

## **Human resource issues arising from new and collaborative ways of working**

A study based upon the Education Achievement Service in South East Wales

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## Introduction, purpose of the study and acknowledgements

The following report is based upon a study of the issues facing human resource (HR) professionals and other managers in creating and supporting the Educational Achievement Service (EAS) which has been established by five local authorities in South East Wales. . It should be noted that this report has a specific focus in examining in detail the HR issues arising from the project and does not attempt to examine all the aspects of project management, leadership etc. that were also necessary to ensure success. In October 2012 Tracey Lee, Senior Responsible Officer for the project submitted a 'Lessons Learnt Report' which covered these broader aspects.

It is also important to note that the report is in no way an evaluation of the services provided by EAS to schools or the HR support that EAS receives. Instead, the aim of the report is to identify the HR issues that have arisen and discuss these as a learning tool for others. Inevitably the report does include examples of how particular issues have been managed, examples of good practice and some lessons learnt which have been identified by EAS and its HR support service in Torfaen County Borough Council (TCBC) and Newport City Council (NCC) Specialist Support Services.

The report also includes a background to the EAS service itself as well as information on how HR professionals supported its creation and provide 'on-going' support.

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- Lucy Jackson ( Project Manager, Newport City Council)
- Jonathan Lloyd (Employment Adviser, Welsh Local Government Association)
- Julian Williams (Head of HR, Torfaen County Borough Council) and his team

We hope that this study will help inform and prepare HR professionals and managers considering new ways of service delivery

## Executive summary

The structure of educational support to schools across Wales is changing dramatically. This is in response to declining relative performance, which five local authorities in South East Wales are tackling by having formed a consortium and created an independent but jointly owned private company limited by guarantee to raise educational achievement.

The process of creating the new organisation presented a number of immediate issues and challenges to be resolved. These included (amongst others):

- Establishing the governance arrangements and role definition of the various bodies that were transferring staff to the new organisation
- Establishing the EAS as a legal entity
- Filling new structures through TUPE transfers and new appointments
- Creating a shared vision and culture
- Managing the successful transfer of 102 staff to the new organisation
- Integrating 8 new external appointments into 24 newly created posts
- Ensuring that basic back office functions ( e.g. payroll, pensions etc.) were in place

The organisation of 'on-going' HR services to EAS is interesting in that the services are not within EAS at all. Instead a competitive tender exercise was undertaken to find an external supplier for HR services to the new EAS organisation. This tender was won by TCBC and the contract has several interesting features:

- It is only of eighteen months duration
- It was awarded almost entirely on the basis of price
- It did not cover the establishment of EAS - only the on-going HR services to EAS
- The services covered are primarily transactional

This arrangement means that local authorities are still responsible for HR services supplied to schools in their area but TCBC supplies HR services to EAS itself. The local authorities also identified that leadership within schools was going to be a critical issue in driving school improvement. In view of this EAS also invited tenders for a specialist support service to schools. This specialist support service has two main aims:

- To advise on and tackle competency, capability and ER matters, which are critical if the service is to raise standards of attainment in the consortium's schools
- To devise and standardise HR policies and procedures for schools across the five local authorities

Naturally a project of the size and complexity of the creation and on-going HR support to EAS raised a large variety of HR and organisational issues. These are discussed in the main report and are intended to flag up areas where others may learn directly from the approach adopted to the HR issues by EAS, TCBC and the other partners. In addition to the direct HR issues identified below, there was also initially some uncertainty relating to the exact amount of funding of the EAS organisation which created some difficulties regarding the filling of the new structure etc.

Key issues identified and discussed include:

- Shared vision
- Structure and job design
- Implementing the structure, appointments etc
- Transfer of Undertaking Protection of Employment (TUPE)
- Terms and conditions
- Pension arrangements
- Changes to working practices
- Cultural change programme
- HR contract management
- Confidentiality protocols
- HR policies and procedures
- Health and safety requirements
- Expanding the workforce

## Background to the Education Achievement Service

The structure of educational support to schools across Wales is changing dramatically. This is in response to declining relative performance and follows a statement in February 2011 by the Minister for Education and Skills in Wales regarding the structural management and leadership of education in Wales in which he said:

