Review of the Human Resources Service – **Pembrokeshire County Council**

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Most managers are satisfied with the support from the Human Resources Service, but there are opportunities to strengthen arrangements including workforce planning and monitoring service performance.

Summary report

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What we reviewed and why

1   We reviewed the Human Resources (HR) Service in Pembrokeshire County Council. To help shape the review we held a scoping workshop in March 2019 with senior managers from the Council, the Cabinet Member with responsibility for HR, and key officers from the HR Service.

2   We undertook this review to seek assurance that the Council's HR Service is effectively supporting the Council to achieve its objectives. We considered the findings of our 2015 Corporate Assessment and our 2018 Assurance and Risk Assessment work. The review considered:

- if the vision and strategic direction of the HR Service supported the Council to achieve its objectives and support its transformation journey;

- if managers that rely on the HR Service were satisfied with the level of support they received and had the necessary policies, skills, and tools to fulfil the HR aspects of their managerial role;

- if the officers that worked in the HR service believed they had the capacity to support the Council to meet its objectives and were satisfied with the support they provided; and

- how the Council measured the performance of the HR Service to demonstrate improvement.

3   In addition to interviews, focus groups, and document reviews, our review also included a survey of people who work in the Council. We surveyed three separate groups:

- managers who rely on HR support;

- senior leaders within schools and Chairs of Governors who rely on HR support; and

- the members of the HR Service.

4   We undertook the review during the period May 2019 to October 2019.

What we found

5   Our review sought to answer the question: is the HR Service meeting the needs of the Council effectively?

6   Overall, we found that: **most managers are satisfied with the support from the Human Resources Service, but there are opportunities to strengthen arrangements including workforce planning and monitoring service performance.** We reached this conclusion because:

- the Council has developed a draft HR Strategy which should help to clarify the priorities for the HR Service if adopted and communicated;

- most managers who rely on the HR Service are satisfied with the service they receive, but improvements are needed in some key areas:

  – most managers are satisfied with the service they receive but there are concerns over a perceived lack of HR capacity;

  – operational HR policies are clear but there are opportunities to improve communication and supporting tools;

  – the pace of implementing digital HR systems has improved recently but the systems are not yet embedded; and

  – the learning and development provided to managers on undertaking the HR aspects of their role could be improved;

- building on the positive feedback from managers, there is scope to improve arrangements for monitoring and reviewing the effectiveness of the HR Service.

Proposals for Improvement

Exhibit 1: Proposals for Improvement

The table below sets out the proposals for improvement that we have identified following this review.

Proposals for improvement

HR Strategy
P1   The Council should strengthen the strategic planning of its HR function by:
    •   finalising its draft HR Strategy;
    •   communicating the strategy across the Council's workforce; and
    •   improving the links between its new HR strategy and the HR service plan.

Workforce planning
P2   The Council should strengthen workforce planning by:
    •   creating a strategic workforce plan[1];
    •   more clearly linking workforce planning to service planning; and
    •   ensuring that managers understand the Council's approach to workforce planning.

iTrent HR information system (HRIS) P3   The Council should clarify its future plans for the iTrent HRIS, including which elements of the system the Council plans to use and timescales for

[1] This proposal for improvement has been made previously. It was included in the report of the Auditor General for Wales, **Review of Pembrokeshire County Council's Transformation Programme**, Wales Audit Office, October 2018.

Proposals for improvement
implementation. The Council also needs to consider the learning and development provision for staff on iTrent modules as they are rolled out.

HR Policies

P4   The Council should ensure that HR policies are accompanied by user-friendly tools and that any changes to policies are communicated to managers in a timely manner.

Measuring performance

P5   The Council should strengthen performance monitoring arrangements for the HR Service including:

- reviewing performance measures to ensure they are fit for purpose;
- analysing capacity within the HR Service and providing benchmarking data;
- considering collecting formal feedback from service users on what service they need and their satisfaction; and
- developing more effective corporate oversight of the performance of the HR Service.

HR risks

P6   The Council should recognise, record and respond to HR risks at a service level.

