REPORT FOR DECISION



DECISION OF:	JET HR & Appeals Cabinet			
DATE:	JET: 12 th August 2019 HR & Appeals: 2 nd September 2019 Cabinet: 4 th September 2019			
SUBJECT:	Human Resources function: Restructure			
REPORT FROM:	Councillor Black			
CONTACT OFFICER:	Simon Bagley			
TYPE OF DECISION:	CABINET KEY DECISION			
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain			
SUMMARY:	This report outlines the outcome of the HR/OD review across the Council and makes recommendations about future form and function.			
OPTIONS & RECOMMENDED OPTION	 Remain the same Support the restructure proposals (recommended option) to ensure a more fit for purpose service, efficiencies are secured and financial savings made. 			
IMPLICATIONS:				
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes			
Statement by the S151 Of Financial Implications an Considerations:				

Equality/Diversity implications:	Equality Analysis - HR OD Review 2019.	
Considered by Monitoring Officer:	Yes Comments It is a function of the Cabinet to consider any major restructuring within departments/directorates. These proposals bring together back office support functions for human resources and organisational development from across the directorates. Statutory consultation has taken place and the responses are set out as a background document to this report.	
Wards Affected:	All	
Scrutiny Interest:		

TRACKING/PROCESS

DIRECTOR:

Joint Executive Team/CCMT	Cabinet Member/Chair Briefed	Ward Members (if necessary)	Partners
12.8.19	12.8.19		
Scrutiny Committee	Other Committee	Council	Comms
	HR & Appeals 2.9.19		

1.0 BACKGROUND

Currently, back office support functions of HR/OD, finance, procurement, ICT support, performance intelligence and communications are all largely based in and controlled by each Directorate. This is inefficient and is holding back the ability to implement change.

It is for these reasons that the Chief Executive has instigated the development of a Corporate Core, which will deliver efficiencies, resilience, consistency and capacity.

The most pressing need for improvement in corporate support is HR/OD, given that this will underpin the successful delivery of all other improvements.

A HR/OD Review was initiated by the Deputy Chief Executive in March 2019. A lot of work has been undertaken over the last few months, involving employees from within the services in scope, customers, stakeholders and self-selected change agents.

A number of actions for improvement have been identified, including:

- Progress work to clarify constitutional provisions for staffing decisions including HR Appeals panel
- Refresh People Strategy principles: identity; culture & workforce priorities
- Communication with HR/OD staff in relation to the review process & to codesign outcomes
- Undertake a squad-led review of every HR policy in consultation with TU
- Review i-Trent capability & options for maximising
- Develop HRMI & technology strategy

However this report concerns only the following additional recommendation:

 Bring together the function into a single corporately-led service, aligned to new departmental structures

2.0 ISSUES

In accordance with Council policy and legal requirements, a consultation exercise was undertaken with all employees from within the in scope services across the Council between 18th July – 19th August 2019, concerning the following proposals:

- Co-location of all Human Resources staff from across the Council
- Establishment of a single, unified service as part of the Council's wider vision of creating a strong Corporate Core
- Dis-establishment of the existing Recruitment and Contracts Team and integrate within a newly established Business Partnering/Operations Team
- Maintain a service dedicated to supporting schools, operated under a SLA basis
- Creation of a People Strategy & Development Team, a Policy & Compliance Team and a People Analytics Team
- All payroll related activity transferred to Payroll Team, with a compensatory resource transfer
- Future delivery of Employee Engagement activity to become responsibility of Communications , Marketing and Engagement Team, with a compensatory resource transfer
- Future delivery of Member Development programme to transfer to Democratic Services
- All Equality and Diversity (non-employment) matters to be transferred to the Policy team, under the leadership of the Chief Information Officer
- Creation of a single Supply Service
- Rationalisation of senior management roles

It is expected that transactional and recruitment activity will reduce in accordance with the budget strategy to minimise all recruitment and agency spend and the expected reduction in services to schools due to acadamisation. The proposed structure places the service below benchmarked costs ensuring that the HROD service is efficient in terms of costs.

The current and proposed structure charts are attached:





Employees have been provided with the opportunity to submit comments throughout the consultation exercise, which will be responded to by senior managers once the final report is agreed.

3.0 FINANCE

Whilst there is likely to be an in-year overspend (due to number of severances/exit costs) the restructure will meet all savings targets for 2019-20 circa £200k via an overall reduction in service costs.

The restructuring of the budgets will now mean a sustainable budget for the future.

4.0 CONCLUSION

The revised structure meets the need to strengthen the Council's managerial capacity and capability, with the service aligned to a more corporate and strategic approach.

It will also deliver efficiencies, strengthen resilience and ensure consistency of approach, by the sharing of scarce resources and professional capabilities, the transfer of knowledge and ability to share learning and experiences.

The restructure will provide opportunity for employee development and career progression, with an overall headcount reduction of the equivalent of 10 FTE posts and an overall cost reduction contributing towards the previous savings targets as referred to above.

Overall the HR function will be much better designed to support the re-organised Council structure.

It is proposed that implementation of the structure will take place from 16th September 2019, however this is subject to formal ratification of a voluntary exit application by full Council on 11th September 2019.

List of Background Papers:-

Responses to consultation – HR and Appeals and Cabinet Meetings.

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