

EAST HERTS DISTRICT COUNCIL

HUMAN RESOURCES COMMITTEE - 20 NOVEMBER 2019

REPORT BY THE HEAD OF HUMAN RESOURCES AND
ORGANISATIONAL DEVELOPMENT

HR & PAYROLL TEAM UPDATE REPORT

WARD(S) AFFECTED: *None*

Purpose/Summary of Report

Members are invited to note the Human Resources (HR) and Payroll Team Update Report.

RECOMMENDATION FOR HUMAN RESOURCES COMMITTEE	
That:	
(A)	the HR and Payroll Team Update Report be noted

1.0 Background

This report provides an update on what the HR and Payroll team have been working on during Quarter 2 (July to September). The Health and Safety (H&S) update is now contained in the separate Health and Safety Review along with H&S statistics.

2.0 Report - Payroll Service (including HR and Payroll system development)

2.1 Payroll continues to deliver its primary mission of ensuring all Staff, Councillors and Contractors on Payroll are paid accurately and on a timely basis.

- 2.2 Payroll have been reviewing processes between HR and Payroll to gain smarter automation through developing the system (Resourcelink) to be more effective and produce smarter reports. A review of current reports has been undertaken internally and the Head of HR and OD, the Payroll Manager and the HR Trainee Officer (who is the team's key System Developer/Administrator) are meeting with other local Councils (Three Rivers, Watford and Stevenage) who use the same HR and Payroll system to share best practice and assist the development both in terms of payroll and HR.
- 2.3 The self-service portal of the system called MyView has now been developed for Member use so that they will be able to access payslips and claim expenses electronically. The roll out of this which will include member training from the HR Trainee Officer has been delayed by Democratic Services who are recruiting a replacement Democratic Services Officer (DSO) now that the current postholder has been successful in securing the Scrutiny Officer role. Expense claims will continue to be checked by DSOs and authorised by the Democratic Services Manager but going forward this will be completed through the system with authorised entries going directly into the core payroll system. IT are ensuring that Members are part of 'Active Directory' which will allow the same logon credentials to be used to access MyView. Once the new DSO is recruited (the advert closes on 4 November) the roll out should begin in January 2020.
- 2.4 During quarter 2, Payroll have processed and closed down a further specific payroll to support the Standon Neighbourhood Planning Referendum.
- 2.5 Payroll have processed P45's and sent to all those who are on the Election Payroll following payments this year so far (Local, European and Referendum) to comply with HMRC legislation. Payroll have also submitted pension re-enrolment and re-declaration to the pension regulator for all election payrolls which have been closed down as required after each specific payroll.

2.6 Payroll have been assisting with providing the evidence required from payroll as part of the annual statement of accounts external audit.

3.0 Learning and Development

3.1 Please see the HR Quarterly Management Statistics Report for details around recent learning and development events that have been held. As detailed in the report, a range of events have been delivered. There were 252 employees participating in 28 learning and development opportunities during the period 1 April and 30 September 2019.

3.2 In September, 'Dealing with Violence and Aggression' sessions were delivered in partnership with Stevenage Borough Council. The sessions have been very well received and therefore further dates will be arranged. Colleagues from Bishops Stortford Town Council also attended the sessions and are interested in attending future training opportunities delivered by East Herts.

3.3 Over the last 12 months staff have been attending 'Mid-Career and Preparing for Retirement' courses run by Hertfordshire County Council. Due to the numbers of staff interested in these events East Herts council will be running its own programme from January 2020.

3.4 The learning and development programme for September to December has been circulated to all staff advertising 17 training opportunities. The e-learning programme is currently being reviewed and updated so the mandatory training is refreshed and meaningful for staff to complete. A number of the e-learning modules will also be rolled out to Members on an annual basis, including the H&S refresher, as agreed with the Executive.

