

AUDIT & GOVERNANCE COMMITTEE – 11 JANUARY 2017

HAMPSHIRE PARTNERSHIP – HR UPDATE

Report by the Chief HR Officer

Executive Summary

- 1 This report provides an update on the HR services delivered through the Hampshire Partnership – Integrated Business Centre (IBC)
- 2 This report focuses on the status of HR Services after 18 months of operation, includes an update of the issues reported in July 2016 and provides detail on other issues raised and actions taken for resolution since that date.
- 3 All partners were invited to participate in a Customer Interaction Centre (CIC) survey during October. A number of workshops have since been held to review and understand findings in more detail (at both senior and operational level), and a documented outcome and action plan is pending.
- 4 As a result of feedback and in recognition of the additional support required to support managers, additional access to IBC Portal has been put in place in Oxfordshire Fire & Rescue Service (OFRS) to support operational managers with the more complex actions and a similar arrangement is due to be put in place in the Special Educational Needs Support Service (SENS).
- 5 Recent investigations into queries relating to Employer contributions into LGPS have identified a lack of confidence in the IBC payroll configuration for OCC and in the skillset of staff employed within specific areas of the IBC dealing with payroll and pension related queries. These concerns have been escalated to the Partnership Board, and have resulted in HCC commissioning an external review of OCC payroll configuration and change control processes. The outcome of the review is due at the end of January.

HR Update on Outstanding Actions identified in July 2016

- 6 Of the key HR issues reported as outstanding in July the update is as follows
 - The reports to provide the monthly pension data for both Local Government and Fire Fighter Pensions were completed in April and are now provided within deadline to the Fund. A number of formatting issues continue and there is still a delay in timely responses to Pension queries raised by the Fund.
 - The Teachers' End of Year Return was completed and submitted on time in July.
 - Response times to Enquiries have generally improved but feedback suggests the quality of response is still not consistent. As a result, the Customer Interaction Centre staff (CIC) have transferred to Winchester

and are now co-located within the IBC teams they are supporting. This should enable knowledge sharing and assist with the training of new staff.

- A cross partner survey was carried out in October and a series of workshops reviewing the performance of the CIC have since taken place – the outcome of these and action plans are pending.
- It has been agreed that the new expenses compliance process will not be rolled out to OCC managers as the process was seen to be a duplication of the existing monthly reports emailed to managers.
- The suspense account balance for casual expense claims continues to build until the Change Request (initially raised back in September 2015) to override the default suspense cost centre is implemented.
- The suspense account also continues to build in respect of employer contributions for supply teachers. The IBC continue to work on a fix to allow direct cost centre postings.
- HR Bitesize training and refresher sessions continue across the County according to identified need.
- There is a continuous review of the intranet guidance to improve clarity, consistency and accessibility of policies and procedures and self-help guides.
- A formal IBC Release Document (highlighting planned changes to the IBC Portal and fixes to identified issues) is now being circulated monthly to all Partners and the first copy is attached as Appendix 1 to this report.
- Functional Review Groups have been set up across all workstreams – the main objective across each of the groups is to review issues using root cause across end to end process to identify and implement effective solutions. Issues can then be forwarded through agreed channels for IBC review and feedback and where appropriate, prioritised for resolution and documented within the IBC Release Document
- The management actions following the payroll audit have all now been put in place providing OCC with improved processes for monitoring manager/employee compliance.
- Further training sessions for Schools have taken place
- Additional access through the IBC Portal has been provided to staff in certain areas to allow some of the more complex issues to be managed on behalf of managers, this has been trialled in OFRS and a similar arrangement will be put in place to support SENSS managers. This has not removed the day to day responsibilities from managers, but enables managers to be supported with the more complex issues.

Review of payroll configuration - Issues identified for resolution

- 7 Following on from a number of issues raised formally by OCC, further investigation has led to significant concerns in respect of the IBC configuration of OCC Payroll and the skillset of staff available to respond to this level of query. Examples include:

An error has been identified in the calculation of assumed pensionable pay (APP) in regard to staff who:

- went on maternity leave during the 3 month period following go live;
- went on sick leave having exhausted their full pay entitlement during the 3 month period following go live;
- have recorded part day absences since July 2015.

The above issues mean that for those affected, the Annual LGPS Benefit statement issued by OCC Pensions in August will be incorrect

An issue has been identified relating to National Insurance employer contributions for apprentices under the age of 25 not being implemented at the beginning of the financial year.

Manual fixes to correct known issues continue to be in place pending formal resolution, where some of these issues date back nearly 12 months

- 8 A formal Review of OCC Payroll Configuration is now underway. The IBC have engaged an external auditor to undertake this review – the Terms of Reference are attached as Appendix 2 to this report. The summary report will be available at the end of January
- 9 As a separate exercise, but included within the overall Review there will be an evaluation of the change control processes currently in place.

Further Issues

- 10 Since the last report in July, a number of other issues have been identified. Some of these are pending investigation and/or resolution by the IBC, some require action/mindfulness by OCC.
- Recruitment issues and repeated contractual errors within SENSS – a formal review has now been undertaken resulting in a number of changes to be made to the Recruitment System to improve the recruitment experience for this service area. The changes will enable SENSS managers to select appropriate schools' criteria within the system – removing the need for manipulation or interpretation of data by the IBC prior to conversion into a contract.
 - Recruitment of Casual staff is a lengthy and cumbersome process resulting in managers tending to use agency staff – to overcome this, consideration is being given to transfer casual recruitment into a Corporate HR function. This will also ensure the correct approval and safeguarding processes are in place.

- The IBC require a lead in time of between two and three months for organisational restructures (depending on size and complexity) which is significantly longer than previously required and will require OCC to be mindful of this with regard to their planning – An accurate organisational structure is critical as this drives all HR and finance related authorisation workflow as well as the telephone directory.
- A number of Head Teachers did not receive the 2015/16 pay award last year due to some schools not taking positive action to put this in place. This has now been corrected and Schools have been reminded of the need to review Actions highlighted in Schools' News in respect of changes in process.
- The fix to enable managers with dual roles to have access to manage both teams via the IBC Portal has now been delayed until May. This has been an ongoing issue since go live.

RECOMMENDATION

- 11 **The Committee is RECOMMENDED to note the current position and agree that a further update be provided in 6 months once the outcome of the formal Review of OCC Payroll Configuration has been completed, any implications for OCC identified, and required remedial actions fully documented.**

Steve Munn
Chief HR Officer

Contact Officer – Sarah Currell, HR Manager IBC Interface. 07867 467793