



Public Document Pack

Jeff Hughes
*Head of Democratic and Legal
Support Services*

MEETING : EXECUTIVE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : WEDNESDAY 15 JUNE 2011
TIME : 7.00 PM

PLEASE NOTE TIME

MEMBERS OF THE EXECUTIVE

Councillor Tony Jackson	- Leader of the Council
Councillor Malcolm Alexander	- Deputy Leader and Executive Member for Community Safety and Environment
Councillor Mike Carver	- Executive Member for Planning Policy and Economic Development
Councillor Linda Haysey	- Executive Member for Health, Housing and Community Support
Councillor Michael Tindale	- Executive Member for Finance

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PERSONAL AND PREJUDICIAL INTERESTS

1. A Member with a personal interest in any business of the Council who attends a meeting of the Authority at which the business is considered must, with certain specified exemptions (see section 5 below), disclose to that meeting the existence and nature of that interest prior to the commencement of it being considered or when the interest becomes apparent.
2. Members should decide whether or not they have a personal interest in any matter under discussion at a meeting. If a Member decides they have a personal interest then they must also consider whether that personal interest is also prejudicial.
3. A personal interest is either an interest, as prescribed, that you must register under relevant regulations or it is an interest that is not registrable but where the well-being or financial position of you, members of your family, or people with whom you have a close association, is likely to be affected by the business of the Council more than it would affect the majority of inhabitants of the ward(s) affected by the decision.
4. Members with personal interests, having declared the nature of that personal interest, can remain in the meeting, speak and vote on the matter unless the personal interest is also a prejudicial interest.
5. An exemption to declaring a personal interest applies when the interest arises solely from a Member's membership of or position of general control or management on:
 - any other body to which they have been appointed or nominated by the authority
 - any other body exercising functions of a public nature (e.g another local authority)

In these exceptional cases, provided a Member does not have a prejudicial interest, they only need to declare their interest if they speak. If a Member does not want to speak to the meeting, they may still vote on the matter without making a declaration.

6. A personal interest will also be a prejudicial interest in a matter if all of the following conditions are met:
 - the matter does not fall within one of the exempt categories of decisions
 - the matter affects your financial interests or relates to a licensing or regulatory matter
 - a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgement of the public interest.

7. Exempt categories of decisions are:
 - setting council tax
 - any ceremonial honour given to Members
 - an allowance, payment or indemnity for Members
 - statutory sick pay
 - school meals or school transport and travelling expenses: if you are a parent or guardian of a child in full-time education or you are a parent governor, unless it relates particularly to the school your child attends
 - housing; if you hold a tenancy or lease with the Council, as long as the matter does not relate to your particular tenancy or lease.

8. If you have a prejudicial interest in a matter being discussed at a meeting, you must declare that interest and its nature as soon as the interest becomes apparent to you.

9. If you have declared a personal and prejudicial interest, you must leave the room, unless members of the public are allowed to make representations, give evidence or answer questions about the matter, by statutory right or otherwise. If that is the case, you can also attend the meeting for that purpose. However, you must immediately leave the room once you have finished or when the meeting decides that you have finished (if that is earlier). You cannot remain in the public gallery to observe proceedings.

AGENDA

1. Apologies

To receive apologies for absence.

2. Minutes (Pages 5 - 8)

To approve the Minutes of the meeting held on 24 May 2011.

3. Leader's Announcements

4. Declarations of Interest

To receive any Member(s) declaration(s) of interest.

5. East Herts/Stevenage Revenues and Benefits partnership arrangements
(Pages 9 - 52)

6. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

MINUTES OF A MEETING OF THE
EXECUTIVE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 24 MAY 2011, AT 7.00 PM

PRESENT: Councillor A Jackson (Chairman/Leader)
Councillors M Alexander, M Carver,
L Haysey and M Tindale

ALSO PRESENT:

Councillors D Andrews, W Ashley,
R Beeching, E Buckmaster, S Bull,
Mrs R Cheswright, Mrs D Hollebton, P Moore,
T Page, P Phillips, N C Poulton, S Rutland-
Barsby, N Symonds, J Wing and B Wrangles

OFFICERS IN ATTENDANCE:

Anne Freimanis	- Chief Executive
Simon Drinkwater	- Director of Neighbourhood Services
Caroline Goss	- Communications Officer
Martin Ibrahim	- Senior Democratic Services Officer
George A Robertson	- Director of Customer and Community Services

17 LEADER'S ANNOUNCEMENTS

The Leader welcomed Members to the meeting and advised that this was the first Executive meeting to be webcast.

18 **MONTHLY CORPORATE HEALTHCHECK - MARCH 2011**

The Executive considered an exception report on financial and performance monitoring for March 2011.

RECOMMENDED – that (A) the budgetary variances set out in paragraph 2.2 of the report submitted, be noted; and

(B) in accordance with Financial Regulation 4.7.3, the carry forward of the capital budgets not spent in 2010/11, as set out in Essential Reference Paper ‘D’ and summarised at paragraph 2.32, be approved and added to the 2011/12 capital estimates.

19 **MINUTES**

RESOLVED – that the Minutes of the meeting held on 22 May 2011, be approved as a correct record and signed by the Leader.

20 **PUBLIC ENGAGEMENT AND CONSULTATION TASK AND FINISH GROUP**

The Executive considered a report setting out the key findings of the Community and Public Engagement Task and Finish Group. The report also included a proposed Executive response to the recommendations.

The Leader welcomed the report and commented that the work of the task and finish group exemplified the valuable role that scrutiny enjoyed in influencing and developing the policies of the Authority.

The Executive Member for Health, Housing and Community Support thanked the task and finish group for its work and in particular, expressed gratitude to its Chairman, Councillor M Wood. She commented on the importance of community leadership and the need for effective communications to ensure engagement with all sections of the community.

The Executive Member welcomed the findings and suggested that Corporate Business Scrutiny Committee should be asked to explore the options and to consider how the concepts could be turned into practice. She emphasised that this needed to be done within existing budgets and staffing resources.

A number of Members commented on Community Voice and how unsatisfactory some of them had been. The Executive Member responded by suggesting that greater flexibility was needed as local ward councillors would know what would be most effective in their areas.

A number of comments were also made in respect of more modern communication tools, such as Facebook and Twitter. The Executive noted that whilst some sections of the community would prefer more traditional communication, it would be important to balance this with the need to utilise new media forms to engage with younger people.

The Executive approved the recommendations as now detailed.

RESOLVED – that (A) the Executive response, as set out in Essential Reference Paper ‘B’, be approved; and

(B) the Corporate Business Scrutiny Committee be invited to consider and recommend practical options for implementation by November 2011.

21 MONTHLY CORPORATE HEALTHCHECK - FEBRUARY 2011

The Executive considered an exception report on financial and performance monitoring for February 2011.

In response to a question, the Executive Member for Finance commented that purchasing Apton Road and Baldock Road car parks provided an opportunity for the Council to invest in assets it owned rather than leased.

The Executive approved the proposals as now detailed.

RESOLVED – that (A) the budgetary variances set out in paragraph 2.2 of the report now submitted, be noted; and

(B) the capital re-profiling, including the acquisition of Apton Road and Baldock Road car parks, as identified in Essential Reference Paper ‘D’, be approved.

The meeting closed at 7.31 pm

Chairman
Date

EAST HERTS COUNCIL

THE EXECUTIVE - 15 JUNE 2011

REPORT BY EXECUTIVE MEMBER FOR
HEALTH, HOUSING AND COMMUNITY SUPPORT

EAST HERTS/STEVENAGE REVENUES AND BENEFITS
PARTNERSHIP ARRANGEMENTS

WARD(S) AFFECTED: All

Purpose/Summary of Report

- To set out proposals for the creation of a single, shared Revenues and Benefits Service with Stevenage Borough Council

<u>RECOMMENDATIONS FOR COUNCIL:</u> that	
(A)	the view be supported that a shared Revenues and Benefits service with Stevenage Borough Council is viable and will deliver benefits as described in the business case document titled 'Revenues & Benefits Shared Service for East Herts & Stevenage', at Essential Reference Paper 'A' and to implement the proposals set out in this document;
(B)	a Joint Revenues and Benefits Shared Service Committee with Stevenage Borough Council, as detailed at Essential Reference Paper 'B', be approved;
(C)	the creation of a Joint Management Board for a shared Revenues and Benefits service be approved;
(D)	as the host authority for the shared service, the proposals to discharge, on behalf of Stevenage Borough Council the administration of Council Tax, National Non-domestic Rates and the administration of the Benefits scheme, including the investigation and prosecution of Benefit Fraud, in accordance with section 101 of the Local Government Act 1972, be approved, with the effective date for this arrangement to be agreed by the Chief Finance Officers at each Council;

(E)	a contingency of £25,000 for unforeseen set up costs, be approved, to be met by a supplementary estimate if required;
(F)	splitting set up costs and savings 50:50 for the first three years, be approved; and
(G)	the Director of Internal Services be authorised to approve a partnership agreement with Stevenage Borough Council, to implement these proposals, subject to final confirmation of the business case.

1.0 Background

- 1.1. Both East Herts Council and Stevenage Borough Council, see benefits in joint provision of services. Both have supported the Hertfordshire Pathfinder initiative and have recently made a public commitment to develop joint working on support services with North Herts Council.
- 1.2. Through professional contact between the Strategic Director (Resources) Stevenage Borough Council and the Director of Internal services at East Herts Council it became apparent, that the Revenues and Benefits services at each authority had the potential to be brought together to create a more cost effective and resilient, single shared service.
- 1.3. On 13th July 2010 the Executive approved the creation of an Interim Joint Management Team (IJMT) from 1 August 2010, with a shared Head of Service, to manage the Revenues and Benefits functions for Stevenage Borough Council and East Herts Council. Part of the remit for the IJMT was to produce a business case around the feasibility of a single, shared Revenues and Benefits Service for both councils.
- 1.4. The business case is persuasive and approval is sought to implement the shared service. The business case is shown at **Essential Reference Paper 'A'**.

