

***Business Plan for a Nottinghamshire
Employment / Human Resource
Service for the Voluntary and
Community Sector***

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1.0 Executive Summary

A summary of the proposal for an Employment/HR Service for Nottingham City and Nottinghamshire

The aim of the service would be to promote better employment practices across the sector. The service would include:

- Policy development
- One off support by phone/email
- Web based support
- Email newsletters
- Training courses

Two full time Employment Advice workers (plus support staff), one of whom manages the service

One person based in Nottingham, another based towards the North of the County, possibly Mansfield

Web and regular email services to be delivered by the service manager

Phone advice, one-to-one support and training courses to be delivered by each member of staff in their own area.

The staff would be physically located within, and operationally linked with, other support agencies.

The service should be managed and administered as a project within an existing organisation.

The estimated cost for this project in any full year is £80,000. The majority will be required form public subsidy.

Based on the experience of the current Employment Advice Service from Community Accounting Plus a sustainable service for Nottingham and Nottinghamshire is perfectly feasible, but there is no reason why the concept would not be appropriate across the East Midlands Region as a whole.

2.0 WHAT HAPPENS NOW

The Community Accounting Plus Employment Advice Service

Community Accounting Plus (CA Plus) is a registered Charity, established in the mid 1980's and whose main aim is that of **“enabling good management in voluntary organisations”**. Traditionally this has been in the area of infrastructure support exclusively for charitable and Voluntary and Community Sector (VCS) groups in the areas of financial management, independent examinations of charity accounts and the provision of a payroll bureau service.

Due to its own perceived demand for an Employment Advice Service as a result of the high level of employment related questions from its payroll clients, CA Plus carried out extensive market research in 2000 to further identify and quantify demand for such a service. Due to the overwhelming demand shown in the results of that exercise CA Plus sought support from potential funders to establish an Employment Advice Service to be delivered alongside other CA Plus services.

Funding was secured, at that time, from Nottingham City Council via SRB, and the ESF to establish a service exclusively within the City of Nottingham starting as from 1st January 2002.

To meet the needs of groups within the voluntary and community sector the Employment Advice Service has evolved to provide 5 main types of support.

1. Ad hoc telephone advice on employment/human resource related topics
2. In depth one-to-one support/training for groups/committee members/senior employees
3. Provision of regular training courses on popular employment matters
4. Comprehensive employment information on the CA Plus web site in the form of employment advice notes and links to other information providers
5. Production of a monthly employment law update, distributed by email.

To give some idea of demand the following statistics covering the initial funding period of 1/1/2002 – 31/9/2003 (21 months) are as follows.

1. Number of groups in receipt of support	=	174
2. Average hours of direct one to one support	=	4.97 per group
3. Number of training courses held	=	39
4. Number of persons attended	=	346
5. Present number of email newsletter recipients	=	235

To illustrate the statistics it might be useful to consider the following typical example of support given by CA Plus's Employment Advice service to one such group.

The group in question recently had to implement its disciplinary procedure and eventually dismissed its manger for gross misconduct. With hindsight, the group found that its existing disciplinary policy as written was totally unsatisfactory - if not unworkable and also that the members of their Committee were totally overwhelmed by the process, not having had any previous management experience of overseeing disciplinary meetings before. The group were then advised (by their main funder) to contact CA Plus.

After an initial review of their existing contracts of employment, their discipline and grievance and other employment policies, an action plan for the implementation of changes was drawn up. CA Plus's Employment Manager was invited to attend at regular personnel sub-group meetings to answer questions and give advice to the committee (and staff) on new draft policies and implementing any changes to the contracts of employment . Individual training support was provided to the committee members on how to handle disciplinary meetings. Additional employment training was identified for other committee members and the Chairperson. In total, approx. 30 hours of direct support was given to the group. This was made up of phone calls, visits and deskwork to prepare new draft policies. Committee members have subsequently attended four different training courses.

