

Appendix C

Option 1 – An HR service Managed by Buckinghamshire County Council

The success of the currently shared OD service, that is managed by Buckinghamshire County Council, provides the backdrop to look at this approach for a wider solution. In addition, the recently Shared Legal Service is looking to move to this model, having not been able to drive sufficient change as a joint managed function.

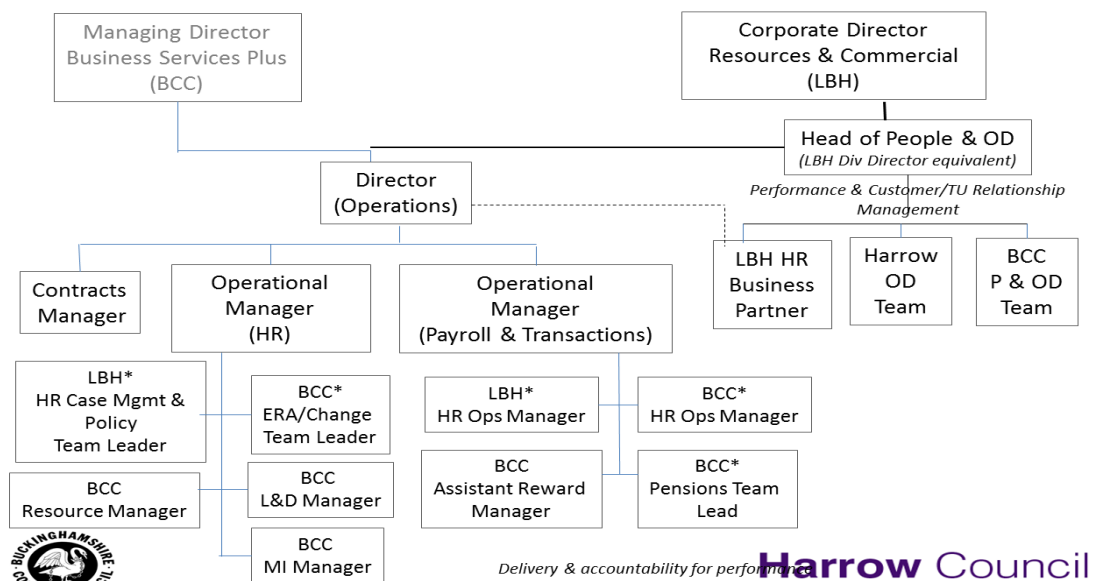
1. Operating Model

The need to improve efficiency and effectiveness, to save money and equally importantly to build capacity to generate increased income, reflects the need to consider alternative option

An HR service managed by Buckinghamshire County Council would enable:

- A lean management structure, in line with the Decision Making Accountability (DMA) principles, which creates a productive structure by putting decision making at the right levels and ensuring that each level of management adds value to the staff below. (See below for further information on DMA)
- An increase in the size of the customer facing workforce, to support increased activity and development of a wider customer base.
- A dedicated Commercial Team, with the skills and capacity to generate new business, providing the means to actively target the customers that have moved away from Harrow.
- A single management team that provides the capability to drive change and realise benefits more quickly than a jointly managed team with multiple stakeholders.
- A single management team that will be in a strong position to take advantage of resources to create additional capacity, resilience and expertise; encourage knowledge share.
- A shared capability to drive economies of scale and co-location and more quickly create standardised culture and best practice across both organisations.
- Payroll activities would transfer to BCC.
- TUPE would apply, with all staff in scope transferring to BCC.
- The BCC Delivery Successful Performance appraisal process would apply to all staff.
- Prices for schools customers could be driven down through commercial pricing models, providing an improved customer experience.
- A Service Level Agreement with Harrow Council, to detail services being delivered.
- Relationship management between Harrow and Bucks and with Harrow Trade Unions will be through the Head of Organisation Development and People

The proposed senior management team structure for an HR service managed by Buckinghamshire County Council is outline below:



* Proposal is to delete duplicate posts from April 2017

1.1. The key features of the new service will be:

1.1.1. The 'strategic relationship management will be provided by the Head of OD and People.

1.1.2. There will be two 'Head of' Managers, responsible for the performance of the team and for providing direction to the service. These posts will report into the existing Director of Operations for Buckinghamshire.

1.1.3. The in-depth trade union engagement for Harrow will sit with the Head of OD and People.

1.2. The proposed structure has been drawn up to maintain maximum capability in Phase 1, to support the development of the join management team and the understanding of processes, procedures and systems across both councils.

1.3. The proposed structure has been drawn up in line with Decision Making Accountability (DMA) principles. The intention of this is to create a productive structure by putting decision making at the right levels and ensuring that each level of management adds value to the staff below.

