

## **CORE OFFER BUDGET FOR HUMAN RESOURCE MANAGEMENT**

### **WHY DOES THE COUNCIL HAVE TO PROVIDE THIS SERVICE AND WHAT DOES IT NEED TO COVER?**

This is the cost of HRM that could not be reduced as long as the Council employs staff and there are ongoing council functions. There are a number of functions the Council needs to undertake including compliance with employment legislation by establishing and maintaining HR policies and procedures via collective bargaining, pensions administration, issuing contracts, equal pay compliance and fair recruitment processes. The fixed costs of transactional HR such as the Payroll and HR ICT system costs are also included here. The Resources Department Training budget for statutory training is also held in this area.

This does not include any 'variable' areas that can be scaled back dependent upon demand/payroll numbers e.g. HR support, advice and assistance in employee matters and managing disputes e.g. sickness reviews, grievance and capability meetings and investigations, disciplinary work, nor does it include any workforce development

This service works behind the scenes to ensure the all issues relating to its staff run in accord with legislation and promote good employee relations with the Councils biggest resources, our staff.

### **VALUE FOR MONEY**

Whilst not a front line service, the HR function is important to the smooth running of the organisation and good employee relations fundamentally by ensuring employment legislation is followed and the rights and responsibilities for the employee and employer are adhered to. As a back office services value for money is paramount to ensure the service runs efficiently and effectively so as much resource as possible is directed to our front line services. There is a constant focus on improving processes and removing waste and this can be seen in the latest Cipfa benchmarking figure (2014/15) which pitches Darlington against all other unitary authorities. The headline figure show the function is in the lowest quartile for cost against all unitary authorities.

**HRP1(ai) HR Cost as a percentage of organisational running costs  
Average 0.84%, Darlington 0.35%, Lower Quartile 0.58%**

**HRP1(b) HR Cost per FTE  
Average £693, Darlington £472, Lower Quartile £438**

**DOES THIS DIFFER FROM THE CURRENT SERVICE?**

The core offer only includes the 'fixed element' of the HR function i.e. that which would be required with a net revenue budget of around £80m and an assumed level of staffing at that level. This would mean a reduction in the already small HR team and therefore the team would be less resilient to staff absence or the ability to respond as quickly to changing legislation and service demands.

**WHAT IS THE CORE BUDGET MADE UP OF?**

**2019/20 cost - £441,720**

**Xentrall – Transactional Services**

	£
<b>Pensions Administration</b>	<b>17,000</b>
<b>Employment contracts, recruitment etc.</b>	<b>69,000</b>
<b>Payroll</b>	<b>44,200</b>
<b>HR ICT systems</b>	<b>60,000</b>
<b>Total</b>	<b>190,200</b>

**DBC Human Resources Services**

	£	Staffing FTE
<b>Resources Group Training budget</b>	<b>12,000</b>	<b>N/A</b>
<b>ICT system</b>	<b>5,000</b>	<b>N/A</b>
<b>Employment legislation compliance inc Equal pay and Job Evaluation *</b>	<b>109,908</b>	<b>2</b>
<b>Policy Development *</b>	<b>37,000</b>	<b>0.8</b>
<b>HR Advice and information provision *</b>	<b>46,000</b>	<b>1</b>
<b>Overheads</b>	<b>41,612</b>	
<b>Total</b>	<b>251,520</b>	<b>3.8</b>

The areas denoted with a \* are mainly (95%) staffing budget and whilst the roles in the division are not specific an estimation of the resource taken in the areas has been added for information.