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# TCC Teachers Panel

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Response to the Corporate Support Services Review  
Draft HR Business Case.

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Teachers' Consultative Committee Teachers' Panel (TCCTP) is surprised at the way this review has been conducted. Our expectation in any consultation is that options for the future will be presented for consideration and comment. In the HR Review this has not been the case. Only one single option has been modelled and in our view the intention of the HR Review Project Board has been to render this chosen model as a fait accompli.

## The Triage Process.

TCCTP was informed by Mark Noble that the decision to only model one single option arose from the Triage process adopted. However, in the paper describing the Triage process produced by the Project Board it is stated '*Triage is a process of identifying potential solutions and testing **them** for suitability as opposed to carrying out detailed analysis of all possible options.*' (Our emphasis of the plurals).

It is clear from this that, properly carried out, the Triage Process would involve modelling more than one single option, but not all possible options.

The document goes on to state '*for each function in each phase certain options should be prioritised and explored.*'

In fact, the Project Board did not do this. Having asserted that '*all options will be appraised to Business Case and implementation plan*' the Project Board chose to consider and model only one single option, offering no alternative as a comparator for benchmarking purposes and for testing suitability. The reason given for this by the Project Board was that the model in question was the 'emerging model' within the HR industry. We regard this as a poor basis for decision making. In the 1970's 'monetarist' economics was the 'emerging model' proposed by the World Bank for third world countries. It was a disaster for most. In the light of this we are forced to conclude that the way that the Project has been managed is some way away from good practice.

## The Emerging Model Syndrome.

The Project Board seem to have been totally in thrall to what is described as the 'emerging model' for HR provision. Much reference has been made to the Shared Service Centre and Business Partner model as the model that was increasingly being adopted nationally. The Chartered Institute for Personnel Development produced a paper on this in 2003. The bulk of the organisations cited as moving in the direction of Shared Service Centres were multi-national business organisations like Shell, IBM and Standard Chartered Bank. In most of these cases it was linked to the 'off-shoring' of the service centre to Eastern Europe or to Asia. Clearly, that would not be a rational option for City Council HR Services. Unitary Local Authorities were identified amongst those not moving in the direction of shared service centres.

The reasons offered by the CIPD for adopting a Shared Service Centre Model are interesting.

- *Shared Know How – the benefits of sharing knowledge and practice across the organisation.* We can understand how this would work for Shell, with a single contractual structure, but in Leicester City Council we have a multiplicity of contractual arrangements and terms and conditions of employment. As a result, what is important for quality HR provision is the specific, focussed expertise relating to individual areas of working eg Education and Schools, Social Care etc. Any attempt to 'share' knowledge across the organisation is likely to dilute the quality of advice and support offered.
- *Reducing Costs* – This is clearly a major driver of the whole Project.
- *Improving Quality of Service to Customers.* While some routine administrative functions could potentially be streamlined across the council, in the main the quality of service in HR depends on the provision of high quality, service specific advice and support from experienced, informed HR professionals within each Directorate of the Council. This is especially so within Children's Services and Adult Services. So in practice there are no gains of real significance to be had from this. However, any shared service centre that was imposed risks dispersing expertise, undermining existing operational arrangements and jeopardising both the council's credibility and the willingness of service users to buy into council run services.
- *Responding to and Facilitating Organisation Change* – in fact this is not about HR support to council departments but about repositioning HR as a business driven function with an enhanced role within the organisation. ie the HR industry looking after itself.
- *As a Precursor to Outsourcing* – This speaks for itself. The CIPD says that 'it might be easier to argue the case for 'outsourcing' when it is possible to clearly demonstrate the maximum efficiencies that can be achieved internally'. So again this is not about improving HR provision within the council but about imposing an outsourcing model by stealth.

We are thus forced to conclude that the CIPD's own reasons for adopting a Service Centre Model offer little to LCC in terms of benefits. The direct benefits to LCC of this model should have been rigorously tested by the Project Board rather than simply assumed.

Unfortunately, using the tried and tested 'sheep' approach to decision making the Project Board concluded that if the Service Centre model was the emerging model in the industry then what else was there to do but follow, regardless of whether there were any real benefits to HR in the city.

## **The Business Case.**

The CIPD, in its guidance on moving towards a Shared Service Model, states the following: “Decisions about whether a shared service environment is appropriate needs to reflect a full stakeholder perspective – including leaders in the individual business units and employees.”

