

Slough Borough Council

Report To:	Corporate Improvement Scrutiny Committee
Date:	4 January 2024
Subject:	HR Improvement report
Lead Member:	Councillor Dexter Smith, Leader of the Council
Chief Officer:	Sarah Hayward
Contact Officer:	
Ward(s):	All
Key Decision:	NO
Exempt:	NO
Decision Subject To Call In:	NO
Appendices:	Appendix A: HR Improvements Appendix B: March 23 Cabinet Report on Implementation of the Recruitment Direction

1. Summary and Recommendations

1.1 This report provides an update to Scrutiny regarding progress within HR as result of the impact of the Our Futures programme.

Recommendations:

1.2 Note and comment regarding progress by HR to the processes identified requiring improvement as part of the council's recovery programme.

Reason

1.3 The committee has requested a report on the HR Improvements.

Commissioner Review

Noted - no other comment from commissioners.

2. Report

Introduction

- 2.1 Slough Borough Council's HR service is in need of improvement as part of the recovery programme. As the introduction and background will set out further, the Human Resources service is on a trajectory of improvement and is not currently fit for purpose – there are a number of reasons for this also set out. The service has developed and is currently delivering an improvement plan. Due to the scale of the challenge, improvement is currently focused on the basics of the service rather than improvement to its out-facing corporate functions. That said there are some really significant improvements particularly in recruitment that the whole organisation is starting to experience the benefits of.
- 2.2 The aim of the improvement plan is to have Human Resources function that is recognisably good at recruiting, retaining, training and motivating the right staff at the right time to serve the residents of Slough. This will be through both tactical work on recruitment and retention and longer-term work on workforce strategy and organisational development.
- 2.3 The service was part of a whole council restructure that took place in 2020. At that point it was envisaged that the service would move to a fully self-service model. However, the necessary investment and business changes, in infrastructure and training for staff to support a fully self-service model was not made. This meant that there weren't the right systems, policies and procedures in place to support this change or support managers to be more self-sufficient.
- 2.4 It was not recognised at that stage that Slough's HR service was also already falling behind the local government sector in its HR practise – this was in part because until November 2019 Slough's transactional HR service was outsourced.
- 2.5 It was recognised early during the best value intervention that improvements to the HR function as a whole needed to be made. Improvement to the recruitment service was particularly important as Slough needed to source skills to drive recovery.
- 2.6 An improvement programme was developed in the first half of 2023. This programme is currently focused on the basic foundations of HR as the recovery and improvement needed is in every area of the business.
- 2.7 Most visible progress has been made in recruitment. This includes adoption of a new application tracking system and developing Slough's employer brand to overseeing several high profile and challenging recruitment campaigns.

Background

- 2.8 Prior to 2020, core transactional HR services were outsourced to Arvato. These services were brought back in-house November 2019 and integrated into the main HR service. Out-sourced cultural issues led to incoming services being de-skilled and not fit for purpose prior to TUPE. This meant a mismatch of skills and services impacting service quality.
- 2.9 Since 2020, HR has undergone sustained, significant, and successive structural change that has constrained its ability to deliver a cohesive and consistent service.
- 2.10 The Our Futures Programme 2020/2021 envisaged a sophisticated 'self-service' operating model with all employees and managers independently executing core

HR services such as: payroll & pensions, first-line case management, sickness & absence management, performance management, using data from systems such as Agresso (HR and Payroll system) and Cornerstone (Learning Management system) to manage their staffing responsibilities.

- 2.11 The 'self-service' model assumed an IT- led, data driven infrastructure providing the platform to execute these tasks with employees and managers capable of operating with this level of sophistication.
- 2.12 Based on the move to self-service the HR team were reduced in size by around 40 per cent however, either the IT infrastructure nor the increased staff capability were delivered as part of the programme. This resulted in increased demand for core HR as the tools to deliver the transformation weren't delivered.
- 2.13 Since the S114 was issued, demand for HR services has increased while the systems, policies and processes were not in place to meet additional demand.
- 2.14 This background led to a loss of morale, a loss of some staff and some defensiveness in the team.
- 2.15 In the early part of 2023 some staffing issues were dealt with and an improvement plan was developed. Early improvements are being made and having an impact in improving both the HR team and the service it is able to offer to the team.
- 2.16 Recruitment is underway for a new director and three new Heads of Service and work to stabilise the team is also underway.

