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Joint Working in Hampshire – Programme Update

Report by the Chief Officer

Contact: John Beckerleg John.Beckerleg@hantsfire.gov.uk
Iain Hardcastle Iain.Hardcastle@hantsfire.gov.uk

1 Summary

1.1 Since September 2011 Hampshire Fire and Rescue Service has been exploring the benefits of a closer working relationship with Hampshire Constabulary and Hampshire County Council, with the aim of creating a new model for delivering joint specific support services that will bring stability for the future. These services are being developed under the following principles.

Quality – Improving service performance, quality and innovation

Resilience – Securing greater organisational resilience and future capacity

Efficiency – Delivering cost efficiencies and cost reduction

1.2 This report provides an update to Members on the general progress of the Joint Working in Hampshire programme, highlighting the significant work that is being undertaken to develop the many work streams that will be essential to delivering shared services to each of the three organisations.

1.3 Substantial work has been progressing in order to produce the final legal arrangement for the partnership, which is expected to be finalised and signed in the new year.

1.4 As we move towards the full partnership arrangements, consultation is being undertaken with Hampshire Fire and Rescue Service staff that would form part of the partnership, on a proposal to transfer them to Hampshire County Council as the host employer for the partnership.

2 Recommendation

2.1 The Authority note the excellent progress to date of the Joint Working in Hampshire programme.

2.2 The Authority note the updates to the Joint Working in Hampshire business case and approves the increased resource requirements from the Investment and Sustainability reserve.

3 Introduction and background

3.1 In September 2011 the Authority agreed to support the development of a business case to consider the opportunities for joint working between Hampshire Fire and

Rescue Service (HFRS), Hampshire Constabulary (HC) and Hampshire County Council (HCC)

- 3.2 Subsequently, at the HFRA meeting on 09 February 2012, Members received an update on the Joint Working in Hampshire programme and agreed to delegate decision making in relation to the strategic business case for the Joint Working in Hampshire programme to the HFRA Finance and General Purposes Committee.
- 3.3 On 27 April 2012 at the meeting of the HFRA Finance and General Purposes Committee, Members agreed to support proposals from the Joint Working in Hampshire programme to implement a range of shared services which were designed to improve quality, increase resilience and achieve efficiencies. Detailed design and implementation was delegated to the Chief Officer, in consultation with the Chairman of the Authority and the Chairman of Finance and General Purposes Committee, with progress being reported to meetings of the Finance and General Purposes Committee. This was subsequently endorsed at the full Authority meeting on 6 June 2012
- 3.4 HC and HCC had approval from their Authorities to progress with the project between April and June 2012. These agreements allowed the partnership to develop the detailed design and build stages of joint working arrangements.
- 3.5 The following functions were agreed in the Strategic Integrated Business case to be delivered as a joint entity, with joint leadership.
 - Procurement;
 - Finance and Payroll;
 - Human Resources;
 - ICT (HCC and HFRS);
 - Occupational Health and Wellbeing.
- 3.6 Alongside this, each authority also approved the Integrated Blueprint Proposals for working more closely in six additional areas. These areas are:
 - Transport and Fleet Management;
 - Property and Estates;
 - Facilities Management;
 - Learning and Development;
 - Media and Corporate Communications;
 - Research and Analysis.
- 3.7 In April 2013, teams from Procurement, Finance and Estates came together and entered into interim working arrangements, which saw the introduction of joint management structures, and teams from across the three organisations working closer together. These 'Early Adopters' were the first teams to come together to allow each organisation to work more closely together before moving into final joint working arrangements. It has allowed for processes, procedures and policies to be aligned, performance measures to be developed and any issues to be identified and addressed.
- 3.8 The three partners continue to develop the plans for joint Finance operations and

HR operations teams. Some of this will be informed by the work that is being undertaken to develop the Integrated Business Centre. It is currently expected that these teams will 'go live' in August 2014 for HFRS.

