



North
Northamptonshire
Council



West
Northamptonshire
Council

Shared Services Joint Committee Wednesday 21st September 2022

Report Title	Personal Budget Support System (PBSS) Disaggregation – Variation Notice
Report Author	Samantha Fitzgerald – Assistant Director, NNC Samantha.Fitzgerald@northnorthants.gov.uk Ashley Leduc – Assistant Director, WNC Ashley.Leduc@westnorthants.gov.uk
Executive Member	Cllr Helen Harrison, Executive Member for Adults, Health and Wellbeing, NNC Cllr Matt Golby, Portfolio Holder for Adult Care, Wellbeing and Health Integration, WNC

Key Decision	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

Contributors/Checkers/Approvers

Approver	Officer Name	Date Officer Approved Report
North MO	Adele Wylie	18 th August 2022
North S151	Janice Gotts	18 th August 2022
Other Director/SME	Lisa Hyde	18 th August 2022
West MO	Catherine Whitehead	18 th August 2022
West S151	Martin Henry	18 th August 2022

List of Appendices

None

1. Purpose of Report

1.1. To seek approval to disaggregate the Personal Budget Support Service (PBSS) that is currently hosted by North Northamptonshire Council (NNC) and provided to West Northamptonshire Council (WNC).

2. Executive Summary

1.2. The Personal Budget Support Service is intended to be disaggregated by 31 March 2023.

1.3. At its meeting on 15 December 2021 the Shared Services Joint Committee resolved to re-profile the hosted Adult Social Care service, Personal Budget Support Service (PBSS) disaggregation timeline from 30 September 2021 to 31 March 2023. (see background papers section 8)

1.4. This recommendation was approved to enable sufficient time to disaggregate the service in a safe and legal manner whilst ensuring there was minimum disruption to the service and customers and noted that service provision was life-altering for people who used the service.

1.5. The report also noted a number of significant risks to disaggregation arising from the volume and complexity of data and IT systems used by the service, which need to be addressed to facilitate the disaggregation of the service in a safe and legal manner. The Personal Budget Support Service is a non-statutory service, however elements of the services undertaken through the Council's function as Employer Agent have statutory requirements, for example HMRC returns and Pensions Regulations.

3. Recommendations

3.1 It is recommended that the Shared Services Joint Committee

- a) Approve the disaggregation of the Adults Services Personal Budget Support Service in its current form and on an equal basis by 31 March 2023, noting the budget, staffing, contracts and cost implications as set out within Option 2 (section 5) of the report;
- b) Grant delegated authority to the Monitoring Officers for North and West Northamptonshire Councils, in consultation with the Section 151 officers, to take any further decisions and actions necessary to implement recommendation a) above and conclude the requirements of the exit plan for IAA schedule 2A9;

- c) Approve that both WNC and NNC will act in accordance with Service Plans and any Collaborative Working Agreements agreed by both WNC and NNC Executive Directors and approved by Monitoring Officers.

3.2 Reason for Recommendations

- The proposed option to disaggregate Adults Services Personal Budget Support Services aligns with the agreed requirement to disaggregate the service by 31 March 2023, as approved by Shared Services Joint Committee in December 2021.
- This option adopts the LGR Blueprint, whereby a service has been hosted for a period before it can safely and legally disaggregate.
- Ensures the Councils and customers receive the most benefit from the delivery of the service, by enabling the organisations to tailor the service, to the local demographics and address the needs and priorities of the individual authorities.

2.0. Alternative Options Considered

- Not to disaggregate and remain as a service hosted by North Northamptonshire Council and provided to West Northamptonshire Council.
- To disaggregate after 31 March 2023.

These options would be counter to the approval and adoption of the Disaggregation Blueprint by North Northants Shadow Executive Committee on 24 September 2020.

4. Report Background

1.6. A Personal Budget is an agreed amount of money that is allocated to eligible residents personally by the Council following an assessment of care and support needs.

