

**MINUTES OF THE CORPORATE COMMITTEE
THURSDAY, 21 JULY 2011**

Councillors Meehan, Amin, Griffith, Watson, Whyte, Jenks, Khan

Apologies Councillor Gorrie , McNamara and Williams

Also Present: Councillor Solomon, Allison, and Diakides

MINUTE NO.	SUBJECT/DECISION	ACTON BY
CC20	<p>APOLOGIES FOR ABSENCE</p> <p>Apologies for absence were received from Cllr McNamara, Cllr Gorrie and Cllr Williams. Attending in their place as substitutes were Cllr Allison, Cllr Solomon and Cllr Diakides. The substitutes had been properly appointed according to Committee procedure rules 49, 50 and 51.</p> <p>Apologies were also received from the non voting members of the Committee: Keith Brown, Roger Melling and Michael Jones.</p>	
CC21	<p>URGENT BUSINESS</p> <p>There were no items of urgent business.</p>	
CC22	<p>DECLARATIONS OF INTERESTS</p> <p>There were no declarations of interest put forward.</p>	
CC23	<p>DEPUTATIONS/PETITION/ QUESTIONS</p> <p>No deputations were received. The Chair had agreed that written comments from UNISON concerning Agenda item 5, Shared Services Preferred Partnership with the London Borough of Waltham Forest, be considered with this report.</p>	
CC24	<p>SHARED SERVICES PREFERRED PARTNERSHIP WITH LONDON BOROUGH OF WALTHAM FOREST - UPDATE REPORT</p> <p>The Corporate Committee received an update on the development and implementation of the Shared Services Preferred Partnership with the London Borough of Waltham Forest. A Memorandum of Understanding had been agreed between the two boroughs in December 2010. Members of the Committee were pointed to paragraph 7.2.1 of the report which set out the criteria being followed to assess whether a service was suitable for the two boroughs to share. Paragraph 7.3.1 outlined the services actively being assessed as viable for a shared service. Finally paragraph 7.71 listed the employment issues being addressed. These</p>	

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were pertinent to the remit of this Committee and officers were working on an employment protocol which would include proposals for how these issues could be taken forward.

The Assistant Chief Executive agreed to provide a written response on the following points raised by Committee Members:

ACE

1. The direct cost of facilitating the shared service project, in terms of officer time, in comparison to the savings to be made. Information was also sought on the in- house cost of the project team. In the main, Council project management staff was undertaking this work with expert advice sought when needed. However further clarification on the costs in response to this point would be provided.
2. If the Council had identified an independent arbitrator?
3. If written notice was received for terminating the MOU, what would be the timeframe for implementing this?
4. More clarity on the governance arrangements and how decisions are to be made on which services to share.
5. More information on the business case analysis on sharing of communications and legal services which had shown that these two services were not suitable as a fully shared service. This conclusion did not rule out sharing elements of the service.
6. Information on existing joint ventures with Waltham Forest on the commissioning of goods and services.

Understanding was sought on why bigger service areas with a potential for higher financial cost benefit to both boroughs, were not being explored? The Assistant Chief Executive explained, it had been the experience, that when other partnership boroughs had tackled large scale projects together, at the early part of their relationship, they had faced issues with working together. The approach to partnership working, being taken by both boroughs, was to initially prove the concept of working together. This was through looking at how both boroughs' management will work together and developing internal working relationships.

In response to questions about the commitment of both Councils to shared working when a clause was included to terminate the MOU at the time of the local elections in 2014, the Committee noted that the overall aim was to have a long term partnership agreement. The two Councils would be seeking to share services that were broadly aligned as set out in paragraph 7.2.1. The MOU had the exit clauses to accommodate any eventuality but the MOU also included the flexibility for the partnership to continue working in the long term. Both Councils were committed to only sharing services which had a cost benefit to both parties. If in the event that both boroughs wanted to terminate the MOU, this would be after a

