

Joint working between Dartford and Sevenoaks Councils in Revenues and Benefits – Proposed Forward Operating Model



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1. Purpose of Project

A number of small joint working arrangements are already in place between Sevenoaks and Dartford which have been implemented using internal resources and expertise. However, in recognition of the fact that the Councils were now considering a much larger project, and had limited capacity, it was agreed by both Councils that consultants would be appointed to assist their process. This project commenced in January 2010 with the aim of identifying the feasibility of, and the opportunities for, joint working in the Revenues & Benefits Service.

At the commencement of this project, the stated objective was **to establish savings and identify a route towards sharing Revenues & Benefits services between Sevenoaks and Dartford Councils.**

It was also determined that the outcome of such a shared service should include:

- Cashable savings
- Improved resilience
- High customer satisfaction
- High service efficiency and quality
- Model for wider application.

2. Project Approach

2.1 Core Themes

Many shared service projects start with the mapping of processes or the determination of the business logic for the delivery of transactional services. The approach to this feasibility study took a somewhat different approach in that much greater emphasis was placed on creating a strong and sustainable partnership that allowed for the adoption of good practice already in place at both Councils. Therefore, for this project, the core themes were:

1. **Consensus** - finding common ground between the two Councils
2. **Challenge** - ensuring those involved were robust in challenging opinions and the scope of what is achievable.

It was recognised at an early stage that the long term success of the project is very much dependent on the staff within the service. It was therefore essential that the approach to this project was one that allowed for high levels of consultation, involvement and engagement of staff, who would be given sufficient opportunity to input and shape the future service.

2.2 Overall Process

Meritec applied a robust process that had been tried and tested in feasibility studies for similar shared working arrangements with AGMA (Greater Manchester Authorities), WEP (West of England Partnership) and partnerships in North Wales and North Cumbria.

Meritec underpinned this process with experienced professionals that had extensive knowledge of Local Government and of effective Revenues & Benefits services. This combination of good practice and professional capabilities provided the opportunity to quickly identify the preferred model for joint working and assess the potential (net) savings and benefits that could result.

The process identified the local requirements of the two Councils, based upon research and analysis with key stakeholders, and applied them to determine the best way forward in operational areas that are critical to success. The key steps were:

1. To identify the potential opportunities for shared working, taking account of good practice developments, both nationally and regionally, that are relevant in the local scenario
2. To objectively determine key criteria, based on local service requirements, by which delivery options can be evaluated
3. To rigorously review all of the options using agreed criteria and determine the most suitable model for joint working.

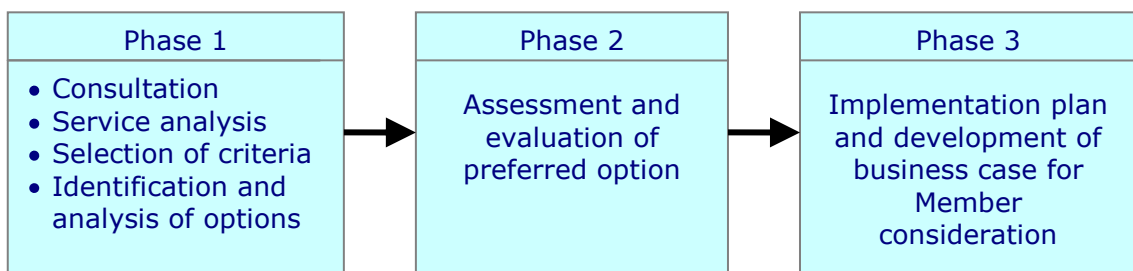
Once the preferred model had been defined in broad terms, the most effective operational model, was determined covering the main components of people, process, systems and support services. Meritec worked together with a core group of stakeholders to clearly describe each of the key components in turn and how they combined to produce the operational model. This definition of revised service operation was then translated into projected operating costs and these were compared with current costs to determine potential savings.

The robustness of this process was enabled by Meritec's substantial knowledge and experience of similar shared working projects across the UK. This input provided a continuous and effective source of challenge.

Overall, the process is designed to produce the right result in the context of defined requirements. Adherence to the method inevitably determines the most beneficial outcome. Most importantly, the approach is highly inclusive allowing for greater buy-in and ownership. This has extended to stakeholders, especially those who will be at the heart of implementing the shared service model being actively involved in the process of selection and implementation.

2.3 Detailed Methodology

In progressing the project within the tight timescales and to allow extensive engagement at all levels, the project was split into three phases. These are summarised in the diagram below and then each phase is explained in more detail.



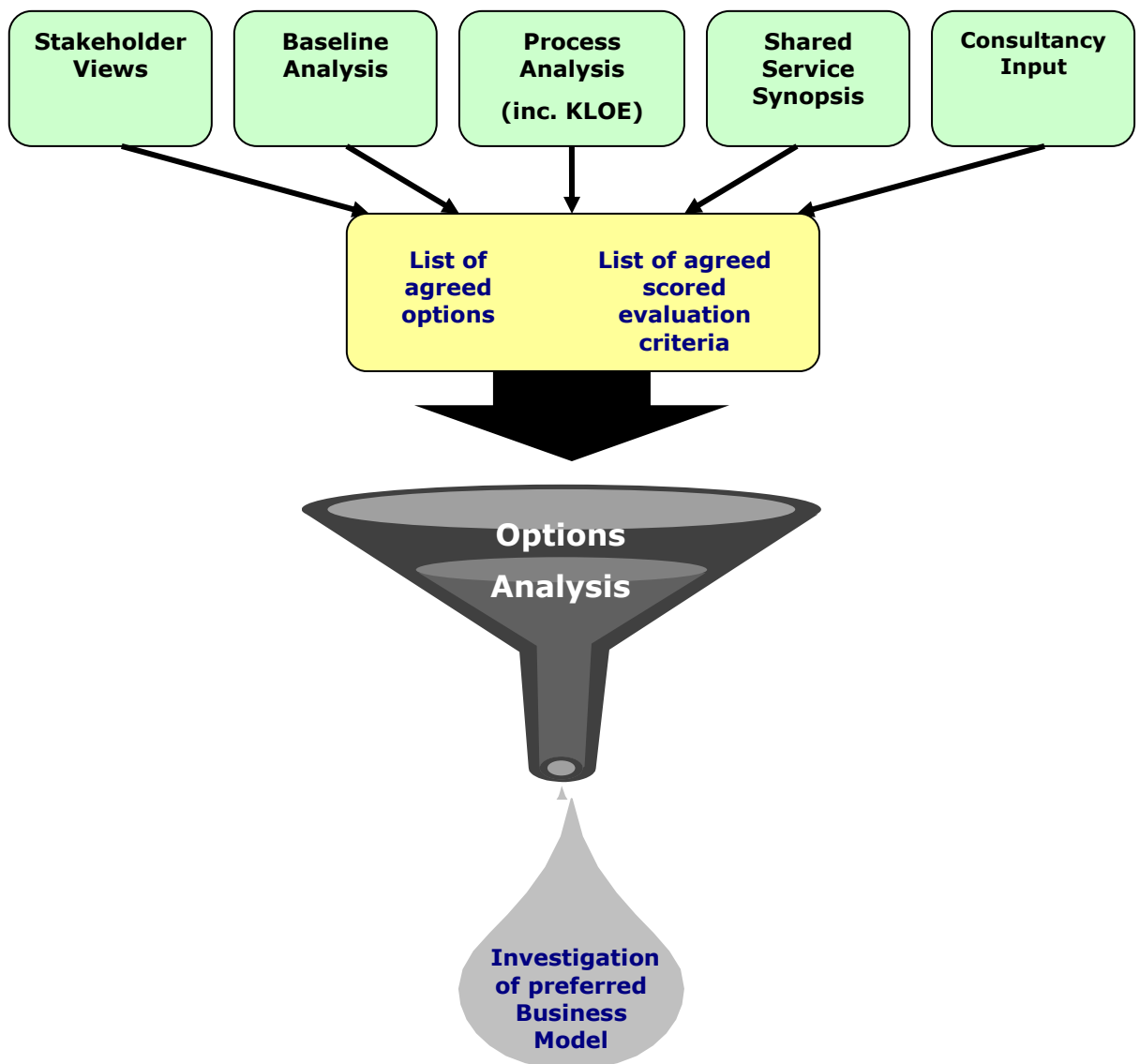
2.3.1 Phase 1

The purpose of Phase 1 was to evaluate defined options for joint working against preferred criteria to determine a single, preferred model for shared working.

The principle components of Phase 1 were:

- **Stakeholder engagement** – to understand the starting positions, preferences, and concerns of all key stakeholders (included Members, managers and staff)
- **Baseline Analysis** – to understand current finances, volumetrics in order to establish the starting point for both Councils
- **Process Analysis (including Key Lines of Enquiry (KLOE))** – to understand the current performance and approach to service delivery in the two Councils. Key Lines of Enquiry are the Government's most recent approach to measuring effectiveness (in the Benefits Service)
- **Shared Service Synopsis** – to understand approaches, developments and progress in shared service projects nationally
- **Consultancy Input** – to provide experience from similar projects in Local Government; specialist knowledge on Revenues & Benefits and shared working; and skills in analysing options
- **Options** – to develop a number of possible ways in which the two Councils could come together in a shared working arrangement
- **Criteria** – to develop a simple list of criteria the two Councils would use for the evaluation of options
- **Options analysis** – to use the options and criteria to decide a preferred operating model that would be the subject of detailed evaluation in Phase 2.

Project Phase 1 - Summary Diagram



The above analysis was undertaken by a joint Project Team of key officers from Dartford (DBC) and Sevenoaks (SDC), plus Meritec consultants. Consensus and challenge were maintained by the use of Member interviews and by reference on key matters to a Project Board of senior management. Details of officers involved are provided in 2.4 below.