- 3.5 The Human Resources Officer responsible for learning and development has met with all members of the Leadership Team to talk through the learning and development programme, capturing their service and corporate requirements to ensure the programme reflects the Council's specific learning and development needs. The Human Resources Officer has also met with the Chief Executive to commence the review of the corporate induction programme. The exercise will include a review of the content, the involvement of key officers and the messages that need to be delivered.
- 3.6 The Human Resources Officer continues to work with our internal partners to support the learning and development opportunities being run directly by the services including the dementia friend's programme, safeguarding training, democratic awareness, career development etc.

4.0 Human Resources Update

4.1 Structure of HR

- 4.1.1 Following on from the Structure update provided by the Head of HR and OD to the previous HR Committee, there has been some further adjustment agreed to HR officer hours following a flexible working request. The HR Officer with additional corporate responsibilities for Learning and Development and Health and Safety has increased their hours from 22.5 hours 25.5 hours per week. The previously full-time HR Officer has requested to reduce from a 37 hours full-time work pattern to 32 hours over 4 days which has been agreed. This does mean that HR Officer hours are down by 2 hours in total but it has been determined that this can be accommodated and will contribute to the overall saving targets required for next year.

4.2 HR Policy Review

- 4.2.1 The HR Policy review has been delayed as the Chief Executive

wants a level of engagement to be undertaken to analyse our current culture and where it should be developed and how HR policies and procedure support the desired culture. This will then inform the East Herts Together – One Team Fit for the Future transformation programme and new 4 year HR and OD strategy as set out in the OD Strategy Report provided to this HR Committee.

- 4.2.2 The chair of HR Committee has had discussions with the Head of HR and OD and the Leader to determine how best to support policy development and approval alongside Local Joint Panel (LJP). The recent changes made for policies to be approved by LJP and then to be considered for approval by HR Committee are not desirable as they have added a second layer to this process, as well as duplicating work between the two committees which could potentially result in an amended policy going back and forth between committees. The Head of HR and OD is reviewing this and it is currently proposed to return to LJP being the only approving member and union committee. HR Committee members will still be able to contribute to policy review through policy updates being sent to HR committee members for comment at the same time as being sent to LJP. The Head of HR and OD will then provide feedback to LJP on any comments received from HR Committee members to allow LJP to incorporate these as part of the review/approval process.

4.3 Casework

- 4.3.1 Support has been provided by HR on a number of cases in terms of probation, absence, grievance and conduct cases.

4.4 Flu Jabs

- 4.4.1 We have purchased a number of vouchers from Boots to offer to those employees who wish to receive a flu jab this year. These are being offered at no cost to employees. The vouchers have been emailed to interested employees who can then make an appointment with their local participating Boots

pharmacy (online or in-store). They must use the vouchers by 31 December 2019.

4.5 Wellbeing Sessions

4.5.1 Free wellbeing taster sessions were offered to employees recently as part of the Council's wellbeing offer e.g. Reiki and Reflexology. These sessions were delivered by local providers and proved to be very popular with positive feedback received. We were unable to get further free sessions however we have managed to negotiate discounted rates for staff for Reiki sessions initially to make sessions as affordable as possible. We have also sought feedback in terms of demand for other therapeutic sessions. Depending on the success of these and the demand established we will explore whether we can do this for other wellbeing sessions/therapeutic experiences.

4.6 HR and Payroll System Development

4.6.1 The HR Trainee Officer has begun further developing the HR and Payroll system in line with their new role which provides approximately 2 days per week to maintain and develop the system. Unfortunately the provider, who are now called Zellis, have been poor in terms of support/customer service and despite only having the system for a couple of years we now have our 5th account manager.

4.6.2 The approach we are adopting for developing the system is for the HR Trainee Officer to work with other councils especially Stevenage (whom East Herts purchased the system with) rather than drawing in the provider on a high cost basis to develop the system to make it more effective both in terms of processes and reports by implementing best practice from other users.

