Implementing Shared Professionals

An evolving guide

Capital Ambition

Capital Ambition is London's Regional Improvement and Efficiency Partnership, which supports London boroughs and their partners to identify and deliver significant efficiencies, major improvements in services, and explore innovative ways of working to transform local government delivery.

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1 Introduction

This guide is intended to help local authorities consider whether, and how, they might share professionals or professional services with other organisations[1]. This might happen through the sharing of an individual (*eg* joint head of HR), sharing of a team (joint HR function) or through procurement of services from another authority.

The third option of procuring services from another authority differs from the other two – and in some ways is more akin to the procurement of services from a third party provider or outsourcing. That said many of the OD and managerial issues it raises have parallels with the sharing of individual professionals and teams, for example, around 'building a business case'.

For simplicity the this guide concentrates primarily on the options of sharing individual professionals or teams, although there is perhaps scope for further research to understand whether using the 'centre of excellence' borough model highlighted in the procurement case study, where one borough provides services on behalf of other boroughs, could be scaled up to deliver larger scale, direct services to the public.

The guide is informed by a series of case studies; a number of which are published on the Capital Ambition website. It is planned to add to the list of case studies as the project progresses and update this guide as new lessons are learned.

The guide considers and draws on experience of these arrangements working across local government and the NHS as well as just within local government. It could though equally apply to other sharing arrangements within the public sector.

It is clear that these types of arrangements can and do work, delivering financial, service and partnership working benefits. However, it is also apparent that they

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[1]   The initial scoping research was undertaken by Tribal; for further information refer to Capital Ambition Shared Professionals scoping study 20th May 2009

may not be right for all situations and roles, and that they need careful thought and focused execution to ensure their success and avoid some of the potential pitfalls.

The first section of the guide explores the reasons why organisations might consider sharing professionals arrangements. The second section describes the types of benefits that may be available depending on the route taken and then the final section highlights the actions that have made these arrangements successful in other situations.

2 Deciding Whether it is the Right Action

Section summary – Questions to ask

What is the right solution for you?

Why are you considering this?

Is the role right for sharing?

Who do you want to partner with?

Are the timing and situation right?

Focusing on the sharing of professionals or teams, there are a number of questions to consider as to whether you want to consider it in more detail.

2.1 Alternative solutions

It is important to decide what the best solution is for each situation. This might be sharing the services of one professional who splits their time between organisations, or sharing the services of a team of professionals by either splitting their time or their numbers of people between the organisations.

It should also be recognised that the various models of shared professionals are not solutions in search of a problem to solve, but are different options to consider when a problem or opportunity presents itself. Shared professionals could be seen alongside, for example, filling a role on a full time basis, simple part time arrangements, using an interim, a straightforward secondment, restructuring and so on.

2.2 Motivation

A key question to consider is what the aim in sharing posts or services is. What do you hope to achieve? The different types of potential benefits are described in the next section, but at this stage it is useful to think through whether the intention is:

- tactical such as creating cost savings in one particular area or solving a problem such as difficulty in recruiting someone to fill a post, or

- strategic such as a route towards further integration, large scale cost savings or the building of local partnerships.

It is evident from the case studies that, to date, many of these arrangements have been triggered by an event or set of circumstances arising, such as the resignation of a postholder in one organisation or the underperformance of a function. However, given that the concept has now proven successful, its use need not just be linked to such opportunistic responses and can be considered as a valid approach for tactical or strategic opportunities, as described above.

2.3 Type of role

The type of role or service to be shared is a key factor to consider when deciding whether this type of arrangement will work. If the approach is to have one person providing the role in two organisations, then the most basic issue to consider is whether the roles can really be done on a part time basis, perhaps with some job redesign and delegation (see later), or whether it really needs full time attention. Linked to this is the important question about how integrated the role is with the political environment and whether it would be possible, or appropriate, for one person to be engaged with the political context in more than one authority. Some roles can be considered to be high profile or may have the potential for significant conflicts of interest, and it may be ineffective for these to be shared to the satisfaction of all parties.

