



Derby City Council

**COUNCIL CABINET**  
**12 April 2017**

**ITEM 14**

Report of the Cabinet Member for Finance and Governance.

**The provision of HR and personnel services to Amber Valley Borough Council (AVBC)**

**SUMMARY**

- 1.1 The Council's HR department and AVBC have been discussing over recent months the mutual benefits of the Council's HR department providing HR and personnel services to AVBC.
- 1.2 Both organisations are now ready to move to a contracted service, proposed to start on 1 May 2017.
- 1.3 Cabinet approval is sought to enter into an initial three year contract which will generate an estimated total value in excess of £75,000 income over the three year term of the contract.
- 1.4 Both organisations have the usual options to terminate or extend the contract.

**RECOMMENDATION**

- 2.1 To agree to the Council entering into a contract with AVBC regarding the provision of HR and personnel services, with a start date of 1 May 2017.

**REASONS FOR RECOMMENDATION**

- 3.1 The Council's HR team offer Strategic HR and HR Shared Services to other organisations, such as schools and Derby Homes and aim to commercially expand their customer base.
- 3.2 Following an approach from AVBC, who were undertaking a strategic review of their HR support, both organisations have identified mutual benefits in a contract for the Council's HR team to provide HR and personnel services to AVBC.
- 3.3 All necessary processes and procedures, including legal input into drawing up the contract, have now been completed by the Council, and Cabinet authority is sought to enter into a contract for an initial three year period.



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Report of the Director of Governance and Monitoring Officer.

**SUPPORTING INFORMATION**

- 4.1 An objective of the 2017/18 Governance Department Business Plan is to “Develop Sold Service Opportunities” and entering into this contract with AVBC is a major step for HR to achieve this objective.
- 4.2 There may be further opportunities within AVBC to expand our sold services offering such as payroll services
- 4.3 A successful venture with AVBC may provide the model to expand with other local authorities.

**OTHER OPTIONS CONSIDERED**

- 5.1 Not respond to the initial approach but this was felt to be counter to the Departmental Business Plan objective.

This report has been approved by the following officers:

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Liz Moore, Strategic HR Manager  Janie Berry, Director of Governance and Monitoring Officer
<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	David Cox, Head of HR 01332 642577, david.cox@derby.gov.uk None Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The contract and arrangement meets the criteria for HR Sold Services, and provides an income in excess of £100,000 over the three year term of the contract

**Legal**

- 2.1 The contract has been drafted, discussed and finalised by the Council's legal team and AVBC's legal team.

**Personnel**

- 3.1 The additional work will be absorbed within the existing HR team and offset the loss of some schools bought services that have/will transfer to academy status.
- 3.2 The contract will result in the TUPE transfer of one HR Advisor from AVBC to the Council's HR service, where the person will fill an existing vacancy.

**IT**

- 4.1 None

**Equalities Impact**

- 5.1 HR will provide a level of advice on Equality and Diversity issues with support from the Derby Lead on Equality and Diversity

**Health and Safety**

- 6.1 None

**Environmental Sustainability**

- 7.1 None

**Property and Asset Management**

- 8.1 None

**Risk Management and Safeguarding**

9.1 None

**Corporate objectives and priorities for change**

10.1 Develop a charging model to underpin the development of a new commercial strategy