*“I have said repeatedly I would not have invented 22 local education authorities. I now believe that the fragmentation of education authorities in the mid-1990s was one of the contributing factors for the downturn in educational performance a decade later, as effective challenge and support was lost in many parts of the system and time, energy and resource was dissipated”.*

Arising from this he gave a direction that stated:

*“We will expect local authorities to participate in consortia arrangements, including shared consortium services, or suffer financial penalties, including the withdrawal of Better Schools Funding. The Consortia will identify system leaders, who will support and challenge the Professional Learning Communities, which will have a focus on literacy and numeracy”.*

In response to this, five local authorities in South East Wales created a consortium to set up a private company limited by guarantee to raise educational achievement. The five local authorities were:

- Blaenau Gwent County Borough Council
- Caerphilly County Borough Council
- Monmouthshire County Council
- Newport City Council
- Torfaen County Borough Council
- Cardiff City Council was also a potential partner during early stages of the consortium arrangements and three of its staff who deal with professional development did transfer to the new organisation

These partners launched the Education Achievement Service (EAS) in September 2012 with a shared vision of:

*“Delivering excellent achievement for all learners, through high individual and collective accountability, set within a culture of effective mutual support and challenge.”*

The five local authorities collectively created a structure for the new organisation and then appointed an external person to the post of Managing Director to be responsible for all aspects of implementation, leadership and management of EAS. The date of this appointment was 11 June 2012 although the EAS service did not officially come into being until 1 September 2012.



Governance of EAS is exercised by:

- A Company Board – consisting of one elected member from each local authority (not the education lead but at cabinet member level). This Board has the legal responsibilities of company directors and sets the strategic direction of EAS
- A Joint Executive Group – consisting of the Directors of Education and Lead member for Education in each of the five local authorities. The Executive Group represents the client interest of each of the local authorities including leading on commissioning strategy, agreeing policies and quality assurance

An independent review undertaken by the ISOS Partnership on behalf of Welsh Government in November 2012 entitled ‘School improvement consortia: an early assessment of their readiness to deliver’ stated:

*‘When comparing overall progress between the four consortia, it is our view that just one consortium (South East) is ahead of the others and that the others are broadly in similar positions’*

## **Creation of EAS and HR services implementation issues**

During the process of creating the new organisation, there were a number of immediate issues and challenges to be resolved. In addition to the direct HR issues identified below, there was also initially some uncertainty relating to the exact amount of funding of the EAS organisation which created some difficulties regarding the filling of the new structure etc.

These issues included (amongst others):

- Establishing the governance arrangements and role definition of the various bodies transferring staff to the new EAS organisation
- Filling new structures through TUPE transfers and (where appropriate) new appointments
- Creating a shared vision and culture
- Refining the previously agreed structure developed by the partners
- Ensuring that basic back office functions ( e.g. payroll, pensions etc.) were in place

The situation was complicated by a number of internal and external factors:



- TUPE lists of staff who would transfer to EAS had to be compiled for each of the five local authorities
- A total of 102 staff were identified to be transferred into the new organisation
- In addition 24 new posts were created and 8 filled by external new appointments
- This meant that seven different terms and conditions of employment were to operate within the new organisation. In the case of new staff it was agreed with trade unions etc. that the staff would have TCBC terms and conditions
- Set up involved two pension schemes; the Teachers' Pensions Scheme and the Local Government Pension Scheme. One unavoidable issue was that a formal application for admittance to the Teachers' Pension Scheme could only be made once the EAS existed as an organisation
- The five local authorities all had different ratings as regards educational achievement

There were two other very important considerations:

- 1) Each local authority still retained direct legal responsibility for its own schools and their performance. Although EAS provided educational improvement and other support, the final responsibility for school performance is not legally theirs. This meant that elected members and Directors of Education quite naturally wanted to retain a considerable say in the services provided by EAS, how they are commissioned and how they are delivered to schools.
- 2) The complexity of the situation and the determination of the councils and EAS not to lose sight during all these changes of the prime purpose of the work (i.e. making sure schools receive the improvement services they need) meant that a wide range of stakeholders had to be kept informed and satisfied. These stakeholders can be classified in various ways but include:
  - The children
  - Parents and carers
  - School head teachers
  - School teachers and other school staff
  - Trade union representatives
  - Governing Bodies
  - Elected members within the local authorities
  - Directors of Education and senior managers within the five local authorities
  - The Company Board and Joint Executive Group
  - Staff transferring to EAS
  - Support organisations to EAS

It was agreed that the on-going supply of a broad range of Human Resources (HR) should be put out to tender (as described below) but the councils involved were still required to work collectively on the creation of the new organisation and ensure that deadlines etc. were met.