Emerging from the above process, it was agreed that any shared service model would need to meet the following **Evaluation Criteria**:

1. Deliver cashable revenue savings (or income generation) totalling at least £200,000 (net) per year for each Authority from 2011/12 onwards. This figure was based on interviews with members and senior managers in both authorities. The figure also represented 13% savings.
2. Retain local outposts for customers with these being spread across the combined region
3. Improve resilience in terms of capacity, flexibility and continuous improvement in efficiency and quality

4. Have only a low risk of adversely affecting income areas such as Tax collection rates and benefits subsidy entitlement
5. Maintain customer satisfaction levels and meet their defined needs and
6. Be capable of implementation in 2010/11 (with dependencies being the completion of a robust risk analysis; the production of a clear route map; and minimal implementation costs on, for example, redundancy payments and IT alignment).

Based on the consultants extensive experience, detailed research and views of stakeholders, the following **Joint Working Options** were also selected for evaluation:

1. Revenues and Benefits at one site - all in a single new location within the combined geographical area
2. **Revenues and Benefits on one existing site - either DBC or SDC offices.**
3. Split functions over two sites - Revenues at one existing site and Benefits at the other
4. **Split functions over two sites – Fraud and Audit at one existing site and Revenues and Benefits at the other.**
5. Best practice at two sites with joint management with other staff staying at current locations.
6. A Public/Private partnership (e.g. as Liverpool Direct).
7. Outsource to a commercial provider of these services.
8. Join an existing local authority partnership.
9. Leave 'as is' and each Authority to make savings separately.

Having regard to the criteria, and detailed scoring, options (2) and (4) in bold above were identified as the most appropriate.

It was considered that the likely success of the project would be enhanced by devoting available resources to the thorough design and testing of the model most likely to achieve objectives of both Councils – rather than spreading the Councils limited resources over a number of options.

Therefore, as option (4) aligns with nationally-emerging best practice to combine corporate fraud with benefits fraud work, this option would be taken forward.

2.3.2 Phase 2

The purpose of Phase 2 was to assess the preferred option selected in Phase 1 and ensure the required benefits would be obtained if the project were to progress to actual implementation. Its outcomes would also inform any decisions to progress to Phase 3.

The principle elements of Phase 2 are addressed in detail within this report including the following key components:

- Organisational structure for the Revenues, Benefits, Audit and Fraud teams taking into account any changes in process or ways of working
- Governance
- Service Standards

- Customer Implications
- Staff implications
- Business case
- Culture
- ICT approach and costs
- Business support implications
- Route map / timeline

Timescales for Phase 2 were deliberately tight to ensure momentum was maintained. The Phase commenced on the 1st March 2010 and substantively completed on the 7th April 2010. It was then followed by staff consultation on the proposed forward operating model.

2.3.3 Phase 3

Phase 3 will comprise:

- Further refinement of detail on the forward operating model
- Designing and agreeing an implementation plan
- Producing a detailed route map/timeline.
- Production of business case report for member consideration.

2.3.4 Implementation

It is proposed that the plans developed in Phase 3 will be used to implement the joint working arrangements, subject to Member approval of the project.

2.4 Roles and responsibilities

This section details the officers involved in this project and their key roles.

2.4.1 Key Players

(1) Project Board

- Chris Oliver (Project Director, DBC) Executive Director (Monitoring Officer)
- Pav Ramewal (Project Board Member, SDC) Deputy Chief Executive and Director of Corporate Resources
- Tricia Marshall (Project Manager, SDC) Head of Finance and Human Resources

(2) Project Team

- Sue Cressall (DBC) Revenues and Benefits Manager
- Chris Brown (DBC) Management Analysis Intelligence Manager
- Meryl Young (SDC) Benefits Manager
- Ian Mott (SDC) Local Tax Operational Manager

- Sheri Green (Phase 1 for options analysis and criteria work) (DBC) Strategic Director

(3) Core Group

Phase 2 Core Group was a combination of the Project Team with Tricia Marshall and Chris Oliver representing the Board, and meeting once a week for a full day.

(4) Specialist roles

- Costs group – Adrian Rowbotham (SDC) Finance Manager, and Steve Brooks (DBC) Head of Finance and Resources
- ICT group – Jim Carrington-West (SDC) Head of IT and Facilities Management and Richard James (DBC) IT Manager (Delivery)
- Fraud – Glen Moore (SDC) Fraud manager
- Internal Audit – Bami Cole (SDC) Audit and Efficiency Manager
- Human Resources (HR) – Carrie Lloyd (SDC) Human Resources Manager
- Accommodation – Tricia Marshall (SDC) Head of Finance and Human Resources and Sheri Green (DBC) Strategic Director
- Administration support – Mandy Rodgers (SDC) Secretary to Head of Finance and Human Resources, and Carol Butcher (DBC) (PA to Executive Director (Monitoring Officer))
- Customer Services – Brian Hatt (SDC) Customer Services Manager, and Carol Russell (DBC) Customer Services Manager
- Staff interviewed and involved in group sessions

(5) Consultants

- Darren Walklate (Lead Consultant)
- Haydn Howard
- Jonathan Parker
- Graham Sayers

2.4.2 Key Project Roles

The roles of Project Manager and the Project Board are outlined below.

Project Manager

1. Ensure all non-Meritec deliverables and all Partnership dependencies are achieved within the agreed project time-scales
2. Act as the central point of contact within the Partnership for all project matters
3. Agree the baseline project implementation plans
4. Act as Contract Change Control Board Authority
5. Attend Project Review Meetings
6. Co-ordinate all Partnership resources for the project
7. Co-ordinate acceptance and sign off of activities

Project Board
1. Agree the project plans and documentation
2. Enable communication to all staff and stakeholders
3. Provide guidance relating to wider aspects and activities from both Councils
4. Monitor progress against the plans and agree any revisions necessary as the project progresses
5. Assist in problem solving, e.g. to help the Project Manager / Lead Consultant resolve scoping issues that are unclear
6. Identify and manage risks and issues
7. Agree any re-prioritisation of work or reallocation of resources necessary to ensure milestones are achieved and risks are managed effectively
8. Resolve issues brought to it

Lead Consultant
1. Manage delivery of the Project
2. Ensure that deliverables meet requirements
3. Review and agree project documentation
4. Monitor progress against plans
5. Day to day problem management
6. Issue and Risk Management
7. Produce Project Deliverables
8. Facilitate Workshops and Events
9. Co-ordinate out of scope activities required by project
10. Attend project review meetings to facilitate acceptable resolution of issues

3. Baseline Analysis

3.1 Introduction

The following analysis is taken from the Baseline templates and volumetric work carried out in Phase 1 and represents the starting point / context for this project. When originally gathered, the volumetrics were based on a nine months' operation (as that was all that was available in January 2010). This section has now been updated to reflect a full year's data.

Information on costs provided in this section is indicative and based on initial data collected for Phase 1 of the feasibility study.

3.2 Overview of the Revenues & Benefits Services

Collectively the two Councils currently:

- pay out £63m of Housing and Council Tax Benefits ('Benefits');
- collect £111m of Council Tax and
- collect £111.5m of Business Rates ('NDR').

In aggregate, the Councils currently employ approximately 77 Full Time Equivalent (FTE) Revenues & Benefits staff.

The direct cost of the Revenues & Benefits service total is £2.7M.

The Revenues & Benefits service is supported by the following technology:

Category	Dartford	Sevenoaks
Processing system	Academy	Academy
Operating system	Solaris	Windows
Document Image Processing (Dip) System	Idox	Anite

NOTE: This project assumes Dartford will have converted their Academy operating system to Windows in advance of the start date – costs for this are not included in the business case.

3.3 Benefits

The Benefits service has a live caseload of around 14,000 claims. In total, the Benefits service comprises 42 FTE staff. The cost of the Benefits service is £1.3m per year.

The Benefit service is assessed nationally through performance indicators. These relate to time taken to process new claims and changes in circumstances. The full year (2009/10) outturn performance for both Councils is tabled below:

Measures	Dartford	Sevenoaks
New Claims (days to process)	42	22
Changes in Circumstances (days to process)	14	5

NOTE: Dartford figures result from a backlog that has now been eliminated, the New Claims (days) for March 2010 was 23 days.

3.4 Council Tax

The combined Council Tax service collects revenue from around 88,000 properties. In total, the Council Tax service comprises 26 FTE staff. The cost of the Council Tax service is £0.9m per year.

The Council Tax service is assessed nationally through a performance indicator, which relates to in-year collection. The full year (2009/10) outturn performance for both Councils is tabled below:

Measures	Dartford	Sevenoaks
In-year collection of Council Tax	97.4%	98.34%

3.5 Business Rates (NDR)

The NDR service collects revenue from around 6,500 businesses. In total, the NDR service comprises 3 staff. The cost of the NDR service is £0.3m per year.

The NDR service is assessed nationally through a performance indicator which relates to current year collection rates. The full year (2009/10) outturn performance for both Councils is tabled below:

Measures	Dartford	Sevenoaks
In-year collection of NDR	96.1%	97.7%

3.6 Fraud

The Fraud service has achieved 40 sanctions in the year 2009/10. In total, the current Fraud service comprises 6 FTE staff and has a total staff cost of around £0.2m.

Measures	Dartford	Sevenoaks
Sanctions per 1000 caseload	1.14 (result of staff shortages)	4.57

3.7 Audit & Risk

The Audit service currently comprises 6 staff and has a direct cost of £0.3m.

Whilst not originally within the scope of this project, work has previously been undertaken to share and streamline the Audit service within both Councils. Staff savings have already been made following the commencement of shared management in September 2008 and have therefore not been counted in this project.

4. Forward Operating Model

4.1 Introduction

This section explains how the Revenues & Benefits and Audit services would be delivered under joint working. The approach to joint working is referred to in this report as the forward operating model.

