

Appendix

Schedule of Documents

Case References: 03/09 and 04/09

Appendix

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Bromsgrove District Council

Standards Assessment Sub-Committee

Decision Notice: Referral for Investigation

Reference: 03/09 Councillor Peter McDonald

This Decision Notice is sent to the person making the complaint and the Member against whom the allegation was made.

Complaint

On 27 July 2009 the Bromsgrove District Council Standards Assessment Sub-Committee considered a complaint from Councillor Kit Taylor concerning the alleged conduct of Councillor Peter McDonald, a Member of Bromsgrove District Council.

A general summary of the complaint is that, at a meeting of Lickey & Blackwell Parish Council on 6 July 2009 Councillor Peter McDonald disclosed confidential information.

Decision

The Standards Assessment Sub-Committee has decided to refer the allegation to the Monitoring Officer for investigation.

Potential breaches of the Code of Conduct identified

The Standards Assessment Sub-Committee identified the paragraphs of the Code of Conduct which may apply to the alleged conduct as being:

- disclosing confidential information; and
- bringing an office or authority into disrepute.

Note: the Sub-Committee noted that although Councillor McDonald attended the meeting in his capacity as County Councillor for the Division which incorporates Lickey & Blackwell Parish Council, he is alleged to have disclosed information which would only have been made available to him in his capacity as a member of Bromsgrove District Council and therefore the Sub-Committee considered that the Bromsgrove District Council Code of Conduct applies.

What happens now?

The complaint will be investigated by a person appointed by the Monitoring Officer.

Standards for England has published a guide to the investigation process which is available on its website at

From: ann [anne@doyle5341.fsnet.co.uk]
Sent: 24 July 2009 13:55
To: Claire Felton
Cc: Debbie Parker-Jones
Subject: FW: COMPLAINT TO STANDARDS BOARD

Good Afternoon Claire

I forward an e-mail I sent to Debbie this morning which I had not had time to double check - my sending of e-mails was 'playing up' and I thought I had best send and check later. Here is the slightly amended e-mail which I wish you to accept in place of the earlier one..

Regards
Ann

Message Received: Jul 24 2009, 11:00 AM
From: "ann"

Cc:
Subject: COMPLAINT TO STANDARDS BOARD

I wish to make a complaint to the Standards Committee about Councillor Peter MacDonald under the Disclosure of Confidential Information in the Code of Conduct Paragraph 4 in that-

At a public, Parish Council Meeting of the Lickey and Blackwell Parish Council, on 6th July, Councillor MacDonald made several statements which I believed at the time, to be confidential matters of the Council.

When it came to question and answer part of the Meeting for County Councillors, Councillor MacDonald stated

that

'Everyone should be aware that the Council was wasting the ratepayers, money by employing Consultants, at a cost of £83,000, to review whether the Chief Executive Kevin Dicks should be recommended to continue, for the time being, as Joint CE of Redditch and Bromsgrove. He went on to say that Council had then 'thrown out their recommendations.' Councillor MacDonald further suggested that the post should be advertised to all.

that

'it was wrong that the two people who would be responsible for setting the Joint CE salary, would be the Head of Legal Services and another employee from the Legal

Department, both employees of BDC.'

that

'the Joint CE would be getting a salary of £150.000 a year.'

When it came to the District Councillors slot I ask Councillor MacDonald from where he got his information. He said that it 'was all in papers that we (Councillors) had received.' I then asked him if the information was Confidential and he did not reply. At that time I had NOT seen the information he talked about.

Further to this, at a Presentation by SERCO on Shared Services, in Council, on 16th July, when the Confidentiality of the papers was being discussed, I turned to Councillor Macdonald and said 'but you have already disclosed this information at a Public Meeting'. He said 'oh ar I ave'. I feel that this must have been overheard by other Members at that Meeting.

Ann Doyle

Bromsgrove District Council
Standards Assessment Sub-Committee

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- disclosing confidential information; and
- bringing an office or authority into disrepute.

Note: the Sub-Committee noted that although Councillor McDonald attended the meeting in his capacity as County Councillor for the Division which incorporates Lickey & Blackwell Parish Council, he is alleged to have disclosed information which would only have been made available to him in his capacity as a member of Bromsgrove District Council and therefore the Sub-Committee considered that the Bromsgrove District Council Code of Conduct applies.

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Standards for England has published a guide to the investigation process which is available on its website at

<http://www.standardsboard.gov.uk/TheCodeofConduct/Guidance/Investigations/filedownload,16685,en.pdf>

Signed **Date**

Chair of the Standards Assessment Sub-Committee

From: Kit Taylor
Sent: 20 July 2009 23:38
To: Claire Felton
Cc: Roger Hollingworth
Subject: Confidential Matters

Claire

At the last meeting of Lickey and Blackwell Parish Council 6.7.09. We were subjected to what can be only described as a rant by Cllr Peter MacDonald in which we were told how disgraceful and unethical it was that BDC was moving towards shared services with Redditch. During the diatribe which was in front of the full Parish Council and members of the public, Cllr MacDonald informed us of the vast monies that the Chief executive was going to earn (£150k), the rather suspicious method of calculating this that was going to be applied by the officers and how the cost and failure of this shared service was going to cost us all dear. During this time he was challenged by myself and Cllr Anne Doyle several times about the confidential nature of this information due to the sensitive nature of the effect it may have on some officers of the council and was only finally quietened down by the Chairman Cllr John Williams. Cllr MacDonald's answer to Cllr Doyle about his sources was that she should read the Shared Services Board information supplied to District Councillors by Karen Firth on our emails.

Many Thanks

Kit

Bromsgrove District Council

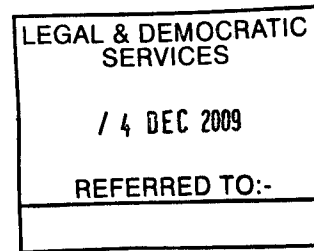
Standards Investigation

Case References: 03/09 and 04/09

Statement of : Councillor Ann Doyle

Interview conducted on 24th September 2009 at 2.00 p.m.