Although there were some relatively small issues around data transfer and time to compile TUPE transfer lists, the co-operation aspect seems to have gone extremely well. Obviously this is in part due to the professionalism and technical expertise of the staff involved, but another important factor is that there was a history of collaborative working between the authorities and those good personal relationships were already in place. This is seen as a key learning point for future collaboration projects elsewhere i.e. there must be a good technical knowledge but this alone is insufficient - equal attention must be given to relationship building and team working.

## **On-going HR support to EAS**

The organisation of HR services to EAS is interesting in that the services are not within EAS at all. Instead, a competitive tender exercise was undertaken to find an external supplier for HR services to the new EAS organisation. The tender exercise was won by TCBC which was able to absorb delivery of the services required within their existing staffing establishment.

The contract itself has several interesting features:

- It is only of eighteen months' duration
- It was awarded almost entirely on the basis of price
- It did not cover the establishment of EAS, but is for the operation of HR services once EAS had been established
- The services covered are primarily transactional (e.g. payroll, servicing appointments etc.) and do not cover organisational development, training etc.

This arrangement means that local authorities are still responsible for HR services supplied to schools in their area but TCBC supplies HR services to EAS itself. However, the local authorities, in discussion with the Managing Director designate, identified that leadership within schools was going to be a critical issue in driving school improvement. In view of this EAS also invited tenders for a specialist support service to schools. This specialist support service has two main aims:

- To advise on and tackle competency, capability and ER matters which are critical if the service is to raise standards of attainment in the consortium's schools
- To devise and standardise HR policies and procedures affecting schools across the five local authorities

This second tender was won by a consortium consisting of Caerphilly County Borough Council and Newport City Council. Prior to the award of the tender, Education Directors received the services outlined above through their own HR staff.

The delivery model chosen for these specialist services was to create a 'virtual' organisation. Under this arrangement the HR Specialist Support Service is provided by having the Corporate HR Directors of Caerphilly County Borough Council and Newport City Council act as the strategic leads for a 'virtual' organisation. Under them they have around 10 staff across all the local authorities supported by EAS. These staff are all still employees of their original authorities, but can serve any of the schools in the five-authority consortium area. The Corporate Directors can allocate them where they feel there is the greatest need. At the time this study was undertaken such mobility had not actually been found to be required but this may change as demand for the service increases.

The new specialist support service also required the implementation of a new role of "systems leader" with a specific role focus on the two prime services outlined. Two posts were created and advertised externally, although appointments were eventually made from within existing Caerphilly and Newport staff.

To support the overall project the WLGA funded a 12 month appointment of a project officer to provide project management support to the Consortium team and to act as a conduit between HR Directors, HR Managers and the project steering group. This would also allow for the creation of a collaboration learning tool kit, identifying some lessons learnt from the process, that were specific to the education consortium project and others that are potentially relevant to all collaborative working in the region.

## **Staff 'launch' of EAS**

It was recognised that a lot would need to be done to ensure there was a shared vision for the new EAS organisation and to bring about the bonding of those involved in its achievement. In May 2012 there was a 'Meet the Director Day' and during the first week of the official 'life' of EAS a structured training programme was delivered to a wide range of key staff. This was designed in collaboration with an outside provider in order to:

- Allow staff to 'mix and meet'
- Provide an opportunity for the Managing Director to articulate and discuss his vision and values for the new organisation
- Identify and discuss what 'baggage' people had to leave behind
- Allow people to raise, share and discuss their anxieties
- Offer 'technical' training on new procedures, systems and services to schools

There are three learning points from the success of this exercise:

- 1) There was as much emphasis on the 'soft' skills and team bonding aspects as on the technical training
- 2) It allowed TCBC HR staff to 'be in' at the start of the new organisation and build links with staff. This was achieved by their being present at the event and also having 'drop in' sessions available for people to meet HR, raise questions etc.
- 3) This approach helped establish TCBC as a key partner to the EAS. In fact, the basis of the relationship that EAS wanted to create was that the HR support service 'feels' like an integral part of EAS

