

# A CASE-STUDY OF THE TIPPERARY COUNTY COUNCIL MERGER

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## EXECUTIVE SUMMARY

Tipperary County Council was established in June 2014 as a result of the merger of the former North and South Tipperary County Councils. The merger happened within the context of an extensive programme of public service cost reduction and also the *Putting People First* local government reforms. Combined with the latter, the merger represents a major reform of local government arrangements in Tipperary.

This report recognises that it is too early to reach definitive conclusions with respect to the longer-term impact of the merger. Within this context the objectives of the report are threefold:

1. To document the merger process
2. To review outcomes to date
3. To inform Tipperary County Council with regard to issues that require attention to ensure long term consolidation within the new authority.

It is further anticipated that in meeting these objectives the report will provide learning to other public service organisations engaged in reorganisation.

The Tipperary County Council merger has involved an extended and highly intensive work effort by all involved. Senior management on many occasions during the course of the research for this case-study acknowledged the support and work-effort of staff in delivering the merger on time and ensuring service delivery was maintained.

It is inevitable given the scale of the process and the number of people involved that there are challenges, unforeseen issues and for staff concerns in areas including communications, workforce planning and career prospects. One of the main motivations behind this research was to consult with staff, explore with them issues of concern and report back to management in respect of these issues.

Notwithstanding the considerable work to date, in many respects the merger has only just begun. Ongoing consolidation and an ultimately successful outcome whereby Tipperary County Council becomes more than the sum of its parts, is dependent on improved service delivery and the realisation of benefits from the merger - for staff, the council and the county.

### **Overview of outcomes to date**

Examining the objectives of the merger as set out in the terms of reference provided to the Tipperary Reorganisation Implementation Group, this report comes to the following conclusions:

***Deliver the merger effectively and on time***

The establishment of Tipperary County Council happened on schedule on 3 June 2014. Given the scale of the merger project and the number of stakeholders involved, it is the view of the researchers that the merger was managed effectively. That said there are areas of the planning and implementation of the merger that could have been better.

Intense work was put into the preparation of the implementation plan which paid dividends over the entire pre-merger period. The implementation plan also served to reassure staff that there would be no compulsory redundancies or relocations between Clonmel and Nenagh. To the extent that a perception persists that Clonmel 'lost out' to Nenagh in the division of services, it could be concluded that the reasoning behind the decisions was not explained to staff as directly as was required. While there was a good level of awareness of the importance of communication with stakeholders, some staff perceived the approach to communication as being 'top down' with information 'getting lost in the middle'.

The merger implementation phase involved a period of very intense work in order to ensure the merger happened on schedule. Many aspects of the work were managed with considerable precision and in the case of workforce planning it is widely acknowledged that the process was managed on a person by person basis and with a high level of sensitivity.

***Maintain delivery of services across the county***

The terms of reference refer to an 'orderly transition to the unified authority, while maintaining effective service delivery'. The merger happened without disruption to services and without the unforeseen closure of any public desks. A number of information campaigns were held to inform citizens about the merger and some initiatives were put in place to accommodate those who might have been disadvantaged from a services perspective from the closure of the town councils and area offices. Considerable care was also taken to support elected representatives with regard to the merger.

Merging systems and procedures at the same time as maintaining service delivery was very challenging. In the final months before merger, with a need to put arrangements in place as expeditiously as possible, a tendency emerged in some sections to adopt the headquarters way. While understandable this is regrettable as it results in staff based in the second centres believing that their knowledge and know-how is not being valued. Where work on systems and procedures is required in the future, a concerted effort overseen by directors needs to be given to drawing from the best of the existing approaches.

***Maximise resource deployment and savings***

The terms of reference refer to 'actions necessary to maximise cost reductions and efficiencies'. The implementation plan estimated that once revised staffing levels were reached, gross savings of €6.1 million a year would be achieved over an extended period. It identified that these would arise primarily from reduced pay-roll costs, amounting to €4.8 million. The realisation of these savings is occurring at a faster rate than anticipated by the implementation plan. By February 2015, savings in excess of €3 million have been achieved. This figure is based on departures since the merger was announced, less those

posts refilled with the approval of the Department of Environment, Community and Local Government.

The costs of the merger included one off expenditure on IT harmonisation, office improvements and corporate branding amounting to €1.7 million, somewhat lower than the anticipated figure. Recurrent costs, occasioned by the harmonisation of corporate rates in the former North Tipperary County Council area to the level that applied in South Tipperary County Council will be €330,000 per annum.

### **Maximise economic development opportunities for the county**

The terms of reference refers to the 'identification of measures to maximise the capacity of local government to contribute to the economic development of Tipperary as a whole'. The intention in the *Putting People First* reform initiative is that local government will become significantly more involved in economic planning and development. As a larger authority, well positioned at the centre of the new Southern Region, Tipperary County Council is committed to contributing to the regional economic and spatial strategy once the regional structures are in place. The new corporate plan was adopted by the council in March 2015 and is now available on the council's website and, again following the putting in place of the relevant structures, it is anticipated that the local economic and community plan will be published in June 2015. These plans set the context for enhanced economic and community development in the merged Tipperary County Council.

### **Ongoing consolidation**

Tipperary County Council has made very significant progress in delivering on the objectives of the merger. However, the ongoing consolidation of the two organisations necessary to ensure a truly successful outcome will require active management for many months to come. The report concludes by identifying a range of areas which now need to move to the fore in this new phase of the merger. Addressing the concrete concerns of staff is essential, as when people are happy in their roles and feel supported in practical things improvements in morale and engagement will happen.

It is particularly important to follow through on commitments for county councillors and staff to have reciprocal visits between Clonmel and Nenagh and opportunities to engage on a face-to-face basis with colleagues they have regular contact with. Priority should also be given to addressing the concerns of staff working in the Water Services Division and in second centres in respect of workforce planning and career progression.

Recognising and addressing cultural differences between the organisations to have merged also has a major bearing on merger consolidation. In particular, different management styles and different approaches to service delivery will need to be reconciled. It is important, though this takes time and energy, that neither centre's way of doing things is imposed on the other centre, but instead that a new way of doing things that draws on the best of both emerges.

From the government's perspective, a key driver for the Tipperary merger was cost reduction. However, the implementation plan also refers to benefits for the county from the merger. Over the course of this study, many opportunities for both the council and the county were identified. While of value in themselves, realising benefits is also critical to maintaining the morale and commitment of staff who in some cases reported a degree of merger fatigue.

Lastly, while perhaps somewhat contrary to traditional public service culture, celebrating the merger and the huge work effort involved in bringing it to its current point will help to support a positive and integrated culture within Tipperary County Council in the future.

# 1.

## INTRODUCTION

This report reviews the merger of the former North and South Tipperary County Councils which took place in June 2014. The merger happened within the context of an extensive programme of public service cost reduction and also the *Putting People First* local government reforms. Combined with the latter, the merger represents a major reform of local government arrangements in Tipperary.

The report recognises that it is too early to reach definitive conclusions with respect to the longer-term impact of the merger. Within this context, the objectives of the report are threefold:

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3. To inform Tipperary County Council with regard to issues that require attention to ensure long-term consolidation within the new authority.

It is further anticipated that in meeting these objectives, the report will provide learning to other public service organisations engaged in reorganisation.

The Tipperary County Council merger has involved an extended and highly intensive work effort by all involved. Delivering the merger on time and maintaining service delivery represent a significant achievement. It is inevitable given the scale of the process and the number of people involved that there are challenges and unforeseen issues. One of the main motivations behind this research was to consult with staff, explore with them issues of concern and report back to management in respect of these issues.

The research in relation to this case-study was carried out in autumn 2014. The findings in this report come from consultation with the merger implementation team, senior managers across the council including retired senior managers, trade union officials, staff focus groups and elected representatives. Where relevant, evidence from public management literature with regard to the experience of other organisations in the area of mergers is included, primarily as boxed text highlighting particular issues.

**Monitoring a merger**

The main research shows globally that about two out of three mergers or acquisitions fail. By failure I don't mean the company or the organisation goes bankrupt or disappears entirely, but they don't get what they anticipated. In other words, they anticipated two plus two should equal five – but it ends up being more like three.

Source: Professor Cary Cooper, Grant Thornton (2010)

**1.1 BACKGROUND**

In July 2011 the Government announced the establishment of a unified county council in Tipperary, with effect from the 2014 local government elections, to replace the existing North and South Tipperary County Councils. The merger was part of a local government reform initiative that also included Limerick and Waterford. It had been recommended in the Local Government Efficiency Review Group report (2010) that the city and county councils in Limerick and Waterford and the two county councils in Tipperary would merge. However, unlike in Limerick and Waterford where there was a consultation process to explore different reorganisation options prior to the decision to merge, in the case of Tipperary the decision was made directly by government.

The division of county Tipperary into two administrative regions dates back to the 1830s when it was argued that the size of the county and consequent difficulties in its governance merited two judicial regions (or ridings). In 1898 when the Local Government (Ireland) Act established the county council system, this arrangement was maintained. The existence of separate local authorities in North and South Tipperary therefore pre-dated the foundation of the State.

In response to the Irish economic crisis from 2008 on, reducing public sector spending became a central component of the Government's response to an unsustainable national debt and budget deficit. Furthermore, the Programme for Government (2011) had indicated that greater cooperation across local government was a priority as a means of reducing costs. It was within this context that three local government mergers were announced, Limerick city and county, Waterford city and county and the two Tipperary county councils. The mergers were to take effect from the local government elections in June 2014.

**1.2 COUNTY TIPPERARY**

County Tipperary is the largest inland county in Ireland with a population of 158,754 and covering an area of 4,282 square kilometres. Tipperary is one of the most developed agricultural areas in Ireland and some of the world's best known stud farms and racing stables are based in Tipperary.

The existing county towns of Clonmel and Nenagh are located at opposite ends of Tipperary and provide strong economic and social focal points for the county. The towns of Cahir, Carrick on Suir, Cashel, Roscrea, Templemore, Thurles and Tipperary, which function as service centres for their local hinterland, are also crucial to the fabric of the county. Overall,

the extensive network of towns in Tipperary helps to ensure strong economic, social and community linkages throughout the county.

