

# Public Document Pack

THREE RIVERS & WATFORD  
SHARED SERVICES  
JOINT COMMITTEE



## AGENDA

Date: 6 October 2008

Time: 7.30 pm

Place: Dickinson Room, Three Rivers House

Members of the Committee:-

Councillors:-	R Laval (Chair)	Z McQuire
	A Wylie (Vice-Chair)	R Sangster
	M Bedford	I Sharpe

The Joint Committee welcomes contributions from members of the public to its discussion on Part A agenda items. Contributions will be limited to one person speaking for and one against each item for not more than three minutes. Details of the procedure and the list for registering the wish to speak will be available for a short period before the meeting

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Item

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### Part A - Open to the Public

**1 APPOINTMENT OF CHAIR AND VICE-CHAIR**

To appoint a Chair and Vice-Chair of the Committee for the next year. (The Vice-Chair to be nominated from the Council which has not appointed the Chair.)

**2 APOLOGIES FOR ABSENCE / SUBSTITUTE MEMBERS**

**3 DISCLOSURES OF INTEREST**

To receive any disclosures of interest.

**4 MINUTES**

To confirm as a correct record the notes of the Members Panel held on 11 June 2008 (circulated separately to Members of the Committee).

**5 NOTICE OF OTHER BUSINESS**

To announce items of other business notified to the Secretary of the Joint Committee, together with the special circumstances which justify their consideration as a matter of urgency. The Chairman to rule on the admission of such items. (Note: If other confidential business is approved under this item, it will also be

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necessary to specify the class of exempt or confidential information in the additional item(s)).	
<b>6 DELEGATION AND JOINT COMMITTEE AGREEMENT</b>	1 - 78
To note amendments to the Delegation and Joint Committee Agreement made under delegated powers and answer any questions.	
<b>7 IMPLEMENTATION - PROGRESS REPORT</b>	79 - 162
This report asks the Committee to note progress made towards implementing shared services. It seeks agreement to the change management proposals, and considers progress on IT connectivity, procurement and the implementation plan.	
<b>8 DETAILED BUSINESS CASE, SERVICE AND FINANCIAL PLANNING</b>	163 - 168
This report seeks agreement to the process for updating the Detailed Business Case and preparing service plans and budgets for the medium term.	
<b>9 EXCLUSION OF PRESS AND PUBLIC</b>	
The Chairman to move:- “that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) of business as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if the press or public were present during consideration of the item(s) there would be disclosure to them of exempt information as defined under the respective paragraphs of Part 1 of Schedule 12A to the Act.” If approved the Chairman will ask the press and public to leave the meeting at this point.	

## **Part B - Closed to the Public**

### **10 HEADS OF SERVICE APPOINTMENTS**

An oral update will be given on the arrangements for appointing heads of service.

**Members are reminded that meetings of the Joint Committee shall end no later than 10.30pm unless otherwise agreed by the Joint Committee.**

**For more information concerning this agenda please contact the Secretary to the Joint Committee, Elwyn Wilson, Democratic Services Manager, Three Rivers District Council, Northway, Rickmansworth, Herts, WD3 1RL. Telephone: 01923 727248.**

**E-mail: [elwyn.wilson@threerivers.gov.uk](mailto:elwyn.wilson@threerivers.gov.uk)**

# Agenda Item 6

## THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

**Date of meeting:** 6 October 2008

PART A

AGENDA ITEM

# 6

**Title:** DELEGATION AND JOINT COMMITTEE AGREEMENT

**Report of:** Director of Corporate Resources & Governance – Three Rivers

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1. **SUMMARY**

1.1 To note amendments to the Delegation and Joint Committee Agreement made under delegated powers and answer any questions.

2. **RECOMMENDATIONS**

2.1 That the Joint Committee notes the contents of the Delegation and Joint Committee Agreement.

**Contact Officer:**

For further information on this report please contact:

David Gardner – Director of Corporate Resources & Governance – Three Rivers D.C.

telephone number: 01923 727200

email: david.gardner@threerivers.gov.uk

**Report approved by:**

Carol Chen – Head of Legal & Property Services – Watford B.C.

### 3. **DETAILED PROPOSAL**

3.1 The Three Rivers / Watford Shared Services Delegation and Joint Committee Agreement was approved by:

Three Rivers District Council

Executive Committee on 21 July 2008  
Council on 15 July 2008

Watford Borough Council

Cabinet on 21 July 2008  
Council on 23 July 2008

3.2 The approvals allowed for the Director of Corporate Resources and Governance in consultation with the Portfolio Holder for Resources at Three Rivers, and the Executive Director in consultation with the Portfolio Holder for Financial Services, Revenues and Benefits and Planning at Watford, to agree the final terms of the agreement.

3.3 In the event four minor changes were agreed and made as follows:-

a) In the body of the agreement a new paragraph 11.8 was added to reflect the fact that Internal Audit needs access to records;

b) In paragraph 34 of Schedule 1 the term "Shared Services Director" was replaced with "Relevant Director";

c) In Schedule 2 paragraph 9, the provision of an internal audit service was added and two sub paragraphs that both referred to insurances were combined; and,

d) In Schedule 2, the preparation of benefit subsidy claims was moved from the Finance service to Revenues & Benefits.

3.4 The agreement was signed and dated 26 August 2008. It is attached at Appendix 1. Any questions members may have concerning the Agreement will be taken at the meeting.

### 4. **IMPLICATIONS**

#### 4.1 **Policy**

4.1.1 The recommendations in this report are within the policies of the Joint Committee, Three Rivers District Council and Watford Borough Council.

#### 4.2 **Financial**

4.2.1 There are no changes to the budget or the efficiency gains already agreed by the Joint Committee, Three Rivers District Council or Watford Borough Council as a result of this report.

#### 4.3 **Legal Issues** (Monitoring Officer)

4.3.1 The Head of Legal and Democratic Services comments that the agreement has been entered into under sections 101, 102, 112 and 113 of the Local Government Act 1972, and sections 19 and 20 of the Local Government Act 2000 and regulations made under these acts, together with the general power within section 2 of the Local Government Act 2000 and the supporting provisions within section 111 of the Local Government Act 1972.

#### 4.4 **Risk Management and Health & Safety**

4.4.1 There are no risks associated with the decision members are being asked to take.

#### 4.5 **Equalities, Staffing, Accommodation, Community Safety, Sustainability & Environment, Communications & Website and Customer Services**

4.5.1 None specific.

### **Appendices**

Three Rivers / Watford Shared Services Delegation and Joint Committee Agreement

### **Background Papers**

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

Report of Cabinet on 21 July to Council on 23 July – Agenda Item 13 (Minute c13 08/09) – Watford Borough Council.

Report to Executive Committee – 21 July 2008 (Agenda Item 13) and Report to Council 21 July 2008 (Agenda Item 11) – Three Rivers District Council.

Dated 26 August 2008

- (1) Three Rivers District Council
- (2) Watford Borough Council

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## Delegation and Joint Committee Agreement

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**BETWEEN**

- (1) Three Rivers District Council of Three Rivers House, Northway, Rickmansworth WD3 1RL ("Three Rivers")
- (2) Watford Borough Council of Town Hall, Watford WD17 3EX ("Watford")

**BACKGROUND**

- (A) Three Rivers and Watford ("the Councils") are local authorities for the purposes of the Local Government Act 1972 and best value authorities for the purposes of the Local Government Act 1999.
- (B) The Councils have agreed to establish and to participate in a joint committee (the "Joint Committee") to facilitate the joint delivery of certain of their functions (the "Agreed Functions") with a view to their more economical, efficient and effective discharge. Initially these functions comprise ICT, HR, Finance and Revenues and Benefits and they will be delegated to a Joint Committee.
- (C) The Councils have entered into this Agreement in reliance on the exclusive rights given to local authorities to undertake administrative arrangements of this nature in sections 101, 102, sections 112 and 113 of the Local Government Act 1972, and sections 19 and 20 of the Local Government Act 2000 and the regulations made under these Acts; together with the general power within section 2 of the Local Government Act 2000 and the supporting provisions within section 111 Local Government Act 1972.

**OPERATIVE PROVISIONS**

**1. DEFINITIONS AND INTERPRETATION**

In this Agreement:

- 1.1 the following expressions have the following meanings unless inconsistent with the context:

**"Agreed Functions"** those functions set out in **Schedule 2** which have been delegated to the Joint Committee in the manner described in **Schedule 1**;

**"Asset Register"** a register of all the Assets used by the Councils in the delivery of the Shared Services

**"Assets"** all and any assets used in delivery of the Shared Services including all items of furniture,



information technology (including Software) and all other equipment supplied by the Councils for use in the delivery of the Shared Services

<b>"Business Day"</b>	any day other than a Saturday or Sunday on which banks are open for domestic business in the City of London; and additionally excluding 25, 26, 27, 28, 29, 30, 31 December
<b>"Commencement Date"</b>	the date of this Agreement
<b>"Commercially Sensitive Information"</b>	any information in respect of which the Councils agree that disclosure would or would be likely to prejudice the commercial interests of any person
<b>"Constitution of the Joint Committee"</b>	the constitution set out at <b>Schedule 1</b>
<b>"Councils"</b>	Three Rivers District Council and Watford Borough Council and any other councils which are appointed as members of the Joint Committee
<b>"DPA"</b>	Data Protection Act 1998
<b>"Distribution Formula"</b>	the formula representing percentage contributions of each of the Councils as set out in <b>clause 11.9</b>
<b>"Exempt Information"</b>	any information or class of information relating to this Agreement which may fall within an exemption to disclosure under FOI Legislation
<b>"FOI Legislation"</b>	the Freedom of Information Act 2000 and subordinate legislation made under this and the Environmental Information Regulations 2004
<b>"Finance Officer to the Joint Committee"</b>	the officer designated as Finance Officer to the Joint Committee by the Councils or such other officer of the Councils as may be agreed by the Joint Committee from time to time
<b>"Force Majeure Event"</b>	the occurrence of (a) war, civil war, armed

conflict or terrorism or (b) pressure waves caused by devices travelling at supersonic speeds which directly causes any party ("the Affected Party") to be unable to comply with all or a material part of its obligations under this Agreement or (c) nuclear, chemical or biological contamination unless the source or cause of the contamination is the result of actions of the Affected Party

**"Head of Paid Service"**

an officer designated by a Council as the Council's Head of Paid Service in accordance with section 4 of the Local Government and Housing Act 1989

**"Information Request"**

a request for information under FOI Legislation

**"Intellectual Property Rights"**

rights in patents, trade marks, service marks, design rights (whether registrable or otherwise), applications for any of the foregoing, copyright (including rights in software), database rights, know-how, trade secrets, confidential business information, trade or business names and any similar or analogous rights to any of the above, whether arising or granted under the Laws of England or of any other jurisdiction

**"Lawyer to the Joint Committee"**

the officer designated as Lawyer to the Joint Committee by the Councils or such other officer of the Councils as may be agreed by the Joint Committee from time to time

**"Political Group Leader"**

a person designated as the leader of a political group in accordance with the Local Government (Committees and Political Groups) Regulations 1990

**"Relevant Posts"**

those posts identified in **Schedule 4** to this Agreement

**"Relevant Staff"**

staff employed in Relevant Posts

**"Reserved Decision(s)"**

any decision or aspect of an Agreed Function which has been reserved to either of the Councils and therefore does not comprise part

of the Shared Services described in **Schedule 2**

**“Relevant Director”**

The Directors for Three Rivers and Watford Borough Councils with responsibility for managing the Shared Services on behalf of their respective Councils.

**“Secretary to the Joint Committee”**

the officer designated as Secretary to the Joint Committee by the Councils or such other officer of the Councils as may be agreed by the Joint Committee from time to time

**“Section 151 Officer”**

the officer designated by a local authority as the person responsible for the proper administration of its financial affairs, as required by section 151 of the Local Government Act 1972

**“Shared Service(s)”**

those services which are detailed in **Schedule 2** initially Finance, HR, ICT and Revenues and Benefits in so far as these are Agreed Functions which have been delegated to the Joint Committee; to include such additional services as are agreed by the Councils and delegated to the Joint Committee

**“Shared Services Policies and Procedures”**

any policies and procedures which the Councils agree should apply to the Relevant Staff or some of them

**“Software”**

any and all computer programs in both source and object code form, including all modules, routines and sub-routines of such programs and all source and other preparatory materials relating to them, including user requirements, functional specifications and programming specifications, ideas, principles, programming languages, algorithms, flow changes, logic, logic diagrams, orthographic representations, file structures, coding sheets, coding and any manuals or other documentation relating to them and computer generated works

**“Support Services”**

the services within each Council which may be

required to assist the Joint Committee in the discharge of the Agreed Functions

- 1.2 References to any statute or statutory provision (including any EU Instrument) shall, unless the context otherwise requires, be construed as including references to any earlier statute or the corresponding provisions of any earlier statute, whether repealed or not, directly or indirectly amended, consolidated, extended or replaced by such statute or provision, or re-enacted in any such statute or provision, and to any subsequent statute or the corresponding provisions of any subsequent statute directly or indirectly amending, consolidating, extending, replacing or re-enacting the same, and will include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 1.3 The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.4 Words importing one gender include all other genders and words importing the singular include the plural and vice versa.
- 1.5 A reference in this Agreement to any clause, paragraph or Schedule is, except where it is expressly stated to the contrary, a reference to a clause or paragraph of or Schedule to this Agreement.
- 1.6 Any reference to this Agreement or to any other document unless otherwise specified shall include any variation, amendment or supplements to such document expressly permitted by this Agreement or otherwise agreed in writing between the relevant parties.
- 1.7 Words preceding "include", "includes", "including" and "included" shall be construed without limitation by the words which follow those words unless inconsistent with the context, and the rule of interpretation known as ejusdem generis shall not apply.

## 2. **ESTABLISHMENT OF A JOINT COMMITTEE**

- 2.1 In exercise of their powers under sections 101(5) and 102 of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000 and all other enabling powers the Councils shall agree and enter into the Constitution of the Joint Committee set out in **Schedule 1** in order to establish a joint committee to be known as The Three Rivers and Watford Shared Services Joint Committee (and within this Agreement also referred to as "the Joint Committee") with effect from the Commencement Date.

### 3. **FUNCTIONS OF THE JOINT COMMITTEE**

- 3.1 The Joint Committee shall be constituted and shall operate and conduct its business in accordance with the terms of this Agreement including the Constitution of the Joint Committee as set out at **Schedule 1**.
- 3.2 Three Rivers and Watford shall each delegate and empower the Joint Committee to discharge on its behalf the Agreed Functions as set out in **Schedule 2** and empowers the Joint Committee to arrange for the discharge of the Agreed Functions in the manner set out in this Agreement.

### 4. **SERVICE PLANS**

- 4.1 Each council shall submit to the Finance Officer of the Joint Committee before the end of October each year, their estimate of the funding likely to be available to the shared services for the next three financial years.
- 4.2 The Head of each Shared Service shall prepare and submit to the Joint Committee no later than November each year an annual written service plan for the Shared Service for which he or she is responsible for the next three financial years. This shall take into account any constraints arising from **clause 4.1** above and set out inter alia the outputs to be achieved by and the resources required for the relevant Shared Service.
- 4.3 On receipt of a service plan for a Shared Service, the Joint Committee shall by the end of the calendar year, review, make such amendments as it thinks fit and approve the service plan together with the relevant Service Level Agreement.
- 4.4 The Joint Committee shall be responsible for reviewing actual performance against the service plans.

### 5. **OFFICES FOR SHARED SERVICES**

- 5.1 Each Council shall provide suitable working accommodation for each of the Relevant Staff as may be determined by the structure established by the Joint Committee for the performance of each of the Shared Services from time to time.
- 5.2 It is intended that staff will co-locate. The Finance and ICT Shared Services will be delivered from Three Rivers accommodation. The Revenues and Benefits and HR Shared Services will be delivered from Watford accommodation.
- 5.3 All IT servers will be located in accommodation of Three Rivers in Rickmansworth.

**6. SUPPORT SERVICES**

- 6.1 Support Services shall be provided by the Councils as may be necessary to support the Joint Committee in the discharge of the Shared Services.
- 6.2 If either Council believes that additional Support Services may be required for the effective discharge of the Agreed Functions it shall consult the other Council to reach agreement as to the appropriate way of providing the additional Support Services. If the Councils are unable to agree the appropriate way of providing the additional Support Services the matter shall be dealt with in accordance with the dispute resolution procedure set out at **clause 16.**

**7. ASSETS**

- 7.1 The Councils agree that on Commencement they will draw up an inventory of Assets ('The Asset Register') which will be kept and regularly updated by the Secretary to the Joint Committee.

**8. COSTS AND LIABILITIES IN RESPECT OF THE JOINT COMMITTEE**

- 8.1 All losses, claims, expenses, actions, demands, costs and liabilities incurred by the Joint Committee and in fulfilling obligations under this Agreement shall be shared by the Councils on such terms as may be agreed from time to time between the Councils and in the absence of agreement pursuant to this clause, in accordance with the Distribution Formula.
- 8.2 Each Council shall (and hereby undertakes with the other Council to) indemnify the other Council against and/or contribute to and pay a share of all or any liabilities claims costs and/or expenses of or incurred by that Council arising out of or in connection with or in the course of or as a result of it being a member of the Joint Committee and fulfilling its obligations under this Agreement with the intent that the Council being indemnified and the other Council shall be jointly liable for all such liability to claims costs and/or expenses in accordance with the Distribution Formula or as otherwise agreed.

PROVIDED THAT such indemnity on the part of the Councils shall not extend to liabilities or claims arising or costs and/or expenses incurred by reason or in consequence of any of the following on the part of the Council seeking to be indemnified that is to say breach by the Council of its obligations under this Agreement gross negligence gross misconduct persistent breach of law or duty (this is to say persisted in after the same shall have been brought to the attention of the relevant Council) any act or omission known or that should have been known to the relevant Council to be contrary to proper Local Government practice or Local Government law or substantial or persistent failure (after reasonable notice) to redress performance of the duties of the relevant Council

which shall not comply with the requirements or the standards of or set by this Agreement.

8.3 For the avoidance of doubt, such indemnity shall include matters relating to the employment and transfer of staff, losses, costs, expenses or liabilities arising from contracts with third parties and in relation to assets, by way of illustration.

8.4 This **clause 8** shall survive the expiry or determination of this Agreement.

## 9. **INSURANCE**

9.1 Each Council shall ensure that:

9.1.1 it maintains throughout the duration of this Agreement (or procures the taking out and maintenance of) adequate insurance to the levels set out in **clause 9.2** and any other such insurances which may be required by Legislation;

9.1.2 the insurance obtained is effective no later than the date on which the relevant risk commences;

9.1.3 it is responsible for meeting and promptly pays all costs of all insurance premia for the insurances referred to in **clause 9.2**; and

9.1.4 upon written request it provides to the other Council making the written request:

9.1.4.1 copies of all insurance policies required under this clause;

9.1.4.2 evidence that all of the premia payable under such insurance policies have been paid in full; and

9.1.4.3 evidence that the insurances remain in full force and effect.

9.2 Each Council shall ensure that at all times an adequate level of insurance is maintained by it in respect of the provision of the Shared Services and in particular that public liability insurance of no less than £25,000,000 (twenty five million pounds) is taken out and maintained from the Commencement Date and throughout the duration of this Agreement.

9.3 Where either Council allows its premises to be used to allow Relevant Staff to work on matters relating to this Agreement that Council shall ensure that adequate insurance cover is effected and maintained to cover employee liability (including vicarious liability for Relevant Staff employed by the other

Council), public liability and any other insurance requirements which may accord with good practice.

9.4 Each Council warrants to the other that as at the date of this Agreement:

9.4.1 it has provided a copy of this Agreement to its insurer (in this **clause 9**, the "Insurer"); and,

9.4.2 upon receipt of a notice from an Insurer to a Council that the terms of the insurances required under this **clause 9** have changed or that the Insurer withdraws its insurance that Council shall promptly notify the other and use its best endeavours to forthwith obtain replacement insurance as required under this **clause 9**.

## 10. **STAFFING**

10.1 As from the Commencement Date the Relevant Staff shall be appointed to posts in the structure approved by the Joint Committee, shall be retained in the employment of their current employer, shall be employed on such terms and conditions as are agreed by the Councils with the relevant trade unions and are delegated for approval by the Joint Committee and shall be subject to Policies and Procedures approved by the Joint Committee.

10.2 Where a Relevant Staff member leaves any post or a new post is created that post shall be filled by the Head of the Relevant Shared Service and any newly appointed member shall be employed by the Council which employed the original member of Relevant Staff unless otherwise agreed by the relevant Head of Service or for a Head of Service by the Joint Committee.

10.3 The Head of each Shared Service shall be responsible for the day to day management of the Relevant Staff, including but not limited to performance management, allocation of holiday, training, personal development reviews and sickness absence issues in accordance at all times with the Shared Services Policies and Procedures. In respect of instances of long term sickness absence by a member of Relevant Staff and/or where formal disciplinary action may lead to dismissal of a member of Relevant Staff, then that action shall be administered by the Council which is his/her employer.

10.4 Each Council shall ensure that all Relevant Staff are provided with appropriate authorisation to undertake work within the administrative areas of both of the Councils as provided for within this Agreement.



## 11. FUNDING OF THE JOINT COMMITTEE

- 11.1 The Finance Officer to the Joint Committee shall prepare a base budget forecast for the Joint Committee in respect of the next three financial years by reference to the resources approved within the service plans.
- 11.2 The Joint Committee shall, as soon as practicable, but in any event no later than the 10th January of each year, submit to each Council its funding requirements.
- 11.3 If any Council disagrees with the amount of their contribution payable in accordance with this **clause 11** then they may pursue the dispute resolution procedure set out in **clause 16** or may terminate their involvement in the Joint Committee in accordance with **clause 14**
- 11.4 Subject to paragraph 11.3 above:-
- a) The Councils agree that the annual costs of the Joint Committee and the administration of it shall be shared between the Councils in accordance with the Distribution Formula set out below, and,
  - b) The Councils shall contribute funding in such sum as represents the proportion of the budget for each financial year determined by the Distribution Formula
- 11.5 The Councils will pay such sums as they shall be liable to contribute to the Finance Officer to the Joint Committee in accordance with **clause 11.4** by one payment annually.
- 11.6 An annual account detailing the expenditure and income of the Joint Committee shall be supplied by the Finance Officer to the Joint Committee to the parties by 30 May or as soon thereafter as is reasonably practicable in each year in respect of the previous financial year.
- 11.7 The section 151 Officers and for the Shared Finance Service and other authorised officers of the parties shall have access at all reasonable times and with due notice to the relevant financial records of the Councils and shall be entitled to seek explanations concerning queries relating thereto.
- 11.8 The Head of Audit shall have right of access to all records, assets, personnel and premises, including those of partner organisations and the authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities.
- 11.9 The Distribution Formula shall be as set out in **Schedule 5**. Such proportion shall reduce or increase proportionately in the event that other Councils join

into the provisions of this Agreement as parties, or any of the Councils withdraw.

**12. DURATION OF AGREEMENT**

12.1 This Agreement shall come into force on the Commencement Date and shall continue until terminated in accordance with the provisions of this Agreement.

**13. VARIATION OF THIS AGREEMENT**

13.1 Either of the Councils may request a variation to this Agreement by making such a request in writing to the Secretary to the Joint Committee.

13.2 The Secretary to the Joint Committee shall circulate the request to each of the Councils within 10 Business Days of receipt of the request for consideration and approval by the Councils.

13.3 If both of the Councils approve the variation then the Secretary to the Joint Committee shall arrange for the preparation of an appropriate Deed of Variation to this Agreement to be prepared for execution by both Councils and such change shall only take effect upon completion of that Deed and the costs associated with the preparation of such Deed of Variation shall be shared equally between the Councils.

13.4 If one of the Councils does not approve the change then the change to this Agreement shall not occur.

**14. WITHDRAWAL FROM THE JOINT COMMITTEE**

14.1 Any Council may withdraw from the Joint Committee in accordance with the following procedure:

14.1.1 Any Council which wishes to withdraw from the Joint Committee shall give not less than 18 months notice to the other Council and the Secretary to the Joint Committee of its intention to do so to be served on or before 1 September in any year. The Secretary to the Joint Committee shall consult the Council upon which such notice has been served giving due consideration to:

14.1.1.1 any loss of funding which may arise from such withdrawal to include any non-payment, clawback or repayment of such funding;

14.1.1.2 any other loss, liability, damage, claim or expense;

which would be incurred by the Council upon which notice has been served by reason of such withdrawal from the Joint Committee.

- 14.2 Any Council wishing to withdraw from the Joint Committee undertakes as a condition of such withdrawal to make, prior to withdrawal, such reasonable payment or payments which fairly reflect the actual losses caused by or anticipated as a result of the withdrawal as shall be determined by the other Council pursuant to **clauses 8, 11 and 14.1** above and no notice under this **clause 14** shall take effect unless and until such payment has been made.
- 14.3 The Joint Committee reserves the right to recover from any party to this Agreement the costs of any claims, costs, expenses, losses or liabilities of any nature or which have been caused by any act or omission of that party and which are discovered after the party's withdrawal from this Agreement.
- 14.4 Where one Council withdraws from this Agreement the Agreement shall terminate and the provisions of **clause 15** shall apply.

## 15. **TERMINATION OF THIS AGREEMENT**

- 15.1 The Councils agree that this Agreement may be determined upon terms agreed by both Councils.
- 15.2 In the event of termination of this Agreement:
- 15.2.1 Any party shall supply to any other party when requested any information which the other party requires for the continuing provision by that other party of any of the Shared Services.
- 15.2.2 Any Intellectual Property Rights created under this Agreement shall be owned by the then parties in equal proportions; and
- 15.2.3 Each of the parties shall undertake to pay such reasonable payment or payments which fairly reflect the obligations of that Council pursuant to this Agreement on the basis set out in **clauses 8, 11 and 14**.
- 15.3 In the event of termination of this Agreement, all Assets held by either of the Councils for the purposes of this Agreement shall:
- 15.3.1 Where reasonably practicable be divided between the Councils proportionate to the average cost of the relevant Shared Service over the previous year;
- 15.3.2 Be sold for the best consideration possible and the proceeds of sale divided between the Councils proportionate to the average cost of the Shared Services over the previous year, or where relevant;
- 15.3.3 Be retained by either Council for its own use and purposes subject to an equitable financial settlement to the other Council as agreed between the Councils;

- 15.3.4 Be dealt with as otherwise agreed between the Councils; or
- 15.3.5 In the absence of agreement, in accordance with the dispute resolution procedure in **clause 15**.

15.4 It shall be the duty of all of the parties to try to minimise any losses arising from the determination of this Agreement. Amongst other issues the Councils shall use their best endeavours to offer priority redeployment to any staff then employed in the provision of the Shared Services, by taking a transfer of any of the staff to provide the Shared Service or to be redeployed more generally and/or by helping to seek alternative employment for them.

## 16. **INTERNAL DISPUTE RESOLUTION**

16.1 The Councils (and where the context requires, the Heads of Paid Service of the Councils) undertake and agree to pursue a positive approach towards dispute resolution which seeks (in the context of this joint working arrangement) to identify a solution at the lowest operational level that is appropriate to the subject of the dispute and which avoids legal proceedings and maintains a strong working relationship between the parties.

16.2 Any dispute or difference shall in the first instance be referred to the Head of Service to resolve in liaison with the other Council. In the event that such matters cannot be resolved within 10 Business days it shall be referred to the relevant Director and the appropriate Director of the other council and in default of agreement within a further 10 Business Days the matter shall be referred to the Heads of Paid Service. If the Heads of Paid Service are unable to resolve the matter then it shall be referred to the Joint Committee for determination.

16.3 In the event of any dispute or difference between the Councils relating to this Agreement which it has not been possible to resolve through the decision making processes of the Joint Committee (whether this may be a matter of interpretation or otherwise) the matter shall be referred to arbitration in accordance with **clause 17**.

## 17. **ARBITRATION**

If at any time any dispute or difference shall arise between the Councils or any of them which they are not able to resolve in accordance with this Agreement the same shall be referred to and settled by a single arbitrator to be appointed by agreement by the Councils; or in default of agreement, nominated on the application of either of the Councils by the Secretary of State where the dispute or difference relates to costs and expenses arising under this Agreement, or by the President of the Law Society of England and Wales in respect of any other matter.

## 18. NOTICES

### 18.1 Form of notice

Any demand, notice or other communication given in connection with or required by this Agreement shall be made in writing and shall be delivered to, or sent by pre-paid first class post to, the recipient at the address stated in **Schedule 3** (or such other address as may be notified in writing from time to time) or sent by facsimile transmission to the recipient to the facsimile number stated in or sent by electronic mail to the electronic mail address of the recipient stated in **Schedule 3** (or such other address as may be notified in writing from time to time).

### 18.2 Service

Any such demand, notice or communication shall be deemed to have been duly served:

- 18.2.1 if delivered by hand, when left at the proper address for service;
- 18.2.2 if given or made by pre-paid first class post, two Business Days after being posted; or
- 18.2.3 if sent by facsimile, at the time of transmission provided that a confirmatory copy is on the same day that the facsimile is transmitted, sent by pre-paid first class post in the manner provided for in **clause 18.1** (Form of Notice)
- 18.2.4 If sent by electronic mail at the time of transmission

provided in each case that if the time of such deemed service is either after 4.00 pm on a Business Day or on a day other than a Business Day, service shall be deemed to occur instead at 10.00 am on the next following Business Day.

