

Employment Protocols for Shared Services

1 Introduction

- 1.1 These Employment protocols provide a framework for managing the different issues that will arise from providing services jointly by two or more organisations. It is assumed that separate protocols covering finance and governance/legal arrangements will be developed to sit alongside these protocols to deal with issues such as delegated authorities, differing financial pressures - the impact these might have on a partnership, termination of arrangement etc.
- 1.2 The framework has been drawn up specifically to take account of the relationship between the London Boroughs of Haringey and Waltham Forest. A set of employment protocols have been developed and are outlined in Appendix A, but they can apply to other partnerships as well. These protocols cannot deliver joint HR procedures for partnership. However it is important that there is a joint and agreed approach to the way each partnership is approached to ensure clarity fairness and equity. This could for example, include an agreement around ringfences being conducted across boroughs for new post in the partnership, and joint panels for restructuring purposes.

2 Types of Partnership Models

The framework assumes one of three types of partnerships (also see appendix B):

2.1 Shared Working:

Follow common/ collaborative framework for service delivery and service priorities. Staff remain employed by their own authority providing similar services but can benefit by sharing best practice and processes, joint learning and development initiatives, joint procurement or entering into same framework etc. The aim would be to have a joint service statement and monitoring arrangements.

2.2 Shared Service:

One borough leads or provides the management and possibly the bulk of the rest of the service. The secondary borough will second their staff to the lead borough. Secondments may take a variety of forms but the basic premise is that the staff remain employed by their respective borough. In some situations staff may be offered the choice to transfer to the lead borough and / or recruitment to resulting vacancies may automatically transfer to the lead borough. Staff may be co-located and provide a degree of cover for each other.

2.3 Service Provider:

One borough provides the service with staff transferring to the lead borough under TUPE arrangements retaining an appropriate client function. Staff likely to be co-located although depending on the service may retain a presence in client borough.

Note: *The protocols do not cover* situations where outsourcing of services is required, or where TUPE applies or where an employee led mutual service (social enterprise) is set up.

3 Governance/Decision Making:

3.1 Governance and decision making arrangements that will apply in relation to partnership working will be the responsibility of both chief executive's management boards with appropriate input and support from each borough's programme/ project support office.

4 Rationale/ Outline Business Case (OBC)

4.1 Decision Making on Model:

See section 2 and appendix B

4.2 Opportunities/Drivers that will influence the chosen model:

- Strengths/Weaknesses on either side including PIs, findings from inspections/reviews; skills and abilities of staff; robustness of business systems in place
- Benefits to service provision
- Infrastructure including: Technology, Accommodation, Location Assets
- Geography/Demography
- Savings/Budget Imperative/ relative financial health, forthcoming retendering exercises
- The need to address audit/other inspection recommendations
- Desire to keep in-house services
- Statutory requirements around a particular service
- Key post vacancies

4.3 Who is involved in decision making

- Members
- Borough management teams
- Both sides' Finance and HR
- TUs and staff
- Where a service to residents is involved an appropriate consultation exercise will need to be undertaken

5. Decision making process

- Joint body for key decisions on set up and working arrangements for the service
- Appoint leads from each authority
- Needs a level of joint scrutiny to ensure vested interests are not being protected from either side

6 Communication with staff

6.1 The trade unions would like to be able to comment on any proposals being contemplated by the council's to share services. It is important that there is a transparent decision making process when deciding on when and how services might be shared. Therefore it is incumbent on both councils to notify the unions at an early stage where shared services are being contemplated. This should be the responsibility of the council's programme/ project offices.

6.2 Once a decision has been made to progress shared services in sections of the councils it is important to inform and communicate with the unions. To ensure communications are more consistent these should be built into the OBC and Project Initiation Document (PID) so that there is one consistent message sent to both sides in a co-ordinated fashion. The level of formality and frequency will depend on the size and complexity of the partnership under consideration and so each communications plan will need to meet the needs of the particular circumstances.

6.3 Clearly there will need to be a communications plan covering members, services users, and other services which will work with the new partnership etc. but this does not form part of the employment protocols.

7. Ways of working in partnership

7.1 These broadly fall into either:

- matters relating to the setting up of the partnership; or
- arrangements that need to be in place for when the partnership is up and running.

