

Shared Services Business Case

Medway Council and Gravesham Borough Council HR Services

Author: Tim Silver, Acting Head of HR Services

Date: 13 January 2018

Contents

		Page Reference
1.	Introduction and Strategic Requirements of the Service	- 3 -
2.	Strategic and Operational Benefits	- 4 -
3.	Constraints and Dependencies	- 4 -
4.	Legal and Constitutional / Governance Issues	- 5 -
5.	Equalities Impact Assessment	- 6 -
6.	Risks	- 6 -
7.	Existing Working Arrangements	- 7 -
8.	Cost/Benefit Evaluation of Options and Recommendation	- 9 -
9.	High-level Options	- 11 -

1. Introduction and Strategic Requirements of the Service

1.1 Scope for shared service/joint working arrangements

The HR Service at Medway Council comprises HR Business Partner, HR Support, Resourcing, Workforce Development, Health & Safety, HR Systems and Employee Engagement teams with a staffing establishment of 42.85 FTE. The Gravesham HR Team has a staffing establishment of 4 FTE.

1.1.1 Officers from both teams have already developed a strong working relationship as during 2017 Medway has provided interim support to the Gravesham team on a two days a week basis. This arrangement has now developed whereby Medway employee a Senior HR Consultant to provide a full-time support to the Gravesham team with Gravesham funding this post.

1.1.2 The Payroll and Pensions team who currently sit within the Medway HR team will move to the Medway Finance Team on 1 April 2018 and are therefore not included in this shared service proposal, although the Medway Payroll team provide a Payroll service to Gravesham Borough Council under a paid-for service arrangement.

1.2 Potential stakeholders/partners

The employees and Elected Members of Medway Council and Gravesham Borough Council.

1.3 Current service provision arrangements of potential stakeholders/partners

The current services are operated in-house with Team Leaders within the respective HR functions as detailed at 1.1 reporting to a HR Head of Service who in turn has a reporting line to the Assistant Director – Transformation.

1.4 Contribution to key council objectives

The HR teams of both authorities are key services and support the delivery of all of the council's objectives in ensuring that they meet all statutory and legal HR requirements.

1.5 Statutory Obligations

The operation of the HR Service is governed by an overarching suite of employment legislation that regulates the relationship between the Council and its employees and workers.

The HR Service further informs and provides data to other Departments within the Council who have their own statutory compliance requirements.

2. Strategic and Operational Benefits of Joint Working

2.1 Strategic Benefits

Benefit	Measure
Improved service resilience in times of need, i.e. staff shortages due to vacant posts or staff sickness.	Sustain and/or improve performance delivery of the service.
Provide greater opportunity for HR team members to broaden their knowledge and experience.	Increase HR knowledge base and improve the professional development offer.
Sharing of best practice.	Opportunity to benchmark and improve policies and procedures.
Gain knowledge and expertise in the delivery of an HR shared service.	Shape the HR service to be able to absorb other HR services.

3. Constraints and Dependencies

3.1 Constraints to the project progressing

- **Organisational Constraints**

- Agreement between the two councils on the viability of a shared service arrangement.
- Agreement between the two councils on the scope/type of shared service arrangement.
- Agreement by the Members at the two councils for the progression of a shared service arrangement.
- Legal requirements/obligations that may need to be met by progressing any particular option.

- **Resource Constraints**

- Officers from both HR teams have been engaged during the project planning stage and those officers who will transfer their employment from Gravesham to Medway under TUPE have not raised any objections to this change in the employer
- Staff currently located at Gravesend and Medway may be required to travel to a different office, but this is not expected to be significant as there will be an HR presence maintained at Gravesham with their existing HR team members. Medway staff will only need to visit the Gravesham officers for cover purposes of meetings.

- **Time Constraints**

- The proposed implementation date is 1 April 2018.

3.2 Dependencies for the project progressing

- Access to each authority's back office IT systems at both sites.
- Ensuring there is no adverse impact on customers at either authority
- Good communication of the changes that are being made at both authorities to all customers.
- Good communication of project milestones, targets and issues that may affect viability/timing of the achievement of this project to all key project officers, senior managers involved and officers within existing teams at both authorities.