1.7. A Personal budget is the route to achieving independent living based on the social model of disability. It assists disabled people to live an active life and participate in society. The PBSS team support administering this service for 1,358 customers across Northamptonshire (723 active holding accounts and 368 inactive but require actions to finalise).

1.8. Since the launch of the two new unitary authorities in April 2021, the Personal Budget Support Service (a team consisting of 14 posts, with 1 current vacancy) has been hosted by North Northamptonshire Council (NNC) and currently delivers the duty of running the service for both NNC and West Northamptonshire Council (WNC.)

1.9. An Options Appraisal and an Impact Assessment have been completed. Options and recommendations for future service structures and the impact of

disaggregating the services, based on time and cost implications, are set out within section 5 below. The outcomes have meant that post disaggregation each authority has a slightly different preferred approach towards the formation of the service for the future. Both authorities recognise the need to balance the provision of service delivery against other factors and are therefore working to initially implement viable service delivery models from the outset.

1.10. To facilitate this approach, it is therefore recommended to disaggregate the existing service in its current form, allowing for additional posts and for each authority to move separately towards two new delivery models after disaggregation, which will be reported to each individual council for approval according to their individual corporate governance.

1.11. The services provided by the team include:

1. Direct Payment Payroll – full payroll advice and support including delivery from timesheet to payslip including all statutory reporting, provision, and management of pension schemes
2. Direct Payment Employers - HMRC Real Time Information reporting. On-line HMRC reporting for all Direct Payment employers to statutory deadlines
3. Direct Payment employers HMRC PAYE/NI payments. Actual payment of tax/NI deductions to HMRC for Holding Account customers. Monthly/quarterly instruction and advice around payment of Tax/NI deductions to HMRC for all other DP employers
4. Direct Payment Employers HMRC Quarter-End Reporting. QE HMRC reporting for all employers
5. Direct Payment Employers HMRC Year-End Reporting. YE HMRC reporting for all employers.
6. Direct Payment Employers Pensions Assessments, Declarations, Enrolment, Re-enrolment and employee letters. Direct Payment Payroll Pensions Assessments and reporting; Direct Payment Pensions Scheme Administration and enrolment. Pensions Regulator Declaration and Reporting
7. Direct Payment Employers Pension contributions deduction and payments. Calculation of pension contributions, direct management of employer pension schemes. Processing of all contributions payments.
8. Direct Payment Holding Accounts. Payment of workers employed by Direct Payment recipients. Actual payment of employee wages for Holding account Direct Payment employers.
9. Direct Payment employers' advice service - proper treatment of workers employed by Direct Payment recipients under employment law. Wide range of advice around best practice for employers including support around employment law advice.

10. Holding Accounts service for Direct Payment recipients. The Personal Budget Support Service systems govern income, Purchase Ledger, and banking to deliver all transactional processes for Holding Account users. To include payment of providers, employees, HMRC, pension contributions, expenses etc. Includes oversight across all Holding Accounts. Oversight service for North Northamptonshire Council/West Northamptonshire Council: all payments checked against support plan

11. Advice and support for Direct Payments customers. Direct Payment Customer Support - Managing the Direct Payment. Record Keeping and Data Retention. Direct Payment Advice and Support around returns/financial monitoring. General Advice.

12. Service recharges of employee pension contributions to employers. Invoice based ledger system ensuring that customers repay employee contributions appropriately from their Direct Payment accounts.

1.12. The Personal Budget Support Service also provide Direct Payment Holding Accounts Support Delivery to Northamptonshire Children's Trust (NCT) and to jointly funded services with Health (Personal Health Budgets). This includes all the services detailed above.

1.13. After disaggregation, WNC will provide all services to the Children's Trust. This decision is made because the WNC Direct Payments team currently manage the Children's Trust Direct Payments service and this links to the services provided by PBSS. This service is recharged to the Children's Trust at £45,000 per annum.