Interviewer: Michael Blamire-Brown



I am a member of Bromsgrove DC.

On Monday 6th July 2009 I was present a meeting of Lickley & Blackwell Parish Council in my capacity as a district councillor.

Councillor Kit Taylor was also present as well as Councillor McDonald.

There is an agenda item at parish council meetings which enable district and county councillors to raise matters.

I can confirm that the email (copy attached) dated 24th July 2009 is a copy of the email which I sent to Claire Felton.

I made longhand notes at the meeting by way of an aide memoire.

I am confident that the quotations in my email are reasonably accurate as to what Councillor McDonald said, in particular the figures of £83,000 and £150,000.

During the Parish Meeting I did ask Councillor McDonald where he had obtained the information about shared services which he had disclosed to the meeting. His comment to me was that "you should know, you have had the papers". I then said isn't it confidential information? He did not make any comment.

As at 6th July 2009 I had not received from the Council any information about the shared services project. It would have been sent to my council email address and I would not have picked it up as I only use that email address infrequently.

I attended a presentation about the shared services project by SERCO (the Council's consultants) on 16th July 2009 for all members of Bromsgrove DC. It was stated at that meeting and we were reminded that the papers relating to shared services were confidential.

I do remember seeing the reports about shared services when I received the papers for the full Council meeting for 29th July 2009 as part of the Cabinet minutes. These included on pink paper the reports relating to shared services.

After the presentation I did discuss my concern about confidentiality with Councillor Mrs Luck. I realised that confidential information had been disclosed and on 24th July 2009 emailed Claire Felton.

The information which Councillor McDonald disclosed which in my view was confidential was:-

1. The fact that the consultants cost £83,000.
2. The Council was not accepting the report of its consultants that the chief executive post should be advertised.
3. That the proposed salary was £150,000.
4. The statement that officers would be responsible for setting the Chief Executive's salary.

I did not know whether this information was from papers or discussions from the Leaders Group (the meeting of all the Group Leaders).

Signed..... Ann Doyle (Councillor Ann Doyle)

Dated..... 3.12.09.....

From: ann [anne@doyle5341.fsnet.co.uk]
Sent: 24 July 2009 13:55
To: Claire Felton
Cc: Debbie Parker-Jones
Subject: FW: COMPLAINT TO STANDARDS BOARD

Good Afternoon Claire

I forward an e-mail I sent to Debbie this morning which I had not had time to double check - my sending of e-mails was 'playing up' and I thought I had best send and check later. Here is the slightly amended e-mail which I wish you to accept in place of the earlier one..

Regards
Ann

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From: "ann"

Cc:
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At a public, Parish Council Meeting of the Lickey and Blackwell Parish Council, on 6th July, Councillor MacDonald made several statements which I believed at the time, to be confidential matters of the Council.

When it came to question and answer part of the Meeting for County Councillors, Councillor MacDonald stated

that

'Everyone should be aware that the Council was wasting the ratepayers, money by employing Consultants, at a cost of £83,000, to review whether the Chief Executive Kevin Dicks should be recommended to continue, for the time being, as Joint CE of Redditch and Bromsgrove. He went on to say that Council had then 'thrown out their recommendations.' Councillor MacDonald further suggested that the post should be advertised to all.

that

'it was wrong that the two people who would be responsible for setting the Joint CE salary, would be the Head of Legal Services and another employee from the Legal

Department, both employees of BDC.'

that

'the Joint CE would be getting a salary of £150,000 a year.'

When it came to the District Councillors slot I ask Councillor MacDonald from where he got his information. He said that it 'was all in papers that we (Councillors) had received.' I then asked him if the information was Confidential and he did not reply. At that time I had NOT seen the information he talked about.

Further to this, at a Presentation by SERCO on Shared Services, in Council, on 16th July, when the Confidentiality of the papers was being discussed, I turned to Councillor Macdonald and said 'but you have already disclosed this information at a Public Meeting'. He said 'oh ar I ave'. I feel that this must have been overheard by other Members at that Meeting.

Ann Doyle

Bromsgrove District Council

Standards Investigation

Case References: 03/09 and 04/09

Statement of : Councillor Kit Taylor

Interview conducted on 24th September 2009 at 3.00 p.m.

Interviewer: Michael Blamire-Brown

LEGAL & DEMOCRATIC SERVICES
17 NOV 2009
REFERRED TO:-

I am a member of Bromsgrove District Council and Worcestershire County Council.

I was present at a meeting of the Lickey & Blackwell Parish Council on 6th July 2009 representing Bromsgrove District Council.

I made notes after the meeting. At the time of the meeting I thought that the information disclosed by Councillor McDonald was confidential but I needed to check this.

I did say to him during the meeting that we should not be discussing this. He did not respond and carried on. Councillor Doyle also spoke to him. In the end the Chairman of the meeting asked him to stop.

I spoke to Councillor Roger Hollingworth and he advised him that information about shared services was confidential.

I then made the decision to email Claire Felton. A copy of my email is attached.

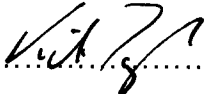
The information which Councillor McDonald disclosed and which it appears to me was confidential is:-

1. The statement that the proposed salary for the Joint Chief Executive was to be £150,000.

2. The statement that the proposed management structure was being sorted out by the officers, which was clearly incorrect.

When Councillor Doyle asked him how he knew about the information he was disclosing at the meeting of the Parish Council, he referred to the confidential shared services papers which had been sent to all members.

It seemed to me that these matters should not have been subject to discussion at a parish council meeting. It was not parish business.