## HR issues identified and how success was achieved

Naturally, a project of the size and complexity of the creation and on-going HR support to EAS raised a large variety of HR and organisational issues. The key ones are summarised and discussed below. These are intended to flag up areas where others may learn directly from the approach adopted to the HR issues by TCBC and the other partners. Although EAS/ TCBC were successful in all areas, there are various 'critical friend' observations made to highlight issues, learning points etc. for the benefit of others:

**Shared Vision:** although this may seem an obvious point, it is a pre-requisite for all successful HR and collaborative working. It should be remembered that this actually operates at, and requires work over, at least four levels:

- Elected member level – the elected representatives within each of the partner authorities
- The professional service level – in this case the educational professionals involved in school improvement
- The 'customer' level – in this case the schools receiving the improvement support
- The HR level – in this case the HR professionals and support staff, who will support the achievement of the vision.

The important point here is that all levels must co-ordinate and explicitly articulate the vision for the new service and how it will operate. The partners and EAS worked hard at this (coupled with the governance arrangements outlined) and held a wide variety of formal and informal consultation events. The study undertaken shows that HR services needed to be, and were, involved in this at the very earliest stages. They were an integral part of the implementation team and the new organisation itself. The role of HR in such stages is:

- To ensure that HR actually understands the vision
- To help challenge and shape the vision
- To advise on legal and practical issues

- To be proactive in seeking solutions to legal and practical issues that arise
- To communicate with and support staff throughout the implementation process

**Structure and job design** – In the case of EAS, the local authority partners jointly designed and agreed a formal structure. This included managerial arrangements, number and grades of posts etc. However, the Managing Director recommended changes to the structure following his appointment. The structure of any new organisation is, of course, only one aspect of the creation of a new entity. Other elements such as leadership, culture, values, new methods of working etc. are equally important. A clear structure, however, was a key building block to successful HR implementation, as it determined how many staff will be employed at what levels etc. Again, this would seem to be an obvious point, but there are subtleties that should not be missed in future collaborative working:

- **The structure for the new organisation should be agreed as early as possible:** without this, basic HR processes such as appointments, job descriptions etc. cannot be commenced. However, it should be remembered that a structure is not the same as a legal entity which is discussed below
- **Accept that the structure when designed will probably require amendment and will be affected by the constraints of TUPE etc.** it is likely that the structure will be designed before key appointments are made and all business processes designed. All of these are likely to 'challenge' the appropriateness of the initially agreed structure. Whilst it is important, therefore, that the structure is set as early as possible to allow HR work to commence, it is also important that flexibility is built into further stages for the structure to be amended to adapt to changing circumstances, including the views of the incoming operational management. This proved to be the case for EAS and various amendments were made.
- **It is important that each job has a clear place within the structure, a definition of its role, a job description and person specification:** not only does this bring clarity to how the structure will operate and the role of each post, it is also fundamental to determining where TUPE applies, eligibility to be considered for posts etc. Staff transferring to new organisations will go through a 'change curve' and this will cause differing degrees of stress for them. The certainty of what roles each job will fulfil will help support them through the change process
- **Structure allows identification of cost/ profit:** EAS has a vision to provide high quality services to schools. However, it also has to operate as a business. A clearly defined structure for such organisations allows for costs etc. to be identified accurately and financial contributions identified

**Implementing the structure, appointments etc:** there were some basic functions here that will not come as any surprise to HR professionals and managers. However, they are included for sake of completeness, together with some observations:

- **Legal entity:** a point that must be remembered is that the employees of EAS are employed by EAS and not by any of the local authority partners (or TCBC HR

support service). This meant that the legal entity of EAS had to be established as quickly as possible in order that key appointments (especially the new Director) could be made. It was also necessary to create a company number to register pension and tax details etc. for transferring employees.