2.0 Report

- 2.1 The business case was developed around three main objectives for a Revenues and Benefits service, namely, delivering efficiencies, strengthening resilience and consolidating best practise to underpin good performance. All of these objectives can be achieved with some immediate benefits.
- 2.2 Proposals in this report for a shared service will place control of the implementation entirely in the hands of the partnering Councils, unencumbered by lengthy procurement exercises and without the need to rely on third parties, with whom relationships have not previously existed.
- 2.3 A strong working relationship has developed between officers at all levels across both authorities, as the work of the IJMT has been undertaken over a period of several months. That relationship has already brought improvements to work practices and helped secure ongoing savings.
- 2.4 The success of the IJMT arrangements led Executive on 12th October 2010 to agree that a shared Revenues and Benefits service under a joint governance model, was a preferred option, subject to the more detailed business case now brought forward.
- 2.5 The project to establish the business case for a shared Revenues and Benefits service started in advance of the review of shared support services with Stevenage Borough Council and North Herts Council. However, the objectives for a shared Revenues and Benefits Service, around efficiencies, performance and resilience, fit well with the aims of the overall strategic direction being pursued for support services.
- 2.6 There are distinct models through which shared services may be delivered. The administrative model, involves the creation of a joint committee, delegation of a function to another authority and includes arrangements for managing staff engaged in delivering those functions.
- 2.7 The administrative model is the most familiar to Members and officers at both authorities. It is the easiest and least expensive to set up and run. It is equitable and keeps control of the service close to Members and officers. It has no VAT or tax implications.

- 2.8 It is proposed that a joint committee is established for a single Revenues and Benefits service, comprising three elected Members from Stevenage Borough Council and three from East Herts Council. Draft terms of reference for the committee are shown at **Essential Reference Paper 'B'**.
- 2.9 It is proposed that further details of the service provision, performance monitoring, conflict resolution and a disengagement protocol, be developed and reported to the Joint Committee for consideration. With each Council's 151 officer being given delegated authority to approve a partnership agreement.
- 3.0 Key Considerations
- 3.1 **Accommodation:** There are three options. Locate in Stevenage Borough Council's Daneshill House, locate in East Herts' Wallfields site in Hertford or seek new accommodation. The third option can be discounted as unaffordable. Of the two remaining options, Wallfields is less expensive than Daneshill House. That, combined with the refurbishment of Wallfields, bringing that site into a state of readiness for homeworking and flexible working much sooner than could be achieved at Daneshill House, presents Wallfields at the most suitable site for the shared service.
- 3.2 **Technology:** For practical reasons it is more effective to co-locate ICT provision with the staff. Having identified Wallfields as the better option for the location of office based staff, it follows that ICT should be provided to the shared service from that site.
- 3.3 **Human resource considerations:** From a management perspective, creating a single staff group, in a single structure on the same terms and conditions is not only fair and equitable, but would strengthen service resilience and provide a sound basis for achieving efficiencies. A new organisation structure is proposed, to which staff from both Councils will be appointed. To achieve this it is proposed to transfer Stevenage Borough Council's Revenues and Benefits and Anti-Fraud staff to the employment of East Herts Council, applying the principles of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). The proposed date of transfer is 1st August 2011, subject to formal consultation with staff and unions.
- 3.4 **Customer interface:** Walk-in customer contact for Stevenage customers will be maintained at the Stevenage Borough Council's

Customer Service Centre in Daneshill House. East Herts Council's walk-in customer service will continue at existing sites in Bishop's Stortford and Hertford. All customers calling by telephone will be routed to the shared service. The telephony arrangements for Stevenage Borough Council's customers will be subject to a review within the first year of operation.

- 3.5 **Finance:** A base budget for a shared service has been constructed in order to identify and understand the costs associated with the Revenues and Benefits Services at both Councils. This has formed the basis on which the Chief Financial Officers at both Councils have agreed, in principle, to share costs and savings associated with a joint budget. As these savings require participation of both Councils a 50:50 apportionment is the most equitable basis.
- 3.6 The shared service is projected to make savings of £133,000 in 2012/13 and thereafter £173,000 each year. These savings have been calculated on a prudent basis and actual savings could exceed the figures stated above. The shared service budget will meet pensions costs for current service only. Each Council will separately account for the funding of pensions deficits in respect of pooled staff.
- 3.7 In order to deliver savings outlined in paragraph 3.6, there are set up costs in order to resource data links between Hertford and Stevenage and to facilitate home working for staff. The total one-off set up costs are projected to be £126,000. Some of the costs relates specifically to SBC staff or ICT improvement for EHC. These costs have been borne by the relevant Council, all other costs have been apportioned on a 50:50 basis, and EHC set up costs are £74,000, to be met from existing ICT capital budgets. The set up costs do not currently include any potential redundancy costs, which may arise on transition to the new structure. To mitigate these risks, short term appointments have been used at both Councils when filling recent vacancies.
- 3.8 The proposed business case to locate the shared service at Hertford, means that Stevenage Borough Council retains some residual overheads, for example, costs associated with accommodation, Human Resources, etc. These are estimated at £382,000. SBC and EHC officers reviewed these costs and some of this relates to capital charges and costs that will remain with the Council, regardless of the shared service relocating. However £64,500 has been identified as potential savings in ICT, Customer

Service Centre and Facilities Management and when released (projected to be 2013/14), these will be shared 50:50 between the two Councils. If the sharing of back office services is successful, it may be possible to make further savings on these residual costs.

- 3.9 The option to create a shared Revenues and Benefits Service based on the key decisions above, will deliver excellent performance, strengthen resilience in the service and secure sustainable savings.
- 3.10 Staff and the recognised trades unions have been consulted. Staff briefings were held and written material about the proposals was provided. Whilst staff have sought clarification on a range of issues, no counter proposals have been received. Should a decision be taken to proceed with the proposals, further consultation with staff and unions will be undertaken.
- 3.11 Unison's response is detailed at **Essential Reference Paper 'D'**. The Council's feedback to this response is detailed at **Essential Reference Paper 'E'** (to follow).

4.0 Implications/Consultations

- 4.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'C'**.

Background Papers

None

Contact Member: Councillor Linda Haysey, Executive Member for Health, Housing and Community Support

Contact Officer: Alan Madin, Director of Internal Services, ext 1401

Report Author: Alan Madin, Director of Internal Services

Revenues and Benefits Shared Service for East Herts and Stevenage Business Case



Revenues and Benefits
Shared Service for
East Herts and Stevenage
Business Case

19 May 2011

Author: Su Tarran
Head of Revenues and Benefits Services

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1. Purpose

- 1.1 This document sets out the business case for sharing Housing Benefit and Local Taxation services between East Herts Council (EHC) and Stevenage Borough Council (SBC). It outlines the key areas considered by the joint project team and sets out a preferred option for consideration by the Executives at both Councils.
- 1.2 Financial pressures on local Councils will be challenging for the foreseeable future. Both Stevenage Borough Council and East Herts Council have commendable track records in delivering efficiency savings. However, the savings challenges ahead, on top of savings already achieved, makes further efficiencies of the scale required impossible to deliver, without considering an alternative delivery model for the services they provide.
- 1.3 Both Councils have already committed to a shared services agenda. Housing Benefits and Local Taxation services in the two Councils are now jointly managed. In February 2011 both Executives agreed to pursue a business case for sharing support services. Sharing services provides an opportunity to drive out efficiencies and achieve greater resilience than would be available when delivering smaller scale operations individually in the respective Councils.
- 1.4 A successful shared service will create opportunities for future savings by the addition of one or more partners and would likely be more attractive to the market, If this option is one which the Council's wish to explore in the future.

2. Background

- 2.1 The cuts to funding for local government first announced at the end of May 2010 and in the budget of June 2010, reinforced the need to reduce costs and improve efficiency across all services. SBC changed software systems from Pericles to Capita in November 2009. This move makes the shared service proposals possible, as this is the software system used by EHC. In addition, EHC has already approved investment in ICT to increase productivity within the Revenues and Benefits services, but this will not suffice. There are limits to what can be achieved working in isolation and the sharing of services opens opportunities for other efficiencies. The coalition government has stressed how partnership working must be used to deliver efficiencies.
- 2.2 It is consequently imperative that both Councils take a proactive approach in seeking and developing this shared service opportunity.
- 2.3 In Hertfordshire, examples of outsourcing and large scale multi service mergers have taken place. However, this is the first shared service proposal that is specifically about Revenues and Benefits.
- 2.4 The Government's welfare agenda includes centralising fraud investigation, the launch of the Universal Credit, as well as a reform of a local Council Tax benefit. Explicit details of the impact of each of these developments are yet to be finalised by central Government, but are not considered to negatively impact on the value of the business case. Implementing change on one site will be more cost effective than duplicating this on two sites. The Government's proposals do not include local taxation and business rates, and it is considered likely that there will be a role for local Councils in the residual Benefits administration. This reinforces the need to work in collaboration.

3. Executive Summary

3.1 This business case proposes that:

- A single shared service is set up to deliver Housing Benefits, Council Tax, National Non Domestic Rates (NDR) and Benefit Fraud Investigation services.
- The shared service is “hosted” by EHC. This means in effect that the service will be delivered operationally by officers employed by EHC. Support services, such as, Human Resources, Information and Communications Technology and Facilities Management, will be provided to the shared service by EHC.
- The Shared Service will be operationally accountable to a joint officer board, consisting of the Chief Financial Officers in the two Councils and to a joint committee of Members from each Council. It is envisaged that the joint committee will meet two or three times each year.
- The shared service “hub” (administrative base) will be based in Hertford supported by homeworking, flexible working and remote working policies.
- Local service identity will be retained from the customers’ perspective. This will include the retention of separate SBC and EHC letter headings, with face to face customer contact retained through the existing customer services arrangements at each Council in Stevenage, Bishop’s Stortford and Hertford.
- Each Council retains control over discretionary areas of the service, such as discretionary rate relief.
- Staff are managed as part of a single service with harmonised business processes, one operational structure and common terms and conditions of service.
- The savings deliverable through these proposals are summarised below:

2012/13 £133,000
2013/14 onwards £173,000

The financial information relating to the proposal, clearly sets out immediate savings of £132,860 in the first year after ‘go live’, followed by ongoing savings of £172,860. These are largely achievable from reduced staff costs, with other savings derived from achieving economies of scale

3.2 An indicative implementation timetable, based on the conclusion from this Business Case, is summarised below:

Reports to Executives	June 2011
➤ Staff & union consultation	June / July 2011
➤ Transfer SBC staff to EHC	August 2011
➤ Selection process	September 2011
➤ Appointments to new structure	October 2011
➤ Transition period	Phased 2011
➤ ‘Go-live’ with single service	December 2011

4. Key Requirements

- 4.1 Key requirements against which the business case must be tested were developed by the Strategic Director (Resources) (SBC) and the Director of Internal Services (EHC), with the Head of Service, for the purposes of shaping this Business Case.
- 4.2 The requirements reflect both Councils commitment to excellent customer service, whilst demonstrating ongoing value for money, and building both flexibility and strength into future service delivery.
- 4.3 By working together, sharing technology and skills, opportunities arise to place the Councils in a strong position for the future. Key areas of strength are:
- Robust service, with greater flexibility to meet future demands
 - High and stable performance
 - Efficiencies and cost reductions, with value for money
 - Flexible and adaptable workforce that can meet service demands
 - Motivated workforce that can achieve work life balance by flexible working practices
 - Greater development and career opportunities for staff.
- 4.4 Success will create a platform on which to attract additional partners and drive out further savings and efficiencies.
- 4.5 Economies of scale in the operation of the services will create scope for both excellent performance and sustainable efficiencies.

