

Appendix D

Option 2 – An HR service Jointly Managed by both councils

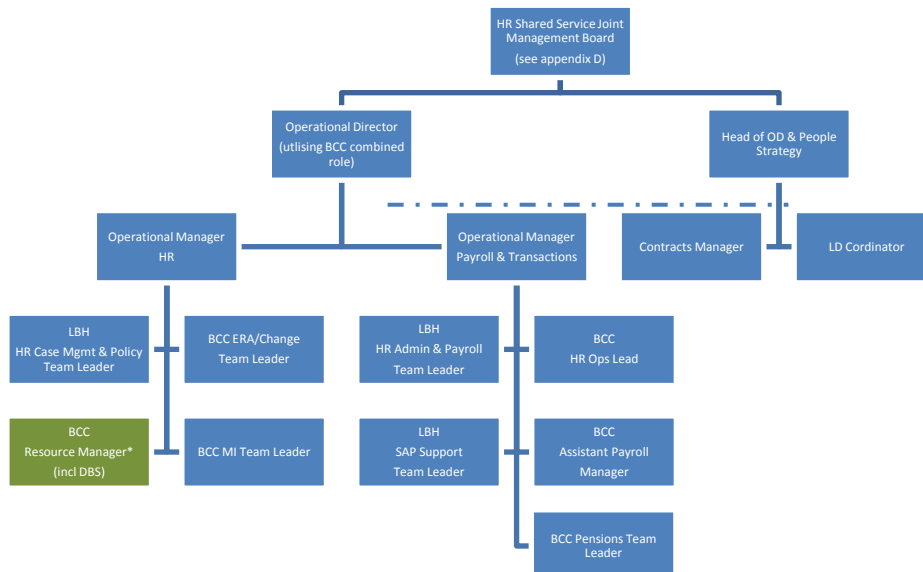
An HR service Jointly Managed by both councils provides LBHC and BCC with the opportunity to further build on the relationships developed through the OD & People function, whilst retaining sovereignty of each council and allowing easier exit opportunities should either council's situation change.

1. Operating Model

An HR service jointly managed by both councils, feeding into a joint Governance structure would provide:

- Early savings will be realised through a leaner management structure, which could be used to matrix manage across 2 organisations
- There would be a combined overarching Governance structure to support joint decision making and strategic direction.
- A collaborative, joint management team provides the opportunity to pool resources to allow for additional capacity, resilience and expertise; encourage knowledge share; look at opportunities for economies of scale and co-location and create standardised culture and best practice across both organisations.
- A shared service allows the gradual iteration of developments and change, which is more palatable to staff and customers.
- As previous agreed, Payroll activities would transfer to BCC because there is greater capacity there to absorb the additional existing 48 school customers and encourage back previously lost academies to boost income.
- TUPE would apply to relevant staff transferring to the Payroll team within Buckinghamshire County Council. All other managers and staff would retain their original employer.
- Internal and external customer experience would be maintained.
- The relationship between Harrow SMT and the service would be managed via the Head of OD and People. If this model is selected, it is recommended that this post be reviewed in relation to Harrow's Director designation; this would have the effect of reducing the savings associated with this option.

The proposed senior management structure for an HR service, Jointly Managed by both councils is outlined below.



- 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. The 'operational delivery' leadership will be provided by the Director of Operations.
 - 1.1.3. 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.
 - 1.1.4. There will be a joint Board and joint Management team structure to support ongoing development and review performance.
 - 1.1.5. Trade union engagement for Harrow will sit with the Head of OD and People.
 - 1.1.6. All of LD and OD strategy and commissioning will be combined under the OD & People team, with administrative tasks being delivered within the operational functions.
- 1.2. The proposed structure has been drawn up to maintain maximum capability in Phase 1, to support the development of the joint management team and the understanding of processes, procedures and systems across both councils.
- 1.3. Payroll & Transactions staff will TUPE to Buckinghamshire County Council, retaining the terms and conditions.
- 1.4. All remaining staff and managers will remain with their current employer, and will potentially report to a line manager from a different employer.
- 1.5. 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. Underpinning the new Operating Model is a focus on the key success criteria of realising savings and maintaining 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 Jointly Managed by both councils 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.

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 new Senior Management Team • Reduction in FTE: 3 	<ul style="list-style-type: none"> • Embedding of operational Management Team practices 	<ul style="list-style-type: none"> • Continued embedding of new culture
Staff	<ul style="list-style-type: none"> • Alignment of teams • No Tupe 	<ul style="list-style-type: none"> • Tupe transfer for Payroll & Transactions staff to BCC. • Reduction of 5.5 FTE 	<ul style="list-style-type: none"> • Reduction of 1 FTE

	<ul style="list-style-type: none"> No reduction in posts Knowledge share and training developed and delivered Staff consultation 		
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 	<ul style="list-style-type: none"> Implement development of standardised processes. 'Lean' approach to systems, to remove multiple touch points. Introduce standardised culture and practice to ensure optimal use of resource. Implement opportunities to jointly procure 3rd party contracts 	<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 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, develop umbrella solution to allow different SAP versions to talk to each other. Development of standardised systems, such as HR management. 	<ul style="list-style-type: none"> Potential umbrella solution to all the two SAP systems to talk and share data with each other
Customers/ Stakeholders	<ul style="list-style-type: none"> No change to experience Payroll Clinics with schools in readiness for April 2017 Internal & external customer engagement 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. No change to internal customers – continued engagement. Union engagement 	<ul style="list-style-type: none"> Continued engagement with internal and external customers. Union engagement