The answer to these role focused questions depends in part at least on the reasons for considering sharing approaches. For example, one Chief Executive believed that non-strategic support activities (*eg* HR, finance, IT) could be shared and deliver worthwhile cost savings but outside these areas joint appointments are only sensible if they lead to greater integration than the person just straddling the two organisations. Another Chief Executive suggested that professional advisory roles (such as legal) could be effectively shared but that those with greater day to day or project management responsibilities would be more difficult and may not lead to cost savings.

2.4 Partner organisation

Each of these arrangements could be implemented between local authorities or between a local authority and an appropriate NHS organisation, or another public sector organisation. The decision about which organisation to work with is an important one since in the early stages the arrangements can require significant management attention and flexibility to be successful, and may depend on the service being shared and the model chosen. Some organisations have built close

working relationships with neighbouring authorities already and the sharing of professionals is a further way to enhance these. Similarly, working with local NHS organisations in this way can be a powerful route to build these essential local partnerships and so becomes a clear strategic initiative. However, moving from informal arrangements to more formal post-sharing is a real step up in terms of complexity and governance.

2.5 Situation

There was some difference of opinion as to whether a post sharing approach is appropriate in situations where the function in one organisation is not performing as required. One perspective suggested that a sharing approach would work best when both organisations were in (or close to) a robust, steady state with no major crises and that when such crises did emerge the postholder ended up having to dedicate more than the agreed time to the problem organisation. Trying to manage two roles during a change programme may produce additional demands. It may place too heavy a burden on the individual and weaken the focus on the key business deliverable. This excessive stretch is even more apparent when roles straddle different sectors because the challenge of change in different cultures has to be managed too.

The alternative perspective was that if the individual had the relevant skill set and strengths, and the jobs in the two organisations could be clearly designed then it is still a good approach for resolving problem situations (although perhaps only on a short term basis). There appears to be no simple answer to this question but a need for careful consideration of the situation and associated workload.

3 Building the Business Case

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Section summary — Potential benefits

Financial savings

- salary and associated costs
- admin support
- de-duplication of activity
- accommodation costs
- increased buying power

Partnership working

- local partnerships
- joint operating companies

Knowledge sharing

- sharing best practice
- faster learning

Service improvement

- better calibre staff
- flexible deployment
- faster improvement
- deploying expertise

Purchasing

- purchasing power
- shared processes

People

- recruiting better quality staff
- developing & retaining good staff

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Depending on their objectives, different organisations will be aiming to deliver different sets of benefits. This section sets out some of the potential areas that organisations can consider when they are building the business case.

3.1 Financial

Potentially, the most straightforward benefit to identify is the cost savings resulting from sharing a person, potentially up to 50 per cent of the salary and associated costs. Care should be taken though to recognise that there may be increased costs which offset some of this benefit. For example, it may be necessary to re-evaluate the roles of the direct reports in one or both organisations as they are likely to have more responsibility delegated to them. It may also be necessary pay the individual a premium on their salary to carry out the two roles.

There may, of course, be other cost savings to add to the base saving such as the post sharing of administrative support (*ie* just having one PA who works with the

individual across both organisations). Reduced accommodation costs can arise from sharing teams, especially if one organisation hosts the other's team.

Other financial benefits may arise from the removal of duplicate activity between the organisations, such as the response to new legislation which may require a new policy to be written or the development of a procurement process. These efficiency gains may be difficult to be specific about when building the business case but should undoubtedly be built into the possible aims of the arrangement.

3.2 Service delivery

Clearly a base expectation for entering into these arrangements is that the quality of service delivery to customers and other stakeholders should not be degraded (unless of course it is viewed that the service is over-delivering against expectations and budget constraints). However, it is also an opportunity to actually improve the quality of service.

First, by two organisations being able to recruit a better calibre of person to a more demanding role they may be better served by having half of one excellent person than a whole average person, or indeed an unfilled post. In geographical or professional areas where there is a shortage of skills then this is a very powerful argument.

Second, the resources in the two organisations can be deployed more flexibly either in terms of the numbers of people allocated to specific projects, or through the use of specialists in one organisation to work on issues for the other organisation. This flexible use of resources needs careful managing both from the management of the individuals involved (who may be asked to work in different ways) but also from a public accountability view (how are local funds being spent).

As well as a potential increase in the quality of service there is also the opportunity for this improvement to be achieved much faster than by trying to build an independent service by sharing expertise from another organisation almost immediately rather than through gradual development. This becomes an even faster process through fully shared teams.