The proposed organisation design is based on the following criteria.

- Benefits, Council Tax and NDR administration will be delivered from Sevenoaks
- Fraud and Audit will be combined into a single team and delivered from Dartford
- Customer face-to-face contact will remain unchanged from current arrangements
- Customer telephone contact will be staffed by Revenues & Benefits staff based in Sevenoaks.

4.2 Service Standard Definition

Throughout the design process, the Core Group have assumed a change in emphasis from targeting upper quartile performance to designing a service that meets customer needs. The resulting service standards and approach will be reviewed after two years by the Councils.

The following tables set out the performance targets for key service standards which have been assumed when designing the forward operating model:

Standards for Benefits

Performance Standards	Benefits	Comments
Days to process new claims	23 days (2011/12) 22 days (2012/13) 21 days (2013/14)	
Days to process changes of circumstances	10 days (2011/12) 10 days (2012/13) 10 days (2013/14)	
Accuracy	95%	
Housing Benefit overpayments collected	36 % (2011/12) 38% (2012/13) 40% (2013/14)	% of recoverable debt excluding overpayments being repaid via deductions from other benefits
Telephone enquiries	80% of calls answered in 20 seconds	

Standards for Council Tax and NDR

Performance Standards	Council Tax	NDR	Comments
In yr collection 2011/12 2012/13 2013/14	Dartford/ Sevenoaks 97.7%, 98.6% 97.8%, 98.6% 97.9%, 98.6%	Joint 98% 98.5% 99%	Assuming impact of the recession reduces and that Benefits processing is up to date. Differential council tax collection rates take account of different demographics
Telephone enquiries	80% answered in 20 seconds	80% in 20 seconds	Presumes call management system
Correspondence	95% actioned within 7 working days	95% within 7 working days	
Direct Debit take-up as a % of taxpayers with a balance to pay	70 % 2011/12 71 % 2012/13 72 % 2013/14	No target for NDR as a significant proportion pay by other automated methods	Assuming impact of the recession reduces.
Method of Payments	Direct Debit on choice of 4 dates in month Cheques Automated Telephone Payments Web payment Postal Standing Order Cash	DD on choice of 4 dates in month Cheques Automated Telephone Payments Web payment Postal Standing Order Cash	Sevenoaks to rationalise payment methods for Council Tax
Arrears collection in year	40% (2011/12) 40% (2012/13) 40% (2013/14)	No target	Collection rates are before write off. This indicator relates to previous year arrears collected in current year
Overall collection fund collected	99.5 %		

4.3 Organisation Design

4.3.1 Staffing numbers

Staffing requirements were calculated on the basis of the current number of staff carrying out particular roles at each Council, with an adjustment for economies of scale based on the judgement of the Core Group. The organisational structure was designed over the course of the project and once finalised the following validations were made to ensure its fitness for purpose:

- Professional input from both Councils i.e. using managers that may be tasked with delivering the service to validate the structures;
- Comparison with a high performing low cost Council (with a similar caseload and number of dwellings to the combined Dartford and Sevenoaks volumes);
- Taking account of challenge and constructive input from Meritec consultants and the Project Board; and
- Comparison with the two current structure diagrams ensuring each role is covered and that all tasks can be allocated within the structure.

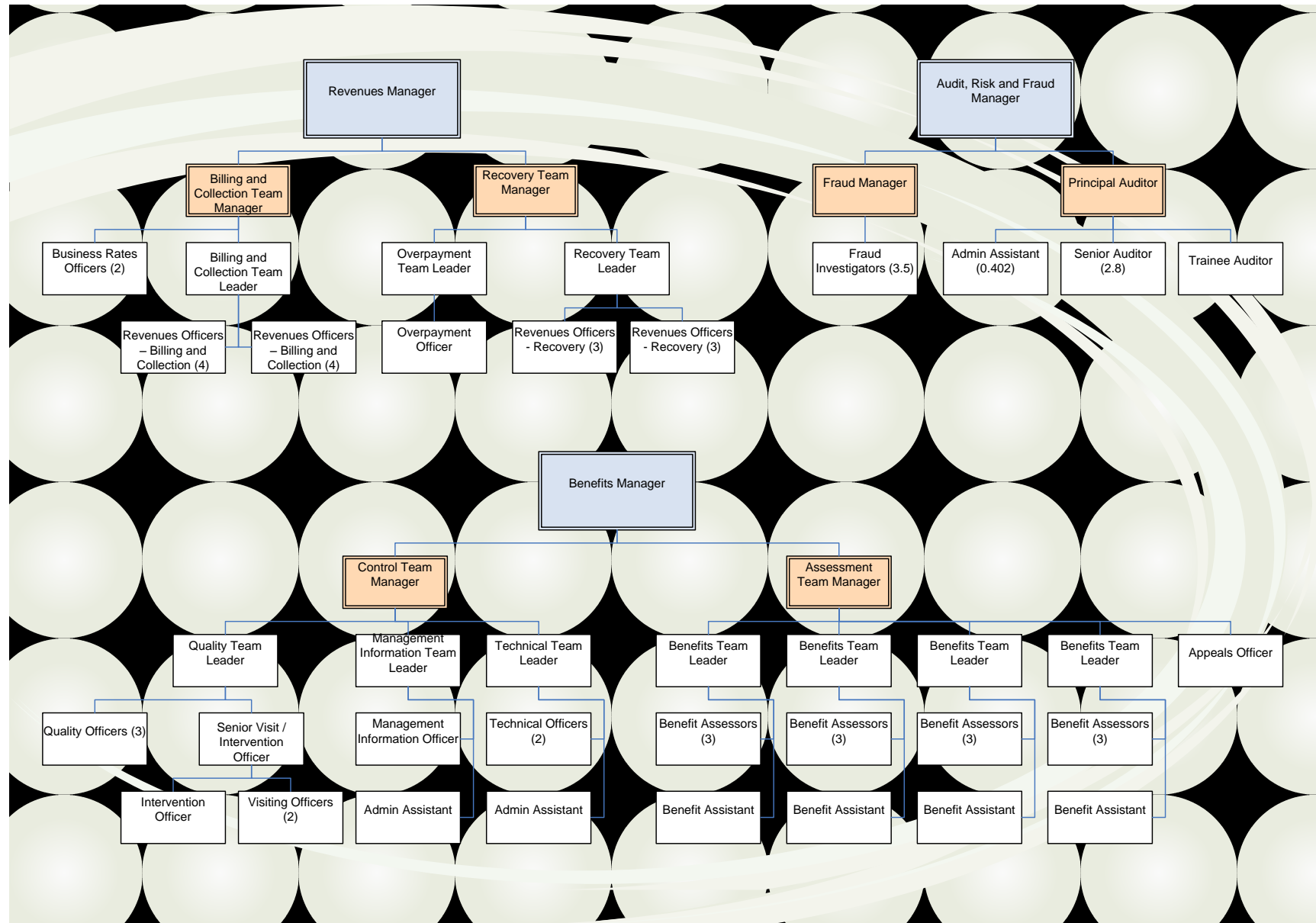
4.3.2 Organisation structure

Having determined the number of staff required, organisation structures were created on the basis of reasonable spans of control - taking into account current procedures and processes and adapting them based on anticipated use of new and existing technology.

The organisation structure comprises roles that are:

- Required by the scale of the service but which are not currently in existence. These roles have been costed on the basis of market intelligence (such as adverts for similar roles by other Councils)
- Currently in existence at each of the Councils. These roles have been costed on the basis of the anticipated grade.

The following organisational structure has been agreed and used to cost the forward operating model:



4.3.3 Audit & Anti-Fraud Proposals

In Phase 1, the Project Board agreed to incorporate shared Audit and Anti-Fraud proposals into the forward operating model. Working with the Audit and Fraud Managers, it was agreed benefits could be achieved by merging the Audit and Fraud Teams at both Councils to create single team under the line management of the Internal Audit Manager. In so doing, it would be possible to continue the current levels of service whilst achieving cashable savings totalling £77,000 (to be shared between both Councils).

The forward operating model, therefore, assumes the creation of a new Audit, Risk and Anti-Fraud Team which would incorporate the following existing teams:

- The Audit and Efficiency Team – SDC
- The Internal Audit Team – DBC
- The Fraud Team – SDC
- The Investigations Team – DBC

The new team would be responsible for the Internal Audit function of both Councils, in compliance with the Accounts and Audit (Amendment) (England) Regulations 2006 and the Chief Finance Officer's s151 responsibilities. In addition, it is proposed that the team will incorporate the Risk Management function at both sites, but will transfer responsibility for strategic procurement at SDC to DBC. The fraud aspect of the service will incorporate benefit fraud and in-house fraud investigations.

5. Technology Infrastructure and ICT

5.1 Infrastructure/ Network services

In terms of Information and Communications Technology (ICT), this project benefits considerably from a strong starting point. Both Councils have robust ICT arrangements for supporting the Revenues and Benefits service and a demonstrable ability to provide a shared facility.

