

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY – 4 OCTOBER 2011

REPORT BY DIRECTOR OF INTERNAL SERVICES

MTFP – REVENUES AND BENEFITS/HUMAN RESOURCES

WARD(S) AFFECTED: *None*

Purpose/Summary of Report

To update Corporate Business Scrutiny on Revenues and Benefit invest to save option and HR Support £60K reduction as requested by Corporate Business Scrutiny.

<u>RECOMMENDATION FOR DECISION</u>	
	that the Committee informs the Executive that it confirms that the proposed savings should be implemented

1.0 Background

1.1 As part of the scrutiny process for the 2012/13 budget round Corporate Business Scrutiny was asked to select any items in the current Medium Term Financial Plan to be implemented from 2012/13 which it wished to review. The Committee requested more information on savings from the Revenues and Benefits invest to save option of £64k and HR Support of £60K.

2.0 Report

2.1 The Medium Term Financial Plan sets out savings for Human Resources to reduce HR Support by £20k in 2011/12 and £60K in 2012/13.

2.2 The proposal is to reduce the level of HR corporate support to managers with a consequential reduction of staff hours within the team.

- 2.3 HR will focus on ensuring managers are trained to address the majority of employment issues which arise, becoming involved only in the most significant cases.
- 2.4 There is potential to develop Shared Support Services with North Hertfordshire Council and Stevenage Borough Council both to add resilience and to spread the cost of higher levels of policy advice and provision of payroll services.
- 2.5 Essential Reference Paper B sets out the Corporate Priority Impact Assessment.
- 2.6 The savings in Revenues and Benefits are a consequence of investment in upgrading the software used by the service to implement further modules developed since the application was first acquired. The investment was approved by the Executive in November 2009 with savings on staffing building up over a 3 year period. The report is attached as Essential Reference Paper C.

3.0 Implications/Consultations

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

Background Papers

None

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Report Author: Emma Freeman – Head of Human Resource

ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/Objectives (delete as appropriate):	Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	Not applicable
Legal:	As outlined in Human Resource.
Financial:	As set out in the MTFP 2011/12 to 2014/15
Human Resource:	The budget saving of £80K represents about 35% reduction in the salary costs of HR, a reduction in FTE from 5.68 to 3.68.
Risk Management:	A risk in the reduction of HR support is increased employee relations disputes and possible employment tribunal and legal costs.