5.Issues and Choices

1.14. The following options have been considered:

- Option 1 - Retain Hosted Service provision for a period prior to a move to a lead authority delivery model.
- Option 2 – Disaggregate Services by April 2023, with time limited, mutually agreed joint Collaborative Working Arrangements to be put into place.
- Option 3 - Disaggregate after April 2023

1.14.1. Option 2 – Approval of disaggregation by April 2023 - is the recommended option. The benefits and disbenefits of each option are summarised in Table 5.1.2 below.

Table 5.1.2

Options	Benefits	Dis-benefits
<p>Option 1 – Retain Hosted Service provision for a definite period prior to a move to a lead authority delivery model.</p>	<p>Status Quo</p> <ul style="list-style-type: none"> The service arrangements remain as-is with no change to service delivery The Status quo will provide staff with job certainty <p>Data Governance</p> <ul style="list-style-type: none"> The service will not be required to split personal data as NNC will provide the service to WNC 	<p>Business Plan:</p> <ul style="list-style-type: none"> WNC will not be able to develop the service and strategy in line with its business plan. Keeping the service hosted by NNC is against the plans and principles set out in the Future Northants Blueprint and not in line with the decision made by the Shared Service Joint Committee to disaggregate the service. <p>Data Governance:</p> <ul style="list-style-type: none"> The service will continue to store personal data belonging to both NNC and WNC customers in North system instances. Should the service choose to disaggregate in the future there will be more data to cleanse and split
<p>Option 2 – Disaggregate Services by April 2023, with time limited, mutually agreed joint Collaborative Working Arrangements to be put into place.</p>	<p>Resource:</p> <ul style="list-style-type: none"> The proposed structure builds resilience into the service team by amalgamating two posts and providing additional posts. This new structure will allow the two services to operate in a safe and legal manner. The new structures will enable WNC and NNC to develop the service in line with their overall strategies. <p>Set governance timetable:</p> <ul style="list-style-type: none"> The disaggregation of the PBSS service will be to the agreed timeline set by Members 	<p>Cost:</p> <ul style="list-style-type: none"> The proposed structure is more expensive for NNC and WNC to operate due to the requirement for additional posts to deliver services in a safe and legal manner. There will be additional procurements costs associated with disaggregation of the service. Additional I.T procurement charges for NNC are a one-off payment of £740.00+VAT, an annual charge of £315.00 +VAT and a monthly reoccurring charge of £408.26 +VAT Additional I.T procurement charges for WNC are a one-off payment of £370.00 +VAT, an annual charge of

Options	Benefits	Dis-benefits
<p>Option 2 – Disaggregate Services by April 2023, with time limited, mutually agreed joint Collaborative Working Arrangements to be put into place.</p>	<p>Business Plan:</p> <ul style="list-style-type: none"> Disaggregation will allow each Council to develop the service in line with its business plan. It will enable each Council to provide a more personalised and connected service. It will allow each Council to develop an enhanced understanding of the community being served, to develop and improve the service offer. <p>Data Governance:</p> <ul style="list-style-type: none"> Personal data contained within systems (e.g. payroll and pensions) required for the operational delivery of the service can be split before 31st March 2023. Furthermore, the service will be able to fulfil the statutory obligations required by HMRC before the service are due to disaggregate in March. While there is a large quantity of unstructured personal data in the Shared Drive, splitting of this data is not detrimental to delivering the service. The risks of NNC withholding personal data belonging to West customers beyond the go-live date has been documented in the DPIAs and includes a comprehensive set of mitigating actions. Furthermore, the service intends to produce a memorandum of understanding between 	<p>£315.00 + VAT and a monthly reoccurring charge of £329.76 +VAT.</p> <ul style="list-style-type: none"> To split personal data files across the I.T systems may require additional resource that will come at a cost to the organisation <p>Training:</p> <ul style="list-style-type: none"> Training will be required for the postholder of the amalgamated role (Senior Finance Officer and Senior Support worker) and any new roles recruited to within the new structure. It is likely that training will be required for the person(s) reviewing and splitting personal data records due to the data being unstructured or if the person(s) completing the tasks are external to the service team. <p>Data governance:</p> <ul style="list-style-type: none"> Before work commences to split data held in the shared drive, the service will need to ensure operational business critical systems are in place for NNC and WNC by the go-live date. therefore, splitting of the current case load data in the shared drive may not be achievable for March 2023. This will be mitigated by way of a shared access/collaborative working arrangement post disaggregation for this work to be finalised. A list of this data can be found in the DPIA. For other I.T systems (including the shared drive but with the exception of the financial system) historical data (defined as more than 6 years old) which includes West customer data will remain on the North system by the time the service disaggregates. In this circumstance