4.6 Scope

- 4.6.1 The scope of this Business Case is summarised in the table below.

SBC and EHC	
Benefits	All aspects of the administration of the Benefits scheme. Including assessment, payment and the recovery of overpayments.
Local Taxation	All aspects of the administration of Council Tax and Business Rates. Including billing, collection and recovery of arrears.
Fraud	All aspects of the investigation, detection and prevention of benefit fraud.

4.7 Exclusions

- 4.7.1 The Revenues structure at SBC historically includes Cashiers and the Security Team, which are excluded from the scope of the Business Case. Alternative management arrangements for both of those services have been put in place. In making those arrangements, opportunities have been taken to consider alternative ways of providing those services, which may also deliver savings.
- 4.7.2 At EHC the Revenues and Benefits structure includes Sundry Debtors, which falls outside the scope of the Business Case. Alternative management arrangements have been agreed.

- 4.7.3 The scope embraces all activities that are core to the delivery of effective and efficient Revenues and Benefits services. These are the functions upon which the achievement of savings, the strengthening of resilience and the stabilising of performance should be focused.
- 4.7.4 Some activities and processes are conducted in part by Revenues and Benefits and in part by separate service areas, examples include financial reconciliation, post opening, post dispatch and IT system administration. As part of the implementation of a shared service, these processes will be redesigned to bring clarity and agreement on demarcation between service areas.
- 4.7.5 Both Councils retain their separate responsibilities for exercising discretions, for example, second homes relief and discretionary business rate relief. Receipt of income and payments in respect of taxes and benefits, will continue to flow in and from each Council's bank account as now.

5. Current Position

- 5.1 Structurally and in terms of business processes, both EHC and SBC Revenues and Benefits services are broadly similar. The services have several operational features in common, significantly being on the same IT system, although there are some differences in the geographical size and customer base.
- 5.2 Both sites are vulnerable to changes in the demands on their services. The creation of a larger single workforce will substantially improve the ability of the services to respond effectively to those fluctuations.
- 5.3 The comparative similarities create a strong foundation on which to develop a single shared service
- 5.4 Other features of the two Revenues and Benefits services are set out in **Appendix 1**.

6. Preferred Option: Key Decision Areas

- 6.1 The Revenues and Benefits Joint Working project team identified areas, key to the Business Case on which a recommendation to follow a particular direction would need to be agreed by the Strategic Director (Resources) (SBC) and the Director of Internal Services (EHC). Agreement was facilitated through workshop sessions, supported by working papers which set out relevant material for consideration. Direction on preferred options was given at regular Project Sponsor meetings.
- 6.2 In order to reach a recommendation for the Executives on each of the key areas, the Directors considered timescales for implementation, costs, the readiness of each Council to deliver in key areas and the potential impact on both Councils.
- ### 6.3 Customer Interface
- 6.3.1 As excellent customer service is core to these functions it is essential to maintain a walk-in customer interface in Stevenage, Bishop's Stortford and Hertford. At the EHC sites, Revenues and Benefits customers will be served by dedicated officers from within the shared service. At Stevenage the current service provided by the Customer Service Centre (CSC) staff will be maintained.

- 6.3.2 For telephone customers, all calls will be resolved by officers working within the shared service. At Stevenage this means that calls will no longer be resolved by the Customer Service Centre.
- 6.3.3 High priority will be given to the delivery of effective customer interfaces and this will include a review of all contact channels. There may be scope to develop the role of the SBC CSC in handling Revenues and Benefits calls in the future, but this will be subject to an evaluation after the shared service has gone live.
- 6.3.4 Initially, customers will experience little or no difference in the 'look and feel' of the service they receive, whether calling in person, calling by phone or receiving written communication. However, after the service has bedded down following go-live, the roll out of customer service improvements, such as more self service will be developed.

6.4 Accommodation and Facilities Management

- 6.4.1 The shared service vision features one 'host' Council, providing accommodation and facilities management, as well as all other support services. The main criteria used to consider options for locating a shared service were costs and availability.
- 6.4.2 To gain maximum efficiencies from the shared service, it will be necessary to manage the shared service from a single location. The main benefits of doing this over a two site option are:
- Management will be reduced
 - Resilience improved
 - Teams become cohesive and more effective
 - Career prospects for staff within the service are improved
 - A more efficient IT solution can be created
 - Office accommodation at one site can be released
- 6.4.3 EHC is in the process of refurbishing offices at Wallfields in Hertford, to be completed for the relocation of staff from Bishop's Stortford by July 2011. This will provide a working environment designed around well established working practices such as homeworking and flexible working, which will be key to the success of a shared Revenues and Benefits Service.
- 6.4.4 As the service will comprise a mix of office based staff, homeworkers and outside officers (remote workers), the accommodation has been designed specifically to meet the needs of the various flexible working patterns followed by those officers.
- 6.4.5 In essence, EHC accommodation and working practices associated with use of accommodation will be in the best state of readiness to facilitate the implementation of a shared service, and is also less expensive.
- 6.4.6 In the case of SBC staff, these proposals provide the basis to revise current work practices, with relevant staff provided with the opportunity, equipment and training, to work from home as well as in the office. Individual working arrangements would be agreed between management and staff, and so support an efficient cost-effective and productive workforce. SBC staff consultation is taking place on applying these policies and practices.

6.5 Technology

- 6.5.1 A Revenues and Benefits Service cannot be provided without fit for purpose, up-to-date and well supported IT systems. If any aspect of the IT is inadequate, it will have a direct impact on customer service and business performance levels.
- 6.5.2 Currently, both Councils have the same Revenues and Benefits software system, which meets the needs of both services. This provides a sound platform on which further IT commonality can be built. Having a single IT solution will underpin the ability of the shared service to achieve economies of scale, realise efficiencies and deliver future customer service improvements.
- 6.5.3 Initial timescales and potential costs of moving to a single IT solution have been estimated. This has informed the 'Finance' section of this document.
- 6.5.4 A data link between the EHC and SBC networks will be required wherever the single Revenues and Benefits Service is located. This link is needed to exchange data between the two sites. Such data will include images of documents that customers have brought into the SBC Customer Service Centre, as well as a range of interfaces with the SBC's financial information system.
- 6.5.5 In the interest of efficiency and effectiveness, the provision of ICT Services should be co-located with the shared service 'hub'. Given that the EHC Wallfields site is in an advanced state of readiness to support the preferred option for a shared service 'hub', it follows that the ICT needs of the shared service should be provided from there.

6.6 Change Management

- 6.6.1 The law is unclear on whether or not the Transfer of Undertakings (Protection of Employment) Regulations, known as TUPE would apply to SBC Revenues and Benefits staff in the event that their work is transferred to EHC. However, having due regard to statutory guidance relating to this question, a view has been taken by Solicitors and Heads of HR at both Councils, that in transferring SBC staff to EHC the principles of TUPE should be applied.
- 6.6.2 This means that in moving SBC staff to become employees of EHC, protection will be afforded to their terms and conditions of employment through the transfer of employment.
- 6.6.3 The approach proposed for EHC staff is based around following the EHC procedures for a re-structure.
- 6.6.4 A recruitment and selection process will be run for both staff groups simultaneously, ensuring every member of staff is treated equitably, regardless of their original employer.
- 6.6.5 Some staff may become at risk of redundancy through this process. However over the last year as vacancies have arisen, these have been filled by a combination of fixed term contracts, and other temporary solutions, where possible. This forward planning will reduce the number of staff that may be put at risk.
- 6.6.6 In line with good practice, staff consultation has already started on some elements of this Business Case, the feedback from which is included in covering reports to Executives. That consultation has included regular project sponsor meetings at Stevenage with 'Change Champions' from the Revenues, Benefits and Anti-Fraud sections. Staff and unions at both Councils have been provided with the same consultation documents, including a proposed joint recruitment and selection policy, flexible and home-working policies and an outline staff structure chart. In addition, staff briefings have taken place and one-to-one meetings

offered. Questions and answers from both staff groups have been published on both intranets.

6.6.7 Arrangements were put in place for staff to feedback on the consultation through a variety of means, including face to face with their manager and an HR professional, in writing or by email. SBC staff have had the opportunity to complete a questionnaire in regard to the new working patterns proposed as EHC have been flexibly working since 2009. The questionnaire will be used to identify additional concerns and issues the project team have to address.

6.6.8 Two periods of consultation on proposals have been scheduled. Firstly, a 30 day period ending on the 9th May 2011, for staff and unions to give their initial feedback. A second 30 day period will be set aside for staff and union consultation, should the Executives agree the recommendations in June 2011.

6.6.9 An evaluation of the feedback from staff has identified concerns in general regarding the details of the transfer and selection process. These concerns will be addressed through the change management process.

6.6.10 The summary timetable for staff is as follows:

- **Staff & union consultation** **08/04/11 to 08/05/11**
- **Reports to Executives** **June 2011**
- **Staff & union consultation** **June / July 2011**
- **Transfer SBC staff to EHC** **August 2011**
- **Selection process** **September 2011**
- **Appointments to new structure** **October 2011**
- **Transition period** **Phased 2011**
- **'Go-live' with single service** **December 2011**

6.6.11 Consultation has started with recognised unions at both EHC and SBC. Individual and joint union meetings have been held. Consultation will continue throughout the process.

6.6.12 Change management is instrumental to the success of a Revenue and Benefits shared service, on which an overall implementation plan will be dependent. Given the importance of this specialist area, dedicated support from HR Officers at both Councils are regarded as essential.

6.7 Structure & Jobs

6.7.1 Currently, each Council has a small to medium sized Revenues and Benefits Service, with some duplication in management and other functions. A single service allows efficiencies to be taken from a streamlined structure and from ancillary costs, such as those for staff training and IT licences.

6.7.2 A new single structure will provide stronger resilience in service delivery at lower cost, than either Council could achieve if the services remained separate.

