

**Cabinet  
2024**

**14 February**

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**Termination of shared service arrangement: North Worcestershire  
Economic Development and Regeneration**

Relevant Portfolio Holder	Councillor Sue Baxter Cabinet Member for Economic Development and Regeneration
Portfolio Holder Consulted	Yes / No
Relevant Head of Service	Guy Revans, Executive Director (Interim)
Report Author Guy Revans	Job Title: Executive Director (Interim) Contact email: <a href="mailto:g.revans@bromsgroveandredditch.gov.uk">g.revans@bromsgroveandredditch.gov.uk</a> Contact Tel: 01527 64252 ext 3292
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Run and grow a successful business. And Work and financial independence.
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
This report contains exempt information as defined in Paragraph(s) 3 and 4 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

**1. RECOMMENDATIONS**

**The Cabinet RESOLVE:**

- 1) To agree that the Collaboration Agreement relating to the Provision of Economic Development and Regeneration Services should be terminated mutually under clause 15.1 (Determination of this Agreement), with effect from 30 June 2024 and that a new Exit Agreement is entered into;**
- 2) Delegate to the Executive Director (interim) following consultation with the Cabinet Member for Economic Development and Regeneration, and Executive Director Resources authority to negotiate, finalise and approve the Exit Agreement and to take any other steps that arise from the termination process.**

**And the Cabinet is asked to RECOMMEND that**

**3) An additional budget of £72,836 is approved for the new structure.**

**2. BACKGROUND**

- 2.1 North Worcestershire Economic Development and Regeneration (NWEDR) is a shared service serving Bromsgrove, Redditch and Wyre Forest councils that has successfully operated for over a decade.
- 2.2 In recent years NWEDR has attracted a very welcome total of £70m in Government grants for the three districts to support major regeneration programmes including the £14 Million Levelling Up Fund (LUF) money for Bromsgrove.
- 2.3 Implementing the programmes and projects associated with the Government grants has inevitably involved considerable additional work and has affected NWEDR's capacity in the last couple of years. That has been exacerbated by recruitment difficulties in filling posts and keeping them filled.
- 2.4 The Leader of Wyre Forest DC (WFDC) approached the Leader of Bromsgrove DC (BDC) and Redditch BC (RBC) in August 2023 to request a mutual termination of the Collaboration Agreement (the "Agreement") relating to the Provision of Economic Development and Regeneration Services across North Worcestershire.
- 2.5 Clause 15.1 of the Agreement (Determination of the Agreement), provides that all parties to the Agreement may agree that it should be determined (brought to an end). Clause 15 also makes provision for the transfer of assets and intellectual property etc. and that, in the case of mutual termination under Clause 15 any costs arising are shared in the same percentages as apply to sharing of operating costs of NWEDR. Clause 8.9 provides that, in the event of termination, the councils' intention is that the Transfer of Undertakings (Protection of Employment) Regulations will apply to the staff but that is subject to the Regulations and relevant law and any subsequent agreement of the three councils.
- 2.6 Officers from BDC and RBC (lead by the Executive Director (Interim)) and WFDC (Led by their CEO) have been meeting regularly to draft and agree the Exit Agreement that includes indemnity clauses that protect this council from any future claims relating to staff or commercial decisions taken by NWEDR or during the separation. The Collaboration Agreement includes many similar provisions on establishing the shared service and it is inevitable that they would be mirrored in exiting that agreement. The report seeks a delegation to the Executive Director (interim) to finalise the exit agreement.

- 2.7 Subject to the agreement of the Exit Agreement it has been agreed that the mutual termination, will take effect from 30 June 2024.

**3. OPERATIONAL ISSUES**

- 3.1 TUPE regulations will be considered as part of the exit arrangement. Until the agreement is terminated, NWEDR will provide the full range of support that it currently provides for the three councils under the agreement, including work on the agreed business plan – although that is inevitably subject to the same constraints about capacity which have been experienced for some time.
- 3.2 BDC places high priority on economic regeneration, as can be seen from the two strategic purposes and the recently agreed priorities.
- 3.3 Recruitment and retention in this area of business is currently difficult and it is therefore proposed that a shared Economic Development, Regeneration and Property Service will be created under a new Head of Service for Bromsgrove and Redditch Councils (details of the proposals can be seen at appendix 1) as this will give us the best opportunity to recruit high calibre staff and deliver BDC's strategic purposes and priorities associated with economic development, regeneration and property services.
- 3.4 Recruitment to the Head of Service and other key posts will take place early in 2024 to ensure that we have the capacity in place to deliver the LUF Programme and other key projects.

**4. FINANCIAL IMPLICATIONS**

- 4.1 Bromsgrove District Council's current annual budget contribution for NWEDR is £244k and the future structure outlined for Bromsgrove DC and Redditch BC in the appendix is estimated to have an additional financial implication of circa £73k/year, which has been included in tranche 2 of the MTFS.
- 4.2 Capital schemes, of which the Levelling Up Schemes are by far the largest, are set out in the Councils Capital Programme.

**5. LEGAL IMPLICATIONS**

- 5.1 The Council relies on general powers such as section 111 of the Local Government Act 1972 and section 1 of the Localism Act 2011 to undertake work on economic development and regeneration. Specific powers exist in respect of acquisition and disposal of land in the 1972 Act which are central to the property function, including provision of industrial units etc. The existing Collaborative Agreement was entered under section 101 of the 1972 Act (arrangements for discharge of functions by other authorities) – the delegation of functions by Redditch and Bromsgrove to WFDC will cease when the agreement is terminated.
- 5.2 Mutual termination of the current agreement requires a formal decision by each of the three councils. Equivalent reports to this are expected to be taken to the Executive in Redditch in February.

**6. OTHER - IMPLICATIONS**

**Relevant Strategic Purpose**

- 6.1 Run and grow a successful business.  
And  
Work and financial independence.

**Climate Change Implications**

- 6.2 No direct impacts in respect of climate change are expected to arise.

**Equalities and Diversity Implications**

- 6.3 No direct impacts in respect of equality and diversity are expected to arise. All relevant employment law will be complied with; accordingly no equality impact assessment is required.

**7. RISK MANAGEMENT**

- 7.1 Timescales are tight for recruitment there for essential posts will be recruited to first to ensure that the service has a strategic lead and the LUF project can be delivered.

**8. APPENDICES and BACKGROUND PAPERS**

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Confidential appendix 1 - setting out the proposed structure and costings for the future shared service.

Collaboration Agreement relating to the Provision of Economic Development and Regeneration Services, 27 May 2011

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**9. REPORT SIGN OFF**

<b>Department</b>	<b>Name and Job Title</b>	<b>Date</b>
Portfolio Holder	Councillor Sue Baxter Cabinet Member for Economic Development and Regeneration	17.01.2024
Lead Director / Head of Service	Guy Revans, Executive Director (Interim)	17.01.2024
Financial Services	Pete Carpenter, Director of Resources and Deputy Chief Executive (Interim)	17.01.2024
Legal Services	Claire Green Principle Solicitor	11.01.2024
Policy Team (if equalities implications apply)	N/A	N/A
Climate Change Team (if climate change implications apply)	N/A	N/A