



Cabinet
11 December 2017

**Report from the Strategic Director
of Resources**

Shared Registration and Nationality Service with Barnet

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt:	Open
No. of Appendices:	1
Background Papers:	None
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1.0 Purpose of the Report

- 1.1 Brent has been providing Barnet's Registration and Nationality Service under the terms of an Inter Authority Agreement (IAA) since 22nd April 2014. The IAA is for an initial term of five years, with an option to extend for a further 2 years subject to agreement by both parties.
- 1.2 The IAA also provides an opportunity for both parties to review the arrangement after 3.5 years of operation and to determine whether the arrangement should continue. In the event that either party wished to cease the arrangement, at least six months' prior notice would be required. Accordingly, both parties agreed to jointly review the IAA during 2016/17 to determine whether it should continue and if so, to identify and agree changes to the IAA.
- 1.3 The recommendations in this report are submitted with reference to the conclusions drawn from the review conducted.

2.0 Recommendations

That Members:

- 2.1 Agree to terminate the Inter Authority Agreement with Barnet Council for the provision of a shared Registration and Nationality Service by giving notice as

required under the Inter Authority Agreement of not less than six months but not more than nine months.

- 2.2 Delegate authority to the Strategic Director Resources to agree the precise terms of the exit arrangements applicable to the ending of the Inter Authority Agreement including any continued provision of Information Technology Support relating to the Barnet Registration and Nationality Service.
- 2.3 Note the financial implications arising from Recommendation 2.1.as set out within Section 4 of this report (Financial Implications).
- 2.4 Note the potential requirement for the council to enter into a bulk transfer arrangement for pension purposes as set out within paragraph 5.4.2 of this report.

3.0 Detail

- 3.1 In 2014, Brent was commissioned to provide a Registration and Nationality Service on behalf of Barnet which is regulated by an Inter Authority Agreement (IAA). Staff delivering the service are employed by Brent under a generic contract of employment and are located at both Barnet and Brent offices. The IAA commenced on 22nd April 2014, for an initial term of five years.
- 3.2 Barnet service expenditure is effectively met from Barnet fee income generated from statutory and discretionary Registration and Nationality services provided by Brent on its behalf. The income and expenditure for Brent and Barnet are separately accounted for with baseline levels of income and expenditure for Barnet contractually defined. In the event that Barnet fee income exceeds expenditure, any growth in discretionary service income is split between the parties with a greater proportion in favour of Barnet as agreed at the time the IAA was established, reflecting the overall cost of service and potential level of risk.
- 3.3 In practice, fee income has generally been below contractually defined levels resulting in Brent invoicing Barnet for any shortfall between expenditure and income. In particular, statutory changes concerning nationality checks and citizenship that occurred in 2014 resulted in a decline in applications for these services. This led to a reduction in fee income that was further exacerbated by other statutory changes relating to marriages for foreign nationals. To mitigate against the effects of the above changes, some vacant posts were left unfilled in the short term. However, this placed greater pressure on the Barnet service and its ability to meet performance targets particularly in relation to the timeliness of death registrations which have a target to be completed within 5 days of the death.
- 3.4 Pressures also arose as a result of the closure of Chase Farm Hospital's maternity unit in November 2013, which gave rise to an additional 2,000 birth registrations per annum for the service. This meant a greater volume of birth registrations needing to be handled than was originally envisaged under the agreement and without any consequential increase in staffing or funding.

- 3.5 Barnet subsequently agreed to increase resource for the Barnet service to ensure achievement of the national standard of 90% registration of deaths within 5 days along with an extension of opening hours, so as to enable 7 day a week opening. It was also agreed between the parties to recruit a full time Head of Service (shared) to replace the previous part time post holder.
- 3.6 The IAA includes provision for both parties to review arrangements after 3.5 years and to determine any changes to this including decisions about the continuation of the IAA. In the event that either party wishes to cease the arrangement, at least six months' prior notice is required. Both parties agreed to jointly review the IAA in the autumn of 2016 with a view to identifying improvements for both parties.
- 3.7 In general terms, the IAA has been cost neutral to Brent with income broadly meeting the costs of service delivery. The main financial benefit to Brent has been some shared management costs and a shared business support officer. However, there is no other financial benefit to Brent from the existing arrangements, despite the original aims of the agreement. The shared management arrangements have also represented a dis-benefit to Brent, as a result of a dilution of management focus on Brent's service and in particular, its capacity to generate discretionary income and new income streams.
- 3.8 The Barnet service is provided from Hendon Town Hall (previously from a building in Burnt Oak) and is thus geographically distant from Brent's Registration and Nationality service which is based at the Civic Centre. Both the Brent and Barnet teams are small with circa 14 staff located at each office and the geographical distance of the sites has proved to be a major constraint in utilising staff in a flexible way across the shared service. Both services are open to residents for 7 days a week and the vast majority of duties are required to be carried out face to face with residents. The size of the teams and geographical distance between the two offices has prevented the development of shared resources, other than at managerial level.
- 3.9 In evaluating the relative merits of continuing with the IAA, consideration has been given to the recent decision by the Home Office to cease commissioning discretionary services from local authorities from October 2018. This means that local authorities will no longer be carrying out nationality checking, the European Passport Return Service, Joint Passport and Citizenship and Settlement checking.
- 3.10 This change will result in a reduction to discretionary fee income for Brent although there may be continued demand for chargeable assistance for completion of digital forms, signposting and guidance. There will also be a concurrent reduction to Barnet's discretionary fee income.
- 3.11 A detailed impact assessment for this change is currently being carried out, including evaluation of other income generation opportunities and a review of staffing levels based on revised workloads. The geographical distance between Brent and Barnet offices and the fact that both services are now open