Tipperary has an indigenous industry base, in mining, engineering and food production. Over recent decades the county has benefitted to a limited degree from foreign direct investment, with the establishment of a pharmaceutical/healthcare cluster in the southern part of the county.

A list of key statistics in respect of Tipperary and a map of the county are included at Appendix 1 and 2.

### **1.3 INTERNATIONAL CONTEXT FOR THE MERGER**

The general trend across OECD countries is towards fewer, larger, local authorities, though the benefits of this trend are far from certain. Boyle (2015) gives examples from a number of countries to illustrate the trend towards amalgamation of local authorities. In Finland, they reduced from 452 to 339 authorities in the 2000s and current plans are to reduce down to around 70 municipalities. In 2007, the Danish government undertook a major reform, which reduced the number of authorities from 272 to 98, and abolished the intermediate tier of 13 authorities. Proposals in Norway are to reduce from 428 to about 100. In Australia, there is a similar trend, particularly in respect of municipal authorities.

The reasons put forward for merger and amalgamation are generally that it represents an effective method of enhancing the operational efficiency of local councils, improves their administrative and technical capacity, generates cost savings, strengthens strategic decision-making and fosters greater political power. By contrast, opponents of consolidation typically underline the divisive nature of amalgamations, the absence of supportive empirical evidence, the equivocal outcomes observed in case studies, and the diminution of local democracy (Dollery and Kortt, 2013: 74).

Dollery (2014) identifies five main policy lessons derived from real-world amalgamation episodes:

- Entities designated for amalgamation must be carefully designed
- Amalgamation proposals must meet minimum levels of community support
- New amalgamated entities must be viable
- Transaction costs and transformation costs of amalgamation must be minimised
- Potential sources of conflict must be minimised.

## 1.4 IRISH CONTEXT FOR THE MERGER

In responding to Ireland's economic collapse, the troika (the European Union, European Central Bank and the International Monetary Fund) particularly identified the public service as having considerable potential to achieve savings for the government and advised extensions of initiatives already in place. A process of reductions in staff numbers had been instigated in 2008 with a target of a 12 per cent reduction by the end of 2014. A moratorium on recruitment was also in place and public service salaries had been cut, both directly and through the introduction of the pension levy.

In addition to the reductions in numbers, an extensive public service reform programme was developed under the auspices of the newly established Department of Public Expenditure and Reform. Reform in the public service has been further underpinned by The Public Service (Croke Park) Agreement, negotiated in 2010 between the government and the public service trade unions and its successor, the Haddington Road Agreement. Contingent on delivery of savings and compliance with the agreements, the Government gave certain commitments to serving public servants, in particular that there would be no further reductions in their pay and no compulsory redundancies as long as public servants remained flexible about redeployment.

## 1.5 LOCAL GOVERNMENT CONTEXT FOR THE MERGER

In 2010 the Report of Local Government Efficiency Review Group recommended wide-ranging changes to achieve efficiency gains and savings in local government. The recommendations were in respect of staffing reductions, shared services, procurement, value-for-money and other functional recommendations. In response the sector set up the Local Government Programme Management Office to ensure a co-ordinated response and to manage the implementation of recommendations.

The reform agenda in local government over the subsequent five years has had significant effects. Chief among these is the major reduction in numbers employed and a rationalisation of grades. Numbers employed in the sector have reduced by 25% since 2008, the largest sectoral reduction across the public service (Department of Public Expenditure and Reform, 2014: 43). In addition, there have been major structural, functional and funding reforms.

In October 2012, the Minister for the Environment, Community and Local Government published *Putting People First: An Action Plan for Effective Local Government*. The plan covers functions, structures, funding, operational arrangements, governance, the role of the executive and the elected council, the removal of all town and borough councils, and engagement with local communities. Expanding the role of local government is a core objective of the reform programme. In particular, local authorities will take on an enhanced and more explicit role in economic development and enterprise support.

The announcement of proposed local government reforms in *Putting People First* was followed by the appointment of a local electoral area boundary committee to review and make recommendations on the division of each council area into local electoral areas

and to make recommendations on the number of elected members of each council to be assigned to each electoral area.

The report of the Boundary Committee, published in May 2013, also provided clarity in respect of the provision for municipal districts set out in *Putting People First*. In the vast majority of cases municipal districts were based on electoral areas, with councillors elected simultaneously in local electoral areas to both a municipal district and the county council. The municipal districts have some decision making power by virtue of the Local Government Act of 2014.

In 2013 Irish Water was established as an independent state-owned enterprise within the Bord Gáis Éireann Group (now known as Eirvia). Irish Water will gradually take over responsibility for water and waste-water services from local authorities, with full transition to be achieved by 2026.

The Local Government Reform Act (2014) provided the legislative basis for the changes set out in *Putting People First*. Other changes to be provided for in the legislation included the dissolution of county development boards and their replacement by Local Community Development Committees (LCDC), and the abolition of the eight regional authorities, with the number of regional assemblies increased from two to three

The wide-ranging changes to local government set out and developed over a three-year period from mid-2011 came into effect from the local government elections in May 2014. In Tipperary, these changes saw the abolition of Clonmel Borough Council and the town councils of Carrick-on-Suir, Cashel, Nenagh, Tipperary town, Templemore and Thurles, the creation of five municipal districts (the Carrick-on-Suir District, the Cashel-Tipperary District, the Clonmel District, the Nenagh District and the Templemore-Thurles District), and ultimately the establishment of Tipperary County Council, a unified authority within the Southern Regional Assembly. Table 1.1 sets out a timeline of both national and local developments that produced this outcome.

**TABLE 1.1 THE CONTEXT BEHIND THE TIPPERARY MERGER**

- *The Report of the Local Government Efficiency Review Group* (July 2010)
- The Public Service (Croke Park) Agreement (June 2010)
- Announcement of merger of North and South Tipperary County Councils (July 2011)
- *Public Service Reform* (November 2011)
- *Report of the Steering Group for the Alignment of Local Government and Local Development* (March 2012)
- Acceptance by the Minister for Environment, Community and Local Government of the *Tipperary Merger Implementation Plan* (July 2012)
- *Putting People First: Action Programme for Effective Local Government* (October 2012)
- *Local Electoral Area Boundary Committee Report* (May 2013)
- Haddington Road Agreement (May 2013)

- Incorporation of Irish Water as a semi-state company (July 2013)
- The Local Government Reform Act (January 2014)
- County Enterprise Boards (Dissolution) Act (March 2014)
- Establishment of Local Enterprise Offices under the auspices of local authorities (April 2014)
- Local Government elections (May 2014)
- The establishment of Tipperary County Council and first meeting of new Council (June 2014)

# 2.

## MERGER PLANNING

The merger planning phase encompassed the period from the establishment of the Tipperary Reorganisation Implementation Group in July 2011 through to the acceptance in July 2012 by the Minister for Environment, Community and Local Government of the Tipperary Reorganisation Implementation Group (TRIG) implementation plan. The plan details the approach to be taken by the two councils in delivering on the terms of reference prescribed by the government. This chapter reviews the main activities during the merger planning phase.

### Planning the merger

Once the decision to merge has been made, the leadership must begin the planning process. Drawing on the initial research findings and senior management expertise, a detailed work/transition plan must be formulated. During this process, the planning group should involve constituency groups in the deliberations and maintain open communication with all stakeholders in the merger. The executive decisions about the plan should be left to a small group of people who understand the culture on both sides of the merger. The planning group should include people who can focus on each of the many aspects of the merger such as personnel, legal and programmatic issues. As difficult decisions are made during the planning process, all groups must be willing to negotiate. Merger planners face the challenge of forging a new organisational culture and gaining the support of sceptical employees. But the planners must also focus on the customers. The merger's success will be determined by the quality of services the agency ultimately provides.

Source: IBM Centre for the Business of Government, 2003

### 2.1 THE MERGER APPROACH

The Minister for the Environment, Community and Local Government appointed an implementation group, the Tipperary Reorganisation Implementation Group (TRIG), with a general mandate to oversee planning, preparatory work and initial implementation of the merger process. The group consisted of

- Mr Joe MacGrath (chair), manager North Tipperary County Council
- Mr Billy McEvoy, manager, South Tipperary County Council
- Mr Joe Allen, former principal officer, Department of Environment, Community and Local Government
- Mr Gerry Kearney (external evaluator), former secretary general, Department of Community, Rural and Gaeltacht Affairs.

The objective of the group was to ensure that the implementation plan was as comprehensive as possible. Extensive research, analysis, consultation and communication, were undertaken across every section of the two councils involving elected members, staff and unions.

The terms of reference provided to the implementation group (Appendix 3) required that two reports be submitted to the minister, a progress report by 30 November 2011 and an implementation plan to be submitted in May 2012. The implementation plan substantively set out the steps required in order to ensure that the merger would happen on schedule. In order to provide clarity and certainty for all concerned, it was decided by the TRIG that the service delivery model, structure of the new council and location of directorates needed to be confirmed at the earliest opportunity. The decisions of the group in respect of these issues were set out in the implementation plan.

## 2.2 PRINCIPAL CHALLENGES

From the outset of the project it was recognised by those involved that the merger of two county local authorities presented significant challenges. Many of these were identified in the project terms of reference, with the implementation group required to have oversight in respect of a number of key areas including, the provision of information to and consultation with the elected councils, the impact of the merger on a wide range of other organisations connected with local government, and the importance from the Government's perspective of maximising cost reductions and efficiencies. The implementation plan addressed, in as far as was possible at the time, these issues.

From a practical perspective, the merging of two councils whose principal centres are located 90 kilometres and one-and-a-half hours of travel time apart presents particular challenges. The TRIG made an early decision that both locations should be retained, albeit with a rationalisation of administrative functions in each location. Alternatives were discussed. These included the replacement of civic offices in both towns with a new centrally-located headquarters and the expansion of one or the other civic office to accommodate all staff of the unified council. Neither alternative was considered viable in the then prevailing economic climate. However, the implementation plan noted that a future council may revisit the issue when the state of the national and local economy is improved.

Lastly, it is worth recording that there was little appetite or enthusiasm in either North or South Tipperary for the merger. It was suggested by one director that 'the only thing we had in common was our name and our hurling team'. North Tipperary County Council was part of the old Mid-West region and had strong connections with Limerick which is 30 kilometres from Nenagh. South Tipperary County Council's traditional orientation was to the South-East, in particular Waterford, and to some degree to Cork. The culture of the two councils was also very different. However, from the announcement of the merger there was an acceptance among those involved of the political decision and a willingness to overcome challenges in order to implement the merger.