- 6.7.3 The structure supports the core functions of Revenues and Benefits processing and Fraud investigation, underpinned by specialist support teams to ensure IT integrity and compliance with local and statutory activities. **See Appendix 2.**
- 6.7.4 The operational model has been designed to ensure that good quality service is maintained, with capacity to improve in areas where it is needed. The management structure is streamlined, enabling significant savings to be delivered.
- 6.7.5 An option to operate the shared service from a single 'hub', with one 'host' Council is accompanied by a desire to move staff from both Councils to common terms and conditions of employment. This would remove the risk of equal pay claims arising and avoid the unsatisfactory possibility of having staff from different organisations doing the same job, but on different job grades.
- 6.7.6 Whilst it would be possible to introduce common terms and conditions for both staff groups without having a single employer, this would create unacceptable anomalies and new risks for both organisations.
- 6.7.7 New jobs descriptions have been designed so that staff at all levels are transferable across that level, if necessary, whilst retaining specific professional areas of expertise for their routine key area of activity. This builds in flexibility for moving staff across work areas, in response to changing work demands.
- 6.7.8 Key specialist functions are:
- ▶ **Systems Administration** and service support is essential to a Revenues and Benefits service, which is entirely dependent on the effective operation of IT systems.
 - ▶ **Outside Officers (remote workers)** roles, which include rating inspections and welfare visits, are assimilated in order to give resilience and avoid duplication across a large geographical area.
 - ▶ **Customer Support Officers** provide administrative support to the whole service. They carry out a range of activities to support the work of the professional officers, as well as being the front line customer interface on the phone and face to face at EHC sites.
 - ▶ **Fraud** staff are specialist, trained officers who focus on anti-fraud work. These posts sit in a section alongside officers conducting **Control** and reconciliation activities necessary for the entire service. The recovery of overpaid Housing Benefit is also dealt with in this area. Those staff also ensure that statutory returns are sent on time and that audit recommendations are complied with. Internal training is co-ordinated by this section.
- 6.7.9 The take up of home and flexible working are key characteristics of this model, as efficiencies can be achieved through reduced sickness levels, increased staff retention and improved productivity. This is a new opportunity for SBC staff to take advantage of more flexible working patterns which may improve work life balance.

6.8 Governance & Management Arrangements

- 6.8.1 Control of the service needs to be kept close to Members and Officers at both Councils, with the authority to take policy decisions retained by both Executives.
- 6.8.2 Initially, a range of options for governance and management arrangements were considered. These include establishing a separate company limited by shares or limited by guarantee, a limited liability partnership or a joint committee and a joint management board.

There is a desire shared by both Councils to keep governance arrangements simple to maintain, affordable and which fits well with a local government ethos.

- 6.8.3 The option which most closely meets the criteria is a joint committee and a joint management board. This option provides access to the service and control of the service for Officers and Members not offered by other governance options. Draft terms of reference are given at **Appendix 3**.
- 6.8.4 Whilst the business of a joint committee would be focused on issues such as budgets and service plans, responsibilities for operational management would rest with a joint management board. This would comprise of the Chief Finance Officers from each Council, the Head of the shared service, with specialist support from other Officers as required.
- 6.8.5 The option to create a shared Revenues and Benefits service with Stevenage Borough Council under a joint governance model has already been approved by EHC Executive on 12th October 2010, subject to this business case.
- 6.8.6 In the event that either Council wishes to disengage from a shared service arrangement, the decision may be taken quickly and easily by a decision of either Executive. The implementation of such a decision would need careful planning and resourcing between both Councils.
- 6.8.7 Subject to the acceptance of this business case, a separate written agreement reflecting all the appropriate aspects will be drawn up.

7. Anticipated Benefits

- 7.1 The proposed model for a shared Revenues and Benefits service provides the opportunity to realise benefits which link directly to the project objectives around efficiencies, performance and resilience.
- 7.2 The financial information relating to the proposal, clearly sets out immediate savings of £132,860 in the first year after 'go live', followed by ongoing savings of £172,860. These are largely achievable from reduced staff costs, with other savings derived from achieving economies of scale.
- 7.3 Savings have already been achieved as part of the Interim Joint Management Team arrangements, giving total savings of more than £200,000.
- 7.4 As business processes are assimilated, redesigned and streamlined, there is the potential to drive out further sustainable savings.
- 7.5 Shared staff skills and knowledge, coupled with a robust staff structure, designed around core business activities of paying benefits and collecting taxes, will enable the stabilisation of performance across the whole business. Once performance has been stabilised, challenging targets will be set, to bring all performance measures into the 'excellent' category.
- 7.6 In bringing together the resources and expertise of two services, levels of strength in resilience will be achieved, which could not be matched if the two services remain separate. The size of the shared service combined with the professional expertise should strengthen confidence for both Councils in the capability of the service to face the vagaries of the service as well as future service challenges, whether they come from legislative changes, customer demand or efficiency targets.

7.7 Once the shared service has 'bedded in' customers from Stevenage and the East Herts district will enjoy a reliable level of service delivery at reduced costs. Once the shared service has been established, good practices in customer service from each Council will be rolled out across both customer groups.

8. Finance

8.1 A collaborative approach was taken to the construction of a comparable base budget for the Revenues and Benefits services of both Councils, as a foundation for agreeing how costs and savings will be shared and accounted for. The agreed form and content of the base budgets serves as the platform on which future years budgets for a single Revenues and Benefits Service will be managed.

8.2 The financial assumptions made in creating a base budget have been made using information contained in the 2011/12 revenue budgets, for each Council's Council Tax, Business Rates, Benefits and Anti- Fraud services.

8.3 The base budget was constructed across the headings detailed below.

8.3.1 Shared service operation

Indicative operating costs, salaries and ongoing costs associated with the set up of the shared service.

8.3.2 Shared service specific costs

Costs which are either, paid by one Council but directly recharged to the other Council, or are local to one Council and therefore not part of the shared service.

8.3.3 Set up costs

Details of one off set up costs, known at the time of producing this report, are included in this section.

8.3.4 Diminishing overheads

Details of support service costs retained by the non-host Council and the proportions likely to be released into the savings model over a three year period.

8.3.5 Retained costs & income

Costs retained by each Council that do not form part of the shared service budget. These reflect the core payment of Benefits and receipt of subsidy. Costs for local service delivery choices, including the walk in service at each site. Capital recharges, depreciation etc.

8.4. It is the shared service operation budget, affected by the diminishing overheads budgets release of savings, which produce the indicative savings that could be generated by the creation of a shared service.

8.5 **Appendix 4** details the above analysis, and demonstrates savings over a three year period.

8.6 The model indicates potential savings compared with the indicative base budget as follows:

Year	Saving
2012/13	£132 860
2013/14	£172 860
2014/15	£172 860

- 8.7 Following implementation of a joint management team, savings have already been secured by each Council (see below). These are in addition to those forecasted for the shared service.

(SBC) Head of Service post	£50,000 in 2010/11 and £37,500 in 2011/12
(EHC) Interim Joint management team income	£20,000 in 2010/11 and £32,900 in 2011/12

8.8 **Costs & savings sharing model**

Consideration was given to various models of sharing costs and savings, reflecting differences in the size of each Councils tax base, Benefits caseload etc. It became apparent however that these models would not adequately reflect the need for an extended period of transition, as one Council had retained support costs to discharge.

- 8.9 It was also recognised that neither Council could achieve these savings in isolation. Accordingly, it is proposed that set up costs and savings are shared 50:50 for the first three full years of the shared service. A subsequent review will be carried out to identify if this is a sustainable model beyond that date.

- 8.10 During this first three year period, key changes proposed by central Government, such as the implementation of universal credit and the creation of a national anti-fraud service will impact on the single Benefits and Revenues Service. That impact is not fully understood at this stage, but as more information about the Government's proposal become available, it may be necessary to review budget sharing arrangements.

8.11 Other Finance Decisions

8.11.1 **Ad hoc funding**

It is not uncommon for the Department of Work and Pensions and the Department of Communities and Local Government to require activities and changes in processes to be administered at short notice. The pattern has been for ad hoc funding to be awarded to Councils, to reflect the additional costs associated with these tasks. In most cases the funding is to reflect charges from software suppliers who carry out system upgrades. It is proposed therefore that all ad hoc funding will be added to the shared service budget to enable the required activities to be carried out.

8.11.2 **Contingency fund**

It is proposed that each Council commits to the availability of an additional £25,000 to cover any unanticipated costs associated with the setting up and bedding down of the shared service.

8.11.3 **Pension back funding**

It is proposed that only current pension commitments are reflected in the shared service budget model.

8.11.4 **Medium Term Financial Strategy**

It is proposed that savings from the shared service will meet existing commitments in the Council's respective medium term financial strategies and will not count as additional income streams, unless they exceed those strategy commitments.

8.11.5 **Future savings**

It is anticipated that future savings may be released from the service once processes and procedures have been reviewed and redesigned.

Any Council wishing to join the shared service will be assessed on the potential overall impact on the shared service and the ability to release improved savings for all parties.

8.11.6 **Financial management**

Both Councils will continue to receive income streams directly from customers and Government agencies, ensuring cash flows are maintained. Payments between Councils are proposed to be made monthly.

Both Councils will retain separate financial records for reporting and audit purposes.

9. Legal Considerations

9.1 With a proposal to share a service such as Revenues and Benefits between two Councils, without creating a separate legal entity such as a company, there is power available to facilitate this. In general, the law permits a local Council, or its Executive, to arrange for another Council, or its Executive to discharge a function on its behalf, and for that other Council, or its Executive to do it.

9.2 In pursuing this option, attention will need to be given to matters of administrative detail, such as:

- the application of standing orders
- financial regulations
- regulation of investigatory powers
- the relationship of the Chief Finance Officers
- complaints and ombudsman issues

9.3 Details aside, the three main areas of concern to be addressed first, are Procurement, Governance and Human Resources.

9.4 Procurement

9.4.1 Following recent decisions of the European Court of Justice and the UK Supreme Court Officers consider that the proposal set out in this report amounts to an administrative arrangement between two public bodies which SBC may enter into without advertising and tendering a contract under the European Procurement Regime.

9.5 Governance

9.5.1 Legislation allows for the delegation of decision taking powers between district Councils. In delegating responsibility to EHC for administering the Benefits scheme and the collection of Local Taxes, SBC will retain as Executive decisions, all policy matters relating to those services.

9.6 Human Resources

9.6.1 The proposed approach to transferring staff follows statutory guidance and provides protection to staff terms and conditions of employment, about which the law is otherwise unclear. This puts the Councils on a reasonably sure footing in an area that has not been tested in the courts. The proposal to move to a new structure fairly quickly after the staff transfer should mitigate against any issues associated with equal pay.