Signed.....  (Councillor Kit Taylor)

Dated..... 12/11/09

From: Kit Taylor
Sent: 20 July 2009 23:38
To: Claire Felton
Cc: Roger Hollingworth
Subject: Confidential Matters

Claire

At the last meeting of Lickey and Blackwell Parish Council 6.7.09. We were subjected to what can be only described as a rant by Cllr Peter MacDonald in which we were told how disgraceful and unethical it was that BDC was moving towards shared services with Redditch. During the diatribe which was in front of the full Parish Council and members of the public, Cllr MacDonald informed us of the vast monies that the Chief executive was going to earn (£150k), the rather suspicious method of calculating this that was going to be applied by the officers and how the cost and failure of this shared service was going to cost us all dear. During this time he was challenged by myself and Cllr Anne Doyle several times about the confidential nature of this information due to the sensitive nature of the effect it may have on some officers of the council and was only finally quietened down by the Chairman Cllr John Williams. Cllr MacDonald's answer to Cllr Doyle about his sources was that she should read the Shared Services Board information supplied to District Councillors by Karen Firth on our emails.

Many Thanks

Kit

Bromsgrove District Council

Standards Investigation

Case References: 03/09 and 04/09

Statement of : Judith Anne Casey

Interview conducted on 17th September 2009 at 11.00 a.m.

Interviewer: Michael Blamire-Brown

I am the Clerk to Lickey & Blackwell PC

My address is:-

300 Old Birmingham Road

Lickey

Birmingham

B45 8ES

I have a BA (Hons) in local government studies. This includes the Certificate in Local Council Administration.

As Clerk, I was responsible for taking the minutes of a meeting of Lickey and Blackwell Parish Council held on 6th July Minutes of PC. A copy of those minutes as approved by the Chairman is attached. The meeting was a public meeting which was attended by some members of the public.

For the purposes of the minutes I take a shorthand note which is selective of those points which I feel is relevant to the parish Council. I attach a transcribed copy of my shorthand note taken at the meeting on 6th July 2009.

It is normal procedure for District and County Councillors to be invited to all full Parish Council meetings and to receive the agenda and minutes. Although I understand Councillor McDonald is also a District Councillors, he was present in his capacity as a County Councillor.

JAC

Under the agenda item 3 (Reports from Outside Bodies and County and District Councillors) county and district members are given the opportunity to raise any matter they wish.

When Cllr Taylor referred to complaints about footpaths (see 3.2 of minutes) being invited from Parish Councils to be made to their County Councillors. Councillor McDonald objected to that because it was a county council matter and Cllr Taylor was a District Councillor.

Cllr McDonald spoke then first about shared services. He spoke about the finance involved to say that it would cost quite a lot of extra money. I recall that a figure of £150,000 was mentioned. He was referring to the shared chief executive who was Kevin Dicks.

I recall that he gave the impression that Kevin Dicks would not be able to carry out the functions for both councils inferring that the job was too big for one person and that the two authorities were quite different.

He said that shared services could cause problems. There would be a temporary Chief Executive of Redditch and Bromsgrove Councils. He mentioned £83,000 consultants fees for three and a half years. He referred to contracts for the Chief Executive being on a temporary contract at a high salary.

I recall that he also mentioned housing land – that shared services would be the thin end of the wedge and that Redditch would take Bromsgrove's land for housing.

I recall that Cllr Doyle did then ask Cllr McDonald where his information had come from.

I have been read a quotation which has been written by Councillor Ann Doyle and which states that Councillor McDonald said:-

JAC

"Everyone should be aware that the Council was wasting the ratepayers money by employing consultants at a cost of £83,000 to review whether the Chief Executive Kevin Dicks should be recommended to continue for the time being as Joint Chief Executive of Redditch and Bromsgrove."

"The Council had thrown out their recommendations".

"The post should be advertised to all".

"It was wrong that two people who would be responsible for setting the Joint Chief Executive salary would be the Head of Legal Services and another employee from the Legal Department, both employees of Bromsgrove District Council".

I generally agree with the above quotations.

I have been read the contents of an email by Councillor Taylor as follows:-

"At the last meeting of Lickey and Blackwell Parish Council 6.7.09. We were subjected to what can only be described as a rant by Councillor Peter McDonald in which we were told how disgraceful and unethical it was that BDC was moving towards shared services with Redditch. During the diatribe which was in front of the full Parish Council and members of the public Councillor McDonald informed us of the vast monies that the Chief Executive was going to earn (£150k), the rather suspicious method of calculating this that was going to be applied by the officers and how the cost and failure of this shared service was going to cost us all dear.

During this time he was challenged by myself and Councillor Anne Doyle several times about the confidential nature of this information due to the sensitive nature of the effect it may have on some officers of the Council and was only finally quietened down by the Chairman Cllr John Williams. Cllr McDonald's answer to Cllr Doyle about his sources was that she should read the Shared Services Board information supplied to District Councillors."

Again, I agree generally this is a correct statement as to what was said at the Parish Council meeting on 6th July 2009.

Signed Judith A Casey (Judith Anne Casey)

Dated 22nd September 2009

note that these Minutes are draft until signed by the chairman

-1-

MINUTES OF THE MEETING OF LICKEY & BLACKWELL PARISH COUNCIL
HELD AT THE TRINITY CENTRE, LICKEY
ON MONDAY 6th JULY 2009
MINUTES NO 3 2009/2010

1 1.1 **ACCEPTANCE OF APOLOGIES:** apologies were accepted from District Councillor R Deeming and Councillors J King and J Nash.

PRESENT: Councillor J Williams (Chairman), Councillors Mesdames K Crockett, J Harvey, J Johnson, Councillor K Woolford and Mrs J Casey (Executive Officer), District Councillors C Taylor and Mrs A Doyle, County Councillors P McDonald and Mrs E Moffett and six members of the public.

1.2 Review of the position regarding co-option: no nominations had yet been received.

2 **DECLARATIONS OF INTEREST REGISTER:** 2.1 Personal 2.2 Prejudicial: there were no declarations of interest.