## 19. INFORMATION AND CONFIDENTIALITY

19.1 The parties shall keep confidential any Commercially Sensitive Information relating to this Agreement or the Intellectual Property Rights of the parties and shall use all reasonable endeavours to prevent their employees and agents from making any disclosure to any person of any Commercially Sensitive Information relating to the Agreement or Intellectual Property Rights of the parties.

19.2 **Clause 19.1** shall not apply to:

- 19.2.1 Any disclosure of information that is reasonably required by persons engaged in the performance of their obligations under this Agreement;

- 19.2.2 Any matter which a party can demonstrate is already generally available and in the public domain otherwise than as a result of a breach of this clause;
- 19.2.3 Any disclosure to enable a determination to be made under **clause 17** (Arbitration);
- 19.2.4 Any disclosure which is required by any law (including any order of a court of competent jurisdiction), any Parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law;
- 19.2.5 Any disclosure of information which is already lawfully in the possession of the receiving party prior to its disclosure by the disclosing party;
- 19.2.6 Any disclosure by a party to a department, office or agency of the Government;
- 19.2.7 Any disclosure for the purpose of the examination and certification of a party's accounts.

19.3 Where disclosure is permitted under **clause 19.2**, the recipient of the information shall be placed under the same obligation of confidentiality as that contained in this Agreement by the disclosing Council.

## 20. **DATA PROTECTION**

- 20.1 The parties shall at all times comply with the DPA, including maintaining a valid and up to date registration or notification under the DPA, covering any data processing to be performed in connection with this Agreement and their responsibilities as data processors and/or data controllers.
- 20.2 The parties shall only undertake processing of Personal Data reasonably required in connection with the operation of this Agreement.
- 20.3 The parties shall not transfer any Personal Data to any country or territory outside the European Economic Area.
- 20.4 The parties shall not disclose Personal Data to any third parties other than:
  - 20.4.1 in response to a data subject access request;
  - 20.4.2 to employees and contractors to whom such disclosure is necessary in order to comply with their obligations under this Agreement; or
  - 20.4.3 to the extent required to comply with a legal obligation.

**21. SCRUTINY AND AUDIT**

- 21.1 The Councils agree that scrutiny relating to this Agreement and the Agreed Functions shall be the responsibility of each Council.
- 21.2 The relevant committees of each Council responsible for scrutiny and audit shall have the right to inspect any documents relating to this Agreement and to require the Joint Committee to answer any questions raised by them.
- 21.3 The accounts relating to the Shared Services and this Agreement shall be the subject of audit by any external auditor appointed by any of the Council and shall be open to inspection by any external auditor appointed by the Audit Commission .
- 21.4 Any increased cost in undertaking any audit relating to the Shared Services and this Agreement shall be shared pro rata between the Councils on such terms as may be agreed by the Councils.

**22. VAT**

- 22.1 The Councils agree that so far as permitted by law they shall not charge VAT on any amounts payable under the terms of this Agreement as a non-business supply arising out of an administrative event.

**23. INTELLECTUAL PROPERTY**

Any Intellectual Property Rights created during the provision of the Shared Services shall vest jointly in Three Rivers and Watford which will hold the Intellectual Property Rights and they shall be held on behalf of all of the parties to this agreement at the time they were created.

**24. FREEDOM OF INFORMATION**

- 24.1 The parties recognise that the Councils are public authorities as defined by FOI Legislation and therefore recognise that information relating to this Agreement may be the subject of an Information Request.
- 24.2 The parties shall assist each other in complying with their obligations under FOI Legislation, including but not limited to assistance without charge, in gathering information to respond to an Information Request.
- 24.3 Any Council shall be entitled to disclose any information relating to this Agreement and the Shared Services in response to an Information Request, save that in respect of any Information Request which is in whole or part a request for Exempt Information:

- 24.3.1 the Council which receives the Information Request shall circulate the Information Request and shall discuss it with the other Council
- 24.3.2 the Council which receives the Information Request shall in good faith consider any representations raised by the other Council when deciding whether to disclose Exempt Information; and
- 24.3.3 the Council which receives the Information Request shall not disclose any Exempt Information beyond the disclosure required by FOI Legislation without the consent of the Council to which it relates.

24.4 The parties to this Agreement acknowledge and agree that any decision made by a Council which receives an Information Request as to whether to disclose information relating to this Agreement pursuant to FOI legislation is solely the decision of that Council. A Council will not be liable to any party to this Agreement for any loss, damage, harm or detrimental effect arising from or in connection with the disclosure of information in response to an Information Request.

## 25. **FORCE MAJEURE**

All parties shall be released from their respective obligations in the event that a Force Majeure Event renders the performance of this Agreement not reasonably practicable whereupon all money due to any party under this Agreement shall be paid immediately and **clause 13** (Variation of this Agreement) shall apply, as if all Councils in membership of the Joint Committee had agreed to determine this Agreement.

## 26. **SEVERABILITY**

- 26.1 If at any time any clause or part of a clause or schedule or appendix or part of a schedule or appendix to this Agreement is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid or unenforceable in any respect:
  - 26.1.1 that shall not affect or impair the legality, validity or enforceability of any other provision of this Agreement;
  - 26.1.2 the parties shall in good faith amend this Agreement to reflect as nearly as possible the spirit and intention behind that illegal, invalid or unenforceable provision to the extent that such spirit and intention is consistent with the laws of that jurisdiction and so that the amended Agreement complies with the laws of that jurisdiction.



27. **SUCCESSORS**

This Agreement shall be binding upon and shall enure to the benefit of each party's successors and permitted assigns.

28. **RELATIONSHIP OF PARTIES**

Each of the parties is an independent local authority and nothing contained in this Agreement shall be construed to imply that there is any relationship between the parties of partnership or principal/agent or of employer/employee. No party shall have any right or authority to act on behalf of another party nor to bind another party by contract or otherwise except to the extent expressly permitted by the terms of this Agreement.

29. **THIRD PARTY RIGHTS**

The parties agree that they do not intend that any third party which may benefit from this Agreement shall have any rights of enforcement under the terms of the Contracts (Rights of Third Parties) Act 1999.

30. **ENTIRE AGREEMENT**

This Agreement and all documents referred to in this Agreement set forth the entire agreement between the parties with respect to the subject matter covered by them and supersede and replace all prior communications, representations (other than fraudulent representations), warranties, stipulations, undertakings and agreements whether oral or written between the parties. Each party acknowledges that it does not enter into this Agreement in reliance on any warranty, representation or undertaking other than those contained in this Agreement and that its only remedies are for breach of this Agreement, provided that this shall not exclude any liability which either party would otherwise have to the other in respect of any statements made fraudulently by or on behalf of it prior to the date of this Agreement.

31. **LAW OF AGREEMENT OR JURISDICTION**

This Agreement shall be governed by the laws of England and Wales and subject to **clauses 16** and **17** (Internal Dispute Resolution and Arbitration) the parties submit to the exclusive jurisdiction of the courts of England and Wales.

**IN WITNESS** whereof the parties have caused their respective Common Seals to be hereunto affixed to this deed the day and year first before written

Signed for and on behalf of )  
Three Rivers District Council )  
in the presence of:- )

Signed for and on behalf of )  
Watford Borough Council )  
in the presence of:- )

## **SCHEDULE 1**

### **Constitution of the Joint Committee**

1. Each of the Councils shall appoint three Members (being elected members of that Council) as its nominated Members of the Joint Committee. The Members appointed shall have full voting rights.
2. Each Council may nominate one or more substitute Members to attend any meeting in place of an appointed Member from that Council, subject to notification being given to the Secretary to the Joint Committee before the start of the meeting. The Member appointed as a substitute shall have full voting rights where the member for whom they are substituting does not attend. If a Council's nominated Members attend a meeting of the Joint Committee, any named substitute may also attend as an observer but shall not be entitled to vote.
3. Each Member of the Joint Committee shall comply with the Code of Conduct of their Council when acting as a Member of the Joint Committee.
4. Each of the Councils may remove any of its nominated Members or substitute Members of the Joint Committee and appoint a different Member or substitute to the Joint Committee by giving written notice to the Secretary to the Joint Committee.
5. Each Council shall have three votes. These shall be exercised by the nominated Members who are elected members of the Council. In the absence of a Council's nominated Member, a vote may be exercised by the named substitute who is an elected member of the Council.
6. Each Member of the Joint Committee shall serve upon the Joint Committee for as long as he or she is appointed to the Joint Committee by the relevant Council but a Member shall cease to be a member of the Joint Committee if he or she ceases to be a Member of the Council appointing him or her or if the relevant Council removes him or her as a Member of the Joint Committee.
7. Any casual vacancies howsoever arising shall be filled by the Council from which the vacancy arises by notice in writing sent to the Secretary to the Joint Committee.
8. Meetings of the Joint Committee shall be held at the offices of the Member appointed as Chair.
9. The Council hosting the first meeting shall appoint one of its nominated members as Chair and that member shall remain Chair until the first meeting taking place after the elapse of one year from the time of his or her appointment

unless he or she ceases to be a Member of the Joint Committee. On the expiry of the first Chair's term of office as Chair, the Council which did not appoint the first Chair shall appoint one of its nominated members as Chair for a period of one year from the time of his or her appointment. The same procedure shall be followed for the appointment of Chair in subsequent years.

10. The Council which has not appointed the Chair of the Joint Committee in any year shall appoint one of its nominated members as Vice Chair.
11. The Joint Committee shall meet once every two months (bi-monthly) unless otherwise determined by the Joint Committee.
12. The Secretary to the Joint Committee may call additional meetings by providing at least five clear days' notice to Members of the Joint Committee, for the purposes of resolving urgent matters arising between the bi-monthly meetings of the Joint Committee. The Secretary to the Joint Committee must call a meeting of the Joint Committee if at least one Member of the Joint Committee from each Council requests it or the Head of Paid Service of both Councils requests it.
13. Meetings shall be notified to Members of the Joint Committee by the Secretary to the Joint Committee.
14. The Secretary to the Joint Committee shall send electronically to all members and relevant officers of each Council the agenda for each meeting of the Joint Committee no later than five clear Business Days before the date of the relevant meeting. The Secretary to the Joint Committee shall send to all Members of the Joint Committee, to the Political Group Leaders of each Council and relevant officers of each Council printed copies of the agenda for each meeting of the Joint Committee no later than five clear Business Days before the date of the relevant meeting.
15. The Secretary to the Joint Committee shall arrange for written minutes to be taken of each meeting of the Joint Committee and shall present them to the Joint Committee at its next meeting for approval as a correct record. If the Joint Committee confirms that the minutes contain an accurate record of the previous meeting, those minutes shall be signed by the Chair or Vice-Chair.
16. Meetings of the Joint Committee will commence at 7.30pm unless otherwise agreed by the Joint Committee. Meetings of the Joint Committee shall end no later than 10.30pm unless otherwise agreed by the Joint Committee.
17. A meeting of the Joint Committee shall require a quorum of two Members of each Council who are entitled to attend and vote. If there is a quorum of members present but neither the Chair nor the Vice-Chair is present, the Members present shall designate one Member to preside as Chair for that meeting.

18. Subject to the provisions of any enactment, all questions coming or arising before the Joint Committee shall be decided by a majority of the Council Members of the Joint Committee immediately present and voting thereon. Subject to the provisions of any enactment, in the case of an equality of votes the Chair shall have a second or casting vote but before exercising this, the Chair shall consider whether it is appropriate to defer the matter to the next meeting of the Joint Committee.
19. Any Member of the Joint Committee may request the Joint Committee to record the votes of individual Members of the Joint Committee on a matter for decision.
20. A Member when speaking shall address the Chair. If two or more Members wish to speak, the Chair shall call on one to speak. While a Member is speaking other Members shall remain silent.
21. A Member shall direct his/her speech to the question under discussion or to a personal explanation or to a point of order.
22. Only one amendment to a proposal may be moved and discussed at a time and no further amendment shall be moved until the amendment under discussion has been disposed of, providing that the Chair may permit two or more amendments to be discussed (but not voted on) together if circumstances suggest that this course would facilitate the proper conduct of the Joint Committee's business.
23. If an amendment be lost, other amendments may be moved on the original motion. If an amendment be carried, the motion as amended shall take the place of the original motion and shall become the motion upon which any further amendment may be moved.
24. The order of business shall be indicated in the agenda for the meeting.
25. When a motion is under debate by the Joint Committee no other motion shall be moved except the following:-
  - 25.1 to amend the motion;
  - 25.2 to adjourn the meeting;
  - 25.3 to adjourn the debate;
  - 25.4 to proceed to the next business;
  - 25.5 that the question be now put;
  - 25.6 that a Member be not further heard;

- 25.7 by the Chairman that a Member do leave the meeting;
  - 25.8 a motion under Section 100(A)(4) of the Local Government Act 1972 to exclude the public;
  - 25.9 to postpone consideration of the item.
26. A Member may move without comment at the conclusion of a speech of another Member, "That the Committee proceed to the next business", "That the question be now put", "That the debate be now adjourned", or "That the Committee do now adjourn", on the seconding of which the Chair shall proceed as follows:-
- 26.1 on a motion to proceed to next business; unless in his opinion the matter before the meeting has been insufficiently discussed put to the vote the motion to proceed to the next business
  - 26.2 on a motion that the question be now put; unless in his opinion the matter before the meeting has been insufficiently discussed he shall first put to the vote the motion that the question be now put
  - 26.3 on a motion to adjourn the debate or the meeting; if in his opinion the matter before the meeting has not been sufficiently discussed and cannot reasonably be sufficiently discussed on that occasion put the adjournment motion to the vote.
  - 26.4 The ruling of the Chairman shall not be open for discussion.
27. Any member of the Councils who is not a Member of the Joint Committee is entitled to attend the Joint Committee but he/she shall not be entitled to vote, shall not take part in the consideration or discussion of any business, save by leave of the Chair and comments will be recorded only on the direction of the Chair.
28. The following elected representatives are entitled to attend the Joint Committee but they shall not be entitled to vote, shall not take part in the consideration or discussion of any business, save by leave of the Chair and comments will be recorded only on the direction of the Chair:
- 28.1 Members of parish councils within the Three Rivers District;
  - 28.2 Members of the Hertfordshire County Council representing wards within the Three Rivers District / Watford Borough;
  - 28.3 Members of Parliament for the residents of Three Rivers District and Watford Borough;

- 28.4 Members of the European Parliament for the residents of Three Rivers District and Watford Borough.
29. Meetings of the Joint Committee will be open to the public except to the extent that they are excluded under **paragraph 31**.
30. Members of the public wishing to address the Joint Committee (or a sub-committee of the Joint Committee) on Part I reports contained within the agenda for the meeting shall be given the opportunity to do so subject to:
- 30.1 the opportunity being extended to one person to speak in support of each agenda item and one person to speak against each agenda item when called to do so by the Chairman;
  - 30.2 an indication of the desire to speak on the agenda item being made by the person just prior to the meeting and the name supplied to the Committee Manager in attendance (by means of the register), the first person registering to have precedence in the event of more than one person wishing to speak either for or against the agenda item;
  - 30.3 each person addressing the Joint Committee or sub-committee of the Joint Committee being limited to three minutes' speech;
  - 30.4 an opportunity being provided for an expression of a contrary view, even though no prior notice has been given, when a member of the public has spoken for or against the item;
  - 30.5 in the event of the person having registered to speak on an agenda item not wishing to take up their right to speak on the agenda item because it was deferred, that person will automatically be given the right to speak on the agenda item at the next meeting of the Joint Committee or sub-committee of the Joint Committee;
  - 30.6 the Chair of the meeting having discretion to rule that a person wishing to address the meeting shall not be heard if, in his/her opinion, that issue or the organisation or the person wishing to make representation on that issue has received an adequate hearing.
31. The public may be excluded from a meeting of the Joint Committee during an item of business whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that, if members of the public were present during that item, confidential information as defined in section 100A(3) of the Local Government Act 1972 or exempt information as defined in section 100I of the Local Government Act 1972 would be disclosed to them.

32. Each Council may call in any decision of the Joint Committee in accordance with the overview and scrutiny provisions of that Council's constitution. If any decision of the Joint Committee is subject to call in by a Council, the Joint Committee shall take no action to implement that decision unless the call in process upholds the decision.
33. The Joint Committee may delegate a function to an officer.
34. Any contractual arrangements that relate to a Shared Service will be undertaken by one of the Councils and that Council will apply its own financial regulations and contract procedure rules until such time as the financial regulations and contract procedure rules of the Councils are harmonised. The Head of Service of the relevant Shared Service that is incurring the expenditure will normally determine which of the Councils' financial regulations and contract procedure rules will apply and in the event of any dispute or uncertainty the matter should be referred to the Relevant Director to whom all of the Heads of Shared Services reports.
35. The Secretary to the Joint Committee shall provide governance and secretarial support services to the Joint Committee on such terms as may be agreed from time to time between the Councils. Three Rivers shall make available committee officers to provide administrative services at the meetings of the Joint Committee.
36. The Lawyer to the Joint Committee shall provide legal advice and support services to the Joint Committee on such terms as may be agreed from time to time between the Councils.
37. The Finance Officer to the Joint Committee shall provide financial support services to the Joint Committee on such terms as may be agreed from time to time between the Councils.



## SCHEDULE 2

### Agreed Functions and Shared Services

1. The Joint Committee shall be responsible for and shall have delegated to it the following functions of the Councils which choose to participate in Shared Service of Delivery:
  - 1.1 the human resources function;
  - 1.2 the ICT function;
  - 1.3 the finance function;
  - 1.4 the revenues and benefits function;and such other functions which it is agreed between the Parties should become a Shared Service.
2. The Joint Committee shall act as the ultimate arbiter in the case of unresolved disputes between the Councils unless such matters are referred to Arbitration pursuant to **Clause 17**.
3. The Joint Committee shall act in the manner laid down in the Constitution of the Joint Committee as set out in **Schedule 1**.
4. It has been agreed that the following "Shared Services" should be delivered in the manner laid down in this Agreement.
5. The Shared Services relating to human resources are:
  - 5.1 Appointment of officers other than head of paid service and chief officers;
  - 5.2 Approval of terms and conditions of officers;
  - 5.3 Administration of disciplinary, grievance and dismissal relating to officers other than for officers with statutory protection;
  - 5.4 Management and administration of employee pay, pensions, benefits, expenses and member allowances.
6. The Shared Services relating to human resources do not include the following Reserved Decisions:
  - 6.1 Appointment of the head of paid service and chief officers;
  - 6.2 Management of disciplinary, grievance and dismissal relating to officers with statutory protection.

7. The Shared Services relating to ICT are:
  - 7.1 Maintenance of ICT equipment;
  - 7.2 Security of ICT equipment;
  - 7.3 Obtaining of any necessary licences for use of ICT systems and programmes;
  - 7.4 Training of staff working on ICT matters.
8. The Shared Services relating to ICT do not include the following Reserved Decisions:
  - 8.1 Approval of policies relating to use of ICT equipment and systems.
9. The Shared Services relating to finance are:
  - 9.1 Making payments on behalf of the Councils;
  - 9.2 Maintaining the accounts of the Councils;
  - 9.3 Maintaining the system of purchase orders;
  - 9.4 The provision of an internal audit service
  - 9.5 Managing the operation of the Councils' insurances;
  - 9.6 Issuing guidance and providing advice to members and officers of the Councils on the financial procedure rules of the Councils;
  - 9.7 Providing training to officers working on financial matters;
  - 9.8 Monitoring the Councils' prudent financial management and compliance with approved accounting practices and reporting to members on these matters;
  - 9.9 Preparation of the Councils' annual statement of accounts;
  - 9.10 Maintenance of the Councils record of assets;
  - 9.11 Monitoring the financial administration of external partnerships and other organisations in which the Councils are involved;
  - 9.12 Undertaking Housing Benefit and Council Tax Benefit fraud investigations and prosecutions;
  - 9.13 Virement within Joint Committee Budgets

10. The Shared Services relating to finance do not include the following Reserved Decisions:

- 10.1 Approving and adopting the Budget and policy framework and changes to this;
- 10.2 Approval of the Councils' corporate plan;
- 10.3 Approving schemes for the use of earmarked reserves or contingency provision;
- 10.4 Approval of virements for non Joint Committee budgets;
- 10.5 Any matters which amount to the statutory duties of the Councils' Chief Finance Officers;
- 10.6 Approval of the Councils' annual statement of accounts
- 10.7 Approval of renewal terms for insurances for the Councils.

11. The Shared Services relating to revenues and benefits are:

- 11.1 Issuing of Council Tax Bills;
- 11.2 Issuing of National Non-Domestic Rates Bills;
- 11.3 Maintenance of database for billing purposes;
- 11.4 Collection of payments of Council Tax and National Non-Domestic Rates Bills;
- 11.5 Recovery of Council Tax and National Non-Domestic Rates Bills;
- 11.6 Administration, assessment and payment of Housing Benefit and Council Tax Benefit;
- 11.7 Issuing of bills for recovering of Housing Benefit and Council Tax Benefit Overpayment;
- 11.8 Recovery of arrears of repayment of Housing Benefit and Council Tax Benefit Overpayment;
- 11.9 Writing off of Housing Benefit and Council Tax Benefit overpayment in accordance with the policy of the relevant local authority;
- 11.10 Compilations of returns to central Government relating to Revenues & Benefits;

- 11.11 Provision of administrative and support services relating to Revenues & Benefits;
  - 11.12 Calculation of Council Tax Base;
  - 11.13 Collection fund accounting;
  - 11.14 Recommendation for approval of discretionary Housing Payments
  - 11.15 Recommendation for approval of applications for discretionary National Non-Domestic Rate Relief;
  - 11.16 Recommendation for approval of applications for discretionary National Non-Domestic Rate Hardship Relief;
  - 11.17 Authorisation of officers to attend court for purposes relating to prosecutions for non payment of Council Tax and National Non Domestic Rates;
  - 11.18 Approval of write-offs of bad debts within the scope of the policies established by each Council for the write-off of bad debts.
  - 11.19 Preparation of benefit subsidy claims;
- 12 The Shared Services relating to revenues and benefits do not include the following Reserved Decisions:
- 12.1 Approving and Setting of Council Tax;
  - 12.2 Approval of benefit subsidy claims;
  - 12.3 Approval of discretionary Housing Payments;
  - 12.4 Approval of applications for discretionary National Non-Domestic Rate Relief;
  - 12.5 Approval of applications for discretionary National Non-Domestic Rate Hardship Relief;
  - 12.6 Determination of policy for second homes;
  - 12.7 Determination of policy for write off of bad debts.

**SCHEDULE 3**  
**Notice Provisions**

Three Rivers District Council

Three Rivers House

Northway

Rickmansworth

WD3 1RL

Telephone: 01923 776611

Fax: 01923 896119

E-mail: [anne.morgan@threerivers.gov.uk](mailto:anne.morgan@threerivers.gov.uk)

Watford Borough Council

Town Hall

Watford

WD17 3EX

Telephone: 01923 278350

Fax: 01923 278366

E-mail: [carol.chen@watford.gov.uk](mailto:carol.chen@watford.gov.uk)

## SCHEDULE 4

### Relevant Posts

#### Shared Services In scope Posts

#### ICT

Council	Role	FTE
TRDC	ICT Manager	1.00
TRDC	ICT Officer	1.00
TRDC	Housing Sys Administrator	1.00
TRDC	Revenues Systems Administrator	1.00
TRDC	P/T Telecoms and Web Officer	0.41
WBC	Admin Assistant	0.49
WBC	Admin Assistant	0.59
WBC	Application System Analyst	1.00
WBC	Application Systems Analyst	1.00
WBC	Application Systems Analyst	1.00
WBC	Application Systems Analyst	1.00
WBC	Business Manager	1.00
WBC	Head of Business Info Services	1.00
WBC	ICT Manager	1.00
WBC	Infrastructure Engineer	1.00
WBC	Infrastructure Engineer	1.00
WBC	Infrastructure Engineer	1.00
WBC	Infrastructure Engineer	1.00
WBC	Web Developer	1.00
WBC	Web Developer	1.00
WBC	Senior Business Analyst	1.00
WBC	Business Analyst – Wide Band	1.00

#### HR

Council	Role	FTE
TRDC	Asst Personnel Officer	0.68
TRDC	Personnel Asst	1.00
TRDC	Personnel & Training Officer	0.54
TRDC	Admin Asst (Training)	0.76
TRDC	Personnel & Training Manager	1.00
WBC	Head of Human Resources	1.00
WBC	Deputy Head of HR	1.00
WBC	HR Assistant	1.00
WBC	HR Assistant	1.00
WBC	HR Information Officer	0.59
WBC	HR Officer	0.50
WBC	HR Officer	0.55
WBC	HR Officer	0.81
WBC	HR Officer	0.50
WBC	HR Officer	0.47
WBC	HR Officer	1.00
WBC	Corporate Safety Advisor	1.00

Council	Role	FTE
WBC	L&D Administrator	1.00
WBC	Learning & Development Officer	0.50
WBC	Learning & Development Officer	0.50
WBC	Learning & Development Officer	1.00
WBC	Policy & Projects Officer	1.00
WBC	Payroll Assistant	1.00
WBC	Payroll Assistant	0.61
WBC	Payroll Assistant	1.00
WBC	Payroll Manager	1.00

## Finance

Council	Role	FTE
TRDC	Finance Manager	1.0
TRDC	Finance Manager	1.0
TRDC	Finance Manager	1.0
TRDC	Finance Manager	1.0
TRDC	Treasury Management Officer	1.0
TRDC	Payments Supervisor	1.0
TRDC	Accountancy Manager	1.0
TRDC	Insurance Officer	0.6
TRDC	Income Officer	1.0
TRDC	Investigation Manager	1.0
TRDC	Investigations Officer	1.0
TRDC	Investigations Officer	1.0
WBC	Finance Manager	1.0
WBC	Senior Management Accountant	1.0
WBC	Senior Management Accountant	1.0
WBC	Senior Management Accountant	1.0
WBC	Accountancy Assistant	1.0
WBC	Accountancy Assistant	1.0
WBC	Finance Manager	1.0
WBC	Senior Management Accountant	1.0
WBC	Assistant Accountant	1.0
WBC	Accountancy Assistant	0.6
WBC	Strategic Finance Manager	1.0
WBC	Systems Administrator	1.0
WBC	Systems Administrator	1.0
WBC	Accountancy Assistant-Accounts payable	0.7
WBC	Accountancy Assistant-Accounts payable	1.0
WBC	Audit Manager	1.0
WBC	Insurance Officer	0.2
WBC	Senior Auditor	1.0
WBC	Senior Auditor	1.0
WBC	Senior Auditor	1.0
WBC	Fraud Manager	1.0
WBC	Senior Fraud Officer	1.0
WBC	Fraud Officer	1.0
WBC	Investigator	1.0

## Revenues & Benefits

<b>Council</b>	<b>Role</b>	<b>FTE</b>
TRDC	Exchequer Services Manager	1.00
TRDC	Benefits Manager	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Quality Officer	1.00
TRDC	Benefits Admin Asst	1.00
TRDC	Benefits Admin Asst	0.68
TRDC	Benefits Admin Asst	1.00
TRDC	Benefits Admin Asst	0.57
TRDC	Visiting Officer	1.00
TRDC	Debt Recovery Officer	1.00
TRDC	Debt Recovery Officer	0.41
TRDC	Debt Recovery Officer	1.00
TRDC	Debt Recovery Officer	0.78
TRDC	Debt Recovery Officer	0.61
TRDC	Debt Recovery Officer	0.81
TRDC	Debt Recovery Officer	0.56
TRDC	Outside Inspector	1.00
TRDC	Clerical Asst	0.41
TRDC	Council Tax Officer	1.00
TRDC	Council Tax Officer	1.00
TRDC	Council Tax Officer	1.00
TRDC	NNDR Officer	1.00
TRDC	Revenues Manager	1.00
WBC	Head of Revenues and Benefits	1.00
WBC	Revenues Manager	1.00
WBC	Senior Revenues Officer	1.00
WBC	Billing Officer	1.00
WBC	Billing Officer	0.68
WBC	Billing Officer	1.00
WBC	Billing Officer	1.00
WBC	Billing Officer	0.89
WBC	Billing Officer	1.00
WBC	Court Officer	1.00
WBC	Recovery Officer	1.00
WBC	Recovery Officer	0.68
WBC	Recovery Officer/Bailiff	1.00
WBC	Recovery Officer	1.00
WBC	Benefits Manager	1.00
WBC	Benefits Manager	1.00
WBC	Senior Benefits Officer	1.00
WBC	Senior Benefits Officer	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00



<b>Council</b>	<b>Role</b>	<b>FTE</b>
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	0.50
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	0.68
WBC	Visiting Officer	1.00
WBC	Senior Cashier	0.82
WBC	Senior Income Officer	1.00
WBC	Cashier	1.00
WBC	Exchequer Asst (Overpayments)	1.00
WBC	Income officer	1.00
WBC	Income Officer	0.81
WBC	Income Officer	0.41
WBC	Income Officer	0.59
WBC	R&B Train & Perform Manager	1.00
WBC	Perform & Training Senior Officer (Benefits)	1.00
WBC	Perform & Training Senior Officer (CTax/NNDR)	1.00
WBC	Admin Asst	1.00
WBC	Admin Asst	1.00
WBC	Administrative Assistant	1.00
WBC	Admin Supprt	1.00
WBC	Performance & Training clerical	1.00

## SCHEDULE 5

### Distribution Formula

Type of Cost	Three Rivers	Watford
1. Joint Committee	50%	50%
2. Shared Services operational costs	Variable by service based on workload. See 2. below	
3. Shared Services implementation costs	31%	69%

#### 1. Joint Committee Costs

Annual costs relating to the Joint Committee will be shared in equal proportion between the Councils.