4. Legal and Constitutional/Governance Issues

- 4.1 The partnership/joint-working arrangement will be made pursuant to section 113 of the Local Government Act 1972, which allows a local authority to place any of its officers, who consent to the arrangement, at the disposal of another local authority on such terms as may be agreed between the parties.
- 4.2 Gravesham Borough Council's Cabinet have agreed that delegated authority be given to Medway Council to provide the HR Service on their behalf.
- 4.3 Medway Council's constitution requires that the decision to accept a delegation of a function from another local authority is a matter for full Council meeting (Article 10(C) of the constitution).
- 4.4 This matter will go to Medway's Cabinet on 6 February 2018 with a recommendation to Full Council on 22 February 2018 that they accept the delegation from Gravesham.

5. Equalities Impact Assessment

- 5.1 It is anticipated that there will be no impact on customers of the service in terms of equalities with the development of the shared service.
- 5.2 Any equalities issues affecting any officers who will form part of the new shared service will be taken into account in the implementation phase, prior to any TUPE transfer commencing. A formal consultation will be undertaken with all officers affected by the change prior to its implementation and any equality issues will be identified at this stage.

6. Risks

6.1 'Do Nothing' Risks – if there is no change to existing arrangements

Risk identified	Action to mitigate risk
No risk to Medway Council	N/A

7. Existing Working Arrangements

7.1 Departmental Structures

7.1.1 The current Medway HR structure is shown at Appendix 1.

7.1.2 The current Gravesham HR structure is shown at Appendix 2.

7.1.3 The proposed Medway/Gravesham HR Shared Service structure is shown at Appendix 3, with the additional Gravesham team highlighted in yellow.

7.2 Summary of arrangements –

	Gravesham	Medway
Salary costs (excluding on costs) 2017-18	Total: £141,050	Total: £1.3ml
Staff numbers (FTE)	Total: 4 FTE	Total: 42.85 FTE
Scope of Service	<ul style="list-style-type: none">• Employee Relations• Workforce Development• Resourcing	<ul style="list-style-type: none">• See 1.1

8. Cost/Benefit Evaluation of Options and Recommendation

8.1 As detailed earlier in the business case at 1.1.1 recognising the current level of support that Medway have provided and continue to provide to Gravesham, it is a natural progression to implement a full shared service arrangement.

8.2 The budget for the salaries of the staff transferring under TUPE from Gravesham to Medway will be charged to Gravesham. Gravesham's terms and conditions of employment are aligned to the NJC "Green Book" and their pay increases are nationally agreed, the difference between any MedPay pay award and the NJC pay award will be charged back to Gravesham

8.3 Should a member of the transferring Gravesham staff cohort leave our employ, any new member of staff will be engaged on Medway terms and conditions of employment.

8.4 The experience gained by Medway in the running of a shared HR service with a partner that we have already developed close working relationships with will bring a unique selling point in offering a similar shared service arrangement with other authorities.

9. High-level options

9.1 Option 1 – TUPE transfer of all Gravesham Borough Council staff to Medway council

Project	Responsible Lead	Other Stakeholders	Implementation options
To TUPE transfer current GBC HR officers to Medway Council to form one shared pool of officers.	Medway Council: Carrie McKenzie – Assistant Director (Transformation) Gravesham Borough Council: Melanie Norris – Director (Communities)	All members of the HR Services teams at both authorities.	Proposed implementation date of 1 April 2018

9.2 Investment/set-up costs

In setting up any shared working arrangement, there will be some investment/set-up costs in order to ensure the arrangement is effective. The list below provides an outline of the areas of work that may incur costs, these costs are not yet fully developed but they are not expected to be prohibitive to the project delivery:

- IT costs of setting up joint access to non-common bespoke HR systems;
- Property and facilities costs – there may be a need to acquire additional desks and chairs etc. to ensure that all officers can be accommodated in any one site.

9.2.1 Additional on-going operational costs

They are likely to be additional mileage claims as officer's travel between the two sites for meetings and for cover purposes as required. However, this is not anticipated to generate significant costs and officers will be encouraged to use remote video conferencing and car pool etc. to limit the amount of travel required.