

Canterbury City Council

Company description:

Serving some 140,000 people in Canterbury, one of England's historic cathedral cities, Canterbury City Council supplies a range of services across its district of 12 square miles.

The Council, which employs around 900 staff, is rated as 'excellent' under the Comprehensive Performance Assessment process, has been short-listed for council of the year and has been awarded Investors in People status since 2001.

Product:

HR outsourcing.

Challenge:

To access an outsourced HR management service, ensuring the desired strategic and managerial support while achieving financial savings compared to an in-house appointment.

Solution:

By outsourcing the Head of Personnel position (and some additional HR consultant positions) to Northgate HR, the Council has ensured continuing professional service provision.

Benefits

- A guarantee of continued department management without the need to recruit and retain HR managers on an internal basis.
- Access to HR expertise from a leading provider, with the added benefit of tapping into public sector knowledge and experience.
- Financial savings compared to the costs of providing a similar service internally.

Background

After a restructuring of its internal structures, Canterbury City Council's HR function came within the remit of Jim McDonald, Director of Corporate Services. Soon after, he took the opportunity to review how the function could be managed. The main aims driving the eventual decision were to find a solution suitable to manage the personnel aspects of a significant change agenda, and one that would guarantee long-term continuity to the position. A service dependent on one HR specialist did not have the necessary resilience.

Solution

After investigating alternative solutions, the decision was taken to outsource the Head of HR function to Northgate HR. Jim McDonald explains the overriding factor that led to this choice: "We liked the fact that the outsourcing arrangement could be fine-tuned to meet our needs. For example, we didn't require any administration support, but instead needed managerial expertise. Although Northgate HR also provide administration services they were supportive of our decision and happy to work with us in this way."

Here are some elements of the process of establishing the arrangement, and of the service provision it now covers:

Developing relationships

As is often the case with similar outsourcing arrangements, there was some initial concern among the HR team about the new arrangement. Questions arose about their future job security and a possible change in management style. These concerns were seen as natural by Northgate HR and work was done to address them. For example, a vision for the department was created that everyone could buy into.

The arrangement was also shaped to ensure a suitable day-to-day management structure, with everyone having clear responsibilities defined.

Further clarity came from agreeing that line reporting on routine matters would be to an internal HR manager, who in turn reports to the Northgate HR manager. The HR staff now welcome the outsourcing arrangement and the team is working together in a way that has in fact been enhanced since having an external department head.

In addition to developing relationships with the HR team, the details of the new arrangement were communicated to all employees. The Northgate HR manager also presented at the Council's management away days to update managers on the outsourcing arrangement and the various personnel policies that were being addressed.



"What our customer said"

"The person from Northgate HR who manages our HR team for us is part of a big organisation that has a particular speciality in working with the public sector."

**Director of Corporate Services
Canterbury City Council**

Understanding the Council

The Northgate HR manager invested time in understanding the Council's structure and particular issues. One of these concerned building relationships with the trade union representatives, who were initially questioning of the suitability of an outsourced arrangement. Through careful consultation, Northgate HR have since proven their worth with the union representatives, who have given positive feedback about the eventual outcome of the outsourcing arrangement.

Reviewing policies

As well as providing ongoing management and consultancy support, Northgate HR have worked with the Council's HR team in consultation with managers and staff from other areas on a number of projects. These have included a review of the recruitment, induction and training policies, with improvements made across the board. Further reviews of other issues have begun, such as the development of a staff wellbeing programme and an update of employees' conditions of service.

Support for line managers

One of the areas with which the Northgate HR manager has become involved is the supply of advice and support to line managers during disciplinary and grievance procedures. Feedback from managers about this has been very positive and they have welcomed the opportunity to get access to this specialist expertise.

Ensuring legislation compliance

Another aspect of Northgate's HR role is to make sure that the Council is always compliant with employment legislation.

The commencement of the outsourcing arrangement coincided with the introduction of new age discrimination legislation, which Northgate HR helped to incorporate into the Council's policies and procedures.

"With this arrangement, we are not just accessing the knowledge of one individual," says Jim McDonald. "The person who manages our HR team for us from Northgate HR is part of a big organisation that has a particular speciality in working with the public sector."

So we have great confidence that we will continue to respond appropriately to general employment legislation changes, and issues specific to local government such as job evaluation and local pay."

Gaining a Charter Mark for HR

Jim McDonald believes that the involvement of Northgate HR played a large part in the gaining of a Charter Mark for this division of his department. "I believe we are one of the few personnel departments in the country to achieve this," Jim says. "It was in part because of the improvements we have made in this area, and at least one member of the HR team has said we might not have achieved it without the involvement of Northgate HR."

Conclusion

Outsourcing a management function naturally raises concerns as it so often takes people out of their comfort zone. But for Canterbury City Council, any initial misgivings have been turned around into positive support for the benefits of working with a professional, highly skilled individual and supporting organisation. Flexible outsourcing arrangements can focus service provision where it is needed the most, providing a financially attractive alternative to recruiting and retaining an in-house manager.

For more information

With the skills, experience and market knowledge of Northgate HR behind you, you too can be well placed to translate the HR challenges your organisation is facing into powerful opportunities.

For an initial discussion about your requirements, call us on 0800 035 0545. Email: hrosolutions@northgate-is.com or visit www.northgate-is.com/hrs



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