9.7 Data Protection

- 9.71 With EHC taking the lead and being the main service provider and employer, SBC's Data Protection registration may need updating to reflect transfer of data to EHC.
- 9.72 SBC will also need a Data Sharing Agreement between the two participating Councils.

10. Equalities

- 10.1 As service providers, both SBC and EHC are committed to equal opportunities and fair access to services for everyone, no matter what their race, ethnic or national origin, religious belief, disability, age, sex, sexuality, marital status or income.
- 10.2 Equalities impact assessments (EAI) have been conducted for EHC and SBC. The work force is predominately female and there are Disability Discrimination Act (DDA) issues that will need to be addressed. There is a possibility of an unequal impact if appropriate policies and procedures are not carried through and implemented correctly; for example the recruitment and selection procedure and flexible working policy. These issues will be addressed during the consultation and TUPE transfer process. DDA issues will need to be addressed under the Equalities Act.

At this stage, no discernable equalities impact on staff have been identified.

- 10.3 Equalities impact assessments have been completed by both EHC and SBC from the customers perspective. Those assessments identified no equalities implications at this stage. However a further review will be undertaken as part of the implementation process should approval be given.
- 10.4 The completion of equality impact assessments help ensure that proposals arising from this business case will be developed in a fair, transparent and accountable way.

11. Risks

- 11.1 There are risks in implementing a shared service, which are summarised in the table below, together with suitable mitigation. An appropriate entry will be made in both Councils strategic risk registers, should a decision be taken to proceed with implementation.

Risk		Mitigation
Failing to gain or maintain support from the top.	Support from Senior Officers and /or Members is not as strong as required. This presents difficulties in securing commitment to the vision and for obtaining resources needed to implement changes.	The business case must be convincing. Through consultation and engagement with those at the top, understand their concerns and address them
Availability of appropriate resources	Appropriate resources which are essential for implementation, such as specialist IT, Accounting or HR staff are not available.	The project sponsor is responsible for ensuring that adequate resources are made available to the project, in a timely manner.
Lack of experience in partnership working	Poor cross-organisational and inter-departmental collaboration, with entrenched local interests and little commitment to work in partnership.	Develop a comprehensive communications plan. Create opportunities for Officers to meet and explore common ground, focusing on areas of mutual interests. Make key information available about governance and

		management arrangements.
Staff turnover increases and/or morale reduces in critical areas.	Staff turnover and/or morale is impacted by uncertainties about the future. This could lead to shortage of knowledge and experience needed for managing transition to a single service.	Ensure timely and appropriate communication with staff about the change. Be clear about how jobs will be affected by moving to a single service, focusing on potential incentives and benefits in new working arrangements.
Redesign of business processes is poor or incomplete.	Service delivery will be inefficient and unacceptable error levels likely to arise. Resources would need to be diverted to repair the situation.	Ensure that a prioritised plan for process re-design is agreed, resourced adequately by systems and business analysts.
Technology is inadequate.	Technology requirements are poorly or incompletely understood. This leads to extra time and resource requirements in order to achieve satisfactory service delivery.	Involve professional business and systems analysts, together with staff, users and suppliers, with a clear brief on business needs and quality standards.
Negative messages pass into circulation about the shared service.	Negative messages may circulate, through the grapevine or from newspaper reports.	Create an effective communications plan, to help ensure that media relations and stakeholder relationships are professionally managed.
Time and energy are diverted into repairing labour relations.	Management time is spent repairing labour relations, at the expense of delivering future improvements and efficiencies.	Lead from the top, supported by HR professionals, to engage with staff representatives, trades unions. Recognise and deal with staff concerns in advance of change and explain benefits that it may bring them.
Slippage.	Unexpected events or poor estimates of the anticipated duration of activities will delay 'go-live', compromising the achievement of savings and adding costs.	Apply rigour to the production and review or implementation plans, especially the IT implementation plan. Take account of the views of specialist IT Officers and reach agreement on projected timescales.

11.2 Should implementation proceed, risks associated with that phase will be recorded in an implementation risk register and regulated either through project management protocols or through the shared service management structure, as appropriate.

11.3 The greatest risk on timescale and cost lies in IT implementation. A robust and realistic contingency plan should be developed.

12. Consultation

12.1 Details of the approach being taken to staff and union consultation are given in the '**Change Management**' section above.

12.2 At the time of writing this document the main concerns raised by staff are the details of the transfer and selection process. These are being addressed through the consultation process. A question and answer document has been produced, which lists all the questions raised by staff and unions and the responses given.

12.3 In summary the concerns raised by the EHC unions are; the selection process, generic job descriptions/grades, and career paths/opportunities for staff. These again are being

addressed throughout the consultation process and consideration is being given to the points raised. There has been no formal feedback from Unions at SBC.

13. Implementation

13.1 Key dependencies exist between setting up the technology (core ICT systems configuration, document image data migration, telephony and network links), satisfactory movement of staff to the new working arrangements and readiness of accommodation for the 'hub'. In simple terms, the staff cannot move until all statutory HR requirements have been satisfied and the accommodation is ready, with the ICT in place.

13.2 Once those three key building blocks have been put in place (technology, staff and accommodation) the next major implementation phase can start. This will involve the redesign of business processes in order to deliver future savings and customer benefits and to ensure that one common set of operational procedures are being followed.

13.3 Successful implementation will be dependent on dedicated specialist support in four areas:

13.3.1 **Technology**

An ICT specialist with a sound knowledge of the systems, network and interface arrangements between both Councils is needed to project manage the implementation of new ICT and telephony arrangements. This is an area of key risk around slippage and requires dedicated support.

13.3.2 **Change management**

Professional HR support, with specialist skills and knowledge in managing staff through unsettling times of change is essential. This support cuts across both Councils in addressing concerns and issues both before and after the proposed transfer of employment. It is important to address workforce needs in a timely and effective manner, to help maintain staff morale and reduce the impact on service performance

13.3.3 **Business re-design**

Following 'go-live', a comprehensive review and re-design of the business processes across the whole of the single service will be scoped, planned and undertaken. The 'back office' processes within the Benefits and Local Taxation services are varied and complex, with many inter-dependencies both within and outwith the service. Specialist business and system analyst resources will be needed to complete this work.

13.3.4 **Project management**

Given the scale, variety and complexity of the phases of work that will need to be completed in order to achieve the vision, sound project management principles need to be applied to the implementation of a single, shared service. A dedicated project manager will co-ordinate the delivery of an overall project plan, whilst allowing the new management team to focus on operational matters.

An outline implementation plan is shown at **Appendix 5**.

13.4 In addition to a detailed overall project implementation plan, a comprehensive stakeholder communication plan will be used to help manage relationships with the various stakeholders in the service.

14. Conclusion

- 14.1 Closer working between the two Councils has already demonstrated the capacity to make significant savings. Further savings and efficiencies will be achieved through the creation of a shared service which enables streamlining of both structures and processes.
- 14.2 The shared service option poses risks, but these can be confidently managed.
- 14.3 There will be a significant strengthening of service resilience after go-live. The changes to business processes will ensure delivery of performance improvement is achieved and savings will be released.
- 14.4 Overall, the business case must be measured on the extent to which the objectives are likely to be met, within acceptable timescales. The levels of anticipated savings, combined with early delivery, are such that the business case is regarded as persuasive.
- 14.5 Recommendations by way of proposals to create a single shared Revenues and Benefits Service are the subject of separate reports to the Executives of EHC and SBC.

Key features of the Revenues and Benefits Services

Appendix 1

Customer base	EHC Revenues and Benefits	SBC Revenues and Benefits
Population of the district / borough	138,114	81,074
Geographical size of the district/borough	184 sq miles	10 sq miles

Local Taxation	EHC Revenues and Benefits	SBC Revenues and Benefits
Tax base for 2010/11	57,790.60	28,570.81
Tax Collectable debit 2010/11	£85.9 million	£41.6 million
NNDR (Business rates) properties 2010/11	4096	2004
NNDR (Business rates) collectable debit 2010/11	£40 million	£44 million

The combined Revenues and Benefits services collect in excess of £200 million of local taxes and pay out more than £70 million of benefits each year. These services are delivered to every household and business in the Councils' districts.

Benefit service	EHC Revenues and Benefits	SBC Revenues and Benefits
Claimants at 01/02/11	7,514	8,700
Claims at 01/02/11	12,720	14,988
Housing & Council Tax Benefit paid 2010/11	£34.7 million	£39.7 million

The main difference between the nature of benefit caseloads arises from the different decisions taken around each Council's housing stock. In the case of EHC, the stock was transferred to two registered social landlords, and subsequently tenants claim rent allowance. In the case of SBC, the stock remains the property of the Council, with tenants claiming rent rebate.

Managing this difference is a simply issue of ensuring that cross-training of staff is completed at the earliest opportunity.

Benefits service growth in caseload	EHC Revenues and Benefits	SBC Revenues and Benefits
2008/09	9.20%	5.81%
2009/10	9.38%	4.06%
2010/11	2.42%	4.08%

Both services have experienced significant caseload growth since mid 2008/09, as a result of current economic conditions. This growth impacts on the performance of processing and assessing new claims. It has also created on-going pressures associated with maintaining larger caseloads.

Maintaining good performance levels in this environment has been challenging. A need to create additional capacity within the EHC service was addressed by investing in new IT solutions, including customer self service and mobile working modules. These innovations are being rolled-out during 2011/12.

The economic downturn has meant added difficulties in collecting both Council Tax and Business Rates. Changes to the rules for charging rates on empty business premises has added a further challenge, which has impacted negatively on collection rates.

With an increase in Council Tax and Business Rates arrears, so follows an increase in action to recover those arrears. This inevitably means hearings in the magistrate's courts with the attendant costs of summonses and bailiff action. This has inevitably increased the overall cost of collecting local taxes.

The tables below set out comparisons of key performance measures between the two Revenues and Benefits Services. This clearly shows significant variations, which will be addressed as a priority through the shared service.