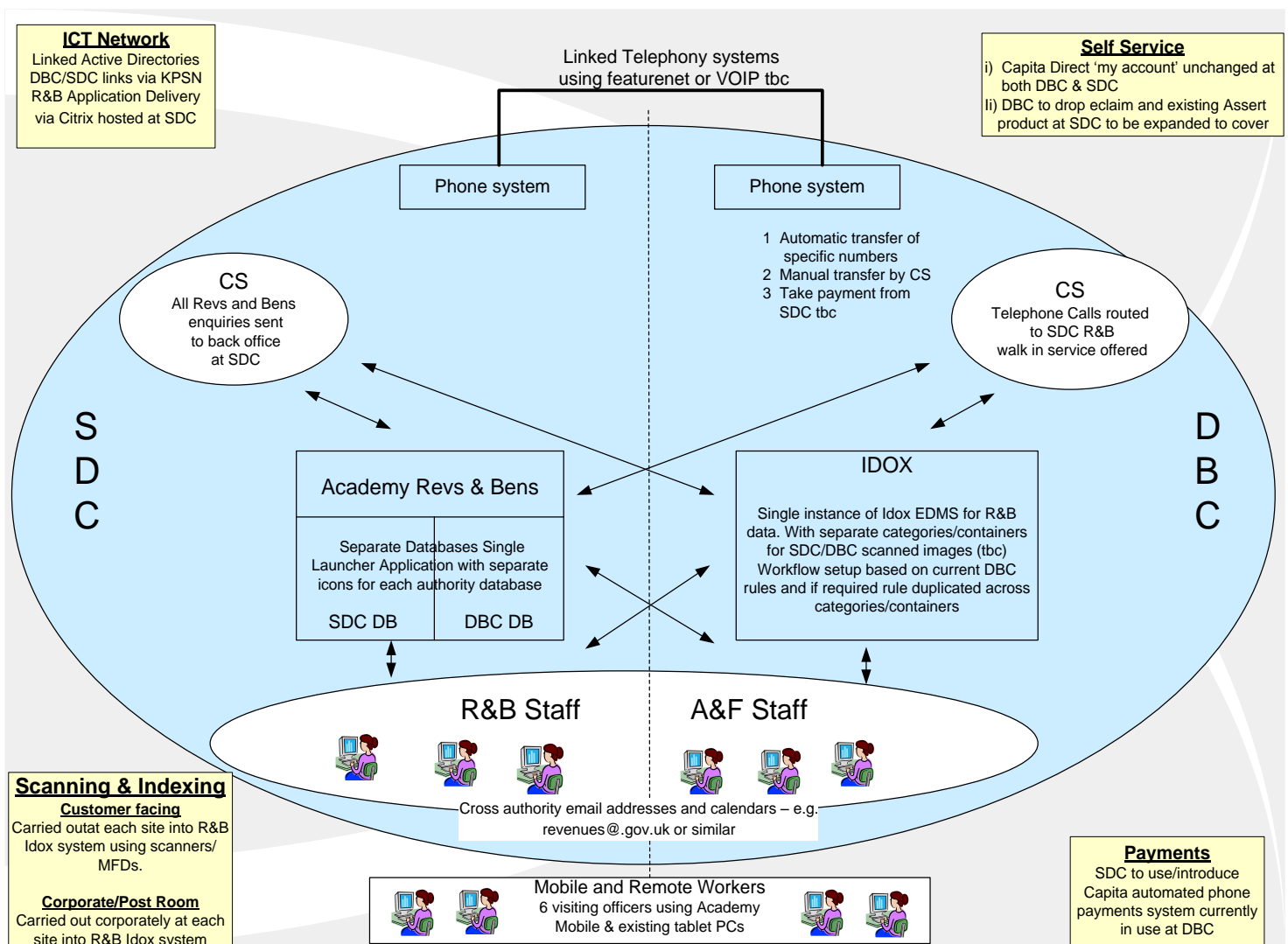
The key consideration in the context of shared working is the core business applications used to support day-to-day working. Most importantly, the core computer system for the Revenues and Benefits service in both Councils is Academy (supplied by Capita). So whilst there are some operational differences, there is already a common base of knowledge and practice. Moreover, DBC has already commenced migration to the same operating environment for this system (i.e. Windows) as used by SDC.

For managing documents within the respective services, DBC uses a system called Idox whilst SDC uses a system called Northgate@work (formerly known as Anite@Work). However, helpfully, SDC also currently operates Idox for managing documents corporately. Thus, it would be straightforward, in technical terms, to migrate to shared usage of Idox.

Furthermore, with regard to infrastructure, networks and office systems, there are no blockers to integration. Likewise, accommodation would not be a problem.

The following diagram depicts the approach to facilitating joint working agreed by the ICT group, guided by the Core Group and Project Board. This approach has been used to inform the business case section of this report. The approach has been validated by the ICT group to ensure it is fit for purpose and by the professionals within the Core Group to ensure it meets their business requirements. Further detailed work will of course be required should the project progress to implementation but the following information is likely to be a very good indication of an actual approach.

Diagrammatic Representation of Key ICT elements to support shared working in Revenues and Benefits



6. Customers

6.1 Common Standards

Within the implementation process, the new organisation would need to design and publish a set of Standards. These would enable customers to hold the service to account for its performance and thus ensure the service is actually meeting the customer needs. Within this set, the Revenues and Benefits Standards would include measures, for example, on how quickly the service would process claims or book appointments with visiting officers.

The two Councils currently have different complaints procedures. Whilst not essential in the short term, it would be preferable if the combined service adopted a single approach.

6.2 Levels of service

Service standards (at 4.2 above) have been set with broad aim of maintaining current levels of service and applying incremental improvement. The focus once the shared service is up and running would be to further improve Value for Money.

Customer service provision will not be substantially altered under the forward operating model envisaged. DBC's face to face contact will remain as it is with the telephone calls being handled by the joint team at the SDC office. SDC's customer services will also remain substantially unaltered other than the introduction of technology to better meet customer and joint working requirements.

6.3 Communication of changes to customers

Current recharges for corporate communication teams will allow sufficient scope to design and deliver a planned approach to communications with customers. Managers will use the Landlord Forum and stakeholder groups (e.g. CAB) to ensure right messages are communicated effectively.

Key stakeholders in implementing new processes and communicating resulting changes would be the Customer Services teams at both Councils. It is vital that key officers are fully involved and contribute to planning and communication of changes.

6.4 Transition Impacts

It is also important to plan how the existing level of service will be maintained during the change over from the current position to the forward operating model. It is envisaged that a capacity planning exercise will be carried out in Phase 3 to establish the potential impact and the agreed approach will be built into the implementation plans. This will incur significant work and needs to be considered carefully. The Project Board has at this stage recommended the inclusion of £100,000 in the costs for this project to assist in meeting the transition demands, however, as this is an estimate, the figure may need to be reviewed as the detailed implementation plan is drawn up. It will be important to involve staff in the planning process to ensure best outcomes are achieved.

One important issue to be addressed in transition is identifying which procedures and forms to use in the new arrangement. To maximise the opportunity to improve service for customers, it is essential that every opportunity is taken to align processes between the two organisations at the earliest available opportunity. The joint working project aims to achieve one level of customer service irrespective of where customers are from. Procedures will be more difficult to align but it is envisaged that the new managers in post would make these operational decisions.

A significant aspect of ensuring customer service is maintained would be the adoption of Investors in People (IIP) and International Standards Organisation (ISO) standards within the forward operating model. Currently only SDC has the IIP accreditation whilst only DBC has the ISO accreditation. These accreditations will need to be assessed in detail in establishing as to the extent to which they can further improve the service going forward. If these are to be more extensively adopted, the timing on achieving these will be left to service managers once the new structure is up and running, as they are best placed to determine need, requirement and impact.

Customer Relationship Management (CRM) is not within the scope of this project and has therefore not been considered.

6.5 Long Term Service Delivery

Customers will not have to interact differently (e.g. travel to a different location) under the forward operating model. The opportunity will be in place for wider access (i.e. DBC customers at SDC outlets and vice versa) but this will not be compulsory. Technology available to the new service should increase the opportunity for self service and extended access.

7. Staff

7.1 Legal Status

The forward operating model assumes all staff will remain employed by their existing employers for a period of two years. It is also during this time that the Councils will be establishing future employment arrangements.

This approach allows the Councils sufficient time to harmonise terms and conditions (some early and some later in the process). An example of such harmonisation is that SDC offers nominal cash rewards regarding appraisals for high performance, whilst DBC do not. It is accepted that staff will be working together but may not (in the short term) be getting the same pay or benefits. It is important that the project recognises this and manages it carefully,

Phase 3 and the subsequent implementation project will allow time for job evaluation (which of course requires job descriptions, person specifications and job grades). It is envisaged that the project would use both separate schemes (DBC and SDC use different ones) and harmonise outcomes. There will only be job evaluation where a job has changed substantially.

7.2 Redundancy/ Redeployment

A joint redundancy / redeployment and ring-fencing approach has been agreed.

7.3 Staff Consultation

Consultation is an important element of the change management and will continue in Phase 3 increasing over time as decisions are made. Consultation is taking place with staff and managers on a range of factors potentially affecting them (which include job changes, staffing reductions, relocation and widening or narrowing of duties) and staff views are being considered and fed back into the Project on an ongoing basis. A communication policy will be determined to ensure all practical and motivational matters are addressed throughout the implementation period.

Staff have been briefed at the start and finish of each phase of the project so far and this will continue.

Staff are currently being consulted on specific service location and organisational structure proposals. The consultation period ends on 10 June and Members will be updated on progress at the relevant committee meetings.

7.4 Home working and Job Design

Home working and job redesign has been considered in the design of the forward operating model. It is felt that the new structure includes the opportunity to develop staff and assist with succession planning. Home working is anticipated but will obviously rely heavily on the potential uptake - accordingly the Core Group has assumed a nominal five staff will take advantage of home working. Both the Core Group and Project Board see home working as useful in helping to resolve transition issues such as childcare arrangements or travel etc.

A number of staff have expressed an interest in home working and these requests are being assessed.

7.5 Travel costs

Travelling expenses for staff who have to move job location have been assumed and an allowance for this as a transition cost over two years has been built into the business case. The rationale used to calculate this allowance is based on a price per mile of 40p. This equates to approximately £10 per day per member of staff and it is assumed 25 staff might fall into this category. An estimate of £50,000 has been used but further detailed work will be undertaken during implementation to refine this figure.

