

**OFFICE OF THE POLICE AND CRIME COMMISSIONER  
FOR HUMBERSIDE  
DECISION RECORD**

Decision Record Number: **16/2013**

Title: **Joint Assurance Review – Human Resources Shared Service**

**Executive Summary:**

Following a request from the Commissioners for Humberside and South Yorkshire for a more detailed understanding and assurance of progress to date, future developments and opportunities, and the options and decisions open to them, an assurance review of the Human Resources Shared Services was conducted.

The submission includes a summary of key findings and conclusions of that review.

**Decision:**

That the HR Shared Service model be taken forward by the Chief Constable as per the existing business case, but takes full account of the significant issues outlined by the assurance review;

That an entry on the Force intranet be agreed with the Chief Constable to inform all staff of the outcome of this review and the review into IS and the regional agenda in general; and

That the Commissioners revisit the function in twelve months time to carry out a 'reality check' on progress.

**Background Report:** Open

**Police and Crime Commissioner for Humberside**

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with my code of conduct.

Any such interests are recorded below.

The above decision has my approval.

**Signature**

*Matthew Crowe*

**Date 23.05.13**

**POLICE AND CRIME COMMISSIONER  
FOR HUMBERSIDE**

**SUBMISSION FOR:  
DECISION**

**OPEN**

**Title: Joint Assurance Review – Human Resources Shared Service**

**Date: 23 May 2013**

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**1. Executive Summary**

On 14 December 2012, the Commissioners for Humberside and South Yorkshire attended a Joint Collaboration Group. The background and original business case for implementation of the HR Shared Service were discussed.

Both Commissioners wished to be in a position of having more detailed understanding and assurance of progress to date, future developments and opportunities, and the options and decisions open to them. It was suggested by the Chief Executives that a specification be developed regarding what information was required to enable a thorough assessment to be undertaken. The aim was to enable them to determine whether the intended way forward would deliver: (i) the service required by local people, (ii) the service required by staff, (iii) improved staff morale, (iv) savings, and (v) performance.

Representatives from both Commissioners' offices (Jamie Smith and Paul Wainwright) worked with the HR Shared Service to identify the level and extent of information required by the Commissioners and a specification was drawn up and agreed with the Commissioners. To add an element of independence, as requested by both Commissioners, the College of Policing Efficiency and Knowledge Support Unit were involved in the independent analysis of information and development of staff and user focus groups.

The summary of key findings and conclusions is included in this submission.

**2. Recommendations**

It is recommended that:

- (a) the HR Shared Service model proceeds as per the existing business case, but takes full account of the significant issues outlined by the assurance review;
- (b) the Commissioners agree to how they intend to communicate the next steps and inform all HR staff and users of the review outcomes; and

- (c) the Commissioners revisit the function in twelve months time to carry out a 'reality check' on progress on behalf of the Joint ACO (HR).

### **3. Background**

#### **Summary of key findings**

- All the evidence requested as part of this assurance review was provided by the HR Shared Service on time and to the standard required.
- Phase 1 of the change programme is complete, with simplified structures and policies – the savings appear to be in place.
- Although future implementation phases are more aspirational, changes as a consequence of Phase 2 have and are clearly being made.
- Staff generally believe the HR 'model' is the right way forward, although there are issues around the implementation and staff involvement therein.
- It is clear that the 'hard' engineering is taking place and the self-service approach should continue to be developed in our view. There is little inherently wrong with the model, but it does need to be driven to fruition by a mixture of strong senior leadership, greater HR staff involvement and buy-in, and clearer communication. The self-service concept will continue to drive service delivery across a broad range of functions, not just in HR, therefore it is important that further efforts are made to better inform and prepare operational management of these service changes as they represent a very significant cultural shift.
- The transactional changes (processes, systems and structure) are generally proceeding, albeit with the need for greater control and rigour. It is the transformational element that is evidently less successful at present. However, we fully understand that the changes are part of a two/three year programme directly linked to the implementation of the ERP (Enterprise Resource Planning) system and other technology, so transformational elements as such will inevitably not be near completion.
- The 'softer' changes still need to happen. We should not underestimate the cultural change required, both within and beyond the function.
- Leadership and buy-in from senior staff outside of the function needs to be reconsidered and strengthened.
- Implementation to date appears to have been problematic, with variable programme management at times. Greater rigour is required for such a large area of cultural and process change – in addition, governance arguably needs to be strengthened.
- HR staff morale appears generally low due to variable communication and a lack of opportunities to talk about changes – regardless of the reality for some, there is a feeling of 'fear' about speaking out at times. There is a need to win the 'hearts and minds' of both HR staff and users.
- Development of suitable IT has held back progress to some extent, although the recent decision to continue with the IS Shared Service should eliminate this lack of progress.

