



*Harrow L.G. Branch
The UNISON Office
Central Depot, Forward Drive
Harrow, Middlesex
HA3 8NT
Tel: 020 8424 1795
Fax: 020 8424 1835*

Email: info@harrow-unison.org.uk

Branch Secretary: Gary Martin

To: Portfolio Holder for Performance, Communications & Corporate Services
Cabinet Members
Labour Group Leader
Officers of the Corporate Strategy Board (CSB)

Tuesday 11 August 2009

Response to the Full Business Case for Learning & Development Managed Service

Harrow UNISON LG Branch have received both the Outline Business Case (OBC) and the Full Business Case (FBC), the latter recently approved by the CSB, concerning the future operation of Harrow Council's Learning & Development (L&D) Service. UNISON Branch representatives have been in consultation with Council Officer's and Capita personnel throughout this process and most importantly have remained in close contact with its members and the staff directly affected by the proposal. This response undertakes a point by point critique of the Business Case's justification in order to influence Harrow's elected members before a final decision is taken to ensure this union and its member's views are properly taken into account.

Harrow UNISON LG Branch value itself as an important partner with Harrow Council and will continue to work together in achieving the most improved Council in London by 2012 but inevitably, as an independent organisation, we will act as a critical friend concerning processes and decisions that we do not support.

Response to the FBC

1. Savings

The projected savings attributed to the proposal over ten years, amount to only £131,000 or just over £13,000 a year which are dubious if not exaggerated. The following points suggest the potential for savings are limited because they are far outweighed by the other hidden costs of implementing this model.

Firstly, the FBC (page 12) states that it will take six months to get the delivery model up and running 'limiting our ability to realise cost savings in 2009'. Secondly, because of Council contractual commitments, savings in year 1 may be unachievable compromising the total savings predicted. Thirdly, as Capita are not going to procure services corporately on behalf of the council, such as training, without an additional charge, this will escalate costs further over the period. Finally, total costs are mounted further if the FBC were to incorporate the redundancy costs of around £50k. UNISON would like an explanation as to why Harrow's Divisional Director of HRD sanctioned the figures exclusion. All of the above costs, including those hidden costs, coupled with the money

**One is a lonely number, join UNISON and you're one in a million.....
You're award winning Branch**

spent on the Business Cases (£55K) virtually wipe out the ten year savings of £131,000 making the proposal financially unviable.

2. System Integration Costs

UNISON believe the technical side of the proposal requires further development and that issues around the full integration between Capita's Course Booker system and SAP will impede service functionality/performance and further impact the financial costs of the project. UNISON also question the reliance and necessity in using Course Booker when SAP could be developed and adapted to offer on-line as well as management information thus making Capita's system completely unnecessary.

To elaborate, Capita's proposal of integration between the Course Booker system and the Council's system, SAP, is at best a very basic level requiring manual inputting of financial information, therefore separating the finance element from the learning and development element. There is an element of Management Information (MI) integration but it is not effective enough to be of great use to management in its monitoring activities. In UNISON's opinion this is not full integration and does not offer the Council value for money which is essential if Harrow is to obtain a product that fixes its current and future training needs. If Harrow wanted to improve this basic service then it would have to do so at a cost payable to Capita, as clearly stated in the FBC on page 12 e.g. "any additional requirements will be treated as change control" which implies that further integration into the financial system will lead to yet more unspecified (hidden) costs.

3. A High Performing (in-house) Service

The Capita Business Case's give no acknowledgement to the high performing and current success of the Learning & Development Service in achieving strategic and key Corporate Improvement Programmes (CIP) objectives. In comparison with other similar services across other London Councils, the L&D function is not an underperforming service. Indeed, there is a powerful body of evidence, including awards sponsored by the local government press and best practice case studies produced by the IDeA and APSE (Association for Public Service Excellence), of the quality of the cost effective and innovative services provided by in-house staff. It is not therefore, unfair to suggest that any move to outsource or hive off a high performing service such as L&D will jeopardise and significantly impact its future successes and potentially impact this Council's ability to be in the running for next year's predicted first place in the Municipal Journal Awards.

The following key achievements offer a true reflection of the high performing and innovative service L&D provide for Harrow and serves to redress the very one-sided and partial Capita assessment that was presented in its Business Case:

Recent Key Learning & Development Achievements

The Learning and Development team contribute to a range of high profile strategic programmes supporting Harrow Council's vision and key priorities including the Council Improvement Programme (CIP) and the CREATE values.

In partnership with *Harrow and Stanmore College's* on **Learning 4**, Learning and Development have currently achieved the following:

- 680 staff have gone through assessment
- 209 have already achieved an NVQ award
- 524 are currently in training towards an award

- NVQ awards at levels 2 and 3 are offered in following programmes: First Line Managers (levels 3 & 4), Customer Service, Community Development, Business Administration, ITQ, Advice and Guidance, Health and Social Care, Child Care, Waste, Horticulture and Street Cleaning.