Options	Benefits	Dis-benefits
<p>Option 2 – Disaggregate Services by April 2023, with time limited, mutually agreed joint Collaborative Working Arrangements to be put into place.</p>	<p>NNC and the WNC service setting out the scope of sharing data for a time limited period to enable the continued delivery of the service. Where there are risks that are certain to materialise the service has accepted these and Information Governance teams across NNC and WNC have been informed</p>	<p>a memorandum of understanding will be in place to cover this sharing of personal data. This however does not change or reduce the matter that there is no legal basis for NNC or WNC to be sharing this information once disaggregated.</p> <ul style="list-style-type: none"> • Data in the shared drive is for the most part unstructured and requires expert knowledge to identify and reconcile personal data records to perform the data splitting activity. The preparation of the data will far exceed the time it will take to perform the data split. <p>Competing work pressures:</p> <ul style="list-style-type: none"> • Due to the short timescale to disaggregate the service, staff are likely to experience increased pressure to balance BAU and disaggregation activity
<p>Option 3 – Disaggregate after April 2023</p>	<p>Data Governance:</p> <ul style="list-style-type: none"> • Will enable more personal data to be split before the service disaggregates reducing the risk of any potential unlawful access or data breach occurring • Opportunity to review how personal data is stored to stop the task of splitting personal data from expanding <p>Time:</p> <ul style="list-style-type: none"> • Staff will be in a more advantageous position to balance BAU service delivery and disaggregation activity 	<p>Data Governance:</p> <ul style="list-style-type: none"> • The service may not yield the benefit of delaying the disaggregation because personal data records first need to be identified and reconciled. The preparation of the data will far exceed the time it will take to perform the data split. • Continued storage of North and West customer data into the current North I.T systems will cause additional work to split in the future <p>Staff uncertainty:</p> <ul style="list-style-type: none"> • Delay could cause staff uncertainty about future service arrangements

Options	Benefits	Dis-benefits
	<ul style="list-style-type: none"><li data-bbox="495 244 1160 311">• Enables time to review the service needs in light of the social care reform	

- 2.1. **Timing** – The original Blueprint proposal was to disaggregate the service by March 2022. At the Shared Services Joint Committee of 15th December 2021, a change request to disaggregate the service by 31 March 2023 was approved, to allow for further consideration around the complexities of the IT systems and data management. There are still unknown complexities around the IT systems and data management and the service area are working alongside the enabling services to understand timescales, resource and tasks involved. The Personal Budget Support Service intend to disaggregate on/by 1st April 2023 and will ensure that appropriate measures are in place should the disaggregation of IT systems not be achievable within the timeframe.
- 2.2. **Resources** – As a joint project between North and West Northamptonshire Councils, it has been agreed that the North Transformation Team provide a lead Project Manager, with a Project Manager also assigned in the West as a supporting role. Enabler resource across both authorities will provide support to the project within the expected timescales however, this is dependent on capacity and has been included as a risk.
- 2.3. **Budget** – Both Councils will need to meet the funding requirements through a review and realignment of existing budgets across the teams as required. The Service does not have sufficient budget for the proposed structure, therefore will need to go through the budget approval system to request for further funding for the 2023/24 budget allocation, there is a risk that this will not be achieved meaning that the service will fail to operate safe and legally post disaggregation.
- 2.4. **Procurement** – Additional procurement costs are associated with software purchases and licence fees of I.T systems for NNC and WNC.
- 2.5. **Financial System remote server** – There may be an additional cost for continuing to host the historical remote server instance to retain customer data that cannot be split. The service are currently determining any cost implications with the supplier.