## 2.3 PROJECT MANAGEMENT

On a day to day basis the merger was managed by a joint management team (JMT) comprising of the management teams of the two councils and jointly chaired by the two county managers. A merger implementation team was established as an outcome of the first meeting of the implementation group. The team supported the implementation group and coordinated the actions agreed by the JMT.

The merger implementation team consisted of a director assigned full-time to the project, and the HR manager and a senior executive officer from corporate services from each of the two authorities. The team was expanded during the implementation phase to include a full-time senior executive planner with strong project management skills who worked across all aspects of the merger process. The team is widely acknowledged, by management, staff, trade unions and elected members, to have worked exceptionally well. All members of the project team were highly committed to the project and were motivated by a desire to achieve the best possible outcome for the staff of the two councils.

Assigning a director full-time to the project was considered imperative, with the chief executive<sup>1</sup> commenting that 'it [the merger] won't happen if it's an add-on to people's jobs; it needs to be resourced at a very high level'. It was noted by many of those consulted in respect of this research that the director assigned to head up the merger team was ideally suited to the role.

Management sub-groups were also established on a function by function basis (e.g. IT, finance, roads), including staff from both councils, in order to progress issues such as the merger of policies, procedures and protocols.

## 2.4 THE IMPLEMENTATION PLAN

For those involved in managing the merger, the TRIG implementation plan represented the 'blueprint' for the project. In particular having early decisions in respect of the service delivery model and management structure were very helpful.

The plan also set out a time-line of activities required to achieve the merger. These were mapped out over four phases from mid-2012 to December 2015 as follows:

- Phase 1 from quarter three 2012 to quarter two 2013
- Phase 2 from quarter three 2013 to quarter one 2014
- Phase 3 from quarter two 2014 to unification
- Phase 4 from unification to end 2015 and beyond.

As a number of directors variously commented 'actions were identified, managed and time-lined'; 'the process was planned, it wasn't reactionary, there were no surprises'; and, 'we took great comfort from the plan'.

<sup>1</sup> Under the 2014 Local Government Act city and county managers are now designated as chief executives

The distribution of services between the two centres of Nenagh and Clonmel, with its consequential impact on customers, staff and elected representatives was one of the most critical decisions made by the implementation group and communicated to stakeholders in the implementation plan. Following management consultation with the unions and senior staff in both councils, the implementation group initially prepared a list of considerations or criteria that would guide their thinking on where individual services should be based. This list is shown below.

**TABLE 2.1: CONSIDERATIONS IN DETERMINING LOCATION OF SERVICES**

<b>Primary Considerations:</b>	<b>Elaboration</b>
Support to Elected Councils	Optimise democratic mandate etc.
Service Delivery	Service drivers, streamlining, shared service initiatives etc.
Human Resource considerations	Existing staff locations, back-up support staff, specialist staff skills etc., as appropriate
Financial & Economic	Maximise savings, reduce unit and adaptation costs, reflect economies of scale and elimination of duplication, progress economic development etc.
<b>Other Considerations:</b>	
Demographics	Localised level of workload, population trends etc.
Managerial Alignment	Co-location of services within a directorate, proximity to other directorates etc.
Infrastructure	Space requirements
Miscellaneous	Balance between locations etc.

The joint management team held a number of workshops to explore the impact of a large variety of service distribution options. The majority were not progressed as they did not meet these criteria. In the course of discussions the project support team consulted with councillors and staff representatives in respect of the proposed changes. Eventually, a number of viable options were submitted to the implementation group who analysed them over a number of meetings and finally settled on an option that it was felt best met the service delivery criteria. Notwithstanding the importance of all the criteria, ensuring and maintaining balanced employment at Clonmel and Nenagh was particularly significant, given the commitment that in as far as possible staff would not be required to change locations. Table 2.2 summarises the final decision in respect of the location of services.

TABLE 2.2: LOCATION OF SERVICES

Nenagh	Clonmel
<b>Roads</b>	Roads
<b>Planning</b>	Planning
<b>Finance</b>	Finance
<b>IT</b>	IT
<b>Emergency</b>	Emergency
<b>Health and Safety</b>	Health and Safety
<b>Libraries</b>	Libraries
Water	<b>Water</b>
Environment	<b>Environment</b>
Community and Economic Development	<b>Community and Economic Development</b>
Housing	<b>Housing</b>
Corporate	<b>Corporate</b>
HR	<b>HR</b>

\*Directorates in bold are headquartered at this centre. Each service will have some staff at the other centre.

In recommending this structure the implementation plan acknowledges that 'the merger and consequent changes in the structure of the organisation represent a significant change for staff'. The plan adds that 'in implementing these recommendations, the JMT will work with HR staff and trade unions to ensure that unavoidable impacts on staff are sensitively addressed'.

Response to these recommendations in 2012 was initially somewhat muted. However, over the ensuing two years a perception developed among some staff in Clonmel that as a centre it had 'lost out' to Nenagh. Those expressing this view, in staff focus groups or by email, claim that the divisions headquartered in Clonmel are of lower significance than those in Nenagh, that corporate services and HR are 'drifting back to Nenagh', and that water services is no longer as strategic a function due to the ceding of responsibilities in this area to Irish Water. In addition, views were expressed at the staff focus groups that no reasons were given as to why services were located where they have been.

There is little evidence in practice for these claims. As this section describes, a significant process was engaged in by the TRIG and the joint management teams to determine the best location for the different services of the council which needed to be spread across the two locations. This rationale was set out in the implementation plan. The management of the water and waste water division, which is examined in more detail in chapter three, is a complex issue. However, the transfer of responsibility to Irish Water will be protracted and from the perspective of local authorities the division will remain important at least in the medium-term.

### The importance of an implementation plan

An implementation plan is an essential part of the process, and work would normally start on it once the preferred option has been identified. The plan should cover the whole period until all major actions have been taken, though the latter stages may be sketched out in less detail.

Noting the dynamic nature of the change process, institutions should keep the plan under review and modify it as necessary. The plan would normally include key milestones and targets, against which an implementation or monitoring group would track progress.

Source: Higher Education Funding Council for England (2012)

## 2.5 A NEW SERVICE DELIVERY MODEL

From the announcement of the merger and the early meetings of the TRIG, it was recognised that the merger afforded an opportunity to implement a new service delivery model. In particular a decision was made to put in place customer service desks in Clonmel and Nenagh to deal in a timely and efficient manner with as many queries as possible made to the council by telephone or personal callers. The work of the customer service teams would be supported by the introduction of a Customer Relationship Management (CRM) System for logging and tracking customer queries. According to the TRIG implementation plan, the new approach would ensure resources are focused on the delivery of front line services and would also result in reduced administrative and overhead costs.

In a report<sup>2</sup> prepared by the merger team project management expert, three core principles in respect of the customer service desks are set out:

- Separating 'customer support' and 'subject matter expert' staff and services so as to avoid duplication of effort and optimise efficiencies
- Structuring the customer support service into frontline customer service desks and backline contact centre services
- Ensuring the customer support service team has quick and easy access to up-to-date and relevant information to satisfy customer demands and that output can be monitored and tracked.

Acting on these principles has involved the establishment of service level agreements between sections and the customer support teams. There is an obligation on sections to ensure that the customer support desks have all necessary information to address the needs of customers as the first point of contact. Discussions were held across the council with section heads to review which services were suitable for delivery by the customer services team and which would be more appropriately retained within the sections/service areas.

<sup>2</sup> Customer Service Desk: Project Vision and Suggested Next Steps, Joint Management Team, NTCC and STCC, 2013.

## **2.6 ENGAGEMENT WITH STAKEHOLDERS**

Significant time and attention was paid by the merger team and in particular the two county managers to ensuring the political merger went well. Over the course of the planning phase several briefings were made by the county managers to the two councils to ensure that all members were kept informed. In addition a joint committee of elected members was established to address merger issues on behalf of the two councils. This encompassed the chairperson of the two councils and the party whips from both the north and south. The committee met with the two county managers on three occasions during the planning phase.

Also during this time the county managers and the two HR managers met with the national representatives of the trade unions representing both the indoor staff (IMPACT and the Local Authority Professional Officers group, SIPTU/LAPO) and the outdoor staff (SIPTU and Unite).

The approach to engagement with the staff of the two councils, in addition to general emails, was to brief senior management and in turn to ask them to brief staff in their sections. Briefings were held following the announcement of the TRIG in autumn 2011 and subsequently, two meetings in spring 2012, to explain key decisions in the implementation plan including the service delivery model and decisions in respect of the location of services.

## **2.7 CHAPTER CONCLUSIONS**

Merger planning was very effective. The establishment of the merger implementation team and in particular the assignment of a director to work full-time on the project happened at an early stage and were important steps. Intense work was put into the preparation of the TRIG implementation plan which paid dividends over the entire pre-merger period. The implementation plan also served to reassure staff that there would be no compulsory redundancies or relocations between Clonmel and Nenagh. To the extent that a perception persists that Clonmel 'lost out' to Nenagh in the division of services, notwithstanding the fact that the rationale for decisions with respect to the location of services are included in the implementation plan, it could be concluded that this was not explained to staff as directly as was required. Issues in respect of communication are addressed in greater detail in chapter three.

# 3.

## MERGER IMPLEMENTATION

This chapter reviews the main activities during the merger implementation phase. This is regarded as the period from the acceptance of the implementation plan in summer 2012 to the official merger date on 3 June 2014. The chapter examines the various initiatives during the period and comments on what worked well and what could have been better. Many initiatives were managed and delivered to a very high level. However, given the scale of the project and with the benefit of hindsight, it is not surprising that it is possible to conclude that some aspects of the project could have been managed differently.

Following the announcement of the local government reforms in *Putting People First* (2012), the merger project became a far bigger and more complex one. Whereas previously it had encompassed the merger of the two local authorities and the incorporation of the Tipperary Joint Library Committee, it now also involved the closure and amalgamation of the staff of the county's six town councils and borough council.<sup>3</sup> The reforms also resulted in the establishment of five municipal districts. It was suggested by contributors to this research that as a result of *Putting People First*, 'the merger project at the end was a much bigger project', that 'the changes in the environment definitely added to the uncertainty as we went along', and that 'ideally you would do the merger of the local authorities and the abolition of town councils separately'.

