BROMSGROVE DISTRICT COUNCIL AND REDDITCH BOROUGH COUNCIL

COUNCIL

17th SEPTEMBER 2008

1. SUMMARY

1.1 To seek approval to a concordat for joint working between Bromsgrove and Redditch Borough Councils (which includes the terms of reference and decision making powers of the Shared Services Board).

1.2 In this regard members will note that a meeting of the Shared Services Board took place on 1st September 2008 at which the following documents were considered;

- The draft Concordat for Joint Working
- The report of the Acting Joint Chief Executive on Targets and Objectives
- The report of the Acting Joint Chief Executive on Quick Wins

1.3 These documents are referred to throughout this report and can be found at Appendix 1, 2 and 3 respectively to this report. For members information and completeness the minutes of the Shared Services Board are attached to this report at Appendix 4.

2. RECOMMENDATION

2.1 It is recommended that members approve:

2.1.1 the terms of reference and governance arrangements detailed within the draft Concordat document attached at Appendix 1 subject to the recommended arrangements proposed by the Shared Service Board;

2.1.2 that the six month review process be undertaken by the respective Cabinets of each Council in accordance with the criteria detailed at 4.3 within the draft Concordat (attached at Appendix 1).

2.1.3 that authority be delegated to the Bromsgrove District Council's Monitoring Officer in consultation with the Leader the power to determine appropriate arrangements to resolve any issue that may arise from a conflict of interest during the arrangement of Acting Joint Chief Executive in respect of matters that relate to Bromsgrove District Council; and that

2.1.4 the quick wins for further joint working / shared services between Redditch and Bromsgrove Councils as recommended by the Shared Services Board and outlined in the Quick Wins report (attached at Appendix 3), namely in respect of

- Elections
- Community Safety
- Performance and financial management
- Equality and Diversity
- Member Development
- Head of Financial Services

2.1.5 that an offer of membership on the Shared Services Board be offered to the Leader of the Council's respective Labour Groups and that this be a conditional offer based on the written agreement of the respective Labour Group Leaders to the principal of the Joint Chief Executive arrangements.

3. BACKGROUND

Concordat for joint working

3.1 Redditch Borough Council and Bromsgrove District Council agreed at their respective full Council meetings in June 2008 to the appointment of an Acting Joint Chief Executive for the 2 Councils for a period of 12 months.

3.2 As part of the decision to appoint an Acting Joint Chief Executive both Councils agreed that:

"a Shared services Board be established with 3 members from each authority to oversee progress and that a further report be brought back to the Council as soon as practicably possible determining the detailed remit of this Group and any other proposed Governance arrangements"

3.3 In order to address the above a Concordat for Joint Working has been prepared. This includes:

- A vision for joint working
- Underlying principles and values
- The terms of reference for the Shared Services Board
- Governance arrangements

3.4 The draft Concordat document also identifies the need for the Shared Services Board to set targets for the delivery of services and this can be found at paragraph 4.3 in the draft Concordat.

3.5 In this regard the Shared Services Board considered in some detail at their meeting on 1st September 2008 the targets and objectives report prepared by the Acting Joint Chief Executive attached at appendix 2.

3.6 Members are asked to consider and approve the draft concordat attached at Appendix 1 and that the process for undertaking the 6 month review in respect of the working arrangements be undertaken by the respective Cabinets of each Councils.

3.7 In addition members are asked to consider the detailed targets and objectives detailed in the report of the Acting Joint Chief Executive at appendix 2.

Secondment Arrangements

3.8 Members will recall that the meeting of the Full Council in June delegated authority to the Head of Legal, Equalities and Democratic Services and the Head of Financial Services in consultation with the Leader the power to determine any detailed arrangements in relation to the establishment of the Acting Joint Chief Executive.

3.9 The secondment arrangements have now been finalised and the documentation to support this arrangement is now in place.

3.10 As part of this process it has been necessary for both Councils to determine a process for managing any occasion where the Acting Joint Chief Executive may be subject to a conflict of interest. Accordingly both Councils will need to make a provision that will govern this eventuality. Members are therefore requested to delegate the power to the Monitoring Officer in consultation with the Leader to determine, within the context of the issue, the most appropriate officer to act should the circumstances apply.

Quick Wins

3.11 Members will note that the draft Concordat document recommended for approval within this report sets as a target the need for the Shared Services Board to identify quick wins as a consequence of the joint arrangement by the 30th September 2008.

3.12 At their meeting on the 1st September 2008 the Shared Services Board considered and agreed in principle to the shared service proposals identified by the Acting Joint Chief Executive as quick wins and these are detailed in the report at Appendix 3.

3.13 Members are asked to approve the quick wins for further joint working / shared services between Redditch and Bromsgrove Councils as outlined in the Quick Wins report (attached at Appendix 3), subject to a proper process of consultation with affected staff and trade unions.

Shared Services Board

3.14 Members will note that the minutes of the Shared Services Board meeting have been attached to this report at Appendix 4 in order to detail the recommendations made by the Board to this Council in relation to the shared services options. Members will note that not all of the options identified by the Acting Joint Chief Executive are being recommended for progression at this stage and that those that are will be subject to a proper process of consultation with affected staff and trade unions.

3.15 Members will note that the minutes of the Shared Services Board meeting have been attached to this report at Appendix 4 in order to detail the recommendations made by the Board to this Council in relation to the shared services options. Members will note that not all of the options identified by the Acting Joint Chief Executive are being recommended for progression at this stage and that those that are will be subject to a proper process of consultation with affected staff and trade unions.

3.16 Members at the Shared Services Board felt that excellent working relationships between all members was essential in order to maximise the potential benefits of this project and that in order for this to be possible it would be necessary to extend an invitation to the Leaders of the respective Labour Groups on the Shared Services Board. It was agreed that an offer of membership on the Shared Services Board be offered to the Leader of the Council's respective Labour Groups and that this be a conditional offer based on the written agreement of the respective Labour Group Leaders to the principal of the Joint Chief Executive arrangements and that this be recommended to both Council's.

