from a consultancy is expected to be around £13.4k per month, an increase of 51% of the budgeted position. Over six months, this increase would be £27k.

A lower cost option could be to directly recruit a fixed term full time HR Manager and part time HR Coordinator. It’s estimated that these costs would be 25% higher than the budgeted HR employee costs (£13k higher over six months) because the roles are interim rather than permanent. However, these employees would not come with the support of an HR consultancy. Also, the senior management support requirement would be higher, as would the work needed to recruit, taking senior managers away from delivering their work programmes and leading to opportunity costs that far outweigh the difference in spend on HR support.

The external review into the future of HR will result in additional up-front cost. The specification of this work is under development.

The longer-term financial implications are currently unclear but will be assessed as part of the external review.

1. **Staffing Implications**

Employees of the Authority are currently receiving a limited HR service resulting in delays to essential functions such as recruitment and absence management reviews, as well as meeting the audit requirements. Appointing specialist HR advisors would ensure that staff receive the level of HR support they need to deliver their roles effectively whilst a long-term solution is sought.

1. **Legal Implications**

Without sufficient HR support, the Authority is at risk of inadvertently breaking employment law. Commissioning HR advisors will help mitigate this risk.

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