### 3.1 MANAGEMENT ARRANGEMENTS

Throughout the project the two county managers recognised that they needed to be highly involved in directing the project. In addition the joint management team, consisting of the two management teams from North Tipperary County Council (NTCC) and South Tipperary County Council (STCC), came together regularly during the planning stage of the project.

Over the course of the project a number of directors who would not be able to retain their position within the new Tipperary County Council (TCC) retired or moved resulting in a management team at merger of one chief executive and eight directors. This remains two more than was envisaged in the implementation plan but was explained by the chief executive as being occasioned by the on-going need to have a director full-time on the merger project and the huge expansion in work within the housing division which was originally conceived as being combined with community and economic development as the brief of one director.

From the announcement of the merger it was understood that the county manager in NTCC would be the manager of the unified authority as his counterpart in STCC was in the role in an acting capacity due to the national embargo on promotions. Among some staff in STCC this was, and to some extent remains, a contentious issue. It was suggested that

<sup>3</sup> Carrick-on-Suir, Cashel, Clonmel, Nenagh, Templemore, Tipperary, Thurles

there might have been an open competition to appoint the manager as the position was in effect a new one.

A further comment in respect of management arrangements was that during the planning and early implementation phases, directors in the north of the county may have had better access to the chief executive designate of the unified county council and that this contributed to a perception of inequality. However, it is also apparent that all managers and in particular the two chief executives agreed to put aside any potential differences and to work together to build a new council that would benefit the people of Tipperary.

In late 2013 the manager of NTCC assumed county-wide responsibility and appointed directors of service with county-wide responsibilities. This happened somewhat later than would have been desirable. Once the NTCC manager assumed responsibility for the whole county he sought to reassure staff in the south of the county that he was as committed to their needs as he was to those of staff in the former NTCC. The cohesiveness of senior management is acknowledged to have been strengthened once they came together as one team.

While there were some understandable tensions relating to merger issues within the management team over the course of the implementation phase of the project, it should be noted that a huge volume of work was carried out, in particular oversight of the merger of systems and procedures, at the same time as maintaining service delivery.

### **3.2 JOINT MANAGEMENT TRADE UNION OPERATIONAL COMMITTEE**

The operational committee with the trade unions consisted on the management side of the director with responsibility for the merger project and the two HR managers, and on the union side of the staff and permanent representatives of IMPACT, SIPTU, the Local Authority Professional Officers group of SIPTU (SIPTU/LAPO) and Unite.

From the outset of the project and the preparation of the implementation plan with its decisions in relation to the location of services in the unified council, the trade unions were consulted. This engagement continued throughout the implementation phase with in excess of forty meetings of the operational committee held over the two years to June 2014.

From the unions' perspective, the Croke Park Agreement and subsequently the Haddington Road Agreement were significant to their negotiating stance. While on one level the agreements provided reassurances that no staff could be made compulsorily redundant, they also obliged the unions to co-operate with the merger. According to one union representative, as a result of the national agreements there was a 'sense of inevitability about it [the merger], so it went smoother for the management side than they might have expected'. However, overall the trade unions were positive with regard to how the process was managed, with the approach of management described as 'genuinely

consultative', 'we weren't handed a fait accompli', and the process as 'well managed'. The workforce planning exercise was described as having been 'conducted with a degree of common sense and sensitivity'.

From the unions' perspective there remain issues to be resolved, but as one official put it 'the difficulties are outside of the process rather than inside the process'. Of particular concern is the possibility under the Local Government Act (2001) of staff being redeployed by the chief executive anywhere within the administrative area of Tipperary even if the distance is greater than 45 kilometres, the limit set by the Croke Park Agreement. Other concerns include the career development of staff in particular those in second centres and the future balance between Nenagh and Clonmel.

### 3.3 SYSTEMS AND PROCEDURES

Following on from the acceptance of the merger implementation plan work commenced on the merger of systems and procedures. These ranged from the integration of major systems like pay-roll, financial management, housing and planning, through to minor processes such as parking fines. The approach adopted was to appoint a change manager in each section and give them responsibility, in consultation with colleagues north and south, for firstly identifying systems and procedures and then developing an approach to ensure their effective and timely merger. A parallel approach was adopted for the harmonisation of IT and business applications, with a nominated countywide team leader in each section. The IT team leader worked with their colleagues in the relevant section to cleanse data, merge databases and update software as required.

Overall this approach worked well, with staff engaged and committed to projects under their remit. In some instances staff displayed a very high level of commitment and worked long hours in order to ensure that key systems and procedures were merged on time. Where difficulties did arise or progress was slow, this was on occasion caused by the need to involve others outside of Tipperary County Council, or where day-to-day work pressure intervened.

It would appear that in the early merger implementation phase there was a co-operative approach between Clonmel and Nenagh with regard to the best way to merge systems and procedures. For example, the merger of Agresso, the financial management and payroll system appears to have been done in a collaborative manner. However, in the immediate pre-merger period as the challenge of merging systems and procedures within the necessary timeframe increased, in some areas the approach of the headquarters tended to become the default approach. In the words of one director, 'it was completely resource driven' and 'we did what was needed to be done to get over the line'.

While this was understandable during the immediate pre-merger period, it is unfortunate that in some areas this approach appears to be persisting, resulting in those staff working in second centres in both locations experiencing a sense of not being valued. As there remains considerable work to be done to ensure systems and procedures are completely

robust – according to one director ‘every day we are still spotting differences of approach’ – there is an opportunity to ensure that systems and procedures are informed by the expertise of all staff. As one focus group participant commented, ‘there is a chance to look at new, innovative ways of doing things rather than taking either the south or the north model and imposing that’.

### **3.4 WORKFORCE PLANNING**

Considerable preparation and attention was put into the workforce plan with roles and the aptitudes and preferences of those being assigned to them considered on a person by person basis. The detailed workforce plan signalled in the implementation plan commenced in mid-2013. While an undertaking was made that the number of staff required to change locations would be minimised, almost 15 per cent of staff were required to change roles. This primarily included staff working in designated second centres. The purpose of second centres is to provide a local service at the opposite end of the county to where the service is headquartered. However, staff numbers are not required to be as large in second centres as they were in the old NTCC or STCC. In contrast, services headquartered in either Clonmel or Nenagh needed an increase in their staff complement in order to deliver the service on a county wide basis. In addition, staff from the town councils and Clonmel borough council had to be reassigned. In some cases these people were assigned to the newly established municipal district offices, but this wasn’t possible in all cases and approximately eight per cent of all council staff were required to change location and roles.

Staff required to change roles were asked to indicate preferences and in a majority of cases actual moves reflected these. Inevitably in the small number of cases where this wasn’t possible, it resulted in disappointment. In general it is acknowledged that huge time and effort was put into the workforce plan by the merger team and in particular the two HR managers. Where there was any concern that someone might not be happy with their proposed move, the respective HR manager met with the staff member in person. Considerable attention was also given by the management team to how staff could be told most sensitively of their new position. It was ultimately decided that all notifications would be hand-delivered to indoor staff while outdoor staff would be written to at home.

While the workforce plan was undoubtedly a successful aspect of the merger, it is acknowledged that putting into effect the moves identified in the plan was far more time consuming and challenging than originally envisaged. In this regard Clonmel was more significantly affected than Nenagh as more people were required to change roles. A number of difficulties emerged with sections being slow to release staff scheduled for moves due to ongoing workloads. This created difficulties for those divisions headquartered in Clonmel which by this stage had taken on county-wide responsibilities without having a full complement of staff.

While the issues were resolved in the end, better anticipation of these difficulties and more effective communication to sections of requirements and expectations with regard to staff moves might have ensured that they took place in a more constructive manner. Also,

while clearly it would have been challenging to arrange, attention might have been given to allowing for further overlap in roles to ensure transfer of knowledge and skills in respect of jobs which, in some cases, staff members had been doing for over twenty years.

### 3.5 COMMUNICATIONS

#### Communicating effectively

Mergers can create anxiety and fear within the agencies that are being consolidated. It is critical for leaders to communicate early and openly with all affected parties, to answer questions and concerns, and to find a way to counter the defensiveness and resistance that can sometimes accompany an attempt to create change. Managers should focus on explaining new processes and structures to employees through multiple forms of internal marketing. Communicating the new mission to employees is extremely important for operational purposes. Public agencies must also implement a plan to explain the purpose of the merger and its virtues to key stakeholders and clients of the new agency.

Source: IBM Centre for the Business of Government, 2003

Within Tipperary it was recognised from the outset of the project and reflected in the implementation plan that communication with stakeholders – staff, elected representatives, trade-unions and other local organisations – represented an important aspect of the merger. On one level great care and attention was given to some aspects of communication, for example informing staff affected of their new role and work location. However, in other respects the approach to communication was somewhat unsatisfactory from the perspective of staff and also some senior managers.

Firstly, it was highly dependent on e-mail which has a low level of effectiveness as a tool of communication, and has even less value as a tool to inspire and enthuse staff in respect of change. Furthermore, as noted by one director, as June 2014 approached the number of merger-related emails reached a very high level and 'so much communication is non communication, there was no opportunity to reflect on and absorb the content; 'you got an email about it', is not communication'.

Secondly, while numbers are of course large, it would have been desirable for the county managers to have met respectively with all staff in NTCC and STCC, perhaps using local conference facilities, or otherwise on a divisional basis for a town hall style gathering. Instead the approach used was to request senior management to discuss information contained in merger update emails with staff in their section through dedicated team meetings and to feed back issues arising. While communicating with staff should be a general expectation of all line managers, in some instances this didn't happen as effectively as was needed. As staff commented at the focus groups, 'communication was top-down and got lost in the middle'. Consequently, there is a perception among staff that they were not always kept fully informed of merger developments.

A communications strategy was developed in early 2013 and signed off by the management team in April 2013. To a large degree it reflects the approach that was already in place. Communication by the management team with the majority of staff of the two councils was by secondary means, either through emails, internet postings and newsletter articles, or via section heads who, following on from senior management meetings, were expected to relay merger related information to staff working in their section. While these means represent the normal modes of communication in large organisations, given the scale of the changes confronting staff, perhaps both more direct and more varied means could have been employed.