7.2 Clearly where the Service Provider is the chosen delivery model the usual requirement around TUPE transfers will apply and the lead authority will become the employer of staff. As noted above there will need to be a communications plan in place so that staff and unions are consulted on developments.

7.3 For both the shared working and shared services models where there will be staff employed in both boroughs there should be a joint restructuring report and consultation period, together with agreed and consistent organisation structures, with appropriate resource levels and posts in both authorities as

determined by service usage. It may also be the case that one authority undertakes a particular part of the service for both organisations in which case posts may not exist in both organisations.

- 7.4 Each authority will have to consult its own staff and unions about the proposed restructure but the authorities should evaluate responses to consultation and alternatives proposals put forward together.
- 7.5 Equality impact assessments (EqIA) will be produced by each relevant employer, but cross referencing of impact, consultation and mitigation will need to be undertaken to ensure fairness.
- 7.6 The restructuring processes for both organisations broadly build on legal requirements with a few differences. It is suggested that the authorities' process regarding issuing of notice, redeployment and redundancy payments are retained and not specifically affected by the partnership as the employing authority will remain the employer. However the approach to ringfencing arrangements will need to be agreed for each review at the appropriate time.

7.7 Shared service model

It is recognised that in delivering services for another borough that it is important that working relationships with other teams or services are developed and built on. Therefore the manager(s) of the service will need to be part of partner boroughs project/ functional management team meetings as and when they arise. These arrangements should ideally be outlined in the Memo of Understanding/ Service Level Agreement, but if not then appropriate notice and detail of such arrangements should be given when known.

7.8 Shared managers

Where a manager has responsibility for delivering services in another borough the appropriate delegated authorisations must be specified in that borough's constitution to ensure that any management decisions are enacted in the duly authorised way on behalf of the borough receiving the service.

It is important that the manager providing the service should be clear where actions requiring committee decision need to be reported within each borough.

Where changes in management authorisation arrangements take place these also need to be communicated to the unions.

7.10 Management spans of control principles

The recommend principle for the design of services outlines that Managers should typically be directly responsible for around eight staff and, ideally, no less than five. This ratio will depend on the diversity and complexity of the

occupational groups and activities and nature of services provided. It is possible to manage larger groups than eight members of staff, especially in areas with more standard ways of working e.g. customer service, but it should be borne in mind that the effectiveness of management can start to break down.

Layers of management should be added/retained only where there is evidence of absolute need. As a guide there should not be more than four layers of staff between business unit head/Assistant Director and operational staff.

7.11 Equal time split

In relation to secondments where it is clear that post holders are covering roles with responsibilities for work in both boroughs it is assumed that a 50/50 time split will broadly take place unless otherwise specified in the MoU/ SLA. If there is a departure from this arrangement (say 10% or more) for a period of time (e.g. more than a month) there will need to be discussions involving both boroughs to understand the situation, reasons and what action is appropriate to resolve the difference.

- 7.12 It is acknowledged that there will be occasions where the time focus will predominantly be on one borough because of a situation/ issue, but this should be identified to the partner borough as soon as it is practical with an estimate of the time and likely duration.

7.13 Business Planning

The service will need to feed in/ contribute as appropriate to the Business planning cycle of the partner boroughs. This should be outlined in the MOU/ SLA.

In addition the business continuity plans for the service must be clearly specified and notified to the partner borough(s), and copied to the unions for information.

7.14 Performance Management and Reporting

Appropriate reporting of measures of service delivery will be agreed with the partner borough(s). This will include the frequency of reporting.

Ideally, the partners will agree the same measures to minimise the time and effort on production of these but it is recognised that there may be some performance measures that are required differently for one borough or the frequency of reporting may be different. The reasons for different measures should be justified.

7.15 Secondment agreements

At appendix C is a Secondment agreement for shared services partners.

The recommended length of time that the secondment should be in place is 12 months. At the end of 10 months a review should be conducted to determine if TUPE should apply or the arrangement should cease.

Steve Davies, Head of HR, Haringey Council
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Appendix A

Employment Protocols for Shared Services

For these protocols to work there is an assumption that an early decision will be taken as part of the rationale/OBC process with regard to which staff will be employed by which borough, since the effectiveness of these shared service protocols flows from this decision.