This will include the following

- Costs of committee administration
- Meeting costs of room booking, refreshments and any joint committee events such as training etc
- Any other incidental expenses of Joint Committee members

#### 2. Shared Services Operational Costs

##### Shared Services Operational Costs

The annual cost of each shared service will be set and agreed by the Joint Committee. Each Council will contribute the following proportion of the annual cost of each service, based on the differences in workload.

Service	Three Rivers	Watford	Workload measure
HR	27%	73%	Headcount with complexity weighting
Finance	40%	60%	Expenditure £m
Council Tax	50%	50%	No of dwellings
Benefits	43%	57%	Average Caseload
ICT	40%	60%	No. of PCs/Terminals

The workload measures shown above were agreed with the Section 151 officers of both Councils and the % differences are based on metrics from both Councils used in the Detailed Business Case. It is assumed that these % differences will be applied till the end of FY08/09. From FY09/10, the workload metrics will be recalculated based on the previous years actual workload. Any changes to the approach of sharing operational costs between the Councils will be agreed with the Councils once shared services is fully operational.

#### 3. Shared Services implementation Costs

The implementation costs of the shared services programme have been apportioned based on the relative size of the Councils as most of the costs relate to the "people" elements of change such as resources, staff support, redundancy, employee transition and the relative size of the financial benefits to Watford. This results in 69% of the implementation costs being funded by Watford and 31% by Three Rivers. This % split in costs has been agreed by the S151 officers of both Councils.

Dated 26 August 2008

- (1) Three Rivers District Council
- (2) Watford Borough Council

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## Delegation and Joint Committee Agreement

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**BETWEEN**

- (1) Three Rivers District Council of Three Rivers House, Northway, Rickmansworth WD3 1RL ("Three Rivers")
- (2) Watford Borough Council of Town Hall, Watford WD17 3EX ("Watford")

**BACKGROUND**

- (A) Three Rivers and Watford ("the Councils") are local authorities for the purposes of the Local Government Act 1972 and best value authorities for the purposes of the Local Government Act 1999.
- (B) The Councils have agreed to establish and to participate in a joint committee (the "Joint Committee") to facilitate the joint delivery of certain of their functions (the "Agreed Functions") with a view to their more economical, efficient and effective discharge. Initially these functions comprise ICT, HR, Finance and Revenues and Benefits and they will be delegated to a Joint Committee.
- (C) The Councils have entered into this Agreement in reliance on the exclusive rights given to local authorities to undertake administrative arrangements of this nature in sections 101, 102, sections 112 and 113 of the Local Government Act 1972, and sections 19 and 20 of the Local Government Act 2000 and the regulations made under these Acts; together with the general power within section 2 of the Local Government Act 2000 and the supporting provisions within section 111 Local Government Act 1972.

**OPERATIVE PROVISIONS**

**1. DEFINITIONS AND INTERPRETATION**

In this Agreement:

- 1.1 the following expressions have the following meanings unless inconsistent with the context:

**"Agreed Functions"** those functions set out in **Schedule 2** which have been delegated to the Joint Committee in the manner described in **Schedule 1**;

**"Asset Register"** a register of all the Assets used by the Councils in the delivery of the Shared Services

**"Assets"** all and any assets used in delivery of the Shared Services including all items of furniture,

information technology (including Software) and all other equipment supplied by the Councils for use in the delivery of the Shared Services

**"Business Day"**

any day other than a Saturday or Sunday on which banks are open for domestic business in the City of London; and additionally excluding 25, 26, 27, 28, 29, 30, 31 December

**"Commencement Date"**

the date of this Agreement

**"Commercially Sensitive Information"**

any information in respect of which the Councils agree that disclosure would or would be likely to prejudice the commercial interests of any person

**"Constitution of the Joint Committee"**

the constitution set out at **Schedule 1**

**"Councils"**

Three Rivers District Council and Watford Borough Council and any other councils which are appointed as members of the Joint Committee

**"DPA"**

Data Protection Act 1998

**"Distribution Formula"**

the formula representing percentage contributions of each of the Councils as set out in **clause 11.9**

**"Exempt Information"**

any information or class of information relating to this Agreement which may fall within an exemption to disclosure under FOI Legislation

**"FOI Legislation"**

the Freedom of Information Act 2000 and subordinate legislation made under this and the Environmental Information Regulations 2004

**"Finance Officer to the Joint Committee"**

the officer designated as Finance Officer to the Joint Committee by the Councils or such other officer of the Councils as may be agreed by the Joint Committee from time to time

**"Force Majeure Event"**

the occurrence of (a) war, civil war, armed

conflict or terrorism or (b) pressure waves caused by devices travelling at supersonic speeds which directly causes any party ("the Affected Party") to be unable to comply with all or a material part of its obligations under this Agreement or (c) nuclear, chemical or biological contamination unless the source or cause of the contamination is the result of actions of the Affected Party

**"Head of Paid Service"**

an officer designated by a Council as the Council's Head of Paid Service in accordance with section 4 of the Local Government and Housing Act 1989

**"Information Request"**

a request for information under FOI Legislation

**"Intellectual Property Rights"**

rights in patents, trade marks, service marks, design rights (whether registrable or otherwise), applications for any of the foregoing, copyright (including rights in software), database rights, know-how, trade secrets, confidential business information, trade or business names and any similar or analogous rights to any of the above, whether arising or granted under the Laws of England or of any other jurisdiction

**"Lawyer to the Joint Committee"**

the officer designated as Lawyer to the Joint Committee by the Councils or such other officer of the Councils as may be agreed by the Joint Committee from time to time

**"Political Group Leader"**

a person designated as the leader of a political group in accordance with the Local Government (Committees and Political Groups) Regulations 1990

**"Relevant Posts"**

those posts identified in **Schedule 4** to this Agreement

**"Relevant Staff"**

staff employed in Relevant Posts

**"Reserved Decision(s)"**

any decision or aspect of an Agreed Function which has been reserved to either of the Councils and therefore does not comprise part

of the Shared Services described in **Schedule 2**

**“Relevant Director”**

The Directors for Three Rivers and Watford Borough Councils with responsibility for managing the Shared Services on behalf of their respective Councils.

**“Secretary to the Joint Committee”**

the officer designated as Secretary to the Joint Committee by the Councils or such other officer of the Councils as may be agreed by the Joint Committee from time to time

**“Section 151 Officer”**

the officer designated by a local authority as the person responsible for the proper administration of its financial affairs, as required by section 151 of the Local Government Act 1972

**“Shared Service(s)”**

those services which are detailed in **Schedule 2** initially Finance, HR, ICT and Revenues and Benefits in so far as these are Agreed Functions which have been delegated to the Joint Committee; to include such additional services as are agreed by the Councils and delegated to the Joint Committee

**“Shared Services Policies and Procedures”**

any policies and procedures which the Councils agree should apply to the Relevant Staff or some of them

**“Software”**

any and all computer programs in both source and object code form, including all modules, routines and sub-routines of such programs and all source and other preparatory materials relating to them, including user requirements, functional specifications and programming specifications, ideas, principles, programming languages, algorithms, flow changes, logic, logic diagrams, orthographic representations, file structures, coding sheets, coding and any manuals or other documentation relating to them and computer generated works

**“Support Services”**

the services within each Council which may be



required to assist the Joint Committee in the discharge of the Agreed Functions

- 1.2 References to any statute or statutory provision (including any EU Instrument) shall, unless the context otherwise requires, be construed as including references to any earlier statute or the corresponding provisions of any earlier statute, whether repealed or not, directly or indirectly amended, consolidated, extended or replaced by such statute or provision, or re-enacted in any such statute or provision, and to any subsequent statute or the corresponding provisions of any subsequent statute directly or indirectly amending, consolidating, extending, replacing or re-enacting the same, and will include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 1.3 The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.4 Words importing one gender include all other genders and words importing the singular include the plural and vice versa.
- 1.5 A reference in this Agreement to any clause, paragraph or Schedule is, except where it is expressly stated to the contrary, a reference to a clause or paragraph of or Schedule to this Agreement.
- 1.6 Any reference to this Agreement or to any other document unless otherwise specified shall include any variation, amendment or supplements to such document expressly permitted by this Agreement or otherwise agreed in writing between the relevant parties.
- 1.7 Words preceding "include", "includes", "including" and "included" shall be construed without limitation by the words which follow those words unless inconsistent with the context, and the rule of interpretation known as ejusdem generis shall not apply.

## 2. **ESTABLISHMENT OF A JOINT COMMITTEE**

- 2.1 In exercise of their powers under sections 101(5) and 102 of the Local Government Act 1972, sections 19 and 20 of the Local Government Act 2000 and all other enabling powers the Councils shall agree and enter into the Constitution of the Joint Committee set out in **Schedule 1** in order to establish a joint committee to be known as The Three Rivers and Watford Shared Services Joint Committee (and within this Agreement also referred to as "the Joint Committee") with effect from the Commencement Date.

### 3. **FUNCTIONS OF THE JOINT COMMITTEE**

- 3.1 The Joint Committee shall be constituted and shall operate and conduct its business in accordance with the terms of this Agreement including the Constitution of the Joint Committee as set out at **Schedule 1**.
- 3.2 Three Rivers and Watford shall each delegate and empower the Joint Committee to discharge on its behalf the Agreed Functions as set out in **Schedule 2** and empowers the Joint Committee to arrange for the discharge of the Agreed Functions in the manner set out in this Agreement.

### 4. **SERVICE PLANS**

- 4.1 Each council shall submit to the Finance Officer of the Joint Committee before the end of October each year, their estimate of the funding likely to be available to the shared services for the next three financial years.
- 4.2 The Head of each Shared Service shall prepare and submit to the Joint Committee no later than November each year an annual written service plan for the Shared Service for which he or she is responsible for the next three financial years. This shall take into account any constraints arising from **clause 4.1** above and set out inter alia the outputs to be achieved by and the resources required for the relevant Shared Service.
- 4.3 On receipt of a service plan for a Shared Service, the Joint Committee shall by the end of the calendar year, review, make such amendments as it thinks fit and approve the service plan together with the relevant Service Level Agreement.
- 4.4 The Joint Committee shall be responsible for reviewing actual performance against the service plans.

### 5. **OFFICES FOR SHARED SERVICES**

- 5.1 Each Council shall provide suitable working accommodation for each of the Relevant Staff as may be determined by the structure established by the Joint Committee for the performance of each of the Shared Services from time to time.
- 5.2 It is intended that staff will co-locate. The Finance and ICT Shared Services will be delivered from Three Rivers accommodation. The Revenues and Benefits and HR Shared Services will be delivered from Watford accommodation.
- 5.3 All IT servers will be located in accommodation of Three Rivers in Rickmansworth.

**6. SUPPORT SERVICES**

- 6.1 Support Services shall be provided by the Councils as may be necessary to support the Joint Committee in the discharge of the Shared Services.
- 6.2 If either Council believes that additional Support Services may be required for the effective discharge of the Agreed Functions it shall consult the other Council to reach agreement as to the appropriate way of providing the additional Support Services. If the Councils are unable to agree the appropriate way of providing the additional Support Services the matter shall be dealt with in accordance with the dispute resolution procedure set out at **clause 16.**

**7. ASSETS**

- 7.1 The Councils agree that on Commencement they will draw up an inventory of Assets ('The Asset Register') which will be kept and regularly updated by the Secretary to the Joint Committee.

**8. COSTS AND LIABILITIES IN RESPECT OF THE JOINT COMMITTEE**

- 8.1 All losses, claims, expenses, actions, demands, costs and liabilities incurred by the Joint Committee and in fulfilling obligations under this Agreement shall be shared by the Councils on such terms as may be agreed from time to time between the Councils and in the absence of agreement pursuant to this clause, in accordance with the Distribution Formula.
- 8.2 Each Council shall (and hereby undertakes with the other Council to) indemnify the other Council against and/or contribute to and pay a share of all or any liabilities claims costs and/or expenses of or incurred by that Council arising out of or in connection with or in the course of or as a result of it being a member of the Joint Committee and fulfilling its obligations under this Agreement with the intent that the Council being indemnified and the other Council shall be jointly liable for all such liability to claims costs and/or expenses in accordance with the Distribution Formula or as otherwise agreed.

PROVIDED THAT such indemnity on the part of the Councils shall not extend to liabilities or claims arising or costs and/or expenses incurred by reason or in consequence of any of the following on the part of the Council seeking to be indemnified that is to say breach by the Council of its obligations under this Agreement gross negligence gross misconduct persistent breach of law or duty (this is to say persisted in after the same shall have been brought to the attention of the relevant Council) any act or omission known or that should have been known to the relevant Council to be contrary to proper Local Government practice or Local Government law or substantial or persistent failure (after reasonable notice) to redress performance of the duties of the relevant Council

which shall not comply with the requirements or the standards of or set by this Agreement.

8.3 For the avoidance of doubt, such indemnity shall include matters relating to the employment and transfer of staff, losses, costs, expenses or liabilities arising from contracts with third parties and in relation to assets, by way of illustration.

8.4 This **clause 8** shall survive the expiry or determination of this Agreement.

## 9. **INSURANCE**

9.1 Each Council shall ensure that:

9.1.1 it maintains throughout the duration of this Agreement (or procures the taking out and maintenance of) adequate insurance to the levels set out in **clause 9.2** and any other such insurances which may be required by Legislation;

9.1.2 the insurance obtained is effective no later than the date on which the relevant risk commences;

9.1.3 it is responsible for meeting and promptly pays all costs of all insurance premia for the insurances referred to in **clause 9.2**; and

9.1.4 upon written request it provides to the other Council making the written request:

9.1.4.1 copies of all insurance policies required under this clause;

9.1.4.2 evidence that all of the premia payable under such insurance policies have been paid in full; and

9.1.4.3 evidence that the insurances remain in full force and effect.

9.2 Each Council shall ensure that at all times an adequate level of insurance is maintained by it in respect of the provision of the Shared Services and in particular that public liability insurance of no less than £25,000,000 (twenty five million pounds) is taken out and maintained from the Commencement Date and throughout the duration of this Agreement.

9.3 Where either Council allows its premises to be used to allow Relevant Staff to work on matters relating to this Agreement that Council shall ensure that adequate insurance cover is effected and maintained to cover employee liability (including vicarious liability for Relevant Staff employed by the other

Council), public liability and any other insurance requirements which may accord with good practice.

9.4 Each Council warrants to the other that as at the date of this Agreement:

9.4.1 it has provided a copy of this Agreement to its insurer (in this **clause 9**, the "Insurer"); and,

9.4.2 upon receipt of a notice from an Insurer to a Council that the terms of the insurances required under this **clause 9** have changed or that the Insurer withdraws its insurance that Council shall promptly notify the other and use its best endeavours to forthwith obtain replacement insurance as required under this **clause 9**.

## 10. **STAFFING**

10.1 As from the Commencement Date the Relevant Staff shall be appointed to posts in the structure approved by the Joint Committee, shall be retained in the employment of their current employer, shall be employed on such terms and conditions as are agreed by the Councils with the relevant trade unions and are delegated for approval by the Joint Committee and shall be subject to Policies and Procedures approved by the Joint Committee.

10.2 Where a Relevant Staff member leaves any post or a new post is created that post shall be filled by the Head of the Relevant Shared Service and any newly appointed member shall be employed by the Council which employed the original member of Relevant Staff unless otherwise agreed by the relevant Head of Service or for a Head of Service by the Joint Committee.

10.3 The Head of each Shared Service shall be responsible for the day to day management of the Relevant Staff, including but not limited to performance management, allocation of holiday, training, personal development reviews and sickness absence issues in accordance at all times with the Shared Services Policies and Procedures. In respect of instances of long term sickness absence by a member of Relevant Staff and/or where formal disciplinary action may lead to dismissal of a member of Relevant Staff, then that action shall be administered by the Council which is his/her employer.

10.4 Each Council shall ensure that all Relevant Staff are provided with appropriate authorisation to undertake work within the administrative areas of both of the Councils as provided for within this Agreement.

## 11. FUNDING OF THE JOINT COMMITTEE

- 11.1 The Finance Officer to the Joint Committee shall prepare a base budget forecast for the Joint Committee in respect of the next three financial years by reference to the resources approved within the service plans.
- 11.2 The Joint Committee shall, as soon as practicable, but in any event no later than the 10th January of each year, submit to each Council its funding requirements.
- 11.3 If any Council disagrees with the amount of their contribution payable in accordance with this **clause 11** then they may pursue the dispute resolution procedure set out in **clause 16** or may terminate their involvement in the Joint Committee in accordance with **clause 14**
- 11.4 Subject to paragraph 11.3 above:-
- a) The Councils agree that the annual costs of the Joint Committee and the administration of it shall be shared between the Councils in accordance with the Distribution Formula set out below, and,
  - b) The Councils shall contribute funding in such sum as represents the proportion of the budget for each financial year determined by the Distribution Formula
- 11.5 The Councils will pay such sums as they shall be liable to contribute to the Finance Officer to the Joint Committee in accordance with **clause 11.4** by one payment annually.
- 11.6 An annual account detailing the expenditure and income of the Joint Committee shall be supplied by the Finance Officer to the Joint Committee to the parties by 30 May or as soon thereafter as is reasonably practicable in each year in respect of the previous financial year.
- 11.7 The section 151 Officers and for the Shared Finance Service and other authorised officers of the parties shall have access at all reasonable times and with due notice to the relevant financial records of the Councils and shall be entitled to seek explanations concerning queries relating thereto.
- 11.8 The Head of Audit shall have right of access to all records, assets, personnel and premises, including those of partner organisations and the authority to obtain such information and explanations as it considers necessary to fulfil its responsibilities.
- 11.9 The Distribution Formula shall be as set out in **Schedule 5**. Such proportion shall reduce or increase proportionately in the event that other Councils join

into the provisions of this Agreement as parties, or any of the Councils withdraw.

## 12. **DURATION OF AGREEMENT**

- 12.1 This Agreement shall come into force on the Commencement Date and shall continue until terminated in accordance with the provisions of this Agreement.

## 13. **VARIATION OF THIS AGREEMENT**

- 13.1 Either of the Councils may request a variation to this Agreement by making such a request in writing to the Secretary to the Joint Committee.
- 13.2 The Secretary to the Joint Committee shall circulate the request to each of the Councils within 10 Business Days of receipt of the request for consideration and approval by the Councils.
- 13.3 If both of the Councils approve the variation then the Secretary to the Joint Committee shall arrange for the preparation of an appropriate Deed of Variation to this Agreement to be prepared for execution by both Councils and such change shall only take effect upon completion of that Deed and the costs associated with the preparation of such Deed of Variation shall be shared equally between the Councils.
- 13.4 If one of the Councils does not approve the change then the change to this Agreement shall not occur.

## 14. **WITHDRAWAL FROM THE JOINT COMMITTEE**

- 14.1 Any Council may withdraw from the Joint Committee in accordance with the following procedure:

- 14.1.1 Any Council which wishes to withdraw from the Joint Committee shall give not less than 18 months notice to the other Council and the Secretary to the Joint Committee of its intention to do so to be served on or before 1 September in any year. The Secretary to the Joint Committee shall consult the Council upon which such notice has been served giving due consideration to:

14.1.1.1 any loss of funding which may arise from such withdrawal to include any non-payment, clawback or repayment of such funding;

14.1.1.2 any other loss, liability, damage, claim or expense;

which would be incurred by the Council upon which notice has been served by reason of such withdrawal from the Joint Committee.

- 14.2 Any Council wishing to withdraw from the Joint Committee undertakes as a condition of such withdrawal to make, prior to withdrawal, such reasonable payment or payments which fairly reflect the actual losses caused by or anticipated as a result of the withdrawal as shall be determined by the other Council pursuant to **clauses 8, 11 and 14.1** above and no notice under this **clause 14** shall take effect unless and until such payment has been made.
- 14.3 The Joint Committee reserves the right to recover from any party to this Agreement the costs of any claims, costs, expenses, losses or liabilities of any nature or which have been caused by any act or omission of that party and which are discovered after the party's withdrawal from this Agreement.
- 14.4 Where one Council withdraws from this Agreement the Agreement shall terminate and the provisions of **clause 15** shall apply.

## 15. **TERMINATION OF THIS AGREEMENT**

- 15.1 The Councils agree that this Agreement may be determined upon terms agreed by both Councils.
- 15.2 In the event of termination of this Agreement:
- 15.2.1 Any party shall supply to any other party when requested any information which the other party requires for the continuing provision by that other party of any of the Shared Services.
- 15.2.2 Any Intellectual Property Rights created under this Agreement shall be owned by the then parties in equal proportions; and
- 15.2.3 Each of the parties shall undertake to pay such reasonable payment or payments which fairly reflect the obligations of that Council pursuant to this Agreement on the basis set out in **clauses 8, 11 and 14**.
- 15.3 In the event of termination of this Agreement, all Assets held by either of the Councils for the purposes of this Agreement shall:
- 15.3.1 Where reasonably practicable be divided between the Councils proportionate to the average cost of the relevant Shared Service over the previous year;
- 15.3.2 Be sold for the best consideration possible and the proceeds of sale divided between the Councils proportionate to the average cost of the Shared Services over the previous year, or where relevant;
- 15.3.3 Be retained by either Council for its own use and purposes subject to an equitable financial settlement to the other Council as agreed between the Councils;



- 15.3.4 Be dealt with as otherwise agreed between the Councils; or
- 15.3.5 In the absence of agreement, in accordance with the dispute resolution procedure in **clause 15**.

15.4 It shall be the duty of all of the parties to try to minimise any losses arising from the determination of this Agreement. Amongst other issues the Councils shall use their best endeavours to offer priority redeployment to any staff then employed in the provision of the Shared Services, by taking a transfer of any of the staff to provide the Shared Service or to be redeployed more generally and/or by helping to seek alternative employment for them.

## 16. **INTERNAL DISPUTE RESOLUTION**

16.1 The Councils (and where the context requires, the Heads of Paid Service of the Councils) undertake and agree to pursue a positive approach towards dispute resolution which seeks (in the context of this joint working arrangement) to identify a solution at the lowest operational level that is appropriate to the subject of the dispute and which avoids legal proceedings and maintains a strong working relationship between the parties.

16.2 Any dispute or difference shall in the first instance be referred to the Head of Service to resolve in liaison with the other Council. In the event that such matters cannot be resolved within 10 Business days it shall be referred to the relevant Director and the appropriate Director of the other council and in default of agreement within a further 10 Business Days the matter shall be referred to the Heads of Paid Service. If the Heads of Paid Service are unable to resolve the matter then it shall be referred to the Joint Committee for determination.

16.3 In the event of any dispute or difference between the Councils relating to this Agreement which it has not been possible to resolve through the decision making processes of the Joint Committee (whether this may be a matter of interpretation or otherwise) the matter shall be referred to arbitration in accordance with **clause 17**.

## 17. **ARBITRATION**

If at any time any dispute or difference shall arise between the Councils or any of them which they are not able to resolve in accordance with this Agreement the same shall be referred to and settled by a single arbitrator to be appointed by agreement by the Councils; or in default of agreement, nominated on the application of either of the Councils by the Secretary of State where the dispute or difference relates to costs and expenses arising under this Agreement, or by the President of the Law Society of England and Wales in respect of any other matter.

## 18. NOTICES

### 18.1 Form of notice

Any demand, notice or other communication given in connection with or required by this Agreement shall be made in writing and shall be delivered to, or sent by pre-paid first class post to, the recipient at the address stated in **Schedule 3** (or such other address as may be notified in writing from time to time) or sent by facsimile transmission to the recipient to the facsimile number stated in or sent by electronic mail to the electronic mail address of the recipient stated in **Schedule 3** (or such other address as may be notified in writing from time to time).

### 18.2 Service

Any such demand, notice or communication shall be deemed to have been duly served:

- 18.2.1 if delivered by hand, when left at the proper address for service;
- 18.2.2 if given or made by pre-paid first class post, two Business Days after being posted; or
- 18.2.3 if sent by facsimile, at the time of transmission provided that a confirmatory copy is on the same day that the facsimile is transmitted, sent by pre-paid first class post in the manner provided for in **clause 18.1** (Form of Notice)
- 18.2.4 If sent by electronic mail at the time of transmission

provided in each case that if the time of such deemed service is either after 4.00 pm on a Business Day or on a day other than a Business Day, service shall be deemed to occur instead at 10.00 am on the next following Business Day.

## 19. INFORMATION AND CONFIDENTIALITY

19.1 The parties shall keep confidential any Commercially Sensitive Information relating to this Agreement or the Intellectual Property Rights of the parties and shall use all reasonable endeavours to prevent their employees and agents from making any disclosure to any person of any Commercially Sensitive Information relating to the Agreement or Intellectual Property Rights of the parties.

19.2 **Clause 19.1** shall not apply to:

- 19.2.1 Any disclosure of information that is reasonably required by persons engaged in the performance of their obligations under this Agreement;

- 19.2.2 Any matter which a party can demonstrate is already generally available and in the public domain otherwise than as a result of a breach of this clause;
- 19.2.3 Any disclosure to enable a determination to be made under **clause 17** (Arbitration);
- 19.2.4 Any disclosure which is required by any law (including any order of a court of competent jurisdiction), any Parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law;
- 19.2.5 Any disclosure of information which is already lawfully in the possession of the receiving party prior to its disclosure by the disclosing party;
- 19.2.6 Any disclosure by a party to a department, office or agency of the Government;
- 19.2.7 Any disclosure for the purpose of the examination and certification of a party's accounts.

19.3 Where disclosure is permitted under **clause 19.2**, the recipient of the information shall be placed under the same obligation of confidentiality as that contained in this Agreement by the disclosing Council.

**20. DATA PROTECTION**

- 20.1 The parties shall at all times comply with the DPA, including maintaining a valid and up to date registration or notification under the DPA, covering any data processing to be performed in connection with this Agreement and their responsibilities as data processors and/or data controllers.
- 20.2 The parties shall only undertake processing of Personal Data reasonably required in connection with the operation of this Agreement.
- 20.3 The parties shall not transfer any Personal Data to any country or territory outside the European Economic Area.
- 20.4 The parties shall not disclose Personal Data to any third parties other than:
  - 20.4.1 in response to a data subject access request;
  - 20.4.2 to employees and contractors to whom such disclosure is necessary in order to comply with their obligations under this Agreement; or
  - 20.4.3 to the extent required to comply with a legal obligation.

**21. SCRUTINY AND AUDIT**

- 21.1 The Councils agree that scrutiny relating to this Agreement and the Agreed Functions shall be the responsibility of each Council.
- 21.2 The relevant committees of each Council responsible for scrutiny and audit shall have the right to inspect any documents relating to this Agreement and to require the Joint Committee to answer any questions raised by them.
- 21.3 The accounts relating to the Shared Services and this Agreement shall be the subject of audit by any external auditor appointed by any of the Council and shall be open to inspection by any external auditor appointed by the Audit Commission .
- 21.4 Any increased cost in undertaking any audit relating to the Shared Services and this Agreement shall be shared pro rata between the Councils on such terms as may be agreed by the Councils.

**22. VAT**

- 22.1 The Councils agree that so far as permitted by law they shall not charge VAT on any amounts payable under the terms of this Agreement as a non-business supply arising out of an administrative event.

**23. INTELLECTUAL PROPERTY**

Any Intellectual Property Rights created during the provision of the Shared Services shall vest jointly in Three Rivers and Watford which will hold the Intellectual Property Rights and they shall be held on behalf of all of the parties to this agreement at the time they were created.

**24. FREEDOM OF INFORMATION**

- 24.1 The parties recognise that the Councils are public authorities as defined by FOI Legislation and therefore recognise that information relating to this Agreement may be the subject of an Information Request.
- 24.2 The parties shall assist each other in complying with their obligations under FOI Legislation, including but not limited to assistance without charge, in gathering information to respond to an Information Request.
- 24.3 Any Council shall be entitled to disclose any information relating to this Agreement and the Shared Services in response to an Information Request, save that in respect of any Information Request which is in whole or part a request for Exempt Information:

- 24.3.1 the Council which receives the Information Request shall circulate the Information Request and shall discuss it with the other Council
- 24.3.2 the Council which receives the Information Request shall in good faith consider any representations raised by the other Council when deciding whether to disclose Exempt Information; and
- 24.3.3 the Council which receives the Information Request shall not disclose any Exempt Information beyond the disclosure required by FOI Legislation without the consent of the Council to which it relates.

24.4 The parties to this Agreement acknowledge and agree that any decision made by a Council which receives an Information Request as to whether to disclose information relating to this Agreement pursuant to FOI legislation is solely the decision of that Council. A Council will not be liable to any party to this Agreement for any loss, damage, harm or detrimental effect arising from or in connection with the disclosure of information in response to an Information Request.

## 25. **FORCE MAJEURE**

All parties shall be released from their respective obligations in the event that a Force Majeure Event renders the performance of this Agreement not reasonably practicable whereupon all money due to any party under this Agreement shall be paid immediately and **clause 13** (Variation of this Agreement) shall apply, as if all Councils in membership of the Joint Committee had agreed to determine this Agreement.