It should be noted that communication with the elected representatives, trade unions, the general public and Department of Environment, Community and Local Government was excellent. Very specific initiatives were put in place to ensure that citizens were informed of the merger, with an information leaflet going to every household and information points set up in all libraries. However, overall, the approach to communication with staff is perhaps best summed up in the comment of one director, 'it was good, but it could have been better'. It was possibly an area where external advice and assistance might have been beneficial.

#### Some tips on merger communication

**Over communicate all aspects of the merger or acquisition with employees:** This is a stressful time and people often need to receive information several times and by several different means before they truly "hear" it. Be creative with your communications: hold group meetings, utilise the corporate intranet, write submissions to company newsletters, and send information home.

**Establish integration task groups made up of key individuals from each of the combining organisations.** Not only are these your best and brightest choices for those actually working within the process and helping make decisions, but they will play a pivotal role in gaining buy-in from the rest of the ranks when they take informed, positive information back to their workgroups.

**Make it a family affair.** Do not ignore the influence family members can have on employee attitudes and readiness for a merger. Make certain to include spouses and significant others among those receiving information about the deal.

**Answer "Me" questions immediately.** Once employees know how their jobs, pay, benefits, and work environment are likely to be effected, they will be able to focus on their work and on their activities that will further integration.

**Ensure that communication efforts support unification and alignment of the two cultures.** The wrong messages, or even the right messages by the wrong messenger, can sabotage the best-intentioned programme.

Source: <http://www.workforce.com/articles/best-practices-of-mergers-and-acquisitions>  
Accessed: February 2015

### 3.6 STAFF INTEGRATION AND WELLBEING

At director level, integration and initiatives to work together commenced with the announcement of the merger in 2011. For other senior managers, the establishment of joint working groups did facilitate some level of interaction however some of this engagement was subsequently postponed to later stages of the merger process. According to one senior manager, 'at the start, engagement [in some areas] was very superficial, there could have been more cross-county groups set up'.

For staff at grade seven and eight (middle and senior managers) joint workshops with the management team were held in late 2012 and early 2013. In addition, independently facilitated joint working groups including all staff were held for most divisions in spring 2014. These were regarded as useful as a means of meeting future colleagues for the first time.

Notwithstanding the difficulties some staff had with aspects of the merger process, the vast majority of staff engaged with the project and worked extremely hard to ensure a successful outcome. It was commented by a number of directors that staff contributed at a very high level, in some cases working weekends and taking minimal summer holidays in 2014: 'people did what they had to do to deliver'.

However, this work effort did on occasions result in staff being under considerable work-related pressure. While the employee assistance officers and the employee assistance service were promoted among staff, it was commented by some of those attending the focus groups that not enough was done to support staff at a time when people were under a lot of stress and working long hours.

### 3.7 RISK MANAGEMENT

Risk management is referred to in the implementation plan as a priority and was managed as such by the project management specialist in the merger team. A risk management plan was developed in February 2013. The plan encompasses both a strategy and a risk register. Governance issues are addressed with the identification of a risk officer. The role of the risk officer was to ensure that the joint management team were kept 'appropriately informed such that they can identify, analyse and, where necessary, respond appropriately to risks that might otherwise adversely affect the merger implementation process (Risk Management Policy, 2013:3).

The Risk Register which accompanied the plan recorded information with regard to all risks identified. This included a description of the risk, the current actions in place to address the risk, an assessment of the likelihood that the risk would occur, an outline of additional mitigating actions, and the name of the risk manager who was accountable and responsible for the risk. An updated version of the Risk Register was developed in June 2013.

Overall managers appear to have been very happy with the approach to risk management, with several referring to it as one of the elements of the merger implementation phase that worked particularly well. Placing the risk register online and the requirement to update it monthly were regarded as good discipline. In August 2014 the merger risk register was closed, with outstanding areas of concern transferred to the relevant section of the corporate register.

### **3.8 CHAPTER CONCLUSIONS**

The merger implementation phase involved a period of very intense work in order to ensure the merger happened on schedule in June 2014. Many aspects of the implementation programme were handled with considerable precision and in the case of workforce planning it is acknowledged that the process was carefully and sensitively managed.

There was a good level of awareness of the importance of communication and a communications strategy was in place from spring 2013. Some staff at the focus groups perceived the approach to communication as being 'top down' with information 'getting lost in the middle'. While understandable in large organisations, and in particular in Tipperary's case where the two main centres are 90 kilometres apart, the traditional approach of briefing senior managers and depending on them to effectively relay key messages to staff in their sections was perhaps somewhat unreliable given the importance at times of the information to be communicated. Both staff and senior managers were critical of the over reliance on emails as a means of communication, particularly in the immediate pre-merger period.

Merging systems and procedures at the same time as maintaining service delivery was very challenging. In the final months before June 2014, with a need to put arrangements in place as expediently as possible, a tendency emerged in some sections to adopt the headquarters way. While understandable this is regrettable as it results in staff based in the second centres believing that their knowledge and know-how is not being valued. Where any outstanding work is required to merge systems and procedures a concerted effort overseen by directors needs to be given to drawing from the better of the two existing approaches.

# 4.

## MERGER CONSOLIDATION

The Implementation Plan envisaged the merger project continuing until the end of 2015. However, in practice merger consolidation will continue over many years. The creation of Tipperary County Council was a significant project encompassing both the political merger of the two former councils and the town councils, and the administrative merger of approximately 1,200 staff. As a number of interviewees commented, 'it's important to acknowledge the scale of the thing', 'survival and business continuity were big achievements'. The merger occurred on schedule, with no negative customer, political or trade-union reaction.

Given the scale of the changes involved, adjusting over time to the new reality is important. As noted in a report on public sector mergers by the IBM Centre for the Business of Government (2003:5):

Although the implementation stage of the merger should move quickly, the entire merger process requires considerable oversight over a long period of time. Adjustments and adaptations are almost always needed once the first wave of change has settled and it is possible to see the new organisation clearly.

This chapter reviews issues to arise since the formal merger in June 2014. In a project of the scale of the Tipperary merger involving approximately 1,200 staff, no matter how good the process, it is inevitable that there are challenges, difficulties, and people who are unhappy. It is how these issues are dealt with that matters in respect of ongoing merger consolidation. The chapter encompasses four sections, issues in respect of the political merger, work related issues, issues particular to a small number of sections and issues in respect of organisation culture.

### 4.1 POLITICAL MERGER

The merger of Tipperary County Council encompassed not only the merger of the two administrations, but also the merger of the two former elected councils. As highlighted in the introductory chapter, the elected members were also required to contend with changes set out in *Putting People First*, in particular the abolition of the town councils and an overall reduction in the number of council seats available. Following on from the report of the Boundary Commission, the overall number of seats available in the merged council was fixed at 40 (compared to the previous situation of 26 in South Tipperary and 21 in North Tipperary County Councils). Combined with the dissolution of the town councils, the overall reduction in elected representatives was 73 (from 113 to 40), one of the largest in the country.

Significant time and attention was paid by the merger team and in particular the two county managers to ensuring the political merger went well. From the announcement of the merger, briefings were held and several meetings with the joint committee of elected members which was established to address merger issues on behalf of the two councils. Working with the councillors in respect of Tipperary's submission to the Boundary Commission was also regarded as a priority. It is generally acknowledged that the outcome for Tipperary compared to counties of a similar size was reasonably good. The merging of the electoral registers of the two former councils was also a major project.

In discussions with councillors from the Corporate Policy Group, the changes occasioned by the abolition of the town councils are their most significant concern. The reduced level of local representation has resulted in a dramatically increased workload for some councillors. In this regard councillors commented that 'the council had moved away from the people', that 'areas no longer represented [by a county councillor] would lose out', and that the loss of the housing function of town councils was 'too big an ask'. However, the councillors also added that the 'municipal districts were working quite well'.

With regard to the merger it was noted by councillors that 'it was a big shock for everyone'. In operating within the new system a number of issues have arisen as follows:

- The 40-person council is regarded as being too large, with full council meetings 'wearing people down'. However, it was acknowledged that much of the fault for this lies with councillors themselves. The councillors also recognised that the responsibility for changing the current situation rests largely with them – 'we need a better structure, stricter timekeeping and [as prescribed] not to address either national issues or issues dealt with at municipal district level'.
- The distance to travel to meetings in Clonmel or Nenagh by those based at the opposite end of the county is seen as a source of frustration. At present council meetings are rotated between the two venues. There are also other meetings, of the Corporate Policy Group and Strategic Policy Committees, and councillors are considering whether these could be held in a central county location, for example Thurles where there are council offices.
- Some councillors indicated that they are experiencing difficulties in obtaining prompt responses to representations. In the immediate post-merger period this appears to have arisen because they did not know who to contact due to staff moves. While the situation has improved, it continues to be an issue for some.
- Councillors also have to contend with half the council services being primarily delivered from a centre and by staff with whom they are unfamiliar. In this regard, some councillors referred to the loss of the valued relationships they had built up over time with certain administration staff and which had greatly facilitated their work.

It is accepted by management that councillors have experienced difficulties in knowing whom to contact and several initiatives have been put in place to try to address this. A

comprehensive staff contact list has been made available to councillors detailing named staff members in all areas, and sections have been encouraged to provide councillors with a generic email address (e.g. secretary@corporateservices.ie). This would be monitored by a number of staff working in that area to ensure there are no delays in replies occasioned by the absence of any one staff member. Councillors have also been encouraged to contact the customer service desks or the administrator of the municipal districts where they are experiencing difficulties. However, it would appear that some delays are still being experienced in some areas and in order to get an immediate response some councillors indicated that they have reverted to 'old ways', contacting former town council staff, even though they are now working in different sections.

Workshops with councillors are scheduled for both Nenagh and Clonmel in spring 2015. The agenda includes approaches to making plenary meetings shorter and more efficient and further initiatives regarding representations. Councillors will also have the opportunity to meet with staff they regularly need to contact. It is hoped that over time, as familiarity between executive staff and the councillors improves, that difficulties will be resolved.