1. Recruitment / Employment

1.1. Member appointments

Haringey - Part 4, Section K of the Constitution provides that members shall be responsible for the appointment of Chief Officers and Deputy Chief Officers (directors and assistant chief executives and their reports). The appointment panel will be determined by the Leader and the Chair of the Corporate Committee (or by their nominees), and it must include at least one member of the Cabinet.

Waltham Forest - Part 8 of the Constitution provides that members shall be responsible for the appointment of the Chief Executive, Deputy Chief Executive, Assistant Chief Executive, Executive Director, Monitoring Officer, Chief Finance Officer or Head of Service Chief Officers and Deputy Chief Officers. The appointment panel will be determined the Chief Executive, in consultation with the Group Whips, and it must include at least one member of the Cabinet and a member of Overview & Scrutiny Committee. Note revised job title will apply from 19 January 2012.

For joint appointments - joint authority panel of 5 members – employing authority 3 members, other authority 2 members. At least one member will be from the minority parties of the 2 councils. Note: Authorities' governance arrangements will need to be amended if necessary.

1.2. Officer appointments

Haringey – The interview panel will ideally consist of 3 people, preferably balanced in terms of ethnicity and gender. A panel of 2 people is ok if unable to get 3 people.

The panel must comprise:

- A Chair who should be a person with authority to appoint
- the direct line manager of the person to be appointed (if different from the chair)
- and one other person, either someone who has specialist knowledge which the panel would benefit from or someone who will have a working relationship with the new post holder.

As a minimum the Chair of the panel must be trained.

Waltham Forest - The interview panel must consist of at least 2 people, be “balanced” in terms of equality aspects where possible, and have a majority who are trained in the Council’s approach to equal opportunities in recruitment.

For joint appointments - joint authority panel of 3 – employing authority 2 people, one of which must be appointing manager, plus one from the other authority. Ideally, the panel will be ‘balanced’ in terms of equality and the appointing manager and other authority officer must be trained, but only in their own authorities’ recruitment process. The paperwork and process of the employing authority will be used.

1.3 Restructures, Ringfencing and Redeployment

Both authorities have to follow the same principles in terms of employment law and process for restructuring and potential redundancy situations but each authority’s approach is quite different. Outlined below are the key summaries and differences for each respective process.

Haringey

- Volunteers for redundancy handled as a bulk process and also within consultation arrangements for each service review.
- Consultation is conducted with individuals but commonly this is via group meetings with individuals provided the opportunity to have an individual meeting if they so wish.
- Assimilation is the same for each borough.
- Ringfences for jobs are split into 2 categories – open, where posts will only be filled where it is judged that applicants adequately satisfy the candidate specification. In a closed ring fence all posts will be filled by ringfenced applicants and only where the number of applicants exceeds posts available will people be displaced.
- Selection processes for ringfences allow for interviews and tests to be conducted at any grade level.
- Those who are unsuccessful in securing a new post will be referred to the redeployment register and contractual notice of dismissal is issued at the point of registration.
- Redeployment is open to grades one up/ one down from displaced grade. A trial period of 8 weeks, plus an extension of up to another 8 weeks is applicable. There is NO pay protection.

Waltham Forest

- Volunteers for redundancy are currently open to all staff on an on-going basis although release is at the discretion of the relevant Head of Service.
- Notice issued early to all staff potentially at risk, but not those who will be assimilated into jobs. WEF 23 January 2012 contractual notice is issued at the point staff are at risk of redundancy.

- Consultation is conducted with individual meetings. There are a total of 2 individual consultation meetings planned, at the beginning and towards the end of the redeployment period.
- Ringfences are determined on similar basis as Haringey (test being 'broadly similar').
- Assimilation is the same for each borough
- The HR Process for Managing Change is determined for each restructuring phase. Currently the selection process will appoint to all of the posts within the ringfence. However the HR Framework for Managing Change also allows for a similar provision to Haringey and allows for assimilation following successful interview (i.e. no requirement to appoint) in situations where either the new job represents a promotion, or the essential requirements of the new and old job do not match
- Selection processes provide for interview only at grade SO2 or below. For grade PO1 and above written exercises/ presentations are also allowed.
- Redeployment searches are conducted for the remainder of the notice period [note – notice issued as soon as jobs at risk, see above point].
- Redeployment opportunities arise dependant on pay, status, location, work environment and hours of work. Redeployment is limited to one grade up.
- Redeployment trial period of 4 weeks only but can extend to a max of 8 weeks for training purposes.
- Redeployment to a lower grade gives pay protection for 6 months by way of frozen pay before dropping to the top of the lower grade.
- Redundancy dismissal appeal to independent Director or Head of Service not previously involved in decisions.

