

Leaders' Committee

Extending the London HR Metrics Service to other regions

Item no: 8

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Summary

The London Councils HR Metrics Service is a benchmarking club made up of all 33 London local authorities. It captures key human resources (HR) data on behalf of all London boroughs and the City of London Corporation. The service is funded by means of a specific subscription paid annually by each of the HR Directors under a Service Level Agreement (SLA) arrangement and this covers the cost of London Councils staff running the HR Metrics service and also the contract costs for an external sub-contractor providing an online graphical data sharing platform.

This report proposes expansion of the SLA and subscription service to local authorities outside London via regional employers, specifically at present the South East Employers organisation. This would have the benefit of expanding the benchmark pool of HR data allowing comparison with other authorities outside of London and vice-versa.

Recommendations

Leaders' Committee is asked to approve expansion of the HR Metrics Service outside of London, specifically:

- to extend the HR metrics and data sharing arrangements to authorities outside of London; and
- to permit the setting up of Service Level Agreement and appropriate subscription arrangements by London Councils with other regions (e.g. the South East Employers organisation) and local authorities.

Extending the London HR Metrics Service to other regions

Background

1. London Councils has managed the HR Metrics Service for the London boroughs and the City of London Corporation on a Service Level Agreement (SLA) and subscription basis since January 2015. The SLA covers the cost of the London Councils staff providing the service as well as the sub-contractor providing the web online portal platform. It is part of the London Regional Employers Service. All 33 London authorities are part of the service and benchmarking club.
2. The HR Metrics Service conducts a range of surveys with the subscribing boroughs and the City to deliver workforce related benchmarking and analysis, through which boroughs can consider relative data against other London local authorities. Beyond comparison across a range of HR measures, it supports the Heads of HR Network to work collaboratively to develop and progress best practice and tackle new challenges that require data insights.
3. Working closely with the London Councils Workforce Planning Network the service reports regularly to the London Councils Heads of HR network and is overseen by a Governance Board that includes two London Heads of HR, the Head of the London Regional Employers Organisation and an external adviser from the Institute of Employment Studies.
4. The service currently delivers 11 core surveys, each of which has a high response rate, highlighting the value given to the work by the participating authorities (the full list can be found at Appendix 1). Additionally, user surveys have given the service high overall satisfaction scores of 92% and the service recently won the Public Service People Managers Award 2019 for partnership working.
5. The service has a contract with a sub-contractor – Infinistats - that delivers an online web portal platform to deliver most of the surveys. This online tool enables the boroughs/City to enter their own data and access a range of outputs, including scorecards and detailed benchmarking reports, which are tailored to each individual authority. The surveys are continually developed and refined in response to new requirements for data collection as they arise.
6. The data and comparative analysis provided by the service has been used to aid decision making during a period of significant organisational change and transformation within London authorities.

Request from other regions to join the service

7. The South East Employers Organisation has recently approached the Head of London Regional Employers about utilising the HR Metrics service to provide survey and benchmarking data and analytics to local authorities within their region. They estimate that potentially 30 authorities, likely to comprise 3 counties, 21 unitaries and 6 districts, would be interested in contributing to and utilising the service.
8. Initial discussions have explored offering the HR Metrics service to the South East Employers' (SEE) local authorities on an SLA and subscription basis similar to the London authorities. SEE have their own HR metrics analysts so would not require the London HR Metrics service to undertake the day to day work, but would want to utilise the Infinistats online platform, the survey templates and London community comparator information. The subscription rates charged will be between £800 and £2,000 based on the type of authority i.e. county council, unitary or district. There would be required some initial configuration work on the infinistats platform at a cost of £5,750, which will be fully covered by SEE. The resultant costs associated with Infinistats consultants' ongoing support maintenance and development will be met by 70% of the subscription being passed directly to infinistats with no additional costs being charged to London Councils. 30% of the fee will be retained by London Councils' to fully cover support arrangements; ongoing survey development; and testing of Infinistats products together with contract administration, use of the survey templates and access to the London community benchmark information.
9. Other regional employers have also expressed an interest in using the service and are awaiting the outcome of the proposed South East Employers Organisation arrangements.
10. It should also be noted that currently the London Regional Employers' Organisation charges subscriptions and fees for the Greater London Provincial Council job evaluation scheme, including training and undertaking job evaluation, and that it has an income target incorporated into the base budget which helps toward covering the London Regional Employers' staffing costs, including an apprentice.