## 26. **SEVERABILITY**

- 26.1 If at any time any clause or part of a clause or schedule or appendix or part of a schedule or appendix to this Agreement is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid or unenforceable in any respect:
  - 26.1.1 that shall not affect or impair the legality, validity or enforceability of any other provision of this Agreement;
  - 26.1.2 the parties shall in good faith amend this Agreement to reflect as nearly as possible the spirit and intention behind that illegal, invalid or unenforceable provision to the extent that such spirit and intention is consistent with the laws of that jurisdiction and so that the amended Agreement complies with the laws of that jurisdiction.

27. **SUCCESSORS**

This Agreement shall be binding upon and shall enure to the benefit of each party's successors and permitted assigns.

28. **RELATIONSHIP OF PARTIES**

Each of the parties is an independent local authority and nothing contained in this Agreement shall be construed to imply that there is any relationship between the parties of partnership or principal/agent or of employer/employee. No party shall have any right or authority to act on behalf of another party nor to bind another party by contract or otherwise except to the extent expressly permitted by the terms of this Agreement.

29. **THIRD PARTY RIGHTS**

The parties agree that they do not intend that any third party which may benefit from this Agreement shall have any rights of enforcement under the terms of the Contracts (Rights of Third Parties) Act 1999.

30. **ENTIRE AGREEMENT**

This Agreement and all documents referred to in this Agreement set forth the entire agreement between the parties with respect to the subject matter covered by them and supersede and replace all prior communications, representations (other than fraudulent representations), warranties, stipulations, undertakings and agreements whether oral or written between the parties. Each party acknowledges that it does not enter into this Agreement in reliance on any warranty, representation or undertaking other than those contained in this Agreement and that its only remedies are for breach of this Agreement, provided that this shall not exclude any liability which either party would otherwise have to the other in respect of any statements made fraudulently by or on behalf of it prior to the date of this Agreement.

31. **LAW OF AGREEMENT OR JURISDICTION**

This Agreement shall be governed by the laws of England and Wales and subject to **clauses 16** and **17** (Internal Dispute Resolution and Arbitration) the parties submit to the exclusive jurisdiction of the courts of England and Wales.

**IN WITNESS** whereof the parties have caused their respective Common Seals to be hereunto affixed to this deed the day and year first before written

Signed for and on behalf of )  
Three Rivers District Council )  
in the presence of:- )

Signed for and on behalf of )  
Watford Borough Council )  
in the presence of:- )

## **SCHEDULE 1**

### **Constitution of the Joint Committee**

1. Each of the Councils shall appoint three Members (being elected members of that Council) as its nominated Members of the Joint Committee. The Members appointed shall have full voting rights.
2. Each Council may nominate one or more substitute Members to attend any meeting in place of an appointed Member from that Council, subject to notification being given to the Secretary to the Joint Committee before the start of the meeting. The Member appointed as a substitute shall have full voting rights where the member for whom they are substituting does not attend. If a Council's nominated Members attend a meeting of the Joint Committee, any named substitute may also attend as an observer but shall not be entitled to vote.
3. Each Member of the Joint Committee shall comply with the Code of Conduct of their Council when acting as a Member of the Joint Committee.
4. Each of the Councils may remove any of its nominated Members or substitute Members of the Joint Committee and appoint a different Member or substitute to the Joint Committee by giving written notice to the Secretary to the Joint Committee.
5. Each Council shall have three votes. These shall be exercised by the nominated Members who are elected members of the Council. In the absence of a Council's nominated Member, a vote may be exercised by the named substitute who is an elected member of the Council.
6. Each Member of the Joint Committee shall serve upon the Joint Committee for as long as he or she is appointed to the Joint Committee by the relevant Council but a Member shall cease to be a member of the Joint Committee if he or she ceases to be a Member of the Council appointing him or her or if the relevant Council removes him or her as a Member of the Joint Committee.
7. Any casual vacancies howsoever arising shall be filled by the Council from which the vacancy arises by notice in writing sent to the Secretary to the Joint Committee.
8. Meetings of the Joint Committee shall be held at the offices of the Member appointed as Chair.
9. The Council hosting the first meeting shall appoint one of its nominated members as Chair and that member shall remain Chair until the first meeting taking place after the elapse of one year from the time of his or her appointment



unless he or she ceases to be a Member of the Joint Committee. On the expiry of the first Chair's term of office as Chair, the Council which did not appoint the first Chair shall appoint one of its nominated members as Chair for a period of one year from the time of his or her appointment. The same procedure shall be followed for the appointment of Chair in subsequent years.

10. The Council which has not appointed the Chair of the Joint Committee in any year shall appoint one of its nominated members as Vice Chair.
11. The Joint Committee shall meet once every two months (bi-monthly) unless otherwise determined by the Joint Committee.
12. The Secretary to the Joint Committee may call additional meetings by providing at least five clear days' notice to Members of the Joint Committee, for the purposes of resolving urgent matters arising between the bi-monthly meetings of the Joint Committee. The Secretary to the Joint Committee must call a meeting of the Joint Committee if at least one Member of the Joint Committee from each Council requests it or the Head of Paid Service of both Councils requests it.
13. Meetings shall be notified to Members of the Joint Committee by the Secretary to the Joint Committee.
14. The Secretary to the Joint Committee shall send electronically to all members and relevant officers of each Council the agenda for each meeting of the Joint Committee no later than five clear Business Days before the date of the relevant meeting. The Secretary to the Joint Committee shall send to all Members of the Joint Committee, to the Political Group Leaders of each Council and relevant officers of each Council printed copies of the agenda for each meeting of the Joint Committee no later than five clear Business Days before the date of the relevant meeting.
15. The Secretary to the Joint Committee shall arrange for written minutes to be taken of each meeting of the Joint Committee and shall present them to the Joint Committee at its next meeting for approval as a correct record. If the Joint Committee confirms that the minutes contain an accurate record of the previous meeting, those minutes shall be signed by the Chair or Vice-Chair.
16. Meetings of the Joint Committee will commence at 7.30pm unless otherwise agreed by the Joint Committee. Meetings of the Joint Committee shall end no later than 10.30pm unless otherwise agreed by the Joint Committee.
17. A meeting of the Joint Committee shall require a quorum of two Members of each Council who are entitled to attend and vote. If there is a quorum of members present but neither the Chair nor the Vice-Chair is present, the Members present shall designate one Member to preside as Chair for that meeting.

18. Subject to the provisions of any enactment, all questions coming or arising before the Joint Committee shall be decided by a majority of the Council Members of the Joint Committee immediately present and voting thereon. Subject to the provisions of any enactment, in the case of an equality of votes the Chair shall have a second or casting vote but before exercising this, the Chair shall consider whether it is appropriate to defer the matter to the next meeting of the Joint Committee.
19. Any Member of the Joint Committee may request the Joint Committee to record the votes of individual Members of the Joint Committee on a matter for decision.
20. A Member when speaking shall address the Chair. If two or more Members wish to speak, the Chair shall call on one to speak. While a Member is speaking other Members shall remain silent.
21. A Member shall direct his/her speech to the question under discussion or to a personal explanation or to a point of order.
22. Only one amendment to a proposal may be moved and discussed at a time and no further amendment shall be moved until the amendment under discussion has been disposed of, providing that the Chair may permit two or more amendments to be discussed (but not voted on) together if circumstances suggest that this course would facilitate the proper conduct of the Joint Committee's business.
23. If an amendment be lost, other amendments may be moved on the original motion. If an amendment be carried, the motion as amended shall take the place of the original motion and shall become the motion upon which any further amendment may be moved.
24. The order of business shall be indicated in the agenda for the meeting.
25. When a motion is under debate by the Joint Committee no other motion shall be moved except the following:-
  - 25.1 to amend the motion;
  - 25.2 to adjourn the meeting;
  - 25.3 to adjourn the debate;
  - 25.4 to proceed to the next business;
  - 25.5 that the question be now put;
  - 25.6 that a Member be not further heard;

- 25.7 by the Chairman that a Member do leave the meeting;
  - 25.8 a motion under Section 100(A)(4) of the Local Government Act 1972 to exclude the public;
  - 25.9 to postpone consideration of the item.
26. A Member may move without comment at the conclusion of a speech of another Member, "That the Committee proceed to the next business", "That the question be now put", "That the debate be now adjourned", or "That the Committee do now adjourn", on the seconding of which the Chair shall proceed as follows:-
- 26.1 on a motion to proceed to next business; unless in his opinion the matter before the meeting has been insufficiently discussed put to the vote the motion to proceed to the next business
  - 26.2 on a motion that the question be now put; unless in his opinion the matter before the meeting has been insufficiently discussed he shall first put to the vote the motion that the question be now put
  - 26.3 on a motion to adjourn the debate or the meeting; if in his opinion the matter before the meeting has not been sufficiently discussed and cannot reasonably be sufficiently discussed on that occasion put the adjournment motion to the vote.
  - 26.4 The ruling of the Chairman shall not be open for discussion.
27. Any member of the Councils who is not a Member of the Joint Committee is entitled to attend the Joint Committee but he/she shall not be entitled to vote, shall not take part in the consideration or discussion of any business, save by leave of the Chair and comments will be recorded only on the direction of the Chair.
28. The following elected representatives are entitled to attend the Joint Committee but they shall not be entitled to vote, shall not take part in the consideration or discussion of any business, save by leave of the Chair and comments will be recorded only on the direction of the Chair:
- 28.1 Members of parish councils within the Three Rivers District;
  - 28.2 Members of the Hertfordshire County Council representing wards within the Three Rivers District / Watford Borough;
  - 28.3 Members of Parliament for the residents of Three Rivers District and Watford Borough;

- 28.4 Members of the European Parliament for the residents of Three Rivers District and Watford Borough.
29. Meetings of the Joint Committee will be open to the public except to the extent that they are excluded under **paragraph 31**.
30. Members of the public wishing to address the Joint Committee (or a sub-committee of the Joint Committee) on Part I reports contained within the agenda for the meeting shall be given the opportunity to do so subject to:
- 30.1 the opportunity being extended to one person to speak in support of each agenda item and one person to speak against each agenda item when called to do so by the Chairman;
  - 30.2 an indication of the desire to speak on the agenda item being made by the person just prior to the meeting and the name supplied to the Committee Manager in attendance (by means of the register), the first person registering to have precedence in the event of more than one person wishing to speak either for or against the agenda item;
  - 30.3 each person addressing the Joint Committee or sub-committee of the Joint Committee being limited to three minutes' speech;
  - 30.4 an opportunity being provided for an expression of a contrary view, even though no prior notice has been given, when a member of the public has spoken for or against the item;
  - 30.5 in the event of the person having registered to speak on an agenda item not wishing to take up their right to speak on the agenda item because it was deferred, that person will automatically be given the right to speak on the agenda item at the next meeting of the Joint Committee or sub-committee of the Joint Committee;
  - 30.6 the Chair of the meeting having discretion to rule that a person wishing to address the meeting shall not be heard if, in his/her opinion, that issue or the organisation or the person wishing to make representation on that issue has received an adequate hearing.
31. The public may be excluded from a meeting of the Joint Committee during an item of business whenever it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that, if members of the public were present during that item, confidential information as defined in section 100A(3) of the Local Government Act 1972 or exempt information as defined in section 100I of the Local Government Act 1972 would be disclosed to them.

32. Each Council may call in any decision of the Joint Committee in accordance with the overview and scrutiny provisions of that Council's constitution. If any decision of the Joint Committee is subject to call in by a Council, the Joint Committee shall take no action to implement that decision unless the call in process upholds the decision.
33. The Joint Committee may delegate a function to an officer.
34. Any contractual arrangements that relate to a Shared Service will be undertaken by one of the Councils and that Council will apply its own financial regulations and contract procedure rules until such time as the financial regulations and contract procedure rules of the Councils are harmonised. The Head of Service of the relevant Shared Service that is incurring the expenditure will normally determine which of the Councils' financial regulations and contract procedure rules will apply and in the event of any dispute or uncertainty the matter should be referred to the Relevant Director to whom all of the Heads of Shared Services reports.
35. The Secretary to the Joint Committee shall provide governance and secretarial support services to the Joint Committee on such terms as may be agreed from time to time between the Councils. Three Rivers shall make available committee officers to provide administrative services at the meetings of the Joint Committee.
36. The Lawyer to the Joint Committee shall provide legal advice and support services to the Joint Committee on such terms as may be agreed from time to time between the Councils.
37. The Finance Officer to the Joint Committee shall provide financial support services to the Joint Committee on such terms as may be agreed from time to time between the Councils.

## SCHEDULE 2

### Agreed Functions and Shared Services

1. The Joint Committee shall be responsible for and shall have delegated to it the following functions of the Councils which choose to participate in Shared Service of Delivery:
  - 1.1 the human resources function;
  - 1.2 the ICT function;
  - 1.3 the finance function;
  - 1.4 the revenues and benefits function;and such other functions which it is agreed between the Parties should become a Shared Service.
2. The Joint Committee shall act as the ultimate arbiter in the case of unresolved disputes between the Councils unless such matters are referred to Arbitration pursuant to **Clause 17**.
3. The Joint Committee shall act in the manner laid down in the Constitution of the Joint Committee as set out in **Schedule 1**.
4. It has been agreed that the following "Shared Services" should be delivered in the manner laid down in this Agreement.
5. The Shared Services relating to human resources are:
  - 5.1 Appointment of officers other than head of paid service and chief officers;
  - 5.2 Approval of terms and conditions of officers;
  - 5.3 Administration of disciplinary, grievance and dismissal relating to officers other than for officers with statutory protection;
  - 5.4 Management and administration of employee pay, pensions, benefits, expenses and member allowances.
6. The Shared Services relating to human resources do not include the following Reserved Decisions:
  - 6.1 Appointment of the head of paid service and chief officers;
  - 6.2 Management of disciplinary, grievance and dismissal relating to officers with statutory protection.

7. The Shared Services relating to ICT are:
  - 7.1 Maintenance of ICT equipment;
  - 7.2 Security of ICT equipment;
  - 7.3 Obtaining of any necessary licences for use of ICT systems and programmes;
  - 7.4 Training of staff working on ICT matters.
8. The Shared Services relating to ICT do not include the following Reserved Decisions:
  - 8.1 Approval of policies relating to use of ICT equipment and systems.
9. The Shared Services relating to finance are:
  - 9.1 Making payments on behalf of the Councils;
  - 9.2 Maintaining the accounts of the Councils;
  - 9.3 Maintaining the system of purchase orders;
  - 9.4 The provision of an internal audit service
  - 9.5 Managing the operation of the Councils' insurances;
  - 9.6 Issuing guidance and providing advice to members and officers of the Councils on the financial procedure rules of the Councils;
  - 9.7 Providing training to officers working on financial matters;
  - 9.8 Monitoring the Councils' prudent financial management and compliance with approved accounting practices and reporting to members on these matters;
  - 9.9 Preparation of the Councils' annual statement of accounts;
  - 9.10 Maintenance of the Councils record of assets;
  - 9.11 Monitoring the financial administration of external partnerships and other organisations in which the Councils are involved;
  - 9.12 Undertaking Housing Benefit and Council Tax Benefit fraud investigations and prosecutions;
  - 9.13 Virement within Joint Committee Budgets

10. The Shared Services relating to finance do not include the following Reserved Decisions:

- 10.1 Approving and adopting the Budget and policy framework and changes to this;
- 10.2 Approval of the Councils' corporate plan;
- 10.3 Approving schemes for the use of earmarked reserves or contingency provision;
- 10.4 Approval of virements for non Joint Committee budgets;
- 10.5 Any matters which amount to the statutory duties of the Councils' Chief Finance Officers;
- 10.6 Approval of the Councils' annual statement of accounts
- 10.7 Approval of renewal terms for insurances for the Councils.

11. The Shared Services relating to revenues and benefits are:

- 11.1 Issuing of Council Tax Bills;
- 11.2 Issuing of National Non-Domestic Rates Bills;
- 11.3 Maintenance of database for billing purposes;
- 11.4 Collection of payments of Council Tax and National Non-Domestic Rates Bills;
- 11.5 Recovery of Council Tax and National Non-Domestic Rates Bills;
- 11.6 Administration, assessment and payment of Housing Benefit and Council Tax Benefit;
- 11.7 Issuing of bills for recovering of Housing Benefit and Council Tax Benefit Overpayment;
- 11.8 Recovery of arrears of repayment of Housing Benefit and Council Tax Benefit Overpayment;
- 11.9 Writing off of Housing Benefit and Council Tax Benefit overpayment in accordance with the policy of the relevant local authority;
- 11.10 Compilations of returns to central Government relating to Revenues & Benefits;



- 11.11 Provision of administrative and support services relating to Revenues & Benefits;
  - 11.12 Calculation of Council Tax Base;
  - 11.13 Collection fund accounting;
  - 11.14 Recommendation for approval of discretionary Housing Payments
  - 11.15 Recommendation for approval of applications for discretionary National Non-Domestic Rate Relief;
  - 11.16 Recommendation for approval of applications for discretionary National Non-Domestic Rate Hardship Relief;
  - 11.17 Authorisation of officers to attend court for purposes relating to prosecutions for non payment of Council Tax and National Non Domestic Rates;
  - 11.18 Approval of write-offs of bad debts within the scope of the policies established by each Council for the write-off of bad debts.
  - 11.19 Preparation of benefit subsidy claims;
- 12 The Shared Services relating to revenues and benefits do not include the following Reserved Decisions:
- 12.1 Approving and Setting of Council Tax;
  - 12.2 Approval of benefit subsidy claims;
  - 12.3 Approval of discretionary Housing Payments;
  - 12.4 Approval of applications for discretionary National Non-Domestic Rate Relief;
  - 12.5 Approval of applications for discretionary National Non-Domestic Rate Hardship Relief;
  - 12.6 Determination of policy for second homes;
  - 12.7 Determination of policy for write off of bad debts.

**SCHEDULE 3**  
**Notice Provisions**

Three Rivers District Council

Three Rivers House

Northway

Rickmansworth

WD3 1RL

Telephone: 01923 776611

Fax: 01923 896119

E-mail: [anne.morgan@threerivers.gov.uk](mailto:anne.morgan@threerivers.gov.uk)

Watford Borough Council

Town Hall

Watford

WD17 3EX

Telephone: 01923 278350

Fax: 01923 278366

E-mail: [carol.chen@watford.gov.uk](mailto:carol.chen@watford.gov.uk)

## SCHEDULE 4

### Relevant Posts

#### Shared Services In scope Posts

#### ICT

Council	Role	FTE
TRDC	ICT Manager	1.00
TRDC	ICT Officer	1.00
TRDC	Housing Sys Administrator	1.00
TRDC	Revenues Systems Administrator	1.00
TRDC	P/T Telecoms and Web Officer	0.41
WBC	Admin Assistant	0.49
WBC	Admin Assistant	0.59
WBC	Application System Analyst	1.00
WBC	Application Systems Analyst	1.00
WBC	Application Systems Analyst	1.00
WBC	Application Systems Analyst	1.00
WBC	Business Manager	1.00
WBC	Head of Business Info Services	1.00
WBC	ICT Manager	1.00
WBC	Infrastructure Engineer	1.00
WBC	Infrastructure Engineer	1.00
WBC	Infrastructure Engineer	1.00
WBC	Infrastructure Engineer	1.00
WBC	Web Developer	1.00
WBC	Web Developer	1.00
WBC	Senior Business Analyst	1.00
WBC	Business Analyst – Wide Band	1.00

#### HR

Council	Role	FTE
TRDC	Asst Personnel Officer	0.68
TRDC	Personnel Asst	1.00
TRDC	Personnel & Training Officer	0.54
TRDC	Admin Asst (Training)	0.76
TRDC	Personnel & Training Manager	1.00
WBC	Head of Human Resources	1.00
WBC	Deputy Head of HR	1.00
WBC	HR Assistant	1.00
WBC	HR Assistant	1.00
WBC	HR Information Officer	0.59
WBC	HR Officer	0.50
WBC	HR Officer	0.55
WBC	HR Officer	0.81
WBC	HR Officer	0.50
WBC	HR Officer	0.47
WBC	HR Officer	1.00
WBC	Corporate Safety Advisor	1.00

Council	Role	FTE
WBC	L&D Administrator	1.00
WBC	Learning & Development Officer	0.50
WBC	Learning & Development Officer	0.50
WBC	Learning & Development Officer	1.00
WBC	Policy & Projects Officer	1.00
WBC	Payroll Assistant	1.00
WBC	Payroll Assistant	0.61
WBC	Payroll Assistant	1.00
WBC	Payroll Manager	1.00

## Finance

Council	Role	FTE
TRDC	Finance Manager	1.0
TRDC	Finance Manager	1.0
TRDC	Finance Manager	1.0
TRDC	Finance Manager	1.0
TRDC	Treasury Management Officer	1.0
TRDC	Payments Supervisor	1.0
TRDC	Accountancy Manager	1.0
TRDC	Insurance Officer	0.6
TRDC	Income Officer	1.0
TRDC	Investigation Manager	1.0
TRDC	Investigations Officer	1.0
TRDC	Investigations Officer	1.0
WBC	Finance Manager	1.0
WBC	Senior Management Accountant	1.0
WBC	Senior Management Accountant	1.0
WBC	Senior Management Accountant	1.0
WBC	Accountancy Assistant	1.0
WBC	Accountancy Assistant	1.0
WBC	Finance Manager	1.0
WBC	Senior Management Accountant	1.0
WBC	Assistant Accountant	1.0
WBC	Accountancy Assistant	0.6
WBC	Strategic Finance Manager	1.0
WBC	Systems Administrator	1.0
WBC	Systems Administrator	1.0
WBC	Accountancy Assistant-Accounts payable	0.7
WBC	Accountancy Assistant-Accounts payable	1.0
WBC	Audit Manager	1.0
WBC	Insurance Officer	0.2
WBC	Senior Auditor	1.0
WBC	Senior Auditor	1.0
WBC	Senior Auditor	1.0
WBC	Fraud Manager	1.0
WBC	Senior Fraud Officer	1.0
WBC	Fraud Officer	1.0
WBC	Investigator	1.0

## Revenues & Benefits

Council	Role	FTE
TRDC	Exchequer Services Manager	1.00
TRDC	Benefits Manager	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Housing Benefits Officer	1.00
TRDC	Quality Officer	1.00
TRDC	Benefits Admin Asst	1.00
TRDC	Benefits Admin Asst	0.68
TRDC	Benefits Admin Asst	1.00
TRDC	Benefits Admin Asst	0.57
TRDC	Visiting Officer	1.00
TRDC	Debt Recovery Officer	1.00
TRDC	Debt Recovery Officer	0.41
TRDC	Debt Recovery Officer	1.00
TRDC	Debt Recovery Officer	0.78
TRDC	Debt Recovery Officer	0.61
TRDC	Debt Recovery Officer	0.81
TRDC	Debt Recovery Officer	0.56
TRDC	Outside Inspector	1.00
TRDC	Clerical Asst	0.41
TRDC	Council Tax Officer	1.00
TRDC	Council Tax Officer	1.00
TRDC	Council Tax Officer	1.00
TRDC	NNDR Officer	1.00
TRDC	Revenues Manager	1.00
WBC	Head of Revenues and Benefits	1.00
WBC	Revenues Manager	1.00
WBC	Senior Revenues Officer	1.00
WBC	Billing Officer	1.00
WBC	Billing Officer	0.68
WBC	Billing Officer	1.00
WBC	Billing Officer	1.00
WBC	Billing Officer	0.89
WBC	Billing Officer	1.00
WBC	Court Officer	1.00
WBC	Recovery Officer	1.00
WBC	Recovery Officer	0.68
WBC	Recovery Officer/Bailiff	1.00
WBC	Recovery Officer	1.00
WBC	Benefits Manager	1.00
WBC	Benefits Manager	1.00
WBC	Senior Benefits Officer	1.00
WBC	Senior Benefits Officer	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00

<b>Council</b>	<b>Role</b>	<b>FTE</b>
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	0.50
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	1.00
WBC	Benefits Assessor	0.68
WBC	Visiting Officer	1.00
WBC	Senior Cashier	0.82
WBC	Senior Income Officer	1.00
WBC	Cashier	1.00
WBC	Exchequer Asst (Overpayments)	1.00
WBC	Income officer	1.00
WBC	Income Officer	0.81
WBC	Income Officer	0.41
WBC	Income Officer	0.59
WBC	R&B Train & Perform Manager	1.00
WBC	Perform & Training Senior Officer (Benefits)	1.00
WBC	Perform & Training Senior Officer (CTax/NNDR)	1.00
WBC	Admin Asst	1.00
WBC	Admin Asst	1.00
WBC	Administrative Assistant	1.00
WBC	Admin Supprt	1.00
WBC	Performance & Training clerical	1.00

## SCHEDULE 5

### Distribution Formula

Type of Cost	Three Rivers	Watford
1. Joint Committee	50%	50%
2. Shared Services operational costs	Variable by service based on workload. See 2. below	
3. Shared Services implementation costs	31%	69%

#### 1. Joint Committee Costs

Annual costs relating to the Joint Committee will be shared in equal proportion between the Councils.

This will include the following

- Costs of committee administration
- Meeting costs of room booking, refreshments and any joint committee events such as training etc
- Any other incidental expenses of Joint Committee members

#### 2. Shared Services Operational Costs

##### Shared Services Operational Costs

The annual cost of each shared service will be set and agreed by the Joint Committee. Each Council will contribute the following proportion of the annual cost of each service, based on the differences in workload.

Service	Three Rivers	Watford	Workload measure
HR	27%	73%	Headcount with complexity weighting
Finance	40%	60%	Expenditure £m
Council Tax	50%	50%	No of dwellings
Benefits	43%	57%	Average Caseload
ICT	40%	60%	No. of PCs/Terminals

The workload measures shown above were agreed with the Section 151 officers of both Councils and the % differences are based on metrics from both Councils used in the Detailed Business Case. It is assumed that these % differences will be applied till the end of FY08/09. From FY09/10, the workload metrics will be recalculated based on the previous years actual workload. Any changes to the approach of sharing operational costs between the Councils will be agreed with the Councils once shared services is fully operational.

#### 3. Shared Services implementation Costs

The implementation costs of the shared services programme have been apportioned based on the relative size of the Councils as most of the costs relate to the "people" elements of change such as resources, staff support, redundancy, employee transition and the relative size of the financial benefits to Watford. This results in 69% of the implementation costs being funded by Watford and 31% by Three Rivers. This % split in costs has been agreed by the S151 officers of both Councils.

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# Agenda Item 7

## THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 6 October 2008

PART A

AGENDA ITEM

# 7

**Title:** IMPLEMENTATION – PROGRESS REPORT

**Report of:** Laxmi Curwen – Shared Services Programme Manager

---

1. **SUMMARY**

1.1 This report asks the Joint Committee to note the progress made towards implementing shared services. It seeks agreement to the change management proposals, and considers progress on IT connectivity, procurement and the implementation plan.

2. **RECOMMENDATIONS**

2.1 That the report be noted.

2.2 That the change management proposals be agreed.

**Contact Officer:**

For further information on this report please contact:  
Laxmi Curwen – Shared Services Programme Manager  
telephone number: 01923 728191  
email: Laxmi.Curwen@watford.gov.uk

**Report approved by:**

David Gardner – Director of Corporate Resources & Governance – Three Rivers D.C.

### 3. DETAILED PROPOSAL

#### ***Change Management Proposals***

3.1 Attached at Appendix 1 for approval are the change management proposals for the shared services programme.

#### 3.2 ***IT Connectivity***

Work has started to set up a radio based communication link between Watford and Three Rivers offices. A test has also been commissioned to confirm that the Revenues & Benefits system can be operated in a "thin client" environment which is the technical requirement to allow efficiencies to be achieved within the ICT service.

There has been some delay to progressing the set up of a land based communication link between the two councils and the move of Watford's servers to Three Rivers. Investigations are continuing into the air conditioning capacity required to relocate Watford servers to the Three Rivers server room and the costs of installing an uninterrupted power supply for a larger number of servers. The team are also considering an alternative option of using Hertfordshire County Council's server facilities and county wide land based networks.

#### 3.3 ***Procurement***

Work is progressing well in the procurement of systems and other services related to the shared services implementation.

- HR System & Payroll service: Four tenders have been received which will be evaluated in early October and a supplier selected by the end of October 2008. East Hertfordshire District Council, the current payroll service provider to Three Rivers has not submitted a bid. There is an in-house bid from Watford and bids from Midland HR, Frontier Software and NorthgateArinso.
- Finance System: The team are securing specialist consultancy support to define requirements for the system and guide them through the procurement process. This is on track for finance systems to be harmonised by April 2010.
- Revenues & Benefits System: The team are currently finalising requirements for a Revenues & Benefits system which will be submitted to three suppliers who have expressed an interest. However, the original implementation date for harmonised systems of August 2008 is at risk as the procurement process has been delayed due to capacity issues.
- Other services: Support for staff in terms of training, career counselling and interview skills is being tendered for and a programme should be in place by November / December 2008.

#### 3.4 ***Implementation Plan***

The implementation of shared services has been delayed for a number of reasons:

##### *Delays in securing implementation resources:*

The recruitment to the implementation team has started but it is taking place in

stages to take into account a corporate restructure that is underway in Watford. Work is however being progressed by existing members of the team and heads of service across both councils.

*Delay in appointments of Heads of Service:*

This is taking longer than expected.

*Delay in progressing change management:*

The development of, and consultation on, the change management proposals has taken longer than anticipated due to the differences between the councils' current policies on employment, pay and grading, consultation and leave. Job descriptions have been drafted and are currently being reviewed by staff. It is critical now that the consultation forums are set up as described in the change management proposal and the approach to job evaluation, pay and grading agreed so that we can progress on service restructures and determine the financial impact of the restructure on the business case.