3 Improvement Plan

- 3.1 The HR Improvement plan has been in place for approximately 7 months and focuses on reviewing and refreshing key basic processes making them fit for purpose to support the Council in its recovery journey.
- 3.2 The plan identifies 3 strategic priorities: attracting the best resources; retaining critical capacity and experience; and developing capability to support future organisational development.
- 3.3 These strategic priorities are as critical to the HR function as they are to the rest of the organisation. Based on the SBC generic competency framework developed as part of the Our Futures programme, the results of the performance reviews will be used to devise a HR specific competency development plan. This will enhance and improve skills and capability leading to speedier delivery outcomes.
- 3.4 Modern understanding and competence with technology-driven practices such as data analytics, artificial intelligence and instant reporting will be acquired to underpin traditional HR practices.
- 3.5 Historically, SBC's relationship with data has been manual, casual and ad hoc with a large amount of non-digital data spread across various platforms and locations. The digital HR agenda will be key in responding and benefiting from the critical nature of data on which to transform the business. This will also inform and shape our progress towards audit-readiness and GDPR compliance. A project has been initiated to address digital HR data collection and the development of a policy for the management and retention of HR records is in progress.
- 3.6 Dynamic access to HR access instant information via the intranet is in progress. This One-Click approach will enable managers to locate supporting data and provide an improved sophisticated tool kit with which to perform their management duties.

- 3.7 Lifting the constant threat of restructuring the HR function coupled with the establishment of a permanent management team will fundamentally improve morale and motivation of the team. This will considerably impact service levels.
- 3.8 Attracting the best resources is as relevant to HR as it is to the rest of the business to ensure quality advice and guidance. This will be achieved through a strategically designed structure, role profiles and development plans. Strategic direction and guidance at leadership level will establish new working patterns and procedures and a new permanent HR management team will ensure these plans are executed.
- 3.9 Attracting the best resources includes recruitment of a new executive team to drive the recovery journey and transition the Council from a period of intensive and continuous flux to business-as-usual operations. This requires a new creative approach to attract high calibre candidates with long-term commitment to the revival of Slough. An approach which must also flow through to all levels of recruitment.
- 3.10 An Employee Value Proposition will be critical to articulating why the best resources might want to join SBC and stay in the organisation to contribute to its future success: Attract, Engage, Reward, Develop, Environment, Retain, Transition. It will ensure the factors required to retain and develop the best candidates are understood and can be implemented as part of the improvement plan. The senior leadership team is pivotal to this proposition.
- 3.11 HR will expand their strategic grasp and control of the cross organisational implementation of Job Evaluation to ensure consistency and critical understanding of all the relative implications.
- 3.12 To improve SBC's record with Equality and Diversity, the HR function is reviewing available tools to measure and manage a diverse workforce. This will be reflected in all outputs and propositions such as the Employee Value Proposition, recruitment, development, promotion and employee relations.
- 3.13 The recruitment function has therefore been a key focus for improvement. The manual spreadsheet approach has recently been replaced with a new Applicant Tracking System to streamline the process for candidates and managers. It also provides visibility of progress to completion with management information to direct and assign focus and effort.
- 3.14 To support the new recruitment approach, a new Onboarding Programme is being developed to ensure successful applicants at all levels experience a positive, cohesive and consistent entry into SBC. This end-to-end process starts with an applicant's first touchpoint with the Council at job advert, appointment and through their probation period until they achieve full employee status. The Employee Value Proposition will underpin the Onboarding Programme as staff progress to business as usual and take up their place in the organisation.
- 3.15 The end-to-end perspective of the Onboarding Programme has highlighted the need to refresh SBC branding in line with the Corporate Plan and ensure consistent messaging and media across all channels.
- 3.16 The corporate induction approach is also being re-engineered to reflect the status of the Council and the role employees will play in their teams and the wider organisation to ensure successful achievement of the strategic priorities.
- 3.17 On arrival in SBC, new joiners have the right to expect to be properly managed and have opportunities to develop and progress their careers. Workforce analytics will be a critical success factor to understanding the performance management

and development success of our organisation. Cornerstone, our Talent Management System implemented in 2020 together with a renewed commitment to Agresso as the core HR system will support the development of a 'future-ready' workforce to lead SBC in its recovery journey.

- 3.18 To support the 3 strategic priorities of attraction, retention and development, a critical policy review schedule has been developed. The top 4 critical policies are being refreshed and consulted and the Hybrid Working Policy has already been implemented. Currently, we have four further policies which will be commencing their consultation route to final approval.