- **Key appointments:** It was important to make key senior management appointments as soon as possible. This meant that the appointees could oversee and manage the creation of the new organisation and also adapt it as they felt necessary. In the case of EAS the senior manager posts were filled quickly but there were comments made during the study that (with hindsight) it would also have been preferable to appoint the EAS Business Manager earlier, to assist with implementation issues, business planning etc.
- **Involving stakeholders:** the Managing Director of EAS was very keen to have an inclusive approach to implementing the new structure and to ensure that key stakeholders were completely happy with the people appointed. In particular this meant the 'customers' of EAS and an important step was to have school representatives as part of selection panels.
- **Quality of recruitment:** A key decision was taken that appointments would only be made where the selection panel were entirely happy with the quality of the applicant. Where this was not the case, the post was deliberately held open and a further recruitment process undertaken. This did lead to some posts not being filled immediately but the emphasis on quality was seen as paramount. Interestingly the staff focus group, interviewed as part of the study, supported this approach even though it led to some further workload pressures for them in the short term
- **HR involvement:** obviously it was viewed as sensible to have HR involved at all stages of the implementation process

**Transfer of Undertaking Protection of Employment (TUPE):** this was one of the key principles that were adopted in the creation of the new organisation. It was also one of the earliest and most fundamental principles applied by the HR professionals supporting the implementation stage. This required various levels of technical/ legal knowledge and 'soft' skills which should be applied in similar situations and which were available within the local authorities in the consortium:

- **Technical knowledge** - a thorough understanding of the legal principles of TUPE and how they should be applied
- **Empathy with those involved in the process** – both managers and staff transferring. It must be understood that staff in such situations may find this a very stressful time and this will affect managers as well as their staff. It is important that HR staff understand this and adopt appropriate behaviours alongside their purely technical skills
- **Speed** – due to potential for staff stress it is important that staff know as early as possible whether they are on a TUPE list to the new organisation or not. These lists



were prepared by the individual authorities transferring staff to EAS. One of the few criticisms levelled by staff involved in the process was that some lists (in their opinion) took a significant time to prepare

- **Communication** – the ability to be able to explain TUPE provisions, how they operate and the effect on staff etc. A variety of formal, informal and one-to-one mechanisms should be adopted.

**Terms and conditions** – this is an issue for EAS and its HR support as the requirements of TUPE mentioned above has, inevitably, led to seven different terms and conditions of employment operating within EAS (one set from each of the transferring authorities and one for completely new employees). The following points arose from the discussions with managers, staff and HR around this:

- Having different terms and conditions is not viewed by operational management as a significant problem. All aspects of the work required are being met and any minor problems arising from issues such as different leave arrangements are generally resolved through practical and mutual solutions agreed upon, based on the culture of professionalism and customer centred services that has been created
- As regards HR operations and policies the situation is 'messy'. Whilst operational managers may be able to manage delivery issues arising from different leave patterns etc. there are considerable complications arising in areas such as disciplinary, capability grievance etc. This has come about because each person transferring to the new organisation will have brought appeal rights, set procedures etc. with them. However, these may not fit with the management structures etc. of EAS and may include rights to appeal to posts that do not exist in EAS etc. In these circumstances each instance will be handled on a case by case basis. New policies have been written that apply to new staff who join the EAS and the timetable for harmonisation is for the EAS to decide.
- Having different terms and conditions also gave rise to some purely technical issues e.g. it was necessary to amend IT systems so that they could cope with a pay roll that was capable of dealing with people who were on different pay scales, different increment entitlement, varied pay dates etc. Dedicated HR and Payroll IT staff, therefore, had to be involved at a very early stage
- Staff spoken to during the study accepted the different terms and conditions as inevitable and they did not seem too concerned at this situation. At least in part this is due to the culture of professionalism that has been cultivated and a desire by staff to concentrate on supplying services that will lead to school improvement.
- The situation regarding differing terms and conditions will need standardisation at some stage. In the meantime any new staff being appointed are being offered terms and conditions which are based on TCBC's. This also applies to existing staff who apply for promotion posts within EAS as, if they accept the new post, they must also



accept new terms and conditions. In part, therefore, the different terms and condition issues will resolve themselves over time but some form of harmonisation process does seem inevitable

**Pension arrangements:** one particular ‘technical’ aspect was ensuring that pension arrangements were also covered and maintained. This required the collation of information and data by TCBC that was similar in nature to much of the other TUPE information. However, it was found that two particular pension issues had to be borne in mind:

