

**EXTRAORDINARY COUNCIL MEETING held at 7.30 pm at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN on 19 OCTOBER 2010**

Present:- Councillor S V Schneider – Chairman  
Councillors E C Abrahams, S Anjum, K R Artus, H J Asker, S Barker, E L Bellingham-Smith, C A Cant, R H Chamberlain, R P Chambers, J F Cheetham, J E N Davey, C D Down, K L Eden, M L Foley, E J Godwin, E W Gower, W Hicks, J E Hudson, D M Jones, A J Ketteridge, J I Loughlin, J E Menell, M Miller, D J Morson, D G Perry, J A Redfern, H S Rolfe, D J Sadler, J Salmon, G Sell, C C Smith, A D Walters, A M Wattebot, L A Wells and P A Wilcock.

Officers in attendance:- J Mitchell (Chief Executive), M Cox (Democratic Services Officer), R Harborough (Director of Public Services), S Joyce (Assistant Chief Executive - Finance), M Perry (Assistant Chief Executive - Legal) and A Webb (Director of Corporate Services).

**C40 PUBLIC SPEAKING**

Prior to the meeting a statement was made by Hayley Bennett, Revenues and Benefits Officer, Uttlesford District Council. A copy of the statement is attached to these minutes.

**C41 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors R Clover, A Dean, C Dean, S J Howell, T P Knight, R M Lemon R D Sherer and A C Yarwood.

Councillor Chamberlain declared a prejudicial interest in item 3 on the agenda and stated that he would leave the meeting for the consideration of that item.

Councillor Chambers declared his interest as a member of the Essex Council and as Chairman of the Essex Police Authority.

Councillor Barker declared a personal interest as a member of Essex County Council.

**C42 DRAFT PROPOSALS FOR EXECUTIVE GOVERNANCE**

The Council considered a report following the resolution made at the last meeting to agree in principle to an executive form of government and for officers to work up a model to put before this meeting.

The proposed new structure would be based on a leader and cabinet model. The cabinet would comprise a leader with between 2 and 9 portfolio holders. The two regulatory committees, Development Control and Licensing would remain and there would be two committees to undertake the overview and scrutiny functions. The report described the roles of these bodies and explained the arrangements

for delegation. It also set out proposals for whether certain functions would be the responsibility of the executive or be reserved for full council.

The Act gave the council's the option of making the proposals the subject of a referendum, but given the low level of interest shown by the public at the initial consultation, it was agreed that there was insufficient justification to conduct a referendum on this matter.

Members were advised of the timetable for implementation. If passed, the proposals would be published and members would then resolve to adopt the arrangements at the Council meeting on 14 December.

The new structure would require a revised constitution and a draft was circulated with the report. This would be adopted at the Council meeting on 17 February and give effect to the executive arrangements.

The district council elections would be held on 5 May 2011 and the new arrangements would come into effect on 8 May 2011, for intervening period the Act required the Council to lay down transitional arrangements. It was proposed that the existing scheme of delegation would remain unchanged for this period and other matters would be delegated to the Chief Executive in consultation with the leader of the political group with the most members at that time.

An equality impact assessment had been undertaken and had concluded that a move to executive governance would be neutral in terms of equalities.

Adopting an executive model would change the roles and responsibilities of members which would require a review of the allowance scheme. Members had previously expressed a wish that any changes should be cost neutral. A meeting of the Independent Remuneration Panel would be held in November to consider details of a possible scheme.

Councillor Ketteridge moved the recommendation in the report to agree the draft proposals for executive governance. He said that the committee system had served the council well but was now outdated and a cabinet system would be best for residents. He pointed out that any model would be adaptable and could be amended at any time to improve its effectiveness. He circulated a model of a possible new structure, which was illustrative only at this stage, but showed a cabinet comprising a leader, deputy leader and 4 portfolio holders as well as the regulatory and overview and scrutiny committees already agreed. This model was designed to be as cost neutral as possible.

Councillor Sell questioned the evidence behind a number of statements made in the report, that a committee system would hinder shared service, and that councils did not wish to return to a committee system. He said that if the council was to move forward with the new structure the scrutiny function would take on greater importance and it was essential that it was properly resourced and had high profile within the Council. He also felt that the Council had missed an opportunity with regards to the area forum and mentioned that Braintree District Council operated local panels based on the 3 main centres which had some decision making powers and a limited budget. He asked that the Council take this opportunity to re examine the way it would wish to govern Uttlesford.

