

# Report of the Director of Human Resources to the meeting of the Corporate Overview and Scrutiny Committee to be held on 12 September 2019.

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## **Subject: HRplus Contract Review**

### **Summary Statement:**

Following the Bradford Council's Full Year Performance Report to Corporate Overview and Scrutiny Committee on 10 July 2019, Members requested a report evaluating the HRplus contract.

This report evaluates the HRplus contract.

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Anne Lloyd  
Director of Human Resources

**Portfolio:**

Leader

**Report Contact:**

Michelle Moverley, Head of Human Resources. Simon Jenkins HR Manager.

Phone: (01274) 437883

E-mail: [michelle.moverley@bradford.gov.uk](mailto:michelle.moverley@bradford.gov.uk)

**Corporate Overview & Scrutiny Area:**

## 1. SUMMARY

- 1.1 Following Bradford Council's Full Year Performance Report to Corporate Overview and Scrutiny Committee on 10 July 2019, Members requested a report evaluating the HRplus contract. This report considers the original objectives of setting up the service, how the service has developed and the performance of the service.

## 2. BACKGROUND

- 2.1 AdviserPlus provide the HRplus service to all Council managers. This includes;

- an advice line providing support and guidance on a range of workforce topics such as sickness, performance and conduct,
- a manager and employee knowledge portal,
- a case management system which provides a comprehensive, live view of case activity.

The case management, knowledge portal, and advice line solutions all support on-going capture of HR data.

The contract commenced in August 2014 and was for four years. It was extended for a further 18 months so that it expires on 11 February 2020.

## 3 REVIEW OF THE HRPLUS SERVICE

### 3.1 Original Business Case for existing HR Advisory Service Provision

The original business case was agreed on 12 May 2013. The drivers for change were as follows:

*"A review of HR was undertaken by the Audit Commission. It found that whilst HR expert advice was highly regarded, there was:*

- *Inconsistent advice to managers on occasions*
- *Lack of clarity of roles of managers and HR on people issues*
- *The need for more support on the strategic HR agenda that should help shape workforce planning and people management, not just operational support"*

On the basis of this, a new model for HR service delivery was configured, which also resulted in the HR staffing budget being reduced by a third to support Council Budget savings. The model included the development of a contact centre approach to the provision of HR advice.

It was considered that a radical approach was needed and soft market testing had identified that there was a potential provider of such a service.

#### 3.1.1 Benefits Envisaged From Business Case

The following benefits were envisaged from the original business case:

- More efficient and effective way of providing timely HR advice to frontline managers, improving the breadth of management information to monitor and identify hotspots;
- Empower and skill all frontline managers to carry out their HR related activity more effectively and from an informed position;
- Improve the consistency of HR advice and support to managers;
- Enables resources to develop the role of strategic HR;
- Access to an improved HR IT system without the upfront investment;
- Increased flexibility and speed of response to HR problems;
- Increased performance management.

### 3.1.2 CMT Agreed Objectives

At CMT on 14 May 2014 the objectives for the contract were agreed:

- A change in the culture of the organisation which supports and ensures that managers are managing people issues in a timely and appropriate way;
- To have improved response times to queries;
- Follow up phone calls to determine management action;
- Timely and quality management information – highlighting hotspots, trends, training and development needs and focussing HR activity;
- An audit trail that facilitates performance management and compliance;
- The ability to grow the business in the future.

### 3.1.3 Report to Executive

A report was taken to Executive on 24 June 2014 which further summarised the objectives of the contract. The Executive report is attached as Appendix 1.

## **3.2 Analysis of Objectives**

The various original objectives envisaged by entering into the contract can be grouped into four main areas. These are:

- Timely, consistent and effective advice;
- Empowering and skilling managers on workforce issues;
- Provision of an IT platform that monitors and proactively manages HR issues with the ability to provide management information and identify 'hot spot' trends;

- Development of a more strategic HR service.

Below is an analysis of each of these areas.