Since October 2003 to date , additional funding has been secured for the service from Nottinghamshire County Council, Lloyds TSB Foundation and Nottingham City Council. As a result the Employment Advice Service is now available to any group based within the whole County of Nottinghamshire. Service provision remains the same and since 1/10/2003 – to date (11 months) delivery statistics are:

1. Number of groups in receipt of support	=	199
2. Average hours of direct one to one support	=	3.51 per group
3. Number of training courses held	=	23
4. Number of persons attended	=	143
5. Present number of email newsletter recipients	=	235

So, based on the experience of CA Plus providing an Employment Advice Service for over 2 ½ years, what lessons have been learnt?

- Most VCS groups do not have any staff/committee with direct experience of HR/employment legislation or the skills to implement it.
- Most groups do not include in their initial funding bids (or funders will not allow it) the cost of obtaining employment advice and putting in place suitable HR policies and procedures. Hence they often neglect this important issue.
- Most newly formed groups/committees need “relevant” employment advice and support, especially where the committee members have had no previous experience of setting up or running a VCS group before.

- Due to the relatively high turn-over of voluntary committee members within the VCS there is a continuing demand for training support, even to previously trained groups.
- Many groups/committee members require training or support “out of hours” at evenings or weekends, due to their day-to-day work commitments.
- Most groups need a source of up-to-date and easy to understand employment information, in a format that is relevant to their needs.
- Most groups need to be proactively alerted to changes or forthcoming new employment legislation as they generally do not receive, or know where to get such information from elsewhere.
- The perceived need for an Employment Advice Service by more longer established groups is less, **until they encounter a problem**. Exposure to employment relations situations/crisis often highlights either deficiencies in their policies or the practical HR skills of committee members to implement them.

3.0 WHAT OTHER EMPLOYMENT PROVISION IS THERE IN NOTTINGHAMSHIRE

Local CVS's, Volunteer Bureau and other VCS groups

Employment advice and infrastructure support for VCS organisations within the County of Nottingham by other VSC organisations is very sparse. None of them offer a specific employment/HR advice service. However, some do provide limited employment information or perhaps copies of model employment policies as an additional service (backroom activity) but none of this is supported by dedicated professional advice workers able to give one-to-one support to individual groups/committee.

Based on past CA Plus experience of working with many of these support groups on their own employment policies and procedures, it is evident that most of groups have only generalist experience in this area.

Many VCS support groups do offer employment training as part of their normal training programs for clients, usually by bringing in an outside third party commercial trainer (or increasingly by contracting with CA Plus to deliver courses on their behalf).

Citizens Advice Bureau / Nottingham Law Centre

These specifically only give advice to individuals, namely employees. They do not offer any advice to employers. This potentially raises the risk for VCS groups as they then may be directed to commercial "no win no fee" type organisations/solicitors very willing to help and advise employees of their rights.

Trade Unions

Support from Trade Unions is again aimed primarily at supporting individual employees. However, where unions are officially recognised, their contribution in helping to negotiate good working practices and conditions between employers and employees is very good. However, only a very few of the largest VCS groups within Nottinghamshire have any official recognition of a trade union.

Often the threat by employees of "bringing in the Union" precipitates groups in seeking help and advice as its plainly evident that something serious has then happened.

ACAS

The Advisory, Conciliation and Arbitration Service, a government supported organisation do provide free of charge telephone advice for employers **but not**

on an individual basis. Their advice is always based on a general statement of employment law pertinent to the individual enquiry. They do also provide training courses on a number of employment related subjects. Traditionally their support has been aimed at the larger employer over (100 employees) and as such most VCS groups are well below that level.

Solicitors

No one firm of solicitors in Nottinghamshire has a reputation (to our knowledge) for specifically assisting VCS groups. Professional consultation fees for advice and support are relatively high (typically £75-£175 per hour) and in most cases are beyond the budget of most VCS groups.

Business in the Community do offer a pro bono scheme whereby groups can apply to get free professional help from a Solicitor but this is only in connection with a specific project, not individual advice or training.

Consultants

There are a number of local and national consultancy groups offering their services in the area of Employment/HR. Most of these are working with groups on HR improvement projects to systems, policies and procedures. Very few of them offer crisis management concerning individual employment problems. Very few of them appear to have any specific experience of helping VCS groups. Again this is good evidence that their fees exclude most VCS groups from being able to use these types of service providers.