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	<p>comprehensive review.</p> <p>The Committee asked if there was an overall timeline for identifying, investigating and implementing the chosen individual areas of shared service and what current performance was against this. This was following changes seen to the timelines for the shared service project on school meals and changes to the original list, considered at Cabinet in December, on the services to be shared. Members were asked to note that page 20 of the report onwards set out how the criteria had been applied and where following investigation there was seen to be scope, or not, for taking forward a shared service. There was not an overall timescale being adhered to as such each shared service project had its own timeline. Certain projects involved sharing senior staff and practices such as in Organisational Development, where there were management vacancies at Waltham Forest, and in HR where there was opportunity to share processes such as payroll, recruitment and the HR matrix.</p> <p>There was some funding provided by Capital Ambition to support the running of the projects .The conditions attached to this funding was for the council to share widely the progress of their shared service projects.</p> <p>Following this discussion, and taking account of the responsibility the Committee would have for making future employment related decisions connected to the implementation of the shared service projects, the Chair felt the Committee should receive a regular update report on the progress of services to be shared with Waltham Forest. This would start from the next meeting and be considered alongside a key report about the employment protocol.</p> <p>In responding to the trade union comments on the consultation process, the Assistant Chief Executive stated that both boroughs would need to give careful consideration to how change is implemented. There was the expectation that both borough's trade unions could work together on this and share ideas .The Assistant Chief Executive gave assurance that both borough's trade unions would be key part of the consultation process.</p> <p>The Chair advised officers that he expected any changes to the protocols concerning Member level appointments to be considered by the Corporate Committee. There was also a need to provide clarification on the staff terms and conditions to be applied to employee working in a shared service as Waltham Forest had a dissimilar arrangements. The Chair made clear that it would not be acceptable to add directors to Council structure through the guise of shared services, having just agreed a number of reductions in senior management posts in Haringey.</p> <p>Understanding was sought on whether the Memorandum of Understanding agreement included both boroughs' ALMO's (Arms Length Management Organisations) working together on shared projects. The Chair understood that discussions had taken place</p>	<p>ACE</p> <p>ACE</p> <p>Chair</p>
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	<p>between both boroughs ALMO's and he would be seeking an update from the Chief Executive of Homes for Haringey on this and proposing a report to the Committee if required.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> i. That the report be noted. ii. That a written response be provided by the Assistant Chief Executive to Members of the Committee on the points outlined, in 1-6. iii. That an update report be considered at the next meeting on September 27th 2011. iv. That a report on the Employment Protocol be considered at a future meeting. 	<p>ACE</p> <p>ACE</p> <p>ACE</p>
<p>CC25</p>	<p>INTEGRATION OF BENEFITS, LOCAL TAXATION AND CUSTOMER SERVICE INTEGRATION RESTRUCTURE</p> <p>It was noted that 60% of enquiries to Customers Services were benefits and local taxation related. The proposals for the integration of these two services offered the opportunity to add back office expertise to the frontline contact with customers and improve the initial contact with the customer. This would limit the costs associated with passing information from the front line to the back office and not resolving the enquiry/contact at the first point. Following the integration of the two services and further to some staff taking up voluntary redundancy, there would be a displacement of 14 employees. An illustration of the proposed new restructure was set out in Appendix 4 for the Committee to consider.</p> <p>It was clarified that under the new structure changes to circumstances could be reported to the Council by telephone contact as well as in person at the Customer Service Centres.</p> <p>Understanding was sought on whether support with benefit claims included both Council and Housing Benefit. It was reported that the restructure of the service had been done with the customer perspective in mind and the service was aware of the need to seek an update to a housing benefit claim as well as receiving information on a Council tax claim where required.</p> <p>In response to a question about the future of the service and whether the restructure was being completed with a prospect of a shared service in mind, it was noted that there were no plans to share this service with Waltham Forest. The main focus of the service was to improve the servicing of calls.</p> <p>Information was sought on the latest status of the Council's relationship with the Citizens Advice Bureau, a key local service which received benefit queries from residents. It was noted that the good links with this service were maintained with meetings and information shared. In response, to an individual's experience of a query taking a number of months to resolve, there were some exceptional and complex cases</p>	

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	<p>where sometimes an immediate resolution could not be reached.</p> <p>In proposing to the Committee that the recommendations of the report be agreed, the Chair asked that the follow up report in September include information on: how the individual services/teams in Benefits and Local Taxation and Customer Services were being joined up, how services will be delivered and what is expected to be achieved from the integration and restructure.</p> <p>RESOLVED</p> <ul style="list-style-type: none">i. That the overview of the current and proposed shape of the service set out in appendices 2, 3, and 4 be noted.ii. The rationale and key elements of the proposed integration were endorsed.iii. That following the completion of consultation the proposals contained in the report for the integration of Benefits, Local Taxation and Customer services is the subject of a further report to the Corporate Committee for final decision.	<p>HCS& BLT</p> <p>HCS& BLT</p>
<p>CC26</p>	<p>USE OF CONSULTANTS - FOLLOW-UP INTERNAL AUDIT REPORT</p> <p>A follow up audit had been completed to check that all required documentation to recruit and employ a consultant was in place for all consultants in employment with the Council. The Council had not been fully compliant with this policy, at the time the attached report had been distributed to Members but now were. The Committee noted the SAP system had been updated to ensure that consultants without a contract in place would not be paid. The Chair and Chief Executive had spoken with the services that had some documentation outstanding, at the time of distribution of the report, to underline the priority to this policy.</p> <p>Clarification was sought on whether the audit had included employees contracted to work for the Council that were self employed. It was confirmed that these employees had been considered within the consultancy scope. This was because they could pose a risk to the Council, for example, if they gave bad advice and had no appropriate contract and/or insurance cover in place to mitigate the risk. Nonetheless, the chair recommended the need to monitor the classifications around employee terms to ensure that different definitions of the term consultant could not be used to get round the compliance to the Council's agreed policy on the appointment of consultants. It was suggested that the Committee could receive a 6 monthly report on the Council's use of consultants and other employees that were contracted to work for the council.</p> <p>Following a question on the number of consultants currently providing services to the Council, it was noted that there were a total of 13 consultants .There had been 52 in place in November 2010, at the time of the original audit, and 18 in place in April 2011 at the time of the last Audit Committee.</p>	<p>ACE</p>