Learning and Development

P7   The Council should review the learning and development it provides to managers to ensure they are suitably equipped to perform the HR aspects of their role.

Detailed report

Most managers are satisfied with the support from the Human Resources Service, but there are opportunities to strengthen arrangements including workforce planning and monitoring service performance

The Council has developed a draft HR Strategy which should help to clarify the priorities for the HR Service if adopted and communicated

7   In reaching this conclusion we found that:

HR Strategy

- The Council has drafted an HR Strategy with a clear vision, mission, service priorities, and key deliverables for the service for the period 2019-2021. The Council has not yet formally approved the strategy and the next steps for progressing it are unclear and almost all operational managers we spoke to were unaware of the strategy. The HR Service had not spoken directly with operational managers when defining its future vision and direction, or to ask them what support they would require going forward. However, we were told that when the strategy was presented to CMT, feedback was requested from service areas.

- The links between the HR Service Plan and the draft HR Strategy could be strengthened to provide greater clarity and accountability for the service's performance.

HR support for the Council's transformation programme

- Delivering the Council's transformation programme is one of the three key deliverables in the draft HR Strategy. The Cabinet Member for Transformation and IT has recently taken on portfolio responsibility for the HR Service.

- The HR Service leads on the culture workstream within the Council's transformation programme, and both senior Members and managers told us they are satisfied with the support HR provides.

- Officers also told us that HR provided effective support to teams going through operational restructures as part of the transformation programme.

Workforce planning

- The alignment of service workforce planning and service development plans is one of the key deliverables of the draft HR strategy.

- In our Corporate Assessment in 2015 we found that strategic workforce planning was underdeveloped and there was no formal, consistent workforce planning process in place across the Council.

- The Council still does not have a written strategic workforce plan in place. The Council created a workforce planning template following our Corporate Assessment, however, completion of this workforce planning template was variable, and it is unclear how far this work progressed.

- There remains scope to improve the Council's approach to workforce planning because:

  – There is a workforce plan within Social Services which managers said works well and has good support from HR officers. We did not see evidence of completed workforce plans in other departments.

  – The Council has created the Strategic Workforce in Transformational Change Project (Switch) as an invest-to-save project for HR to support the organisation with workforce planning. There has been a £330,000 investment in the HR team which the project proposal states has the potential to deliver savings of £5 million. This project looks to support managers and heads of service over two years (it was proposed on 1 August 2018) to 'strategically workforce plan, utilise redeployment opportunities, manage internal talent and upskill the workforce'.

  – However, the managers we spoke to told us there was no framework for workforce planning; talent management or succession planning processes were not in place; and they were not provided with training on how to workforce plan. Managers were unsure if workforce planning was part of the service planning process. We also found that managers' awareness of the Switch Project was low. The Switch Project has not yet delivered any 'cashable' savings.

  – Less than half of the managers we surveyed (42% of managers and 48% of schools'-based staff) agreed with the statement that 'HR is helping me undertake workforce planning'. However, 78% of the HR team who completed the survey believed HR was helping the organisation to undertake workforce planning.

Most managers who rely on the HR Service are satisfied with the service they receive, but improvements are needed in some key areas

Most managers are satisfied with the service they receive but there are concerns over a perceived lack of HR capacity

8   In reaching this conclusion we found that:

- Our survey showed that the vast majority of managers are satisfied with the support provided by the HR Service.

- Managers recognised there are some very capable and experienced HR officers in place, who support them in their managerial role.

- Senior managers we spoke with felt the support provided by HR had improved and they spoke positively about HR officers attending departmental management team meetings (DMTs), bringing informative reports, providing support, and offering constructive challenge. New members of the HR team had brought in different perspectives and experiences which have also added value.

- The Council has created central e-mail inboxes for managers to use to contact HR at any time. This system has been received negatively by managers. Managers told us they found the system frustrating for a number of reasons, which suggests it is not yet working effectively.