In the **Management Development Programme (MDP)** the Learning and Development team have provided the following:

- Over 200 managers enrolled on each of the seven modules
- Information for CSB reports
- Managers booking 'on-line'
- Co-ordination of the seven sets of modular workshops
- Evaluation of each module
- Attendance information to CSB

In **Induction** for monthly one day *Corporate Induction* and quarterly two day *Manager Induction* Learning and Development Co-ordinators have provided the following:

- Preparation of materials
- Co-ordination of facilitators and delegates
- Co-ordination of the one and two day programmes
- Evaluation of both programmes

In **IPADs** the Learning and Development team have provided the following:

- Series of briefings on new IPAD process
- Series of workshops for managers on IPAD skills
- Total of just under 700 people attended briefings or workshops
- Revision of IPAD forms
- Project management of introduction of refreshed IPAD forms and ran a pilot
- Monitoring of IPAD completion data

Chief Executive Directorate's successful assessment in **Investors in People (IiP)** was driven by Learning and Development team who provided the following:

- Portfolio evidence
- Meeting the evidence gaps e.g. developed learning logs
- Communicated spend summaries with managers
- Arranged and delivered briefings
- Co-ordination of assessor pre-meeting and assessment day itself
- Planning IiP assessment of Legal and Governance directorate in October 2009.

Accredited Member Development award was supported by L & D team in following ways:

- Advice and support provided to members on an on-going basis
- Liaison with accrediting body
- Portfolio of evidence compiled
- Co-ordination of pre-meeting and assessment day itself

In the **CREATE** awards, three L & D staff were nominated and two successfully achieved the award. Both successful people are L & D Co-ordinators, one of whose post is under threat from the Capita proposal.

4. Service Improvement Plan?

Not only does the Capita FBC give no or little regard for the success of L&D, there is also no review of the team's current competitiveness or an address to any potential underperformance. Furthermore, there is also no analysis of service performance or current business processes which, even as a high performing service such as L&D, is a vital tool used to gain greater efficiencies and in making existing services more effective. Usually, prior to any decision to procure a service externally is made and before a Full Business Case is devised, a fair and objective process is undertaken which commences with a Service Review and ends with an Options Appraisal which is designed to assess competing approaches. This Appraisal process can include in-house service delivery together with other external options.

UNISON support the Service Improvement process as a tool used in accordance with the Best Value principles of Continuous Improvement in examining current performance and in identifying how to secure improvements in service delivery. However, as a Service Improvement Review has not been considered nor an Options Appraisal process, this union believes that the case to improve the in-house operation in its entirety has not been properly evaluated even though, we believe, the compelling case to retain L&D in-house may have clarity and could be a sustainable option. Harrow Council and its Business partner Capita have conducted this process on what appears to be a presumption that L&D should be outsourced, which is of course wholly subjective and is heavily weighted in favour of one particular outcome.

5. Alternative Proposals

Following on from the ethos of Service Improvement and the benefits that may be forthcoming with retaining L&D in its entirety as an in-house service, below are alternative proposals which have not been considered or explored by Harrow but are possible options which could have been produced following the Service Review and Options Appraisal process stated above;

- Learning and Development as a 'centre of expertise' with a dedicated team of trained 'super users' who can utilise SAP and disseminate knowledge and skills across the whole of HRD. This will enable the production of management information that will assist the council to monitor the L&D budget. 'Super users' would be current co-ordinators but are now directly affected by the Capita proposal.
- L&D to operate like a business unit in partnership with neighbouring boroughs for procurement to get best value for money.
- L&D to support being an 'Employer of Choice' by working with the community and providing an information, advice and guidance service to help get people back into work within the community. The L&D team are currently accredited through 'matrix' to provide this service and have experience of previous delivery. Co-ordinators could be trained up to help provide this service and funding is available from Central government through First Step.
- L&D to work more closely with the colleges and acquire grant funded money for further projects. L&D could offer a range of programmes on business lines to external partners.

6. The People Impact

As a result of the FBC and in pursuit of the minimal savings aforementioned, it is likely that three Harrow Council employees who are also local residents will lose their jobs because of the relocation to Capita's Shared Service Centre in Swindon. Not only does this highlight negative equality implications which Harrow as an employer has a public duty to consider through an Equality Impact Assessment (EIA) but it also presents a potential loss of local knowledge, commitment and expertise from this Council which is unlikely ever to be matched by Capita in Swindon or ever replaced again in Harrow. Therefore, UNISON cannot support a process which could undermine our member's equality in the workplace and that we would only support an option that most fully complies with the requirements of the equality duties which we feel is the in-house option. Harrow must place its equality duties on the top of its agenda and in assessing the impact of FBC in this regard, UNISON request that an Equality Impact Assessment be conducted in full consultation with this union and our members.

7. Capita- An equal partner or promoter of interests?

Capita, upon request from Harrow Council to conduct a FBC, have adopted a one sided biased approach, effectively promoting the use of their staff in Swindon and in using their questionable technology within its current IT infrastructure, disregarding the capabilities of the SAP system. UNISON believes that the partnership that exists between Harrow Council and Capita is being used as merely a loophole to further Capita's business interests. Harrow Council is presiding over this perceived loophole effectively justifying the loss of three Harrow residents/employees to the gain of people residing in the Swindon area.

As discussed earlier in this response, Capita did not even consider the value of the current high performing service nor did they consider alternative models such as in developing L&D as a 'centre of expertise', and training current employees to become 'super users' as mentioned in point five of this response which UNISON fully support and recommend for consideration. One need not look far afield to find a suitable effective partnership model which is being successfully deployed in Access Harrow. Here, Capita run and manage the frontline service and the staff remain in-house and on Harrow terms & conditions of employment. This clearly exemplifies the partnership working approach as each party mutually benefits from the other in terms of expertise and local knowledge. The result is an efficient, cost effective and award winning service which can and should be replicated in other areas of the Council e.g. L&D.

Harrow UNISON LG Branch