- Calculation and inclusion of cost savings has been problematic, although recent work has been undertaken to get to the bottom of this issue. The main reason for this is the different approaches of each Force in terms of assurance and business change. Further work is required to ensure these functions underpin collaborative solutions and are not driven by individual Forces need per se. Although costs were identified in the original business case, as the model is implemented there is an ongoing need to consider the 'real' cost of the collaborative venture, including perceived increases in management posts and mileage costs, for example.
- Further work may be required to determine the quality of data around staffing ratios. The key here is to agree one definition and stick to this.
- There are several anecdotal examples of where the HR Shared Service is not meeting the needs of customers – some of this is possibly inevitable given the significant change process in place. These service issues remain in the minority compared to the broad range of positive interactions with the function. They must, however, be addressed to reinforce the credibility of the function.

### **Conclusions of our assurance work**

- Senior leaders need to embrace change and drive forward the model adopted. There is little inherently wrong with the model (some staff at the focus groups supported the model) and it is suggested the model needs to be driven through to fruition through a mix of strong joined-up leadership, greater HR staff involvement and buy-in, and clearer communication.
- Satisfaction amongst staff is currently not as good as it could be. The 'Catch 22' situation is that this is likely to be hampering the effectiveness of service implementation and delivery to users. Clearer methods of communicating to staff should be adopted and supervisors need to be bought-in to the changes – we should not underestimate the major 'charm offensive' that now needs to happen to get the programme back on track in the eyes of HR staff and users, as well as the public who come into contact with HR Shared Services. Supervisors in particular appear to feel they have been handed a self-service model and didn't really know or understand exactly what they were taking on. To some extent, there is an element of transference of a mixture of cost, responsibility and risk to supervisors, who appear not to have been told that this was going to impact on their own day-to-day roles. It is suggested that focused sessions are organised for specific staff.
- Greater buy-in from HR staff needs to occur, with more opportunities to listen to their views. However, at the same time, HR staff will need to be informed that the model will be 'driven' through and that this could be an uncomfortable ride at times. To some extent our assurance review has exacerbated the level of concern, so it is important that we now move swiftly to make the necessary changes.
- Tighter and more effective programme management principles need to be adopted, with clearer governance and greater rigour and challenge when timescales are not met.

- Work needs to be undertaken to ensure the claimed savings can be quantified. It is also important to look at 'opportunity costs' that have/will be transferred to supervisors/managers and their departments/branches as a consequence of the HR Shared Service model. There is a need for the Commissioners to be satisfied that value for money is being achieved and this could be undertaken via an independent audit.
- Work needs to be undertaken to establish greater and more coherent links to the priorities contained within the Police and Crime Plans.
- Further work is required around the current and future HR ratios, to ensure the data is sound and understood.

#### **4. Options**

##### **Do we continue?**

Given the analysis and consideration of the evidence provided, our opinion is that the HR Shared Service should continue as it has the capacity, if properly project managed and led, to deliver significant benefits around performance, savings, staff morale and the service provided. Both Commissioners will need to be fully committed to the agreed programme.

However, there are a number of significant concerns which need to be rectified as soon as possible in respect of leadership, staff involvement, understanding of cost savings/transference and programme management.