Joint Approach to restructures

The key principle to determine first is where does the job sit – who is the employer. Further decisions flow from this key decision. This will be determined as part of the rationale/ OBC process outlined in section 4 above, however for practical reasons this decision may need to be held until a selection process decision is taken and dependant on which employee is selected this will determine the employer.

- The consultation document for unions and staff will include the rationale/ OBC and also an appropriate Equality Impact Assessment – see section 4 and para 7.5 above.
- If the work is transferring to one borough, then TUPE arrangements apply, although HR may need to confirm this with legal advice.
- If shared working arrangements are contemplated then it is important to try and identify who is going to be the employer of the postholder at an early stage, although for practical reasons (usually involving potential ringfences for people in both boroughs) this may not be possible. It is important to involve the unions in any such discussions about who the employer will be.
- Once the employer is chosen the grade evaluation, pay level and employment terms will flow from this decision, but it is important to involve the partner borough in the decisions around scope, size, level and duties of the role. And inform the unions accordingly. The new Job Description and Person specification should be jointly drafted and agreed.

- Job evaluation processes for posts graded below PO8 grade and are the same but are employed within both boroughs will be via a joint process. HR within each authority will undertake the job evaluation and share the results to determine an agreed evaluation. The resultant grade will then be graded according to the JE price tag applicable to the appropriate employer.
- If the employing borough appoints a ringfenced person from another authority then the employment terms of that borough will apply when the person is offered and accepts the job.
- If a ringfenced person from another authority is not appointed they will revert back to their own employment contract and redeployment arrangements.
- Redeployment opportunities may be considered and offered to employees from a partner borough but only following completion of the internal redeployment search process of the employing borough. This will be by way of an internal advertisement within the employing borough and will not preclude internal applicants from that borough. This arrangement will not affect the employee's right to a redundancy payment.
- The redeployment trial period applicable under the employees own contract of employment will apply.
- If a person is redeployed to the other borough they will accept the terms and conditions of employment of the new post and employing borough.
- Reporting lines and deputising and any cross working within each borough - Reporting lines and deputising arrangements for managers of the service should be made clear within the MOU/ SLA and reflected in job descriptions.
- As part of the process the employing borough/s can consider the suitability of jobs for ringfencing across the two boroughs. Suitability criteria will include pay levels, job role and scope, and job duties/ skills/ competencies.
- In such cases the ringfence arrangements and restructuring processes of the employing borough will be adopted/ used.
- The appointment process will be that of the employing borough but the partner borough should be involved in the decision making for the appointments. Therefore it is proposed that a panel of 3 officers, 2 from the employing borough and 1 from the partner borough be involved in the ringfencing and appointment decision.
- Appeal arrangements, as appropriate, will be determined by the employing borough.

1.4 Secondment arrangements

Both boroughs have very similar schemes and arrangements for managing secondments. At appendix C is a Secondment agreement for shared service partners

Secondment arrangements need to be agreed by both the Employing and 'Host/ Partner' borough. The final secondment agreement needs to be agreed by all parties, including the affected employee. .

Haringey and Waltham Forest Shared Services – Employment Protocols Matrix

| Partner Arrangement | Employment Arrangement | Governance Arrangement | Recruitment Arrangement |
|---|--|---|--|
| <p>Shared Working Follow common/ collaborative frameworks for service delivery</p> | <p>Employee remains with own employer including management arrangements</p> | <p>Memo of Understanding (MOU)</p> | <p>Own borough arrangements remain</p> |
| <p>Shared Service One borough leads or provides the bulk of the service</p> | <p>Secondment of staff Lead borough responsible for the management of staff</p> | <p>MOU / Service Level Agreement (SLA)</p> | <p>Joint Employment Protocols</p> |
| <p>Service Provider One borough provides the service</p> | <p>TUPE Staff transferred from other employer retaining their old contract</p> | <p>Contract</p> | <p>Providers employment practices apart from TUPE staff</p> |

Appendix C – Secondment Agreement