The Meeting was closed for Public Questiontime

3 **REPORTS FROM OUTSIDE BODIES AND COUNTY AND DISTRICT COUNCILLORS:**

3.1 Councillor Mrs Doyle reported on the "co-mingling" method of recycling which was to be introduced, probably in the autumn of 2009.

3.2 Councillor Taylor reported that Parish Councils were invited to submit details of the five worst footways in their Parish to their County Councillor as some funding may be available from County Council. The new toilets in Bromsgrove were currently under construction and would be opened next month. The planning application regarding change of use for the old Methodist Church would be considered shortly.

3.3 Councillor Mrs Moffett reported on a site visit to Blackwell with Mike Walton, highways engineer from County Council.

3.4 Councillor McDonald reported on the shared services scheme between Redditch and Bromsgrove, a temporary Chief Executive being responsible for both towns. Councillor McDonald kindly agreed to consider asking County Council to carry out work on the roadside hedge which was overgrowing the footway between High House Drive and the Trinity Centre on Old Birmingham Road and also the footway itself, which was in a poor state.

3.5 Mr Brown, (Marlbrook Landfill Monitoring group) reported that Alvechurch Highway was being resurfaced.

4 **MINUTES OF THE MEETING HELD ON 1st JUNE 2009:** it was agreed that the Minutes be signed as a true record.

5 **FINANCE GROUP REPORT**

5.1 **Payment of Bills and Bank Transfer:** it was agreed that the attached list of bills be paid and that a Bank Transfer of £7,600 would be made.

FLW

EXTRACTS FROM SHORTHAND NOTES TAKEN AT THE PARISH COUNCIL MEETING HELD AT THE TRINITY CENTRE, LICKEY ON MONDAY 6TH JULY 2009

Minutes No 3 2009/2010, Item 3.4: Reports from Outside Bodies and County and District Councillors:

Very brief notes were taken on this item as it is not a Parish Council matter but an opportunity for District and County Councillors (and other outside bodies) to convey information to the Parish Council.

“County Councillor P McDonald reported on shared services between Redditch and Bromsgrove Councils which, in his opinion, could lead to problems. There would be a temporary Chief Executive for Redditch and Bromsgrove, Kevin Dicks. Consultants would be employed at a cost of £83,000 to review this. The “temporary employment contract would be for three and a half years on a high salary.”

Judith Casey,

Judith Casey
Executive Officer of Lickey and Blackwell Parish Council

Dated: 22nd September 2009.

Council

Appendix 4

15 September 2008

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 Councils 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 Councils would continue to actively pursue a number of shared service opportunities both between Redditch and Bromsgrove but also beyond to other organisations.

Council

Appendix 4

15 September 2008

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 Councils may want to consider changing the date and time of meeting to enable KD to attend more easily.

After a discussion it 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 Councils 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.

Council **Appendix 4**

15 September 2008

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 Councils

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 Councils 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.

Council

Appendix 4

15 September 2008

It was agreed that an offer of membership on the Shared Services Board be offered to the Leader of the Councils' 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 Councils 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 Councils.

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 Councils 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 Councils – **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).

Council

Appendix 4

15 September 2008

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 Councils 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 Councils 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 Councils to record the costs and savings associated with the Joint Chief Executive arrangements.

Council

Appendix 4

15 September 2008

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 learning 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 Councils.**

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 Councils 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.

Council **Appendix 4**

15 September 2008

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

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 Councils 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 Councils 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 Councils 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.

Council

Appendix 4

15 September 2008

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 Councils 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.

No Specific Ward relevance

Council

8 December 2008

ACTING JOINT CHIEF EXECUTIVE – APPOINTMENTS, ETC.

(Report of the Head of Legal, Democratic & Property Services)

1. **Purpose of Report**

To seek authority to enter into a secondment agreement for an Acting Joint Chief Executive.

2. **Recommendations**

The Committee is asked to RESOLVE that authority be delegated to the Head of Legal, Democratic & Property Services, in consultation with the Leader of the Council, to agree the terms of and enter into a secondment agreement with Bromsgrove District Council for the secondment of Kevin Dicks to Redditch Borough Council to enable him to perform the role of Acting Joint Chief Executive.

3. **Financial, Legal, Policy and Risk Implications**

Financial

- 3.1 At its meeting on the 30th of June 2008, the Council resolved to share the full costs of the post of Joint Chief Executive. A draft Secondment Agreement has been prepared that reflects this arrangement.

Legal

- 3.2 Under Section 113 of the Local Government Act 1972, a local authority may enter into an agreement with another local authority for the secondment of officers to the latter. Any such seconded officer is treated for the purposes of the discharge of local authorities' functions as an officer of that other local authority.
- 3.3 Under Section 4 of the Local Government and Housing Act 1989, the Council is under a duty to designate one of its Officers as the Head of its Paid Service. The formal secondment agreement needs to be in place to enable Kevin Dicks to be appointed to perform the functions of the Head of Paid Service.

Council

8 December 2008

Policy

- 3.4 There are no direct policy implications arising out of this report.

Risk

- 3.5 If the terms of the formal secondment agreement are not agreed and the secondment agreement entered into by the Council, the Council will not be able to appoint Kevin Dicks to be its Head of Paid Service.
- 3.6 If the formal agreement is not entered into, there is also a risk that, if a dispute were to arise between Redditch Borough Council and Bromsgrove District Council about the terms of the secondment agreement, there would be no clarity between the parties of the detailed terms of the secondment agreement.

Report

4. Background

- 4.1 At the Council meeting on the 30th of June 2008, the Council resolved to appoint an Acting Joint Chief Executive for the Redditch Borough and Bromsgrove District Councils for a period of 12 months.