There was concerned expressed by Councillor Wilcock about the openness of the cabinet meetings, as it appeared that some authorities held pre meetings in

private whilst the meeting itself just rubber stamped decisions without discussion. He hoped that this wouldn't happen here as Uttlesford had a history of robust debate and members needed to be accountable for decisions. He was also concerned about the opportunities for ordinary members in the new structure and asked for more support to be given to members in their constituency role.

Councillor Godwin said she had not been keen to adopt the system but now realised that the world had changed and there was a need for speedy decision making, it was not practical to wait 2 months while a proposal made its way through the committee cycle. If the new arrangements worked well decision making could be more effective and clear cut. She was though concerned about the implications for back benchers and agreed that thought should be given to enhancing their role in the community.

A number of members made reference to the area forums and that they were not effective in their current form. There were questions over whether delegation to the forums would be beneficial or feasible but there was general agreement that they should be more cutting edge and relevant to the public.

Other members said that they had enjoyed the experience of sitting on a policy committee and having an influence on decisions. Councillor Foley raised the question of cost; he was sceptical that the new system could remain cost neutral and thought it may well cost the council more. He asked for an assurance that there would be no increase in cost with the introduction of the new arrangements.

Councillor Morson said that he believed in transparent government and felt that the committee system allowed the most open decision making. The new structure would close down opportunities and leave some councillors feeling marginalised. He hoped that the new system would look outwards and enable local views to be fed to the cabinet.

Councillor Rolfe said that the council's governance structure should aim to make decisions in the most efficient and effective way, as committee meetings were expensive.

Councillor Ketteridge replied to the points made in the discussion and agreed that scrutiny was an important part of a cabinet model and would take a much higher profile within the new structure. He agreed that area forums would need to be reviewed and this could be looked at by the proposed portfolio holder for community engagement. He concluded that the council had been discussing this issue for some time and the arguments for an against had been well rehearsed. He had found no evidence that any council had expressed a wish to revert to a committee system. There would inevitably be a learning curve but he hoped that a system could be developed that was right for Uttlesford.

RESOLVED that members agree the provisions of the draft proposals for executive governance, having regard to the Equalities Impact Assessment.

## REVENUES AND BENEFITS PARTNERSHIP

*Councillor Chamberlain left the meeting for the consideration of this item.*

The Council considered a detailed report which summarised the findings of a feasibility study undertaken by John Layton Associates to explore the costs and benefits of entering into a joint service delivery of the Revenues and Benefits services for Harlow and Uttlesford Councils.

The proposal had been made in the light of the national economic situation and the need to make substantial savings over the next few years. Recent government announcements had pointed councils toward rethinking public finances and looking to share services and to work across boundaries to make savings and improve services to the public. Shared service delivery was a policy within the Council's Corporate Plan.

The study had been wide ranging and had involved discussion with affected staff from both councils. It had been concluded that in the light of the scale of cost reduction required, it was unlikely that either council could achieve significant savings on a stand alone basis. The feasibility study had looked at a fully integrated shared service using pooled resources as this would secure the greatest economies. The services affected were Council Tax, Housing Benefit, CT Benefit, Business Rates and Anti Fraud. The Partnership would be hosted at Harlow but maintain front office facilities at Uttlesford council offices.

The study had looked at the similarities and differences between the two councils in terms of size, population, the number of claimants and the performance of each service. This had shown a mixed picture, with a range of differences, where each authority could learn from the other.

There was potential for both service improvements and cash savings. A sum of around £455,000 per annum in direct costs and £180,000 per annum in support service costs could be saved once the project was up and running. A partnership arrangement would allow the service to be maintained at existing levels and with the potential to improve.

There would be significant one off transition costs estimated at around £670,000 (not including redundancy costs). An appropriate IT system would be required for the partnership. A joint bid for £570,000 was being prepared for Improvement East, the balance of £100,000 would be met from Uttlesford (£38,000) and Harlow (£62,000). This initial amount could be met from the Council's change management reserve.

