



Case study: Hertfordshire, West Essex, Bedfordshire and Luton Clinical Commissioning Groups (CCGs) share how they set up a not-for-profit (not commercial) Human Resources (HR) shared service to reduce costs and provide expertise across a sustainability and transformation partnership (STP) and an integrated care system (ICS) across Hertfordshire and West Essex STP and Bedfordshire, Luton and Milton Keynes ICS, although Milton Keynes CCG is not currently included in the shared service.

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What was the situation?

The HR shared service formed in 2014 after the closure of a local commissioning support unit. Herts Valleys CCG (HVCCG) agreed to host a shared service initially for Herts Valleys CCG, Bedfordshire CCG, and Luton CCG. In 2016 East and North Hertfordshire CCG partially joined but did not use the organisational development and learning (ODL) element – but in 2018 did become a full member followed by West Essex CCG.

How did they do this?

- It took 3 years to get to an agreed model of a shared service function; the Director of Workforce and Organisational Development, and his senior management team, with the support of the Assistant Director of HR and ODL, led the work with the participating CCGs' Chief Executive Officers.
- A service level agreement document was used to define the services supplied. There is a service level agreement between HVCCG and the other CCGs for the delivery of the HR service.
- The shared service operation is based on contributions from the partners which funds the staffing and a variety of HR activities (e.g. TRAC, MindTools, participation in the national staff survey and six monthly temperature checks with an HR intranet). The contribution is made on a per capita basis for each CCG.
- Key performance indicators (KPIs) have been defined for the service that's provided and being reviewed on a bi-monthly basis and provide updates to their respective boards in accordance to the governance arrangements of each CCG.

Benefits of HR shared service

- **Lower costs:** the shared service was able to generate a surplus of £50,000 in 2015 which it paid back to member organisations and/or invest in ESR Self Service and a website designed by another shared service within the STP. It is believed that the service would not have been able to implement these improvements if it had been a HR function for only one CCG.



- **More efficient resourcing:** by achieving economies of scale, the shared service is able to provide a comprehensive service, employing one expert to work across a number of CCGs. The shared service achieves further economies of scale in relation to the purchasing of additional services for the CCGs, such as the Employee Assistance Programme, MindTools and specialist training.
- **Being more professional:** The HR shared service is also able to employ specialists because of its staffing size rather than generalists which a CCG of around 220 full time equivalent (FTE) would have to do.
- **Improved HR tools:** during the merger of the HR services, the shared service was able to reduce the number of HR policies required by its CCGs from over 74 to only 25 standard HR policies across all the CCGs, improving efficiency reducing duplication and eliminating variation.*
- **Focusing on customer needs:** as the shared service has reviewed its working practices it has been able to absorb best practices from the other CCGs as they join; this has included Staff Involvement Groups and staff conferences, something that the CCGs had not implemented before it became part of the shared service.

Issues in the longer term include:

- HVCCG takes the risk of unplanned staff leave when delivering the service agreed within the service level agreement.

Find out more

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**A shared service intranet provides information on HR policies and procedures.*

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