Performance

Benefits service performance (days) New claims	EHC Revenues and Benefits	SBC Revenues and Benefits
2007/8	21.58 days	30.26 days
2008/9	22.18 days	23.22 days
2009/10	27.96 days	28.13 days
2010/11	27.83 days	21.64 days

Changes in circumstances	EHC Revenues and Benefits	SBC Revenues and Benefits
2007/8	3.29 days	15.05 days
2008/9	1.72 days	9.11 days
2009/10	5.72 days	10.63 days
2010/11	6.02 days	10.06 days

Tax In-year collection rates	EHC Revenues and Benefits	SBC Revenues and Benefits
2007/8	98.4%	96.8%
2008/9	98.6%	96.5%
2009/10	98.6%	97.5%
2010/11	98.5%	96.2%

NNDR (Business rates) in year collection rates	EHC Revenues and Benefits	SBC Revenues and Benefits
2007/8	99.4%	99.5%
2008/9	97.6%	97.9%
2009/10	97.5%	96.4%
2010/11	96.64%	95.8%

	EHC Fraud	SBC Anti-Fraud
Fraud / Anti- Fraud performance	Sanctions secured	Sanctions secured
2007/8	98	39
2008/9	101	37
2009/10	116	36
2010/11	123	48

Service operation

The following tables summarise the current management and operating arrangements at each Council. Where differences exist, they will be rationalised to improve efficiency and effectiveness.

	EHC Revenues and Benefits	SBC Revenues and Benefits
Walk-in	Walk in customers are seen by specialist, generically trained Revenues & Benefits staff.	Walk in customers are predominantly seen by the Customer Service Centre staff.
Telephony	All Benefits calls are dealt with by Benefit Officers within the service.	Benefit calls are predominantly dealt with by Benefits Officers within the service, with a small proportion of calls resolved by the Customer Service Centre.
	Council Tax calls are predominantly dealt with by Council Tax staff, but the customer service team/switchboard are trained to resolve some low level enquiries.	Council Tax calls are predominantly dealt with by the Revenues service.

	EHC Fraud	SBC Anti-Fraud
Fraud / Anti-Fraud	A specialist team within the Benefits service carry out all Benefit fraud related activities. They comprise one manager, one investigator and an admin support officer The legal work associated with prosecution cases is handled by an external legal company	The Anti-Fraud team are a team within the internal Audit service. They comprise a manager shared with Hertsmere, and two investigators. The legal work associated with prosecutions is handled by SBC's legal division.

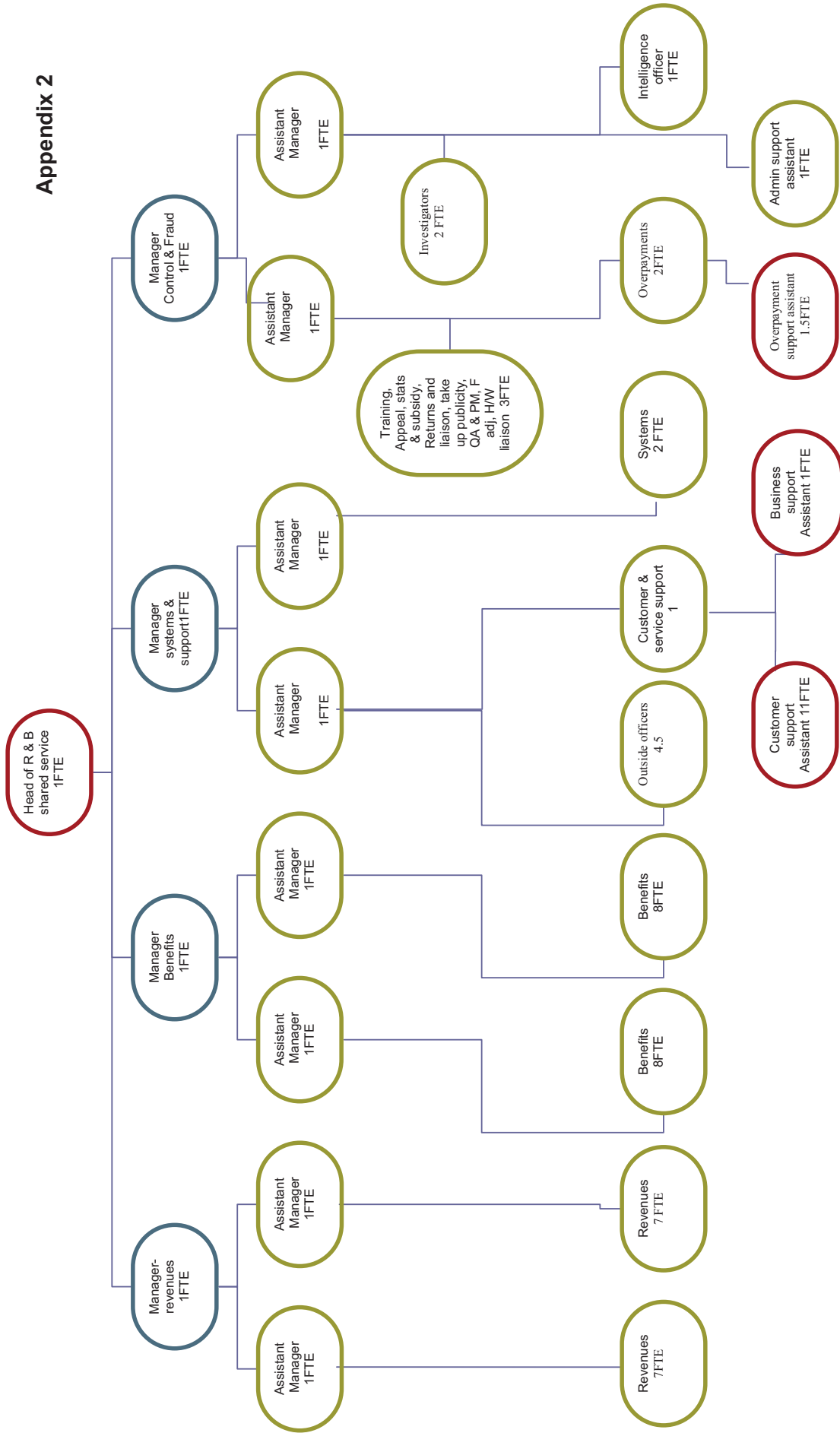
Other significant areas are compared in the following tables. These will be rationalised or assimilated into a single service.

	EHC Revenues and Benefits	SBC Revenues and Benefits
Software solutions	EHC have been using the current software platform for over 10 years. The systems administration role for both Revenues & Benefits is well developed within the service.	SBC converted to the Capita platform in November 2009. The systems administration role has yet to be clarified at SBC and is partially managed with the IT service

	EHC Revenues and Benefits	SBC Revenues and Benefits
Working models	EHC has a flexible, remote, mobile and home working model. This means that a large number of staff work from home, use condensed hours, with flexible working patterns.	SBC does not have policies for home working, flexible working or remote working.

	EHC Revenues and Benefits	SBC Revenues and Benefits
Administrative interface	EHC has a corporate post handling service	The post handling functions are partly handled within the service.

Appendix 2



JOINT STEVENAGE AND EAST HERTS REVENUES & BENEFITS EXECUTIVE COMMITTEE

Purpose

This is a joint committee of Stevenage Borough and East Hertfordshire District, under the provisions of section 10 of the Local Government Act 1972 and all regulations made thereunder.

The terms of reference of the committee are as follows:

1. To approve the annual Service Plan for the Shared Revenues and Benefits Service
2. To receive explanations of variances in service performance against the agreed Service Plan
3. To approve the budget of the Shared Service and where so delegated determine requested variations within that budget.
4. To give initial consideration to future development of the Shared Service and any changes in legislation that may affect service delivery and make recommendations thereon to the Executive or Officers
5. Where it is considered appropriate, report to the Executives of the Constituent Councils.

The Joint Committee shall comprise three named elected Members from both authorities with full voting rights. The Members appointed shall serve on the committee until successors in office are appointed.

The Joint Committee shall at its first meeting each year, elect one of its Members to be Chair and one of its Members to be Vice-Chair. With the chair from one Council and the Vice Chair from the other. These positions to be rotated annually. The Chair and Vice-Chair shall unless they resign or cease to be Members of the Joint Committee, continue in office until their successors have been appointed.

Quorum

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Voting

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Review

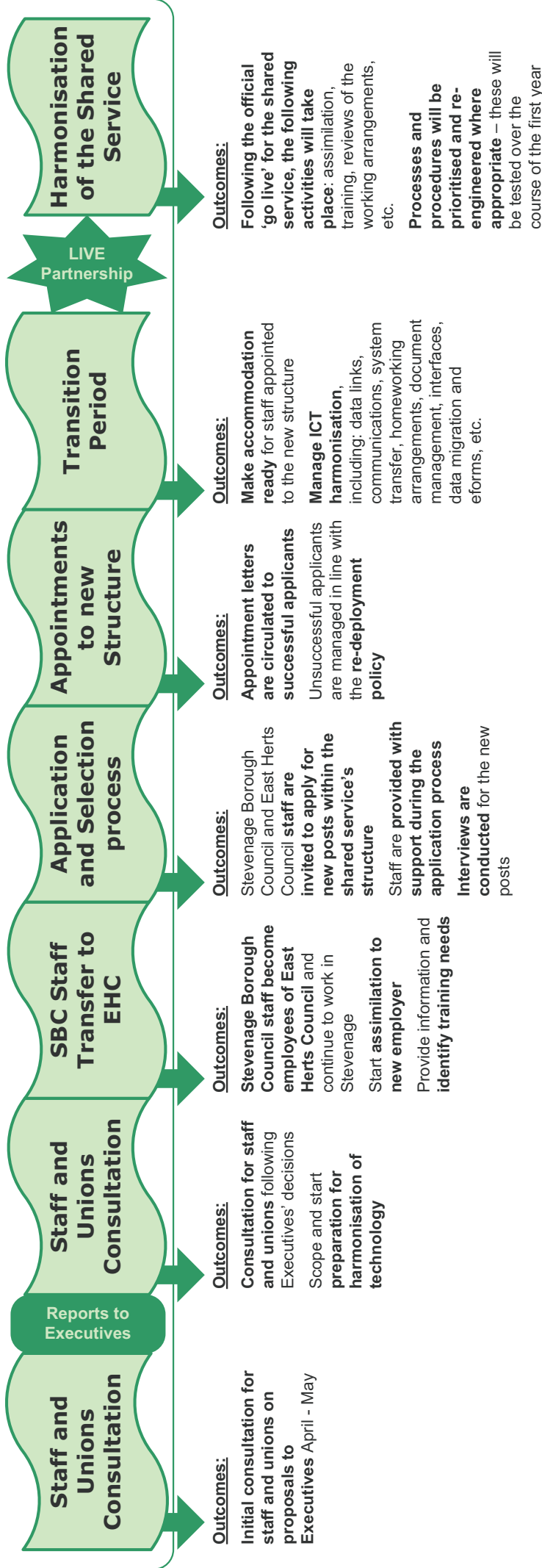
The constituent Councils will review the Joint Committee's terms of reference annually.