## 4.2 WORK-RELATED ISSUES

Understandably for a majority of staff working in Tipperary County Council, it is the day to day realities of their working life that most influences their attitude to the merger. For some staff attending the focus groups a source of frustration continues to be a reported lack of clarity in respect to roles – who is doing what and who is responsible for what.

The challenge for management is that the situation varies significantly across divisions and sections. For some divisions, often those headquartered in either Clonmel or Nenagh, there may have been little change of function or personnel. While there is the challenge of covering the entire county, staff numbers have been increased to reflect this.

For staff working in designated second centres or who have moved location and or role, whether they are based in Clonmel or Nenagh, the challenges of adjustment are greater. At the staff focus groups there was a sense of loss expressed by those, and on behalf of those, who had been required to change jobs, manager, colleagues and place of work. This was described as being 'a loss of identity' and as particularly acute for long-serving staff.

The challenges of adjustment have been exacerbated where individuals are dissatisfied with their new position – there were references to 'round pegs in square holes' – or for those working in second centres where staff numbers are reduced, workloads are perceived to have increased and there is a reported lack of clarity in respect of roles. Staff also claimed that 'grade/work drift' is a problem, with staff stating that they are required to do the work previously done by more senior grades without getting compensated for this.

Staff based in both Clonmel and Nenagh reported experiencing difficulties in identifying who to contact from their function in the other centre. Many staff also commented on the difficulties occasioned by not being able 'to call into someone down the corridor to sort

something out'. A reality of the two locations is that it makes inter-personal relationships which greatly facilitate working life more challenging.

A further, related challenge is the loss of experience of colleagues who chose to retire in advance of the merger. While some of these people would have retired in any case under what is known as 'the incentivised retirement scheme',<sup>4</sup> the departure of others would not have occurred in the absence of the merger. This is clearly the case in respect of those working in roles for which there could only be one position in the united authority. The issue appears to have affected Clonmel to a greater extent than Nenagh. 34 people retired during the pre-merger period. A number of directors referred to the significant loss of experience, talent and corporate memory.

Career progression emerged as an area of concern and uncertainty at all levels. Particularly for staff in second centres there is a perception that there are no development opportunities available to them and that if they wish to progress in that service area they will need to be prepared to move to the headquarters' location. IT staff based in Clonmel, a section with twice the personnel of the designated headquarters in Nenagh, expressed particular anxiety in this regard. At senior management level there is a concern that promotion opportunities will not be available for the next decade due to there currently being two directors above the prescribed number.

A further work-related area where staff expressed dissatisfaction relates to file management. It was commented that all files are now stored in the headquarters location which makes it difficult for staff in the second centres to review case histories. There also appear to be issues with regard to the transport of files, with the current approach of looking for someone from Clonmel or Nenagh travelling to the other location on any given day to carry files regarded as unsatisfactory from a confidentiality and security perspective.

Time lost due to travel and in particular the three-hour round trip between Clonmel and Nenagh is regarded by staff at all levels as frustrating. Directors in the main appear to manage their responsibility towards staff in the second centre under their remit by spending one day a week working in this location.

On a more positive note staff in Clonmel and the municipal districts were very positive about the upgrades and improvements to council buildings. There was also evidence in the focus groups of a desire to move on, with staff themselves expressing frustration at colleagues perceived as 'permanently negative'.

In discussions with the management team, it was widely acknowledged that staff had worked incredibly hard to ensure the merger happened on schedule. It was also recognised that in the merger consolidation phase, issues of concern to staff needed to be a top priority. However, contrary to the view held by staff with regard to work/grade drift, the management view is that, with a very small number of exceptions, this is not the case. It was also suggested that it is too early to judge whether some areas are under-staffed as the organisation is still dealing with a post-merger back-log and that it was necessary

<sup>4</sup> To encourage a reduction in public service numbers the Government allowed public servants to retire on pensions based on earnings prior to salary cuts.

to get back to a normal working pattern before it would be possible to make a definitive judgment.

With regard to the monitoring of work-loads and also reviewing role profiles and responsibilities, it was suggested by senior management that individual line managers and ultimately the relevant director needed to take responsibility in a pro-active way. However, several months into the merger it would seem that outcomes and experiences in respect of these critical issues are perhaps too dependent on the attitude of section heads and a more centralised approach is required, at least in the short-term, to ensure that critical issues such as areas of responsibility and promoting good inter-staff relations between Clonmel and Nenagh are addressed. In this respect, the development of a comprehensive, new intranet phone directory and a commitment to organise a series of visits by staff on a directorate basis to their counterparts in either Clonmel or Nenagh are welcome initiatives.

Lastly, in order to minimise unnecessary travel, video conferencing facilities have been installed in both Nenagh and Clonmel. Meetings at all levels of the organisation including management meetings are held through this forum. Skype is also being rolled out to individual sections so as to further minimise the need to travel between the two centres. Training in efficient meeting management for all staff would also be beneficial.

### 4.3 SECTION RELATED ISSUES

Certain sections, either because they represent a completely new departure, as is the case with the customer service desks and the municipal district offices, or because other influences have made it more challenging to establish sound working practices, require particular consideration.

#### **Customer service desks**

Six months after the introduction of the new approach, reactions to the customer service desks are broadly positive. It is widely appreciated that those staff assigned to the customer service desks are working extremely hard and have a very positive attitude to their roles. Management are very satisfied with the arrangement. It was indicated that a high volume of calls are being dealt with in a professional manner at both locations. The information afforded by the CRM system is also considered useful and it was noted that there have been no difficulties with the system reported by customers of the council or by councillors on their behalf.

There appears to be some tension between the customer service desks and sections with regard to responsibility for queries, with one line manager suggesting that some sections appear to believe that they no longer have to deal with customer queries: 'there is a tendency to say its CSD's role to deal with the public and not to be there to answer calls etc.' However, other sections expressed frustration that in some instances those on the customer service desks only sought to contact one individual in a section and if they weren't available sent an email to that person when the query could often be answered by another staff member from the section without delay to the customer. There was a commitment

to review the service level agreements between sections and the customer service desks after the merger and in summer 2015 this is substantively completed. It is anticipated that amendments as a result of the reviews will address the issues detailed above.

### **Municipal districts**

Following on from the changes prescribed in *Putting People First* and detailed in the *Local Electoral Area Boundary Committee Report*, the merger project came to encompass the replacement of nine electoral area offices, the Clonmel Borough and six town councils across the north and south of the county with five municipal districts. Each of the municipal districts has one administrative office. The five district offices are in Carrick-on-Suir, Clonmel, Nenagh, Thurles and Tipperary town.

All outdoor council staff are based out of municipal district offices. In the South of the county General Service Supervisor numbers were reduced and some staff relocated to different depots.

There are also 75 indoor staff (administrative, technical and engineering) based in district offices. Each district is overseen by a director of service assigned district oversight duties in addition to their functional duties. On a day-to-day basis a district administrator and district engineer manage service delivery from the office.

In moving to a new service delivery model, an important decision was the breakdown of work between the centre (strategy and policy) and the districts (implementation, maintenance, front-line services). Both management and staff appear tentatively positive in respect of the impact of the municipal district offices. In particular it was noted that the new approach has resulted in a break-down in past tensions between engineering/technical staff and administrators, with the close working relationship within the district offices facilitating a more united approach.

### **Water services**

Irish Water was established in 2013 to provide water and waste-water services nationally. The formal position is that Irish Water will take over responsibility for the services from local authorities on a phased basis over a period of twelve years. Managing this transition is a challenge for all local authorities.

For Tipperary, this very significant change happened at the same time as the merger. While many of the changes made within the water and waste-water division would have happened anyway, it is perhaps inevitable that among staff working in these areas attitudes to the merger have been influenced by the parallel establishment of Irish Water. The vast majority of emails received by the researchers in respect of this report came from staff working in the water and waste-water division.

Overall it would appear that the area of water services needs to be re-examined from a workforce planning perspective. Staff are also naturally anxious about their long-term future and it would be desirable to put in place a particular information strategy on their

behalf. As one staff member corresponded 'we still experience a good measure of anxiety. It's important that we don't feel isolated'.

#### 4.4 ORGANISATION CULTURE

A successful merger combines not only the technical aspects of two organisations but also the different cultures. Removing divisions and developing a single culture around a shared understanding of the aims of the new organisation is fundamental to any merger.

For Tipperary understandably in the months leading up to the merger date and in the immediate aftermath, the primary focus was on business continuity, the needs of customers, the political merger and systems and procedures. However, in the subsequent months the need to address cultural differences is widely appreciated by the management and merger teams.

In one respect, there are many similarities between the two former councils in that the services they deliver are the same and both operate under the same Irish public service and local authority terms and conditions. However, the Tipperary merger encompasses the amalgamation of ten organisations - the two former county councils, the seven town councils and the Joint Library Committee. Thus there were ten different ways of doing things. It is inevitable that integrating these approaches will take time.

##### Creating a new culture

Mergers do not involve simple addition or deletion of agency features. They demand the creation of something new. A critical element in institutionalising change is thus the construction of a new organisational culture, one that is different from any of those existing in any of the merged agencies. Breaking free from existing routines, traditions and customs does not mean obliterating everything and starting anew. Instead, it requires the selective adoption of those cultural artefacts that are positive and the elimination of those that are counterproductive. What emerges is a new organisation culture that is fresh and welcoming to all.

Source: IBM Centre for the Business of Government, 2003

##### Looking at your organisation's culture

An organisation's culture can be understood by reference to a concept known as a cultural web. The parts of the web are:

- The routine ways in which people in the organisation behave. These make up 'the way we do things around here'. These can help us to work. But they can also mean that things are very difficult to change
- The rituals of organisation life, like conferences, training courses and meetings. These can show what is important in the organisation, support 'the way we do things around here', and show what is valued

- The stories told by employees to each other, to outsiders, to new people and so on about important events and personalities in the organisation's history
- Other symbolic aspects of the organisation such as logos, titles, buildings and even the type of language commonly used. These symbols show the nature of the organisation
- The control systems, measurements and pay systems that show what is important in the organisation
- Power structures are also likely to be close to central values. They involve formal and informal, institutional and personal, power structures
- The formal organisation structure, or the more informal ways in which the organisation works, again show important relationships and what is important in the organisation

Adapted from Cranfield School of Management (2002)

In 2012 at the time of the preparation of the implementation plan a number of joint working groups were established to explore specific functional issues with regard to the merger. However, in some cases meetings of these groups were subsequently postponed to a later phase of the merger process. In spring 2014 section-wide team meetings were held for most divisions. These were independently facilitated and involved staff from both STCC and NTCC. Staff appear to have found the sessions broadly worthwhile and appreciated the opportunity to meet people, but would have welcomed the opportunity to further discuss work-related issues rather than discussing attitudes to the merger. As noted previously, it is planned as an ongoing initiative to organise working groups to facilitate staff interaction and exchange of information.