##### **If we were to withdraw**

If either Commissioner were to consider de-commissioning the HR Shared Service and return to individual force approaches, this would undoubtedly incur short-term financial costs to restore the previous functions and structures as all economies of scale would be lost. However, the 'cost' to both organisations in terms of cost transference of work to managers and supervisors throughout both forces is unknown and could be substantial in itself. In addition, the issues around staff concerns could change, either positively or negatively, should the direction of collaboration change.

Whilst withdrawal could allow exploration of other opportunities, the costs would be potentially prohibitive in the current climate.

#### **5. Risks**

Our view is that the inherent risks in the HR Shared Service implementation have not been managed with the rigour that would be expected, and this has led to the significant concerns being raised by staff both within the HR Shared Service and by users throughout both forces.

The Deloitte's report identified a number of these inherent risks and potential dis-benefits.

## **6. Financial Implications**

The extent to which individual cost savings to date have been delivered was hard to determine from the evidence provided. This is mainly down to the different ways both forces are trying to assure and track such changes. It is not related to the detail being provided by the HR Shared Service as these are generally full, open and clear. It is important to get a single set of figures for both budgets and cost savings arising from the function. We are aware of discussions taking place with key individuals and audit to clarify this situation.

Future budgetary implications are not known beyond 2013/14.

The work by the College of Policing identified an issue raised by staff around our ability to rationalise claimed savings against perceived increases in management posts and travel costs between the two forces. They recommend the Commissioners carrying out an audit of the 'real' costs to satisfy themselves of value for money.

## **7. Legal Implications**

The Chief Constables of South Yorkshire and Humberside, and their former Police Authorities entered into a formal Section 22a Collaboration Agreement in March 2012 for a five-year period. Each Policing Body must provide 18 months notice should they wish to cancel this agreement.

## **8. Equalities Implications**

There are no specific implications relating to this assurance review.

## **9. Consultation**

### **Discussions with Joint ACO (HR)**

The review findings were discussed with the Joint ACO (HR) and constructive and positive discussions occurred on behalf of the Commissioners.

It is clear that the Joint ACO (HR) understands the need for urgency in addressing the issues. There has already been positive intervention through changes initiated by him and a strengthening of the programme. He views the report as a real opportunity to reflect and drive forward the planned changes with a clear vision, workstreams and processes.

The Joint ACO (HR) has invited the Commissioners to revisit the function in twelve months time to carry out a 'reality check' on progress.

### **Focus Groups with HR Shared Service Staff and Users**

The HR focus groups were very well attended in both South Yorkshire and Humberside. Feedback from the College of Policing was that it was an emotive series of focus groups. One issue of note is that staff generally felt they previously

had little opportunity to talk about the changes, and this is something management should consider when driving through further changes. The evidence provided highlighted little regular communication with HR staff to explain and reinforce the changes. There has, however, clearly been significant communication and updates, via the intranet for example, but face-to-face opportunities have been somewhat limited.

It is worth noting that many users of the HR Shared Service recognised that HR staff were doing their best to deliver under the circumstances they currently found themselves in.

Focus groups were also arranged to elicit the views of users of the HR Shared Service (predominantly operational Inspectors and Chief Inspectors were involved). The strength of feeling, numbers of staff involved and similar spread across both South Yorkshire and Humberside tended to indicate, on the surface at least, that there was a fundamental problem that needed to be addressed as soon as possible.

## **10. Media information**

There are no specific media issues. However, it is evident that our findings could create media interest either locally or regionally around issues such as the savings, staff views or leadership.

## **11. Background documents**

Joint Assurance Review: Human Resources Shared Service (OPCC Humberside and South Yorkshire, May 2013)

Police and Crime Commissioners: Shared Service Assurance Specification HR and IS (OPCC Humberside and South Yorkshire, February 2013) – this includes documentary evidence provided by HR Shared Service

College of Policing HR Briefing (College of Policing, March 2013)

## **12. Publication**

The Joint Assurance Review: Human Resource Shared Service document is still to be formally shared with HR Shared Service staff, via communication from the Joint ACO (HR) and the Commissioners.

The report will impact on the internal workings of the organisation and publication of the full report at this time is likely to inhibit the free and frank exchange of views for purposes of deliberation.