### **3.2.1 Timely, consistent and effective advice**

Prior to the contract it was widely accepted and subsequently found in an audit report that advice was not given in a timely and consistent manner. Since the contract the advice line has been open from 8-00 to 18-00 hours as a single point of contact. Managers can also contact the service via email. Service KPIs demonstrate that each month between 95 and 100% of calls are answered within 6 rings. A summary of the full contract KPIs and case volumes is contained in Appendix 2. A further performance indicator requires that emails are followed up by the end of the next working day. This is usually 100%.

In a user satisfaction survey undertaken earlier this year 98% of respondees were positive about their experience of getting through to HRplus and 97% were positive about the adviser's understanding and support. This objective has been met.

### **3.2.2 Empowering and skilling managers on workforce issues**

The previous in-house service was more of an advice service and carried out some of the work that should have been carried out by managers. This often resulted in managers not taking responsibility for workforce issues. The HRplus service is a coaching service aimed at increasing manager's skills and confidence at dealing with workforce issues.

In the recent satisfaction survey managers were asked to rate their confidence at dealing with cases following advice and support from HRplus, 98% rated this as positive or satisfactory. This objective has been met although this is very much an on-going objective.

### **3.2.3 Provision of an IT platform that monitors and proactively manages HR issues with the ability to provide management information and identify 'hot spot' trends**

One of the biggest advantages of the contract is the provision of technology that could not have been provided in-house. As part of the contract, there is currently an integrated IT platform and customised HR web portal containing online guidance for managers on all in-scope HR policies and procedures (originally 30 in scope topics), including maintenance, development and hosting of our HRplus portal.

Another key part of the contract is the case and call management system which provides a reference for managers of all guidance and transactions on cases between Council managers and the advice line, and providing a confidential audit trail. Access is personalised and secure. Before this, documentation was held in a number of ways and phone calls and advice were not necessarily recorded. This made it particularly difficult to keep track of cases and produce meaningful evidence to support decisions. This objective has been met.

### **3.2.4 Development of a more strategic HR service**

The provision of HR advice by HRplus allowed the internal HR service to focus more strategically. Business Partner posts were created that have provided a more strategic workforce input to Departments. The Business Partners use the workforce MI generated by HRplus to advise on a range of workforce issues including performance. The Big Project which sets the strategic workforce agenda was agreed after the HRplus service was successfully initiated. This objective has been partially met but more work is needed in terms of reconfiguring the HR Service to fully meet this objective.

### 3.3 Service Enhancements

Since the start of the contract the following enhancements have been made:

- Upgraded intranet to incorporate a 'dynamic workflow technology' – a digital enhancement created to improve and streamline the manager experience making it simpler to locate the guidance needed in fewer clicks;
- Five new topics have been added; Shared Parental Leave; Mental Health at Work; Recruitment (fully hosted); Induction; and Managing Workforce Change;
- The creation of an employee intranet (also presented with dynamic workflow technology), providing information to employees as well as signposting;
- Upgrade to a new web-based MI portal providing greater visualisation of MI dashboards with automatic refreshes;
- Introduction of additional MI dashboards including: KPI dashboard to illustrate performance against key success measures as identified and developed with the Council; a knowledge portal dashboard providing insight into usage of the manager intranet; Case Viewer dashboard; internal benchmarking dashboard;
- Provision of Learning Solutions, tailored for Bradford Council managers according to the requirements identified in partnership with the Council's HR team, and;
- A new IVR system improving manager experience by routing calls directly to an adviser for an on-going issue and reducing the time to triage for new cases.

Increased service use has been seen across all activity metrics such as accessing information from the website and more particularly raising cases.

Over the course of the contract HRplus have made 79,000 outbound calls and received 40,000 inbound calls.