4 HR Improvements Delivered & In Progress

- 4.1 Appendix B outlines the HR improvements that have been delivered to date and those that are in progress.

5 Critical Success Factors

- 5.1 The HR improvement plan cannot be achieved without a period of stability for the function, and it must be structured for success to realistically support the services required for the recovery journey.
- 5.2 Investment in the function will be required to re-build and enhance capability and capacity to support newly defined services and approach.
- 5.3 The need to attract, retain and develop high calibre, high performance HR experts will be critical to the success of the new function and its ability to deliver.
- 5.4 The Employee Value Proposition for HR is therefore a critical agenda item to ensure strategic vision and creativity is deployed to capture the best resources to engage the best employees for HR as well as the rest of SBC.
- 5.5 Active support for HR during its transition will be a critical success factor to rebuild the reputation of this function as it develops its capability to support the recovery journey.

6 Implications of the Recommendation

Financial implications

- 6.1 There are no direct financial implications of this report, activity outlined is being delivered within the agreed budget for the HR service.

Legal implications

- 6.2 On 1 December 2021 the Secretary of State for Levelling Up, Housing and Communities made statutory directions requiring the Council to take prescribed actions and that certain functions be exercised from this date by appointed Commissioners, acting jointly or severally. The directions were extended on 1 September 2022. The directions were made under Part 1 of the Local Government Act 1999 due to the Council having failed to comply with its best value duty. The general duty of best value is set out in section 3 of the Local Government Act 1999 and requires local authorities to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". This

requires consideration of overall value, including economic, environmental and social value, when reviewing service provision. There is also a duty to consult when deciding how to fulfil the best value duty.

- 6.3 In September 2022 the Best Value Commissioners secured an additional direction to take powers over recruitment for the top 3 levels of the authority. This was due to poor performance of council recruitment services at that time. Further information and background can be found in the cabinet report of XX date (*the once from March*)
- 6.4 Annex A of the directions set out the action the Council is required to take. Annex C sets out the functions to be exercised by the Commissioners. This includes functions associated with governance and scrutiny of strategic decisions, requirements for the proper administration of financial affairs, functions associated with the oversight of collection of revenues and benefits and appointment of the three statutory governance officers and the scrutiny officer, as well as functions to define the officer structure at a senior level, determine recruitment processes and recruit relevant staff to these positions. The Explanatory Memorandum to this Direction confirms that in practice most decisions are expected to be taken by the Council, however the Directions are designed to give the Commissioners the power to tackle weaknesses identified to ensure the Council is better equipped to meet the best value requirements. Cabinet should have regard to the advice and comments of the Commissioners contained in this report.

Risk management implications

- 6.5 The table below sets the key risks

Risk	Summary	Mitigations
Staff	Failure to have appropriately qualified staff at all levels and all functions to deliver core services to residents and council recovery	The HR improvement plan is working to address shortcomings in the HR service. Improvements to our recruitment function are being prioritised
Financial	Failure to deliver financial sustainability	New Finance structure with appointments to the top level- S151 and her deputies on a permanent basis
Legal	Failure to address the Directions and demonstrate compliance with the Council's best value duties or other legal duties leading to increased legal challenges to decision-making and further statutory intervention.	Appointment of new interim Monitoring Officer to bolster capacity at senior management level. Recruitment of interim support for governance and scrutiny.
Reputational	Failure to meet the requirements contained in the	A more comprehensive and corporate approach is being developed building on lessons

Risk	Summary	Mitigations
	Directions leading to further intervention from Government	learned over the past year to provide greater confidence in the Council's HR journey and direction of travel

Environmental Implications

6.6 There are no direct environmental implications of the recommendations contained in this report.

Equality implications

6.7 The council is using the opportunity of the need for improvement in HR to embed equalities in our practise both within the service and across the council. There are a number of examples. The Council's draft Public Sector Equalities Objectives include two workforces focused objectives. Our new applicant tracking system has targeted job advertising at under-represented groups built in from the outset. The recent procurement for a vendor neutral temporary labour provider required the ability to do blind recruitment and, the procurement of a recruitment partner for our new director structure centred the importance of sourcing diverse candidates.

Procurement implications

6.8 There are no direct procurement implications from this report.

Workforce implications

6.9 Any future changes to the workforce will be subject to full statutory processes and consultation.

Property implications

6.10 There are no property implications from this report.

7 Background Papers

Appendix A: HR Improvements to date and next steps

Appendix B: March 23 Cabinet Report on Implementation of the Recruitment Direction