*Delay in IT connectivity:*

Delays in setting up the IT connectivity will impact on our ability to relocate staff.

The key milestones in the implementation plan and their current status is shown below:-

Key Milestone	Forecast date	Status	Comment
Joint Committee Set up	24 July 2008	Completed	
Budget for SS, Service Plans and Detailed Business Case updated	November 2008	On track	
Heads of Service Appointed	October 2008	Delayed	Originally expected Sep 08
Consultation forums set up	October 2008	Delayed	Originally expected Aug 08
Implementation team in place	December 2008 /January 2009	Delayed	Originally expected Sep 08
Appointments made for HR, Finance, ICT	Q1 2009	Delayed	Originally expected Nov 08
Office moves complete for HR, Finance, ICT	Q1 2009	Delayed	Originally expected Nov 08
HR system/Payroll solution in place	February 2009	On track	
Appointments made for R&B	July 2009	On track	
Office moves complete for R&B	August 2009	On track	
R&B systems harmonised	August 2009	At Risk	Delay in tender. Plan being updated.
Finance systems harmonised	April 2010	On track	
ICT solution for service delivery in place	April 2010	On track	

#### 4. IMPLICATIONS

##### 4.1 Policy

4.1.1 The recommendations in this report are within the policies of the Joint Committee, Three Rivers District Council and Watford Borough Council.

##### 4.2 Financial

4.2.1 There are no immediate changes to the budget or the efficiency gains already agreed by Three Rivers District Council or Watford Borough Council as a result of

this report. However, the detailed business case will be updated in November for changes in implementation costs and the impact of the change management proposals in respect of redeployment, relocation, job evaluation, pay and grading costs. Should this result in a significant reduction of the savings currently anticipated then the Joint Committee will need to discuss how this might be mitigated.

**4.3 Legal Issues**

4.3.1 There is not thought to be a high likelihood of equal pay claims (see risk management below).

**4.4 Risk Management and Health & Safety**

4.4.1 Any risks resulting from this report will be included in the risk register and, if necessary, managed within the HR and Finance service plans.

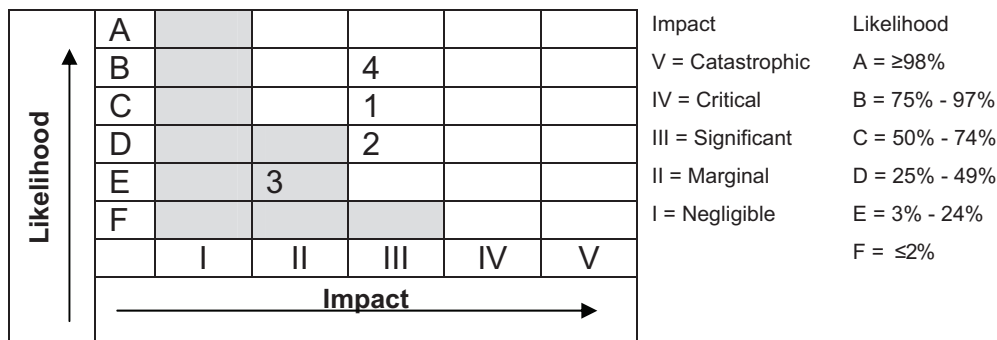
4.4.2 The following table gives the risks if the recommendations are agreed, together with a scored assessment of their impact and likelihood.

Description of Risk		Impact	Likelihood
1	That implementation may lead to increased costs	III	C
2	That staff raise grievance issues as a result of the change management proposals	III	D
3	That equal pay claims arise	II	E

4.4.3 The following table gives the risk that would exist if the recommendation is rejected, together with a scored assessment of its impact and likelihood:

Description of Risk		Impact	Likelihood
4	That the implementation is further delayed with the implications that may have for achieving savings, resilience and improved services	III	B

4.4.4 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood. Risks are tolerated where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require either monitoring or managing, in which case a treatment plan is prepared.



## 4.5 Equalities

### 4.5.1 *Relevance Test*

Has a relevance test been completed for Equality Impact? Yes

Did the relevance test conclude a full impact assessment was required? Yes

### 4.5.2 *Impact Assessment*

A draft Equalities Impact Assessment for shared services has been carried out (See Appendix 2)

## 4.6 Staffing

4.6.1 A meeting with Unison is taking place on Monday, 29 September, 2008 to discuss the change management proposals.

4.6.2 Views expressed by staff will be circulated at the meeting.

## 4.7 Accommodation

4.7.1 The HR, Revenues and Benefits services are to be located at Watford, the Finance and ICT services at Three Rivers.

## 4.8 Community Safety, Sustainability & Environment, Communications & Website and Customer Services

4.8.1 None specific.

## Appendices

- 1 Shared Services Programme – Change Management Proposals – Draft Version 0.4 – 25 September 2008.
- 2 Equality Impact Assessment – Shared Services 2008/09 – Draft Version 0.5 - 3 September 2008

## Background Papers

No papers were used in the preparation of this report.

# **Shared Services Programme Change Management Proposals**

**DRAFT  
Version 0.4**

**25<sup>th</sup> September 2008**

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## 1.0 Introduction

### 1.1 Background

Implementing Shared Services in HR, Finance, ICT and Revenues & Benefits will impact directly on around 143 employees who are currently employed in these services at Three Rivers or Watford council. For these employees, in addition to adopting new ways of working and new systems, sharing services will mean the following changes

- a new and rationalised management team operating under a Joint Committee
- new staffing structures for each service to which they will be deployed,
- new job descriptions
- a reduction in the establishment, which for some employees may mean a competitive selection for posts in the Shared Services, or for other posts either within or outside of their current employer
- co-location of services which will mean that some employees will move to a new place of work.

Implementing the Joint Committee Governance option for the Shared Services means that the staff who are appointed to the Shared Services new structure will remain employed by their existing council, but be managed by the Joint Committee.

### 1.2 Purpose of document

It is proposed that a harmonised approach is taken to managing aspects of this change to ensure that staff in Shared Services experience the same transition process and to create as much of a level playing field, in relation to terms and conditions, as possible.

The purpose of this document is to set out the main items that need to be consulted upon with respect to changes to HR and transition policies.

In sections 2 to 6 of this paper, the areas that the programme proposes to harmonise initially are described as shown below. In section 7, the areas which are proposed we harmonise at a later stage are described.

2. Appointments of Heads of Service
3. Mechanisms for consultation and negotiation
4. Evaluation, Pay and Grading
5. Redeployment of staff to new structures
6. Relocation
7. Areas to be harmonised later

Each of these proposals were agreed at different times by the Programme Board, by the Councils' Management Teams and some items have already been circulated to Unison for initial comments as shown in appendix A. As more sections are added to this document when proposals are agreed on other change areas, this document will be re-issued and Appendix A updated.

Details that relate to the new Shared Services organisation structures and jobs which will require consultation are not included in this paper and will be provided separately at a later date.



## 2 Appointment of Heads of Service

One Head of Service is to be appointed for each of the 4 in scope services. These new roles provide 'suitable alternative employment opportunities' for those individuals who currently head these services in both councils, and will be offered on their current terms and conditions. The posts are not suitable alternative employment for members of staff currently in acting Head of Service positions

When any of these roles become vacant in the future, they will be job evaluated using the HAY job evaluation scheme and remuneration will be based upon market information.

New appointments to the posts will not have Chief Officer status and will be on NJC terms and conditions.

It is proposed that where there is only one post holder currently in post across both authorities, the posts will be offered to them as suitable alternative employment.

Where the number of current post holders exceeds the number of vacant posts, post holders would be 'ring fenced' for the role and undergo a competitive selection process. In this situation the post holders could apply for voluntary redundancy subject to the normal procedure within each council.

A 6 month trial period would apply to all Head of Service appointments meaning that entitlement to a redundancy payment is maintained for the trial period.

A 30 day consultation period is proposed with the individual impacted shown above, which will be managed by an independent consultant on behalf of both councils.

It is proposed that Heads of Service would maintain their existing terms and conditions of employment on an indefinite basis.

## 3 Consultation and Negotiation

### 3.1 Background

When change occurs Three Rivers District Council and Watford Borough Council (the two councils) are committed to consulting employees before decisions are made. The two councils have different processes for this which will continue to apply to staff not employed in the shared services. Nevertheless for employees in the shared services it is proposed to harmonise the consultation arrangements. The proposals set out in this section are designed to achieve this.

### 3.2 Principles

- It is proposed to harmonise the terms and conditions for shared services staff where possible. To make this happen, the two councils have delegated to the Three Rivers and Watford Shared Services Joint Committee (the Joint Committee) the responsibility for negotiating the terms and conditions of the shared services employees.
- Whilst it will remain the final responsibility of the Joint Committee to plan, organise, and manage the work of the Joint Committee in order to achieve the best possible results in pursuing its overall objectives, these consultation arrangements should develop a partnership between the Joint Committee, shared services management, UNISON and non-union representatives that recognises their distinctive roles, and establishes a workable and effective arrangement for good industrial relations.
- The Joint Committee recognises UNISON as the trade union representing employees in the shared services for the purposes of collective bargaining and, unless agreed locally with UNISON to the contrary, will abide by the terms and conditions that fall within the scope of the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service (The 'Green Book').
- The Joint Committee and management will include all staff in such consultation as it deems appropriate.
- The arrangements set out here are also designed to achieve regular dialogue on employment issues and, if necessary, a quick resolution of disputes.

### 3.3 Key Proposals

- Formal negotiation of local variations to the national terms and conditions will take place between management and UNISON at a Union / Management Committee.
- There will be regular meetings of shared services management with UNISON and non-union representatives via a Management Committee and Staff Forum.

### 3.4 Terms of Reference

- The following matters shall be discussed at the UNISON / Management Committee and Management / Staff Forum meetings:

Shared Services Economic Situation	Employment Prospects
Improvements to Service	External Accreditation
Training & Development	Health & Safety
Equal Opportunities	Terms & Conditions of Employment
Pay Awards	Salary Structure

Job Descriptions  
Hours of Work  
Reorganisation of Staff  
New Technology  
Redundancy & Redeployment  
Pensions

Job Evaluation & Job Grading  
Holiday & Sickness Arrangements  
Relocation of Offices  
Recruitment & Retention  
Disciplinary and Grievance Procedures  
Staff Amenities

Any other matter agreed by the joint secretaries.

### **3.5 Constitution**

#### ***Union / Management Committee***

- Union/Management meetings will be held every two months, meetings shall be quorate if half the members of each side are present.
- The Management Side will be represented by the two directors, one from each of the two councils, responsible for managing the Shared Services or their nominated substitutes.
- The Staff Side will be represented by four union representatives nominated by UNISON .
- The Committee will formally negotiate local variations to the national terms and conditions and consider health and safety issues.
- The Committee will receive such information as it requires to carry out effective consultation and will formally negotiate local variations to the national terms and conditions and the matters included in paragraph 3.4 above.
- The Joint Committee will receive the notes of meetings and approve the terms and conditions of shared services staff taking into account the outcome of the negotiations that have taken place. If agreement has not been reached at the Union / Management Committee a report to the Joint Committee may contain the views of the staff side if they so wish.
- The Management Side will nominate the Chair for the first municipal year of operation. The Chair will alternate between Union and Management side annually thereafter.
- The Management Side will arrange for a minute taker to attend who will be responsible for producing and circulating the notes of the meeting. The notes will be made widely available, e.g. to the Joint Committee, the respective councils' Management Boards, the two councils' members and to all employees via the respective intranets.
- Both sides will nominate one of their members to act as Joint Secretary for the meetings. The Joint Secretaries shall be responsible for convening meetings and agreeing the agenda. Seven working days' notice will normally be given for any meeting. Items for inclusion should be notified to the Joint Secretaries three working days in advance of the meeting. Written reports for consideration will be circulated within 3 working days of the meeting. A schedule for meetings will be planned for the year ahead. Meetings may be cancelled or additional meetings called by mutual agreement, and will be co-ordinated by the Joint Secretaries. The circulation list for the agenda will include the Management Board / Corporate Management Team at the two councils.
- A special meeting may be called at the request of a director from the Management Side or not less than two of the representatives of the Union Side.

- Either side of the Union / Management Committee will, subject to agreement of the joint secretaries, have the right to invite others to attend meetings. It is expected that the shared services Head of Human Resources or nominated substitute will attend in an advisory capacity and that specialist Health and Safety advice will be made available.

### ***Management / Staff Forum***

- Management/Staff Forum meetings will be held every two months, meetings shall be quorate if half the members of each side are present.
- The Management Side will be represented by the two directors, one from each of the two councils, responsible for managing the Shared Services or their nominated substitutes.
- The Staff Side will be represented by:-
  - Six Union representatives and non-union representatives in proportion to their composition of the entire shared services workforce.
  - UNISON will appoint the union representatives and determine the allocation of representatives amongst the trade union across both councils.
  - The shared services Head of Human Resources will every two years seek nominations from non-union representatives and, if necessary, organise a ballot of non-union staff to appoint appropriate non-union representation.
  - If there are vacancies in either the Unison or non-union representation the Forum's numbers may be made up by Unison members, in the case of vacancies for non-union representatives or non-union representatives in the case of Unison vacancies.
- The Forum will receive such information as it requires to carry out effective consultation and will consider matters included in paragraph 3.4 above.
- The Management Side will nominate the Chair for the first municipal year of operation. The Chair will alternate between Management and Staff Side annually thereafter.
- The Management Side will arrange for a minute taker to attend who will be responsible for producing and circulating the notes of the meeting. The notes will be made widely available, e.g. to the Joint Committee, the respective councils' Management Boards, the two councils' members and to all employees via the respective intranets.
- Both sides will nominate one of their members to act as Joint Secretary for the meetings. The Joint Secretaries shall be responsible for convening meetings and agreeing the agenda. Seven working days' notice will normally be given for any meeting. Items for inclusion should be notified to the Joint Secretaries three working days in advance of the meeting. Written reports for consideration will be circulated within 3 working days of the meeting. A schedule for meetings will be planned for the year ahead. Meetings may be cancelled or additional meetings called by mutual agreement, and will be co-ordinated by the Joint Secretaries. The circulation list for the agenda will include the Management Board / Corporate Management Team at the two councils.
- A special meeting may be called at the request of a director from the Management Side or not less than three of the representatives of the Staff Side.
- Either side of the Management / Staff Forum will, subject to agreement of the joint secretaries, have the right to invite others to attend meetings. It is expected that the shared

services Head of Human Resources or nominated substitute will attend in an advisory capacity and that specialist Health and Safety advice will be made available.

### **3.6 Generally**

- At either the Union / Management Committee or Management / Staff Forum, no matter concerning a named individual may be discussed, although the general principles underlying such matters do constitute legitimate business. No information shall be given to the Press.

### **3.7 Transitional Arrangements**

- These arrangements are subject to ratification by the Joint Committee on its appointment. It will subsequently be reviewed after a 6 month period.

## 4 Evaluation, Pay & Grading

The two councils currently use different JE systems and adopt different processes for the evaluation and moderation procedures. This paper proposes a process for job evaluating the Shared Services operational roles that is, which is recognisable for local government but different to the current method in both councils. (Appendix B outlines the current JE process in each council.).

The main proposals are as follows

- that Shared Services adopts the NJC computerised job evaluation scheme for local government, (GAUGE)
- that a new pay and grading structure is developed
- a steering group is set up to oversee the implementation of the scheme and ensure consistency and fairness
- each role that is evaluated is checked(moderated) by a Job analyst and a line manager who have not been involved in the evaluation
- there is a formal appeals process

The rest of this section describes these proposals in more detail.

### 4.1 Managing Job Evaluations

It is proposed that a Steering Group is developed to oversee the implementation of the Job Evaluation process. To ensure representation from both councils and to involve employees in the evaluation process it is proposed that the membership of this group is as follows -

Shared Services Directors	(2)
Change Management Lead	(1)
Payroll representative	(1)
Head of Shared HR	(1)
UNISON	(2)
Employee Representative	(2)

The Shared Services Board will take advice from legal services as appropriate.

The terms of reference for the Steering group are to:

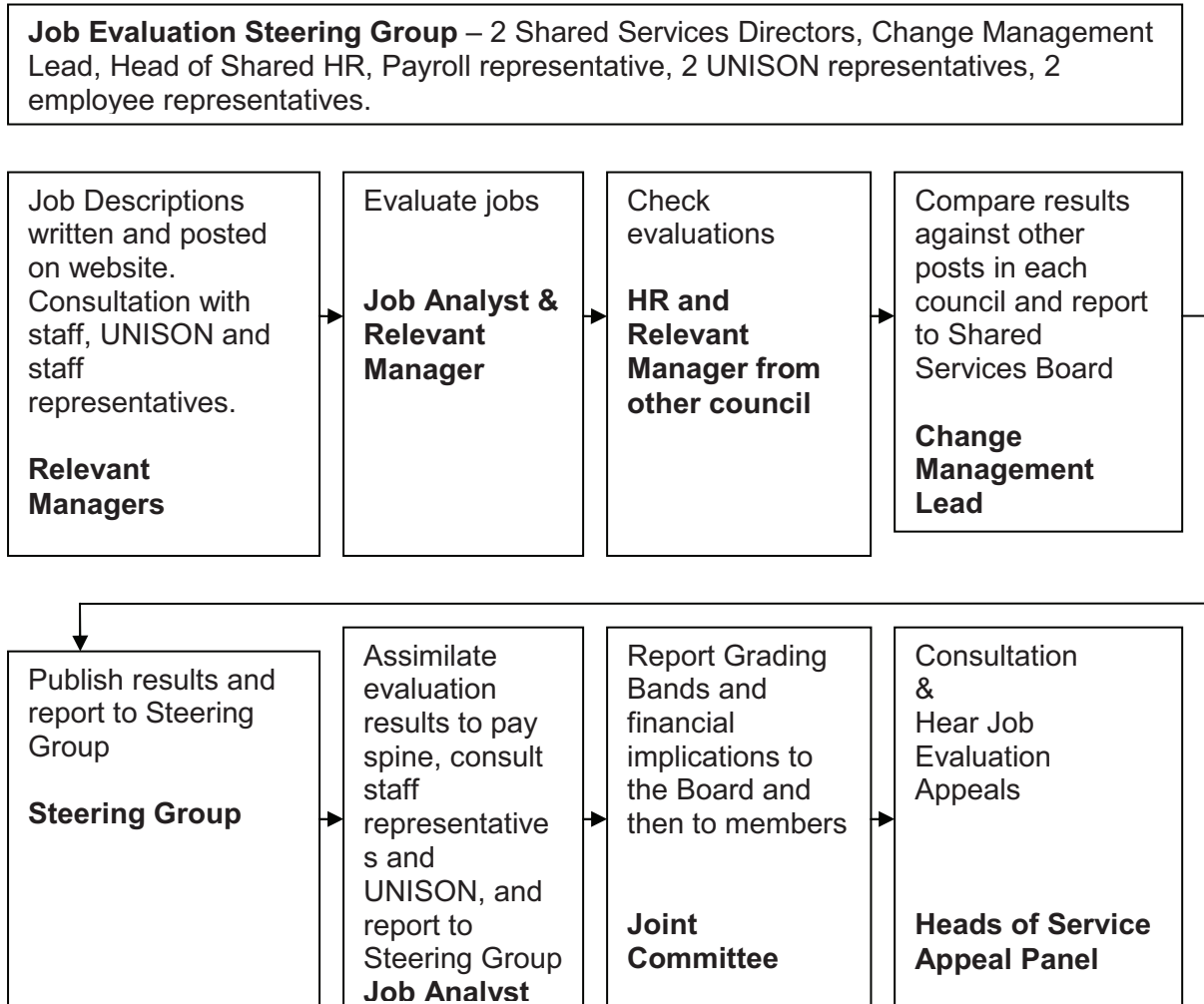
- consider the local conventions; these are the definitions that set the level of responsibility relevant to the job, e.g. budget, supervisory.
- identify comparators in both councils and ensure cross council comparisons are made
- ensure equalities impact is assessed and managed
- consider pay line and grading structure
- consider the process for the disclosure of information
- consider the assimilation procedure, i.e. where within the new grading structure evaluated roles would sit, (reds at the top of the band etc.)

*It is anticipated that this will be a task and finish group, and that the normal arrangements for consultation with employees will be used post-implementation.*

**Change Management Lead** will manage the Job Evaluation implementation process; co-ordinating communications, ensuring evaluations are processed, ensuring compilation and distribution of Job evaluation results to the Steering Group

**Steering group Meetings;** Job evaluation will be a standing agenda item of Programme Board meeting. Non Board Steering Group members will be invited to attend for this item.

## 4.2 The Job Evaluation Process



Write Job Descriptions

Draft Job descriptions written and posted on shared services website – Heads of Service, Service Leads and Managers. Consultation takes place with staff, their representatives and UNISON.

Evaluate jobs

Shared Services has engaged the services of an independent Job Analyst who is experienced in the GAUGE job evaluation system. The analyst will work with a nominated Manager from each in scope service to evaluate each job. The result and a copy of the question trace will be forwarded to the 'checkers'.

Check evaluations

The 'checkers' will comprise a nominated Manager from the opposite council to that which evaluated the job who will

	work with an assigned member of Human Resources to check the evaluated jobs. This is a manual process.
Compile results	Jobs that report directly to a Head of Service would be checked by another Head of Service. Following moderation, results are forwarded to Change Management Lead for compilation, analysis and circulation to the Shared Services Board.
Pay modelling	Once the scores have been reviewed by the Shared Services Board, the Job Analyst will plot evaluation results in pay modelling software package. The pay modeller will identify the roles where the salary would be lower, (reds) and roles where the salary would be higher (greens) and roles where the salary has remained the same (whites).
Grade jobs & Ratify	Results forwarded to Change Management Lead whose role it is to ratify the results of the evaluation. Steering Group and Shared services Board to consider grading structure. The costs of implementation need to be established. Final agreement on pay and grading would be made by the Joint Committee
Communicate results	Results are communicated with relevant post holders who are able to request to view the question trace to establish how results have been applied. The results will be communicated as part of the formal consultation with staff on the shared services restructure. There is the right for post holders to appeal against the job evaluation process, (see below).
Set up Grading structure	New structure is set up on payroll system.

### 4.3 Job Evaluations appeals

Appeals may be made for the following three reasons

- firstly, the appeal may relate to the question trace not providing an accurate reflection of the job,
- secondly the appeal may relate to the factor levels being wrongly allocated, or
- thirdly an equivalent job may be graded at a higher level.

If none of the above criteria apply and the concerns relate to the remuneration of the post then this may be a case to investigate whether it is appropriate to consider applying a market supplement, (see below).

Appeals should be made in writing to the respective Head of Shared Service within the consultation period. Where the appeal relates to a job that is occupied by more than one post holder, one member of that job group would be nominated (volunteer to) attend the appeal hearing on behalf of all the post holders.

Appeals will be heard by a panel of 3, one director, a (non-related) Head of Service and a representative from HR. Appeals will be heard within 14 working days of receipt of the appeal.



The appellant may be accompanied by a UNISON or employee representative at the meeting. UNISON and employee representatives shall be given suitable training on the job evaluation scheme in order to fulfil this function.

The decision of the appeal panel is final.

#### **4.4 Labour Market Supplements**

These may assist with recruitment and retention when it can be shown that the grade for a particular job or group of jobs, as determined by job evaluation, is significantly below local or national rates of pay within a relevant sector.

The following principles will apply:

**Objective justification** - Market supplements must be supported by labour market information/evidence of recruitment and retention difficulties. A case for a market supplement would be made by the appropriate Head of Service and heard by a Director and nominated HR representative.

**Review** - A list of Market supplements would be held by Human Resources. Market supplements are time-limited and will be reviewed annually. A 'trawl' of prevailing rates of pay for similar roles in similar organisations and relevant sectors advertised in relevant media, and/or labour market surveys would be undertaken with a minimum of 5 roles used for comparators. Evidence of this would be presented by the Head of Service.

Existing employees who are in receipt of a labour market supplement would receive a years notice in the event of any reduction in the supplement payable.

It may also be appropriate to review market supplements when posts become vacant to establish whether the market has changed since the last review.

## 5 Redeployment of staff to new structures

The Joint Committee and management will ensure that the re-deployment of employees to the new structure is managed sensitively and that employees are supported during the transition. Strategies to minimise and avoid redundancies will be adopted and pursued, using the re-deployment process described below.

### 5.1 Consultation on structures and jobs

- Collective consultation with the recognised trade union and employee representatives will commence no later than 42 days in advance of the first notice of any proposed redundancy/ in advance of any proposal for variation of terms and conditions. A formal letter will be sent to UNISON to start the process with a time line for representations to be submitted (The length of time of consultation may be shortened once it has started if all parties agree). The proposed forum for consultation is described in Section 3.
- Consultation meeting(s) with individual employees will take place during the collective consultation period. Meetings led by relevant Head of Shared Service/ Manager with support from assigned HR representative. A formal at risk letter will be issued to each employee tailored to his/her circumstance.
- Collective meetings with UNISON and employee reps, and individual meetings with employees will take place during the collective consultation period. Consultation meetings recorded and minuted.
- Representations will be collated and forwarded to Corporate Directors for consideration. Representations may be collective and individual. Two corporate Directors (one from each council) will consider and respond to any representations that are submitted and confirm in writing.
- The outcome of representations will be fed back as appropriate and/or implemented. The end of the consultation period will be formally closed with a letter to Unison.

### 5.2 Deployment to structures

It is proposed that suitable alternative employment is identified in the new structures for employees currently in the four in-scope services.

If the number of new posts  $\geq$  number of potential post holders, current post holders would be ring fenced to the roles and the roles offered as suitable alternative employment

If number of posts  $<$  number of potential post holders, current post holders would be ring fenced to the roles and would engage in a competitive selection process, which would take place at the end of the consultation period. Applicants would undertake a structured assessment centre that would include an independent assessor and a joint council selection panel. In addition, previous performance history/appraisals and absence records may be taken into account.

### 5.3 Trial periods

A 4 week trial period applies to any re-deployment. This may be extended up to 12 weeks by mutual agreement (if there are significant training needs etc). The contractual notice and the trial period will run concurrently.

## **5.4 Protection**

The decision on level of protection offered to staff will be determined once the jobs in the new structures have been evaluated and as part of the consultation process.

## **5.5 Managing redundancies**

### **Avoiding compulsory redundancy**

The following proposals are aimed to avoid compulsory redundancy.

- Any employee whose post is 'at risk' of redundancy will receive details of all current council vacancies before these are advertised internally, or externally during consultation and beyond where appropriate
- All potentially displaced employees have the opportunity to apply for voluntary redundancy. Approval however is subject to councils' approval procedure. If there are more applications for voluntary redundancy than required reduction in staffing, selection criteria will be used including skills, qualifications, standards of performance, aptitude, attendance (not family related/ disability etc), disciplinary record and cost/ actuarial strain.

### **Dismissal for reason of redundancy**

In the event of an employee not finding alternative employment at either council, they will be dismissed for the reason of redundancy.

A meeting will be held between the displaced employee and their representative, a member of HR and the appropriate Head of Service or manager. (Managers would have delegated authority from the two councils) The appropriate Head of Service would chair the meeting and issue formal notice of termination of employment for the reason of redundancy. This must be provided in writing, and the right to appeal must be stated (see 5.7 below).

The employee will receive contractual or statutory notice (whichever is the greater). It is normal practice for the employee to work the notice period.

The employee would be given continued access to support as required and reasonable paid time off to seek alternative employment.

Each council will retain their discretionary policy to release an employee in the interests of efficiency of the service.

### **Redundancy Payment**

This is a statutory redundancy payment based upon an actual week's pay, plus a discretionary payment which combined with the statutory redundancy payment would not exceed a maximum of 66 weeks' pay.

Watford Borough Council will maintain it's current discretion to

- a) withhold the discretionary payment for a 3 month period (payment subject to the employee not taking a claim to Employment Tribunal or Court relating to the dismissal).
- b) allow employees to convert the discretionary payment to augment additional service in the Local Government Pension scheme

### **Early retirement on grounds of redundancy**

Payment of immediate pension benefits based on accrued service would apply for employees aged 55 (50 if protection on abolition of 85 year rule applies).

### **5.6 Support for staff**

All potentially displaced employees would have access to outplacement support and EAP during the consultation and (where applicable) notice period.

### **5.7 Appeal**

The right to appeal against the decision to dismiss must be stated formally in the employee's letter giving notice of termination.

The appeal should be made in writing and addressed to the Head of Shared HR. Appeals would be heard by the respective Director of Shared Services and either the Head of Shared HR/ HR Manager, or if the dismissal affects a member of HR, another Head of Service.

## 6 Relocation

### 6.1 Location of shared services

It is proposed, subject to consultation, shared services will be co-located as follows:

- ICT at Three Rivers
- Revenues & Benefits at Watford
- Finance at Three Rivers
- HR at Watford

It has always been the intention to co-locate two services at each council to help create a joint service ethos and to minimise the feeling of a takeover of any service by either authority.

There is a sound business case for the Revenues and Benefits 'hub' to be at Watford – the caseload and volume of enquiries being greater in Watford. There is also (albeit a weaker) business case for ICT being at Three Rivers because that is where the servers are to be based.

