

HR services update

SUMMARY

This 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.

RECOMMENDATION(S) The Authority is asked to:

- 1) Note this report

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.

2. 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:

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

3. 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.

4. 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.

5. 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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