7.6 Other Policies

Other policies such as flexible working might have an impact on service delivery and thus will need to be considered as part of implementation. In most cases, both Councils have policies in place, which do not differ significantly, so this issue is unlikely to be important in the short term.

Meetings and corporate duties such as elections will still need to be covered for both Councils. The Core Group is confident that the forward operating model is sufficiently flexible to accommodate this.

8. Business Support

8.1 Customer Services

DBC and SDC employ different approaches to the provision of customer services (CS) both corporately in their respective Revenues and Benefits services.

DBC	SDC
<ul style="list-style-type: none"> CS Staff are trained in a range of Service disciplines <u>including</u> R&B 	<ul style="list-style-type: none"> CS Staff are trained in a range of Corporate Service disciplines <u>excluding</u> in depth R&B knowledge
<ul style="list-style-type: none"> CS Staff deal with all enquiries on behalf of HB team in assisting to deliver the service and deal with 80% of Revenues enquiries 	<ul style="list-style-type: none"> CS Staff only deal with limited HB or Local Tax enquiries.
<ul style="list-style-type: none"> Customer services staff are provided with in-depth training to ensure they can deal with a range of R&B enquiries 	<ul style="list-style-type: none"> R&B staff deal with all aspects in this model so training is inbuilt

Whilst both approaches work well at the respective Councils, there is an essential requirement to standardise processes and procedures in moving forward to a shared service.

The proposed approach that will be adopted for the forward operating model is the development of a Revenues & Benefits Shared Service based on a hybrid approach as follows:

- Telephone callers will be routed to the back office and be dealt with by specialist staff as the first point of contact
- The retention of satellite offices to ensure customers retain current face-to-face access channels - no immediate changes at Swanley, Swanscombe, Edenbridge, Hartley and Dartford for face to face callers
- £90,000 savings have been assumed based on the above arrangements – this requires a reduction in recharge from the DBC customer service team equivalent to 3 FTE staff.

The rationale for proposing this approach is as follows:

- Retains local face-to-face channels for customers which was identified as important and cited as a criteria for evaluation in Phase 1
- Shares the impact of change by splitting face-to-face and telephone calls
- Minimises disruption to customers during transition (can be phased as required)
- Drives economies of scale initially and more significant if other Councils were to join
- Provides staff dealing directly with the customer with the authority to assess and pay claims or amend Local Tax systems and issue a revised bill or refund promptly
- Allows vacancies to be held in Customer Services to ensure minimal impact on service delivery.

8.2 Legal

The working presumption is that one Council will be providing legal advice to the service where required. The practical implications of this approach will be discussed during implementation. The delivery of legal advice is unlikely to have cost implications or result in cashable savings.

There remains the question of whether there any legal liability issues of one Council providing legal advice to another. This issue will be resolved in Phase 3 and is not expected to be an issue as both Councils share the same insurer (Zurich).

Prosecutions are currently undertaken by legal at SDC (this is reflected in the higher recharge) and it has been established by the Fraud Manager that there is additional capacity (albeit limited) to take on the extra work from DBC. There is an option to utilise DWP legal resource which is currently free of charge and going forward, it is proposed that this option will be utilised.

8.3 Financial

There is a difference between the two Councils regarding financial work undertaken on behalf of Benefits subsidy and reconciliation. This will require alignment over time (the control team have scope to undertake significant elements of this work) but this has not been considered in detail at this stage of the project.

Financial support services are significant (amounting to approximately £300,000) including payroll, exchequer etc. This area is not within the scope of this project but will be tackled corporately at a later stage.

8.4 Human Resources and other staff support functions

This needs to be considered corporately – see governance section. Areas such as health and safety, IT helpdesk, corporate training etc. will need to be addressed as part of implementation.

8.5 Information and Communications Technology

See Section 5 of this report.

8.6 Property

The Core Group are satisfied that SDC can accommodate the extra staff required for R&B. DBC has confirmed there are no significant issues with arrangements to accommodate Audit/Fraud teams together.

The Core Group have not attributed any savings to this area as there is no way of knowing (at this stage) if the space that is freed up in Dartford could be reused. There are no costs anticipated for unused accommodation. If buildings were to be re-let, this position would be reviewed.

8.7 Conclusion

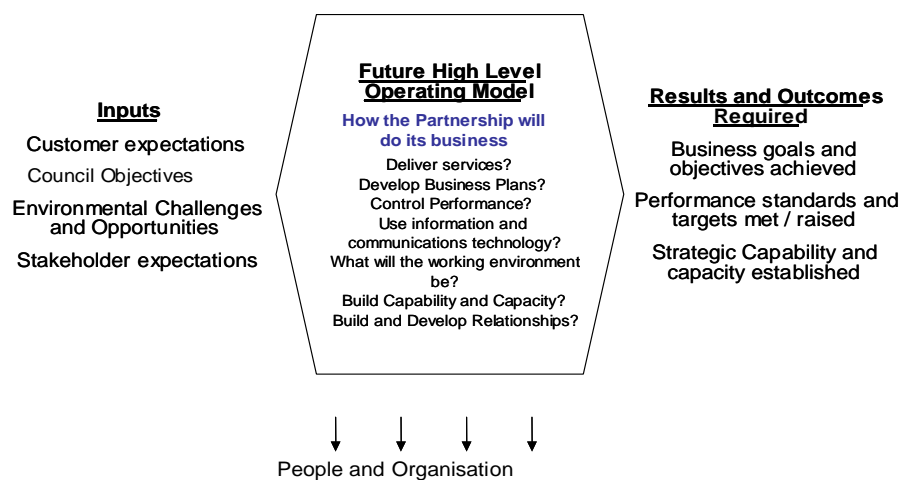
This project will have implications for activity levels for support services at each site that need to be addressed jointly by the two Councils.

9. Culture

9.1 Introduction

To realise the stated objective, the forward operating model will need to determine the way the joint service will do its business. This will be achieved through a combination of technology, improved processes, and by changing the way people work and behave.

Overall the forward operating model will enable managers and staff to adopt best practice and new ways of working, make a personal change in values and behaviours as well as exploit new technology to perform their jobs in the most efficient and effective way



9.2 Values and Beliefs

It is important that the implementation team understands how to grow and sustain the right values and behaviours that will enable success, such as:

- Customer-focused values and behaviours will be key to managing external and internal customer relationships
- Team working and collaboration is essential to enable effective partnering and develop/deliver an integrated service
- Personal accountability is vital with a focus on delivering results and tackling real priorities first

Once the new managers are in post, the team should determine/ confirm a set of values and build this into the service planning approach. This work cannot be done in advance as the new team should be identifying its own values. Currently SDC values are more corporate and DBC are more service based. To align to one or other positions (or to a different one) will require a participative exercise over a period of time which involves staff and underpins the change management process.

9.3 Leadership styles

The forward operating model will require a group of excellent team leaders and managers. It is therefore important to agree common competencies when job descriptions are drawn up in Phase 3. These job descriptions will seek to meet the requirements of both Councils.

There are development programmes already planned at both Councils, which could be combined and utilised to enhance skills within the newly formed team. The forward operating model will be built upon adopting the principles of empowerment.

9.4 Managing performance and recognising good / or poor performance

The joint service will develop - once managers are appointed - to understand how it will:

- Plan and set objectives
- Monitor and manage performance against objectives
- Improve performance especially in terms of VFM and efficiency

It is envisaged that there will be a single annual service plan (relating to both corporate plans via a “golden thread”) which will be taken through Member review arrangements along with any growth or savings proposals for the service. Service plans will be developed in conjunction with staff and be used to inform one to one interviews and appraisals.

Use of performance related payments (relating to exceptional performance) currently only apply to staff at SDC. This and similar issues will be addressed as part of the implementation.

Human Resources representatives confirm that the capability process is already standardised.

9.5 Competencies and Skills

The newly formed team will have to develop an approach to ensuring and sustaining continuous development of staff. The following are already in place or could easily be utilised within the new team:

- 4th tier development programme for team leaders at SDC
- Management Development programme at DBC
- Chartered Institute of Public Finance and Accountancy Benefits and Revenues Services
- Institute of Revenues and Rating and Valuation forum
- In house training facilities provided under the control team
- Weekly updates by email to confirm changes and share information
- Monthly team meetings to allow face to face interaction
- Skills analysis across the new team could be used

9.6 Branding

The joint service will need to establish its brand and position within the marketplace. Customers need confirmation that current service provision will be enhanced not diminished and forms, leaflets etc. must be made common under the new branding. It is also important that the branding does not restrict future expansion possibilities as other Councils, which may not be from the West Kent area, may wish to take advantage of joining the partnership

