Purpose:

To provide the Local Government and Regeneration Committee with an overview of SPSA’s experience relating to the process of amalgamating separate police organisations into a single structure and in particular the staff transfer schemes.

Local Authority experience is not referenced within the scope of this document as this is not considered an area of expertise for SPSA

SPSA Experience in Organisation Merger and Integration:

SPSA has direct experience in multiple organisation merger and integration as a consequence of the formation of SPSA from multiple policing organisations. Much of this experience is similar to the challenges faced by the police reform agenda, albeit that some of the activities were on a smaller scale. Nonetheless this experience has numerous parallels and a number of lessons learned are worth documenting.

Our experience and approach can been documented across the four main phases of the SPSA formation and launch:

- Design and Planning
- Pre Go Live
- Launch and Go live
- Post Launch

Staff Transfer Schemes

Staff transfer schemes are the mechanism by which staff are legally transferred from one entity to another.

From the SPSA experience, three transfer schemes facilitated the transfer process of staff from each of the Scottish Police Forces and Common Police Services Agencies (Scottish Criminal Record Office (SCRO), Scottish Police Information Strategy (SPIS), Scottish Police College (SPC) and Scottish Crime and Drug Enforcement Agency (SCDEA), as follows:

- Police Staff (civilians)
- Police Officers seconded to Forces (Forensics); and
- Police Officers seconded to central service (SCRO, SPIS, SPC, SCDEA)
The issues which need to be considered in the transfer of police staff include:

- the requirement to identify the group/entity which will transfer;
- the names of staff within each group/entity which will transfer;
- the accuracy of the data included within the transfer schemes;
- the appropriate consultation process by both parties in advance of the transfer;
- a clear understanding by all parties around the purpose and requirements associated with the staff transfer schemes.

The due diligence information was provided by the Transferor to the Transferee (SPSA) by an agreed date prior to transfer. Given the level of checking required on the detail relating to due diligence, it was helpful to have dates agreed as early as reasonably possible.

In advance of the transfer to SPSA, and as part of the due diligence exercise, local variations to employment agreements were requested and established. Given the passage of time, it is appropriate to establish the current position as part of the due diligence associated with Police Reform.

More generally the SPSA experience of amalgamating separate police organisations is highlighted within the four main phases described above:

**Design and Planning**

**Governance** – In early 2006 a project team was set up to plan, prepare and manage the merger of the four Common Police Services Agencies and the forensic services which were incorporated into each force area’s core business. A key part of this governance programme was accountability for matters relating to staff, and managing the staff related requirements.

In the early planning stage a critical piece of work was identified and progressed in relation to a ‘scheme of delegation’ – this established the decision making protocols including levels of financial authority etc.

**Policies** – The policies required to support a new organisation were identified as a requirement in advance of the go-live date, particularly given the requirement to recruit new staff in advance of that date. Additionally the need to identify and understand the Terms & Conditions and supporting policies of transferring staff was established as being a key requirement.

**Processes and Systems** – The process required to support the policies within each workstream were identified. The resource requirement for this element of work was significant and included support from Business Analysts to support the workstream experts. The integration of disparate systems, for example HR and Finance systems, was a significant challenge and this hindered the effectiveness of the support functions particularly in terms of efficiency and effectiveness. The very limited report functionality delayed the ability to provide current and accurate management information and presented significant challenges in terms of payroll administration and reconciliation.
People – Project resourcing was a critical area, both in terms of the number and timing of people deployed to the project. The timing being determined from the go-live date and a work back to allow due process to be followed in areas such as consultation and negotiation with trade unions etc.

HR resource was fully deployed in advance of go live date for SPSA, to establish new terms and conditions by the go-live date. A key requirement at this stage was also the identification of the relevant bargaining unit (employee representatives) bearing in mind the transfer of recognition rights under the principles of TUPE. It was also a requirement at this early stage to fully understand the legal position in terms of the transfer and the practical implications and requirements.

Key Experience and considerations – The early establishment of a ‘scheme of delegation’ to clarify decision making responsibilities and accountabilities is an essential requirement, as is a well managed risk register. The establishment of a negotiating forum of employee representatives should be established quickly along with a Recognition and Procedural Agreement (RPA) which outlines the constitutional and brokering arrangements.

