

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Cabinet

Date: 29 January 2024

Reporting officer: Stuart Bobby, Chief Executive and Laura Lowrey, HR Manager

Subject: Cessation of the HR Shared Service with Medway Council

Purpose and summary of report:

To seek authority to cease the remainder of the shared working arrangement that is currently in place with Medway Council for HR Services (Training and Resourcing).

Recommendations:

1. Members are asked to approve the proposal for the cessation of the remaining elements of the HR Shared Service with Medway Council and instruct the Chief Executive to make all necessary arrangements to action this approval, including necessary actions to facilitate delivery of these residual functions in-house.

Key Implications:	
Item	Implications
Legal	There are no specific legal implications resulting from the report. There is a formal agreements in place between GBC and Medway Council for the provision of the HR Shared Service which sets out the termination process of the arrangement.
Finance and Value for Money	<p>The cost of the shared service in 2022/2023 equated to £94,330 No invoice has been received to date for the 2023/2024 costs, although this figure is expected to increase by 2% in accordance with the SLA.</p> <p>The current Payroll Shared arrangement with Medway is being negotiated and the costs for the Payroll and HR System will be transferred over to this agreement, rather than the current HR SLA.</p> <p>It is anticipated there will be a saving of £50,250 for Gravesham Borough Council as a result of withdrawing from this arrangement with Medway Council.</p>

Corporate Plan	The HR Service indirectly contributes to the delivery of all of the council's Corporate objectives but specifically contributes to: #onecouncil: a well-run and innovative authority, defined by its skilled and valued workforce, committed to developing its local social impact.
Climate Change	There are no climate change implications associated with this report.

1. Introduction

- 1.1 As Members will be aware, the council has had in place a shared working arrangement with Medway Council for the provision of HR services for a number of years.
- 1.2 From the 1 April 2018, all GBC staff were TUPE transferred across to Medway Council and a full shared service was provided with a specific HR Office provision at the GBC council offices.
- 1.3 Following a thorough review of the shared service during 2020-21, a revised service provision model was put in place with all HR Officers being employed directly by Gravesham Borough Council with effect from 1 July 2021. This allowed for the delivery of most HR functions in house – such as HR advice, support for payroll, disciplinary and performance management – but two remaining elements stayed with Medway under a Shared Service; training provision (linked to training requirements for all GBC officers linked to appraisals) and resourcing (specifically being the advertisement and administration associated with recruitment processes).
- 1.4 The systems and procedures that are utilised by the service remain shared with Medway Council.

2. Proposal

- 2.1 The full provision of all HR services will come back in-house to Gravesham Borough Council. It should be noted that all Payroll functions will still remain under the current shared service arrangement with Medway Council.
- 2.2 The current shared arrangement is not providing effective value for money for Gravesham Borough Council in respect of the service currently being provided.
- 2.3 With certain processes (mainly Recruitment), the HR Team at Medway have limited capacity to adapt the process and meet the needs of GBC's line managers. This can cause frustration with line managers with the HR Team at GBC unable to assist without intervention from Medway. In the current economic climate with recruitment and retention challenges, this level of flexibility is essential in order for the Council to continue to deliver properly resourced, high quality, services.
- 2.4 Whilst there has been flexibility to amend policies to meet GBC needs, procedures for recruitment etc. have tended to follow those set by Medway Council.
- 2.5 In practice this means:
 - 2.5.1 All HR officers will be employed by Gravesham Borough Council, not just those relating to HR functions with the exception of training and

resourcing. It is not anticipated that TUPE will apply for any Medway employees to GBC, but there will be a need to increase the resources marginally/review Job Descriptions for the team at Gravesham accordingly.

- 2.5.2 Gravesham Borough Council will have sole responsibility for the HR policies and procedures that it adopts.
- 2.5.3 Gravesham Borough Council will have full control over external providers for HR Services, such as Occupational Health and the Employee Assistance Programme.
- 2.5.4 Gravesham Borough Council will have sole responsibility for the Recruitment and Training Process.
- 2.5.5 There will be a need for Gravesham Borough Council to agree a way forward with Medway Council regarding the provision of HR back office software systems, which will form part of the contract moving forward. Currently, the council uses SS4U which operates Payroll and HR functions such as booking of annual leave.
- 2.5.6 There will be a net saving to the Council – even after allowing for the aforementioned marginal increases in internal resources/changes to Job Descriptions – thereby making a positive contribution to the Council's Balancing the Budget activity and Medium Term Financial Plan.

3. Financial Impact

- 3.1 The cost of the shared service in 2022/2023 equated to £94,330. No invoice has been received to date for the 2023/2024 costs, although this figure is expected to increase by 2% in accordance with the SLA.
- 3.2 From the 1 July 2021, the HR Team transferred back to Gravesham Council and the substantive salary costs for the team were paid from Gravesham's salary budget with effect from this date and therefore already incorporated into the General Fund budgets adopted by the Council.
- 3.3 In order to ensure the HR Team is fully resourced to bring the full HR Service in house a full time HR Assistant role will need to be created and the current HR Officer role will need to be evaluated. The anticipated costs (including on costs and based at top of grade) for this are detailed in point 3.4.
- 3.4 Costings:

Savings	£
Shared Service Arrangement	94,330
Anticipated Costs	(44,080)
Total Savings	50,250

- 3.5 It is anticipated there will be a saving of £50,250 for Gravesham Borough Council as a result of withdrawing from this arrangement with Medway Council.

4. Next steps

- 4.1 If Members are supportive of the proposal set out in this report it will be necessary for Gravesham Borough council to 'serve notice' on Medway Council in respect of the current shared working arrangements that are in place.
- 4.2 The formal agreements that are in place set out the notice period for this arrangement as six month months. However, a request will be made to Medway Council to waive this notice period and for the termination to take effect from 31 March 2024, subject to GBC Cabinet approval.

5. Appendices

- 5.1 There are no appendices.

6. Background Documents

- 6.1 There are no background documents.

Lead Officer: Laura Lowrey, HR Manager

Email: Laura.lowrey@gravesham.gov.uk

Secondary Implications	
Risk Assessment	The council has a requirements to provide HR services to its employees. As set out in this report, it is felt that bringing the service entirely back in house will provide a better service and as such, the risks associated with this proposal are low at this time.
Data Protection Impact Assessment	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner’s Office website via the above links. No</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? No</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. N/A</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
Crime and Disorder	There are no crime and disorder implications associated with this report.
Digital and website implications	There may be a need to consider digital/IT implications in respect of the use of SS4U for HR requirements. This will be discussed as required with the Service Manager (IT and Digital Services) to ensure any impact on staff is minimised in terms of the change over of system if necessary.
Safeguarding children and vulnerable adults	There are no safeguarding children and vulnerable adults implications associated with this report.