
Report to: Council

Date of Meeting: 23 June, 2016

Subject: Cessation of Shared Services – General Update

Report by: Chief Executive

1.0 Purpose

- 1.1 Previous reports to Council meetings of October and December, 2015, provided information about the cessation of shared services and initial proposals for taking forward new arrangements.
- 1.2 This paper together with two others on the agenda provides members with an update on further progress towards the winding up of shared services and the establishment of new arrangements.

2.0 Recommendations

- 2.1 It is recommended that Council notes the work which has taken place and is ongoing to manage the cessation of shared services.

3.0 Background

- 3.1 The dismantling of shared services is a complex process involving a series of interdependent issues, viz:
 - a) design of new arrangements;
 - b) phasing out of current arrangements;
 - c) continuing to provide services on a day to day basis during the transition as well as keeping momentum going on improvement agendas;
 - d) implementation of new arrangements and ensuring business continuity.
- 3.2 The way in which shared services were designed using the lead authority model (whereby the councils respectively took the lead for one shared service and employed all the staff for that service) creates an additional, unusual, dimension to the change process.
- 3.3 Education and social services have evolved somewhat differently as shared services, which means that within the overall change process, there are effectively two separate transitions to be managed. This means that the

transitions can be proceeding at different paces and to different extents, as well as having different approaches. Given other developments which are ongoing (e.g. health and care integration, community justice redesign, implementation of the Children & Young People's Act, wider organisational redesign), matters may not always progress in a strictly linear fashion.

- 3.4 The circumstances of, and the arrangements for, the ceasing of shared services are fairly unprecedented. While local government reorganisation was a statutory process across the entire country, shared services were a voluntary, local partnership; whereas for local government reorganisation there was a Staff Commission with statutory backing and statutory guidance, there is no detailed guidance for the dismantling of shared services in the Strategic Partnership Agreement which both councils committed to.
- 3.5 The only binding matters in respect of shared services are those relating to the employment status of relevant employees which means that for other matters, the cessation process will rely on following any jointly agreed protocols and good practice in respect of change management.

4.0 Considerations - Staffing & Related Matters

- 4.1 The shared services agreement between the two councils was based on a lead authority model whereby each authority was responsible for a different service: Clackmannanshire for social services and Stirling for education.
- 4.2 Under this agreement, all shared management postholders are employed by the lead authority, which means that Clackmannanshire employs no managers in the central education service and Stirling employs no managers in Social Services.
- 4.3 In Education, this approach goes from Head of Service level down to Service Manager; in Social Services, the approach goes down a further tier to Team Leader as that service had begun to implement the deeper integration which had been agreed by the two councils. In social services, there are also some specialist frontline practitioners who currently work across the two areas.
- 4.4 After consideration by the Chief Executives of both councils (supported by the respective HR leads and taking into account specialist advice), it has been agreed that the most appropriate approach to be taken in respect of staffing on the cessation of shared services is as follows:
- a) the default position across both councils is that shared service staff will remain engaged by their respective employing authority
 - b) where work is being undertaken by either Clackmannanshire or Stirling Council employees but can be identified as being to deliver a service for the other organisation, and this service will continue following disaggregation, staff will transfer to the other organisation under TUPE
 - c) where TUPE does not apply, posts within the new structures for education and social services across both Councils will be open for shared services post holders to apply for. Those post holders will be

given a guaranteed interview if they meet the selection criteria. Applications will be assessed at the same time as other applications are received for the post.

- 4.5 While this approach means that both councils may have temporary gaps and surpluses in their respective establishments, it means that all staff are being treated equally and in line with contractual obligations.

5.0 Considerations - Business Continuity & Risk

- 5.1 To ensure business continuity, part of the transition work is confirming new management arrangements and putting these in place ready for the ending of shared services. As both councils design and implement new structures (either interim or full), opportunities for staff to take up new roles will begin to emerge.
- 5.2 The nature of the task means that there will be some overlaps between the ceasing of shared services and the establishment of new arrangements; it is possible that for some aspects of both services there will be concurrent phasing in and phasing out between now and early 2017.
- 5.3 It is neither practical nor affordable to implement fully parallel processes across both services. Senior officers, however, are very aware of the need to ensure business continuity between now and the cessation of shared services and to minimise the associated risks. Among the key (related) risks are:
- a) failure to maintain the standard of service delivery and to retain staff during the transition due to high levels of uncertainty and/or staff leaving
 - b) failure to maintain service knowledge and focus on performance whilst managing people and system transitions
 - c) failure to ensure relevant service and management information is accessible when shared services cease
 - d) failure to manage any essential capacity gaps which may arise as a consequence of the cessation of shared services
 - e) failure to focus on transformational change agenda and to be distracted from creating a new service vision and positive whole system direction for the Council
- 5.4 To monitor, manage and mitigate risks, a risk register has been developed and is being reviewed on an ongoing basis by chief officers.
- 5.5 In Social Services, the Head of Service has since January established weekly update meetings for the extended management team and has recently established one to one sessions with all service managers. These activities complement existing engagement mechanisms such as service bulletins.