9.7 Roles, accountabilities and responsibilities

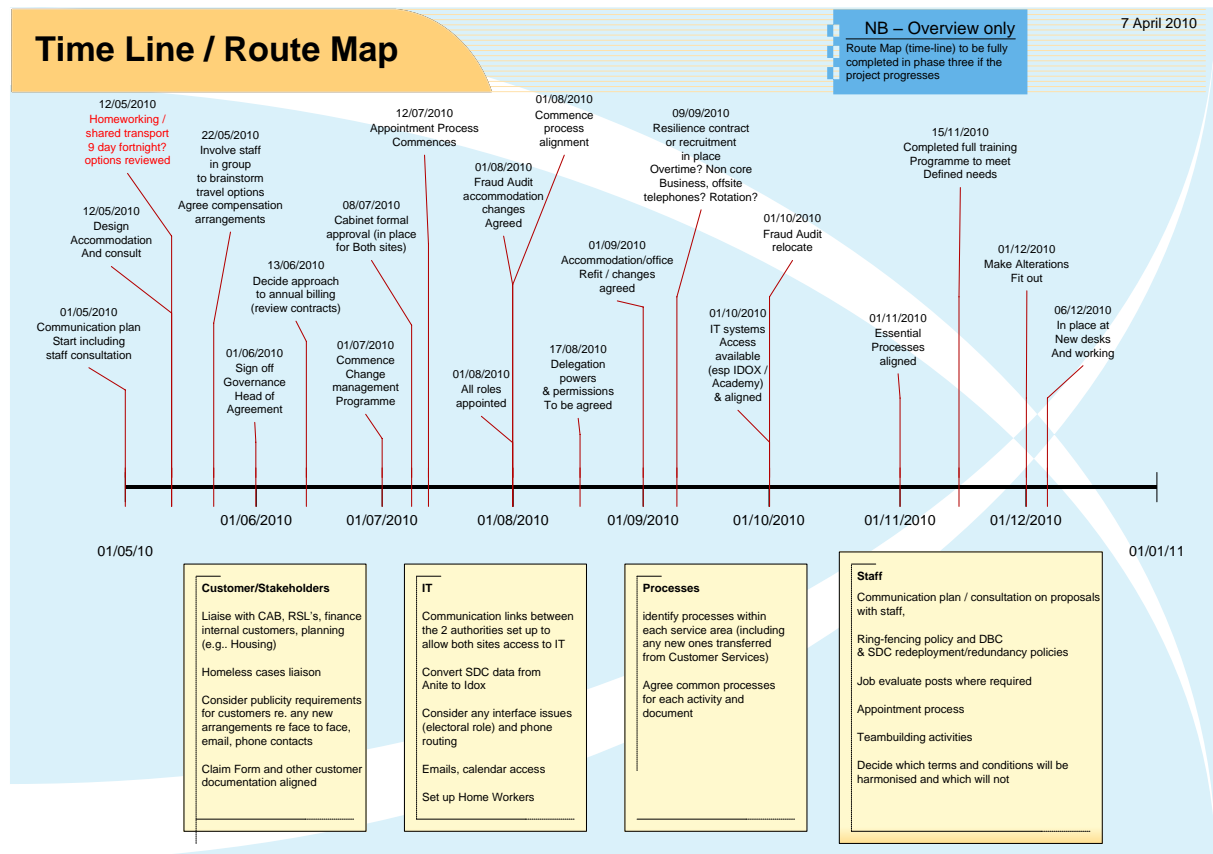
The joint service organisational structure allows considerable scope to increase productivity and morale through the creation of interesting, challenging jobs that motivate and develop staff as follows:

- Alignment of role profiles with the responsibilities and performance required of the jobholder
- Increases in senior officers or specialist roles gives wider scope for promotion and acting up
- Projects will be undertaken through use of staff who express an interest and ability to get involved
- Getting staff involved in change as it progresses – information initially and developing to a participative and inclusive approach.

10. Timeline/ Route Map

The creation of a route map is planned as a significant element of Phase 3 of the project.

The following diagram represents early thinking by the Project Board and Core Group to capture an indicative timeline. This work will be used as a starting point in Phase 3 but will involve wider consultation with managers and staff to ensure all aspects of the transition are captured.



As can be seen from the diagram above, it is intended that:

- Governance and Member approval needs to be in place as a matter of priority
- Audit & Fraud move to Dartford would take place by August 2010
- All relevant aspects of R&B ICT to be in place by 1st October 2010
- R&B team will be co-located in Sevenoaks by January 2011

Although not shown above, an operational review of the service will take place by April 2011.

11. Business case

11.1 Projected Costs and Savings

This section overviews the projected costs and savings which are estimated to emerge from the operation of the forward operating model for joint working.

The business case has been prepared with the following parameters:

- A five year timescale – from 2011/12 (the first year of full effect of savings)
- Costs are mostly as at 2010 prices – no adjustment has been made for inflation
- Full operation is assumed to commence from start of Year 1
- Staffing costs are calculated on a mix of DBC and SDC grades, with 25% on-costs
- The projected costs & savings will continue to be scrutinised and refined

11.2 Development

The Core group has developed the projected costs/ savings emerging from the preferred business model and confirmed the current costs. The group has focused on 2 key financial dimensions in particular:

- The definition of the forward organisation chart to enable an estimate of staffing costs
- Estimates of likely additional costs and savings through shared working for key elements. The group expressed these costs and savings in terms of deviation from the current baseline.

Staffing Costs	Shown in table 11.3, salary costs (including 25% on-costs - but excluding any allowance for pension deficit) are projected on the basis of the defined joint working organisation chart/ staffing structure and shown as appropriate within direct costs/ staffing costs in the projected costs table.
Additional costs primarily one-off/ implementation costs	These are summarised in the separate costs table at 11.4, which is further analysed to establish a 5 and 10 year write off period and the likely pay back period.
Savings	<ul style="list-style-type: none"> • Savings are shown in a separate table at 11.5. These are analysed by activity area for both councils.

11.3 Business Case

Dartford and Sevenoaks Revenues and Benefits Joint Working Project: Business Case	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2011/12	2012/13	2013/14	2014/15	2015/16	
	£000	£000	£000	£000	£000	£000
Current Costs						
Staffing costs	2,417	2,417	2,417	2,417	2,417	12,085
Add Audit Units Costs	338	338	338	338	338	1,690
Transport costs	11	11	11	11	11	55
Supplies and services	207	207	207	207	207	1,035
Technology	62	62	62	62	62	310
Misc	2	2	2	2	2	10
Total Direct Costs	3,037	3,037	3,037	3,037	3,037	15,185
Customer Services	546	546	546	546	546	2,730
Corporate Services	378	378	378	378	378	1,890
Property Services	160	160	160	160	160	800
IT Services	360	360	360	360	360	1,800
Management & other	149	149	149	149	149	745
Total Indirect Costs	1,593	1,593	1,593	1,593	1,593	7,965
Total Current Costs	4,630	4,630	4,630	4,630	4,630	23,150

Future Costs						
Staffing costs - exc Fraud	1,998	1,998	1,973	1,973	1,973	9,915
Add Fraud Unit Costs	126	126	126	126	126	630
Add Audit Units Costs	338	338	338	338	338	1,690
Transport costs	11	11	11	11	11	55
Supplies and services	168	168	168	168	168	840
Technology	62	62	62	62	62	310
Misc	2	2	2	2	2	10
Total Direct Costs	2,705	2,705	2,680	2,680	2,680	13,450
Customer Services	456	456	456	456	456	2,280
Corporate Services	378	378	378	378	378	1,890
Property Services	160	160	160	160	160	800
IT Services	342	342	342	342	342	1,710
Management & other	149	149	149	149	149	745
Total Indirect Costs	1,485	1,485	1,485	1,485	1,485	7,425
increased income	-60	-60	-60	-60	-60	-300
Total Future Costs	4,130	4,130	4,105	4,105	4,105	20,575

Forecast Annual Savings	-500	-500	-525	-525	-525	-2,575
Forecast Cumulative Savings	-500	-1,000	-1,525	-2,050	-2,575	2,575

For year 6 onwards the net saving is £525,000 pa.

11.4 Implementation Costs Summary

Estimated one-off implementation costs					
Costs	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000
IT changes required to enable partnership including transfer of SDC Revenues and Benefits document imaging to Idox software	79				79
Equipment required for homeworking	20				20
Travel costs for staff changing location		50	50		100
Other set up costs		30			30
Office changes and redesign at both sites	30				30
Redundancy provision	250				250
Staff backfilling costs for service resilience	25	50	25		100
Pay protection for staff assimilated to lower grade posts		50	50	25	125
Project Management	33	54	13		100
Total costs	437	234	138	25	834
Contingency Allowance to be set up					150

Estimated set up costs	£834,000
Written off over 5 years	£166,800
Written off over 10 years	£83,400
Payback period	1.67 years

11.5 Savings Summary

Estimated Savings	2011/12	2012/13	2013/14	2014/15	2015/16	Total
Savings	£000	£000	£000	£000	£000	£000
Revenues and Benefits - reduced staffing compared with existing arrangements	233	233	233	233	233	1,165
Further efficiencies reducing staff costs in future years			25	25	25	75
Fraud Team - reduced staffing	60	60	60	60	60	300
Audit Team - reduced agency staff costs	17	17	17	17	17	85
Reduced supplies and services costs through improved efficiency (postage)	10	10	10	10	10	50
Reduced supplies and services costs through rationalisation of payment methods	12	12	12	12	12	60
Reduced recharge from Customer Services due to reduced requirements from that service	90	90	90	90	90	450
Reduced recharge from IT Services as SDC Revenues and Benefits Document Imaging software no longer required	18	18	18	18	18	90
Increased income - benefits overpayment collection	30	30	30	30	30	150
Increased income -Court fees	30	30	30	30	30	150
Total savings	500	500	525	525	525	2,575

12. Governance

12.1 Introduction

It is anticipated that the partnership arrangement will have a governing document or partnership agreement which sets out the partnership arrangements in order that the parties adhere to the values and responsibilities of the partnership. Some of the main provisions of the agreement will cover:

- Functions and responsibilities of the partnership
- Establishment of an officer partnership board
- Outlines financial reporting and budgetary arrangements
- Exit strategy
- How performance will be measured
- How risks and benefits will be shared
- Transfer of staff

However, the partnership agreement will not be able to anticipate every eventuality and so at times the arrangements and responsibility for supporting the governance of the partnership may fall to the partners' own corporate governance mechanisms with each partner acting with flexibility, honesty and developing and maintaining trust.

12.2 Structure

Sevenoaks District Council and Dartford Borough Council will remain as two separate councils, keeping their own set of accounts, their own identities and their own councillors. It is anticipated that Sevenoaks District Council will be the host authority for delivery of the Revenues and Benefit function and Dartford BC the lead for Audit and Fraud. An officer partnership board for the shared Revenues and Benefits service will be created represented by two officers from each council with each officer having a single vote on each decision that needs to be made by the partnership board.

