

**Item 5c - Dartford and Sevenoaks Revenues, Benefits, Audit and Anti-Fraud  
Joint Working Project – Proposed Forward Operating Model**

**Cabinet's recommendation to Council**

At its meeting on 8 July 2010, Cabinet

**Resolved:**

*That the proposed operating model for the joint provision of Revenues Benefits, Audit and Fraud Services with Dartford Borough Council be approved and that;*

- (a) *The Leader of the Council and the Finance and Value for Money Portfolio Holder be delegated the authority to agree the Heads of Terms for a Partnership Agreement;*
- (b) *The Leader of the Council and the Finance and Value for Money Portfolio Holder be delegated an appropriate level of support service charges to transfer from DBC to SDC to allow for a net effect of 15 additional staff being based at Argyle Road;*
- (c) **A provision for £417,000 investment costs and a £75,000 contingency be recommended to Council to support in the implementation of the project as a Supplementary Budget Request (these figures represent a 50% share of costs); and**
- (d) *The Leader of the Council and the Finance and Value for Money Portfolio Holder, together with the Deputy Chief Executive and Director of Corporate Resources, be delegated to approve any consequential actions required in order to implement the proposed business model.*

N.B. Resolution (c), shown in bold, is for Council to consider.

The full Cabinet Minute will be circulated separately.

**Consideration by other committees**

*Services Select Committee – 8 June 2010*

The Head of Finance and Human resources introduced Mr Darren Walklate from Meritec to the Committee, who had provided consultancy services to both authorities on the project. The project had started in January 2010 with the aim to provide high level savings to both authorities. Services from Meritec had been used to provide both authorities with the required expertise and ensure the project was undertaken within a set timeframe to minimise disruption to staff and the provision of the service. Implementation was planned for the beginning of December 2010 and it was hoped that the relatively short period of the process would ensure staff morale was kept high. This timing was also appropriate to the calendar of work undertaken by tax and benefits. The savings would form part of the 2011/12 budget for the Council.

As part of the preferred model audit and fraud services would be based at Dartford Borough Council (DBC) and revenues and benefits services based at Sevenoaks District Council (SDC). A joint-service based solely at one site had also been considered, however it was felt that splitting services across the two sites was most appropriate. As part of this process some staff in both authorities would be in competition for roles in the new structure. However the Council had also made provision for redeployment of staff, where appropriate, within the Council and was providing support and training to staff. It was reported that the response from staff had been very professional and performance had remained high.

The representative from Meritec explained that he had been involved in five such projects of this nature to date and the potential for savings was much greater in smaller district authorities, such as DBC and SDC. Bigger authorities had found that they could find larger savings within their own organisation.

The Portfolio Holder for Finance and Value for Money congratulated the Head of Finance and Human Resources and the Project Team for the work that had been undertaken. He stated that the timescales of the project were appropriate to ensure that the disruption to staff was minimal. The Portfolio Holder also noted that the proposed savings, from the project, were excellent.

It was noted that although there was no immediate plans to wider the partnership out to a third authority, the design was such that this would be feasible in the future. Currently there was a mid-Kent project of Tunbridge Wells Borough Council, Maidstone Borough Council, Ashford Borough Council and Swale Borough Council who had been looking into similar shared services. Tonbridge and Malling Borough Council and Gravesham Borough Council were also in the early stages of talks.

Work in relation to the operation and structure of the new teams within the project had been undertaken by the Benefits Manager and Local Tax Operational Manager at SDC with their counterparts at DBC. The Council was currently in the process of drafting a detailed implementation plan for the project. This would include the allocation of task with set timescales, the co-ordination of this work had been delegated to an Officer in the Finance Team.

In relation to a query on fraud services it was explained that monitoring on how many sanctions had been achieved would continue and there was no concern that there would be any change to the level of fraud policing when the service was delivered from DBC. Close links would also be maintained between the benefits team at SDC and the fraud team at DBC to ensure the two services continued to share information. In response to a query on why benefits and fraud services had been split in this manner, it was explained that it was considered more appropriate to keep audit and fraud services together at one location.