- **Pension information:** anecdotally there was mention of delays in pension information being received in the correct format. This was an inevitable result of the individual local authority data systems.
- **Pension schemes:** there was also the issue that staff transferring were in two main pension schemes; the Teachers’ Pensions Scheme and the Local Government Pensions Scheme. Each had a very different admission route and transfer arrangement and the DFE had to accept the EAS Company as an eligible employer. The fact that Torfaen was also a Pension Fund administering authority for the local LGPS fund helped facilitate transfer and admission arrangements. Information regarding pension arrangements and job roles revealed that 21 employees were actually in the teachers’ pension scheme. The Teachers’ Pension scheme stated that a small number of these should have been transferred previously to the Local Government scheme. This was an anomaly that had to be resolved and could not be carried through into the EAS organisation. The remainder were teachers, and others with protected rights to remain in the Teachers’ Pension Scheme.
- **Changes to working practices:** obviously there would have been little point in creating the new organisation and retaining all previously existing working practices. Some immediate changes were made – particularly to focus energies and work within EAS. These included:
  - **Role focus:** due to the size of their previous authorities, it was common in the past for people such as the System Leads to perform functions that were in addition to their school improvement role. These duties have been ‘stripped out’ in the new EAS structure so that staff can specialise and focus on their personal professional specialism – a move welcomed by the staff interviewed
  - **Role definition:** another important change is that the structure of EAS now means that there are two main teams. The Performance Team concentrates (primarily) on identifying needs and actions to support school improvement, and the Brokerage, Intervention and Support Team concentrates (primarily) on delivering the support. This is actually an oversimplification of the situation, as each case is considered individually and the best means of intervention discussed and agreed between the two teams (and may involve delivery from both). However, this better defined split of basic functions is a new way of working for many of the staff

- **Geographical areas of operation:** the geographical areas of operation for many members of staff were altered (and often expanded) to allow for improved team working and flexibility of support. Obviously, in some cases, this required establishing new relationships with colleagues and schools. However, the increased role focus outlined above also allowed the opportunity for this to happen quickly
- **Agile working:** due to changes in working areas and roles, there was also a significant increase in agile working i.e. working from no fixed base and/ or home. This not only helped reduce wasteful travel but minimised office overheads
- **Support to staff:** obviously all the above changes were being conducted during a time when staff were also transferring to the new EAS organisation and dealing with a variety of other changes. Changes such as home working can also prove difficult for some staff initially and they can feel isolated. It was crucial that support to staff who were finding this type of situation stressful was available

**Cultural change programme:** within EAS there was and is at present no formal cultural change/ development programme (although mention has been made of the staff launch event). This is not an oversight, but a recognition of the pressures upon the new organisation and the staff within it. However, it also recognises that much of the culture change required will come about through changes to working practices, structures etc. Whilst this is working generally very well in most respects, there is perhaps a need to reinforce wherever possible the new 'business' environment in which EAS is operating and the mentality required by staff to adapt to this.

**HR Contract management:** there are a number of issues worth considering regarding how the HR support contract operates:

- **Length and scope:** as stated previously the length of the contract is initially only 18 months. On paper (although this may not be a significant risk in practice) there is a risk of discontinuity if any new contract is awarded to another supplier i.e. not TCBC. This is not only potentially disruptive to working practices and the relationships that have been fostered, but could also result in a price rise for EAS
- **Performance management:** there appear to be few formal Key Performance Indicators (KPIs) in the contract. Management and monitoring is largely informal and, although this does not appear to be presenting difficulties, it could become an issue if disputes arise
- **Nature of contract:** the contract covers primarily transactional activities e.g. payroll, pensions etc. although some HR advice is also given in other areas such as appointments. A consideration for future contracts/ HR support is the extent to which the HR support function should also be integrated into organisational development, training etc.