Revenues & Benefits Shared Service Draft Budget		SBC Revenue & Benefits	EHC Revenue & Benefits	Total budgets	2011/12 Year 0 Partnership	Partnership base budget Year 1	Variance between Total Base Budget and Partnership	Partnership base budget Year 2	Partnership base budget Year 3
Employees direct:	£1,148,194	£1,210,297	£2,358,491	£2,358,491	£2,221,258	£2,221,258	(£137,233)	£2,221,258	£2,221,258
Employees indirect:	£7,940	£6,880	£14,820	£14,820	£15,760	£15,760	£940	£15,760	£15,760
Transport Related Expenses:	£6,260	£33,020	£39,280	£39,280	£39,270	£39,270	(£10)	£39,270	£39,270
Supplies & Services:	£168,918	£486,450	£655,368	£655,368	£630,517	£630,517	(£24,851)	£590,517	£590,517
Recharges:	£28,991	£582,438	£611,429	£611,429	£594,688	£594,688	(£16,741)	£594,688	£594,688
Set up Costs On-Going:	£0	£0	£0	£0	£15,011	£45,034	£45,034	£45,034	£45,034
Total Partnership Sharing Expenditure	£1,360,302	£2,319,085	£3,679,387	£3,679,387	£3,694,398	£3,546,527	(£132,860)	£3,506,527	£3,506,527
Potential Saving to be Shared:							(£132,860)	(£172,860)	(£172,860)
East Herts. Stevenage							(£66,430)	(£86,430)	(£86,430)
PARTNERSHIP SPECIFIC EXPENDITURE:							(£66,430)	(£86,430)	(£86,430)
Total	£23,200	£68,460	£91,660	£91,660	£91,660	£91,660	£0	£91,660	£91,660
Set up Costs -one off									
Total	£52,481	£73,685	£126,166	£126,166	£126,166	£0	£0	£0	£0
Total Partnership Expenditure	£1,435,983	£2,461,230	£3,897,213	£3,912,224	£3,638,187	£3,638,187	(£132,860)	£3,598,187	£3,598,187
Stevenage Diminishing Overheads & Retained Costs									
Human Resources (& payroll at SBC)	£44,500	£0	£44,500	£44,500					
Internal Printing overheads	£12,279	£0	£12,279	£12,279					
I T Services-excluding licence costs	£114,934	£0	£114,934	£114,934					
Strategic Direction	£10,650	£0	£10,650	£10,650					
Media & Communication	£3,380	£0	£3,380	£3,380					
Finance functions (creditors, procurement, debtors)	£11,100	£0	£11,100	£11,100					
Post Room Recharge	£20,108	£0	£20,108	£20,108					
External Customer Services (CSC)-calls element	£83,424	£0	£83,424	£83,424					
Desk Top Publishing (Graphic Design)	£1,280	£0	£1,280	£1,280					
Central Offices Apportioned	£74,560	£0	£74,560	£74,560					
Employee insurance	£720	£0	£720	£720					
Misc & Third Party Insurance	£5,330	£0	£5,330	£5,330					
Total Diminishing Overheads & Retained	£382,266	£0	£382,266	£382,266					

Revenues and Benefits Shared Service

Proposed Implementation Plan

Summarised timetable for implementation...



ESSENTIAL REFERENCE PAPER 'B'

JOINT STEVENAGE AND EAST HERTS REVENUES & BENEFITS EXECUTIVE COMMITTEE

Purpose

This is a joint committee of Stevenage Borough and East Hertfordshire District, under the provisions of section 10 of the Local Government Act 1972 and all regulations made thereunder.

The terms of reference of the committee are as follows:

1. To approve the annual Service Plan for the Share Revenues and Benefits Service
2. To receive explanations of variances in service performance against the agreed Service Plan
3. To approve the budget of the Shared Service and where so delegated determine requested virements within that budget.
4. To give initial consideration to future development of the Shared Service and any changes in legislation that may effect service delivery and make recommendations thereon to the Executive or Officers
5. Where it is considered appropriate, report to the Executives of the Constituent Councils.

The Joint Committee shall comprise three named elected Members from both authorities with full voting rights. The Members appointed shall serve on the committee until successors in office are appointed.

The Joint Committee shall at its first meeting each year, elect one of its Members to be Chair and one of its Members to be Vice-Chair. With the chair from one Council and the Vice Chair from the other. These positions to be rotated annually. The Chair and Vice-Chair shall unless they resign or cease to be Members of the Joint Committee, continue in office until their successors have been appointed.

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question was put. The Chair shall take the votes by a show of hands. If there are equal votes for and against, the Chair may exercise a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote, save that if no second or casting vote is made, the proposal will automatically fail.

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Review

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ESSENTIAL REFERENCE PAPER 'C'

<p>Contribution to the Council's Corporate Priorities/ Objectives</p>	<p>Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p>
<p>Consultation:</p>	
<p>Legal:</p>	<p>See report</p>
<p>Financial:</p>	<p>See report.</p>
<p>Staffing Implications</p>	<p>The proposed transfer of SBC staff to EHC on 1st August 2011, will follow TUPE principles. This means that staff terms and conditions of employment will be protected in the transfer. Shortly after the transfer, a proposed single structure will be implemented, subject to consultation with staff and unions. A recruitment and selection process will be undertaken to appoint to that structure.</p> <p>At this stage it is uncertain whether any staff will actually be placed at risk of redundancy as a result of the transfer and restructure. The flexible working policies at EHC will provide opportunity for staff transferring from Stevenage, to vary their hours or days of work. There may also be some 'natural' loss of staff from both authorities during the implementation period.</p> <p>Approximately 40 members of SBC's workforce will be subject to the proposed transfer, all of whom currently work in Daneshill House.</p>
<p>Human Resource:</p>	<p>Once the proposed staff transfer takes place, East Herts Council becomes wholly responsible towards the transferring staff.</p> <p>It is a legal requirement that Stevenage Borough Council indemnify EHC against any claims that may arise from the transferring staff group, where the cause of the claim predates the transfer.</p>

Risk Management:	Significant risks, together with mitigation are set out in a table on pages 15 and 16 of the appended business case. Additional risks have been identified, as part of the detailed implementation plan. Those risks can be managed through the council's project management protocols and the corporate risk management framework.
Equality	Equality impact assessments for East Herts Council have been completed. The work force is predominately female and there are DDA issues that will need to be addressed. There is a possibility of an unequal impact if appropriate policies and procedures are not carried through and implemented correctly; for example the recruitment and selection procedure and flexible working policy. These issues will be addressed during the consultation and TUPE transfer.
Service Delivery Implications	<p>As far as the customer experience of receiving services from Revenues and Benefits is concerned, it is intended that customers will encounter no perceptible difference following the creation of a joint service. The shared service will retain local identities for Stevenage and East Herts residents.</p> <p>After the proposed shared service is implemented, proposals will be developed to bring innovation and improvements to service delivery, such as on-line customer 'self service'.</p> <p>The proposed changes to Revenues and Benefits are unprecedented at either EHC or SBC and will present new challenges for staff and managers through what at times will be a difficult experience. Not least amongst those challenges will be managing the risk that workforce issues impact negatively on service performance. Through close operational and project management, every effort will be made to protect service performance levels during the period of change.</p>
Other corporate implications	The report has been guided by the work of the Pathfinder task and finish group, chaired by Cllr Ranger.

UNISON RESPONSE TO DRAFT BUSINESS CASE OF REVENUES & BENEFITS **SHARED SERVICE**

UNISON is grateful for the opportunity to respond to the above, despite the struggle to consult with staff and complete the report, within the one week timescale.

UNISON has consistently stated that they support shared service partnerships between councils, where a business case identifies financial benefits and where service delivery is maintained or improved. This is a viable and preferential alternative to privatisation and a positive way of finding efficiency savings. It can, when successful be a way of safeguarding both jobs and public service delivery.

The business case for the proposed Revenues and Benefits shared service is well presented and comprehensive and it is clear that a lot of time and hard work has gone into this draft.

UNISON's main concerns about any shared partnership arrangement will largely be staff related but the viability and sustainability of the partnership is crucial and the union would also be looking for evidence of benefits to users of the service and to improvements in service delivery. Despite the economies of scale argument 'bigger' is not necessarily 'better' as demonstrated by the banking industry which closed branches down in order to centralise and set up call centres. Most people will have experienced on-going frustrations in trying to get a banking query resolved quickly and efficiently. Watford and Three Rivers shared service arrangement has also proved to be unsuccessful in respect of Revenues and Benefits, with a publicly reported deterioration in standard of service.

UNISON will respond to the points in the draft business case report in the same order as they are raised and would point out that the comments incorporate the feedback received from staff in Revenues and Benefits.

5. Current Position

UNISON welcomes Stevenage as a Revenues and Benefits partner and is pleased that party politics are playing no part in the choice of partner. As outlined in appendix 1, there are many similarities as well as differences between the two councils and from the staff perspective a greater diversity in groups of council tax payers and benefits claimants will add to the variety of daily contact and experience and help both sets of staff to acquire additional skills and knowledge.

Staff will of course require training in order to become familiar with two sets of policy rules and procedures.

6. Accommodation and Facilities Management

UNISON does have some concerns about the feasibility of fitting all staff into Wallfields since despite the statement in 6.4.4, the accommodation was not originally designed to fit in additional Stevenage employees. No one knows at this stage how many Stevenage employees are likely to opt for home working and without home working, there simply will not be enough space. On the other hand, it does provide staff with the opportunity for more flexible working arrangements and staff at East Herts who have opted for home working on the whole thoroughly enjoy the experience. One of the main concerns however is the lack of IT resources to support and maintain home and remote workers. The reference in 2.1 to the investment of £215,000 in additional Capita software in Revenues and Benefits has unfortunately not yet been successfully implemented and therefore has

not yet achieved savings or benefits of any significance. Moreover, the Council is intending to delete posts in IT and reduce resources. Home and remote working requires support and maintenance on an on-going basis and a reduction in IT resources could have disastrous consequences.

The above could also negate the benefits of managing a shared service from a single location listed in 6.4.2, since it would be difficult to create a more efficient IT solution. The reference to teams becoming more cohesive and effective is also open to debate, since teams will in future be divided between Bishop's Stortford, Hertford and home. Managers will tell you how the simple task of communication to staff becomes extremely challenging in these circumstances and how the team spirit and shared knowledge and experience can evaporate over time.