- Managers spoke of a professional service that provides helpful advice and support. Members of the HR team feel they provide a good level of operational support with the resources they have and feel like valued partners. However, managers told us about a number of frustrations they have with the service:

  – they believe that HR support is structured differently in different parts of the organisation and HR Advisors provide different levels of service;

  – the advice managers receive from the service was sometimes inconsistent;

  – there is a lack of named substitutes when link HR Advisors were absent from work;

  – the pace for HR to complete certain tasks could be slow (for example, job requisitions; recruitment tasks and reference requests; and job evaluations); and

  – HR seemed stretched in terms of capacity which impacted on response times.

- The issue of a lack of capacity in HR was highlighted to us from several sources. In our survey, only 52% of the respondents in the HR team agreed with the statement 'HR has capacity to support managers and employees' while 27% disagreed. Officers within the HR Service believe they are being

asked to deliver increasing amounts of work, so they have to prioritise requests. However, we are unclear on what work has been done to analyse capacity. We were not provided with any analysis or data to substantiate a lack of capacity, nor did we see any evidence of work to investigate this. The Council needs to consider this further to better understand service demand and capacity.

- The Council had increased capacity across the HR Service by creating an absence management team under an invest-to-save scheme. Having a focused team dealing with absence management had freed up HR Advisors to focus on other, value-adding work. However, the work of this team has stopped, and the team members have been moved to support the Switch Project. Despite making significant improvements to absence rates and providing additional support to managers, the absence management invest-to-save scheme did not deliver any significant 'cashable' savings for the Council. The HR Service thinks it is likely that the Council's corporate national performance indicator for absence will worsen in the future as a result of withdrawing the funding for this project.

- The HR Service could be more proactive in supporting managers in relation to significant and common HR issues such as service restructuring. The new HR Strategy has the potential to help the service to identify what future provision could look like, develop new ways of working and enable the HR team to be more proactive.

- There were different levels of understanding amongst managers about the roles that HR perform. For example, some managers were unaware of the existence of the absence management team, and some managers were unable to name their assigned HR Advisor. Managers also followed different routes for HR advice when their named officer was absent from work.

Operational HR policies are clear but there are opportunities to improve communication and supporting tools

9   In reaching this conclusion we found that:

- On the whole, HR policies are well written, clear and easy to read. The policies are regularly updated with each policy having a specific review date. The HR Service has assigned responsibility for updating each policy to a specific, named officer. Each policy is supported by a corresponding training module on the Council's e-learning platform.

- Managers are confused about the process for receiving updates on HR policies. Some managers found out about policy updates from the Council's intranet newsfeed, whilst others were unaware of this mechanism and relied on the HR Advisors to inform them. It is not always clear when a policy had been updated as a standard process to communicate updates is not in place.

- Whilst HR policies have always been included on the Council's intranet, the new link to the HR page is a positive step and makes it easier and quicker to find the policies. However, the search function does not work effectively for managers. Some policies are difficult to locate due to how they are named. In addition, some searches led to more than one version of a policy being returned as older versions had not been removed.

- Managers are frustrated by the lack of supporting resources to accompany some policies, including some tools not being provided or some that are not user-friendly.

The pace of implementing digital HR systems has improved recently but the systems are not yet embedded

10   In reaching this conclusion we found that:

- The Council signed the contract to implement iTrent in October 2006 but did not use the majority of the system's functionality until relatively recently.

- The Council is aware that the pace of the roll out of iTrent modules has been slow but stated this is related to capacity as well as some compatibility issues with the Council's IT firewall.

- The Council has produced a timeline for implementing iTrent that runs from January 2019 to March 2020. The draft HR Strategy states the service will use iTrent more but the detailed plans for the future use are unclear. Most managers and HR officers we spoke with were unaware of the future plans for the iTrent system.

- Managers are frustrated with the pace of recruitment activities and that e-recruitment is not yet fully on-line. The HR Service has plans to implement a second phase of on-line recruitment on iTrent where managers will be able to review applications as they arrive on the system and short list on-line.

- The Council has decided to withdraw technical support for the corporate time recording system to demonstrate trust in staff and save money. However, in taking this decision, the Council did not consult with all users to understand how they used and felt about the system, and did not produce guidance on how to record flexi-time without the system. Managers told us they, and their staff, liked the system as it provided an accurate method for recording flexi-time and absence. Staff are now using a range of different methods to record the hours they work.