4. FINANCIAL IMPLICATIONS

4.1 None arising directly from this report

5. LEGAL IMPLICATIONS

5.1 None arising directly from this report – these will be addressed as each proposal is brought forward for consideration.

6. COUNCIL OBJECTIVES

6.1 The proposals support the Council Objective of improvement.

7. RISK MANAGEMENT

7.1 None arising directly from this report – these will be addressed as each proposal is brought forward for consideration.

8. CUSTOMER IMPLICATIONS

8.1 No direct impact on the Customer.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 None arising directly from this report – these will be addressed as each proposal is brought forward for consideration.

10. VALUE FOR MONEY IMPLICATIONS

10.1 Value for Money and delivery of efficiencies is the driving force behind these proposals.

11. OTHER IMPLICATIONS

Procurement Issues None
Personnel Implications None directly associated with this report.
Governance/Performance Management None
Community Safety including Section 17 of Crime and Disorder Act 1998 None
Policy None
Environmental None

12. WARDS AFFECTED

All

13. APPENDICES

Appendix 1 – draft Concordat
Appendix 2 – The report of the Acting Joint Chief Executive on Targets and Objectives
Appendix 3 – The report of the Acting Joint Chief Executive on Quick Wins
Appendix 4 – Shared Services Board Minutes 1st September 2008

14. BACKGROUND PAPERS

Shared Services Papers

Kevin Dicks
Acting Joint Chief Executive
Bromsgrove District and Redditch Borough Councils

Appendix 1

Concordat between Bromsgrove District Council and Redditch Borough Council

1. Purpose

1.1. This Concordat establishes an agreed framework for future work between Bromsgrove District Council (BDC) and Redditch Borough Council (RBC) in developing a strategic alliance between both Councils. It builds on the decision already taken by both Councils to develop such an alliance by appointing an Acting Joint Chief Executive.

1.2. The vision for this alliance is as follows:

Under the management of a single Chief Executive, to identify and establish joint working arrangements and a shared approach to the delivery of services that will improve the quality of people's lives in the two authorities and deliver greater value for money.

1.3. This vision will be realised by delivery of the agreed set of general aims for the strategic alliance, to:-

- increase the levels of customer satisfaction through the improvement of services;
- produce realistic cash savings in order to deliver improved services and limit Council Tax increases;
- strengthen and share skills, expertise and learning in order to deliver better services;
- preserve and enhance the special and distinctive characteristics within each local authority area; and

- increase our influence locally, regionally and nationally in order to secure a 'better deal' for all our communities.

1.4. The terms of this Concordat may be varied at any time upon the agreement of both Councils.

2. Steps taken to date

2.1 The Councils engaged external experts, WMLGA and I&DeA, to provide a feasibility study for the appointment of a Joint Chief Executive.

2.2 On the basis of the advice given by WMLGA and I&DeA, and following political consultation, both Councils have agreed to the principle of a strategic alliance being established and to the appointment of a Joint Chief Executive, shared by the two authorities.

2.3 In terms of decision making to date both Councils have agreed at their respective meetings on 30th June 2008 to the appointment of an Acting Joint Chief Executive, on a trial basis for 12 months – subject to a review after 6 months.

3. Underlying Principles and Values

3.1 The general principles upon which this Concordat is based are the maintenance of excellent working relations between members and officers for the mutual benefit of both Councils, underpinned by effective and open communication. All work undertaken in accordance with this Concordat will be based on mutual trust between both Councils, and will be approached from a positive standpoint, with an

emphasis on problem solving to overcome barriers, rather than letting any barriers become obstacles to progress.

3.2 This Concordat is not intended to constitute a legally enforceable contract or to create any rights or obligations which are legally enforceable. The Councils intend that suitable contractual arrangements will be put in place for each agreed area of joint working, with a presumption towards minimum bureaucracy consistent with meeting legal requirements.

3.3 Accountability for services delivered through joint working will remain with the Council with whom the relevant statutory responsibility rests. Day to day managerial responsibility for services delivered through joint working should rest with the Council providing the service.

4. Shared Services Board

4.1 A Shared Services Board has been established comprising 6 members (3 nominated by each Council, this may include both Cabinet/Executive and Non-Cabinet/Executive members). The Board will meet bi-monthly (more frequently if required), the meeting venues alternating between the Councils' civic offices. The Board shall include the Leaders of both Councils, and the Leader of the host Council will chair each meeting.

4.2 The Board will have no decision making power. Its meetings will not be formal meetings of the Councils but will be open to the public, unless the Board is considering exempt items. The meetings of the Board will be minuted and the minutes will be made available to all members of both Councils.

4.3 The following terms of reference are agreed for the Board:-

(a) In respect of future joint working arrangements and/or a shared approach to the delivery of a service or services:

(i) to set targets and objectives for the development of future joint working arrangements and a shared approach to the delivery of services, to include:

- by 30 September 2008 targets and objectives for joint working arrangements and/or a shared approach to the delivery of a service or services for implementation by 31 December 2008;
- by 31 December 2008 targets and objectives for joint working arrangements and/or a shared approach to the delivery of services for implementation by 31 July 2009; and
- by 30 June 2009 targets and objectives for long-term joint working arrangements and/or a shared approach to the delivery of services to be prepared in the form of a business case.

(ii) to consider proposals from the Acting Joint Chief Executive and the business case for joint working arrangements and a shared approach to the delivery of services .

(iii) to make recommendations to each Council in respect of any proposals under consideration based on a consensus of the meeting; where consensus cannot be reached recommendations will be based on at least 2 Councillors from each authority being in support of the proposals.

(b) In respect of joint working arrangements and/or a shared approach to the delivery of any service or services which have been agreed by both Councils:

(i) To establish and monitor appropriate performance indicators for services provided under joint arrangements;

(ii) To monitor financial performance / savings arising;

(iii) To recommend to each Council any amendments to established joint working arrangements following monitoring of the same.

(c) To report to each authority on a quarterly basis on the Board's activities, including the monitoring of performance indicators and financial performance / savings, with a formal review of all activities produced prior to the end of the initial 12 month period, and thereafter, if the Councils decide to continue their strategic alliance, on an annual basis.

