

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.

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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.

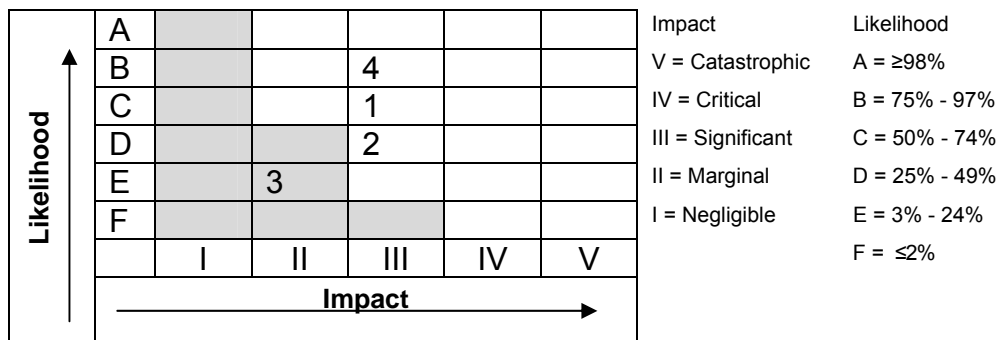
4.4.2 The following table gives the risks if the recommendations are agreed, together with a scored assessment of their impact and likelihood.

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**

25th 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.
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- 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.)

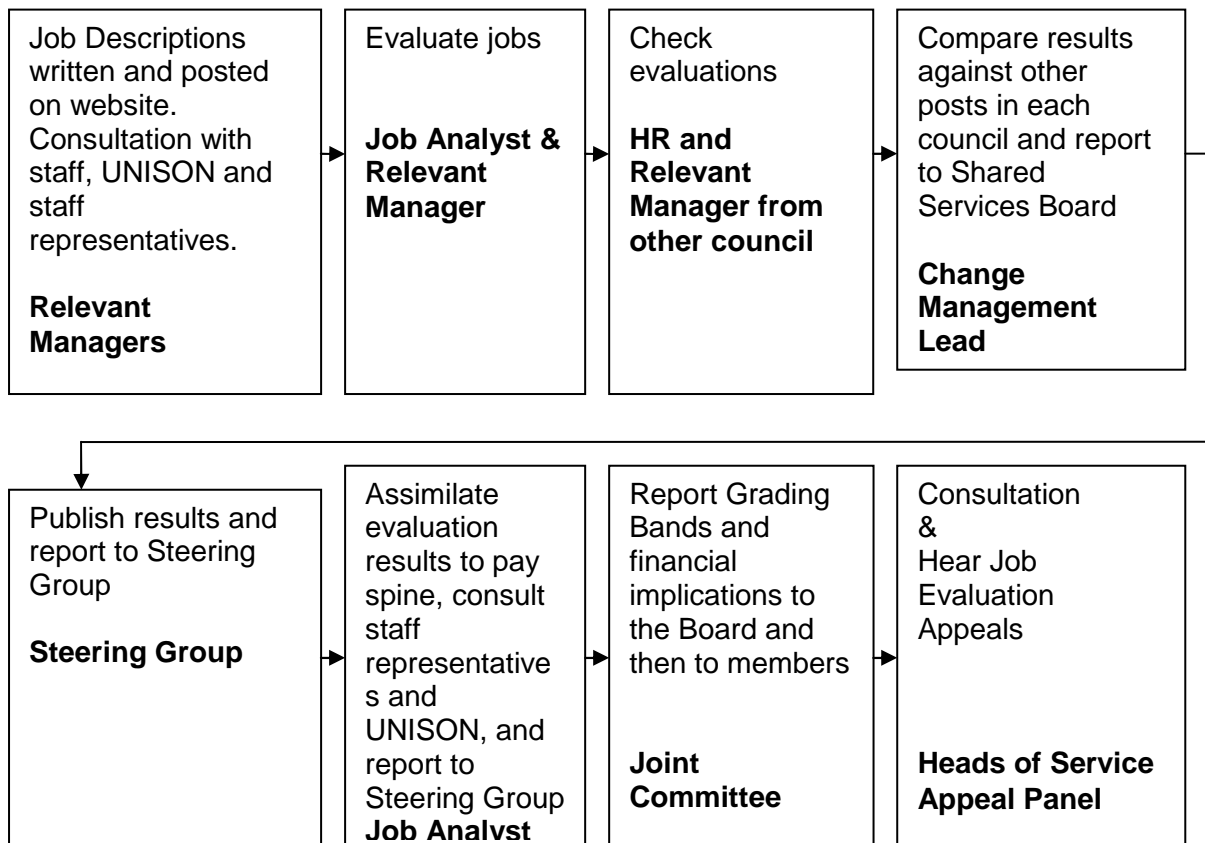
It is anticipated that this will be a task and finish group, and that the normal arrangements for consultation with employees will be used post-implementation.

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

Job Evaluation Steering Group – 2 Shared Services Directors, Change Management Lead, Head of Shared HR, Payroll representative, 2 UNISON representatives, 2 employee representatives.



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

Essential Users	451 – 999cc	1000 – 1199cc
Lump Sum per annum	£753	£849
Per mile first 8,500	34.0p	36.9p
Per mile after 8,500	13.3p	13.6p
Casual Users		
Per mile first 8,500	42.9p	46.9p
Per mile after 8,500	13.3p	13.6p
Motor Cycle Allowances	Up to 125cc	Over 125cc
3 rd 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

Proposal (section in this document)	Approved by Programme Board	Approved by Management Team	Submitted to Unison/Staff
Appointments of Heads of Service	9 th July 2008	2 nd Sep 2008	Initial draft-10 th July 2008 – Unison 5 Sep – Issued to staff and Unison
Consultation and negotiation approach	9 th July 2008	2 nd Sep 2008	Initial draft -10 th July 2008 – Unison 5 Sep – Issued to staff and Unison
Evaluation, Pay and Grading of shared services jobs	22 nd July 08	2 nd Sep 2008	5 Sep – Issued to staff and Unison
Redeployment of staff to new structures	1 st Sep 08	2 nd Sep 2008	5 Sep – Issued to staff and Unison
Relocation	1 st Sep 08	2 nd Sep 2008	5 Sep – Issued to staff and Unison
Areas to be harmonised later	1 st Sep 08	2 nd 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>JE System – Jobs are job evaluated using GLEA (Greater London and Whitley Council), manual evaluation scheme</p> <p>Evaluation process – 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>Moderation - There is no moderation process.</p> <p>Notify results – 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>Appeals – 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>JE System – Jobs are job evaluated using NJC computerised evaluation scheme (GAUGE).</p> <p>Evaluation process – 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>Moderation – The Head of HR and the Trade Union Liaison Officer are notified of the evaluation result and moderate the job evaluation scores</p> <p>Notify results – 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>Appeals – There is currently no formal appeals procedure specified.</p>

Document Version Control

Version No	Dated	Status	Comments/Key changes since last version
0.1	14 th Aug 2008	Draft	Issued for comments to Tricia Taylor and David Gardner
0.2	22 nd 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 th Sep 08	Draft	Approved by management boards of both councils and issued to Unison and staff.
0.4	25 th 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.