3. Next Steps

- 3.1. Staff and Union consultation will be undertaken, and final staffing structures will be proposed by the Director of People (WNC) and the Executive Director Adults, Communities and Wellbeing (NNC) and agreed by both authority's leadership teams.
- 3.2. A plan to disaggregate the service and systems will be produced in collaboration with enablers and then implemented.

3.3. An exit plan will be developed in accordance with the requirements of the Inter Authority Agreement (IAA) for the hosted provision of functions and services between NNC and WNC.

3.4. Where required, a Collaborative Working Agreement will be developed for NNC and WNC to jointly work together to ensure service delivery.

4. Implications (including financial implications)

4.1. Resources and Financial

- 4.1.1. The bank account which manages all holding accounts will need to remain active for a period after disaggregation. WNC will process all payments due to PBSS for transactions up to 31st March 2023, however the existing service (NNC) will be responsible for processing any legacy transactions relating to 22/23.
- 4.1.2. Post disaggregation there will need to be a reconciliation of unused 2022/23 monies in the holding account with excess returned to WNC.
- 4.1.3. Resources will be required from the enabler services in both authorities to support the disaggregation of the services and systems and TUPE of staff.
- 4.1.4. Employees will undergo a consultation period where the outcome of employee allocation will be determined, and some employees will transfer across to West Northamptonshire Council under TUPE rules, and in accordance with the disaggregation principles agreed with the Trade Unions.
- 4.1.5. The current staff will be split equally according to service need. Following disaggregation there will be a need to restructure the services. This will require further investment to ensure the service can deliver the priorities and objectives of each authority. Where there are resources and financial implications arising from the new proposals, a request for further budget approval will be required.
- 4.1.6. The 2022/2023 Personal Budget Support Service Budget for the combined service delivery is £350,176. The budget for North Northamptonshire Council is £171,577 and the budget for West Northamptonshire Council is £178,599. The budget is insufficient to fund the current staff structure, and this is being addressed with finance.
- 4.1.7. To ensure service delivery, it is necessary to duplicate and reorganise some existing roles to be able to disaggregate the teams, ensuring the resilience of the service. The net effect of these changes is to increase the total staff FTE from 12.46 to 18 (an additional 2.77 FTE per authority).
- 4.1.8. Considering the current budget shortfall, and in order to provide funding for the proposed structures means that:

- The cost for NNC's service structure including on-costs totals **£297,112**.
- The cost for WNC's service structure including on-costs totals **£300,261**.

Therefore:

- Anticipated growth for North Northamptonshire Council will require an additional £125,535 for staff budget to operate safely and legally.
- Anticipated growth for West Northamptonshire Council will require an additional £121,662 staff budget to operate safely and legally. £45,000 will be offset from the income from the Children's Trust.

4.1.9. Funding for the additional costs to ensure this proposal to disaggregate is safe and legal, are being identified with finance business partners in the individual authorities and any processes will be adhered to by each authority to secure funding, once the recommended option has been agreed. Such funding could be allocated from existing budgets or could be sought by bidding for budget growth, to be considered during the budget-setting process for each authority.

4.2. Legal and Governance

4.2.1. The Shared Services Joint Committee is responsible for "ensuring there are robust plans for any disaggregation of services and that there is a smooth transition to new service delivery arrangements". They are also responsible for ensuring that statutory arrangements are in place for each Council.

4.2.2. The Personal Budget Support Service is a non-statutory service which is currently hosted by North Northamptonshire Council and provided across North and West Northamptonshire. It does however perform some statutory functions such as HMRC returns and pensions regulatory services.