(d) To ensure that all members of both Councils are regularly updated.

4.4 Each Council will ensure effective arrangements for the scrutiny of recommendations from the Board.

5. Acting Joint Chief Executive

5.1 An agreement has been reached between both Councils for the appointment of the Acting Joint Chief Executive.

5.2 The Acting Joint Chief Executive will ensure an equal commitment to each Council .

5.3 The Acting Joint Chief Executive will be the principal officer responsible for delivery of the aims of the strategic alliance.

5.4 The Acting Joint Chief Executive will at all times act in the best interests of each Council. In the event of any conflict of interest or potential or perceived conflict of interest arising between the Councils the Acting Joint Chief Executive shall immediately inform the Monitoring Officer at each Council. Each Council will ensure it has appropriate procedures and safeguards in place to identify such potential conflicts at an early stage and establish arrangements to deal with them, including procedures to appoint a designated senior officer to act as a deputy in the event that the Acting Joint Chief Executive is unable to act.

5.5 The Acting Joint Chief Executive will ensure that staff and trade union representatives are involved, as appropriate, in service reviews and are kept informed as work progresses.

5.6 Such support as is reasonably required by the Acting Joint Chief Executive will be provided from both within the Councils, and externally, as is appropriate.

6. Financial Considerations

6.1 It is recognised by both Councils that the strategic alliance will realise cash savings and efficiency gains. As a general principle, the Councils agree that any savings resulting from the strategic alliance will be shared equitably but these will be determined on a case by case basis.

6.2 The Councils agree to share equally the costs associated with the investigation and implementation of the agreed areas of joint working. Further, both Councils will seek to use the innovative nature of the strategic alliance to seek external funding to support its development.

7. Termination of this Concordat

7.1 The Councils may agree to bring to an end the vision for the strategic alliance between both Councils and any decision to do so will be handled in a fair manner and with the overriding intention to minimise any resulting disruption to both Councils.

Appendix 2

BROMSGROVE DISTRICT COUNCIL AND REDDITCH BOROUGH COUNCIL

SHARED SERVICES BOARD

1st September 2008

TARGETS AND OBJECTIVES

1. SUMMARY

1.1 To seek approval of the targets and objectives for the Acting Joint Chief Executive in so far as they relate to further shared services / joint working between Bromsgrove District and Redditch Borough Council.

2. RECOMMENDATION

2.1 It is recommended that:

2.1.1 Members agree in principle the targets and objectives for the project as:

2.1.1.1 Phase 1 – By 30th September 2008 identify the "quick wins" for shared services / joint working (for implementation before 31st December 2008);

2.1.1.2 Phase 2 – By 31st December 2008 identify some medium term opportunities (for implementation by 31 July 2009);

2.1.1.3 Phase 3 – By 30th June 2009 review all services of the Council and develop a business case outlining the opportunities for shared services / joint working;

2.1.2 The Targets and Objectives are recommended to both Council's for agreement;

2.1.3 The specification for external support attached at Appendix 1 is noted:

2.1.4 Each Council provide match funding from of £40,000 balances to support the production of the business case; and that

2.1.5 Redditch Borough Council are requested to release £40,000 from revenue balances.

3. BACKGROUND

3.17 Redditch Borough Council and Bromsgrove District Council agreed at their respective full Council meetings in June to the appointment of a Joint Chief Executive between the 2 Councils for a trial period of 12 months.

3.18 As part of the decision to appoint a Joint Chief Executive both Councils agreed that:

"a Shared services Board be established with 3 members from each authority to oversee progress and that a report be brought back to the Council as soon as practically possible determining the detailed remit of this Group and any proposed Governance arrangements".

3.19 The Terms of Reference and role of for the Board are dealt with separately on the agenda.

3.20 In order for members to be assured that the Acting Joint Chief Executive is fulfilling what is required of him there is a need for each council to set targets and objectives which are specific to that Council. This will be the matter for each Council to agree, however, in addition to this there is a need to set broad targets and objectives relating to further shared services / joint working – this is the purpose of this report.

4. TARGETS AND OBJECTIVES

4.1 It is suggested that the project is broken down into 3 main phases:

2.1.5.1 Phase 1 – By 30th September 2008 identify the targets and objectives for joint working that will achieve "quick wins" for shared services / joint working (that can be delivered within 6 months);

2.1.5.2 Phase 2 – By 31st December 2008 to establish the targets and objectives for joint working arrangements that will identify some medium term opportunities (that can be delivered with 12 months);

2.1.5.3 Phase 3 – By 30th June 2009 identify the targets and objectives for long – term joint working arrangements and/or a shared approach to the delivery of services to be presented in the form of a business case.

4.2 The reasoning behind the 3 main objectives is as follows:

a. Phase 1

It is felt to be important to quickly demonstrate the benefits that this initiative will bring that are over and above what can be delivered by the two Councils continuing to work separately. The end of September is felt to be a realistic timescale for the Acting Joint Chief Executive to get to know Redditch Borough Council and to identify some opportunities that will help support the vision for joint working as outlined in the concordat.

b. Phase 2

Rather than simply have 2 phases to the project (quick wins and the full business case for joint working / shared services) it is important that further opportunities are identified as and when they arise. However in order to ensure that these are being pursued it is suggested that by the end of December 2008 the Acting Joint Chief Executive brings forward to the Board some further proposals for consideration. It is further suggested that these proposals should be capable of being implemented before end of July 2009.

c. Phase 3

It is felt that in order to ensure that a robust business case is developed that the full 12 months of the trial for the Acting Joint Chief Executive is taken to develop it. The broad timeline is suggested as follows:

- Recruitment of external resource to undertake analysis of performance levels / costs – September 2008
- Completion of analytical work completed and identification of areas to be targeted – November 2008
- Specification produced for external resource to produce business case – November 2008
- Procurement of external resource to complete business case – December 2008
- External resource to start work on business case – January 2009
- Completion of draft business case for presentation to Acting Joint Chief Executive by April 2009
- Presentation of business case to Shared Services Board by May 2009
- Consideration of business case by each Council by June 2009

At the time of producing the original business case (into the Joint Chief Executive proposals) there was a lack of clarity over the performance information at Redditch. It is essential that this is clarified before any further work is undertaken. This has the added benefit that there is little / no distraction for Bromsgrove in preparing for and undergoing their CPA inspection (on site phase in November) and also help satisfy the Government Monitoring

Board that the Acting Joint Chief Executive and Management Team at Bromsgrove are not losing focus.