- **Contract scope:** partly due to the lack of KPIs and the transactional nature of the contract/ scope of HR support, there is a danger of 'contract drift'. This means that EAS may request services outside the scope of the contract (and may actually receive them, due to the enthusiasm of the HR staff). This could pose a risk to TCBC resources and complicate future contract negotiations when the new contract is being put out to tender

**Contract and confidentiality of information:** although few difficulties were reported during set up there is the potential for difficulties regarding confidentiality, and a possible need for a protocol to cover this. This issue arises potentially as information regarding employees in EAS will be known to TCBC HR staff (e.g. if a member of staff is subject to a capability or disciplinary procedure). This may be a member of staff who is working in a TCBC school (or, of course, another local authority school). Understood protocols regarding what information (if any) TCBC HR staff can make available to their own authority (or others) regarding EAS staff is required.

**HR policies and procedures:** even though there is an acceptance that differing terms and conditions will apply for a time, there is still a need to set new HR policies and procedures specifically for EAS (and this is still being 'worked through'). There are two important considerations here:

- **The new policies must suit the operational needs and business environment of EAS.** In this respect it is not possible to standardise at the most favourable terms operating for employees across the previous authorities
- **The size and structure of the organisation affects HR process.** It is not possible or desirable to replicate the procedures that existed for employees in their former, larger authorities. How issues such as disciplinary, capability (especially appeals) etc. can be dealt with has to be geared to the line management roles and levels of accountability in the new organisation and to the new management structure

**Health and safety requirements:** the contract for HR support explicitly included advice on health and safety issues. This meant that EAS received support around issues such as risk assessment, incident investigation, specific hazards etc. However, due to implementation pressures, health and safety does appear to require some further integration now the EAS organisation is established. This is because health and safety responsibilities need to be explicitly aligned to the management structure within any organisation. Now that the structure has been implemented this can be done. All health and safety responsibilities should also be explicitly included in job roles and job descriptions

**Expanding the workforce:** another interesting aspect, but one that has not come out of the contract or HR support, is EAS' innovative approach to expanding the capacity and skills of its workforce, by utilising its own customer/ stakeholder base. The initiative involves inviting Head Teachers to apply to become Associate System Leaders with EAS. They keep their full Head Teacher responsibilities but also undertake specific work for EAS in schools where required. This scheme has a number of significant advantages:

- It provides an additional flexible workforce
- It ensures current skills are utilised by EAS
- It illustrates EAS's customer orientated culture
- Head Teachers gain a greater understanding of EAS and how it operates

**General principles:** underpinning the success of the new organisation and the HR arrangements are several basic principles:

- **HR team involvement:** EAS consciously involved HR at an early stage in all aspects of implementation. They have also tried to ensure that HR are seen as part of the integral team, and are at EAS offices regularly, included in briefings etc.
- **HR attitude** and the 'style' of support: It was crucial that HR responded with a similar 'can do' attitude and were willing to be proactive in helping develop relations, working arrangements etc.
- **Public acknowledgement:** the role and contribution of HR has been acknowledged publicly. This has helped foster good relations and reinforce the importance of HR
- **Style of management team:** although not strictly an HR issue, there seems little doubt that the style of the EAS management team has been important. They have an 'Open Leadership' approach and ethos, with no individual offices, much direct contact with staff and customers and a constant emphasis on the values of the organisation

## HR Lessons learnt and key principles

Based upon the above study, the following provides a summary of the key HR points that should be borne in mind by organisations and their HR support services when they are entering into collaboration/ partnership/ new joint venture arrangements. As this report indicates, these factors were taken into consideration and resolved during this project and are included as a 'learning guide' for others. As mentioned previously, in October 2012 Tracey Lee, Senior Responsible Officer for the project submitted a 'Lessons Learnt Report' which covered broader aspects than those covered in the HR considerations below (although there is an overlap between the two reports).

Some of these points will be obvious to managers and HR professionals whilst others are more subtle and arise out of experience. However, all are included for completeness:

- **Joint and shared vision:** consciously work on ensuring and articulating a vision for the new organisation/ partnership. It helps if this vision is explicitly articulated and shared by all partners. It would be unwise to proceed unless all partners are certain that this vision is in place. This includes explicit statements as to whether there are any factors that would be 'deal breakers'