Sadly, the Project Board has ignored this sensible advice. Instead it has proceeded on the assumption that because the shared service model is the emerging model in HR it must be good for Leicester City Council. That is a poor basis for initiating the business case. There should have been early, wide ranging discussion on the various options for the city and the appropriateness of the shared service model prior to the decision on how many options to model and which these should be.

As a consequence, the Draft Business Case presented has more the flavour of a ‘fait accompli’ than a genuine consultation since, if it is rejected, there is no immediate alternative and the development of an alternative model would take some time. In the context of the need to make savings on support services through BIP, the status quo is not a viable option.

It is presumably on the basis of this that the Business Case fails to offer an actual worked out, detailed Business Case and instead relies on conjecture and wishful thinking.

### **The Draft Business Case fails to:**

- Assess and enumerate the range of HR services that are required of Leicester City Council in its various departments for it to discharge its duties effectively.
- Consider how these might best be provided.
- Accurately represent data on current HR practice eg on pages 16/17 and in Para 8.31.
- Identify real, definite benefits to Leicester City Council that would accrue from a shift to the shared service model. Instead in Paras 10.4 and 10.7 we are offered a list of hypothetical benefits that are claimed by proponents of the shared service model. Where is the rigour in such an approach?
- Show how and where savings might be made from the proposed changes. While projected total savings are identified, there is no indication where they might be achieved and what the impact on services might be as a consequence of the cuts envisaged.
- Show how the various elements of the proposed model – Centres of Excellence, Shared Service Centre, Service Partners, Business strategy and Service prioritisation – fit together.
- Identify how different levels of the same function would be dealt with under the shared service model or consider how ‘casework’ issues that ‘went wrong’ would be managed.
- Address the issue of legislative changes, in particular in relation to Children’s and Young People’s Services and Adult Services, and the task of ensuring that the Council does not face increased levels of litigation in these departments through a deterioration in the quality of advice and guidance to schools and other settings.

Interestingly, on page 40, under the heading ‘Rational Discussion’ the Business Case states : *“If there is an imperative for change and the organisation needs to respond then it should be a case of communicating the rational argument or imperative, formulating plans and implementing them.”* We wholeheartedly agree. We would be interested to know what the ‘imperative for change’ is. The fact of a new ‘emerging’ HR Model is not in our view an imperative.

More particularly, at this point the Draft Business Case ceases to have any pretence at being a Business Case and becomes a polemic on organisational change. Whilst it is the right of the Project Board to raise the problems of organisational change as an issue with councillors and Cabinet, it should not form part of the Business Case.

### **TCCTP's view of what is required for Children's and Young People's Services.**

It should hardly be surprising that TCC Teachers' Panel is mainly concerned with HR support in the new Children's and Young People's Services Department. This department is the largest employer in the council. It faces a plethora of contractual arrangements and conditions of service agreements. It is, inevitably, the department with the greatest level of face to face interactions between employees and non-employees. It also has to manage the complex situation that arises from the semi-autonomous position of schools and their governing bodies.

This is a set of demands not replicated in other departments.

Furthermore, due to the existence of a wide range of legislation covering Child Protection and Health & Safety and Risk Assessment it is a division of the council's activities that is almost uniquely susceptible to litigation of various forms, whether that be through the SEN & Disability Tribunal, Employment Tribunals or through the courts.

It is the view of TCC Teachers' Panel that the proposed model for service delivery is too complex and takes too little account of the complexities of being an employer in the field of education. Schools need to be confident that they can have easy access to reliable information and advice from an identified, well-trained HR professional who is attached to the school and therefore familiar with its circumstances and who, in turn, has constant access to support from a senior practitioner whom they work alongside. They need to be similarly confident about Health & Safety advice and support.

This is the current practice in C & YP services. We see no reason to change that.

Whilst certain low level, administrative functions and transactional services may be successfully delivered centrally, such as payroll and recruitment, we would want to see clear evidence that this was the case prior to any move to change current arrangements.

All current arrangements relating to HR advice, guidance and liaison with schools, professional associations and other workplace settings should be retained within the C & YP Services department.

Similarly, all current Health & Safety and Risk Management guidance to schools and colleges, including the provision of training, should be maintained within the C and YP department.

**It is our view that the only significant drawback with HR and H & S support to schools at present derives from its understaffing. Education HR, when compared to corporate provision in other departments, is relatively under-funded and under-staffed.** It is our view that this issue should be addressed as part of this review and that consideration should be given to enhancing the current staffing of HR and H & S in the largest department of the city council.

### **TCC Teachers' Panel.**