4.3 It is clear that neither Bromsgrove or Redditch have the capacity to develop the full business case for shared services without additional support and as such the Acting Joint Chief Executive has discussed this matter with Colin Williams (Director of Local Government Services, West Midlands LGA) who has identified that he has between £30,000 - £40,000 to support this initiative from the West Midland Regional Improvement and Efficiency Partnership (WMRIEP). This will fund the initial work required before procuring someone to complete the business case – the draft specification for this work is attached at Appendix 1.

4.4 Following the completion of the analytical work outlined in the draft specification as outlined in Appendix 1 the Councils will need to procure additional external support to complete the Business Case. It is suggested that match funding of £40,000 per Council is released. Note: Bromsgrove District Council released £40,000 to fund this initiative at its Council meeting in June.

4.5 Whilst the capacity to complete the business case doesn't exist within either Council it is important that it is "owned" by each Council and as such whoever is appointed, whilst working directly to the Acting Joint Chief Executive, will need to work closely with each Management Team.

4.6 If the specification for the external support is supported a detailed project plan will be developed and will be presented to the Board for their consideration at the next meeting.

5. FINANCIAL IMPLICATIONS

5.1 Overall the Acting Joint Chief Executive will save both Councils money however as demonstrated in the report there is a need to supplement the capacity to complete the business case. There is between £30,000 to £40,000 available from the West Midlands LGA to fund the initial work however it is likely that each Council will need to supplement this with additional resources to produce the business case. It is therefore recommended that each Council release £40,000 from revenue balances to progress this..

6. LEGAL IMPLICATIONS

6.1 None arising directly from this report – these will be addressed as each proposal is brought forward for consideration.

7. COUNCIL OBJECTIVES

7.1 Each Council will need to ensure the proposals support the Council Objectives.

8. RISK MANAGEMENT

8.1 None arising directly from this report however it is envisaged that the approach to Risk Management will operate at 2 levels:

a. Risk mitigation/controls for respective proposals/services
b. Ongoing assessment of the short/long term risks contained within the original feasibility report

9. CUSTOMER IMPLICATIONS

9.1 No direct impact on the Customer.

10. EQUALITIES AND DIVERSITY IMPLICATIONS

10.1 None arising directly from this report – these will be addressed as each proposal is brought forward for consideration.

11. VALUE FOR MONEY IMPLICATIONS

11.1 Value for Money and delivery of efficiencies is the driving force behind these proposals.

12. OTHER IMPLICATIONS

Procurement Issues None
Personnel Implications None arising directly from this report – these will be addressed as each proposal is brought forward for consideration. There will undoubtedly be some implications for the staff involved in services proposed for sharing in terms of the business case however any capacity issues will be managed by the appropriate management teams.
Governance/Performance Management Outlined in the report

Community Safety including Section 17 of Crime and Disorder Act 1998 None
Policy None
Environmental None

14. WARDS AFFECTED

All

15. APPENDICES

Appendix 1 – Draft Specification for external support

16. BACKGROUND PAPERS

Shared Services Papers

Kevin Dicks
Acting Joint Chief Executive
Bromsgrove District and Redditch Borough Councils

APPENDIX 1

Bromsgrove District Council and Redditch Borough Council

Joint Working / Shared Services Review - Specification

Background

Bromsgrove District Council and Redditch Borough Council have agreed to trial, for a period of 12 months, a Joint Chief Executive arrangement. Part of the role of the Joint Chief Executive is to identify and establish joint working arrangements and a shared approach to the delivery of key services that will improve the quality of people's lives in the two authorities and deliver greater value for money.

A Shared Services Board has been established comprising 3 members from each authority. The group has agreed the broad targets and objectives for the Acting Joint Chief Executive which are as follows:

- Phase 1 – By 30th September 2008 identify the "quick wins" for shared services / joint working (for implementation before 31st December 2008);
- Phase 2 – By 31st December 2008 identify some medium term opportunities (for implementation by 31 July 2009);
- Phase 3 – By 30th June 2009 review all services of the Council and develop a business case outlining the opportunities for shared services / joint working. The Business case should include financial and performance implications and a risk assessment.

Support Required

The Councils are looking for support in order to progress delivery of Phase 3 of the project. The appointed person(s) will be working directly for the Acting Joint Chief Executive but working with the Management Teams of each authority and in particular with the Deputy Chief Executive at Redditch and the Executive Director of Services at Bromsgrove.

Before the production of the business case it is felt that the following work is necessary and it is for this that we are looking for the external support:

- Initial work at Redditch to establish some clarity on their current performance levels in order to provide the latest baseline data and bring the systems up to date and common. This is a pre-requisite to the next stage;
- Comparing performance and cost information for both Councils an identifying those service areas that could / should be targeted within the subsequent 'business case';

- Developing the specification and go to the market to recruit competitively for a consultancy to prepare and develop the business case. This work till be undertaken by the external resource working closely with the Acting Joint Chief Executive and Deputy Chief Executive (RBC) and Executive Director (Services).