4.0 CONSULTATION

Methodology

In addition to direct contact and discussions with a number of infrastructure support organisations in Nottinghamshire, CA Plus choose to send out a survey to a broad cross section of its own users (all VCS groups and general users of CA Plus services, not just Employment Service users) to ascertain feed back on a number of key questions.

Over 150 groups in Nottinghamshire were contacted and 34 sent back replies (23%). Due to the time of year (August) and given the lack of any real incentive and "consultation overload" this was considered to be a reasonable level of response.

In addition as a cross reference check, a similar survey was distributed to VCS groups in Northamptonshire to see if there was any correlation between results and findings. In total over 400 surveys were sent out with a response rate here of 15%. Again based on the fact that there was no real incentive to complete surveys, the level of interest and response was high.

CA PLUS USER GROUPS -- RESPONSE RATE (PERCENTAGES ARE IN BRACKETS):

We sent out about 150 requests and received 34(23). Given the lack of any real immediate incentive and the consultation overload most groups are experiencing at the time, this was considered to be a good and meaningful response rate.

About the groups...

Of the 34 groups 1(3) had no staff, 26(76) had 1-10 staff, and 7(21) had more than 10 staff.

There was a good split across the Nottinghamshire region with areas covered as follows:

Bassetlaw	6(18)
Newark & Sherwood	6(18)
Mansfield & Ashfield	5(15)
Broxtowe	5(15)
Rushcliffe	6(18)
Gedling	8(24)
Nottingham City	17(50)

[None covered the whole of the East Midlands, figures do not total 34(100) as some groups operate in more than one area]

Groups were asked if they had/not used the existing Employment Advice Service from CA Plus in the last 2 years:

The 28 groups that had used the CA Plus service responded as follows:

Support Type	Used it	Usefulness (5=very useful, 1 = not useful)				
		5	4	3	2	1
Phone advice	21 (75)	18	2	1	0	0
Face to face support	13 (46)	11	2	0	0	0
Training workshops	17 (61)	14	2	0	1	0
Website usage	9 (32)	4	4	1	0	0
Email newsletter	24 (86)	18	5	1	0	0

The comments were also very positive (a few typical comments):

“Excellent service, being a small voluntary organisation can be very isolating. I have found the service on offer extremely beneficial, practical and helpful. The info on tap has helped us no end.” **POW**

“This has been invaluable support to us at a time when we have become an independent charity. A responsive, accessible quality service” **The Work Place**

Of these 28 groups only 2 indicated that they had also used other sources of support, one a CVS and one ACAS.

Generally the feedback here is excellent and confirms the value of this service to the groups that have used it.

There were 6 responses from groups who hadn't used the service (*one of them a very large group who said they hadn't heard of this service – most concerning since one of our own Trustees is on their board and they distribute our newsletter occasionally! -- they had also sent a staff member on a training course in the past – this illustrates the difficulty of marketing services to all the relevant members of governing bodies who may have an interest in employment/HR issues*).

Financial costs of obtaining employment advice

Of the 28 CA Plus Employment Service users, none said they had spent any money elsewhere.

Of the 6 groups who had not used the CA Plus Employment Service, 3 of them had spent money on legal fees. One subscribed to a Croner publication, two had used a solicitor and one had used the free ACAS service. 3 gave no info.

Groups were asked how important a high quality Employment/HR Advice Service specifically for the VSC would be to them.

From all groups,	30(88)	said very high
	4(12)	said a bit
	0	said not much
From the 28 existing users,	27(96)	said very high,
	1 (4)	said a bit
	0	said not much

Nottinghamshire Consultation Conclusions

- The existing Employment Advice Service from CA Plus is a highly valued and appreciated service by those who have used it. (83% of responses were in the highest “very useful” sector)
- The majority of groups are using the CA Plus Employment/HR service rather than other providers of employment/HR support, indicating it meets the needs of the VCS sector.
- Users of the CA Plus Employment Advice service reduced their costs by not having to pay for any other employment advice.
- All groups indicated a high level of importance for a high quality Employment/HR advice service.
- The importance of a service increases even more from groups that had previously used the CA Plus Employment Service. This reinforces anecdotal evidence that groups do not appreciate they need such a service until something happens.