In September 2014 an organisational culture working group was established. The group made a number of suggestions:

- All directors would be asked to facilitate groups of staff based in Clonmel or Nenagh to meet their counterparts in the other location. This was considered particularly important for staff in second centres.
- The possibility of further section-wide 'away day' events to facilitate staff getting to know each other
- All training to include staff from all council locations
- Some initiatives to be developed to support councillors in getting to know staff.

While the initiatives and proposals described here are all worthwhile, progress in implementing them has perhaps been slower than it should be.

In discussions with staff at the focus groups and with senior managers in Clonmel one issue to clearly emerge was a different approach across the two locations to delegation of responsibility around making decisions. It was suggested that Clonmel had a tradition

of devolved decision making and that in a large organisation, with directors based across two administrative centres, maintaining this made clear business sense. However, the approach in Nenagh has traditionally been different with decisions typically made at senior management level. There are concerns in Clonmel that this management style, which is very different to the one they are used to, is now becoming the norm across the council.

It was acknowledged by management that in the aftermath of the merger a more restrictive approach was deliberately applied with most decisions requiring sign-off at director level. However, a process is now in place whereby all directors have been asked to indicate where they would recommend delegating decisions and that following on from this exercise the appropriate delegation orders will be put in place.

A final suggestion from the staff focus groups in November 2014, with the comments supported in some management interviews, was the importance of Tipperary County Council developing a new vision: 'there has been no clarity around the ethos of the new council or vision – to set a context within which staff would work in the future, 'there needs to be more of a sense of a new organisation with a clear, new corporate approach'. The changing functions of local authorities, with an increasing focus on local community and enterprise is a further motivating factor to address this issue. The need for a new vision for Tipperary County Council is substantively addressed in the new corporate plan which was adopted by the council in March 2015 and is now available on the council's website.

#### **The importance of vision**

In 2010, Auckland merged seven local authorities and one regional environmental authority into a consolidated single metropolitan authority - the Auckland Council. This provides a unitary local government covering one third of New Zealand's population, spending about \$3 billion per annum and employing more than 5000 staff.

According to Mouat and Dobson (2014:25), perhaps the main benefit of the amalgamation was that unified and integrated direction has been achieved through the vision and plan for the Auckland region. The Council and the Auckland region have benefited from integrated planning:

We heard from everyone we spoke to about the unifying and focusing benefits of the Auckland Plan. The Plan has provided a coherent strategic regional direction, including a sense of purpose, a sense of regional identity, and recognition of Auckland's national significance. This direction has a lot of organisational, stakeholder, and public support ... Many people we spoke to told us that the proof of the success of the amalgamation lay in the planning achievements of the Council in the last two years.

Source: Mouat and Dobson, 2014

## 4.5 CHAPTER CONCLUSIONS

Given the scale of the changes involved adjusting to the new reality is a challenge for all working in Tipperary County Council. It is inevitable that adjustments and adaptations are required, as one senior manager commented 'it would have been impossible to get everything right'.

Addressing issues in a systematic way and over-time is the major feature of the merger consolidation phase. It is particularly important to follow through on commitments for county councillors and staff to have reciprocal visits between Clonmel and Nenagh, and opportunities to engage with staff they have regular contact with. On occasions there is a natural tendency for 'the urgent to drive out the important' and ongoing pressures with respect to service delivery can result in initiatives that involve a large number of people and require a degree of planning being delayed.

It is generally appreciated by staff that a new unified culture for Tipperary County Council is something that can only emerge in time. However, in working towards this, it is critically important that the concrete concerns of staff are addressed as when people are happy in their roles and feel supported in practical things, improvements in morale and engagement will happen. In this regard priority should perhaps be given to dealing with issues experienced by staff working in second centres and in water services.

# 5.

## CONCLUSIONS

This project was undertaken to document the merger process, to review outcomes to date and inform Tipperary County Council with regard to issues that require attention to ensure long-term consolidation. This chapter makes a number of conclusions in respect of these areas.

The Tipperary County Council merger has involved an extended and highly intensive work effort by those involved. Combined with the *Putting People First* reforms, it has also impacted significantly on elected representatives and customers of the council. Delivering the merger on time, maintaining service delivery and starting to realise benefits from the merger represent significant achievements. However, given the scale of the process it is inevitable that there remain issues to be addressed. Chapters three and four made recommendations in this regard, and as evidenced by the commissioning of this report, there is a willingness on the part of management to resolve these difficulties.

However, notwithstanding the considerable work to date, in many respects the merger has only just begun. Ongoing consolidation and an ultimately successful outcome, whereby Tipperary County Council delivers more than the sum of its parts, is dependent on effective service delivery and realisation of benefits. In achieving these aims the ongoing engagement of staff and their commitment to the merger is required.

### Merger evaluation

According to Cranfield University School of Management (2002), self-criticism is an essential part of the management of any process, including mergers. Goals of the merger should be reviewed regularly in order to see the extent to which they have been achieved. You can also survey staff, customers and other stakeholders to ask them the extent to which the goals of the merger have been achieved. Within this context, a checklist of evaluation questions might include:

- Have you identified the factors that might be leading to post merger drift?
- Have you been able to identify ways of improving morale and celebrating success?
- Have you evaluated the success of the merger against the goals set for it?
- Have you asked your customers and other stakeholders how successful you have been?
- Have you developed a process for using these evaluations to set fresh objectives which can then be monitored?

Source: Adapted from Cranfield University School of Management, 2002

### **Merger aftermath**

One would expect that at this point most people would have begun to accept the new situation, even if in some places hostility continues and some people have left the organisation. In any merger situation, there is a period of time when the new organisation performs less well than either of the old organisations would have done if they had remained in place. This is why taking a positive and informed approach to managing the merger can be of such importance. In organisations which are managed in this way, the quality of service to customers is more likely to have been maintained.

There is however the problem of 'post-merger drift'. It is like the post-operative recuperation process experienced by patients who have undergone surgery. They are often unable to perform their usual tasks until their physical and emotional strength is recovered and they can mobilise their personal resources to deal with life. The severity and intensity of post-merger drift, it has been suggested, will depend on the nature of the merger and how it has been managed.

It is easy in these circumstances to create a 'blame culture'. The more you are aware of and can manage the process to help stakeholders work towards the future, the quicker you can see the benefits begin to flow. One of the ways of achieving this is to celebrate success. No matter how difficult the process of merger has been, there will be successes. Identifying them, praising those responsible and sharing in them can help people to put their difficulties into perspective.

Source: Adapted from Cranfield University School of Management, 2002

## **5.1 MERGER OUTCOMES TO DATE**

Notwithstanding the fact that a full assessment of the Tipperary merger won't be possible for a number of years, it is still possible to assess outcomes to date. Examining the merger in the context of the terms of reference provided by the government, it is possible to conclude that the merger has been successful to date in achieving or progressing all of the main objectives.

### **Deliver the merger effectively and on time**

The establishment of Tipperary County Council happened on schedule on 3 June 2014. Given the scale of the merger project and the number of stakeholders involved, it is the view of the researchers that the merger was managed effectively. That said there are areas of the planning and implementation of the merger that could have been better.

Intense work was put into the preparation of the TRIG implementation plan which paid dividends over the entire pre-merger period. The implementation plan also served to reassure staff that there would be no compulsory redundancies or relocations between Clonmel and Nenagh. To the extent that a perception persists that Clonmel 'lost out' to Nenagh in the division of services, it could be concluded that the reasoning behind decisions was not explained to staff as directly as was required. While there was a good

level of awareness of the importance of communication with stakeholders, some staff perceived the approach to communication as being 'top down' with information 'getting lost in the middle'.

The merger implementation phase involved a period of very intense work in order to ensure the merger happened on schedule. Many aspects of the work were managed with considerable precision and, in the case of workforce planning it is widely acknowledged that the process was managed on a person by person basis and with a high level of sensitivity.

#### **Maintain delivery of services across the county**

The terms of reference refer to an 'orderly transition to the unified authority, while maintaining effective service delivery'. The merger happened without disruption to service and without the unforeseen closure of any public desks. A number of information campaigns were held to inform citizens about the merger and some initiatives were put in place to accommodate those who might have been disadvantaged from a services perspective from the closure of the town councils and area offices. Considerable care was also taken to support elected representatives with regard to the merger.

Merging systems and procedures at the same time as maintaining service delivery was very challenging. In the final months before merger, with a need to put arrangements in place as expediently as possible, a tendency emerged in some sections to adopt the headquarters way. While understandable this is regrettable as it results in staff based in the second centres believing that their knowledge and know-how is not being valued. Where work on systems and procedures is required in the future, a concerted effort overseen by directors needs to be given to drawing from the best of the existing approaches.

#### **Maximise resource deployment and savings**

The terms of reference refer to 'actions necessary to maximise cost reductions and efficiencies'. The implementation plan estimated that once revised staffing levels were reached, gross savings of €6.1 million a year would be achieved over an extended period. It identified that these would arise primarily from reduced pay-roll costs, amounting to €4.8 million. The realisation of these savings is occurring at a faster rate than anticipated by the implementation plan. By February 2015, savings in excess of €3 million have been achieved. This figure is based on departures since the merger was announced, less those posts refilled with the approval of the Department of Environment, Community and Local Government.

The costs of the merger included one off expenditure on IT harmonisation, office improvements and corporate branding amounting to €1.7 million, somewhat lower than the anticipated figure. Recurrent costs, occasioned by the harmonisation of corporate rates in the former North Tipperary County Council area to the level that applied in South Tipperary County Council will be €330,000 per annum.