AdviserPlus are key partners in the delivery of the Big Project. Engagement and communications activity has included:

- Coaching and mentoring session with CMT;
- Facilitated sessions at SLT business meetings on a number of key topics including; sickness absence management, performance and discipline;
- Delivery of the Best Solutions for Managing People workshops which provide a range of 'best practice' solutions focussing on behavioural recruitment

- techniques, performance management, coaching, mentoring and supporting others to better performance. Over 450 managers have already attended and 88% rate the value of the workshop as extremely valuable or very valuable;
- Creation of managing performance eLearning module as a precursor to the Best Solutions workshops;
  - SLT Best Solutions overview session;
  - They are leaders in the field of employee mental health and have supported the Council to achieve the Department of Work and Pensions “Disability Confident” status Level 2;
  - AdviserPlus have provided Mental Health at Work workshops for managers to support the Council’s approach to employee mental health following the signing of the Time to Change pledge. Over 150 managers have attended these workshops which aim to enable managers to confidently address the mental health of their staff. The feedback has been overwhelmingly positive;
  - AdviserPlus are Service Excellence Awards sponsors providing financing that helps to make the annual Council event a success as well as attending and presenting an award;
  - The Council and AdviserPlus recently won a prestigious PPMA (Public Services People Management Association) award in the category of ‘Best Leadership or Management Development Initiative’ for our Best Solutions workshops and were “highly commended” for our work supporting mental health.

PACT HR, the Council’s traded HR service to schools, has purchased the AdviserPlus case management and knowledge portal systems to improve the services they offer. This had an implementation cost of £11,725 and a license cost of £37,000 for the remainder of the contract – through to 11 February 2020.

In order to further drive our objective to ‘get the basics right’ we’ve analysed key MI insights to develop guidelines for success in relation to employee case management. These success measures give clarity around what good looks like and are aimed at measuring achievement in improving performance, effectively managing absence, and delivering people-oriented solutions consistently.

### **3.4 User Satisfaction**

Feedback from managers has been predominantly positive. The few negative issues raised have been dealt with promptly and effectively by AdviserPlus and measures put in place to prevent reoccurrence.

There are regular service review meetings, including an annual service review meeting whereby the previous year is reviewed and developments for the coming year are discussed and agreed.

Earlier this year a user satisfaction survey was undertaken with Council managers. The survey was completed by 229 service users, which equates to a 27% response rate (based on the eComm having being received by 845 service users). The 2019 council manager survey results show:

- Over 90% of service users gave a positive or satisfactory score across all questions.
- Whilst the 2018 survey result scores were positive we have seen an improvement

in all questions this year.

- 89% of service users score the question *“Overall I’ve found the adviser’s understanding of the support I require in managing my case(s) to be...”* as good or excellent.
- 93% of those surveyed advised that they would recommend using the support from HRplus to a fellow manager.

There is some anecdotal evidence of some managers that are dissatisfied with the HRplus service. There has been a lack of specific examples passed through to HR, however, once these are passed to HR, they can be effectively addressed with HRplus.

### **3.5 Issues to be Addressed**

#### **3.5.1 Failed contacts**

The contract has an escalation process for when managers are not taking action on a case. This involves them being contacted several times. If the manager does not respond then their manager is contacted several times. If they do not respond then the case is closed.

17% of all cases are closed due to the failed contact process being exhausted. This has remained consistent over the years of the contract. Children’s Services has the highest percentage of these cases with 23% exhausting the failed contact process.

Over the duration of the contract we have failed to effectively address this and reduce the number of failed contacts.

#### **3.5.2 Lack of engagement with the service**

The case volume per 1000 employees is 41 which is in line with other customers of AdviserPlus. However, all managers should raise a case whenever one of their staff exceeds one of the sickness trigger points, long or short term. A case is not raised for 33% of cases where an employee has exceeded a short term trigger point and for long term sickness the figure is 29%.

Despite HR Business Partners regularly updating services on these cases, the figure remains high meaning that managers may not be getting the help and advice they need to manage a case.

#### **3.5.3 Lack of clarity on roles**

HRplus advise management through complete HR processes including dismissal. When the contract was formulated it was felt that the internal HR service should be aware of any cases that may result in the dismissal of an employee or represent a significant reputational risk. This often involves HR Business Partners and senior HR staff involvement. Some of the more serious cases, especially those involving litigation, get dealt with in the final stages by the internal HR service and other services as appropriate. This is a very small proportion but they do take a large amount of resource from the Corporate HR team.