5. Key Issues

- 5.1 At its meeting on the 30th of June 2008, the Council resolved to appoint Kevin Dicks to be the Acting Joint Chief Executive for Redditch Borough and Bromsgrove District Councils. In order for the role to be performed, there is a need to enter into a formal secondment arrangement with Bromsgrove District Council as the relevant employer.
- 5.2 At the Council meeting of 15 September 2008, authority was delegated to the Head of Legal, Democratic & Property Services, in consultation with the Leaders of all groups on the Council, to agree the terms of and enter into the required secondment agreement. It has not been possible to obtain the agreement of all Group Leaders to the proposed terms of the secondment agreement and Council is therefore asked to delegate the authority to conclude the agreement to the Head of Legal, Democratic & Property Services, in consultation with the Leader only.

Council

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6. Other Implications

- Asset Management - None identified.
- Community Safety - None identified.
- Human Resources - Kevin Dicks will continue to be employed by Bromsgrove District Council but will be seconded to Redditch Borough Council to the extent necessary to enable him to perform the Acting Joint Chief Executive role.
- Social Exclusion - None identified.
- Sustainability - None identified.

7. Conclusion

- 7.1 A formal secondment agreement is required for the appointment of an Acting Joint Chief Executive to enable the Council to comply with its statutory obligations

8. Background Papers

Confidential Council reports and confidential internal files.

9. Consultation

There has been no consultation other than with relevant Borough Council Officers.

10. Author of Report

The author of this report is Sue Mullins (Head of Legal, Democratic & Property Services & Monitoring Officer), who can be contacted on extension 3210 (email: sue.mullins@redditchbc.gov.uk) for more information.

11. Appendices

None.

BROMSGROVE DISTRICT COUNCIL AND
REDDITCH BOROUGH COUNCIL

SHARED SERVICES BOARD

Monday 9 February 2009

Redditch Town Hall

NOTES

Present:

- Councillors Carole Gandy, Colin MacMillan, Bill Hartnett, Malcolm Hall (Redditch Borough Council)
- Councillors Roger Hollingworth, Peter MacDonald (Bromsgrove District Council)

Officers – K Dicks (Acting Joint Chief Executive – Redditch and Bromsgrove Councils)

Committee Support – I Westmore

Also in attendance – None

Apology – Apologies for absence were received on behalf of Councillor Webb (BDC).

1. Minutes of previous meeting

It was AGREED that

the minutes of the meeting of the Board held on 21 January 2009 be confirmed as a correct record.

2. Matters Arising

Members were informed that, as of that day, which had been the date set for the close of expressions of interest, approximately 30 such expressions in the contract for the General Business Case had been received. A short-listing process would be undertaken by Officers with the preferred candidates being considered at the next meeting of the Board in early March.

The Board was notified that Redditch representatives had given further consideration to the Medium-Term Wins and it was suggested that Economic Development could be taken forward as one of the proposals either with or without any willingness on the part of Wyre Forest to contribute to the work.

It was **AGREED** that

the proposal to include Economic Development Services as a potential medium-term win not be subject to Wyre Forest's willingness to contribute to the work.

3. Six Month Review

The Chair referred Members to the Six Month Review report, prepared by the Acting Joint Chief Executive, detailing the progress against the phases of the project and against set targets, problems and issues encountered, risks and operational improvements. The elements of the review had been agreed at the previous meeting of the Board. Each of the two Council Leaders would be submitting a report to their respective Councils in due course outlining their opinions of the benefits or otherwise of the arrangements thus far.

a) Progress against each of the phases of the Project

Mr Dicks reported that the project was generally proceeding according to the targets and objectives agreed by the Board. Robust consultation with staff over the quick-wins for shared services had slowed progress to an extent. It was noted that the next Board meeting would be to select the preferred consultant to assist with the preparation of the full Business Case.

b) Progress against targets for each Council

It was considered significant that the draft CPA report for Bromsgrove District Council had reported that the Joint Chief Executive arrangements had not impacted negatively on the Council's ability to continue to improve. One area of slight concern had been the inability to conclude the budget process at Redditch as quickly as desired. It was acknowledged that the respective Leaders report to each Council would address this in more detail.

c) Problems encountered by each Council

Mr Dicks acknowledged that the press article arising from the results of an employment tribunal following the dismissal of a Head of Service at Bromsgrove had been the cause of some concern amongst Members at Redditch. Members made it clear that it was the lack of forewarning that had been the primary cause of concern. It was accepted that any such future matters that might be the cause of unusual press interest should be communicated to Members of both authorities at the earliest opportunity.

d) Problems encountered by the Acting Joint Chief Executive

The position of the Acting Joint Chief Executive on those occasions when the interest of both authorities needed to be reflected was discussed. In respect of the Regional Spatial Strategy, Mr Dicks indicated that he would be stepping back and allowing the Director of Planning and Environmental Services at Redditch and the Head of Planning and Environment at Bromsgrove to take the respective leads. Should Mr Dicks be involved in discussions over such a matter he made it clear that it

should be absolutely transparent which Council he was advising. To this end it was suggested that reports touching on such matters should include a clear indication that the Acting Joint Chief Executive was formally designating another Officer from whichever authority to take the lead as there was an inherent conflict of interest. It was suggested that the role of Acting Joint Chief Executive could be considered a strength by both authorities as it served to prevent potential conflicts arising between Redditch and Bromsgrove.

Formal meeting arrangements were discussed and it was suggested that some flexibility was required on both sides to allow Mr Dicks to be present at key meetings of each authority. On a related theme the Acting Joint Chief Executive confirmed that he had not experienced any practical difficulties through being at one authority at the time of an urgent occurrence at the other.

e) Operational Improvements

Mr Dicks referred to a number of improvements that were either ongoing or anticipated through the Acting Joint Chief Executive arrangements. Two areas that were particularly highlighted were the assistance that was being provided by Bromsgrove in the field of equality and diversity and the use that was being made of the skills and experience of the Redditch Planning and Development Control Team.

f) Cost Savings

Mr Dicks provided a brief update on cost savings that were accruing. An outstanding issue was the different means of financial reporting at the two authorities which would be addressed over time.