Relevant powers to deliver and expand the service – Legal advice

11. The Comptroller and City Solicitor's Department have advised that a decision to expand an existing service which is provided to the participating local authorities to other public authorities on a charging basis requires Member authority. "Public authorities" are specifically defined for the purposes of the provision of goods and services in accordance with section 1 of the Local Authorities (Goods and Services) Act 1970, the powers being

exercised here to achieve best value for the purposes of the joint exercise of the functions referred to in Schedule 2 of London Councils Governing Agreement.

12. There are specific delegations under the Governing Agreement relating to London Councils role in jointly representing the 33 London local authorities as an employer. It may (para 1 (vi), Part 2, Schedule 2) also act for and on behalf of the London local authorities in their role as employers through the provision and development of a range of services including, in particular, research and information on human resources, development and funding.
13. There are also powers for charging for discretionary services in the Local Government Act 2003, so long as the service recipient agrees to receive the service and to pay for the services.
14. London Councils' Governing Agreement includes the following relevant powers to deliver this service:
 - To provide services to the London local authorities including the dissemination of information on local government and on other relevant issues;
 - To exchange information and opinion with other organisations and to provide a human resource service to subscribers and other contracted bodies;
 - To consider any other appropriate matters referred to it by the London local authorities relating to the terms and conditions of employment of employees;
 - To do anything which is calculated to facilitate, or is conducive or incidental to, any of the functions delegated to the joint committee;
 - To enter into contracts for services in relation to any aspect of the functions and to enter into service level agreements with any of the London local authorities or any other body in relation thereto; and
 - To implement in respect of the functions delegated any duties or powers arising under the Best Value regime under the Local Government Act 1999 which requires the authorities to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Proposal

15. It is proposed to extend the offer of the London HR Metrics service to other local authorities on a Service Level Agreement and subscription basis. The subscription would be configured to cover the costs of the HR Metrics sub-contractor providing for the greater volume of services through the online platform (currently the sub-contractor is Infinistats) for ongoing support/ maintenance/ development of the online platform; the London Councils support arrangements, ongoing survey development and testing of Infinistats products together with contract administration, use of the survey templates and access to the London community benchmark information.
16. The benefits in doing this for the London boroughs and the City are in having a wider benchmarking and comparison pooling arrangement which includes local authorities outside of London. Many outer London boroughs consider their HR data comparators (including for pay information) are local authorities outside London, rather than inner London boroughs. Further, there are potential additional income/ finance benefits that will help with Regional Employers Organisation staffing costs including the costs of an apprentice.

Recommendation

17. Leaders' Committee is asked to approve expansion of the HR Metrics Service outside of London, specifically:
- to extend the HR metrics and data sharing arrangements to authorities outside of London; and
 - to permit the setting up of Service Level Agreement and appropriate subscription arrangements by London Councils with other regions (e.g. the South East Employers organisation) and local authorities.

Equalities: There are no equalities implications arising from this report.

Financial: Any additional costs, as outlined in paragraph 8, will be fully covered by additional subscriptions received therefore extending the service will be at a nil cost to London Councils. The change to the Infinistats contract, as a result of the proposed expansion, will be conducted in line with London Councils procurement policies and procedures.

Legal: Comments incorporated in the section 'Relevant powers to deliver and expand the service', paragraphs 11 to 14.

Appendix 1 - Core Surveys (and participation levels) delivered in 2018/19

Survey Title	Summary	No of boroughs that took part
Chief Officer Pay & Benefits	Pay and Benefits of Chief Officers by occupational category and level	33
Pay & Benefits (inc perm CSW pay ranges)	Pay ranges, benefits and recruitment/retention difficulty for 40 key job families	32
Human Capital Metrics	Staff No., diversity profiles, sickness absence, length of service etc	33
Gender Pay Gap	Benchmarking of GPG data	33
Children Social Work Agency Workers Pay Rates	CSW agency rates being paid by LBs, categorised by job-type/level.	31
Analysis of DfE CSW Workforce data	CSW numbers, turnover, agency use etc.	33
Adult Social Work Agency Workers Pay Rates	ASW agency rates being paid by LBs, categorised by job-type/level	30
Trade Union Membership and Facilities Time	TU Membership + Collection of the data required by the Localism Act Transparency Regulations (2014 guidance) on facility time.	27
HR Outputs	HR Casework, recruitment, training course attendance data, appraisals etc.	31
HR Resources	HR team FTEs. Also round-up of HR/Payroll systems in use and other computer applications and external providers.	25
Terms and Conditions	Terms and Conditions in place and changes being considered.	31