Once the partnership had been established the costs and benefits were likely to be shared on a 62% (Harlow) and 38% (Uttlesford) basis.

In terms of staffing the TUPE transfer of staff was the preferred approach and it was envisaged that staff would eventually be employed by Harlow. There would need to be a reduction in some staff, particularly managers, which would be managed by natural wastage as far as possible, although there was a possibility of redundancy. The concerns of staff was a key areas to be addressed in the project planning.

The partnership would be overseen by a Joint Committee with equal representatives from both councils. The proposed terms of reference were

attached to the report. The next stage was to appoint a project manager, to work toward implementation between April and September, although it would take around 2 years to be fully operational.

Councillor Ketteridge moved the recommendation in the report and it was duly seconded. He said that strategic partnerships had been part of the Council's plan for many years. Successful partnerships had already been established for HR and Parking. There was a good precedent for the partnering of the Revenue and Benefits service in other areas of the country. This action had been prompted by the current financial constraints facing all local authorities and the consequences of the comprehensive spending review. Looking for shared services opportunities was within the Council's Medium Term Financial Strategy and Harlow was a willing and committed partner. He had taken on board the points made by staff earlier in the meeting, there would inevitably need to be a reduction in the number of posts but the council would take account of HR and equalities policies and deal with the situation in the best way possible.

Councillor Wilcock then proposed an amendment, which he felt would serve to strengthen the proposal.

*Amend recommendation 1 by adding the following words in bold*

*The Principle of entering into a joint partnership for the Revenues and benefits service be agreed, with the key objective of generating significant cashable **savings** whilst **improving** the current levels of service performance **and monitoring through service level agreement with penalties for default.***

*Add the additional paragraphs to recommendation 2*

*(v) to agree a clear and costed exit strategy if either party feel the relationship cannot be continued.*

*(vi) to ensure that staff are treated fairly in the transfer with particular reference to part time staff who may be unable to transfer, and that staff who are transferred and given priority for jobs in Uttlesford if they are no longer required in Harlow.*

*(vii) to establish a clear legal framework from Harlow and Uttlesford to ensure clear and accountable responsibilities, including the audit responsibilities, and penalties for poor performance.*

Councillor Ketteridge spoke against the amendment. He did not see how financial penalties could apply to the partnership as it would be effectively policing itself. It was a rather negative approach to go into a partnership already talking about an exit strategy. The proposed paragraph (iv) implied that the council would not treat its staff fairly when Uttlesford had always had a very good relationship with staff.

Councillor Barker commented that for many people in the south of the district Harlow was more convenient than Saffron Walden. She asked about the possibility of increased home working for Uttlesford staff and was advised that funds had been set aside to enhance this.

Councillor Loughlin said that she was not against partnering in general but was concerned about the detrimental effect on staff. She had investigated the car parking arrangements at Harlow council and had found that the nearest car park was only available for essential users. The public car parks nearest to the office

would entail considerable additional expenditure. It seemed that Uttleford staff would be the losers. Councillor Wattebot added that as the changes were more likely to affect women, because they tended to work part time and be unable to travel because of child care commitments, there could be an issue of indirect discrimination. Councillor Sell said that he understood the economic benefits but there would also be costs involved. Some hardworking staff would be unable to move and there should be recognition for them.

The Chief Executive said that the points made by staff had been taken on board and he assured councillors that an equality impact assessment would be carried out to ensure that no group was disadvantaged. There would then be 1:1 interviews with all Revenues and Benefits staff and there would also be a compensatory package of measures for the transitional period.

A question was asked by Councillor Cant about the sharing of the redundancy costs. She was advised that although the extent of these were not yet known they would most likely be split in accordance with any other costs and benefits of the partnership.

Councillor Rolfe spoke against the amendment stating that there appeared to be confusion between outsourcing and partnership arrangements. The partnership was an amalgamation of the two authorities, so it would be illogical to apply penalties. In respect of staff, this council would approach the issues in a sympathetic way and he expected that suitable ways of working would be established. Also TUPE law was very clear on compensation arrangements.

Councillor Chambers said he was unhappy about talk of a costed exit strategy as any successful partnership relied on mutual respect and trust. Both councils had a real willingness to make this work. The impending announcements in the Comprehensive Spending Review would confirm the enormity of the financial constraints and partnerships would give the best opportunity for continued employment for all council staff.