Mr Dicks left the meeting at the conclusion of the presentation of the report and prior to the Members debating the recommendation contained therein.

4. Consideration of recommendations

The predominant view was that the first six months of the trial period had clearly not been the cause of major difficulties and there was consequently no reason not to continue with the present arrangements. It was proposed that the proper time for a major discussion of the continuation of arrangements be at the conclusion of the entire twelve month trial period.

The two Minority Labour Group representatives indicated that their Groups did not support the Acting Joint Chief Executive arrangements and, as a consequence, the Board was not able to reach unanimity on this point. On a majority vote

It was RECOMMENDED that

the respective Councils continue with the Acting Joint Chief Executive and Shared Service arrangements between Redditch and Bromsgrove Councils for a further six months.

5. Dates of next meetings

It was confirmed that the next meeting of the Board would be held on 3 March 2009 at Bromsgrove District Council, but that the start time would be brought forward to 5.20pm to allow as many parties as possible the opportunity to attend.

The meeting started at 5.08 p.m.
and closed at 5.47 p.m. .

Agenda Item 4

BROMSGROVE DISTRICT COUNCIL AND REDDITCH BOROUGH COUNCIL

SHARED SERVICES BOARD

30th March 2009

PROGRESS REPORT

1. SUMMARY

1.1 This report outlines the work being undertaken by both authorities in accordance with the shared service opportunities identified by this board as part of the wider Acting Joint Chief Executive arrangements. .

2. RECOMMENDATION

2.1 It is recommended:

2.1.1 that Members note the progress to date;

2.1.2 that the Shared Services Board recommend to the respective full Councils that Internal Audit is removed from the medium term wins and considered as a Shared Service as part of the enhanced two tier programme;

2.1.3 that the Shared Services Board recommend to the respective full Councils that the additional cost of £6,370 arising from procuring Serco to undertake preparation of the full business case is met from savings from the overall project.

3. BACKGROUND

3.1 At the Shared Services Board on 1st September 2008 members approved the following:

3.1.1 the terms of reference and governance arrangements detailed within the Concordat document (subject to some minor changes);

3.1.2 the quick wins for further joint working / shared services between Redditch and Bromsgrove Councils in respect of:

- Elections
- Community Safety
- Performance and financial management
- Equality and Diversity
- Member Development

3.1.3 the targets and objectives for the project as:

- Phase 1 – By 30th September 2008 identify the “quick wins” for shared services / joint working (for implementation before 31st January 2009);
- Phase 2 – By 31st January 2009 identify some medium term opportunities (for implementation by 31st July 2009);
- Phase 3 – By 31st July 2009 review all services of the Council and develop a business case outlining the opportunities for shared services / joint working.

- 3.2 At the Shared Services Board on 26th January 2009 members approved the following medium term opportunities:
- 3.2.1 IT
 - 3.2.2 Internal Audit
 - 3.2.3 CCTV / Lifeline
 - 3.2.4 Economic Development
- 3.3 This report seeks to provide an update against the quick wins and the overall progress with the project.

4. OVERALL PROJECT

4.1 The targets and objectives for the project as:

- Phase 1 – By 30th September 2008 identify the “quick wins” for shared services / joint working (for implementation before 31st January 2009);
- Phase 2 – By 31st January 2009 identify some medium term opportunities (for implementation by 31st July 2009);
- Phase 3 – By 31st July 2009 review all services of the Council and develop a business case outlining the opportunities for shared services / joint working.

4.2 As outlined to the Board at its meeting on 1st October the broad timeline for the production of the full business case was agreed as follows:

- 4.2.1 Recruitment of external resource to undertake analysis of performance levels / costs – September 2008
- 4.2.2 Completion of analytical work completed and identification of areas to be targeted – December 2008
- 4.2.3 Specification produced for external resource to produce business case – December 2008

All of the above have now been completed. Fiona Cozens was seconded from South Staffs to assist with the interpretation of the Performance Information at RBC. Brian Holland was recruited to support the next phase of the Shared Services Project – comparing performance and cost information for both Councils and identifying those service areas that could / should be targeted within the subsequent ‘business case’ and developing the specification for going to the market to recruit competitively for a consultancy to prepare and develop the business case. Brian has completed his work and this informed the selection of the medium term opportunities.

- 4.2.4 Procurement of external resource to complete business case – December 2008
- 4.2.5 External resource to start work on business case – January 2009
- 4.2.6 Completion of draft business case for presentation to Acting Joint Chief Executive by April 2009
- 4.2.7 Presentation of business case to Shared Services Board by May 2009
- 4.2.8 Consideration of business case by each Council by July 2009

This report provides a progress report with regard to these elements.

5. QUICK WINS

5.1 Progress on the quick wins as agreed by the Board on 1st September 2008 is as follows:

5.1.1 Elections

- a. A Project Team has been established with key officers from both Council's to oversee the roll out and delivery of the shared electoral service in accordance with the business case approved by both Council's in February 2009. The Project Team meets fortnightly and focuses on operational delivery of the shared service and there is currently a Project Board which provides a higher level overview which will be replaced by the wider Shared Services Programme Board which has now been established.
- b. In accordance with the programme outlined to elected members in the original business case a period of consultation is currently underway with the staff affected at both Council's. This period will conclude at the beginning of April and the final structures will be reported to both Full Council meetings in April.
- c. In relation to the management of the service a project plan has been established and all key milestones have been identified. The key risks associated with this project have also been identified and are being managed through the project team.
- d. The IT transfer from Pickwick to Strand at Redditch Borough Council is being negotiated with the supplier and the IT departments at both Councils this is to be finalised by the project team meeting on the 2nd April. This information (which will also identify the availability of Strand to support the data migration) will enable us to report on the programme for data migration.
- e. The project plan identifies the key electoral events throughout the timeline of this project and the need for the County Council, European and potential Parliamentary elections to be managed through the transitional stages of the transfer to shared service environment. The following is a summary of the key milestones:
 - The TUPE transfer of staff from Redditch to Bromsgrove took place on the 23rd February.
 - The Jobs within the new structure were assessed through the Job Evaluation process at BDC on 11th March 2009 .
 - The consultation process which affects all staff at Bromsgrove and Redditch commenced on Monday 23rd March 2009
 - The consultation period will end on Friday 3rd April and the results reported to both Council's
 - RBC then need to report back to members with the results of the consultation exercise and this will be done through Cabinet on 22nd April.
 - A risk assessment is currently being carried out in relation to the dates which may be potential for transfer of data from Pickwick to Strand at Redditch.
 - Further meetings are being held to determine the detailed reporting lines and requirements which will be included in the detailed SLA.
- f.