DMA means that everyone is clear about who makes decisions about what and allows both non-management colleagues and managers feel empowered to take decisions relating to their post.

One of the key features of the proposed structure is that the number of organisational layers (referred to as DMA levels), from bottom to top, will include five levels. This will ensure that lines of accountability are clear and efficient and individuals are empowered to do their jobs.

1.4. All staff in scope will TUPE to Buckinghamshire County Council.

1.5. A singular leadership team will drive the delivery of the service across both Councils. Staff will be located at the Council that is most appropriate to work; this approach retains flexibility to respond to local circumstances and requirements. However it still permits the full benefits of

economies of scale, effective process design and re-design, career development and cost reduction. There will be no reduction in the non-managerial headcount during Phase 1.

1.6. The Buckinghamshire County Council Commercial Team will be provided as standard. Using best practice for understanding its true cost of delivery and ensuring pricing represent full cost recovery, this team will actively progress commercial opportunities, bringing capability and capacity to support future commercial growth.

1.7. New digital commercial technologies, such as a new e-commerce system and business-to-business sales management tool have greatly improved the council's ability to engage with new and existing customers whilst also enhancing the customer buying experience.

1.8. Underpinning the new operating model is a focus on the key success criteria of realising savings, promoting income generation and improving customer experience. Thus the service re-design will include changes to the overall business model, not just efficiency savings.

2. Proposed Implementation Phases

An HR Service Managed by Buckinghamshire County Council would require a phased approach to development and implement. This will ensure customer experience is maintained and workforce knowledge and skill are retained and fully understood.

A Buckinghamshire Managed shared HR service would also require a phased approach to development and implementation. This will ensure customer experience is maintained and workforce knowledge and skill are retained and fully understood. As with option 1, further work is planned by the joint management team in Phase 1 to clarify what developments are required.

Area	What happens in Phase 1 June 2016 – March 2017	What happens in Phase 2 April 2017 – March 2018	What happens in Phase 3 April 2018 onwards
Management	<ul style="list-style-type: none"> Creation of a single Management Team Reduction in FTE of 5 FTE 	<ul style="list-style-type: none"> Reduction in headcount of 2 FTE Embedding new culture 	<ul style="list-style-type: none"> Embedding new culture
Staff	<ul style="list-style-type: none"> No reduction in posts Knowledge share and training developed and delivered Training on DSP Staff consultation 	<ul style="list-style-type: none"> TUPE transfer of staff to Buckinghamshire County Council. Reduction in headcount of 6 FTE Staff consultation 	<ul style="list-style-type: none"> Further reduction in headcount of 3.4
Processes & Practice	<ul style="list-style-type: none"> Review best practice & assess existing systems and opportunities to standardise where appropriate and eradicate duplication. Review 3rd party contracts Work to bring schools online with Bucks ERA SLA, from 1st April 2017 Develop SLAs and look at self-serve opportunities. 	<ul style="list-style-type: none"> Schools & pensioners transition to Bucks SLA Implement development of standardised processes. Introduce standardised culture and practice to ensure optimal use of resource. Implement opportunities to jointly procure 3rd party contracts 'Lean' approach to systems, to remove multiple touch points. 	<ul style="list-style-type: none"> Refine and embed new processes, practices and culture Further opportunity to jointly review and revise 3rd party contract.
ICT/Systems	<ul style="list-style-type: none"> Implementation of connectivity capability Implementation of BCC SIMS to SAP capability 	<ul style="list-style-type: none"> If agreed, develop umbrella solution to allow different SAP versions to talk to each other. 	<ul style="list-style-type: none"> Potential umbrella solution to all the two SAP systems to talk and share data with each other

	<ul style="list-style-type: none"> • Develop & implement requirements to support schools & pensioners transferring to BCC system from April 2017 • Research & cost options for longer term SAP to SAP solution. • Review HR management System to consider joint solution. • Both councils work on own SAP ERP 	<ul style="list-style-type: none"> • If agreed, standardise HR management system. 	
Customers / stakeholders	<ul style="list-style-type: none"> • No change to customer experience • Specific engagement with schools with regard to benefits and revised offering from April 2017. • Internal & external customer engagement • Engagement with Academies and new customer base. • Union engagement 	<ul style="list-style-type: none"> • LBH Schools and Pensioners will be on BCC service. • All schools will have BCC SIMS to SAP service, that will be equivalent or improved on the current experience. • Schools will transfer to BCC SLA • No visible change to internal customers. • SAP/HR (ESS/MSS) will be independently retained. • Active approach of Academies & Schools. • Union engagement 	<ul style="list-style-type: none"> • Continued engagement with internal and external customers.