- **Collaboration and trust:** in many cases (such as EAS) the partners already have existing collaboration experience and good relations. Where this is not the case the partners should work on how they will create an atmosphere of trust and collaboration – including openness and encouraging critical friend challenge
- **Stakeholder engagement:** this activity needs to be planned carefully and is crucial to success. It is important to remember that stakeholders are at many levels and some key ones are outside the new organisation and partnership. This includes customers, who can contribute to service design and even (such as the Associate System Leads) service delivery
- **HR involvement:** whether or not HR support is actually part of the new organisation or delivered by a separate contracted supplier, the HR support service must be involved at an early stage of the development of the new organisation. When the new organisation is established, the HR support (however it is contracted) should be treated as an integral part of the new organisation, involved in team and management meetings, physically present in the new organisation as much as practicable etc.
- **Role of HR:** consideration should be given to the full potential of HR support e.g. does it just cover transactional services or also services such as organisational development, culture change, training etc.
- **HR contract and contract management:** if HR is a separate contracted service to the new organisation there are issues to consider around the contract in addition to the HR role point made above. These include:
  - Length of contract – does it supply a reasonable degree of certainty as regards service delivery and price?
  - Tender evaluation: this should include quality and cost criteria
  - Clarity: the contract should be explicit as to what is included and what is available, but has to be commissioned separately
  - Certainty and reliability of delivery organisation
  - Inclusion of clear service levels and performance criteria

It is also important (in a contractor situation) that HR staff understand that they are operating within a contractual relationship. Whilst they have an obligation to provide the services stipulated by that contract, they also have to be mindful of the resource requirements and limitations of their 'parent' organisation.

- **Governance arrangements:** both for the implementation stage and on-going monitoring there should be clear and explicit governance arrangements that allow for stakeholder involvement. However, these arrangements should be kept simple and it should also be borne in mind that, once services have been out-sourced, it is the responsibility and duty of the managers within the contractor organisation to manage

those services. The commissioning organisations should concentrate upon monitoring the outcomes of the contractor organisation.

- **Key appointments:** obviously these should be made as early as possible – especially cases such as the Managing Director of EAS. Consideration should be given to including in these early appointments ‘infrastructure’ posts (e.g. Business Manager type roles) who can make a contribution to the implementation and early stages of the new organisation.
- **Legal entity:** the legal entity of any new organisation should be established and registered at a very early stage. It is vital that there is a legal body to which appointments and pensions registrations etc can be made
- **TUPE:** HR professionals require a thorough understanding of the principles and detailed operation of TUPE. They also require the ‘soft’ skills to deal and communicate with people going through what can be a stressful time.
- **Terms and conditions:** in a situation where TUPE applies from more than one organisation it is inevitable that (at least for a time) different terms and conditions will apply. There are two main issues that arise:
  - Operational managers need to understand and accept that this will occur. Any practical difficulties that do arise will need to be ‘worked through’ by creating a customer based culture so that staff will put their needs first
  - Immediate steps need to be in place to ensure that IT systems can cope with differing pay scales, pay dates etc. IT staff need to be involved at an early stage to ensure that this can happen
- **Pension arrangements:** this is an important consideration and time must be allowed to gather information, ensure that there are no anomalies (e.g. employees not being in the right scheme) in order to gain admission to the desired scheme and complete registration
- **Appointments:** EAS adopted two key principles and these are recommended to others in similar situations:
  - Involve stakeholders in the appointment process. This can include customers and HR
  - Only appoint when fully satisfied with the quality of the applicant. It is better to re-advertise than dilute the quality of the organisation
- **Cultural programme:** a formalised culture change programme may not be required. However, explicit attention should be paid to ensuring that staff fully understand new working practices and the business environment in which they are operating. The organisation should identify opportunities to ‘break the mould’ of old working habits



- **HR policies and procedures:** these will almost certainly require review once the new organisation has been established. Care needs to be taken to ensure that the new policies support the new culture and business environment and that the policies 'fit' the new size and management structure
- **Health and Safety:** not only do immediate risks and hazards need to be identified, health and safety responsibilities also need to be understood and allocated across the management structure and within individual job roles/ descriptions
- **Underlying principles:** the success of EAS/ TCBC is not only due to the individual, specific factors above. They also followed some underlying principles that are recommended to other organisations:
  - Integrate HR into the business/ organisation
  - HR must adopt a 'can do' attitude
  - Senior managers must individually and collectively role model the values and behaviours required
  - The need for communication, empathy and customer focus must be borne in mind at all times

## **Bob Ross, Employer Relationship Manager, Skills for Local Government**

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