4.2.3. As part of the disaggregation process, employees will undergo a consultation period where the outcome of employee allocation will be determined, and some employees will transfer across to West Northamptonshire Council under TUPE rules and in line with the disaggregation principles agreed with the Trades Unions.

4.2.4. Changes to the relevant elements of the existing IAA Schedule 2 will need to be made through an agreed Exit Plan. Provisions will be made for Collaborative Working Agreements between the North and the West Northamptonshire Authorities to ensure that service delivery to either authority is not jeopardised by any residual matters that cannot be resolved after the full disaggregation of the service has been completed.

4.2.5. Work has already commenced on the completion of Data Protection Impact Assessments (DPIAs) and Data Sharing Agreements that are required because of disaggregation. Information Governance Officers have already been engaged with to ensure full compliance with relevant Data Protection legislation.

4.3. Relevant Policies and Plans

- 4.3.1. The disaggregation of the Personal Budget Support Service complies with the requirements of the approved Blueprint, whereby it outlines the hosted services in each authority that require disaggregating.
- 4.3.2. The proposal will assist delivery of the North Northamptonshire Corporate Plan 2021-2025 “Active and Fulfilled Lives & Better Brighter Futures” priorities
- 4.3.3. The proposal will assist delivery of the West Northamptonshire Council Plan 2021-2025 “Improved Life Choices”. This will be achieved by providing independent services for both authorities.

4.4. Risk

- 4.4.1. The split of the service needs to ensure a balance of skills, knowledge, and experience. An increase in staff resources and funding is required to ensure a safe and legal service can be delivered as outlined in Section 5 above. If this is not achieved there is a risk of disruption to the service negatively impacting on our vulnerable customers accessing support for their vital care.
- 4.4.2. Due to the number of business-critical systems that the service use which store large quantities of personal data, the service will need to either procure a new instance or replicate the systems, prior to data being reviewed, split and migrated to the new instance and cleansed from the old instance. There is a risk that due to the scale of data management, short timescales and unknown complexities, the service may not be able to split the data within short timescales and a Collaborative Working Agreement may need to be put in place for an agreed period of time for both NNC and WNC to migrate and cleanse their data to ensure data compliance and no disruption to service delivery.
- 4.4.3. A full risk log is maintained by the project team and reviewed regularly. Risks will be monitored and escalated as per current project governance routes.

4.5. Consultation

- 4.5.1. Consultation with affected employees, supported by Trade Unions, will be undertaken and the team members will be involved in the process via 1:1s and team meetings, with the opportunity to raise questions and concerns.
- 4.5.2. Consultation with affected employees, supported by the Trades Unions, commences on 26th September 2022 and will finish no earlier than 16th December 2022.
- 4.5.3. There is no statutory requirement for public consultation.

4.6. Consideration by Executive Advisory Panel

4.6.1. No considerations arising from this report.

4.7. Consideration by Scrutiny

4.7.1. No considerations arising from this report.

4.8. Equality Implications

4.8.1. At this point in the process, it is not possible to fully assess the actual impact on all protected characteristic groups. An initial Equalities Screening Assessment will be undertaken during the disaggregation process and discussed with the Equalities Officer. The situation will be reviewed during staff consultation and for any equality implications that are identified, appropriate mitigating actions will be taken (where possible).

4.8.2. Corporate HR policies and procedures will apply to the disaggregation and consultation processes.

4.9. Climate Impact

4.9.1. None arising from this report.

4.10. Community Impact

4.10.1. This proposal will deliver a positive community impact because the disaggregated NNC team will be relocated to offices within North Northants, enabling them to be located closer to their customers and to gain greater awareness of local service demands.

Webpages, customer journeys and referral pathways will be reviewed to establish separate information and processes. Stakeholders will be communicated with to ensure there is clarity over how to access the services.

4.11. Crime and Disorder Impact

4.11.1. None arising from this report

5. Background Papers

5.1. [011 Change Request - Personal Budget Support Service.pdf \(moderngov.co.uk\)](#)