3.3 Partnership working

Professional sharing arrangements can be a useful part of a move towards greater partnership working and collaboration across boundaries, geographical or organisational, to provide better services to communities. This route may also be a stepping stone to further integration of the organisations where this is a desirable end destination.

Another opportunity may be the development of a separate operating unit (*eg* parking administration) through establishing a legal entity. This is likely to be a benefit which comes at a later stage as opportunities for closer working are identified and the two organisations become more comfortable working together.

3.4 Knowledge sharing

Linked to the improvement in quality of service is the sharing of knowledge across organisations. There is likely to be an initial impetus when the organisations first start working together and learn what each does best, and thinks about how to take the best from each. After this initial gain, further cross-fertilisation of ideas and thinking can continue, with the two organisations building on their combined strengths including, for example, joint training sessions.

Whilst the sharing of ideas can happen without post sharing, experience suggests that it is not as effective or systematic as can be the case when the organisations are more closely linked.

3.5 Purchasing

There are potential benefits to be obtained in purchasing through the collective buying power of two organisations and de-duplication of processes and documentation.

As in most cases, the increased buying power resulting from greater demand can be used to the organisations' advantage to open the door to lower costs though it is important to ensure that all legal requirements for tendering and purchasing are still followed. One organisation decided that they could not actually procure jointly due to the legal issues but they did develop one process and set of documentation which both organisations then used for a major procurement saving very significant costs.

3.6 People

Sharing arrangements provide the opportunity to attract, develop and retain key staff. At the recruitment end, where there may be a shortage of key skills there is the opportunity for organisations to attract staff that they may not otherwise be able to either because of the attraction of the additional challenge for individuals or through the reduced cost for the organisation. Similarly, providing a new challenge and additional development for existing key staff who may be easily doing their existing role and possible contemplating leaving the organisation is also a powerful retention tool.

4 Actions to Take

Section summary – Actions to take

Conduct a risk assessment before implementing the change

Take informal soundings of key players before going too far down this route

Undertake necessary formal consultation with stakeholders with careful thought to timing

Put in place appropriate communication and change management approaches

Give attention to employment contractual issues as soon as possible ensuring that all parties are appropriately considered

Establish governance processes to provide effective oversight of dispute resolution

Consider role design so that it creates a realistic job which plays to people's strengths, potentially focusing more on strategic issues

Give careful though to person selection especially their cultural sensitivity, time management, flexibility and capacity to effectively delegate

Take care over the normal practical and management issues to see that they fit these circumstances

Monitor how well the arrangement is working both at service and individual level

This section presents some of the key issues that have been identified that will increase the likelihood of success and mitigate the pitfalls identified in the box below. As before though it is important to recognise that each situation is different and these should be tailored to the specific circumstances.

4.1 Risk assessment

In addition to identifying the potential benefits, the potential risks should also be considered and possible ways of mitigating these identified. A formal risk assessment should be carried out and issues to watch out for include service impact, financial, people and legal.

The most obvious risk is that the arrangement just does not work for one or more of the parties including the individual(s) involved. In this case after appropriate attempts to resolve the situation then all parties need to be clear what they will do.

Service risks include the possible degradation of service to the public, members or colleagues to an unacceptable degree and may also include the risk of key projects not being delivered on time/quality (or at all).

Financial risks include the possibility that cost savings are not achieved or that in fact costs are increasing. A further financial risk is that of increasing salary costs from bringing two organisations closer together where one may be paying particular staff more than another.

People risks include the impact on the individuals involved though heavy workloads or managing conflicting (and perhaps unreasonable) priorities. There is also the potential risk to individuals' reputations if they take on a challenging role such as this and do not succeed (perhaps through no fault of their own). There is also the potential impact on motivation and morale of the teams in both organisations if they are not managed effectively.

Legal risks may include conflicts of interest and how they are managed as well as the effect on any legal accountability of the roles.