However, the proposal for HR and Finance has been changed from the original proposals issued to staff. The Programme Board thinks it is important that each director has a service located at each site to demonstrate that services are genuinely shared and that this outweighs any business case argument that has been made, such as finance having close links with revenues and benefits.

### 6.2 Impact on staff

67 staff (34 from Three Rivers and 33 from Watford) will be directly impacted by the proposed location of the four shared services as shown in the table below

#### Location impact on staff

	Location	Three Rivers staff	Watford staff
ICT	Three Rivers	4	13
Finance	Three Rivers	12	20
HR	Watford	4	14
R&B	Watford	30	46

  = proposed that staff will change office

This section sets out proposals for compensating staff affected by the change in location to their place of work and proposals to enable flexible working to mitigate for any inconvenience.

### 6.3 Compensation for staff

It is proposed that staff are compensated for the additional travel costs and measures introduced to facilitate new travel arrangements in order to minimise the inconvenience caused due to relocation of offices.

#### Additional travel costs

It is proposed that staff are compensated for any additional travel costs incurred as a result of their change of workplace for a period of 3 years; the compensation levels will vary depending on the mode of transport as described below.

- **Travel by car or motorcycle:** It is proposed that employees who travel by car would be compensated financially for the difference in mileage between home to previous office and home to new office. Mileage would be paid at either band 1 or 2 of the Essential or Casual User rate that is negotiated annually by the NJC (depending upon the engine size of the vehicle, and whether the post holder is an essential or casual car user).

#### Mileage Rates 1 April 2007

<b>Essential Users</b>	<b>451 – 999cc</b>	<b>1000 – 1199cc</b>
Lump Sum per annum	£753	£849
Per mile first 8,500	34.0p	36.9p
Per mile after 8,500	13.3p	13.6p
<b>Casual Users</b>		
Per mile first 8,500	42.9p	46.9p
Per mile after 8,500	13.3p	13.6p
<b>Motor Cycle Allowances</b>	<b>Up to 125cc</b>	<b>Over 125cc</b>
3 <sup>rd</sup> party insurance	19.35p	29.40p
Comprehensive insurance	21.44p	33.56p
Over 4000 miles	8.18p	11.97p

Compensation would be paid for each day worked for a period of 3 years from the date of the change of work location.

- **Travel by public transport:** It is proposed that employees who travel by public transport will be compensated financially for any additional travel fares between home to previous office and home to new office. Compensation would be paid for each day worked for a period of 3 years from the date of the change of work location.

In addition, the following will be offered to staff using public transport

- Employees who travel by bus would have the opportunity to purchase the discounted ARRIVA travel card from Watford Borough Council. This currently costs approximately £20 per month and provides the travel card holder with free bus travel across Hertfordshire (including weekend travel).
- Employees who travel by train may obtain an Interest free season ticket loan.
- **Travel by cycle:** Employees who use a bicycle to travel to work will receive financial compensation at the casual car user rate and they may apply for an interest free loan up to £1000 to purchase a bicycle.

#### **Car Parking**

Watford Borough Council staff who relocate to Three Rivers will not incur any car parking charges at Three Rivers. Three Rivers District Council has agreed that it will pay the car parking charges for a period of 3 years for those staff employed by Three Rivers who are required to relocate to Watford. Annual charges are as follows:-

No of days per week parking required	Amount pa for cars 1600 cc or above	Amount pa for cars below 1600 cc, or car Sharers
5 days	£324	£216
4 days	£260	£172
3 days	£194	£130
2 days	£130	£86
1 day	£65	£44

Car sharing will be available for employees to consider. Employees who participate in Watford Borough Council's Car Sharing scheme incur reduced car parking charges.

### **Shuttle Bus**

If there is sufficient demand from staff for the provision of a shuttle bus service between the two council offices, this option would be explored.

## **6.4 Supporting employees with working arrangements**

It is recognised that, as a result of the requirement to relocate, some staff may face increased travel time due to the additional journey and the level of traffic congestion between the two councils during peak travelling times. Both of the councils operate flexible working policies to support employees to achieve a work life balance. All employees who are inconvenienced due to the requirement to change their place of work may request a change in their working arrangements.

Flexible working arrangements that would be considered include –

- **Staggering hours**; negotiating and agreeing a working pattern that differs from standard start and finish times.
- **Compressed hours**; the most common example is full time hours being worked over 4 longer days, e.g. Monday to Thursday 8 to 6pm with a half hour taken for lunch.
- **Reduced hours**/ part time working arrangements.
- **Flexi time**; Both of the councils operate a flexi time system, intending to provide some flexibility in start and finish times.
- **Home Working**; Where the nature of the work would lend itself to Home working, this option could also be considered. If the employee is able to work from home, a pattern of working including some office and some home working could be developed.

Where flexible working options would provide employees with a solution, this would be discussed with individuals as part of the consultation process. In addition, where services require an on-site presence at each council or there is a need to be mobile, staff may be able to be based at a particular office where appropriate. All requests will be fully considered but approval would be dependent upon the ability to meet service demands.

## 7 Areas to be harmonised later

### 7.1 Annual Leave

Comparisons of annual leave entitlement at each of the councils identified there is a significant substantive difference, as shown in the table below for staff within the scope of Shared Services. Harmonising annual leave for the staff in scope of Shared Services would impact on out of scope staff in each council who could make comparisons with the Shared Services staff. The down side to not harmonising annual leave is that the staff in Shared Services will be working alongside colleagues whose annual leave entitlement may be more or less generous than their own.

It is proposed that annual leave is not harmonised at this stage and addressed by the Head of Shared HR as a priority area once appointed.

	NJC Posts				JNC posts
	Scale point 1 – 21	Scale point 22 - 28	Scale point 29 +	NJC all scale points	Chief Officers
	WBC*			TRDC	WBC
Basic entitlement including statutory and local days	23	26	28	28	33
Long service 5 yrs LG	28	31	33	30	38
Long service 10 yrs WBC	30	33	35	30	40
Bank Holidays**	8	8	8	8	8

\* Watford Council offices close over Christmas and staff are expected to take annual leave

\*\* depends on how Easter falls

### 7.2 Operational employment policies and processes

It is proposed that harmonisation of the people management operational policies listed below are investigated once the Shared Services Management Team is established as this would ensure there is consistency in people management processes for the staff in scope of the Shared Services. The decision regarding prioritisation and harmonisation of these policies would be for the new Shared Services Management Team and Head of HR to determine. In the interim, people management policies would be as per the employing council.

#### Operational Employment policies and Processes

- Managing performance/ capability
- Managing absence
- Disciplinary policy
- Grievance policy
- Whistle blowing policy



- Bullying and Harassment
- Use of ICT/ Internet policy
- Code of conduct
- Equal Opportunities
- Recruitment
- Leave policy – all leave types
- Lone working
- Essential car user allowances, car loans
- Child care vouchers
- Learning and Development policy
- Performance Appraisal/ pay review
- Health and Safety at Work
- Drugs and Alcohol
- No smoking policy
- Violence at work
- DSE and eye tests
- Employee Assistance programme

## Appendix A Approval Tracking

<b>Proposal (section in this document)</b>	<b>Approved by Programme Board</b>	<b>Approved by Management Team</b>	<b>Submitted to Unison/Staff</b>
Appointments of Heads of Service	9 <sup>th</sup> July 2008	2 <sup>nd</sup> Sep 2008	Initial draft-10 <sup>th</sup> July 2008 – Unison 5 Sep – Issued to staff and Unison
Consultation and negotiation approach	9 <sup>th</sup> July 2008	2 <sup>nd</sup> Sep 2008	Initial draft -10 <sup>th</sup> July 2008 – Unison 5 Sep – Issued to staff and Unison
Evaluation, Pay and Grading of shared services jobs	22 <sup>nd</sup> July 08	2 <sup>nd</sup> Sep 2008	5 Sep – Issued to staff and Unison
Redeployment of staff to new structures	1 <sup>st</sup> Sep 08	2 <sup>nd</sup> Sep 2008	5 Sep – Issued to staff and Unison
Relocation	1 <sup>st</sup> Sep 08	2 <sup>nd</sup> Sep 2008	5 Sep – Issued to staff and Unison
Areas to be harmonised later	1 <sup>st</sup> Sep 08	2 <sup>nd</sup> Sep 2008	5 Sep – Issued to staff and Unison

## Appendix B Current Job Evaluation process (New jobs)

Three Rivers District Council	Watford Borough Council
<p><b>JE System</b> – Jobs are job evaluated using GLEA (Greater London and Whitley Council), manual evaluation scheme</p> <p><b>Evaluation process</b> – Managers complete and agree the job description with the postholder. A signed job description is forwarded to Personnel and a paper job evaluation is carried out by a member of Personnel who is trained in the scheme.</p> <p><b>Moderation</b> - There is no moderation process.</p> <p><b>Notify results</b> – The results of the evaluation are communicated to either the line manager or Chief Officer. The grade has to be approved by Management Board. The grade is then confirmed in writing and staff would be notified of the result.</p> <p><b>Appeals</b> – There is the right to appeal against the outcome of the job evaluation within 30 days. Appeals must be in writing and are heard by an independent appeals panel of 3, (an independent senior manager, a member of Personnel and a trained evaluator) within 2 months. The appellant is advised to seek support from a suitably trained union or non union representative. The appellant would be interviewed by the panel and may be accompanied by a union or non union representative or colleague.</p> <p>The decision of the Appeals panel is final.</p>	<p><b>JE System</b> – Jobs are job evaluated using NJC computerised evaluation scheme (GAUGE).</p> <p><b>Evaluation process</b> – Managers complete the job descriptions. A computerised job evaluation is carried out by a member of HR who interviews the manager and records their responses into GAUGE. GAUGE calculates the factor scores and produces a question trace.</p> <p><b>Moderation</b> – The Head of HR and the Trade Union Liaison Officer are notified of the evaluation result and moderate the job evaluation scores</p> <p><b>Notify results</b> – The Head of Service is notified in writing of the total points score, individual factor markings and the grade. Staff would be notified of the result.</p> <p><b>Appeals</b> – There is currently no formal appeals procedure specified.</p>

## Document Version Control

<b>Version No</b>	<b>Dated</b>	<b>Status</b>	<b>Comments/Key changes since last version</b>
0.1	14 <sup>th</sup> Aug 2008	Draft	Issued for comments to Tricia Taylor and David Gardner
0.2	22 <sup>nd</sup> Aug 2008	Draft	Updated section 3 to reflect Unison comments, Section 4.2 & 4.3 to reflect management board comments on linking appeals with consultation; Section 5.2 7.1 with programme board comments
0.3	4 <sup>th</sup> Sep 08	Draft	Approved by management boards of both councils and issued to Unison and staff.
0.4	25 <sup>th</sup> Sep 08	Draft	Appendix B updated to incorporate comments from TRDC HR. JE process diagram corrected to show 2 employee representatives. Sentence added about WBC office closure over Christmas. Car Parking charges table layout changed. Issued to Joint Committee.

# **Shared Services Programme Change Management Proposals**

**DRAFT  
Version 0.4**

**25<sup>th</sup> September 2008**

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## 1.0 Introduction

### 1.1 Background

Implementing Shared Services in HR, Finance, ICT and Revenues & Benefits will impact directly on around 143 employees who are currently employed in these services at Three Rivers or Watford council. For these employees, in addition to adopting new ways of working and new systems, sharing services will mean the following changes

- a new and rationalised management team operating under a Joint Committee
- new staffing structures for each service to which they will be deployed,
- new job descriptions
- a reduction in the establishment, which for some employees may mean a competitive selection for posts in the Shared Services, or for other posts either within or outside of their current employer
- co-location of services which will mean that some employees will move to a new place of work.

Implementing the Joint Committee Governance option for the Shared Services means that the staff who are appointed to the Shared Services new structure will remain employed by their existing council, but be managed by the Joint Committee.

### 1.2 Purpose of document

It is proposed that a harmonised approach is taken to managing aspects of this change to ensure that staff in Shared Services experience the same transition process and to create as much of a level playing field, in relation to terms and conditions, as possible.

The purpose of this document is to set out the main items that need to be consulted upon with respect to changes to HR and transition policies.

In sections 2 to 6 of this paper, the areas that the programme proposes to harmonise initially are described as shown below. In section 7, the areas which are proposed we harmonise at a later stage are described.

2. Appointments of Heads of Service
3. Mechanisms for consultation and negotiation
4. Evaluation, Pay and Grading
5. Redeployment of staff to new structures
6. Relocation
7. Areas to be harmonised later

Each of these proposals were agreed at different times by the Programme Board, by the Councils' Management Teams and some items have already been circulated to Unison for initial comments as shown in appendix A. As more sections are added to this document when proposals are agreed on other change areas, this document will be re-issued and Appendix A updated.

Details that relate to the new Shared Services organisation structures and jobs which will require consultation are not included in this paper and will be provided separately at a later date.

## 2 Appointment of Heads of Service

One Head of Service is to be appointed for each of the 4 in scope services. These new roles provide 'suitable alternative employment opportunities' for those individuals who currently head these services in both councils, and will be offered on their current terms and conditions. The posts are not suitable alternative employment for members of staff currently in acting Head of Service positions

When any of these roles become vacant in the future, they will be job evaluated using the HAY job evaluation scheme and remuneration will be based upon market information.

New appointments to the posts will not have Chief Officer status and will be on NJC terms and conditions.

It is proposed that where there is only one post holder currently in post across both authorities, the posts will be offered to them as suitable alternative employment.

Where the number of current post holders exceeds the number of vacant posts, post holders would be 'ring fenced' for the role and undergo a competitive selection process. In this situation the post holders could apply for voluntary redundancy subject to the normal procedure within each council.

A 6 month trial period would apply to all Head of Service appointments meaning that entitlement to a redundancy payment is maintained for the trial period.

A 30 day consultation period is proposed with the individual impacted shown above, which will be managed by an independent consultant on behalf of both councils.

It is proposed that Heads of Service would maintain their existing terms and conditions of employment on an indefinite basis.



## 3 Consultation and Negotiation

### 3.1 Background

When change occurs Three Rivers District Council and Watford Borough Council (the two councils) are committed to consulting employees before decisions are made. The two councils have different processes for this which will continue to apply to staff not employed in the shared services. Nevertheless for employees in the shared services it is proposed to harmonise the consultation arrangements. The proposals set out in this section are designed to achieve this.

### 3.2 Principles

- It is proposed to harmonise the terms and conditions for shared services staff where possible. To make this happen, the two councils have delegated to the Three Rivers and Watford Shared Services Joint Committee (the Joint Committee) the responsibility for negotiating the terms and conditions of the shared services employees.
- Whilst it will remain the final responsibility of the Joint Committee to plan, organise, and manage the work of the Joint Committee in order to achieve the best possible results in pursuing its overall objectives, these consultation arrangements should develop a partnership between the Joint Committee, shared services management, UNISON and non-union representatives that recognises their distinctive roles, and establishes a workable and effective arrangement for good industrial relations.
- The Joint Committee recognises UNISON as the trade union representing employees in the shared services for the purposes of collective bargaining and, unless agreed locally with UNISON to the contrary, will abide by the terms and conditions that fall within the scope of the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service (The 'Green Book').
- The Joint Committee and management will include all staff in such consultation as it deems appropriate.
- The arrangements set out here are also designed to achieve regular dialogue on employment issues and, if necessary, a quick resolution of disputes.

### 3.3 Key Proposals

- Formal negotiation of local variations to the national terms and conditions will take place between management and UNISON at a Union / Management Committee.
- There will be regular meetings of shared services management with UNISON and non-union representatives via a Management Committee and Staff Forum.

### 3.4 Terms of Reference

- The following matters shall be discussed at the UNISON / Management Committee and Management / Staff Forum meetings:

Shared Services Economic Situation	Employment Prospects
Improvements to Service	External Accreditation
Training & Development	Health & Safety
Equal Opportunities	Terms & Conditions of Employment
Pay Awards	Salary Structure

Job Descriptions  
Hours of Work  
Reorganisation of Staff  
New Technology  
Redundancy & Redeployment  
Pensions

Job Evaluation & Job Grading  
Holiday & Sickness Arrangements  
Relocation of Offices  
Recruitment & Retention  
Disciplinary and Grievance Procedures  
Staff Amenities

Any other matter agreed by the joint secretaries.

### **3.5 Constitution**

#### ***Union / Management Committee***

- Union/Management meetings will be held every two months, meetings shall be quorate if half the members of each side are present.
- The Management Side will be represented by the two directors, one from each of the two councils, responsible for managing the Shared Services or their nominated substitutes.
- The Staff Side will be represented by four union representatives nominated by UNISON .
- The Committee will formally negotiate local variations to the national terms and conditions and consider health and safety issues.
- The Committee will receive such information as it requires to carry out effective consultation and will formally negotiate local variations to the national terms and conditions and the matters included in paragraph 3.4 above.
- The Joint Committee will receive the notes of meetings and approve the terms and conditions of shared services staff taking into account the outcome of the negotiations that have taken place. If agreement has not been reached at the Union / Management Committee a report to the Joint Committee may contain the views of the staff side if they so wish.
- The Management Side will nominate the Chair for the first municipal year of operation. The Chair will alternate between Union and Management side annually thereafter.
- The Management Side will arrange for a minute taker to attend who will be responsible for producing and circulating the notes of the meeting. The notes will be made widely available, e.g. to the Joint Committee, the respective councils' Management Boards, the two councils' members and to all employees via the respective intranets.
- Both sides will nominate one of their members to act as Joint Secretary for the meetings. The Joint Secretaries shall be responsible for convening meetings and agreeing the agenda. Seven working days' notice will normally be given for any meeting. Items for inclusion should be notified to the Joint Secretaries three working days in advance of the meeting. Written reports for consideration will be circulated within 3 working days of the meeting. A schedule for meetings will be planned for the year ahead. Meetings may be cancelled or additional meetings called by mutual agreement, and will be co-ordinated by the Joint Secretaries. The circulation list for the agenda will include the Management Board / Corporate Management Team at the two councils.
- A special meeting may be called at the request of a director from the Management Side or not less than two of the representatives of the Union Side.

- Either side of the Union / Management Committee will, subject to agreement of the joint secretaries, have the right to invite others to attend meetings. It is expected that the shared services Head of Human Resources or nominated substitute will attend in an advisory capacity and that specialist Health and Safety advice will be made available.

### ***Management / Staff Forum***

- Management/Staff Forum meetings will be held every two months, meetings shall be quorate if half the members of each side are present.
- The Management Side will be represented by the two directors, one from each of the two councils, responsible for managing the Shared Services or their nominated substitutes.
- The Staff Side will be represented by:-
  - Six Union representatives and non-union representatives in proportion to their composition of the entire shared services workforce.
  - UNISON will appoint the union representatives and determine the allocation of representatives amongst the trade union across both councils.
  - The shared services Head of Human Resources will every two years seek nominations from non-union representatives and, if necessary, organise a ballot of non-union staff to appoint appropriate non-union representation.
  - If there are vacancies in either the Unison or non-union representation the Forum's numbers may be made up by Unison members, in the case of vacancies for non-union representatives or non-union representatives in the case of Unison vacancies.
- The Forum will receive such information as it requires to carry out effective consultation and will consider matters included in paragraph 3.4 above.
- The Management Side will nominate the Chair for the first municipal year of operation. The Chair will alternate between Management and Staff Side annually thereafter.
- The Management Side will arrange for a minute taker to attend who will be responsible for producing and circulating the notes of the meeting. The notes will be made widely available, e.g. to the Joint Committee, the respective councils' Management Boards, the two councils' members and to all employees via the respective intranets.
- Both sides will nominate one of their members to act as Joint Secretary for the meetings. The Joint Secretaries shall be responsible for convening meetings and agreeing the agenda. Seven working days' notice will normally be given for any meeting. Items for inclusion should be notified to the Joint Secretaries three working days in advance of the meeting. Written reports for consideration will be circulated within 3 working days of the meeting. A schedule for meetings will be planned for the year ahead. Meetings may be cancelled or additional meetings called by mutual agreement, and will be co-ordinated by the Joint Secretaries. The circulation list for the agenda will include the Management Board / Corporate Management Team at the two councils.
- A special meeting may be called at the request of a director from the Management Side or not less than three of the representatives of the Staff Side.
- Either side of the Management / Staff Forum will, subject to agreement of the joint secretaries, have the right to invite others to attend meetings. It is expected that the shared

services Head of Human Resources or nominated substitute will attend in an advisory capacity and that specialist Health and Safety advice will be made available.

### **3.6 Generally**

- At either the Union / Management Committee or Management / Staff Forum, no matter concerning a named individual may be discussed, although the general principles underlying such matters do constitute legitimate business. No information shall be given to the Press.

### **3.7 Transitional Arrangements**

- These arrangements are subject to ratification by the Joint Committee on its appointment. It will subsequently be reviewed after a 6 month period.

## 4 Evaluation, Pay & Grading

The two councils currently use different JE systems and adopt different processes for the evaluation and moderation procedures. This paper proposes a process for job evaluating the Shared Services operational roles that is, which is recognisable for local government but different to the current method in both councils. (Appendix B outlines the current JE process in each council.).

The main proposals are as follows

- that Shared Services adopts the NJC computerised job evaluation scheme for local government, (GAUGE)
- that a new pay and grading structure is developed
- a steering group is set up to oversee the implementation of the scheme and ensure consistency and fairness
- each role that is evaluated is checked(moderated) by a Job analyst and a line manager who have not been involved in the evaluation
- there is a formal appeals process

The rest of this section describes these proposals in more detail.

### 4.1 Managing Job Evaluations

It is proposed that a Steering Group is developed to oversee the implementation of the Job Evaluation process. To ensure representation from both councils and to involve employees in the evaluation process it is proposed that the membership of this group is as follows -

Shared Services Directors	(2)
Change Management Lead	(1)
Payroll representative	(1)
Head of Shared HR	(1)
UNISON	(2)
Employee Representative	(2)

The Shared Services Board will take advice from legal services as appropriate.

The terms of reference for the Steering group are to:

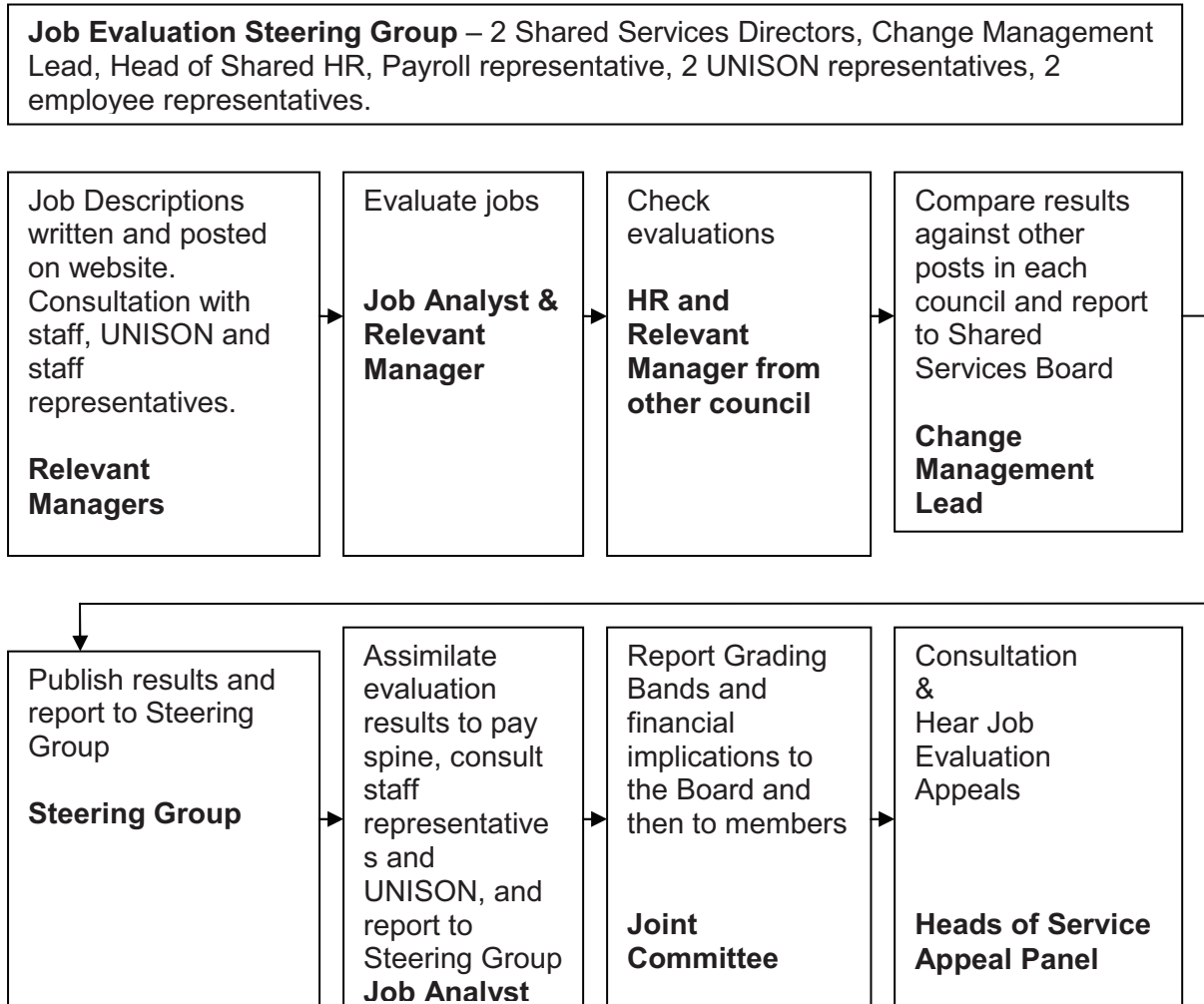
- consider the local conventions; these are the definitions that set the level of responsibility relevant to the job, e.g. budget, supervisory.
- identify comparators in both councils and ensure cross council comparisons are made
- ensure equalities impact is assessed and managed
- consider pay line and grading structure
- consider the process for the disclosure of information
- consider the assimilation procedure, i.e. where within the new grading structure evaluated roles would sit, (reds at the top of the band etc.)

*It is anticipated that this will be a task and finish group, and that the normal arrangements for consultation with employees will be used post-implementation.*

**Change Management Lead** will manage the Job Evaluation implementation process; co-ordinating communications, ensuring evaluations are processed, ensuring compilation and distribution of Job evaluation results to the Steering Group

**Steering group Meetings;** Job evaluation will be a standing agenda item of Programme Board meeting. Non Board Steering Group members will be invited to attend for this item.

## 4.2 The Job Evaluation Process



Write Job Descriptions

Draft Job descriptions written and posted on shared services website – Heads of Service, Service Leads and Managers. Consultation takes place with staff, their representatives and UNISON.

Evaluate jobs

Shared Services has engaged the services of an independent Job Analyst who is experienced in the GAUGE job evaluation system. The analyst will work with a nominated Manager from each in scope service to evaluate each job. The result and a copy of the question trace will be forwarded to the 'checkers'.

Check evaluations

The 'checkers' will comprise a nominated Manager from the opposite council to that which evaluated the job who will

	work with an assigned member of Human Resources to check the evaluated jobs. This is a manual process.
Compile results	Jobs that report directly to a Head of Service would be checked by another Head of Service. Following moderation, results are forwarded to Change Management Lead for compilation, analysis and circulation to the Shared Services Board.
Pay modelling	Once the scores have been reviewed by the Shared Services Board, the Job Analyst will plot evaluation results in pay modelling software package. The pay modeller will identify the roles where the salary would be lower, (reds) and roles where the salary would be higher (greens) and roles where the salary has remained the same (whites).
Grade jobs & Ratify	Results forwarded to Change Management Lead whose role it is to ratify the results of the evaluation. Steering Group and Shared services Board to consider grading structure. The costs of implementation need to be established. Final agreement on pay and grading would be made by the Joint Committee
Communicate results	Results are communicated with relevant post holders who are able to request to view the question trace to establish how results have been applied. The results will be communicated as part of the formal consultation with staff on the shared services restructure. There is the right for post holders to appeal against the job evaluation process, (see below).
Set up Grading structure	New structure is set up on payroll system.

### 4.3 Job Evaluations appeals

Appeals may be made for the following three reasons

- firstly, the appeal may relate to the question trace not providing an accurate reflection of the job,
- secondly the appeal may relate to the factor levels being wrongly allocated, or
- thirdly an equivalent job may be graded at a higher level.

If none of the above criteria apply and the concerns relate to the remuneration of the post then this may be a case to investigate whether it is appropriate to consider applying a market supplement, (see below).

Appeals should be made in writing to the respective Head of Shared Service within the consultation period. Where the appeal relates to a job that is occupied by more than one post holder, one member of that job group would be nominated (volunteer to) attend the appeal hearing on behalf of all the post holders.

Appeals will be heard by a panel of 3, one director, a (non-related) Head of Service and a representative from HR. Appeals will be heard within 14 working days of receipt of the appeal.

The appellant may be accompanied by a UNISON or employee representative at the meeting. UNISON and employee representatives shall be given suitable training on the job evaluation scheme in order to fulfil this function.

The decision of the appeal panel is final.

#### **4.4 Labour Market Supplements**

These may assist with recruitment and retention when it can be shown that the grade for a particular job or group of jobs, as determined by job evaluation, is significantly below local or national rates of pay within a relevant sector.

The following principles will apply:

**Objective justification** - Market supplements must be supported by labour market information/evidence of recruitment and retention difficulties. A case for a market supplement would be made by the appropriate Head of Service and heard by a Director and nominated HR representative.