We need someone who can understand the context in which local government works but who is not constrained by it and who can look at:

- Key service improvements required
- Corporate service improvements – someone who can map current performance levels and current costs and identify areas that should be targeted in the subsequent business case

Skills required:

- Excellent analytical skills
- Experience of working in local government and who understands the context of District Councils
- Experience of effective performance and financial management
- Effective Project Management
- Writing of project specifications

Timeline

The key stages for this project are envisaged as follows:

- Recruitment of external resource to undertake analysis of performance levels / costs – September 2008
- Completion of analytical work completed and identification of areas to be targeted – November 2008
- Specification produced for external resource to produce business case – November 2008
- Procurement of external resource to complete business case – December 2008
- External resource to start work on business case – January 2009

- Completion of draft business case for presentation to Acting Joint Chief Executive by April 2009
- Presentation of business case to Shared Services Board by May 2009
- Consideration of business case by each Council by June 2009

Kevin Dicks
Acting Joint Chief Executive
Bromsgrove District Council and Redditch Borough Council
18th August 2008

APPENDIX 3

BROMSGROVE DISTRICT COUNCIL AND REDDITCH BOROUGH COUNCIL

SHARED SERVICES BOARD

1st September 2008

QUICK WINS

1. SUMMARY

1.1 To seek in principle approval of the "quick wins" for further shared services / joint working between Bromsgrove District and Redditch Borough Councils, subject to a proper process of consultation with affected staff and trade unions where necessary.

2. RECOMMENDATION

2.1 It is recommended that:

2.1.1 Members note the benefits already realised from the Acting Joint Chief Executive initiative as outlined at Section 4;

2.1.2 Members agree in principle the quick wins for further joint working / shared services between Redditch and Bromsgrove Councils as outlined in Section 5, subject to a proper process of consultation with affected staff and trade unions;

2.1.3 Members comment upon the Other Opportunities as identified at Section 6.

3. BACKGROUND

3.1 Redditch and Bromsgrove Councils have been working together for approximately 12 to 18 months trying to pursue opportunities for joint working / shared services to either improve service performance / resilience or reduce costs, however it is acknowledged that there has been limited progress with the exception of the arrangements to transfer the payroll function and the appointment of the Acting Joint Chief Executive.

3.2 The areas that have been considered thus far, together with a brief update are as follows:

- Procurement

  Alex Haslam started working on a shared basis between Bromsgrove & Redditch in November 2007. His focus is on ensuring the contract procedure rules and procurement strategies are robust for each Authority

together with working on joint arrangements for framework contracts including Disabled Facilities Grants. Supplier seminars have been held at both Councils which are felt to have gone well and some joint procurement is now being pursued (e.g. abandoned vehicles removal and disposal – across northern district). Member training/seminars have been booked.

- Payroll

  Agreement as part of report on BDC Medium Term Financial Plan (MTFP) to transfer service to RBC. Target date for first payroll run September. First parallel run conducted with no major issues of concern. Second parrallel run will have been completed prior to this Board meeting. The system in use at RBC is also a HR system which also means that there could potentially be additional savings on the procurement of a HR system. This shared service will generate £40k savings per annum going forward.

- Elections

  Bromsgrove recruited the election manager from Redditch last year following numerous unsuccessful attempts to recruit to the post. Redditch covered the gap by internal temporary acting up arrangements but decided that they would look to recruit to the vacant post and evaluate again if they were unsuccessful. Two applications have been received – one applicant from Redditch and one from Bromsgrove. The recruitment process has stopped pending consideration by the Board of the opportunity for shared working in this area.

- Crime and Disorder Reduction Partnership

  The North Worcestershire Responsible Authorities Group has changed to the North Worcestershire Community Safety Partnership. The purpose of the Partnership is to engage at a more strategic level and to identify areas / issues that could be addressed across the area. It is still intended to merge the officer structure by April 2009 however work on this has slowed due to the need for RBC and Wyre Forest to concentrate on achieving LAA Reward Grant targets.

- Worcestershire Hub

  Both Councils are working alongside other districts in the formulation of the business case for shared services / joint working across the County.

- Leisure

Bromsgrove have agreed in principle to transfer their Leisure Facilities to Wychavon Leisure Trust. Target for transfer is September 2008.

- Equalities and Diversity

  The Head of Legal, Equalities and Democratic Services at Bromsgrove supported Redditch through Being Different Together project (formerly the TEDS project). Bromsgrove is providing some training for parish councils across the County. This is an area where it is accepted by Redditch that there is a need for it to improve. The possibility of working across North Worcestershire has been raised between Chief Executives.

- Legal

  Bromsgrove undertaking large scale voluntary registration work for Redditch. Litigation – Councils are sharing resource – RBC do some work for BDC and vice versa whenever there are capacity issues on an ad hoc basis. The SLA with Bromsgrove and BDHT is still continuing. BDC is working with a couple of councils to do conveyancing work.

- Property

  The County Council is providing an Asset Management service to BDC. This will improve the efficiency and effectiveness of the service and help to improve the Council's position with regard to Use of Resources. The County Council is also providing support for the Bromsgrove Town Centre redevelopment.

- ICT

  BDC helped RBC with the production of the TGOV strategy. Responsible Heads of Service in discussion in respect of opportunities for BDC/RBC working together / joint posts although nothing has been agreed as yet.

- Internal Audit

  Bromsgrove Council is currently holding the position of Internal Audit Manager vacant following the departure of the former postholder earlier this year. Worcestershire Treasurers have asked audit managers to look at one audit team for Worcestershire.

- Vehicle acquisition

  Officers are looking to procure vehicles jointly in order to facilitate sharing services. BDC need to change the collection method in order to progress.

- Economic Development

  Initial discussions held with regard to the possibility of doing something across North Worcestershire.

- Enforcement

  Initial discussions held but not progressed due to both authorities facing staffing shortages.

- Licensing

  Initial discussions being held to explore opportunities.