In relation to the potential risks of the partnership for the Council the Head of Finance and Human Resources explained that, as with any partnership working, it could make delivery of services more complex and it reduced the flexibility of the service as the Council would be working constantly with another local authority. However, in the circumstances, it was felt that the benefits of the joint working and the increases in specialised skills it would bring to the service out weighed the potential downsides.

The costs of the project had been scrutinised and measures were being taken to minimise these as far as possible. Much of the costs were in relation to potential redundancies and work was on-going to keep these numbers as low as possible, for example through deployment within the Council.

A Member commented that work which had been done was very commendable in this area due to the size of the Revenue and Benefits service. It was also noted that authorities elsewhere had been involved in talks for approximately 3 years and this would have a detrimental effect on staff morale. The model proposed for joint working with DBC would ensure the disruption to staff was kept to as minimal level as possible.

It was noted that for the first two years of the project staff from each respective authority would continue to be contracted by their initial authority of employment. This would allow a period where work could be undertaken to harmonise the terms and conditions of all staff involved in the partnership. If any vacancy were to arise in the two years then both SDC and DBC would have to jointly agree on who would be the employer of the new member of staff. Staff who had to relocate for their primary place of work would have their travel costs met for the first two years of the project. It was currently being decided the best course to pursue this, either through paying costs or providing a travel allowance.

In relation to the effect on the service users it was explained that as far as possible the effect would be minimal and service users should not be aware that any changes had been made to the delivery of the service. Service users would be benefited by additional choice in the offices they went to, for example residents in the north of the District would be able to use facilities in Dartford, whereas residents in DBC would be able to use the local office in Swanley. The partnership could also help provide savings in the future, for example potential new services for web access and other software products would only need to be purchased once across the partnership, providing long term enhancements.

In relation to partnership working in general it was highlighted that the Council was not restricted to working with other Kent authorities. Instead work could be undertaken with neighbours in East Sussex, Surrey and the London Boroughs, as well as with authorities that the Council did not share a geographical boundary.

Resolved:

- a) Members note receipt of the report
- b) It be recommended to Cabinet that the proposed operating model for the joint provision of Revenues, Benefits, Audit and Fraud Services with Dartford Borough Council set out below be approved and that;
  - i) The Leader of the Council and the Finance and Value for Money Portfolio Holder be delegated the authority to agree Heads of Terms for Partnership Agreement;
  - ii) The Leader of the Council and the Finance and Value for Money Portfolio Holder be delegated to agree an appropriate level support services charges to transfer from Dartford Borough

Council to Sevenoaks District Council to allow for the net effect of 15 additional staff being based at Argyle Road;

- iii) A provision for £417,000 investment costs and a £75,000 contingency to be recommended to Council to support in the implementation of the project as A Supplementary Budget Request (these figures represent a 50% share of costs); and
- iv) The Leader of the Council and the Finance and Value for Money Portfolio Holder, together with the Deputy Chief Executive and Director of Corporate Resources, be delegated to approve any consequential actions required in order to implement the proposed business model.

*Performance and Governance Committee – 29 June 2010*

The Chairman noted that the Committee was only required to discuss the audit and fraud considerations within the report as the other areas had already been considered by the Services Select Committee on 8 June 2010.

The Head of Finance and Human Resources updated that Committee that the Operating Model had been approved by Dartford Borough Council (DBC) at a Cabinet Meeting on 24 June 2010, it was still to be noted for consideration by the DBC Audit Board on 30 June 2010.

A Member of the Committee congratulated all Officers who had been involved with the Project and welcomed the speed at which the partnership scheme would be delivered. It was hoped this could be used as a future model in relation to other partnership working within the Council.

Following a query it was explained that the operating model built on the audit arrangements already in place and the Audit Team was already in a strong position to undertake partnership working.

Resolved: That the Audit and Fraud considerations within the report be approved and endorsed.