Potential risks and pitfalls

Not thinking through all possible consequences fully

Failure to deliver core services or projects

Increased costs from backfilling roles and organisational inefficiency

Increased level of financial, legal or service risk

Poorly designed jobs and relationships

Reduced team morale and productivity

Not adequately attending to needs of the 'minor' partner

Wasted management effort

4.2 Change and stakeholder management

Introducing a sharing arrangement has the potential to affect a wide range of people and, particularly if it is the first such arrangement, it is important to manage this change process effectively if it is to be successful. Stakeholders to be considered are members, staff, the public and the individuals directly involved. Experience from the case studies suggests that there is a need for a range of informal conversations to explore people's appetite for this kind of approach before starting formal processes for putting the arrangement in place.

An important dimension for senior roles is the relationship with members and it is essential that all organisations' members are happy with the proposed approach. There is a question to be considered in each organisation whether the decision to implement a shared relationship can be made by the executive under delegated authority, or whether formal member approval is required. In the case studies,

both routes have been followed with either formal papers being presented or informal discussions taking place. Candidates for shared roles have also, in some cases, gone through formal recruitment processes involving members.

For the individuals directly involved (*ie* those who are working in sharing arrangements), there may be significant changes to their ways of working and these need to be considered. This might range from where they spend their time and how they travel to these places to the need to work in two potentially different cultures and organisational contexts. Staff that are directly affected should be communicated with and concerns listened to and addressed. In some cases the change will affect their job more significantly and these issues are discussed below.

A change of this nature can shake the employment deal and the role of good communications and the need to consider and manage the integration of different cultures should not be underplayed. Actions should not just focus on the operational integration of services but also take into account these 'softer' aspects.

4.3 Contractual issues

One of the key issues is that whilst it can be tempting to set these relationships up quickly (and in some cases it is essential to do so), it is also very important to ensure that all contractual issues between the two organisations and the individuals involved are resolved. First, the people need to be employed by a legal entity usually one organisation or the other. There will then be some form of contract between the organisations specifying on what basis the person will be shared and how payment will be made for this (salary sharing, payment of fees based on time or some other mechanism). Finally, there will be an agreement with the individual(s) about what they will do for which organisations and which will cover issues such as confidentiality and conflicts of interest.

This document should also be clear about what happens if the shared working relationship fails to work, both how the organisations will extricate themselves and what happens to the individuals (perhaps revert to employment with one of the organisations).

If organisations are new to these types of arrangement, it may be appropriate initially to set the relationship up as a trial with a formal review after 6 to 12 months. Even for organisations with experience of such situations, there may be merit in beginning with a trial as its success depends on the individuals, managers and members involved.

4.4 Governance issues

These contracts and other documents need to ensure that each organisation's legal obligations, and potential liabilities, are effectively protected and that, where

appropriate, appropriate legal accountabilities are defined including confidentiality and duty of care.

At a more practical level, and not necessarily contractually, there is also a need to define clear reporting lines and how any issues of conflicting priorities or workload will be resolved. It is worth assuming that however positive the parties might be at the outset, differences of opinion (*eg* over service standards, allocation of resources, *etc.*) are likely to arise.

It may also be appropriate to have a clear set of goals for each organisation that all parties sign up to so that everybody understands what is being agreed and that expectations are explicit. Individuals involved will need to be fairly ruthless in sticking to these priorities if they are not to be overwhelmed by the workload.

4.5 Job and team design

Whilst the idea of sharing individual professionals or teams is intuitively appealing to save costs, it is clearly not sustainable to have one person doing two full time jobs. So, thought needs to be given to shaping the role of each individual involved and also that of their teams (even if these are not being shared).

The individual role needs to be defined so that it is achievable by one person and organisations have tackled this by designing the role so that it plays to the individual's particular strengths and by creating a degree of commonality between the role in each of the organisations. A key focus of this redesign should be that the core requirements of the role continue to be delivered to members and the public. One way to achieve an appropriate job design is for senior roles to be focused on strategic issues and projects.

It does though mean that some work either needs to be delegated or not done. This means that the role of direct reports needs to be considered and their jobs redesigned and possibly re-evaluated, with the possible cascade effect down the organisation. This need for job redesign suggests that either there is some spare capacity in the system already, that some work may no longer get done or that the sharing relationship creates sufficient de-duplication of activity to release capacity.

Since these arrangements often start with a person being in post in one organisation and then taking on a role in another organisation, it is important that the first organisation does not see an unacceptable degradation in support and service.