The partnership board should meet at least twice a year and receive each year a report of the Heads of the relevant Shared Service showing progress in achieving the objectives of the business plan, a summary revenue account including the distribution or use of any revenue surpluses and the future financing expenditure.

The partnership board shall make proposals for any changes which seem to be reasonable and appropriate in the circumstances. The partnership board should consider ways in which the partnership can be expanded and will consider any applications by any prospective new partner at the discretion of the lead authority.

12.3 Employment

The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) protects employees' terms and conditions when a business or undertaking, or part of one, is transferred to a new employer. Under TUPE, the reorganisation of a public administrative authority, or the transfer of administrative functions between public administrations, is not a relevant transfer. Although the meaning of 'administrative' is not defined, the Government guidance reinforces the

established view that the principles of TUPE should be adhered to in any intra-governmental reorganisations. To avoid any doubt, the Cabinet Office Statement of Practice 'Staff transfers in the public sector' sets out the Government's policy that TUPE should apply where the public sector is the employer or client in a contracting exercise.

It is envisaged that any new employees to the Revenues and Benefits partnership will be employed by Sevenoaks District Council and new Audit and Fraud employees would be employed by DBC. The 'Best value and performance improvement circular' specifies that the transferee service provider must offer employment to new recruits on 'fair and reasonable terms and conditions which are, overall, no less favourable than those of transferred employees' and which offer reasonable pension arrangements.

A number of staff from Dartford Borough Council will be franchised to Sevenoaks District Council on a temporary basis for two years in order to avoid complex staff displacement issues with Sevenoaks District Council receiving the benefits of the skills and experience of staff from Dartford Borough Council for Revenues and Benefits. Similarly, Sevenoaks will be franchised to Dartford Borough Council for the Fraud and Audit teams. Difficulties exist around differing terms and conditions of staff contracts and the two year period will enable the establishment of future employment arrangements and the carrying out of work to harmonise terms and conditions. However, case law has confirmed that employees assigned to a service automatically transfer to the transferee at the point of the transfer, notwithstanding the wishes and intentions of the parties. So, even if staff and both councils prefer a secondment model rather than a TUPE transfer, the secondment will not be effective if there is a relevant TUPE transfer. However, as there will be retained functions undertaken by Dartford Borough Council it is not anticipated that a transfer of an undertaking will take place.

12.4 Financial

From the start of the project, there has been a strong and certain presumption that the entire costs and savings of the partnership will be shared on a 50 percent basis including unforeseen costs and savings the remoteness of which to be agreed by the partnership board. Flexibility will need to be built into the partnership agreement to deal with exceptional circumstances but the equal sharing of risk and reward is felt by all concerned to be critical to the success of the joint working project.

The partnership should complete an annual budget planning process and the budget for the year will be managed and monitored through the partnership board. Exceptional reporting to the partnership board could take place if possible changes to the budget became necessary. Payments between the authorities will be made in accordance with the terms set out in the partnership agreement. Any surplus or deficit will be carried forward and included in the budget calculation for the subsequent year. A review of the factors used in calculation of the sharing percentages will be carried out at least annually including residual support service costs inflated in line with the percentage used for annual national local government pay award.

12.5 Termination

The partnership agreement should set an operating period, for example, at least ten years. However, the agreement should be capable of termination by either party giving a reasonable period of notice of termination, for example, at least twelve months written notice of termination provided that such notice may not take effect before a certain date, for example, within a period of four years from date of commencement.

On termination each council should act reasonably in co-operating with each other to facilitate the disaggregation of the partnership in such a manner as to cause the least disruption to customers and to maintain levels of service as far as possible, agree arrangements for the

transfer of staff and avoid redundancies wherever possible, facilitate the transfer of data and records and mitigate costs so far as practical.

The Council giving notice of termination should bear all costs arising out of or in connection with such termination and should indemnify the other council against all costs and expenses incurred or to be incurred by them arising out of or in connection with the termination including costs of redundancy or re-deployment of any staff, termination of any lease or licence for the occupation of any premises or the use of any equipment, procurement of any alternative accommodation or relocation of any services or staff and procurement implementation or reconfiguration of any equipment, preparation, disaggregation and transfer of any data and records and staff costs and administrative overheads in connection with any elements of the termination.

12.6 Performance

The partnership board should agree an annual business plan covering an agreed period including business and financial objectives, staffing levels, performance target and service level agreements.

Dartford Borough Council may retain certain functions and responsibilities for certain aspects of the Revenues and Benefits service which will need to be defined within the partnership agreement. Similarly in respect of the Audit and Fraud service and SDC.

For the duration of the partnership agreement each council should agree delegations and authorise the respective Council to carry out certain functions.

Each council should complete their respective functions in accordance with their respective financial procedures and standing orders.

It is envisaged that there will be close liaison to minimise audit costs and carry out work jointly wherever possible.

The Head of the partnership being a senior officer of the host authority acting under delegated powers shall be empowered to make any necessary technical or operational decisions for the effective operation of the Revenues and Benefits service or Audit and Fraud service including the virement of budgets and appointment of staff. The partnership board should use its reasonable endeavours to ensure fair and equitable treatment of both councils.

In the event of the partnership at any time experiencing a level of performance which is not achieving the agreed targets in the relevant annual Business Plan, the partnership board shall use all its reasonable endeavours to remedy that as a matter of priority.

It would be useful if the implementation of the partnership arrangement takes place within an agreed transition period whereby performance targets would not apply. Even though performance targets would not apply for the transition period the staff within the service area should apply their reasonable endeavours to deliver the services to the standards set out in the business plan.

It may be necessary for the partnership board to vary the transition period depending upon factors that may affect the time taken to implement the necessary changes.

A fundamental review of the service delivery may be required, if considered necessary by the partnership board but not until at least one year after the transitional period has ended.

12.7 Legislative Compliance

Local authorities can generally do only what they are expressly empowered to do and when contemplating entering into collaborative arrangements of any kind should be sure of their powers to do so.

The Local Authorities (Good and Services) Act 1970 enables councils to provide administrative, professional or technical services to other councils and to other public bodies (but not the private sector or the public in general) and section 1 (3) of the act provides for payment for these services. It should be noted that section 2 (2) requires that the accounts of a local authority entering into an agreement to provide a service under this act include a separate account in respect of the agreement.

The Local Government Act 1972 Part VI of this act gives councils the ability to establish joint arrangements, such as the discharge of a function by another council (delegation) or the establishment of a joint committee.

Councils considering a collaborative arrangement such as jointly provided services should ensure and be aware that TUPE will apply if a “relevant transfer” occurs.

The councils will also need to carry out their functions in compliance with all relevant statutory requirements and restrictions including:

- The Data Protection Act
- Access to Information Act
- Equalities Legislation
- Human Rights Legislation
- Freedom of Information Act

Each council may be required to ask the other council for information to enable the satisfaction of a request made upon them under the Freedom of Information Act. The councils will need to support one another in the completion of effective requests under this Act. In addition, each council should ensure that prior to the commencement of the partnership the terms of its registration under the Data Protection legislation with the Information Commissioner enables it to send data relating to the partnership to the other council and to receive data from them and process it for the purpose of carrying out a function of the partnership.

Each council has its own partnership protocol/policy/toolkit and each authority should satisfy itself that the partnership agreement satisfies the requirements of such partnership protocol/policy/toolkit. For a partnership to be effective, certain standards of conduct are expected of the individuals in the partnership. The Sevenoaks partnership toolkit incorporates a partnership protocol on conduct and accountability which is a model drawn up by the Standards for England who have invited local government and their partners to use their protocol and either adopt it wholly or adapt it to fit their own circumstances.

It is envisaged that each council will be responsible for entering into contracts on behalf of the partnership required for the delivery of their particular function. Every contract for the supply of goods and services for a function of the partnership should comply with the Financial and Contract Procedure Rules of the council carrying out the function and those contracts should be in the name of that council but should confirm that it has entered into the contract on behalf of the councils.

12.8 Expansion

The partnership should have the ability to consider ways in which the partnership can be expanded either between the two councils or by considering applications by any prospective new partner.

The decision whether a new partner is admitted to the partnership and if so the terms on which this takes place could be subject to the unanimous agreement of the two councils, firstly at partnership board stage and then at the appropriate member level decision making stage in each council.

