

## **HROD Shared Service Review**

### **The Brief**

The purpose of the review is to assess the ability of the HROD shared service arrangement to meet the current and emerging requirements of Services in East Sussex and to deliver value for money against ESCC's financial contribution.

Commissioned by the Chief Executive on behalf of the Corporate Management Team, the review acknowledges the critical role to be played by HROD in supporting the Council through a significant period of change, given Covid-19 response and recovery, ongoing organisational financial challenges, and the launch of a renewed health and social care programme.

The review has therefore considered how these requirements for HROD support can be resourced and met successfully. It also provided a timely opportunity to review the existing shared service arrangements from an ESCC perspective.

The review engaged with key stakeholders in ESCC (via the HR Management Board), senior HROD managers and integrated HROD staff, and the senior Orbis and HROD partnership leads in BHCC, to:

- build a clear understanding of current and emerging requirements for HROD support to ESCC, and
- assess the ability of the HROD shared service arrangements to meet those requirements; presenting options for how the requirements can be met and value for money assured.

### **Executive Summary**

Feedback indicates that the ESCC HROD Service is historically strong, benefitting from experienced, knowledgeable staff with a good appreciation of organisational needs; and that the shared service model has to operate across the very different organisational cultures, ways of working and industrial relations of ESCC and BHCC.

While expected to operate with roughly a 50/50 split of integrated resource between the two councils, it is acknowledged that there has been, and continues to be, a strong demand pull on integrated posts towards BHCC. While the day-to-day service to ESCC has so far been maintained successfully, this is unlikely to be sustainable. Furthermore, the capacity for service development, innovation and engagement in corporate initiatives is significantly reduced. The lack of focus on the development of the service will inevitably lead to its deterioration.

Options for the future of the Service have been reviewed against three criteria of value for money, achievement of requirements and deliverability. No change in the model does not achieve VFM or meet future requirements.

While it might be possible to retain the shared service model with an explicit recognition of the demand pull and rebalanced financial contributions, the lack of HROD synergy between the two organisations means this is unlikely to be a sustainable model. By contrast, withdrawal from the shared service will achieve VFM and will better enable ESCC to achieve its future requirements.

This option is considered affordable at a slightly higher cost (approx 3% of ESCC HROD salary costs).

The recommended option for ESCC therefore is withdrawal from the shared service. Should ESCC decide on withdrawal as the preferred option, careful planning is advised on a number of issues, notably the need to provide support to BHCC through a transitional period while it creates its own HROD sovereign structure.