Some cases are dealt with outside of HRplus, either because managers are not raising them in the first place or we have determined that Corporate HR need to support. For example, collective grievances and some investigations and disciplinary cases.

Having the HRplus service, the internal HR Business Partnering service and other parts of the Council involved in some processes has sometimes resulted in confusion and needs to be more effectively addressed in any future service provision.

#### **3.5.4 Trade Union Feedback**

As key stakeholders, our trade unions have been extensively engaged with the development and transition to the HRplus contract. This included significant consultation before the contract was entered into, making our trade unions an integral part of the service implementation, discussions continued at OJC meetings. Trade unions previously had direct contact with the HR Adviser dealing with a specific case and could sometimes work to resolve issues more informally rather than following strict processes, which they saw as an advantage. The view is there is inconsistent advice being given to managers by HRplus. However, inconsistent advice to managers was a concern prior to the contract from Corporate HR.

Trade unions have made their position and preference clear - for the service to be brought back in-house. Corporate HR plans to run a number of focus groups with stakeholders including our trade unions to ensure that effective engagement is maintained and different views for effective delivery are sought to influence future options.

### **3.6 Current Position**

Further work is currently being undertaken to assess the effectiveness of the contract and to inform an options appraisal which will be considered to decide the future of workforce advice and information provision.

## **4. FINANCIAL & RESOURCE APPRAISAL**

The cost of the original contract was £1.5M over 4 years, £31,250 per month. These costs have risen in line with inflation. It was agreed to extend the contract for a further 18 months at a monthly cost of £32,437 per month (the original cost plus inflation).

Spend with AdviserPlus since the start of the contract to 31 July 2019 is £2,113,977.30. There has been approximately £250k additional expenditure with AdviserPlus over the life of the contract for the provision of the Best Solutions for managers workshops, senior management briefings, mental health in the workplace workshops, plus the case management and knowledge portal systems purchased by PACT HR.

## **5. RISK MANAGEMENT AND GOVERNANCE ISSUES**

The appraisal of options and decisions on the future provision of HR advice and information will need to be made within a short timeframe to avoid the risk of disruption to managers needing workforce advice.

**6. LEGAL APPRAISAL**

Legal input will be required with regard to all contractual issues and on legal issues connected with the application of employment law.

**7. OTHER IMPLICATIONS**

None

**7.1 IMPLICATIONS FOR CORPORATE PARENTING**

None.

**7.2 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

None.

**8. EQUALITY & DIVERSITY**

All HR advice and information is provided within the framework of employment, equality and diversity legislation and good practice.

**9. SUSTAINABILITY IMPLICATIONS**

None

**10 GREENHOUSE GAS EMISSIONS IMPACTS**

None

**11 COMMUNITY SAFETY IMPLICATIONS**

None

**12 HUMAN RIGHTS ACT**

None

**13. TRADE UNION**

The trade unions are a key stakeholder in effective workforce management. They will continue to be engaged with on the provision of HR advice and information.

**14. WARD IMPLICATIONS**

None

**15. AREA COMMITTEE ACTION PLAN IMPLICATIONS  
(for reports to Area Committees only)**

None

**16. NOT FOR PUBLICATION DOCUMENTS**

The attached Appendix 2 is marked Not for Publication as it contains commercially sensitive information and it is therefore considered exempt information within paragraph 3 (financial or business affairs) of Schedule 12A of the Local Government Act 1972 (as amended).

**17. RECOMMENDATIONS**

Members are asked to note the contents of this report.

**18. APPENDICES**

Appendix 1: Report of the Interim Head of Human Resources to the meeting of Executive held on 24 June 2014.

Not for Publication Appendix 2: HRplus KPIs and performance information.

**19. BACKGROUND DOCUMENTS**

None