NORTHANTS GROUPS -- RESPONSE RATE (PERCENTAGES ARE IN BRACKETS):

The Northampton CVS, community and finance section, sent out 400 surveys to groups on the CVS database. There were 58 returned surveys. (15%)

This seems quite low – but there was no incentive for groups to complete the survey and groups might be unsure about who CA Plus were, although we deliberately used Northampton CVS to get a better response rate.

About the groups...

2(3) had no employees, 45(78) had between 1 and 10 staff, and 11(19) had over 10 staff members

32(55) were Northants county wide, 1 was national and none covered the whole of the East Midlands.

So the main response group is as expected, the 1-10's with close correlation with Nottinghamshire survey response rates.

Groups were asked if they had used any Employment/HR support service in the last 2 years:

(No questions were asked about the CA Plus Employment Service as this is not available in Northants area)

23(40) groups indicated they had not used any Employment/HR support service, this included:

2(3)	with no staff
20(35)	with 1-10 staff
1(2)	with more than 10 staff

35(60) of groups who had used some Employment/HR support (often more than one source), the main support came from:

Northants CVS	20(57)
Solicitors	9(26)
A Volunteer Bureau	9(26)
ACAS	7(20)
Web sites	6(17)
Neighbourhood group	3(8)
Trade Union	1(3)
Other sources	12(34)

The other sources were a variety of... national bodies, public authorities. One group had engaged a consultant and one group had used "Business In The Community's" pro bono help.

Financial costs of obtaining employment advice

Only 15 groups (29) answered the question and most of these were just an estimate.

[Its not easy to draw conclusions on the amounts paid on HR support -- this ranged from £nil up to £4,112].

(No attempt was made to value the time spent on dealing with HR issues)

Groups were asked how important a high quality Employment/HR Advice Service specifically for the VSC would be to them.

Of the 23 groups who had not used any support in the last 2 years:

7 (30)	said very high
7 (30)	said a bit
9 (40)	said not much

Of the 35 groups who had received some support in the last 2 years:

19 (54)	said very high
14 (40)	said a bit
2 (6)	said not much

Northants Consultation Conclusions

- Not a huge response rate but good correlation with surveyed users in Nottinghamshire.
- Employment/HR support is much more fragmented in Northants with a much lower level of local support specifically aimed at VCS groups.
- Most groups indicated a good level of importance for a high quality Employment/HR advice service. Similar to Notts. this importance increased from groups that had previously used some type of Employment/HR service.
- There is a lower perceived need for a high quality Employment/Hr service in Northants compared to Notts. However, the perceived demand is still relatively high giving a good indication of demand for a service in Northants for the VCS if one was available.

5.0 KEY ELEMENTS FOR AN EMPLOYMENT / HR SERVICE IN NOTTINGHAMSHIRE

Key criteria for a successful service

As with any service there are numerous factors which could determine whether it can continue successfully into the longer term, but three issues in particular need to be addressed in designing this project. These are access, affordability and quality.

Access.

It's almost always the case that people ask for support with employment issues when a time of crisis occurs. This may be a relatively minor crisis – like the need to sort out contracts and other policies for the first member of staff – or a serious crisis – the letter from a solicitor.

It is rare for a group to seek help without some immediate concern.

While this may give rise to the first call for assistance and some initial support, it can lead on to more longer term support – training courses or policy development work – once the initial issue is resolved.

Groups need a service which can offer timely and accessible support. That requires a phone line service, and the possibility of one to one meetings.

Affordability.

The service will be used primarily by smaller VCO's. However, whether the organisation has 5 staff or 50, the obligations under employment legislation and expectations in terms of good practice will still apply. The difference is that the smaller organisation will have fewer resources to devote to management issues like HR.

The service cannot be run on a purely commercial basis. Even with relatively lower costs that may be anticipated within a service based within the voluntary sector, the cost per hour will still be around £40 - £50 and small groups simply cannot be expected to devote this amount of scarce finance to HR support.

If there is a crisis, and tribunals are looming then of course, the organisation will find a way to afford up to the £175 an hour charged by a solicitor. In the meantime, without an affordable source of support, groups will continue to have poor or inappropriate procedures.