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	<p>There was comment about the negative perception of consultants and the need to keep in mind that they can also assist with risk reduction as well as a saving the Council money with the expertise and experience which they may provide when this is not readily available in the Council. However it was also acknowledged the need to ensure that when this expertise was employed it was in the short term or for the time required and contracts were not automatically renewed without a reason or approval.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> i. That the report be noted ii. That there are six monthly reports to the Corporate Committee on the use of consultants and contractors. 	ACE
CC27	<p>CORPORATE RISK MANAGEMENT POLICY AND STRATEGY 2011-12 AND CORPORATE RISK REGISTER JUNE 2011</p> <p>Members of the Committee were asked to consider the latest version of the Corporate Risk Management Policy and Strategy for 2011-12 and Corporate Risk Register June 2011. As agreed at the previous Committee meeting the changes to the policy were highlighted for consideration. The process and system for recording and monitoring risks was outlined as well as the latest version of the corporate risk register for member consideration and comment.</p> <p>Reference was made to the risk concerning the lack of safety and well being for clients within child protection services. It was questioned whether the salary for the Director of Children and Young People's services could now be justified given the rag status of this risks was at amber instead of red. Understanding was sought on the factors considered in the assessment of this risk as although the positive developments for the service were recorded there was a still a high scoring attached to the residual risk score. It was explained that, although a degree of calculation was required in the assessment of risk, this was also mainly a judgement call. The service was still subject to a lot of external assessments and because of this the Council's Management Board had agreed that the risk rating should remain high.</p> <p>Covalent was the electronic system used by business units to record risks. Understanding was sought on Internal audit's role in managing this process and monitoring whether risks were being input on the system and the actions identified, to manage the risks, being taken. The Committee noted that the accountability and ultimate responsibility for risks listed in the risk register lay with individual directorates. Internal audit would use a range of sources to check what had been included in the risk register and would look at how the actions relating to managing the risk can form part of an internal audit review when needed.</p> <p>Assurance was sought, from the Lead Officer for Finance, representing</p>	

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	<p>the Section 151 Officer, that business units were compiling their risk registers in accordance with the risk management policy. This was given and explained to the Committee that the absolute responsibility for each directorate's business units risk register lay with the director of the service, and assurance was given that this was not done lightly. It was in the director's interest to ensure that all risks were included in the risk register as they would need to confirm this each year as part of the assurance process for completing the Annual Governance Statement by physically signing off their department's assessment of risks and providing this to the Head of Audit and Risk Management. It was confirmed that every business unit had a risk register in place and the Management Board of the Council reviewed the corporate risk register on a quarterly basis.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> i. That the updated Corporate Risk Management Policy and Strategy be approved. ii. That the information on the appended Corporate Risk Register be noted. 	
<p>CC28</p>	<p>INTERNAL AUDIT PROGRESS REPORT - 2011/12 QUARTER 1</p> <p>The Committee were provided with information on the internal audits completed in the first quarter on the 2011/12 financial year by Deloitte and Touche on behalf of the council, progress with implementing outstanding internal audit recommendations (with particular attention to priority one recommendations) details of investigative work undertaken relating to fraud and an update on the progress of disciplinary actions being taken by the Council.</p> <p>The low number of internal audits completed in the first quarter was questioned. Members noted that this was not unusual as the auditors would be completing work from the final quarter of the last financial year and undertaking a number of planning meetings to prepare the audits to be completed over the coming financial year. The forthcoming three quarters of the financial year would see a higher number of audits being completed .The Committee were also asked to take account of the implementation of the re-organisation of the Council which had been done in this first quarter. Some audit work had to be deferred to allow business units time to reorganise themselves. The Committee noted that Deloitte and Touche, the Council's internal auditors, did not receive advance payments for their service but were paid following the completion of each audit.</p> <p>In relation to the information considered on staff disciplinary action, the Committee commented on the average number of days that employees were suspended pending their disciplinary hearing. There was three significantly long staff suspensions listed. The Assistant Chief Executive provided assurance that he had examined these three cases in detail and was satisfied that the appropriate actions were being taken. The reasons for the suspensions themselves were quite exceptional and the</p>	

