

Adults, Health & Public Protection Policy & Scrutiny Committee

Date: 19 June 2017

Classification: General Release

Title: **Update on Changes to Arrangements for Shared Services**

Report of: Chief Executive

Cabinet Member Portfolio: Leader of the City Council

Wards Involved: All

Report Author and Contact Details: Siobhan Coldwell, Chief of Staff
Ext. 6596
scoldwell@westminster.gov.uk

1. At the last meeting members were updated on the decision of Westminster City Council and RBKC to terminate the shared services arrangements currently in place with Hammersmith and Fulham and of our intention to establish bi-borough arrangements with RBKC. According to the s113 agreement, the exit process must be complete within 12 months, so effectively by the end of this financial year..
2. Since the last update there has been some significant activity:
 - Governance/programme arrangements have been established at Member and officer level to progress the termination of the current arrangement and the transition to new arrangement. Joint programme governance is also being established with RBKC. A programme team is now in place, resourced principally through Westminster, although joint funded by both WCC and RBKC. Dedicated HR resources have also been identified to ensure that there are robust arrangements in place to transition staff to new structures where necessary. Draft timelines have been established and once new structures have been agreed, timelines will be shared with staff.

- The analysis of ‘as-is’ organisational structures in the three affected services is now complete and HR colleagues have undertaken a detailed scenario planning exercise to understand how the transition will be managed. The exercise has highlighted the complexity of the organisations and the differences between them in terms of team structures and the balance of employees from the three boroughs across each of the services.
 - From this exercise it is clear that a one-size-fits-all approach to all employees will not work. HR colleagues have established a number of scenarios which will be applied to the vast majority of staff which identify two things – what people processes will apply to determine what will happen to teams and individuals (e.g. TUPE or reversal of s113 agreement and employee returning to employing borough) and where the individual team will reside post transition.
 - Current analysis suggests most staff (two-thirds) will default to their employing borough and a small number will be affected by TUPE. Every effort is being made to ensure that there are no redundancies.
 - RBKC and WCC have progressed the appointment process for the bi-borough ED ASC, the appointment sub-committee is on 4th July 2017.
 - Work continues to understand the financial and contractual consequences of unpicking the current arrangements so that plans can be put in place to minimise the impact. A particular focus is the ASC Transformation programme and any impact it may have.
 - Sue Redmond is working with colleagues to propose new structures. A first draft has been produced which has been shared with the relevant Cabinet Members as well as the two chief executives. A further iteration is being produced, based on the feedback that has been received. A potential model for public health is also being developed.
3. A number of programme risks have been identified. These are attached below for information. They are monitored regularly as part of the programme and governance arrangements.

| # | Risk | Mitigation |
|---|--|--|
| 1 | Risk to quality of BAU of key front line services – Children, Adult and Public Health Services | Timeline of events to reassure staff. Comms plan to address key areas of concern. Service areas to develop plans for delivery until new arrangements in place, monitoring risks and issues |
| 2 | Loss of staff due to uncertainty | Timeline of events to reassure staff. Comms plan to address key areas of concern. Identify contingency budget and resources |

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| 3 | Financial implications – Risk to budgets due to the move to Bi-Borough Service for Children, Adult and Public Health Services | Finance to identify financial implications and budget required. Secure contingency budget as appropriate |
| 4 | Risk to realised non cashable transformation benefits – service efficiencies and improvements | Service areas to develop plans for delivery until new arrangements in place, monitoring risks and issues. Contingency plans developed |
| 5 | Smaller shared services may not be able to separate out easily, e.g. Adoption services, Education Services, Youth Offending Services | Design new target operating model for these areas |
| 6 | Shared functions may need to change e.g. Back office, IT, training, complaints | Review and if required, design new target operating model subject to discussions with LBHF |
| 7 | Establishment of bi-borough leadership with appointment of new Executive Director roles risks creating a Tri-borough leadership vacuum | Alignment of timeline and decisions with LBHF |

If you have any queries about this report please contact the report author, Siobhan Coldwell, Chief of Staff, on Ext. 6596, or by email at scoldwell@westminster.gov.uk