6.5 Technology

As mentioned above, getting to grips with the technology is one of the greatest concerns of UNISON. This section gives only a very superficial account of the complexities of the IT implications and requirements to support the service. There is nothing about design of the server/database/citrix architecture required to serve both authorities. The economy of scales is not clear especially if there are two databases. Suppliers gear prices to size of application like population/claimants/virtual databases/council budgets. A shared service will increase the population and other measurable factors. The position of EDM documents and the linkage to account transactions appears to be glossed over but failure to provide a similar service to that used by East Herts would have significant customer service dis-benefits.

6.6 Change Management/TUPE

UNISON has always been of the view that TUPE should apply in shared services where employees transfer from one employer to another. Inevitably the impact of the changes will be far greater for Stevenage employees, since they will not only be changing their employer, they will be changing location, changing their working practices and potentially changing their terms and conditions. For them it will be like changing to a new job. For East Herts employees, there will be less dramatic changes but many employees will be changing roles and of course most will be relocating to Hertford shortly. For many this will lengthen their working day and increase their daily commute. For all employees, there is the threat of redundancy hanging over them. It is not going to be an easy time for anyone and the anxiety and uncertainty of their future job prospects should not be underestimated.

In relation to TUPE it must be emphasised that the purpose of the regulations are there to protect employees and therefore the aim to harmonise terms and conditions must not override TUPE principles. It is accepted in law that TUPE is a valid defence for justifying why employees are on different terms and conditions. In the Employers Organisation guide to the TUPE regulations 2006, it states:

“The revised Regulations make it clear that a transferee must never vary the contract of employment where the sole or principal reason is either the transfer itself or for a reason that is connected to the transfer that is not an economical, technical or organisational (ETO) reason entailing changes in the workforce.

Any attempt to vary a contract of employment in these circumstances will be rendered void by the Regulations.”

“The DTI guidance emphasises that the courts have interpreted that a proposal to vary terms and conditions to achieve harmonisation will be

seen as being by reason of the transfer itself. Therefore, an employer cannot rely on an ETO reason that would potentially validate the variation.”

There is however nothing to stop an employer from offering new terms and conditions to transferred employees if these are more attractive. For this particular proposed shared service this may well be the case but for other future shared service proposals, this may not apply and it is important that East Herts as an employer does not lose sight of the above principle.

It does not appear that any thought has been given to the TUPE implications for services that support Revenues and Benefits in Stevenage. It stands to reason that if they are losing a whole service area with in their case 37 full time equivalent (FTE) posts, that this may have a knock on effect on support services such as HR, ICT, Customer Services and Accountancy and that there may be other staff which should be included on the TUPE transfer list.

Finally, an employer has to be careful when making redundancies at a time of a TUPE transfer. The above guide states:

“Although the revised Regulations do not introduce any significant changes on transfer-related dismissals it does provide some much needed clarity of the effect of the Regulations in these areas.

Where, either before or after a transfer, an employee of the transferor or transferee is dismissed, the dismissal is automatically unfair if

- the reason is the transfer itself or*
- the reason is connected with the transfer that is not an ETO reason entailing changes in the workforce.*

Where there is an ETO reason entailing changes in the workforce, then the dismissal is not automatically unfair but is subject to the normal requirements on unfair dismissal.”

The question is therefore whether or not the reason for the redundancies is the transfer itself or an ETO reason connected with the transfer and UNISON will be seeking legal advice on this point.

6.7 Structure and Jobs

UNISON agrees that for a proposed partnership arrangement such as this a single structure is preferable. There are a number of structures which could be considered and UNISON would like to propose a slightly different one, for the following reason.

The proposed structure does not appear to have the balance between Revenues and Benefits quite right. Compared with the existing structure, Revenues will be **losing** 6.64 FTE staff and Benefits will be **gaining** 3.75 FTE staff. The third section in the new structure is split between Revenues and Benefits, however, the fourth section in the new structure headed Control and Fraud is almost exclusively Benefits and all the related job descriptions refer to Benefits tasks.

This seems a strange proposal in light of the Government's intention to create a universal credit in 2012 which will put at risk many Benefits jobs. It also means that Revenues staff will be struggling to cope with their workload. Despite the generic nature of the job descriptions, in reality it does not mean that Benefits staff will have the knowledge and experience to undertake Revenues work and vice versa. Of the proposed sections, one

and a half are Revenues and two and a half Benefits and this places a disproportionate risk of redundancy on Revenues staff. It will also not help in improving collection rates for both councils at a time when the government is cutting funds and both councils will need to maximise their income.

An alternative to this would be to have three sections and split the fourth section between the other three. This would not only create a better balance between Revenues and Benefits but would create more resilience in terms of enabling some Benefits staff to gain more experience in Revenues work, ready for the Government changes. This would be similar to the current structure but with additional jobs to cope with the extra workload. It would also mean that any redundancies that ensue will not be Revenues staff exclusively.

6.7.7 Job Descriptions

UNISON is in favour of generic job descriptions where jobs are identical. However, in the proposed new structure, jobs have been evaluated and allocated grades on the basis of a generic job description where jobs are in some cases quite unique. The Job Evaluation panel would have had no option but to give every job with the same job description the same grade but UNISON believes this will have distorted the results.

A good example of this is the Assistant Manager post in the Systems and Support Section. This post has responsibility for two employees and the main part of the job description applying to the post is headed 'Systems and Support'. On the other hand the Assistant Manager for Benefits has responsibility for 8 employees and the main part of the job description applying to the posts is headed 'Benefits'. In other words the two posts are entirely different and UNISON believes they should have had separate job descriptions and been evaluated separately. This principle applies to the many other posts.

A knock on effect of the distortion of the job evaluation results is that far from improving the career prospects of employees, it provides limited opportunities, particularly for Revenues staff, since there is a large void between the grade 5 Revenues/Assessment Officers and the grade 9 Assistant Managers. There are a limited number of grade 7 posts for Benefits staff but none for Revenues Officers. Many employees have raised concerns along these lines.

7. Anticipated Benefits

All the benefits listed under this section are those everyone would hope would be achieved but do not appear to be backed up with any hard evidence. UNISON would disagree with the statement 'The financial information **clearly** sets out immediate savings of £132,860 in the first year' in 7.2. The information is far from clear.

8. Finance

Despite the explanations in paragraphs 8.3.1 to 8.3.5, it is not clear what all the savings represent and whether they are one-off or annual and which are attributable to the full shared service package or consequent on the current very limited mutual arrangements.

The draft appendix 4 detailing the analysis has already changed once since it was sent to staff. The salary figure has reduced by £120,637, the Supplies and Services figure has reduced by £24,950 but the Recharges figure has increased by £145,579. Hence the overall figure has scarcely changed. It is not clear whether this was just an error previously or whether the method of calculation for each figure has changed. The figures are largely meaningless to a lay person and require an explanation of how they are arrived at,

particularly the recharge figures. Why is it that East Herts recharge figures are twenty times higher than Stevenage recharge figures? Logic would tell you that the recharge figures would increase for East Herts as they take over Stevenage costs and that the majority of Stevenage recharge costs would disappear. How are the recharge figure made up and will there be a genuine saving to Stevenage or will their recharge costs simply be redistributed to other service areas? Should not the Stevenage diminishing overheads be listed separately from their retained costs?

There are many other points which arise, such as the 50:50 split which is advantageous to East Herts for costs but not for savings. Savings will be the difficult issue whereas costs become obvious as the implementation goes on. Many savings only materialize after 3 years. There is also uncertainty from national initiatives that could have an impact on the economics of the shared service.

Other questions are:

- Is the contingency fund of £25,000 sufficient? This is a low figure for unanticipated costs.
- The pension back funding needs further explanation, especially in terms of any financial impact outside shared service budgets.
- What is the on-going partnership specific expenditure of £91,600 and does this not reduce the saving of £132,860 to £81,200 split between the two authorities?
- Is it not purely speculative to say that future savings may be released from the service once processes and procedures have been reviewed and redesigned? Why not start by reviewing these before incurring the costs of reorganisation and thereby gain early access to savings?

10. Equalities

UNISON is disappointed not to have seen a completed Equalities Impact Assessments before responding to the draft business case. There will clearly be many equality issues arising from the proposed shared service arrangement for employees currently based in Stevenage and an action plan needs to be drawn up addressing any inequalities. Child care issues are likely to be a problem both for staff currently based in Bishop's Stortford and for those in Stevenage. Home working is not always a viable alternative.

11. Risks

None of the risks identified are adequately mitigated. For example just defining responsibility for resources does not assure they will be provided. Staff morale is not dealt with just by communication – listening and flexibility is as important. Why not have a survey to measure staff perceptions of the shared service prospects?

With reference to 11.3, before an IT contingency plan is developed, a comprehensive IT development and implementation plan is needed. Talk of redundancies in IT is simply bizarre and will be counter productive. Retention of IT staff should be a priority.

12. Consultation

The consultation process is fine as long as it is genuine. This means listening and responding to the feedback from the consultation exercise.

13. Implementation

UNISON looks forward to seeing the more detailed implementation plan and comprehensive stakeholder plan referred to in 13.4. It would also be useful to know who is leading the project both from the IT and telephony side and who will be the dedicated overall project manager. It would be hoped that this role will be advertised at least internally.

Conclusions and recommendations by UNISON

UNISON would like to recommend that an independent review of the financial case is carried out before a final decision to proceed with the shared service arrangement is made. It is not clear from the information provided that there will be any large saving and there is a possibility that the set up costs could exceed the savings at least in the short term.

There are clearly benefits from shared service arrangements and UNISON would want to ensure that these are not only financial but also lead to an improved service to users, a reduction in the time taken to process benefit claims and to improved collection rates for council tax and business rates.

UNISON wants no compulsory redundancies and hopes that as with the impending Senior Management Review, this will be avoided if necessary by the full use of voluntary redundancies. Legal advice should be sought with regard to TUPE issues and redundancies.

UNISON would like further discussions about the structure and job descriptions with a view to improving career paths and to ensuring a fairer allocation of staff between Revenues and Benefits

Managing change well is essential in order to retain a skilled and experienced Revenues and Benefits workforce. This means listening to staff as well as imparting information to them.

Finally, the retention of specialist IT skills is crucial if this project is going to succeed and UNISON hopes that the Council will reconsider the decision to axe jobs in an area where employees are struggling to meet current demands and do not have any spare capacity to devote to this or any other project. The use of Stevenage IT specialists will help during the implementation phase but this will not be sufficient for on-going support and maintenance.

Jane Sharp – UNISON Branch Service Conditions Officer

22 May 2011