- g. Elected Members and customers will see a seamless service transition throughout this process and should expect to receive the same high level service that they are accustomed to at both Councils.

5.1.2 Community Safety

- a. The delivery of a shared Community Safety service hosted by Redditch Borough Council is progressing in accordance with the agreed project plan.
- b. The key leads within each authority are meeting regularly to ensure continuity of service and consistent communications to the teams. Detailed progress reports will be provided to the recently established Shared Services Programme Board and regular briefings to the relevant Portfolio Holders and Community Safety Partnerships.
- c. The following summarises the key project milestones:-
 - The TUPE transfer of staff from Bromsgrove to Redditch took place on the 23rd February 2009.
 - The consultation process on the proposed structure commenced on the 16th March 2009 and concludes on the 12th April 2009.
 - The results/outcomes of the consultation will be advised to staff and reported to both Councils.
 - It is anticipated that recruitment to the new posts will be concluded by the end of May 2009.
 - A service level agreement is being drafted which forms the basis of the arrangements and requirements of the shared service.
- d. Community Safety Officers delivering localised services continue to be based at each authority to ensure continuity for the respective communities within Bromsgrove and Redditch.

5.1.3 Performance Management

- a. Kevin Dicks is continuing to use his experience to implement a new performance framework based upon his experience at BDC. Main focus of attention at the moment is to agree the Council Priorities (agreed on 8th December) and a new format for service business plans (draft service business plans completed). The Corporate Management Team at RBC are now working within the new framework including the performance management timetable and the process including staff appraisals.
- b. Other work has been undertaken to improve the financial planning process for future – both in terms of production of the medium term financial plan and also the monitoring by the Executive of the budget. This will be aligned to the service business planning process to ensure an integrated approach.

5.1.4 Equalities and Diversity

- a. The Head of Service at Bromsgrove District Council has been working with officers at Redditch Borough Council to develop a programme of activity that will bring the Equalities agenda at Redditch Borough Council in line with the Local Government

Standard for Equality and Diversity and the framework that is due to replace this in the Spring.

- b. To date the following projects have been undertaken;
- All Heads of Service at RBC have had a 1 to 1 workshop with the Head of Service from BDC to agree the process by which the impact assessment training and how the completion of impact assessments should be undertaken.
 - A draft impact assessment document has been produced and distributed to Heads of Service at Redditch Borough Council.
 - An initial impact assessment workshop has been undertaken and 60 officers from Redditch Borough Council attended.
 - Further impact assessment workshops are being arranged over the next few months which will be rolled out on a service by service basis providing support for all managers with the responsibility for delivering this process.
 - All departmental business plans at Redditch Borough Council now contain equality and diversity targets and objectives and these link directly to the outcomes that will be achieved through the impact assessment process. All Heads of Service at Redditch Borough Council have received a 1 to 1 workshop with the Head of Service from Bromsgrove District Council to explain this process and the links to the performance management framework. This now mirrors the process that exists at Bromsgrove District Council.
 - Redditch Borough Council have established and hosted its first three Community Forums. Both of these events have been widely representative of the community within the borough and are felt to have been very successful.
 - Programmes of further community forums have been published for the forthcoming year and additional equality strand specific workshops have been set up to enable the Council to work with the community to develop a single equality scheme.
 - The community forums have been assessed through feedback provided by the attendees and this has revealed to Redditch Borough Council that there is a need for this forum and the benefits that can be derived from this.
 - To date officers have made contact with the County Council, the Police and the Kingfisher Shopping Centre to signpost community issues raised at the forum together with achieving service specific improvements within the Council as a direct result of the feedback received.

5.1.5 Member development

- a. RBC are still developing their member development programme which will then be aligned to BDC's to identify areas of Joint Working.
- b. To date a joint training opportunity has been realised in relation to the Standards Committee and the responsible Heads of Service from both Councils are working together to secure further joint exercises where appropriate.

6. MEDIUM TERM WINS

6.1 Progress on the quick wins as agreed by the Board on 26th January 2009 is as follows:

6.1.1 ICT

- a. A Project Initiation Document (PID) has been drafted for the ICT Shared Service. The project will develop a business case for an ICT shared service by June 2009. Some work items have already started including:
- A skills analysis across both services to identify strengths and weaknesses.
 - Gathering of high level financial details for both services
 - Drafting of a high level project plan
 - The forming of a project team (led by Deb Poole – Head of e-Government and Customer Services at BDC)
 - Development of the scope of the project

Attached at Appendix 1 is the ICT Shared Services PID. A copy of the Project Plan is attached at Appendix 2.