4 Integrated Business Centre (IBC)

- 4.1 As part of the design for working together in HR and Finance, we are introducing an Integrated Business Centre (IBC). The IBC will handle a range of routine transactions that fall within HR and Finance (e.g. invoice payments, payroll, etc). The IBC will change how the Service carries out day-to-day processes, making them more efficient and easier for employees to use, through increasing the use of self-service.
- 4.2 The partners have worked together to produce process definition documents. These documents outline the way each process within the IBC will be delivered. In order to get to this stage, we have undertaken an intensive programme of work to deliver the agreed design.
- 4.3 The information technology aspects of the IBC are currently being built. Because of the complexity of the design, the partners have agreed that there will be a phased implementation of the IBC across the partners. This is planned for 2014, with HCC proposed to 'go live' in April 2014, HFRS in August 2014 and HC in November 2014.
- 4.4 To help integrate teams from across the partners, and start to build strong working relationships, teams that will be part of the IBC when it goes live, have been bought together and co-located in Winchester. For HFRS this has meant that the HR Workforce Planning and Support teams re-located from HFRS HQ in Eastleigh to Elizabeth II Court East in September 2013.

5 Developing the Joint Working Legal agreement and Transfer of HFRS staff

- 5.1 It is now proposed that a Joint Working Partnership is entered into by all three organisations, with effect from 1 February 2014 and with a view to creating a formal, permanent joint approach to the provision of specific support services to the three partners; HCC, HC and HFRS.
- 5.2 Subject to consultation, creating and signing the legal agreement would enable the transfer of staff from HFRS to HCC. These arrangements would be finalised further to the delegated authority already given and referred to under paragraph 3.3 above
- 5.3 For administrative purposes, HCC will be the host organisation for staff who will be working within the Joint Working Partnership. Therefore, it is proposed that HFRS and HC staff, working within the shared functions, transfer to HCC, under TUPE regulations, with effect from 1 February 2014. This is a partnership arrangement and all staff working within the joint services will be working as a joint team, delivering services to all three organisations.

6 Developing the culture of the Partnership

- 6.1 There were a series of workshops with senior managers, service providers and service users at the beginning of 2013, to consider the approach to developing the culture and ethos of the IBC. These workshops built on the vision set out within the

agreed business case, and helped identify the cultural attributes required for the new joint partnership and customers of the future joint working arrangements.

- 6.2 A cross-organisational group was brought together in June 2013 to take this work forward. The group considered the outcomes of the work to date and started to develop proposals to help shape and embed the future culture and launch the Joint Working Partnership to staff.
- 6.3 In October 2013, staff from each of the partners got together in workshops to further progress this work by helping to develop the name and branding of the partnership. The outcomes of these workshops will be reported to the Finance and General Purposes committee in the future.

7 Preparing the organisation for change

- 7.1 The Service will undergo a number of changes in the way that staff will receive support services, compared to the current arrangements, as we move towards the 'go live' dates for the Joint Working in Hampshire programme.
- 7.2 A Business Change Manager has been appointed to the HFRS Joint Working in Hampshire team, to ensure that our Service is well prepared for these future changes. This will include adapting the Service so that we make the very best of the new ways of working that will be introduced, as well as preparing employees for the changes that will occur, not just through Joint Working, but also in the complimentary changes that will occur in the formation of a single support directorate.

8 Communications

- 8.1 The Partners continue to use the shared website (<http://jointworking.hants.gov.uk/>). This helps to provide a consistent set of information about the Joint Working programme to staff in each of the Partner organisations. The webpages are only accessible to staff in HC, HFRS and HC and will replace each organisation's Intranet pages about the programme. The programme team will update the content regularly.
- 8.2 Regular briefings are being held for employees that are directly affected by the Joint Working in Hampshire programme and the wider organisation to ensure they are updated on progress and decisions as they are made. Our policy remains one of being open with staff and to give them as much information as we reasonably can as soon as it becomes available.

7 Supporting our corporate aims and objectives

- 7.1 The financial pressures on the Service require a reduction of costs in many areas. The opportunity to work collaboratively in a number of support areas, and realise financial savings, will contribute directly to reducing our budget in line with Government requirements. Critically for HFRS, this will help improve the resilience of the areas supported by the Joint Working in Hampshire programme.