As with many other infrastructure support activities for VCO's, public subsidy into the longer term will be essential. Unrealistic expectations around the ability of the project to sustain itself from fee income must be avoided.

Quality.

While in some cases, common sense and good judgement are required, there is clearly a need to have up to date and accurate knowledge of legislation and developments in employment law.

This means having staff who are well trained and well resourced in terms of keeping up to date, but also means that there must be an element of peer review and accountability. In a service with more than one member of staff, someone can have overall responsibility for the quality and accuracy of advice.

Poor advice could have disastrous implications for the service if confidence is lost. It's not too good for the client either.

6.0 A POSSIBLE STRUCTURE FOR NOTTS.

The following proposal builds on the existing service provided by CA Plus. Where appropriate, alternatives are suggested. For each element of the proposed service, a brief explanation for the recommendation is provided.

People.

Two full time Employment Advice workers (plus support staff), one of whom manages the service.

The demand, both current and potential, is such that a project with two staff delivering services within the City/County is a viable option. Having two people would enable:

- A better more comprehensive coverage, particularly outside of the City
- A degree of peer review
- The potential for continued service during holiday periods and times of staff turnover

The posts would almost certainly need to be full time posts. This not only relates to the potential demand for services but the fact that staff with these skills, prepared to work within this sector on relatively lower salaries, with relatively no potential for career development, are hard to find.

Locations.

One person based in Nottingham, another based towards the North of the County, possibly Mansfield.

Generally, the employee based in the City would cover the City, and southern districts. The Mansfield based employee would cover central and northern districts. An important element of the service is the ability to have one to one meetings with user groups. Staff should be able to travel to the clients' premises or vice versa, without a prohibitive cost in terms of travel costs and staff time – hence the proposal for two locations.

This is not just a question of staff travel time, although this is a real and significant cost, but there is an issue with providing services for the whole County if the service is based in the City. Mansfield is just one possibility but it makes sense geographically bearing in mind the main conurbations and locations of groups likely to use the service.

(As an aside, this might compliment other potential developments within CA Plus in terms of the location of staff involved in financial training services)

IT.

Web and regular email services to be delivered by the service manager

Support through the web and through email newsletters can continue and extend from the existing service. This can also be managed from either location, although current facilities exist in the CA Plus IT system, so moving this elsewhere would incur additional costs.

Since the service manager will carry responsibility for the quality of the service, it makes sense for this person to produce the published advice and guidance.

Depending on the administrative arrangements for the service, there will of course be IT implications in terms of accounting and reporting for the service etc.

Telephone advice and Training Courses

To be delivered by each member of staff in their own area.

This is partly a way of organising the workload, but also designed to enable the users to develop closer relationships with the staff – a recognisable face and voice. In addition to each person having their own direct line, there would be a general help line which could be directed to either person.

In times of holidays or other absences, the other member of staff could provide cover.

Regular peer review and internal reporting on services provided should help ensure a degree of quality control.

Linking with other service providers

The staff should be physically located within, and operationally linked with, other support agencies

It is essential that this service is integrated into the general infrastructure support network in the area. This would involve:

- both staff being based within existing support agencies
- using partners to host, promote and support training courses
- using partners to distribute written material, links to the website etc

The benefits would be:

- better promotion of the service,

- potential users would have a better chance of being informed about the service
- staff would not suffer from isolation
- financial and administrative benefits from physically locating within existing services would follow.

Administration.

The service should be managed and administered as a project within an existing organisation.

CA Plus, as provider of an existing employment advice service is an obvious possibility, but there is no particular reason why another agency could not take on this role following an invitation to tender.

The host organisation would need to ensure that it has (constitutionally) the objectives and powers to deliver this service across the area (note that this might extend beyond Nottinghamshire). It must also be able to demonstrate the ability to deliver the service effectively and efficiently.

One issue for consideration would be the possible rights of the existing Employment Advice Manager at CA Plus to transfer the contract of employment (under TUPE) if the provider changes.

Even though the delivery of services can be designed to streamline and minimise administrative requirements, a degree of administrative support is essential, and must be fully financed by the service.

Services

The aim of the service would be to promote better employment practices across the sector. As such, the benefits are impossible to quantify. The following output targets are based on the experience of delivering the service within CA Plus.