The learning and development provided to managers on undertaking the HR aspects of their role could be improved

11   In reaching this conclusion we found that:

- Many managers reported that they had not had any formal learning and development to perform the HR aspects of their role. However, they also felt

the HR Service is approachable and responsive in providing additional support to individual managers.

- Learning and development content is readily available via the Council's e-learning platform. Managers have access to work computers and the Council's intranet. For staff without computer access, the L&D Team ensure they can access mandatory e-learning modules via i-Pads or by using an IT training room. Managers told us they were unclear as to what learning and development are available to them. However, there is a dedicated intranet site and associated areas on the e-learning platform specifically for managers. The L&D Team also run annual leadership and management programmes.

- There has been limited learning and development provided to managers on the iTrent system and its functionality. However, the Council did provide recent training on the Manager Self-Service (MSS) module.

- Managers are becoming increasingly involved in organisational restructures but have not received any formal learning and development on this topic. This may be leading to a duplication of work for HR Advisors.

- The Council is aware that its current Personal Development Review (PDR) process needs improving and is currently researching alternative approaches.

Building on the positive feedback from managers, there is scope to improve arrangements for monitoring and reviewing the effectiveness of the HR Service

12   In reaching this conclusion we found that:

- Managers are positive about the support they receive from the HR Service (Exhibit 2).

Exhibit 2: Wales Audit Office survey results

The table below sets out the results from the survey we completed with managers and school staff that rely on HR support (the survey was undertaken during September and October 2019).

	Managers (number of responses 54)		Schools (number of responses 28)	
	Agree	Disagree	Agree	Disagree
HR is accessible	93%	4%	92%	4%
HR is responsive	76%	10%	84%	4%
HR provides appropriate advice	81%	6%	88%	4%

	Managers (number of responses 54)		Schools (number of responses 28)	
	Agree	Disagree	Agree	Disagree
HR provides timely advice	62%	21%	72%	4%
HR has the capacity to support me	57%	21%	48%	8%
HR policies are easy to find	74%	12%	64%	16%
HR policies help me to perform the HR aspects of my role	77%	6%	72%	4%
HR systems help me	51%	31%	72%	8%
I have received training to perform the HR aspects of my role	58%	15%	32%	24%
The HR Service is delivering its role effectively	66%	14%	76%	16%

Percentages may not add up to 100% as there were 'don't know' and 'neither agree nor disagree' options for each question.

- The HR Service Plan contains a number of actions but only three measures of performance (absences, apprenticeships, FTEs).
- The HR Service has a dashboard which displays performance relating to sickness absence and recruitment. This dashboard is not formally reported to officers or councillors. All managers have access via iTrent to their own HR performance information. School absence data is reported annually to the Schools and Learning Overview and Scrutiny Committee.
- The HR Service does not produce an annual report of performance. Although the Learning and Development Team produces an annual report and the Occupational Health (OH) Service produces a quarterly report for the Council's Corporate Health, Safety and Well-being Group. The OH Service also completes a peer review biennially.
- There has been no regular oversight of the HR Service at overview and scrutiny committee meetings. However, an HR summary report has been presented to the Corporate Overview and Scrutiny Committee on two recent occasions (15 March 2018 and 12 September 2019).
- HR team members did not know if there were any metrics for the service and stated they did not know how service performance was being measured and monitored.
- The HR Service gathers informal feedback from service users. The service has not formally asked managers what they want from the service or whether it is meeting their needs.

- The HR Service did not deliver its budgeted savings targets for 2018-19 and is projecting not to deliver them for 2019-20.
- There is no formal system for recognising and recording HR risks and there is no specific HR Service risk register in place.
- The OH Service benchmarks against the Corporate Health Standard. The HR Service has also visited other councils to learn about work on values and behaviours, as well as the use of on-line appraisals. The Head of HR or the Employee Relations Manager regularly attends the HR Directors' Network meetings. In its meeting of 12 September 2019, the Corporate Overview and Scrutiny Committee asked to see data comparing the cost of the Council's HR Service against that of other councils, including the cost of the service per full-time equivalent employee.

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