for 7 days a week, means that there is a very limited opportunity for utilising resources across both sites. Additionally, as there will be an increased gap between income and expenditure for both Brent and Barnet, it is anticipated that Brent will need more focussed management on the Brent service, rather than diluting this across two local authorities.

- 3.12 Having evaluated the IAA both in terms of the current financial implications for Brent, as referred to within Section 4 (Financial Implications) of this report and with reference to the changes outlined in paragraphs 3.9 and 3.10 above, Officers are of the opinion that the interests of Brent and its Council Tax Payers would be best served by ending the existing IAA and instead focusing their efforts exclusively on the Registration and Nationality Service provided for Brent residents and seeking to maximise the provision of discretionary services within the confines of any statutory constraints.

4.0 Financial Implications

- 4.1 If the recommendations within this report are agreed, financial implications arising are anticipated to amount to £52,500 per annum representing the additional cost of two full time posts where the role is currently shared between Brent and Barnet (i.e. Head of Service and Business Information). However, it is intended that a review of the organisational management arrangements will be conducted to mitigate against this cost and to seek to recover any additional cost that may arise as a consequence from discretionary service income within the confines of statutory constraints. There are also anticipated to be annual savings of approximately £6,000 per annum resulting from the cessation of services not currently charged to Barnet which may be offset against the above amount.
- 4.2 It is anticipated that there will be “one-off” transition costs, currently estimated to be in the region of £8,000. These can be funded through existing earmarked reserves allocated to Customer Services.

5.0 Legal Implications

- 5.1 There are a number of legal implications that will arise in relation to the recommendations in this report and these are summarised, as follows:

5.2 Contractual Implications

- 5.2.1 Brent Council may terminate the agreement by giving Barnet not less than six months’ prior written notice. Consequently, if the recommendations in this report are approved, a written notice will need to be served on Barnet in the manner and format provided for under the terms of the IAA.
- 5.2.2 Additionally, there will be obligations on both parties arising from the exit arrangements in particular relating to staffing, handover, and IT that will need to be considered and addressed.

5.3 Public Sector Equality Duty

- 5.3.1 The public sector equality duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 5.3.2 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.
- 5.3.3 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary. Members are referred to the contents of this report for information, in particular the Equality Analysis at Appendix A and Section 6 of the report.

5.4 TUPE and Pensions

- 5.4.1 If agreed, the recommendations within this report would constitute a service provision change and therefore would be subject to the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended by the Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014.
- 5.4.2 Appropriate pension arrangements will also need to be made for any Brent staff that are to transfer under TUPE to Barnet. The nature and extent of these requirements will be dependent upon the number of Brent personnel transferring. If there are ten or more, there will be a need to provide for a bulk transfer payment and the services of the Council’s actuary to determine the payment amount for this purpose will need to be obtained. Any Brent personnel transferring to Barnet who are members of the Local Government Pension Scheme (LGPS) will be entitled to continue their membership. Any other transferring personnel that are not current members of the LGPS, will be eligible to join the scheme at Barnet if they wish.

6.0 Equality Implications

- 6.1 In considering the recommendations submitted within this report, an Equality Analysis (please see Appendix A) has been undertaken to ensure that any potential adverse impact to groups that share a protected characteristic has been identified, evaluated and mitigated wherever possible.

- 6.2 The analysis currently indicates that with the exception of one management post, there is no potential adverse impact anticipated. Officers will continue to monitor the impact from the proposal as the parties move closer to the transfer date.
- 6.3 As the service for Brent residents will continue to be delivered in the same manner as at present with no change in locality or service offering, it is not currently anticipated that there will be an adverse impact on residents.
- 6.4 Any equalities implications arising from the recommendations in this report will be considered and assessed as further data / information is obtained or becomes available during the decision-making process.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 As this report affects all wards, consultation with specific ward members has not been conducted. As service delivery will remain unchanged for Brent residents, consultation with Brent stakeholders has not been conducted.

8.0 Human Resources / Property Implications

- 8.1 Paragraph 5.4 of this report sets out the general TUPE and Pensions requirements arising from the recommendations in this report. There are however, no current plans to change the organisational structure in consequence of the recommendations set out within this report, with the exception of one management post, the precise impact of which will be determined closer to the transfer date.

Report sign off:

ALTHEA LODERICK
Strategic Director of Resources