- Print

  RBC have implemented the outcomes of a recent service review however it is considered that there are still opportunities for future sharing

4. BENEFITS ALREADY REALISED

4.1 In addition to the financial saving arising from the appointment of an Acting Joint Chief Executive it is worth the Board noting some of the other benefits that are already felt to have been achieved:

- Improvements in Performance Management – sharing expertise. An identified area for improvement at Redditch is performance management and the Acting Joint Chief Executive has been able to advise on the performance management framework including the process for the development of the Corporate Plan as well as identifying improvements in regular performance management (including financial management) as this has been an area of particular focus at Bromsgrove.
- Savings in officer time by not duplicating attendance at key meetings – e.g. Chief Executives panel.
- Increased awareness of the work of the West Midlands Regional Improvement and Efficiency Partnership (WMRIEP) within both Councils
- Accessing funding from WMLGA – to fund progression of shared services work
- Equalities – sharing expertise particularly with regard to the outcomes from the Being Different Together project. Another identified area for improvement at RBC which can benefit from the work undertaken at BDC.
- Communications – improvements to communications to RBC based upon the approach adopted at BDC including:
  - Communications planner – to identify key communication issues over the next 6 – 12 months
  - Launch of a members bulletin

- Launch of fortnightly Core Brief for staff (following each Corporate Management Team meeting)
- Launch of Core Brief Extra for staff (emailing of urgent communication issues)
- Launch of "Ask the Chief Executive" question and answer session on the staff intranet

It is felt that some of these actions have mitigated the risks that were identified in the original business case.

- Member development – development of a suggested programme for member development some of which can be undertaken jointly by members at both authorities
- Job evaluation / single status – learning from experience and new case law encountered at BDC.
- Ability to take more strategic decisions that affect both Councils – e.g. the decision to put a hold on recruitment for an elections post in order to investigate the opportunities that a shared service may provide (see later in the report).
- Consideration of a staff suggestion scheme.
- Willingness of Senior Management to embrace the change – it should be acknowledged that the Senior Management Team at RBC have been very willing to accept the new regime and the early signs are that the team will work well together – this it is believed has again mitigated some of the risks identified in the original business case.

4.2 Whilst most of the areas outlined above are primarily to the benefit of Redditch it should be noted that there have been benefits accruing to BDC from this work. The most obvious example being the draft Economic Priorities for RBC and the County funding £15,000 that may not have been identified if the Acting Joint Chief Executive wasn't in post.

5. QUICK WINS

5.1 Whilst progress on all of the areas outlined above (and indeed other opportunities) as and when they arise will be pursued it is recommended that the following are given priority as quick wins:

- Elections
  Historically Bromsgrove have struggled to appoint to its Elections Manager post (at least 3 failed appointment processes), however last year the Council managed to recruit to the post from a member of staff from Redditch. Redditch have covered the vacancy by an internal acting up arrangement up until now however they recently went out to advert for the post and received 2 applications – 1 internally and 1 from BDC. Whilst it may have been possible for RBC to recruit it is felt that this was an opportunity missed in terms of joint working / shared services and as

such it was agreed that the recruitment be stopped and options for sharing the service be explored.

It is therefore recommended that a business case be developed for a single elections team to provide full electoral services to both councils. This may not deliver significant financial savings however it is felt that one team would offer better service resilience in this critical area and also allow opportunities to pursue more modern ways of democratic participation. It is proposed that Bromsgrove should lead on this.

- Crime and Disorder Reduction Partnership (CDRP's)

  The work to merge the CDRP's across Redditch, Bromsgrove and Wyre Forest has been ongoing for the last 12 months or so. This had been put on hold because of concerns about grant funding and the need to focus on delivery of LAA targets for which Redditch would receive a reward grant. It is felt however that given the initial work undertaken that this could be progressed quite quickly in order to have a single Community Safety Team for Redditch and Bromsgrove. It is proposed that Redditch should lead on this.

- Performance Management

  This is an area where BDC have improved significantly over the last 2 years and it is also an area that has been acknowledged within RBC as being in need of improvement – it has also been an area where it has been highlighted that additional resource may be required.

  It is suggested that initially the Acting Joint Chief Executive works with officers at RBC to develop the Performance Management Framework and to identify and implement the improvements needed. This can be supplemented by officers at BDC as and when required which may mitigate the need for significant additional investment.

  Another area that could potentially be undertaken jointly in the future, which is aligned to the performance management agenda, is the interpretation of Government Policy.

- Equalities and Diversity

  This is an area where BDC have improved significantly over the last 2 years and have been recognised regionally for its work. It is also an area that has been acknowledged within RBC as being in need of improvement. It is suggested that staff at BDC initially work with colleagues at RBC to identify where the gaps are (in terms of approach), what needs to be done to address the gaps and to provide training to

both members and officers. There may need to be additional funding input into this area from RBC however it will be more cost effective to look at this collectively across the two councils rather than individually.

This work may then result in another opportunity for a shared service.

- Member development

  It is suggested that the work with regard to this is concentrated on identifying areas where development can be undertaken jointly in order to save both Councils money.

6. OTHER OPPORTUNITIES

6.1 In addition to the three phases identified within the project it is important that the Board is advised of other opportunities as and when they arise. These are most likely to arise from staff vacancies at each Council. Since the start of the Acting Joint Chief Executive initiative there have been 2 vacancies that have arisen at Bromsgrove District Council that are worthy of consideration for joint working / shared services, they are:

- Head of Financial Services (Section 151 Officer)

  The current post holder (at BDC) is leaving. This is a key post for the Council however before the decision is taken to go out to recruit members are asked to consider whether there are any opportunities to review the role and to consider whether this affords an opportunity for joint working/shared services.

- Benefits Services Manager

  The current post holder (at BDC) is leaving. Before the decision is taken to go out to recruit members are asked to consider whether there are any opportunities to review the role and to consider whether this affords another opportunity for joint working / shared services.

7. FINANCIAL IMPLICATIONS

7.1 None arising directly from this report

8. LEGAL IMPLICATIONS

8.1 None arising directly from this report – these will be addressed as each proposal is brought forward for consideration. The Board should however note that where any of the “quick wins” have staffing implications these

should be supported by a process of consultation with staff and trade unions in order to avoid the potential for claims of unfair/constructive dismissal

9. COUNCIL OBJECTIVES

9.1 Each Council will need to ensure the proposals support its own Council Objectives.

10. RISK MANAGEMENT

10.1 None arising directly from this report however it is envisaged that the approach to Risk Management will operate at 2 levels:

a. Risk mitigation/controls for respective proposals/services
b. Ongoing assessment of the short/long term risks contained within the original feasibility report

11. CUSTOMER IMPLICATIONS

11.1 No direct impact on the Customer arising from this report, although indirectly the intention of each "quick win" is to deliver efficiencies/savings to the ultimate benefit of the customer.