13. Risk Assessment

13.1 Risk Register

The implementation of joint working carries a degree of risk. The principle risks and mitigating strategies were considered by the Core Group and Project Board and are summarised below:

No.	Risk (description)	L	I	Sev	Strategy	Action outstanding	Date Closed
1	Lack of clarity – no vision/ big picture	2	2	4	<p>Project has been designed to ensure that change is led by capable and senior managers (influenced by chiefs, members and staff) who understand the requirement to build a compelling vision</p> <p>Phase one involved significant work to ensure key stakeholder groups were identified and their interests understood, this should ensure the team creates a vision of change that stakeholders and those involved will find motivational</p> <p>Senior managers fully involved through the project board are well placed to ensure existing initiatives plus national and local policy priorities are taken into account</p> <p>Proposals have (where practical) been designed to be flexible in response to potential government changes</p>	<p>Communications plan to be created and used to ensure the big picture is communicated widely - clarity for expansion discussed - ICT strategy accommodate expansion. Capita provide for 4 databases not just two. For customer services will arrangements expand Set up session to quietly envisage expansion to 4 Las and consider HR Legal, ICT, Finance,</p>	open
2	Threat to corporate reputation	2	2	4	<p>Baseline costs and performance levels were determined and signed off by managers with hands on responsibility for the services and thus are properly understood Customer needs and sustaining the performance of services has been a key consideration of the feasibility study.</p> <p>The board has regular involvement to ensure challenge and make sure that where problems do occur, they are addressed quickly and effectively. This is backed up with regular communications to staff and stakeholders to ensure that negative perceptions do not spread</p>	<p>Phase three will consider change management but the principles of involving staff and stakeholders have been built into phase one and two. Consider recruitment of apprentice roles The project board has already recognised the potential for disruption and has made financial provision in the business case for the cost of mitigating it. Where necessary extra support or the backfilling of roles will be arranged. Business continuity planning will be undertaken</p>	open
3	Benefits are overestimated and over-promised	1	2	2	<p>The benefits have been calculated by senior finance officers with the assistance and scrutiny of independent consultants. Particular attention has been paid to staff transfer and cost issues. The managers of the two R&B services and other senior managers have been closely involved in the calculation of the benefits</p>	<p>Costings will be refined during the implementation. consider single accountant to take responsibility and ownership of JW accounts role</p>	open
4	Lack of top management support	1	3	3	<p>Top management has been closely involved in the exercise from the outset, and understands the rationale for sharing and the benefits that are likely to flow from it. The partners share a similar outlook and set of values</p>	<p>keep involved at MD/CEX level and keep under review as project progresses</p>	open

No.	Risk (description)	L	I	Sev	Strategy	Action outstanding	Date Closed
5	People governing change have different agendas and are not united towards a common goal	2	2	4	All stakeholders have been consulted on the proposal at the outset in an open and honest discussion about its goals. This stakeholder engagement has highlighted a wide range of concerns and issues which have been fed into the development of the proposal. A communications plan will be developed to ensure that a high trust environment will exist, with the involvement of a wide range of representatives from across the two organisations	Communications plan has been created and used to ensure the big picture is communicated widely	open
6	Failure to collaborate– no real cross-departmental organisational sharing	1	2	2	Service managers have been closely involved in the process of designing and implementing the new shared service arrangements. There is a close working relationship between the two Councils. Clear standards, targets, rewards and sanctions will be put in place as part of the project management of the implementation as will mechanisms for understanding and addressing concerns.	Targets and standards to be further refined	open
7	Failure to understand and address added complexity and new relationships created by the shared services	1	2	2	The early stakeholder engagement process identified at the outset the goals and outcomes which each organization would like to see from their collaboration. It also helped to develop an understanding each others values and perspectives. The second phase of the project has helped to identify risks and constraints that may reduce the scope for maneuver, and has set out the issues which need to be addressed in designing joint governance arrangements.	The Governance agreement to be finalised and approved	open
8	Poor communication between partners	2	2	4	Effective communications plans and systems are in place. The board overseeing the project is made up of senior officers from both Councils. A full blown communications plan will be developed using a range of media, and in consultation with the Councils' communications advisors	Maintain close involvement and relationship at the higher level between Councils. Consider getting the leaders together.	open
9	Customer expectations vary from service to service and partner to partner	2	2	4	The standards and service delivery goals of the new organisation have been clearly set out in phase 2 of the project. The communication plan will include means by which customers can be given clear and consistent statements with a common vision and set of messages about the nature of the change which the joint service will bring	External Communications plan to be created and used to ensure the big picture is communicated widely	open
10	Lack of access to skills and experience needed to change	1	3	3	Experienced consultants have been involved from the outset. Staff with relevant skill and experience have been involved in the project from the outset. Change is being led by people with the authority and skills necessary to surface potential problems and bring about their resolution	Project manager to be considered, ensure progress and monitor activity.	open
11	Lack of understanding of business processes and service delivery	1	3	3	Detailed work has been carried out on the as is positions of the two R&B services, and much consideration has been given to the consequences of merging the two services. The senior management of the two R&B services have been closely involved in this process, and in agreeing the standards which will form the basis for a simple efficient and effective set of process designs and delivery structures. The third phase of the project will identify the steps need to bring everything together.		open

No.	Risk (description)	L	I	Sev	Strategy	Action outstanding	Date Closed
12	Resistance to change among staff and other stakeholders	2	3	6	All stakeholders have had involvement with the project, and the human and cultural aspects of the change are understood, and plans will be in place to deal with any potential conflicts	consider force field analysis session	open
13	Change threatens individuals' jobs and career paths	2	3	6	The outline staffing structure recognises peoples need for variety and career progression, and further work will be done on this when designing new jobs and roles. The benefits of the new structure will be communicated to staff as part of the communications planning. The positive aspects of the change will be explained and attempts made to resolve any negative perceptions	maintain speed and commitment to resolving and informing	open
14	Failure to address redeployment and redundancy issues early on	2	3	6	The work done in phase 2 has spelt out the potential redeployment and redundancy issues. The process for dealing with these issues will be explained to staff as will the basis on which any decisions about redundancy/redeployment will be made	holding vacancies, providing information all ongoing	open
15	Failing to tackle the role of the "leave behind"/retained organisation	2	2	4	All those affected, either directly (e.g. R&B, audit staff) or indirectly (IT, customer service staff) will be kept fully informed as part of the communications planning. Any impact upon their jobs/roles will be addressed as part of the implementation of the joint service.		open
16	Anomalies created by differential terms and conditions among staff makes harmonised working practices difficult	2	3	6	The project board is fully aware of this issue and intends to use a two year period where staff remain employed by their existing employers to provide adequate time to resolve any anomalies	meeting with HR on 28th May to cover this point with aim of finding a solution as the PB considers this an important blocker	open
17	Legacy systems are fragmented and/or bespoke and difficult to integrate with any new IT systems	2	3	6	The technical options around the ICT provision for the joint service have been fully explored in conjunction with the two Councils' ICT managers, and an agreed way forward devised. The costs /benefits of this way forward have been considered and they will be shared in accordance with the overall Governance agreement. Both long and short term issues around legacy systems and a single managed ICT system have been considered	consider ICT implications for any future expansion	open
18	IDS forthcoming changes could have impact				condemn changes to make savings are considering reform of benefits which could change the way it is delivered	review governance with this in mind	open
19	A focus on cost savings may mean that the IT infrastructure does not provide a real enabler for change	2	3	6	These issues have been fully considered as part of the technical exploration referred to in the previous sections. An understanding of the infrastructure that is needed to support collaborative working, both for in-scope projects, as well as more strategic enablement has been gained. The costs of change have been calculated, and the most appropriate model devised.	Keep proposals under review	open

14. Conclusion

14.1 Assessment against criteria from Phase 1

The table below summarises the Phase 1 criteria and describes the current position based on the forward operating model.

Agreed Criteria Established in Phase 1	Outcome Based on Phase 2 findings
Cashable revenue savings (or income generation totaling minimum of net £200K per annum each) not invest to save. FYE 11/12	This report details the business case and confirms that savings of at least £400K per annum are achievable. At this stage, there is still work to be done to reach a more detailed (and therefore more accurate) picture
Local outposts for customers spread across combined region - flexible to change but F2F outcomes should be preserved	Dartford customer service would be preserved with only the telephone calls being transferred to the back office at Sevenoaks. Outposts are retained within the chosen forward operating model. However these would be reviewed over time by the new management to ensure they represent VFM and meet customer needs
Improve resilience (capacity, flexibility, continuous improvement in efficiency and quality terms)	The forward operating model has been designed to ensure sufficient capacity and flexibility. Standards chosen are purposely not upper quartile recognising that the law of diminishing returns applies – the new combined service will focus on achieving quality services to meet customer needs at the lowest possible cost.
Low risk to income areas such as collection rate and subsidy	The current economic climate makes it difficult to predict what ongoing collection rates can be achieved. The forward operating model has been designed on achieving comparable performance to the current arrangements overall with increasing performance moving forwards
Maintain customer satisfaction levels and meet their defined needs	Customers will have increased choice and availability of access to services and the opportunity to shape service delivery
Capable of implementation in 10/11 (capable of sound risk analysis / clear route minimal implementation cost, redundancy, IT alignment etc.)	Implementation would be substantially completed within 2010/11 with ongoing work to refine and improve processes etc. going forwards. The route is clear but does carry some risk as a substantial part of the change management will be done within existing roles. Estimates have been made for redundancy and IT alignment costs and these will be refined as part of implementation.

14.2 Recommendation

The Project Team recommends progression to Implementation of this project based on:

- The most influential criterion (based on weightings attributed at the time) is, by some margin, the cashable annual revenue savings of £400K. Based on the outcomes from the feasibility study, this level of savings is achievable
- Other criteria including the continuing delivery of service to customers are considered achievable by the Project Team, Project Board and relevant professionals
- Consultancy challenges (raised throughout the project) have all been resolved to an acceptable level
- No serious issues were identified in key work streams such as implications for staff and customers, business support etc.
- The ICT plan covers all business requirements at an acceptable level of cost
- Risks as set out in section 11 of this report are reasonable and in most cases have an identified approach to mitigation. This ensures that the risks are commensurate with the potential rewards
- Agreement on key principles of governance including a 50:50 approach to sharing risks and rewards and agreed approach to harmonising terms and conditions
- Organisational structure and approach has been designed by officers who have the requisite expertise and ongoing involvement with the project
- Continuing political and executive support for the project and an undiminished requirement to achieve savings
- Fits with the wider political movement towards sharing service in the two Councils and allows for expansion.

15. Next Steps – Phase 3

This section briefly describes the particular activities that are currently being undertaken in Phase 3.

Phase 3 is planned to draw up detailed route map and implementation plan for moving toward implementation of the forward operating model. It will include:

- Detailed project time-line to include Member reporting arrangements
- Production of an implementation plan validated by managers and staff
- Staff consultation on structure and job profiles
- Capacity planning exercise to ensure sufficient resources are available at the right times as the project moves forward
- Audit/fraud business case to be developed to ensure move to forward operating model with one team and one approach
- Production of an updated Feasibility Report.