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	<p>investigations involved seeking information from external sources.</p> <p>In reference to the number of suspensions related to behaviour, understanding was sought on the types of cases that fitted this category. The Assistant Chief Executive agreed to provide Committee Members with some examples of this.</p> <p>In response to a comment about progression of health and safety issues at a time of change in the organisation, the Committee noted that there was a health and safety forum in place which had this monitoring role.</p> <p>There was a question on whether the Council recorded how many employees sued the Council. It was reported that periodically Legal and HR would review this and look at whether there are any lessons to be learned. They would then add any relevant advice to management training procedures. It was noted that the Council would pursue costs where there was no prospect of a settlement.</p> <p>RESOLVED</p> <ul style="list-style-type: none"> i. That the audit coverage and progress during the first quarter 2011/12 be noted. ii. That the progress and responses received in respect of outstanding audit recommendations be noted. The Committee confirmed that actions taken during the first quarter to address the outstanding recommendations were appropriate. 	ACE
CC29	<p>SHARED ECONOMIC SERVICE</p> <p>A report which contained updated recommendations on the staffing elements of establishing a shared economic service between the London Boroughs of Waltham Forest and Haringey was considered by the Committee. After discounting externally funded posts, between both boroughs there were 14 employees in posts. The resultant structure would see 5 employees redeployed or face compulsory redundancy. It was proposed that the Head of Economic Development in Waltham Forest, a former employee in Haringey, would be seconded to Haringey for 6 months as Interim Head of Shared Economic Development service to establish the service and develop the service for both boroughs. The proposals for the ring fenced recruitment into these posts were set out on the final page of appendix 1.</p> <p>It was clarified that the pay and conditions of each staff member would be based on who their employing authority was (this was the local authority that employed them prior to the partnership agreement). This was an interim arrangement until the details of employment protocol were finalised and agreed by both boroughs. This arrangement also allowed for employees and managers to split back to their own respective boroughs if after six months they were not able to wok</p>	

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together. However the shared service was aiming to build upon existing working relationships. The two boroughs economic teams had already worked closely together on the Youth Enterprise bid, Regional Growth bid, and on bids for town centres. Employees in the new structure would be expected to hot desk and work in both boroughs

The grade of the Head of the Shared Economic Service was questioned and clarification provided on the duties that would be involved in this post to warrant this grade. Members noted the essential responsibility this post holder had for making the shared service work and delivering a local enterprise that would include other neighbouring boroughs. The grade of this post was decided by examining similar posts in other boroughs, and evaluating the duties that would be involved. Both boroughs operated the same HR policy of allowing an employee to be slotted into a post where it was one grade higher or one grade lower than their existing post. This policy allowed or the Head of Economic Development at Waltham Forest to be slotted into this post for a six month secondment. It was noted that the Head of Economy post was currently vacant in Haringey.

A question was asked about the work implications for both boroughs respective directors for overseeing the development and delivery of the shared service. Members were advised that, in the short term the work for establishing a social enterprise would be intensive. Also during this early period, both boroughs directors would need to ensure that their aspirations for the economic service were aligned as there would be fewer posts to deliver them.

RESOLVED

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| <p>i. That the ongoing work on developing the new shared service including establishing the service based on the appended organisational structure and ring fenced recruitment process be agreed.</p> | <p>AD
PRE</p> |
| <p>ii. That the Head of Economic Development in Waltham Forest be seconded to Haringey for 6 months as Interim Head of Shared Economic Development Service to establish the service and develop the service offer for both boroughs including accountability and location.</p> | <p>AD
PRE</p> |
| <p>iii. That recruitment to the posts below the head of service including Economic Development manager proceeds as set out in ring fence recruitment schedule in appendix 1.</p> | <p>AD
PRE</p> |
| <p>iv. Due regard is given to the authority's public sector equality duties in relation to the agreement of Recommendation 4.1.</p> | |
| <p>v. That it be noted the Council is currently reviewing its approach to tackling worklessness and the attached report focussed on the core economic development service as set out in the Cabinet report of the 08th February 2011. Delivery and Programme</p> | |

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	<p>management Posts were covered by a separate report and process.</p> <p>vi. That it be noted that this is a separate restructure to the Planning, Regeneration and Economy (PRE) restructure agreed at the Committee's meeting in June but will sit within the PRE Service.</p>	
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Cllr George Meehan

Chair