5.6 Staff in education, including Headteachers, have been involved in discussions regarding the future of various joint arrangements and a meeting took place earlier in May between the Chief Executive, the new Chief Education Officer and Clackmannanshire Headteachers and central staff to discuss ongoing activity. The Chief Executive also held a briefing with the social services service management team in May.

6.0 Considerations - Joint Arrangements

6.1 As well as shared management, the councils have also developed a range of other shared arrangements such as:

- a) joint strategies and documents
- b) joint working groups
- c) joint contracts

6.2 These arrangements have been mapped and assessments carried out of their significance and future status.

6.3 In relation to shared strategies and documents, these are being treated in one of the following ways:

- i) being discontinued at the cessation of shared services, with new strategies/documents to be prepared on a Clackmannanshire only basis (e.g. Service/Business Plan)
- ii) continuing until the previously agreed expiry date and then being developed on a Clackmannanshire only basis (e.g. Autism Strategy which runs until April 2017 and has a shared post linked to the Programme until that time)
- iii) continuing on a shared basis (e.g. those strategies/documents which are Forth Valley wide, involving three councils and NHS and/or Police Scotland, and which were not predicated on shared services between Clackmannanshire and Stirling).

6.4 In respect of joint working groups, it is proposed that:

- a) all those connected with adult services would remain as is in the immediate term given the establishment of the Integrated Joint Board
- b) strategic planning group for Children & Young People would in due course cease to be a shared arrangement, with new arrangements being explored for a standalone integrated Children's Services Plan aligned to the Clackmannanshire Alliance and prioritising work on the Realigning Services Programme
- c) public protection, i.e. Child Protection Committee, Adult Protection Committee, MAPPA Strategic Oversight Group, Violence Against Women and Alcohol & Drug Partnerships would continue to report to the Public Protection Forum which is an existing chief officer joint

arrangement with both councils, NHS Forth Valley and Police Scotland

- d) most education working group arrangements would go forward on an independent basis except for some networks and partnerships (e.g. Headteacher, Teacher, Subject Specialist networks, School Improvement and Early Years Improvement Partnerships) where there is added value in retaining them

6.5 There are no significant shared contracts in that even where the councils have undertaken joint procurement (e.g. care at home contract), each authority has entered into such contracts as an individual legal entity.

6.6 There is also a workstream reviewing information management to ensure that on the cessation of shared services the appropriate information is available to councils and that no inappropriate information is accessible to those who should not have access to it.

9.0 Next Steps/Conclusions

9.1 Planning and managing the cessation of shared service and the transition to standalone arrangements is complex, challenging and requires capacity. Related activities are taking place in an environment which can be unstable and uncertain and where there is potential risks. The pace of change is not always consistent because of these contexts and as well as proactivity there is also reactivity.

9.2 Significant resource is being dedicated to managing the process and will continue to be required for some months to come.

9.3 Further reports will be brought to Council as matters progress.

10.0 Sustainability Implications

N/A

11.0 Resource Implications

Financial & Staffing

11.1 The financial implications of ceasing shared services are not yet fully known and there are several factors which will feed into the ultimate figure. The net effect of the following factors will need to be worked through: the departure of a number of managers from shared services, the introduction of any new posts, additional voluntary severance approvals, deletion of vacancies (in the context of developing new structures) and implications of policy of no compulsory redundancy.

12.0 Exempt Reports

Is this report exempt? No

13.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

N/A

14.0 Equalities Impact

The approach to staffing is in keeping with the provisions of employment law.

15.0 Legality

In adopting the recommendations contained in this report, the Council is acting within its legal powers.

16.0 Appendices

None

16.0 Background Papers

Shared Service Risk Register

| NAME | DESIGNATION | SIGNATURE |
|------------------|--------------------|---------------------|
| Elaine McPherson | Chief Executive | Signed: E McPherson |