12. EQUALITIES AND DIVERSITY IMPLICATIONS

12.1 None arising directly from this report – these will be addressed as each proposal is brought forward for consideration.

13. VALUE FOR MONEY IMPLICATIONS

13.1 Value for Money and delivery of efficiencies is the driving force behind these proposals.

14. OTHER IMPLICATIONS

Procurement Issues None
Personnel Implications Staff and trade union consultation would need to be undertaken with the service areas identified as "quick wins" as soon as possible following the in principle agreement from the Shared Services Board. The Acting Joint Chief Executive has extended an invitation to meet with Unison, UCATT and GMB at Bromsgrove Council in order to discuss the principle and implications of the Acting Joint Chief

Executive generally.
Governance/Performance Management None
Community Safety including Section 17 of Crime and Disorder Act 1998 None
Policy None
Environmental None

15. WARDS AFFECTED

All

16. APPENDICES

None

17. BACKGROUND PAPERS

Shared Services Papers

Kevin Dicks
Acting Joint Chief Executive
Bromsgrove District and Redditch Borough Councils

APPENDIX 4

SHARED SERVICES BOARD

Monday, 1st September 2008 at 5.30pm

Present – Councillors R. Hollingworth (Chairman), C. Gandy, M Hall, J. Luck and C. McMillan

Apologies – Councillor M. Webb

Election of Chairman

Councillor McMillan proposed that Councillor Hollingworth be elected Chairman for the first meeting of the Bromsgrove District Council and Redditch Borough Council Shared Services Board.

Councillor Gandy seconded the proposal

All were in favour and Councillor Hollingworth was duly elected Chairman for the meeting.

Draft Concordat

KD introduced the Draft Concordat Document and apologised to the Board for the late production of papers. He confirmed that he would ensure that the papers for future Board meetings would be available in good time for all members to have an opportunity to read through and that he would where possible adhere to the access to information timescales for the production of papers.

RH stated that in future he felt that all papers for meetings of the Shared Services Board should be distributed to all elected members at both Councils in advance of the meetings

KD confirmed that all papers being considered by the board would need to go to the respective Full Council Meetings for agreement. He further confirmed that the Draft Concordat Document represented a vision for the strategic alliance between the two Council's and that it gave an overview of the steps that have been taken towards the delivery of shared services to date.

KD said that both Council's would continue to actively pursue a number of shared service opportunities both between Redditch and Bromsgrove but also beyond to other organisations. The Board would receive reports in relation to all shared service activity and any future shared service proposals.

KD confirmed that it was his intention to spend 2 days a week at each Council with a floating day, although this would need to be flexible and that he intended to attend key meetings for each Council, most particularly the Cabinet and Full Council Meetings although he recognised that this was not always possible given the time and date clashes that may occur.

MH – Suggested that both Council's may want to consider changing the date and time of meeting to enable KD to attend more easily.

After a discussion is was agreed that whilst this was something to consider in respect of meetings next year that those already scheduled should not be changed and that KD would attend where possible with substitutes attending in his place if he were unable to attend for any reason.

KD referred to the performance information and the financial implications associated with the Acting Joint Chief Executive arrangements and stated that it was his intention to bring the detail of the costs / savings associated with shared services / joint working to the next meeting of the Shared Services Board in order that the process be open and transparent.

This was noted and accepted by the Board

KD further advised the Board that they would need to make a recommendation to their respective Full Council's in relation to discharging the 6 month review process.

This matter was discussed and it was agreed that it would be appropriate for the respective Cabinets to undertake the 6 month review in accordance with the Draft Concordat Document and that this be recommended for approval by both Councils.

RH suggested that it may be appropriate for both Cabinets to undertake the review process collectively.

KD said that this would need to be a matter for the Board to determine

The point was debated and it was agreed that it would be more productive for each Cabinet to undertake a 6 month review independently and that they report the findings in relation to that review to the Board who could in turn make their recommendations to their respective Council's

It was also agreed that there would be merit in both Cabinets meeting in the event that there was a consensus for continuing with the Acting Joint Chief Executive arrangement as a result of the 6 month review to agree a vision for the remaining 6 months

CM made the following comments in relation to the Draft Concordat Document;

- that the targets and objectives within the Concordat were unnecessarily detailed given that they were identified in yet more detail in the targets and objectives document - **It was agreed that this be altered to reflect that the Board would be responsible for determining the targets and objectives and that all other detail be deleted from the concordat document.**

- that the words 'service quality' be added to section 4.3 (a) (ii) – **This was agreed**

- that the agreement needed to be amended to reflect the start date in relation to the Acting Joint Chief Executive – **this point was agreed**

- that where possible suitable Heads of Terms be agreed as common in relation to all shared service arrangements to avoid unnecessary duplication and to ensure consistency – **It was agreed that both Council's would work together to ensure that where possible the Legal Departments ensure that the shared service arrangements were simplified and uniform in their approach**

CG expressed a concern that whilst the Draft Concordat Document referred specifically to Excellent Working Relationships that in order for this to be possible it would be necessary to extend an invitation to the Leaders of the respective Labour Groups on the Shared Services Board. **It was agreed that an offer of membership on the Shared Services Board be offered to the Leader of the Council's respective Labour Groups and that this be a conditional offer based on the written agreement of the respective Labour Group Leaders to the principal of the Joint Chief Executive arrangements and that the Monitoring Officers of both Council's be charged with the responsibility for determining the administrative arrangements associated with this proposal in relation to the Board and that this be recommended to both Council's.**

RH asked whether substitutes should be permitted to sit on the Shared Services Board – **It was agreed that substitutes would not be appropriate.**

CM suggested that both Council's would need to detail an account manager for each service area identified as being appropriate for shared services / joint working and that this post be independent from the day to day operation of the service.

KD confirmed that for the foreseeable future the relationship would be one of client and contractor to ensure that each Council maintained this split and that this would be particularly important in relation to shared service proposals in respect of statutory functions.