Lessons Learned:

- sufficient planning;
- project resource allocation and timing of resource deployment;
- resourcing analysis of all project plan activities within each workstream;
- autonomy for decision making established at earliest possible stage
- protocols for decision making; and
- robust governance arrangements.

Pre Go live

Governance – In order to progress the project at pace, robust yet non bureaucratic decision making protocols are essential. The SPSA experience of delegated authority and autonomy (albeit a very small project team) for organisational structure and people issues, including terms and conditions, was fundamental to the delivery of the ultimate project milestone – SPSA go live on target date.

Policy – In the pre go live stage there was an extensive due diligence exercise in order to establish the ‘as is’ position in relation to all budgets, policies, terms and conditions, contractual, non-contractual and custom and practice issues. In addition there is also a requirement to put in place policies, processes etc for the new ‘start-up’ organisation including terms and conditions and employment contracts.

Processes – The identification of existing processes was a significant piece of work. This work, including the mapping of ‘as is’ and ‘to be’ processes, is appropriately assigned to a business analyst.

People – Communication and employee engagement was a critical element of this stage. The Corporate Communications team were also focussed on branding the new organisation. Roadshows involving senior personnel was a key element as was
ongoing updating of accessible Q and A documentation. The organisational restructure particularly of back-office functions was an important feature of this stage including the associated consultation, job matching and selection processes.

**Key Experiences and Considerations** – any issues surrounding clarity on the decision making process and protocols requires early resolution. Due diligence, organisational design and the strategy for staff engagement are key elements of the stage.

An understanding of existing contractual arrangements, via due diligence, on current contractual arrangements including break clauses was an essential piece of work as was the tendering required for new contracts. In terms of pension arrangements, the status of the organisation required to be determined (Scheduled or Admitted body) and arrangements put in place for new employees, establishing through agreement, which Local Government Pension Scheme Fund new staff would join. Consideration was given to the transfer of staff pension arrangements to a single fund, but this option was dismissed on the grounds of being cost prohibitive.

**Lessons Learned:**

- focus on the longer term requirements for terms and conditions and build these in at organisational start-up;
- establish ‘single points of contact’ (within workstream areas) for due diligence information;
- establish key relationships and foster a ‘working together to achieve results’ approach to the delivery of key project milestones;
- business continuity plans for potential critical system failures, for example payroll;
- dedicated project workstream for procurement/contracts; and
- advice and early engagement on pensions to establish options.

**Launch and Go live**

**Governance** – all governance arrangements should be in place in advance of go-live.

**Policy** – Policies were in a common agreed format available to all staff and managers – particularly given the scope for managing staff under nine sets of terms and conditions (eight forces and SPSA).

**Processes** – Process maps and procedures supported by training awareness sessions were made widely available to all managers and staff.

**People** – Communication and engagement were key elements of this stage and the potential to establish cultural norms and behaviours.

**Key Experiences and Considerations** – Employee access to corporate communications and policy and process information and designated points of
contact for Q and A were essential requirements for launch. From SPSA experience, high volumes of enquiries were experienced in support functions such as HR and Finance.

**Lessons Learned**

- resource implications for day one and immediately thereafter;
- potential logistical and coordination issues for common changed process;
- intranet access for all staff; and
- media and FOI interest.

**Post Formation**

**Governance** – Establishment of committee roles and responsibilities (for information or authorisation etc) was key consideration of the next project phase included job evaluation, harmonisation and the establishment of a risk register.

**Policy** – The embedding, monitoring and tracking application of policies post go-live to establish compliance and inconsistencies informed further communication and training requirements.

**Processes** – Robust validation measures were required to confirm compliance, particularly in relation to payroll.

**People** – SPSA experienced a proportionately high level of resignations by senior staff in the immediate pre and post go-live periods.

**Key Experiences and Considerations** – Employee engagement in order to facilitate staff alignment to the organisation was a significant challenge, particularly given the significant change and reform agenda of the organisation.

**Lessons Learned:**

- business continuity arrangements for senior roles;
- establishment of organisational values, behaviours and culture;
- employee engagement – run face-to face ‘surgeries’; and
- clear communication on ‘what this means to you’ etc.

**Summary**

The SPSA fully supports the principles of Police Reform and is committed to the success of the project and the management and implementation of this business transformation programme. We believe we can make a valuable contribution to the success of the project based on our commercial experience and the parallels with the implementation of SPSA.

**February 2012**