8 Risk analysis

- 8.1 The programme risks are managed through the Programme Delivery Board and a

Programme Risk Log is maintained, reviewed and updated on a monthly basis. There are no risks to highlight to Members at this time.

9 People Impact Assessment (PIA)

9.1 The programme has carried out an over arching assessment for this work. HFRS has developed a Programme level PIA. Each workstream is completing its own PIA for the specific areas of collaboration as the detailed design and implementation phases are carried out. Any specific equality impacts will be identified and any adverse impact on specific groups will be considered and addressed. This will support compatibility with the provisions of the equality and human rights legislation.

10 Resource implications

10.1 The original business case, agreed in April 2012, was based on many assumptions around the design and build of the joint working entity. The figures were 'best estimates' but did not take account of any of the unknowns around ICT requirements, system interfaces and programme support costs. In addition, to get the maximum benefit from the Authority's investment in the mobilising system, FireWatch, it is now intended to build interfaces between the FireWatch system and the Joint Working information system. This will avoid dual entry of data and improve efficiency.

10.2 We now have a better understanding of the costs and efficiencies around the ICT requirements, system interfaces and programme support, and an update to the predicted costs and savings is provided in section 10.7 below.

10.3 The Joint Working in Hampshire programme is currently funded from the Investment and Sustainability reserve. £558k was originally set aside to fund the project; this was based on a worst case annual cashable savings of £127k, resulting in a payback period of up to seven years.

10.4 An overview of the original predicted one off set up costs and the annual cashable savings is included in the table below.

10.5

	One off set up costs / (savings) £'000		Annual Cashable costs / (savings) £'000		Return on Investment (payback period)
	Best Case	Worst Case	Best Case	Worst Case	
HFRS Total	393	558	(263)	(127)	2 – 5 years (4 – 7 years)

10.6 We are now clearer on what the resource requirements for previously unknown areas of work will be, as described above. An updated table is provided below.

10.7

	One off set up costs / (savings) £'000		Annual Cashable costs / (savings) £'000		Return on Investment (payback period)
	Best Case	Worst Case	Best Case	Worst Case	
HFRS Total	925	1030	(370)	(290)	3 – 5 years (6 – 7 years)

- 10.8 The Authority is asked to increase the funding from the Investment and Sustainability reserve to fund the Joint Working in Hampshire programme to £979,000, an increase of £472,000.
- 10.9 There is an expected increase in the set up costs required for the programme, however, the long term savings estimates have increased, and will put the service in a better position as we move into the second CSR period.

11 Consultation

- 11.1 The members of teams involved with the Joint Working in Hampshire programme are directly involved in developing the proposals for their respective areas. Where there are planned changes to working arrangements, specific consultation is carried out with team members and others who may be affected.
- 11.2 Hampshire Fire and Rescue Service propose to transfer approximately 25 staff from HR, Occupational Health and Wellbeing, Finance and Procurement to Hampshire County Council in February 2014 via TUPE, as part of the plans for the each of the Partners to deliver services in Partnership. Ahead of the proposed transfer, HFRS is required to consult with Trade Unions and inform affected employees. Initial consultation is being undertaken from 04 November until 03 December 2013, with consultation running up to the proposed transfer date.

12 Conclusion

- 12.1 This report sets out the progress to date on the Joint Working in Hampshire programme. The programme structure is established and work is progressing well within the work streams.
- 12.2 The Joint Working in Hampshire programme will develop shared support services for HFRS, HCC and HC. This continues to progress well, and will play an important role in improving the quality of support services through innovation, our resilience through greater access to resources and also providing efficiencies in our business processes and transactions.

13 Background papers

- 13.1 The following documents disclose the facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of the report:

Strategic Integrated Business Case
HFRA report February 2012

Note: The list excludes: (1) published works; and (2) documents that disclose exempt or confidential information defined in the Act.