

Watford / Three Rivers Proposal

Introduction

Watford and Three Rivers Councils are considering joining the Shared Internal Audit Service (SIAS) as full partners from April 2013. This proposal note deals with the main associated employment and cost matters with a view to providing sufficient information for Watford and Three Rivers CFOs to reach a 'decision in principle'. Should this 'in principle' decision be to join the partnership then there would be further activity required to take forward the proposal including detailed legal agreements, formal decision making and staff consultation.

Summary

The key employment and cost matters concerning the proposal:

- Team members would TUPE transfer to Hertfordshire County Council (HCC) on 1 April 2013 or at a mutually convenient date to be agreed. Team members would transfer in to equivalent roles and would be offered HCC terms and conditions (although under TUPE they would also be entitled to retain Watford terms and conditions). It is understood that the current audit manager is to take up a role another organisation and so would not transfer to HCC.
- Watford and Three Rivers authorities have already reviewed the necessary level of audit resource when opportunities have presented themselves for this in the past, and have an ongoing requirement in the region of 447 days of audit annually. SIAS would wish to charge £299 per chargeable day for an initial three year period and full partner rates from year four onward.

Employment matters

The estimated resource to be brought into the service from the TUPE'ing staff would be 330 chargeable days based on current working patterns and assuming the staff would be working at SIAS target productivity levels.

Initially SIAS would make the following adjustments to its structure:

- Increase the Senior Auditor capacity in SIAS by 2. The existing W3R Senior Auditors would be assimilated into these posts. SIAS would commit to continuing the reduced hours working arrangements currently in place for both of these members of staff for a minimum of a two year period, and to continue them thereafter subject to the requirements of any review.

- Assign one of the existing SIAS Audit Managers to Watford & Three Rivers. Allocation of Audit Manager duties will be kept under review.
- Create a new post of Principal Auditor within SIAS and assign one of the Principal Auditors to Watford and Three Rivers.
- Terms and conditions: HCC would offer its terms and conditions to transferring employees who would also have the right to retain their Watford / Three Rivers T&Cs under TUPE. Any promotions thereafter would be to HCC T&Cs.
- Location: SIAS would require the three employees to be able to work at locations throughout the County. SIAS would make efforts to ensure work is generally organised relatively locally (ie at Watford, Three Rivers, Hertsmere and Welwyn Hatfield authorities) where possible, although given the skills, experience and cost profile of the three members of staff there will inevitably be a requirement for them to work at Hertford and Stevenage on occasions. Working from home is also encouraged. Initially, W3R will remain the formal 'office base' for expenses for these 3 staff but this will be reviewed in light of actual mileage patterns and, if appropriate, staff will be consulted on moving the formal 'office base' to Stevenage (as for rest of SIAS) in accordance with HCC's relocation policy.
- Pension contributions: the HCC Director of Resources and Performance confirms that the advice previously given holds: 'it has been agreed that the SIAS will be treated as in the same way as a 'transfer of functions: staff will come over at whatever their current funding level is. This means no requirement to transfer cash between authorities on TUPE transfer'.

Charges

The offer to Watford and Three Rivers is at the guideline rate agreed by the SIAS Board in September 2012, where it was agreed that in TUPE situations the daily rate should be 'partner rate plus 15%' dropping to partner rates from year 4. For 13/14 the partner rate has been agreed as no more than £260 per day. This therefore equated to a daily rate offer to Watford and Three Rivers of £299.

Next steps

The Watford and Three Rivers authorities are asked to consider the information in this document and advise on whether in principle they wish to join the Shared Internal Audit Service.

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