**Review** - A list of Market supplements would be held by Human Resources. Market supplements are time-limited and will be reviewed annually. A 'trawl' of prevailing rates of pay for similar roles in similar organisations and relevant sectors advertised in relevant media, and/or labour market surveys would be undertaken with a minimum of 5 roles used for comparators. Evidence of this would be presented by the Head of Service.

Existing employees who are in receipt of a labour market supplement would receive a years notice in the event of any reduction in the supplement payable.

It may also be appropriate to review market supplements when posts become vacant to establish whether the market has changed since the last review.



## 5 Redeployment of staff to new structures

The Joint Committee and management will ensure that the re-deployment of employees to the new structure is managed sensitively and that employees are supported during the transition. Strategies to minimise and avoid redundancies will be adopted and pursued, using the re-deployment process described below.

### 5.1 Consultation on structures and jobs

- Collective consultation with the recognised trade union and employee representatives will commence no later than 42 days in advance of the first notice of any proposed redundancy/ in advance of any proposal for variation of terms and conditions. A formal letter will be sent to UNISON to start the process with a time line for representations to be submitted (The length of time of consultation may be shortened once it has started if all parties agree). The proposed forum for consultation is described in Section 3.
- Consultation meeting(s) with individual employees will take place during the collective consultation period. Meetings led by relevant Head of Shared Service/ Manager with support from assigned HR representative. A formal at risk letter will be issued to each employee tailored to his/her circumstance.
- Collective meetings with UNISON and employee reps, and individual meetings with employees will take place during the collective consultation period. Consultation meetings recorded and minuted.
- Representations will be collated and forwarded to Corporate Directors for consideration. Representations may be collective and individual. Two corporate Directors (one from each council) will consider and respond to any representations that are submitted and confirm in writing.
- The outcome of representations will be fed back as appropriate and/or implemented. The end of the consultation period will be formally closed with a letter to Unison.

### 5.2 Deployment to structures

It is proposed that suitable alternative employment is identified in the new structures for employees currently in the four in-scope services.

If the number of new posts  $\geq$  number of potential post holders, current post holders would be ring fenced to the roles and the roles offered as suitable alternative employment

If number of posts  $<$  number of potential post holders, current post holders would be ring fenced to the roles and would engage in a competitive selection process, which would take place at the end of the consultation period. Applicants would undertake a structured assessment centre that would include an independent assessor and a joint council selection panel. In addition, previous performance history/appraisals and absence records may be taken into account.

### 5.3 Trial periods

A 4 week trial period applies to any re-deployment. This may be extended up to 12 weeks by mutual agreement (if there are significant training needs etc). The contractual notice and the trial period will run concurrently.

## **5.4 Protection**

The decision on level of protection offered to staff will be determined once the jobs in the new structures have been evaluated and as part of the consultation process.

## **5.5 Managing redundancies**

### **Avoiding compulsory redundancy**

The following proposals are aimed to avoid compulsory redundancy.

- Any employee whose post is 'at risk' of redundancy will receive details of all current council vacancies before these are advertised internally, or externally during consultation and beyond where appropriate
- All potentially displaced employees have the opportunity to apply for voluntary redundancy. Approval however is subject to councils' approval procedure. If there are more applications for voluntary redundancy than required reduction in staffing, selection criteria will be used including skills, qualifications, standards of performance, aptitude, attendance (not family related/ disability etc), disciplinary record and cost/ actuarial strain.

### **Dismissal for reason of redundancy**

In the event of an employee not finding alternative employment at either council, they will be dismissed for the reason of redundancy.

A meeting will be held between the displaced employee and their representative, a member of HR and the appropriate Head of Service or manager. (Managers would have delegated authority from the two councils) The appropriate Head of Service would chair the meeting and issue formal notice of termination of employment for the reason of redundancy. This must be provided in writing, and the right to appeal must be stated (see 5.7 below).

The employee will receive contractual or statutory notice (whichever is the greater). It is normal practice for the employee to work the notice period.

The employee would be given continued access to support as required and reasonable paid time off to seek alternative employment.

Each council will retain their discretionary policy to release an employee in the interests of efficiency of the service.

### **Redundancy Payment**

This is a statutory redundancy payment based upon an actual week's pay, plus a discretionary payment which combined with the statutory redundancy payment would not exceed a maximum of 66 weeks' pay.

Watford Borough Council will maintain it's current discretion to

- a) withhold the discretionary payment for a 3 month period (payment subject to the employee not taking a claim to Employment Tribunal or Court relating to the dismissal).
- b) allow employees to convert the discretionary payment to augment additional service in the Local Government Pension scheme

### **Early retirement on grounds of redundancy**

Payment of immediate pension benefits based on accrued service would apply for employees aged 55 (50 if protection on abolition of 85 year rule applies).

### **5.6 Support for staff**

All potentially displaced employees would have access to outplacement support and EAP during the consultation and (where applicable) notice period.

### **5.7 Appeal**

The right to appeal against the decision to dismiss must be stated formally in the employee's letter giving notice of termination.

The appeal should be made in writing and addressed to the Head of Shared HR. Appeals would be heard by the respective Director of Shared Services and either the Head of Shared HR/ HR Manager, or if the dismissal affects a member of HR, another Head of Service.

## 6 Relocation

### 6.1 Location of shared services

It is proposed, subject to consultation, shared services will be co-located as follows:

- ICT at Three Rivers
- Revenues & Benefits at Watford
- Finance at Three Rivers
- HR at Watford

It has always been the intention to co-locate two services at each council to help create a joint service ethos and to minimise the feeling of a takeover of any service by either authority.

There is a sound business case for the Revenues and Benefits 'hub' to be at Watford – the caseload and volume of enquiries being greater in Watford. There is also (albeit a weaker) business case for ICT being at Three Rivers because that is where the servers are to be based.

However, the proposal for HR and Finance has been changed from the original proposals issued to staff. The Programme Board thinks it is important that each director has a service located at each site to demonstrate that services are genuinely shared and that this outweighs any business case argument that has been made, such as finance having close links with revenues and benefits.

### 6.2 Impact on staff

67 staff (34 from Three Rivers and 33 from Watford) will be directly impacted by the proposed location of the four shared services as shown in the table below

#### Location impact on staff

	Location	Three Rivers staff	Watford staff
ICT	Three Rivers	4	13
Finance	Three Rivers	12	20
HR	Watford	4	14
R&B	Watford	30	46

  = proposed that staff will change office

This section sets out proposals for compensating staff affected by the change in location to their place of work and proposals to enable flexible working to mitigate for any inconvenience.

### 6.3 Compensation for staff

It is proposed that staff are compensated for the additional travel costs and measures introduced to facilitate new travel arrangements in order to minimise the inconvenience caused due to relocation of offices.

#### Additional travel costs

It is proposed that staff are compensated for any additional travel costs incurred as a result of their change of workplace for a period of 3 years; the compensation levels will vary depending on the mode of transport as described below.

- **Travel by car or motorcycle:** It is proposed that employees who travel by car would be compensated financially for the difference in mileage between home to previous office and home to new office. Mileage would be paid at either band 1 or 2 of the Essential or Casual User rate that is negotiated annually by the NJC (depending upon the engine size of the vehicle, and whether the post holder is an essential or casual car user).

#### Mileage Rates 1 April 2007

<b>Essential Users</b>	<b>451 – 999cc</b>	<b>1000 – 1199cc</b>
Lump Sum per annum	£753	£849
Per mile first 8,500	34.0p	36.9p
Per mile after 8,500	13.3p	13.6p
<b>Casual Users</b>		
Per mile first 8,500	42.9p	46.9p
Per mile after 8,500	13.3p	13.6p
<b>Motor Cycle Allowances</b>	<b>Up to 125cc</b>	<b>Over 125cc</b>
3 <sup>rd</sup> party insurance	19.35p	29.40p
Comprehensive insurance	21.44p	33.56p
Over 4000 miles	8.18p	11.97p

Compensation would be paid for each day worked for a period of 3 years from the date of the change of work location.

- **Travel by public transport:** It is proposed that employees who travel by public transport will be compensated financially for any additional travel fares between home to previous office and home to new office. Compensation would be paid for each day worked for a period of 3 years from the date of the change of work location.

In addition, the following will be offered to staff using public transport

- Employees who travel by bus would have the opportunity to purchase the discounted ARRIVA travel card from Watford Borough Council. This currently costs approximately £20 per month and provides the travel card holder with free bus travel across Hertfordshire (including weekend travel).
- Employees who travel by train may obtain an Interest free season ticket loan.
- **Travel by cycle:** Employees who use a bicycle to travel to work will receive financial compensation at the casual car user rate and they may apply for an interest free loan up to £1000 to purchase a bicycle.

### **Car Parking**

Watford Borough Council staff who relocate to Three Rivers will not incur any car parking charges at Three Rivers. Three Rivers District Council has agreed that it will pay the car parking charges for a period of 3 years for those staff employed by Three Rivers who are required to relocate to Watford. Annual charges are as follows:-

No of days per week parking required	Amount pa for cars 1600 cc or above	Amount pa for cars below 1600 cc, or car Sharers
5 days	£324	£216
4 days	£260	£172
3 days	£194	£130
2 days	£130	£86
1 day	£65	£44

Car sharing will be available for employees to consider. Employees who participate in Watford Borough Council's Car Sharing scheme incur reduced car parking charges.

### **Shuttle Bus**

If there is sufficient demand from staff for the provision of a shuttle bus service between the two council offices, this option would be explored.

## **6.4 Supporting employees with working arrangements**

It is recognised that, as a result of the requirement to relocate, some staff may face increased travel time due to the additional journey and the level of traffic congestion between the two councils during peak travelling times. Both of the councils operate flexible working policies to support employees to achieve a work life balance. All employees who are inconvenienced due to the requirement to change their place of work may request a change in their working arrangements.

Flexible working arrangements that would be considered include –

- **Staggering hours**; negotiating and agreeing a working pattern that differs from standard start and finish times.
- **Compressed hours**; the most common example is full time hours being worked over 4 longer days, e.g. Monday to Thursday 8 to 6pm with a half hour taken for lunch.
- **Reduced hours**/ part time working arrangements.
- **Flexi time**; Both of the councils operate a flexi time system, intending to provide some flexibility in start and finish times.
- **Home Working**; Where the nature of the work would lend itself to Home working, this option could also be considered. If the employee is able to work from home, a pattern of working including some office and some home working could be developed.

Where flexible working options would provide employees with a solution, this would be discussed with individuals as part of the consultation process. In addition, where services require an on-site presence at each council or there is a need to be mobile, staff may be able to be based at a particular office where appropriate. All requests will be fully considered but approval would be dependent upon the ability to meet service demands.

## 7 Areas to be harmonised later

### 7.1 Annual Leave

Comparisons of annual leave entitlement at each of the councils identified there is a significant substantive difference, as shown in the table below for staff within the scope of Shared Services. Harmonising annual leave for the staff in scope of Shared Services would impact on out of scope staff in each council who could make comparisons with the Shared Services staff. The down side to not harmonising annual leave is that the staff in Shared Services will be working alongside colleagues whose annual leave entitlement may be more or less generous than their own.

It is proposed that annual leave is not harmonised at this stage and addressed by the Head of Shared HR as a priority area once appointed.

	NJC Posts				JNC posts
	Scale point 1 – 21	Scale point 22 - 28	Scale point 29 +	NJC all scale points	Chief Officers
	WBC*			TRDC	WBC
Basic entitlement including statutory and local days	23	26	28	28	33
Long service 5 yrs LG	28	31	33	30	38
Long service 10 yrs WBC	30	33	35	30	40
Bank Holidays**	8	8	8	8	8

\* Watford Council offices close over Christmas and staff are expected to take annual leave

\*\* depends on how Easter falls

### 7.2 Operational employment policies and processes

It is proposed that harmonisation of the people management operational policies listed below are investigated once the Shared Services Management Team is established as this would ensure there is consistency in people management processes for the staff in scope of the Shared Services. The decision regarding prioritisation and harmonisation of these policies would be for the new Shared Services Management Team and Head of HR to determine. In the interim, people management policies would be as per the employing council.

#### Operational Employment policies and Processes

- Managing performance/ capability
- Managing absence
- Disciplinary policy
- Grievance policy
- Whistle blowing policy

- Bullying and Harassment
- Use of ICT/ Internet policy
- Code of conduct
- Equal Opportunities
- Recruitment
- Leave policy – all leave types
- Lone working
- Essential car user allowances, car loans
- Child care vouchers
- Learning and Development policy
- Performance Appraisal/ pay review
- Health and Safety at Work
- Drugs and Alcohol
- No smoking policy
- Violence at work
- DSE and eye tests
- Employee Assistance programme



## Appendix A Approval Tracking

<b>Proposal (section in this document)</b>	<b>Approved by Programme Board</b>	<b>Approved by Management Team</b>	<b>Submitted to Unison/Staff</b>
Appointments of Heads of Service	9 <sup>th</sup> July 2008	2 <sup>nd</sup> Sep 2008	Initial draft-10 <sup>th</sup> July 2008 – Unison 5 Sep – Issued to staff and Unison
Consultation and negotiation approach	9 <sup>th</sup> July 2008	2 <sup>nd</sup> Sep 2008	Initial draft -10 <sup>th</sup> July 2008 – Unison 5 Sep – Issued to staff and Unison
Evaluation, Pay and Grading of shared services jobs	22 <sup>nd</sup> July 08	2 <sup>nd</sup> Sep 2008	5 Sep – Issued to staff and Unison
Redeployment of staff to new structures	1 <sup>st</sup> Sep 08	2 <sup>nd</sup> Sep 2008	5 Sep – Issued to staff and Unison
Relocation	1 <sup>st</sup> Sep 08	2 <sup>nd</sup> Sep 2008	5 Sep – Issued to staff and Unison
Areas to be harmonised later	1 <sup>st</sup> Sep 08	2 <sup>nd</sup> Sep 2008	5 Sep – Issued to staff and Unison

## Appendix B Current Job Evaluation process (New jobs)

Three Rivers District Council	Watford Borough Council
<p><b>JE System</b> – Jobs are job evaluated using GLEA (Greater London and Whitley Council), manual evaluation scheme</p> <p><b>Evaluation process</b> – Managers complete and agree the job description with the postholder. A signed job description is forwarded to Personnel and a paper job evaluation is carried out by a member of Personnel who is trained in the scheme.</p> <p><b>Moderation</b> - There is no moderation process.</p> <p><b>Notify results</b> – The results of the evaluation are communicated to either the line manager or Chief Officer. The grade has to be approved by Management Board. The grade is then confirmed in writing and staff would be notified of the result.</p> <p><b>Appeals</b> – There is the right to appeal against the outcome of the job evaluation within 30 days. Appeals must be in writing and are heard by an independent appeals panel of 3, (an independent senior manager, a member of Personnel and a trained evaluator) within 2 months. The appellant is advised to seek support from a suitably trained union or non union representative. The appellant would be interviewed by the panel and may be accompanied by a union or non union representative or colleague.</p> <p>The decision of the Appeals panel is final.</p>	<p><b>JE System</b> – Jobs are job evaluated using NJC computerised evaluation scheme (GAUGE).</p> <p><b>Evaluation process</b> – Managers complete the job descriptions. A computerised job evaluation is carried out by a member of HR who interviews the manager and records their responses into GAUGE. GAUGE calculates the factor scores and produces a question trace.</p> <p><b>Moderation</b> – The Head of HR and the Trade Union Liaison Officer are notified of the evaluation result and moderate the job evaluation scores</p> <p><b>Notify results</b> – The Head of Service is notified in writing of the total points score, individual factor markings and the grade. Staff would be notified of the result.</p> <p><b>Appeals</b> – There is currently no formal appeals procedure specified.</p>

## Document Version Control

<b>Version No</b>	<b>Dated</b>	<b>Status</b>	<b>Comments/Key changes since last version</b>
0.1	14 <sup>th</sup> Aug 2008	Draft	Issued for comments to Tricia Taylor and David Gardner
0.2	22 <sup>nd</sup> Aug 2008	Draft	Updated section 3 to reflect Unison comments, Section 4.2 & 4.3 to reflect management board comments on linking appeals with consultation; Section 5.2 7.1 with programme board comments
0.3	4 <sup>th</sup> Sep 08	Draft	Approved by management boards of both councils and issued to Unison and staff.
0.4	25 <sup>th</sup> Sep 08	Draft	Appendix B updated to incorporate comments from TRDC HR. JE process diagram corrected to show 2 employee representatives. Sentence added about WBC office closure over Christmas. Car Parking charges table layout changed. Issued to Joint Committee.

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# **EQUALITY IMPACT ASSESSMENT SHARED SERVICES 2008-09**

**DRAFT  
Version 0.5**

**3<sup>rd</sup> Sep 2008**

## Equality Impact Assessment (EIA): Stage 1: Initial Screening Form for New/Revised Policies or Functions

**n.b. This is a working document; as such, it is subject to change**

### A: Summary Details

Directorate:

#### Corporate Services

Section:

Finance, HR, ICT and Revenues & Benefits

Person responsible for the assessment: Chrissie Cassidy-Wilms, Project Management Support Officer, Shared Services Programme. This responsibility will pass to the Change Manager (for the implementation phase of Shared Services) once appointed.

Contact details: 01923 278549

email: [chrissie.cassidy-wilms@watford.gov.uk](mailto:chrissie.cassidy-wilms@watford.gov.uk)

Name of Policy to be assessed:

#### Shared Services Programme

Is this a new or revised policy:

New

Date policy scheduled for:  
(Services)

Sept 2008 Shared Services Member Panel (as part of the Detailed Business Case for Shared

### B: Preparation

1. Do you have monitoring data available on the number of people (from different target groups) who are using or are potentially impacted upon by your policy?

Each of the two councils (Three Rivers District Council and Watford Borough Council) has data available concerning their staff re age, gender, ethnicity and disability (See Appendix A).

- Council tax customers represent the households in each district and reflect the diversity of the local population. (Please see appendix B for population data.) Fraud also deal with external customers
  - Some monitoring data is kept by discrete services. Some work is needed to ensure that data collected is consistent and relevant across the services
2. If monitoring has NOT been undertaken, will it be done in the future or do you have access to relevant monitoring data for this area? If not, specify the arrangement you intend to make; if not please give a reason for your decision.
- Shared Services will ensure that robust systems will continue to be in place to monitor the age, gender, ethnicity and disability of staff and customers. Furthermore, the organisation will address any legislative requirements and best practice guidance as agreed within the Service Level Agreements that are specified for each council e.g. the requirements of the Equality Standard for Local Government, relevant equalities legislation guidance, monitoring of service user demographics for benefits service access, providing reasonable adjustments to services to increase service uptake.
3. Please list any consultations that you may have had and/or local/national consultations, research or practical guidance that will assist you in completing this EIA

General consultation

The union has been consulted on a regular basis on the potential impact of Shared Services and representatives of the team have met with non-union staff representatives at Three Rivers District Council. The officer responsible for the Equalities Impact Assessment has consulted with the Equalities Officers from both councils and taken advice from the programme's Change Management officer, who in turn has consulted with legal advisers from the councils. The officer responsible for the Equalities Impact Assessment has been present at some of the staff briefings and is aware of the issues that members of staff have raised with the programme team. Other members of the programme team have been consulted regarding the likely service-specific impact on staff and customers. A Joint Union Negotiation and Consultation Forum and Staff Consultation Forum. This EIA and any other proposals that require formal consultation will be taken to these forums for input.

Individual consultation

The team recognise that as Shared Services will require relocation and change to structures and roles, staff consultation will take place and any personal impact will be managed as part of the change management element of the programme.

## Management and Customer Consultation

Internal customers and stakeholders for the services in scope will be consulted on any changes to operational or strategic policies at both councils.

### **C: Your Policy or Function**

1. What is the main purpose of the policy or function?

The objectives of the Shared Services Programme are:

- **Efficiency:** To achieve efficiencies and cost saving through economies of scale and moving towards common processes and systems that are more effective and efficient than those that currently exist
- **Performance:** To achieve a step change in improved performance of these services which will be recognised by our customers and in each council's performance indicators and external ratings
- **Resilience:** To strengthen the capacity and flexibility of the service teams to improve the reliability and quality of services to our customers

2. Are there any other objectives of the policy or function, if so what are they?

Objectives of the four service areas in scope:

#### Finance

The overall objective is to provide a high quality, efficient, robust and resilient financial support service to the Section 151 officers, members, budget holders and employees of the two councils.

#### HR

The overall objective is to enable service managers to fulfil their service objectives by:

- Effective resourcing
- Facilitating good employee relations



- Providing a performance management framework to ensure employees are properly trained, developed and motivated to undertake their roles
- Undertaking the administrative support to the HR function efficiently and effectively

#### ICT

The overall objective of the ICT shared service will be to provide high quality and reliable information technology and telephony services to its users.

#### Revenues and Benefits

To provide a Revenues service covering:

- Council tax administration, collection and enforcement
- Sundry debt administration, collection and enforcement
- Housing benefit overpayment, collection and enforcement

To provide a Benefits service covering:

- Housing benefit and council tax benefit payment and administration
- Housing benefit overpayments administration

3 Do any written procedures exist to enable delivery of this policy or function?

- High level processes have been designed and incorporated in operational models (which include proposed structures and size) for the 4 services in scope.
- Equalities impact assessments for the services in scope have been completed, as follows:
  - TRDC Housing benefit (due to be completed March 2008)
  - TRDC Accountancy (June 2007)
  - Benefit Fraud (2007)
  - TRDC Recruitment and Selection (due April 2009)

4 Are there elements of common practice in the service area or function that are not clearly defined within the written procedures?

- Pre-existing targets re equality in employment and service delivery, (including explicit customer targets laid out for each service area in terms of equality) will need to be aligned. Please see the EIA action plan in part g).
- 5 Who are the main stakeholders of the policy?
- Members, management boards, managers and staff in the scope of Shared Services at Three Rivers and Watford councils.
  - External customers of Revenues and Benefits within each council's boundary
  - External customers of website based services that may have special service access requirements e.g. disabled residents
  - Internal customers of support services at each council e.g. staff, line managers, budget holders
- 6 Is the policy associated with any other Council policy (s)?
- The Shared Services programme will include the harmonisation of some strategic and operational policies across all services in scope across the 2 districts. These will be agreed via the Joint Committee for Shared Services. (These appear in Appendix C)
- 7 Are there any areas of the service that are governed by discretionary powers? If so, is there clear guidance as to how to exercise these?
- Most HR policies and procedures have discretionary elements. All the harmonised policies will have guidance incorporated in them to set out how any discretion is exercised. At TRDC (as part of the Council's Equalities Action Plan) HR has been undertaking a review of all policies and procedures to ensure that there are criteria within them that are free of bias, etc.
  - Where there is discretion in any of these services areas our approach will be for the two councils to adopt common policies.
- 8 Is the responsibility for the proposed policy or function shared with another department or authority or organisation? If so, what responsibility, and which bodies?
- Three Rivers District Council and Watford Borough Council will share responsibility for Shared Services through a Joint Committee (The Delegation and Joint Committee Agreement approved by both councils is available on request). The shared services programme is part of the wider Hertfordshire improved two tier working pathfinder programme, and our aim is to create a shared services model which other councils can join or replicate.

## D: The Potential Impact

Assess the potential impact that the policy could have on each of the target groups. The potential impact could be negative, positive or neutral. If you have assessed negative potential impact for any of the target groups you will need to also assess whether that negative potential impact is high, medium or low – see glossary in the attached guidance notes for definitions.

Three Rivers District and Watford Borough Councils will share the following services: Finance, Human Resources, Information and Communication Technology and Revenues & Benefits. This will involve the following changes:

- Restructures – changes to the management team and governance, reduction in the number of full time equivalent staff required, orientation required with new employment terms and conditions within the shared service, new reporting lines
- Terms and conditions – the scope of roles within the shared service will change; greater emphasis on competencies and achieving results; broader responsibility across councils, multi-skilling
- Relocation – for some staff shared services will involve moving to a new office location; this may increase requirements for staff to travel; home and mobile working may also feature

Changes	Overall impact	Gender	Age	Ethnicity	Disability	Religion	Sexual orientation
<b>Impact on staff</b>							
Restructures	✓ potentially negative				✓ potentially negative		
Terms and conditions	✓ not known						
Relocation	✓ potentially negative	✓ potentially negative			✓ potentially negative	✓ potentially negative	

Terms and conditions will recognise the need for reasonable adjustments for specific groups of staff e.g. disabled, parents, carers, pregnant – as outlined in the table below indicating mitigating actions.

<b>Impact on customers accessing Revs &amp; Bens</b>									
Relocation	✓	potentially positive	✓	potentially positive	✓	Language access?	✓	potentially positive	

n.b. Where the cell has been left blank, it is anticipated that the impact is neutral.

The impact of relocation on staff has been initially assessed:

	Location	Three Rivers staff	Watford staff
ICT	Three Rivers	4	13
Finance	Three Rivers	12	20
HR	Watford	4	14
R&B	Watford	30	46

     = proposed that staff will change office

We have assessed that:

- i. Relocation is likely to affect approximately 65 members of staff
- ii. The distance between the two sites is 4 miles, although not every member of staff who relocates will need to travel 4 miles further
- iii. There is public transport (by train and by bus) available between the two council sites
- iv. The impact on members of staff will differ according to their personal circumstances.

### Potential impacts identified + mitigating actions

The table below provides an analysis of the potential impact of relocation on certain staff. A proposal for addressing any issues arising from relocation has been developed and is due to be issued for consultation in Sep 08 (See Appendix D).

Change	Group impacted	Impact	Mitigating action
Relocation	Some of staff in scope	Adverse impact for those who have to travel further	Compensation will be offered to those who have to travel further
	Carers (assumed that this is more likely to be women)	Adverse impact for those with caring responsibilities who also have to travel further	*Consideration will be given to hours of work/flexible working. Homeworking may be possible for staff in suitable positions. Consideration will be given to retraining those who don't want to relocate if there is an appropriate position elsewhere in Shared Services. There will be an openness to consider alternative ideas to make it easier for those who relocate e.g. bus service/bus passes.
	Staff with disabilities	Potentially adverse impact	It is assumed that all existing Council accommodation will be DDA compliant, but transport access to different sites may not be accessible. Homeworking may be possible for staff in suitable positions. Consideration will be given to retraining those who don't want to relocate if there is an appropriate position elsewhere in Shared Services. There will be an openness to consider alternative ideas to make it easier for those who relocate e.g. bus service, if appropriate.
		Adverse impact if have to travel further	See above*
		Possible adverse impact associated with using different furniture & equipment	Every reasonable adjustment will be made to accommodate the needs of staff with disabilities e.g. suitable screens, chairs.
	Staff with religious beliefs	Potential for adverse impact	All reasonable adjustments will be made to accommodate religious practice.
Access to Revs and Bens	Elderly customers	Positive	It is proposed that customers of Revenues and Benefits would have the choice of paying their council tax/making enquiries at either of the

<b>Change</b>	<b>Group impacted</b>	<b>Impact</b>	<b>Mitigating action</b>
			Customer Service Centres, potentially making access easier. All existing channels to access the service would be available. In addition, it is proposed that benefit processing could be taken to customers in their homes.
	Disabled customers	Positive	See above

g) As a result of completing Question 1 a-f above what is the potential impact of your policy?