They are annual estimates for the potential services to be provided by the two full time operational posts:

Service	Target	Notes
Policy development programmes completed	50 groups receiving an average of 30 hours support	This involves a series of meetings, and deskwork to review/revise and update HR policies and procedures.
One off support	A total of 380 hours of support	Dealing with specific issues by phone, email or face to face visits
Website	Ongoing maintenance and	There is great potential for developing web based sources of support and

	development of this resource	guidance – anything from latest developments to draft outline policies and procedures
Email newsletter	A monthly email update on HR issues	Produced and distributed centrally, a regular update delivered directly to those responsible for HR
Courses	20 courses delivered	Small scale half day classroom style courses dealing with specific topics delivered through partners in locations across the area

Finance.

The estimated cost for this project in any full year is £80,000.

(See Appendix: A draft budget for the service is attached)

The key principles for the financing of this service are as follows:

- Even in the longer term, the bulk of the income will have to come from public subsidy. Funders will need to value this service as an investment in the sector to enable the sector to play its part in delivering services across the community.
- Income from fees or subscriptions is possible, but will be a small element of any service. For example, charging £100 a year for access to telephone support might sound good, but it will immediately exclude most smaller organisations who will have difficulty prioritising such spending and who are perhaps in greater need.
- As with any similar service, staff continuity and the overall development of the service will be hindered if the service has to rely on short term funding agreements. The main statutory agencies should embrace this project as one of the key elements in infrastructure support for the sector.
- The income must cover the full average cost of delivering the service.
- In the short term, it might be possible for a large CVS or even C A plus to manage this project with marginal funding, but it will not be sustainable.
- The funders must accept that they are not funding a post or a person. They will fund the service provider to deliver a range of services regardless of the person who actually delivers the service. The fact that the deliverer may have a desk based in another ‘funder’s’ area is irrelevant. Without this acceptance, the project cannot function as proposed.

7.0 Regional developments.

As the research has shown, the needs of the sector in Nottinghamshire are no different from the needs of the sector in neighbouring regions.

A sustainable service for Nottingham and Nottinghamshire is perfectly feasible, but there is no reason why the concept would not be appropriate across the East Midlands Region. Indeed there are many reasons to suggest that this should be seriously considered.

Developments in Lincolnshire.

CA Plus has already been approached by Lincolnshire Development Corporation (LDC) and other charitable funders to consider delivering HR services in Lincolnshire. (Community Accountancy services also form part of this discussion).

Currently the LDC is financing a series of courses and an HR support service being provided by a commercial law firm, but in the longer term, they see the benefits of a service provided by and for the voluntary sector.

It is quite likely that CA Plus will be delivering Community Accountancy and HR services in Lincolnshire in 2005.

The situation in Northamptonshire, Derbyshire and Leicestershire.

As far as we are aware, there is no specific voluntary sector support service on HR issues in these counties. (There are small scale community accountancy services based in Northampton and Derby.)

We also understand that HR support does not feature as a priority in any draft infrastructure plans within the voluntary sector, but as the evidence of the CA Plus service and the Northampton survey reveals, HR support is not usually a priority until things go wrong.

A potential administrative and financial model for a regional service.

The key criteria would again be accessibility, affordability and quality. The model simply involves replicating the structure proposed for north Nottinghamshire across the region.

- Responsibility for administration, quality, management and reporting would rest with a centrally placed organisation with the capacity to manage the service (C A Plus is one possibility but certainly not the only one)

- Each participating area would have (at least) one member of staff based in the major conurbation who would deliver the telephone support, one to one services and training courses.
- Responsibility for supervision, quality control and the web based /email services would rest with the service manager based in the organisation managing the service.
- Funders in each area – hopefully the local authorities - would meet the full cost of the service in their area. That means the costs of the local worker and a share of the centrally provided services.

Of course, economies of scale would come into play, but the model would allow a degree of flexibility:

- it could work with all areas participating, or just a few
- it would allow for the possibility of continuing at least some services if the local staff member is absent or leaves unexpectedly
- there is a greater assurance of stability and the potential to build a genuine pool of excellence