RH raised the point that whilst KD had indicated that where possible he would attempt to spend 2 days at Redditch, 2 days at Bromsgrove with a floating day that it would be more appropriate for KD to determine the division of his time in accordance with the requirement within the Draft Concordat Document for the Acting Joint Chief Executive to be equally committed to both Council's – **This was discussed and it was agreed that KD should make his arrangements based on the needs and requirements of each Council at any given time within the overall principle that he be committed equally to both Councils.**

RH suggested that the termination clause be amended to make reference to the secondment arrangement – **this was agreed**

Targets and Objectives

KD distributed a revised targets and objectives report and explained that the original report has been revised to reflect further discussion around the support available from the West Midlands Regional Improvement and Efficiency Partnership (WMRIEP).

KD explained that the WMLGA had noted when they did their original feasibility study into the Joint Chief Executive proposal that the performance management Information would need to be reviewed at Redditch Borough Council before the business case for the longer term objectives of the Joint Chief Executive arrangements could be established. Colin Williams from the WMLGA had confirmed to KD that the WMRIEP would fund support to establish the performance information at Redditch which was the prerequisite of the development of the business case. It was envisaged that this external resource would help write the specification for the support needed to progress the development of the business case. This support would equate to £30,000 to £40,000 and would be funded by the WMRIEP.

KD felt that there were capacity issues in both Council's that would make it difficult to produce the business case required and that there was also a need for a level of independence required given the potential outcomes of this exercise. KD did however stress that it was important for both management teams to be involved in the process but that the impartiality and objectivity that a third party would bring to the process would be necessary for these reasons.

In order to fund the production of the business case both Councils needed to release a maximum of £40,000 from balances. It was noted that Bromsgrove had already done this at their meeting in June.

CM suggested that KD may want to revisit the timescales in light of their coinciding with annual holiday dates.

KD agreed that in 4.1.(a) and (b) 31st December needed to be altered to 31st January and in 4.1 (c) 30th June needed to be altered to 31st July. – **This was agreed**

MH said that he felt that the Financial situation between both Council's was going to become complex as a result of the joint working environment and wondered what arrangements were in place for managing this process in an open and transparent way.

KD confirmed that coding arrangements were in place at both Council's to record the costs and savings associated with the Joint Chief Executive arrangements

This was discussed and it was further suggested that the additional management costs associated with the interim management arrangements at Redditch be coded separately as these were costs that would have been incurred notwithstanding the Joint Chief Executive arrangements.

Quick Wins

KD explained the purpose of the document and the details of works that had been achieved over the last 12 months.

He further explained the need for both organisations to capture any benefits to both organisations not just in a shared working environment but also in a shared leaning environment as there was a capacity issue in both organisations that could benefit from shared learning.

KD also explained the need for Bromsgrove District Council to be mindful of the views of the Government Monitoring Board.

KD detailed a proposal for a shared Elections Service – **This was discussed and it was agreed that the Board would be recommending the production of a business case to support this proposal to their respective Full Council's.**

KD detailed a proposal for a shared Community Safety Team – **This was discussed and it was agreed that the Board would be recommending the production of a business case to support this proposal to their respective Full Council's although it was noted that this would not include CCTV and lifeline at this stage.**

KD outlined the following as further proposals for shared working to the Shared Services Board:

- The provision of support to Redditch for the development of their performance and financial management framework

- The provision of advice and guidance to Redditch Borough Council on their equalities and diversity agenda drawing on the skills and expertise of the officers at Bromsgrove and the progress that they had made within the Local Government Equality Standard
- That Bromsgrove and Redditch work together where appropriate to deliver the requirements of each authority's member development programme maximising training and development opportunities where appropriate.

These items were debated and it was agreed that a recommendation be made to the respective authorities Full Council's that these joint working opportunities be realised by both Council's.

KD stated that in future he would advise the Board of opportunities that may arise as a result of vacant posts. Two such opportunities had arisen as a consequence of posts becoming available at Bromsgrove District Council.

The first was in relation the Head of Financial Services and Section 151 Officer.

The Board agreed that it would be appropriate for Bromsgrove to recommend to its Full Council that the post be filled on an interim basis and that both Council's be recommended to request the Joint Chief Executive to produce a business case over the next 12 months to determine the options available to both Councils and whether this post was appropriate for shared service/joint working.

The second was in relation to the post of Benefits Services Manager

The Board agreed that this post was critical within a high profile service area that was already challenged by capacity and resource implications in both organisations. As a result it was agreed that it would not be an area that would benefit from joint working at this stage and that both Council's be recommended not to pursue a joint working environment and that Bromsgrove continue to move to recruit to this post.

JL made an observation that the Enforcement Service may benefit from a shared working environment given the challenges that both organisations face in the recruitment and retention of staff in this field.

KD confirmed that whilst this was not a service area that was currently being considered for shared working given the capacity issues facing both Council's he was actively pursuing any wider shared service opportunity that may be available in relation to the wider enforcement agenda and more particularly in the short term the issuing of fixed penalty notices.

CM suggested that both HR departments should liaise over amended Job Descriptions where possible to ensure that new appointments were aware of the

joint arrangements and that their JDs reflected the need for flexible working between the two organisations.

CM asked whether there were any opportunities for shared working in the IT departments. KD stated that although he felt that the main opportunity may have been missed the Heads of Service from both councils were continuing to discuss the potential of joint posts.

KD raised the possibility of a shared audit service although he pointed out that there were capacity issues that were evident at both Council's that may prevent this from happening in the short term. It was agreed that the work being currently undertaken across Worcestershire be progressed as quickly as possible but that in the short term Bromsgrove recruit additional temporary support as necessary.

KD – referred the Board to section 3 of the 'Quick Wins' report and said that at all times both Council would be focusing on shared working opportunities and that were these became apparent he would feed them into the Board.

The Board briefly discussed Economic Development and the need for both Councils to look at the strategic overview in relation to any shared service opportunities that may be available in the future.

The Board decided that meetings should be bi monthly and the next one would be circulated at a later date.