Members hoped that the Joint Committee would take on board the strong message about concerns for staff welfare. It was also asked that future projects could look to base the partnership at the UDC offices.

In summing up Councillor Wilcock said that he did not disagree with what was proposed but his amendment would provide some safeguards and strengthen the recommendation. He suggested removing some of his additional words in recommendation 1 and the Leader accepted that the remaining wording could form part of the substantive motion.

The Council then voted on the amendments proposed in recommendation 2 paragraphs (v) (vi) and (vii) and these were lost. A vote was taken on the substantive motion which was carried by 33 votes to 1.

RESOLVED that

- 1 The principal for entering into a joint partnership for the Revenues and Benefits service be agreed, with the key objective of generating significant cashable savings whilst improving the current levels of service performance and monitoring through service level agreements.

- 2 Steps be taken to progress the proposed partnership as follows:
- i) The activities to be included in the joint partnership are: Council Tax, Benefits and NNDR administration, including the hosting and management of ICT systems, reconciliation of relevant data and grant claims.
  - ii) A joint committee, with the terms of reference and composition as set out in appendix A to the report is approved for the purpose of overseeing the implementation of the joint shared service partnership and its subsequent governance.
  - iii) Councillors R P Chambers, A J Ketteridge and P A Wilcock be appointed to serve on the joint committee.
  - iv) A sum of £38,000 representing an estimate of Uttlesford District Council's initial contribution towards the implementation costs, to be met from the Change Management reserve, be set aside and expenditure of this sum along with 100% of any funding received from Improvement east, be delegated to the joint committee to incur in relation to implementing the partnership.

The meeting ended at 9.20 pm.

## **Statement by Hayley Bennett – Revenue and Benefits Officer on behalf of the Revenue and Benefits Section**

Whilst the staff of the Revenues and Benefits section understand and accept that considerable savings and efficiencies need to be made we would like to raise our concerns with the Councillors prior to your decision on Agenda item 3.

Our concerns centre around the changes recommended in the report as they will affect all members of staff and our customers alike.

### **PERFORMANCE OF SERVICE**

The report suggests that cash savings and service improvements will be achieved as a result of generic teams. This is a great concern to staff at Uttlesford as they have previously tried to implement a Generic service within Revenues and Benefits; which resulted in a dramatic drop in customer service levels and a fall in council tax collection rates. A number of other authorities have tried generic working and have had similar problems to ourselves; staff are very concerned about the potential drop in services to customers as a result of generic working and increased costs in clearing subsequent backlogs, thus reducing anticipated savings.

### **ACCESS TO SERVICES**

In the area of Revenues and Benefits Uttlesford is currently a high performing authority in comparison to Harlow who are much lower performing. Staff cannot see how their current high service levels and customer service can be maintained by going to Harlow and are worried that these standards will drop dramatically to a level well below their current standards. We are concerned that our customers, including the vulnerable groups in our area, will not continue to have access to specialist staff if the service is based in Harlow.

### **STAFF - TERMS AND CONDITIONS OF TRANSFER**

To alleviate the pressure of the changes staff understand that a separate one-off fund is available to implement home-working. All staff embrace this; however there are some staff that would find it difficult to travel to Harlow and it is essential that home working arrangements are put in place for UDC staff prior to any relocation of the service.

The cost and time travelling to and from Harlow each day as well as problems with car parking all give staff members great concerns, especially when staff are of the understanding that staff parking is extremely limited and there is currently a five year waiting list for spaces. We understand that the most convenient and practical car park which is adjacent to the Harlow council offices is currently £10.00 a day making the additional cost, effectively a pay cut. In the current economic climate, unless this is reimbursed to each individual this is not convenient or practical to anyone within the Revenues and Benefits section.

These are only a few of the concerns which staff have identified and raised. Staff would ask that Councillors give this very careful consideration and think about what this really means to our customers who expect high standards and good customer service on a daily basis which we currently provide to them.



The staff would like to thank Councillors for listening to our concerns and would ask that an amendment be added to any motion in acceptance of the report reflecting staff concerns, and assure Uttlesford employees that they have their well being in mind. We would also welcome the opportunity to discuss this directly with members at a later point.