**Shared Services has a potentially high impact for staff and low impact for customers of Revenues and Benefits.**

Action plan

<u>Recommendation</u>	<u>Key Activity</u>	<u>Milestones (To be confirmed)</u>	<u>Officer responsible</u>	<u>Progress</u>
Staffing profile after implementation of Shared Service considered for trends re equalities	Compare with staffing profiles before implementation of Shared Services	ICT, HR, Fin – Mar 09 R&B: Aug 09	Head of HR	Ethnicity current staffing profile produced (See Appendix A)
Manage workforce trends emerging from analysis	Plan actions to address staff equalities profile if appropriate	TBC	Head of HR in consultation with other HoS	

Staff impacted by relocation will be consulted to see what mitigating action might be appropriate	Consultation with individuals to consider whether any of the following apply: Impact re caring responsibility Impact re disability Impact re religious observance/practice	Oct – Dec 08	Change Management Lead	
Align equalities targets	Pre-existing equalities targets in employment and service delivery will be aligned	April 09 (as part of service planning)	Heads of Service	
Align monitoring procedures	Pre-existing procedures for monitoring equalities in employment and service delivery will be aligned	April 09 (as part of service planning)	Heads of Service	

<p>Assessment of information re equalities groups</p>	<p>Pre-existing information about equalities groups e.g. monitoring data, customer satisfaction, will be considered and appropriate action planned.</p> <p>Assess existing information; Plan action to address gaps; Plan action to address issues, if appropriate</p> <p>Monitoring of equalities categories will include monitoring trends in terms of growth/decline of target groups, take up of the service.</p> <p>Customer satisfaction surveys will include (anonymous) equalities data, so that satisfaction can be cross-referenced to specific equalities groups.</p> <p>Complaints received will include equalities data, so that the incidence of complaints can be analysed by equalities groups.</p>	<p>TBC</p>	<p>Heads of Service</p>	
<p>Shared Services managers and staff training re Equalities</p>	<p>Managers and staff to receive training on equalities pertinent to the merger of the services (and the change to staffing profile/s)</p>	<p><u>Jan 09</u></p>	<p>Change Manager in consultation with Equalities officers at both councils</p>	



**Appendix A Combined staffing data (attached separately)**

**Appendix B Combined population data**

Combined Population Data						
Data source: Census information (2001) for Three Rivers and Watford						
Ethnic group	Three Rivers nos.	Three Rivers %	Watford nos.	Watford %	Combined numbers	Combined %
White British	72174	87.12	63082	79.12	135256	83.20%
White Irish	1650	1.99	2304	2.89	3954	2.43%
White other	2686	3.24	3140	3.94	5826	3.58%
Mixed: White and Black						
Caribbean	245	0.3	551	0.69	796	0.49%
Mixed: White and Black						
African	89	0.11	184	0.23	273	0.17%
Mixed: White and Asian	414	0.5	562	0.7	976	0.60%
Mixed: Other mixed	293	0.35	376	0.47	669	0.41%
Asian or Asian						
British: Indian	2912	3.51	1884	2.36	4796	2.95%
Asian or Asian						
British:	347	0.42	3709	4.65	4056	2.49%
Pakistani						
Asian or Asian						
British:	88	0.11	211	0.26	299	0.18%
Bangladeshi						
Asian or Asian						
British: Other	512	0.62	738	0.93	1250	0.77%
Asian						

Black or Black British:	447	0.54	1165	1.46	1612	0.99%
Caribbean						
Black or Black British: African	330	0.4	784	0.98	1114	0.69%
Black or Black British: Other	53	0.06	175	0.22	228	0.14%
Black						
Chinese or other ethnic group:	396	0.48	459	0.58	855	0.53%
Chinese						
Chinese or other ethnic group: Other ethnic group	212	0.26	402	0.5	614	0.38%
<b>Total:</b>	<b>82848</b>		<b>79726</b>		<b>162574</b>	
Combined						
White Irish and White other					9780	6.02%

## Appendix C Policy Harmonisation

### Human Resources

It is proposed that a harmonised approach is taken to managing aspects of this change to ensure that staff in Shared Services experience the same transition process and to create as much of a level playing field as possible. The following processes and policies that relate to the transition to the new organisation will be harmonised across both councils

- Appointments of Heads of Service
- Consultation and Negotiation
- Evaluation, Pay and Grading

- Redeployment of staff to new structures
- Relocation
- Reimbursement of expenses, mileage
- Essential Car approach

It is proposed that the remaining employment policies and processes are harmonised later as they will take longer. This will be done with full consultation with staff affected by shared services at both councils.

- Managing performance/ capability
- Managing absence
- Disciplinary policy
- Grievance policy
- Whistle blowing policy
- Bullying and Harassment
- Employment probationary period
- Use of ICT/ Internet policy
- Code of conduct
- Equal Opportunities
- Recruitment
- Leave policy – all leave types
- Lone working
- Child care vouchers
- Learning and Development policy
- Performance Appraisal/ pay review
- Health and Safety at Work
- Drugs and Alcohol
- No smoking policy
- Violence at work
- DSE and eye tests
- Employee Assistance programme

## **Finance**

The following policies will be reviewed and considered for harmonisation.

- Financial regulations
- Anti fraud and corruption
- Capital strategy
- Risk strategy
- Medium term financial strategy
- Treasury Management

There are aspects relating to detailed operating finance policies that could provide opportunities for establishing common approaches and levels including:

- Capitalisation policy and amounts
- Schedules of authority and level of expenditure approval
- Expenses policy
- Chart of accounts

## **ICT**

The following policies will be reviewed and considered for harmonisation.

- Information Security Policy
- Data Protection Policy
- Computer Usage Policy
- E-mail Policy
- Internet Usage Policy
- Internet Usage Procedure
- Home Working Policy
- Asset Management Policy
- Asset Management Procedure

- Malicious Code Policy
- E-mail procedure
- Asset Disposal Procedure
- Change Control Procedure
- Malicious code procedure
- Disaster Recovery Procedure
- Computer Usage Procedure
- Phone / Fax Procedure
- Laptop Procedure
- Access Control Procedure

The only policy proposed to be harmonised prior to implementation of the Shared Service is the Information Security Policy as this provides a sound security foundation for users to adhere to.

### **Revenues & Benefits**

The following policies will be reviewed and considered for harmonisation.

- Debt Management policy
- Write off procedure
- Second home policy %
- Discretionary housing payments
- Local discounts

**Appendix D      Relocation Proposal (attached separately)**

Document Version Control

Version No	Dated	Status	Comments/Key changes since last version
0.1		Draft	
0.2		Draft	
0.3			
0.4			
0.5	15.08.08		
0.6		Draft	Comments from Andy S and LC incorporated

## **Shared Services Programme Change Management Proposals – UNISON response**

The following is UNISON's initial response to the proposals. The submission is made in the understanding that further discussion with a view of reaching agreement will take place in the future.

UNISON consulted widely with members and the following are views put forward by them.

### **General**

UNISON as you are probably aware, but, it is worth reiterating has worked closely and constructively with the Shared Services Project Management Board from the inception of the Shared Services project. UNISON supports the initiative and welcomes the fact that it is a 'public public' enterprise with a stated objective of delivering resilience and better services to the public. We also welcome the fact that this project is not simply a crude cost cutting exercise rather is an attempt by both councils to realise the benefits of collective provision and reallocation of resources to front line service improvement.

### **Consultation and Negotiation**

In principle UNISON does not have a problem with harmonising terms and condition of staff. This we agree will eliminate potential unhappiness of staff working together but on different terms and conditions and pay. We feel though that it might have been more prudent to attempt harmonisation after Shared services had been established. This we feel would have given the Joint Committee the ability to focus on the key of objective of ensuring a smooth transition and service delivery from day one.

None the less UNISON is willing to work with the joint committee to establish a new pay and grading system with the understanding that pay lines will not be drawn to try and make cost savings. All other harmonisation discussions should be left for a later date and hence, staff should move in to the new posts on their current terms and conditions.

### **Methods of Consultation and Negotiation**

UNISON is against the attempt by the project board to set up parallel consultation structures. The proposal to have a Management/staff forum is viewed by UNISON members negatively. In recent meetings held by UNISON with members (at both councils) it was voted unanimously that UNISON reps should not participate in the Management/ Staff forum.

The forum and the role of the none union representatives in the JE steering committee is seen as an attempt to undermine the trade union by giving none union representatives the same status as the union. It was stated that if the project board wished to consult non union members on any proposals then an email could be sent to all staff asking them for a view on the said proposals.

What is being asked for is what Shared Services is attempting to do, that is to do things differently. If the Joint Committee believes that working with an

organised body of staff with well trained representatives with support at a regional and national level is a good way of Negotiation and consulting with staff then there is no need to set up a forum that by its very existence seeks to dilute the union's status.

Therefore, our suggested way forward is to have one committee that is the Union/Management Committee and that the attached UNISON model Recognition and Procedural Agreement is adopted as the basis for its operation. This document broadly covers the current status UNISON has in Watford BC.

## **Evaluation, Pay Grading**

As stated previously UNISON does not have an 'in principle' problem with a new pay and grading scheme for shared services. Further, we welcome the choice of the NJC (Gauge) scheme. It should be noted though that there will be three different pay and grading schemes used by the two councils, with the potent risk of equal pay challenges.

We have put forward the view that UNISON reps should be involved at the earliest stage including evaluation, which normally is a joint process. This we feel will give the process the needed transparency and will not be perceived as just a management initiative. Rather, will help staff realise that JE is a neutral process that attempts to rationalise why an employees job should be in a particular grade and pay point.

Proposals of the new pay and grading structure as stated will be negotiated between the union and the Joint Committee. The proposals will then be put in front of the membership and will be balloted on before being signed off by UNISON.

UNISON is against non union representatives being part of the steering committee.

## **Redeployment of staff to new structures**

UNISON welcomes the approach taken to minimise job losses through out this process. The work done so far through the vacancy management protocol has been generally successful and is a notable achievement of joint working.

We would also welcome a request for voluntary redundancies at the earliest stage in order to avoid compulsory redundancies. It is understood that criteria will need to be agreed with the requirements of the business taking priority.

## **Deployment to structures**

There was much discussion and debate about why staff are not being slotted in to posts rather than the proposed method of the jobs being offered as suitable alternative employment.

If staff were slotted in to posts there would be no reason to have a 4 week trial period. The members were split in their response to this matter with some



wanting to be slotted in to posts and others feeling that a trial period would be useful. It was suggested that both options should be made available to staff.

We are seeking clarification on the rationale for the approach taken in this regard.

### **Redundancy and redundancy payment**

It was clearly expressed by members that they want the redundancy process to be governed by their own council's procedures.

### **Relocation**

Members would like the following principle to be also considered within the context of relocation.

- Where services require an on-site presence at each council or there is a need to be mobile staff may be able to be based at a particular office where appropriate. All requests are fully considered but approval would be dependent on the ability to meet service demands

The point was also made that even though compensation for travel time was welcomed that issues such as child care arrangements would still have a major impact on employee's ability to relocate. Pragmatic solutions including redundancy will need to be considered in these circumstances.

The detailed proposals in regards to relocation should be subject to further negotiation.

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## **UNISON MODEL RECOGNITION AND PROCEDURAL AGREEMENT**

The following model provides a framework for drafting a comprehensive recognition agreement. It can be adapted to reflect the size and nature of the organisation.

This model is based on 'best practice'. It assumes the employer has granted the union full recognition for representation, consultation and collective bargaining on behalf of all appropriate staff groups. This is obviously the goal that branches should aim for, but it is understood that this may not always be achievable in the first instance. The model can be adjusted to take account of more restricted levels of recognition.

The model has been amended to qualify as a 'pre-existing agreement' under the Information and Consultation of Employees (ICE) Regulations. However to qualify it must also be approved by the workforce - either by the Union (if membership is over 50%) or a ballot or petition by 50% of employees. The changes to reflect this are in **bold**.

For help in drafting and negotiating recognition agreements, contact your Regional Officer. Further information on recognition can be found in:

**Negotiating Recognition Agreements: A Guide, UNISON, June 2001**

**The Right to be Accompanied: A Guide, UNISON, October 2000**

**Statutory Recognition: A Guide, UNISON, June 2000**

All available from Bargaining Support, UNISON, 1 Mabledon Place, London WC1H 9AJ, e-mail [bsg@unison.co.uk](mailto:bsg@unison.co.uk)

**Local Bargaining: A guide for UNISON negotiators, UNISON, Communications Department, Stock number 1801, October 2000**

**Time to Act, UNISON, Communications Department, Stock number 2359, August 2004**

**Information and Consultation Regulations factsheet, April 2005**

**The Employment Relations Act 1999, Labour Research Department  
November 1999**

# UNISON

## MODEL RECOGNITION and PROCEDURAL AGREEMENT

between

(The Organisation)  
(Address)

and

UNISON  
1, Mabledon Place  
London WC1H 9AJ

### 1. DEFINITION OF TERMS

In this Agreement:-

The Organisation - refers to (the organisation)

The Union refers to the (named) Branch of UNISON

Staff refers to all employees of the Organisation

### 2. COMMENCEMENT DATE

This Agreement commences on (date)

### 3. OBJECTIVES

- 3.1 In drawing up this agreement, the Organisation and the Union recognise that the Organisation exists to fulfil its aims and objectives.
- 3.2 The purpose of this agreement is to determine trade union recognition and representation within the organisation and establish a framework for consultation and collective bargaining.
- 3.3 The parties have identified common objectives they wish to pursue and achieve. These are:
  - 3.3.1 to ensure that employment practices in the Organisation are conducted to the highest possible standards;
  - 3.3.2 to enhance effective communication with all Staff throughout the organisation;

- 3.3.3 to achieve greater participation and involvement of all members of staff on the issues to be faced in running and developing the Organisation
- 3.3.4 to ensure that equal opportunities are offered to staff or prospective staff and that the treatment of staff will be fair and equitable in all matters of dispute.

#### **4. GENERAL PRINCIPLES**

- 4.1 The Organisation and the Union accept that the terms of this agreement are binding in honour upon them but do not constitute a legally enforceable agreement.
- 4.2 The Union recognises the Organisation's responsibility to plan, organise and manage the work of the Organisation in order to achieve the best possible results in pursuing its overall aims and objectives.
- 4.3 The Organisation recognises the Union's responsibility to represent the interests of its Members and to work for improved terms and conditions of employment for them.
- 4.4 The Organisation encourages employees to become and remain members of an appropriate union in accordance with this agreement.
- 4.5. The Organisation and the Union recognise their common interest and joint purpose in furthering the aims and objectives of the Organisation and in achieving reasonable solutions to all matters which concern them. Both parties declare their commitment to maintain good industrial relations.
- 4.6. The Organisation and the Union accept the need for joint consultation and collective bargaining in securing their objectives. They acknowledge the value of up to date information on important changes which effect employees of the Organisation.

#### **5. UNION REPRESENTATION**

- 5.1 The Organisation recognises the Union as the trade union with which it will consult and negotiate with in all matters set out in Clause 8.4 of this agreement.
- 5.2 **The Organisation recognises the Union as the body representing Staff for the purposes of informing and consulting the workforce. Informing and consulting employees will take place through UNISON representatives.**
- 5.3 The Organisation accepts that the Union's members will elect representatives in accordance with their Union rules to act as their spokespersons in representing their interests.
- 5.4 The Union agrees to inform the Organisation of the names of all elected representatives in writing within five working days of their election and to

inform the Organisation in writing of any subsequent changes, each time within five working days of the change having taken place. Persons whose names have been notified to the Organisation shall be the sole representatives of the UNISON membership, **and the representatives of Staff for the purposes of information and consultation.**

- 5.5 The Organisation recognises that Union representatives fulfil an important role and that the discharge of their duties as Union representatives will in no way prejudice their career prospects or employment with the Organisation.
- 5.6 The Organisation will inform all new employees of this agreement and will encourage them to join the union and provide facilities for them to talk to a workplace representative as part of their induction procedure. The Organisation will supply union representatives with new starter details to enable them to contact new employees.
- 5.7 The Organisation will undertake the check -off of trade union subscriptions for any employee requesting this facility.

## **6. UNION MEETINGS AND OTHER FACILITIES**

- 6.1 Meetings of Union members may be held on the Organisation's premises outside working hours and there shall be no restriction on the frequency or duration of such meetings. Such meetings will be open to all staff members who are members of UNISON.
- 6.2 **Where necessary for the purposes of informing and consulting the workforce, meeting of Staff may be organised by the Union on the Organisation's premises outside working hours. Such meetings will be open to all employees.**
- 6.3 Union meetings may be held on the Organisation's premises inside working hours provided that prior consent for such meetings shall be obtained from the Organisation by the Union. Such consent shall not be unreasonably withheld. The Union shall provide the Organisation with a timetable of regular Union meetings or give at least three working days notice of the intention to hold a meeting.
- 6.4 The Organisation agrees to provide defined facilities to the Union representatives to enable them to discharge their duties including: provision of secure office space; a notice board; access to confidential telephone, fax, internal mail and email; reasonable use of equipment such as telephones, franking machines, photocopiers, and PCs; reasonable accommodation for meetings and trade union education, and reasonable access to administrative support and secretarial services.
- 6.5 Subject to the agreement of the Organisation, Union representatives will be granted special leave without loss of pay to attend training courses run by the Union or other appropriate bodies which are relevant to the discharge of their Union duties.

- 6.6 Union representatives will be permitted to take reasonable paid time off during working hours to enable them to carry out their duties under this agreement. Where such duties cannot be carried out as part of the normal working day as much notice as possible will be given of the need to take time off. Any dispute shall be referred to the **Joint Negotiating and Consultation Committee** (as defined in clause 7.1) for agreement.
- 6.7 Subject to reasonable prior notice and the consent of the Organisation, which shall not unreasonably be withheld, Union representatives will be permitted reasonable time off during working hours for the purpose of taking part in Trade Union activity.

## 7. JOINT NEGOTIATING AND CONSULTATION COMMITTEE

- 7.1 The Organisation and the Union agree to set up a Joint Negotiating **and Consultation** Committee (**JNCC**) consisting of representatives of both sides.
- 7.2 The **JNCC** shall be governed by a written constitution, a copy of which is attached to this Agreement (Appendix 1).
- 7.3 The functions of the **JNCC** shall include:-

### 7.3.1 Information

The Organisation undertakes to supply the Union with the necessary information for it to carry out effective consultation and negotiation. This shall include the Organisation's employment policies and procedures and proposed amendments and additions.

**The organisation will additionally supply information on recent and probable developments of the organisation and its economic situation.**

### 7.3.2 Consultation

To have proper consultation with Staff to enable feedback and discussion before decisions are taken concerning matters directly affecting the interests of the Staff as set out under Clause 7.4 below.

**The organisation will additionally consult on the current situation, structure and probable development of employment in the undertaking, especially any threat to employment, and on changes in work organisation or contractual relations, including redundancies and transfers.**

### 7.3.3 Negotiation

To negotiate and reach agreement on all issues pertaining to the matters set out under Clause 7.4 below.

7.4 The following matters shall be the subject of consultation and negotiation:-

Terms and conditions of employment  
Pay awards  
Job descriptions  
Job grading and job evaluation  
Hours of work  
Holiday and sickness arrangements  
Pensions  
Overall salary structure  
Health and safety  
Equal opportunities policies  
New technology  
Working practices, new equipment and techniques  
Training  
recruitment  
Staff amenities  
Redundancy and redeployment  
Disciplinary, grievance and procedures  
Contracting out  
Reorganisation of staff and relocation of offices  
Any other item which both sides agree to refer

## **8. GRIEVANCES AND DISCIPLINE**

- 8.1 The Organisation recognises the Union's right to represent the interests of all or any of its members at all stages during grievance and disciplinary procedures and to call in Union representatives who are not employees of the Organisation wherever this is considered appropriate.
- 8.2 The Organisation undertakes to inform the Union representatives immediately of the name of any UNISON staff member faced with disciplinary action to enable the Union to make appropriate arrangements for representation. This information will be limited to the name of the member only.
- 8.3 Union representatives will be permitted to spend reasonable paid time inside working hours to discuss grievance or disciplinary matters with affected employees, and to prepare their case, in accordance with 6.5 above.
- 8.4 In order to resolve collective disputes arising from a failure to agree in the negotiating forum, there shall be a timetable of meetings, involving representatives of the management committee, to seek to resolve any dispute. Both the Organisation and the Union will be entitled to have advisors at any dispute meeting, subject to the agreement of both sides.

## **9. VARIATIONS**

- 9.1 This Agreement may be amended at any time with the consent of both parties.



**10. TERMINATION**

10.1 The Agreement shall not terminate except by mutual consent.

SIGNED ..... for (the Organisation)

DATE .....

SIGNED ..... for UNISON

DATE .....

## APPENDIX 1

### CONSTITUTION OF THE JOINT NEGOTIATING AND CONSULTATION COMMITTEE

#### 1. TITLE

The Committee shall be known as the Joint Negotiating **and Consultation** Committee, **known as the JNCC**.

#### 2. OBJECT

To establish a workable and effective arrangement for good industrial relations, for the avoidance of any misunderstanding and for the promotion of joint participation in all matters of common interest and concern on a genuine consultative and negotiating basis at Organisation level, as outlined in Clauses **7.3 and 7.4** of the Recognition and Procedural Agreement.

#### 3. MEETINGS

3.1 Meetings of the **JNCC** shall be every (?) months with a prepared agenda which shall be issued fourteen days before each meeting. The Agenda shall provide for any other business of an urgent nature to be discussed.

3.2 Special meetings may be called by either the Union or the Organisation. Such meetings must be convened within fourteen days, unless the side requesting the meeting agrees otherwise, but always within twenty-eight days.

#### 4. SCOPE OF COMMITTEE

The **JNCC** is authorised to consider and negotiate on all matters specified in Clauses **7.3 and 7.4** of the Recognition and Procedural Agreement.

#### 5. CONSTITUTION

5.1 There shall be an employers side and a Union side.

5.2 The employers side shall consist of (?) persons nominated by the Organisation's Committee of Management; at least (?) of whom shall be members of the Management Committee.

5.3 The Union side shall consist of (?) representatives of the Union who shall be members of staff and elected by the UNISON membership within the Organisation.

5.4 Each side shall confirm the names of its representatives on an annual basis and inform the other immediately of any changes in the interim period.

- 5.5 Each side shall make every effort to send its confirmed representatives to each meeting but substitution will be permitted on both sides where it cannot be avoided.
- 5.6 Staff and management will be entitled to have advisors in attendance who will have speaking rights. Except in the case of special meetings each side shall give a minimum of seven days notice to the other side of its intention to invite such advisors to the meeting.
- 5.7 The Chairperson for each meeting of the **JNCC** shall be nominated alternately by the Union side and the Management side.
- 5.8 The two sides shall jointly appoint a secretary who will be responsible for convening meetings, preparing agenda in consultation with both sides, and taking and circulating minutes. Minutes shall be subject to the agreement of the Committee and will be signed by the Chairperson of the meeting at which they are agreed.
- 5.9 Meetings shall be judged to be quorate if (?) members of both sides are present.

## **6. STATUS OF RESOLUTIONS**

Resolutions of the **JNCC** shall not be binding on either side but shall be recommendations only to the respective parties (the Organisation and the Union) whose ratification shall be required before an agreement is deemed to be reached.

## **7. COMMUNICATIONS**

Members of both sides shall be afforded reasonable facilities to visit and communicate with all offices and staff of the Organisation.

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# Agenda Item 8

## THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

**Date of meeting:** 6 October 2008

PART A

AGENDA ITEM

# 8

**Title:** **DETAILED BUSINESS CASE, SERVICE AND FINANCIAL PLANNING**

**Report of:** Director of Corporate Resources & Governance – Three Rivers

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1. **SUMMARY**

1.1 The purpose of this report is to seek agreement to the process for updating the Detailed Business Case and preparing service plans and budgets for the medium term.

2. **RECOMMENDATIONS**

2.1 That the process for considering the Detailed Business Case, service plans and budgets outlined in this report be agreed.

**Contact Officer:**

For further information on this report please contact:  
David Gardner – Director of Corporate Resources & Governance – Three Rivers D.C.  
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**Report approved by:**

Janice Maule – Director of Finance – Watford B.C.

### 3. DETAILED PROPOSAL

#### 3.1 *Timetable*

The Delegation and Joint Committee Agreement states that:-

- Each council shall submit to the Finance Officer of the Joint Committee before the end of October in each year, their estimate of the funding likely to be available to the shared services for the next three financial years,
- The Head of each Shared Service shall prepare and submit to the Joint Committee no later than November each year an annual written service plan for the Shared Service for which he or she is responsible for the next three financial years. This shall take into account any constraints .... and set out inter alia the outputs to be achieved by and the resources required for the relevant Shared Service.
- On receipt of a service plan for a Shared Service, the Joint Committee shall by the end of the calendar year, review, make such amendments as it thinks fit and approve the service plan together with the relevant Service Level Agreement.
- The Finance Officer to the Joint Committee shall prepare a base budget forecast for the Joint Committee in respect of the next three financial years by reference to the resources approved within the service plans.
- The Joint Committee shall, as soon as practicable, but in any event no later than 10<sup>th</sup> January of each year, submit to each Council its funding requirements.

#### 3.2 *Detailed Business Case*

Members will be aware that the decision to proceed to implementation taken by the two councils in January / February 2008 was based on a business case summary. The Shared Service Programme Board is currently updating the Detailed Business Case. A more accurate picture will emerge as the timetable for implementation becomes clearer and staffing costs become more certain when job descriptions and job evaluations are completed. An update of the Detailed Business Case will be presented to the Joint Committee in November. It will contain:

- Shared Services Operating Model – The proposal
- Business Benefits
- Managing the Impact on Staff
- Implementation Plan and Costs
- Financial Business Case
- Service Structures

#### 3.3 *Service Plans*

Heads of service are preparing service plans for the November meeting. The service plans compliment and expand on the Detailed Business Case. They will contain:-

- Key Purpose of the Service

- Scope of the service
- Contribution to Shared Services Objectives
- Contribution to the Councils' Strategic Objectives
- Three Year Overview of the Service
- Inputs
  - People
  - Workforce Planning
  - Assets & Technology
  - Current Budgets
  - Revenue Growth, Service Reductions & Cashable Efficiency Gains
  - Capital Investment
- Outputs & Outcomes
  - Stakeholder Consultation
  - Service Level Agreements
  - Performance Indicators
  - Benchmarking Information
  - Outstanding Recommendations of External Inspectors
  - Projects
  - Equalities
  - Risk Management

### 3.2 **Financial Planning**

Watford Borough Council's Cabinet was informed on 21 January 2008 of implementation costs totalling £3.1m and savings, when fully operational, of £1.8m per annum. The Executive Committee at Three Rivers on 4 February 2008, noted that following further work by the officers, the on-going savings were reduced to £1.6m per annum. These figures were included in forward budgets. The capital and revenue costs of implementing shared services and the lower on-going savings are shown below:-

Three Rivers District Council	Current Year 2008/09 £000s	2009/10 £000s	2010/11 £000s	Future Years per Annum £000s
Implementation Costs				
Capital Expenditure	155	48	0	0
Revenue Expenditure	464	276	6	0
Sub-Total	619	324	6	0
On-Going Revenue Savings(-)	224	-111	-397	-397
Total	843	213	-391	-397

Watford Borough Council	Current Year 2008/09 £000s	2009/10 £000s	2010/11 £000s	Future Years per Annum £000s
Implementation Costs				
Capital Expenditure	344	106	0	0
Revenue Expenditure	1,034	616	14	0
Sub-Total	1,378	722	14	0
On-Going Revenue Savings(-)	-253	-837	-1,233	-1,233
	1,125	-115	-1,219	-1,233

Total	Current Year 2008/09 £000s	2009/10 £000s	2010/11 £000s	Future Years per Annum £000s
Implementation Costs				
Capital Expenditure	499	154	0	0
Revenue Expenditure	1,498	892	20	0
Sub-Total	1,997	1,046	20	0
On-Going Revenue Savings(-)	-29	-948	-1,630	-1,630
Total	1,968	98	-1,610	-1,630

The councils' chief financial officers have indicated that the estimates of the funding likely to be available to the shared services for the next three financial years will be based on these projections and that there is a clear expectation that the implementation costs will not be exceeded and that the on-going savings will be achieved. It is acknowledged however that some re-phasing of the costs and benefits is inevitable and that certainty as to the budgets will not exist until such time as the detailed business case has been updated. Figures will be presented to the Joint Committee's November meeting.

#### 4. **IMPLICATIONS**

##### 4.1 **Policy**

4.1.1 The recommendations in this report are within the policies of the Joint Committee, Three Rivers District Council and Watford Borough Council.

##### 4.2 **Financial**

4.2.1 There are no changes to the budget or the efficiency gains already agreed by Three Rivers District Council or Watford Borough Council as a result of this report. However, it should be noted that as a result of delays in implementation, both the implementation costs and the on-going savings will materialise later than anticipated in the budgets agreed by the two councils, and that this will become apparent when the detailed business case and the associated service plans are approved in November.

##### 4.3 **Legal Issues** (Monitoring Officer)

4.3.1 The councils must set their budgets before 11 March 2009 in accordance with Section 32 (10) of the Local Government Finance Act 1992.

4.3.2 The councils' chief financial officers have a statutory duty to report to their Council if it is likely to incur expenditure that is unlawful or likely to exceed its resources.

4.3.3 The Joint Committee should note that Watford Borough Council's Constitution requires the Executive to put budget proposals to Council before 8<sup>th</sup> February as it is a mayoral authority.

##### 4.4 **Risk Management and Health & Safety**

4.4.1 The subject of this report is covered by the Finance service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

4.4.2 There are no risks to the Joint Committee in agreeing the recommendation.

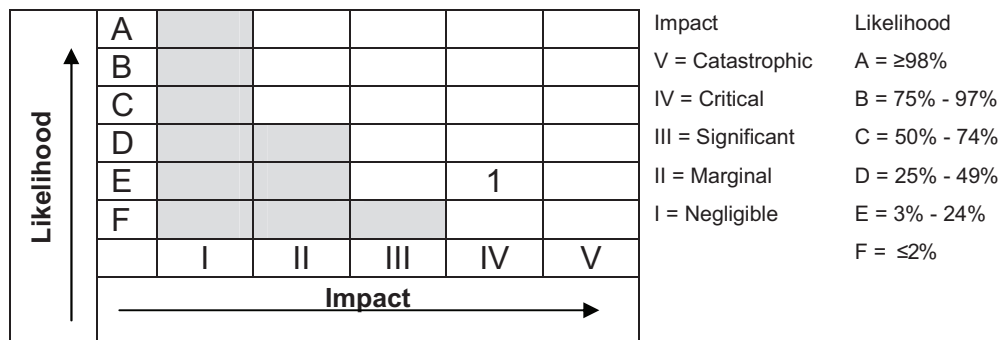
4.4.3 The following table gives the risk that would exist if the recommendation is



rejected, together with a scored assessment of its impact and likelihood:

Description of Risk		Impact	Likelihood
1	Failure to agree the Service Plans for implementation from 1 April 2009 and failure to meet statutory deadline for setting a legal budget	IV	E

4.4.4 The above risks are plotted on the matrix below depending on the scored assessments of impact and likelihood. Risks are tolerated where the combination of impact and likelihood are plotted in the shaded area of the matrix. The remaining risks require either monitoring or managing, in which case a treatment plan is prepared.



#### 4.5 Equalities, Staffing, Accommodation, Community Safety, Sustainability & Environment, Communications & Website and Customer Services

4.5.1 None specific.

#### Appendices

None

#### Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

Delegation and Joint Committee Agreement

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