#### **Maximise economic development opportunities for the county**

The terms of reference refers to the 'identification of measures to maximise the capacity of

local government to contribute to the economic development of Tipperary as a whole'. The intention in the *Putting People First* reform initiative is that local government will become significantly more involved in economic planning and development. As a larger authority, well positioned at the centre of the new Southern Region, Tipperary County Council is committed to contributing to the regional economic and spatial strategy once the regional structures are in place. The new corporate plan was adopted by the council in March 2015 and is now available on the council's website and, again following the putting in place of the relevant structures, it is anticipated that the local economic and community plan will be published in June 2015. These plans set the context for enhanced economic and community development in the merged Tipperary County Council.

## **5.2 REALISING BENEFITS OF THE MERGER**

A key driver for the Tipperary merger was cost reduction. However, the implementation plan also refers to benefits for the county from the merger. Over the course of this study, many other opportunities were noted by senior managers and staff. While of value in themselves, realising benefits is also critical to maintaining the morale and commitment of all staff who in many cases, as identified in the consultation phase of this report, are experiencing merger fatigue.

The old two council approach within two regional authorities hindered Tipperary's capacity to promote the economic, social and physical development of the county. The new larger council with greater influence will be in a stronger position to access funding. The county is also now more strategically positioned within the new Southern Regional Assembly and it is anticipated will be better able to attract investment.

Promoting the county from a tourism perspective is now a far more coherent proposition and the county is now in a stronger position to take advantage of the world-wide recognition for the name and brand of 'Tipperary'. It is recognised that the combined county has a very good tourism product and can work towards encouraging visitors to stay in the county rather than stop-off on route to another over-night destination.

The larger council will be better positioned to take advantage of the new priority within local government for community and enterprise development. It will be possible for staff to move into these functions and ensure that optimum services are delivered for communities and citizens in Tipperary.

For management, the larger complement of staff means that it may take-on revenue generating initiatives such as the management of shared services.

For council staff, the larger organisation will afford greater career development opportunities, although these may sometimes be located at the other end of the county. There are opportunities to learn from the expertise of a broader pool of staff and the opportunity afforded by greater staff resources to work on specific projects.

### 5.3 LESSONS LEARNED

The merger of two large public service organisations was not common in Ireland prior to the announcement of the mergers in Tipperary, Limerick and Waterford. For those involved, the process was challenging in many respects but also involved opportunities for development. In the course of the consultation for this report, on a number of occasions learning was identified which is likely to provide guidance to other public service organisations engaged in reorganisation. The suggestions made are also supported by the public management literature around mergers and amalgamations.

The comment most often repeated by those consulted was the importance of resourcing the merger at a very high level. While the commitment and work effort of all line managers is important, in order to ensure normal service is maintained, it is essential to put a senior manager full-time on the merger. This person will be supported as needed by the chief executives, HR, corporate services and other senior managers, but responsibility for the day-to-day oversight of the merger project resides with him or her.

As with any change management project, leadership from the top is regarded as critical. The fact that this requires two chief executives and two management teams, quite possibly with different priorities, to work together effectively makes it both more challenging and more necessary. In some respects public service organisations have an advantage in this regard as the concept of public service ethos encompasses a commitment to implementing government policy. However, an open and committed approach is still required. Effective merger leadership also requires a very high degree of involvement and time from the chief executive/s. In this regard, personal effort on the part of the chief executive/s, for example visiting staff in all organisation sites, is very worthwhile.

In the case of the Tipperary merger it was suggested that 'communication with staff was good but it could have been better'. While challenging in large organisations, efforts to ensure that staff hear messages directly from senior management, rather than a top-down approach whereby line managers are expected to pass on information is desirable. Employing many different means of communication, such as staff bulletins and road shows is also useful with emails only one, perhaps limited, means of communication. Finally, huge time and attention needs to be taken to ensure that communications of a personal nature, for example changes in roles or work locations, are managed in a very sensitive manner. Failures in this regard have the potential to cause huge resentment.

Recognising and addressing cultural differences between the organisations to have merged has a huge bearing on merger consolidation. In particular, different management styles and different approaches to service delivery will need to be reconciled. It is important, though this takes time and energy, that neither organisation's way of doing things is imposed on the other organisation, but instead that a new way of doing things that draws on the best of both emerges.

'Harnessing the support and good will of staff' is regarded as a key success factor in Tipperary. Involving staff at all levels in the project as required, but it is recommended

as early as possible, will contribute to higher levels of engagement with the idea of the merger. Identifying key staff and giving them responsibility for delivering on specific merger projects will be essential during the merger implementation phase. Finally, recognising the considerable work effort and contribution of staff is essential for merger consolidation.

#### **5.4 CONCLUDING COMMENTS**

One of the most significant comments made by a director in discussing opportunities afforded by the merger was that 'there is an appetite to go after benefits'. However, it is essential that this commitment is not just held by the chief executive and directors but by all council staff. Ensuring that this is the case involves acting on the feedback and recommendations set out in this report - that is addressing general work-related issues, dealing with specific problems to have arisen in a small number of sections, and supporting a new, unified culture. Celebrating the merger and identifying and recognising significant contributions are also important.

Ultimately, as noted by Cranfield University School of Management (2002:57) it also helps to understand that there is no 'quick fix' - 'in this context the tribulations and difficulties which you may encounter along the road may seem tolerable'. The authors of the report conclude that 'you can achieve your vision but how quickly depends on how you manage the process.' You start out with a merger and end, perhaps many years forward, with a new organisation and a new culture.

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## APPENDIX 1

Fact Sheet on County Tipperary, Tipperary County Council and the two former administrative areas

Measure	Former North Tipperary County Council	Former South Tipperary County Council	*Tipperary County Council
Population (2011 Census)	70,322	88,432	158,754
Area (Km <sup>2</sup> )	2,024	2,258	4,282
Revenue Budget 2014 (€ million)	€61.37	€64.84	*€138.66
Capital Budget 2014 (€ million)	€7.12	€9.41	€34.64
Commercial rate (2012)	59.525	56.77	56.77
No. of Staff end March 2012 (*WTE)	478	614	**1,002
+Retained Fire-fighters March 2012	72	61	131
Elected Members (No.) 2014	21	26	40
Electoral Areas (No.) 2014	4	5	5
Km of Road	2,728	2,859	5,587
Km of water main	1,413	2,100	3,513
No. of LA-owned dwellings (2014)	1,107	1,357	*4,702

\*Including former Clonmel Borough and six town council administrative areas

\*\* In accordance with DECLG return criteria

APPENDIX 2



## APPENDIX 3

### Tipperary Reorganisation Implementation Group Establishment and Terms of Reference

Arising from the Government decision to establish a unified county council in Tipperary to replace the existing North and South Tipperary County Councils, the Minister for the Environment, Community and Local Government has established an Implementation Group consisting of the following members: -

- Mr. Joe MacGrath (Chair) (Manager, North Tipperary County Council);
- Mr. Billy McEvoy (Manager, South Tipperary County Council).
- Mr. Joe Allen (former Principal, Department of the Environment, Community and Local Government); and
- Mr. Gerry Kearney (former Secretary General, Department of Community, Rural and Gaeltacht Affairs).

Mr. Kearney will work as an External Evaluator and will assist the Group in covering all aspects of its mandate in an objective and effective way and with the resolution of any necessary issues in the completion of its work.

The Group has a general mandate to oversee planning, preparatory work and initial implementation of the reorganisation process. Without restricting its scope or flexibility pursuant to its general mandate, and subject to any additional matters that the Minister may require, the functions of the Group will include oversight of, and assuring delivery in relation to, the following matters: -

1. Establishment of effective co-ordination/project management arrangements.
2. Detailed planning and identification of early actions for the amalgamation of the two county councils including: -
  - analysis of income, expenditure, assets, liabilities, staff (numbers/grades and identification of any surpluses), services, procedures and other relevant matters in the two authorities;
  - identification of requirements for service and organisational rationalisation and integration;
  - such other preparatory, transitional, procedural or administrative measures as may be necessary in relation to the existing authorities or their functions, in preparation for the establishment of the unified authority and the effective performance of its functions.

3. Rationalisation of the provision of services not already subject to joint arrangements in preparation for merger of the authorities and establishment of joint arrangements, as appropriate, with a view to orderly transition to the unified authority, while maintaining effective service delivery.
4. Organisational arrangements, including the early establishment of a joint management team to oversee and deliver successfully the implementation of the restructuring process and integration of corporate functions; and organisational rationalisation and integration generally in line with arrangements relating to services (as at 3 above) including consolidation of particular functions in respective authorities, deployment of staff accordingly and rationalisation of local authority offices and other facilities.
5. Action necessary to maximise cost reductions and efficiencies, and arrangements to measure and monitor their achievement, including savings necessary to ensure that the level of the commercial rate in North Tipperary is reduced to the current level in South Tipperary, following the establishment of the unitary authority.
6. Arrangements to support continued effective performance of functions by the elected councils of the two authorities, service to the councils by management and staff in the context of organisational changes; and arrangements to prepare for the effective operation of the unified council, including such matters as committees, procedures and representation on other bodies.
7. Provision of information to, and consultation with, the elected councils, as appropriate, in relation to the reorganisation process, including provision of regular reports to the councils or a joint committee of the elected councils.
8. Measures to ensure adequate balance between the two authorities in the reorganisation process and in their management generally prior to establishment of the unified authority.
9. Action to achieve alignment and convergence between the objectives and policies of the two authorities as part of the transition towards a unitary authority in 2014.
10. Arrangements to merge relevant bodies linked with or related to local government such as the separate County Development Boards, Joint Policing Committees and County Enterprise Boards, and relevant measures to support the alignment of local government and local/community development in line with overall policy in that regard.
11. Identification of measures to maximise the capacity of local government to contribute to the economic development of Tipperary as a whole.

The Group will ensure that Government policy on local government, the public service, the public finances and other relevant matters are reflected, as necessary, in the implementation process and that due account is taken of relevant analysis and recommendations in reports such as the Local Government Efficiency Review.

The Implementation Group will provide progress reports to the Minister, as appropriate, with an initial report to be provided not later than 30 November 2011, which should include a statement of the implications of unification.

Having regard to the foregoing and any other matters considered appropriate, the Group will adopt an Implementation Plan not later than 31 May 2012 to set a clear agenda and guidance for the continuation and completion of the reorganisation process under transitional management arrangements from early 2012 leading to the establishment of the unitary authority in 2014.