4.6 Finding the right person

For individual shared posts, finding the right person is critical. The person needs to be respected by, and fit into, both organisations. They need to have the cultural sensitivity to be able to work in potentially different cultures and political

contexts. They probably need to be resilient to deal with the additional workload and multiple demands on their time as well as being flexible to respond to these and work in different ways when required. They will also need to be able to decide quickly where they should be focusing their attention and work at the appropriate level of detail without becoming too detached to be adding no value. And, as indicated earlier, they need to be able to delegate effectively. This means retaining a manageable workload but ensuring that delegated work gets done to the right standard and within the right timeframe.

4.7 On-going management and monitoring

It seems clear from experience that management of these relationships, to start with at least, requires an additional degree of open-mindedness and flexibility from all involved. There may be times when the focus needs to be more on one organisation than the other and open communication is essential to manage these situations.

Over a period of time, both organisations will need to be comfortable that they are getting a satisfactory service and periodic reviews singly and jointly may be appropriate. There is a tension to be managed here between having a strong contract and clear expectations and measures, with the flexibility in recognising changing circumstances. Careful monitoring of workloads and the effect on the individuals should be carried out in the early stages of these relationships and thereafter.

Management reporting lines need to be clear for both operational issues and also for Human Resources issues including appraisals, salary reviews, disciplinary issues and so on.

The embedding of integrated systems and shared culture requires ongoing managerial action and needs to focus on the 'soft' as well as the 'hard' aspects of integration if the change is to be implemented successfully.

4.8 Practical issues

All the practical issues of employing a member of staff will need to be addressed in both organisations including having a place to work and the technology to stay connected.

4.9 Conclusion

Sharing professionals can be a sensible response to a short term problem that yields useful benefits, especially in reducing costs. As some of the case studies show, you can go beyond this point, consolidating the benefits, but extending the model so that it permits a more strategic solution. Usually the latter is the

movement towards greater organisational integration. This will only be successful if the primary goal (and this may no longer be cost but service harmonisation) is clear and determined efforts are made to reach it.

There are challenges to be faced in the tactical sharing of professionals, but these become more pronounced as integration becomes the aim. Good preparation and execution of the necessary staff work remains, but the requirement to have proper governance arrangements in place becomes vital.

In the private sector, it is estimated that 70 per cent[2] of all mergers fail to achieve their anticipated value. Significant effort can be put in to attempting to implement approaches such as these described here but, with limited resources it is essential that value is delivered. This may require significant cultural change and involve disruption to those who are actually making the decisions. These ideas will only work if all the partners have the required commitment – it's easy to talk about transformation when it involves other people.

In conclusion, there are perhaps more fundamental questions that this work and the changing economic context has highlighted. Stepping back from individual boroughs, how could services be best designed to deliver optimum efficiency and effectiveness across London?

Should any change be organic with ad hoc linking up of services or should there be some scenario planning around a more considered approach to reconfiguring service delivery? There is perhaps a need to undertake some 'what if' modelling around changing operating models to see how these could potentially reduce cost and improve service delivery.

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[2]   Source: Weekly Corporate Growth Report as reported at a CIPD event on 'maintaining engagement through business transformation', 25 February 2010.

Appendix 1: Schematic Guide to Implementing Shared Professionals

Scoping & due diligence	Establishing position(s)	Implementation	On-going management
Assess the context to decide if time and situation are right	Design role in concept	Redesign roles to reflect person(s) selected	Monitor against agreed objectivs and targeted benefits; including cost and efficiency savings
Identify motivation for considering shared professional clearly	Identify clear objectives	Induction into each/all organisations	Undertake strategic review of shared arrangements
Analyse the role for fit with sharing ideas	Undertake formal consultation	Two-way communication with all affected staff	Seek further opportunities for delivering benefits
Identify partner organisations)	Establish governance rules	Agree detailed objectives with person(s)	Embed new integrated systems and shared culture
Carry out a risk assessment	Produce contractual documents	Implement agreed governance, management and review process	
Informally engage stakeholders	Recruitment/selection process	Start integrating systems and developing new shared culture	
Build the business case	Develop communications and change management plan		
Obtain necessary formal agreement			
Decision made	**People selected**	**Role(s) operational**	**Benefits realisation**