4.6.3 As covered in the payroll section above, work has begun to improve reports for both payroll and HR (involving the HR Officers and Payroll Manager) as well as developing MyView

for Member use which will make Member payroll processes more automated/efficient. Work has also been undertaken to build a Dependency/Carer leave allowance of up to 5 days within a rolling 12 months in line with policy. This has been built in the test system (the allowance is pro-rata for part time staff) and ensures both pro-rating and that when the limit is reached unpaid leave must be taken. The allowance is now being built in live and will be implemented fully with managers in due course.

4.7 Recruitment Adverts

5.7.1 The template recruitment advert has been re-drafted and implemented to better sell the benefits of working for the council. The main areas that were added were the council's wellbeing programme, e-cars, explaining our staff values, and support/recognition available to staff.

4.8 Hertford Town Council HR support

4.8.1 The HR team have continued to provide significant HR support to Hertford Town Council in recent months. This has been a combination of case work support and support of a restructure during this period. The team have been providing a pay-as-you-go HR service to the town council since November 2016.

4.9 Recruitment Agency Review

4.9.1 The Head of HR and OD with the support of the HR Trainee Officer have undertaken a review of Recruitment Agency terms and conditions across the council. East Herts Council does not currently have a council-wide managed services agreement for temporary and permanent agency resources. Instead services engage with agencies of their choice, meaning that the full East Herts council (EHC) buying power is not utilised. More significantly, sector frameworks which have been created to ensure more buying power across the sector are not

accessed/utilised. The spend with individual agencies can easily exceed £5,000 and therefore should be on the EHC contracts register and subject to full procurement requirements dependent on annual/ongoing spend.

- 4.9.2 The research has demonstrated that EHC is paying an average mark up on temporary staff of 30% and up to 40% on permanent fees without any reduction when a temp is converted to permanent. It is also worth noting that agency workers working for the council are able to apply for both internal and external advertised roles and their application cannot be refused due to the fees that may then be incurred. The standard terms for agencies also require a full 13.8% charge for employer National Insurance (NI) which is not accurate due to the Lower Earning Limits not requiring an NI charge. The real NI charge ranges from around 6.7% to 12.8% meaning agency fees/earnings are increased by placing an inaccurate full 13.8% NI charge. The framework identified ensure charges are accurate for NI.
- 4.9.3 When carrying out the research with recruiting managers over their current agency relationships, no single agency was highlighted as being essential to maintain. EHC spent 1.2 million on agency costs last year (2018/19). This is comprised of all costs i.e. payments to the worker and the agency. By moving to a framework EHC should be able to halve agency charges and fees from an average of 30% to an average of 15% which could therefore represent a saving of £180,000 based on a spend of 1.2 million with 30% of that being charges/fees to the agency.
- 4.9.4 A paper on how to improve this and make use of procurement frameworks which have much more favourable terms and ensure greater value for money has been written and then considered by the Leadership Team. Leadership Team have agreed to move agency staff procurement to the ESPO MSTAR3 Vendor Neutral Framework to ensure both procurement compliance and value for money in terms of

agency fees.. The Head of HR and OD has been tasked with choosing a suitable Vendor Neutral supplier (with procurement team support on the tendering process) based on price and the range and suitability of agencies contained within that Vendor's supply chain. The contract will be set up to cover the next four years with the ability to cease after 2 years if desired. HR will then support the organisation to implement, ensuring services and service managers are trained and empowered to use the framework and vendor neutral model. It is expected, subject to procurement team support, that a vendor will be selected and implemented in January 2020.

4.10 Gender Pay Gap Report

The Gender Pay Gap Report for 2019 is currently being produced and will be reported to HR Committee in February 2020.

5.0 Implications/Consultations

Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None

Contact Officer: Simon.O'Hear - Head of HR and OD Ext. 2141
Simon.O'Hear@eastherts.gov.uk

Report Author: Simon.O'Hear - Head of HR and OD Ext. 2141
Simon.O'Hear@eastherts.gov.uk