- b. The PID (attached at Appendix 1) has been considered by the Project Team and the Shared Services Programme Board that has been formed (comprising officers from both Councils) and it has been agreed that with regard to the preparation of the business case that Option 2 should be supported i.e., that one authority accepts a lead role with support and input from the other organisation in order to deliver the business case. Option 2 did identify the need for additional resource to be made available to support the development of the business case – this is currently being assessed and will be reported to the Board if this is felt to be required.
- c. In addition to the formal consideration of ICT as a shared service other work between the two councils is progressing as follows:

- **Disaster Recovery**

This project will see the siting of BDC disaster recovery servers in the RBC server room. The project also provides an opportunity for BDC and RBC to share an Internet link. This will provide additional network resilience and be more cost effective. Actions that have been completed for this project include:

- Minor building works and cabling alterations to RBC server room (this has been covered by existing budgets at both RBC and BDC)
- Placing of an order for the new network link into RBC

- **Shared web development**

This project will deliver a shared web development resource for BDC and RBC. Actions that have been completed for this project include:

- RBC and BDC have agreed a job description and person specification for this role. As the post will be based at BDC the job description will need to be assessed under the current BDC job evaluation scheme to establish the correct grade.

6.1.2 Internal Audit

- a. The Internal Audit Manager post at Bromsgrove remains vacant. The initial discussions with the Treasurers group has now evolved with input into the two tier joint working project. The Chief Executives Panel have identified Internal Audit as one of the 5 service areas to have a detailed business case prepared to propose future joint working arrangements. The preferred option agreed by Treasurers was to use a host Authority with delegated powers to

provide Internal Audit function to the other Districts. At this point the County do not feel they would benefit from working in a joint arrangement.

- b. As Internal Audit has been identified as one of the 5 service areas to be progressed as a full business case for enhanced two tier working at district level across the County (which is felt to have greater benefits than focussing purely on Redditch and Bromsgrove) it is recommended to the Shared Services Board that this is removed from the medium term wins.
- c. As a result of this Bromsgrove is currently looking to enter into a 12 month service agreement with Worcester City (with a 6 month break clause) to provide Audit management support to the team at Bromsgrove with the aim to move to a host Authority in the medium term. Bromsgrove has built £25k saving into the 2009/10 budget on the basis of moving to a shared / joint management arrangement with another Council.

6.1.3 CCTV / Lifeline

- a. A project group to progress the business has been established with key officers from each authority led by Jackie Smith (Director of Housing, Leisure and Customer Services RBC).
- b. The group is meeting on a fortnightly basis with activities being progressed between meetings and supported by the relevant support officers when required i.e., finance.
- c. The group has initially looked at the scope of the review, setting a vision for the future delivery of the service, establishing the drivers for change and an initial project plan of the work required to deliver the business case.

Scope of the Review

- d. The scope of the review is as follows: To consider a range of delivery options for either joint management of the service or a combined unit and service including:
 - North Worcestershire
 - County wide
 - Bromsgrove and Redditch

As part of the scoping of the project both the status quo and the option of outsourcing the service will be considered, however at this stage no detailed analysis of outsourcing will be conducted as this is not possible in the time available.

Vision for future service delivery

- e. The group propose the following vision for future service delivery

“CCTV/Lifeline Services that are provided consistently to a high standard across the districts that meets both customers’ and partners’ needs and is sustainable into the future.”

Drivers for change

- f. Key drivers and influences on future service delivery that will be considered as part of the business case include:

- Implications of Supporting People funding moving into the area based grant from April 2010 and the County objective of one countywide service provider
- Personalisation agenda
- Both Councils budgetary targets for savings from shared services.
- Ensuring services are more resilient and can meet future demands and growth.

Project Plan

g. Members are provided with the initial project plan (attached at Appendix 3) however main work streams include:

- Profiling of the current services and establishing key data and information of the baseline service.
- Financial information being profiled.
- Staff communication bulletin.

Next stage:

- Continuation of the profiling of the data and information
- Analysis of the financial information
- A feasibility study into the technical implications of delivering a shared service. This may involve a revenue costs as it has been identified that external support will be required. Further details will be presented to Members when the detail is known.

Attached at Appendix 3 is the CCTV/Lifeline Project Plan.

6.1.4 Economic Development

a. Officers responsible for Economic Development in Bromsgrove, Redditch and Wyre Forest have held initial discussions regarding the benefits of a single business unit approach to economic development/regeneration across the three authorities. Subject to a suitable business case being prepared and being acceptable to all parties, Wyre Forest is prepared to host and manage such a service. It is thought that such an arrangement could, amongst other things, offer the benefits of a more powerful voice across North Worcestershire, better access to public sector funding, better engagement with partners as well as building in capacity and resilience to delivery of the Service. A draft proposal is presently being put together, as well as information gathering regarding the existing economic development functions within the three authorities.

7. PRODUCTION OF THE BUSINESS CASE

7.1 Following a special meeting of the Shared Services Board to recruit external consultants to produce the full business case, Serco have been appointed. The Serco proposal is a fixed price contract of £83,600(inclusive of all expenses). The budget available for this phase of the project was £80,000 however £2,770 has already been spent on advertising the contract which leaves a £77,230 available. Therefore there is a shortfall of £6,370 in order to be able to fund Serco undertaking the project and it is therefore recommended that this is split equally between the 2 councils and that this cost is met from savings from the overall project.

7.2 Initial meetings have been held and the governing principles of the business case development established:

- Ensuring both councils sovereignty remain paramount.
- Developing service models that protect standards and as far as possible secure new benefits for citizens and service users.
- Pursue service options that are efficient, generate savings and promote value for money.
- Consider the most radical and innovative options.
- Select service options that are achievable.
- Produce flexible options consistent with other strategic imperatives.
- Conduct the business case development with openness.

7.3 A project plan has been submitted with the following key milestones:-

- Documentation and literature review by 27th March 2009
- Service analysis by 1st April 2009
- Stakeholder analysis and interviews with Members, staff and senior stakeholders 30th March to 24th April 2009
- Analysis and options appraisal by 13th May 2009
- Issue of draft business case - June 2009

7.4 Whilst the timetable is tight, it is envisaged that the business case will be delivered to Members in accordance with the agreed targets and objectives (Phase 3 – by the 31st July 2009 review all services of the Council and develop a business case outlining the opportunities for shared services/joint working).

7.5 Members of the Shared Services Board will obviously be kept fully apprised at each meeting of key issues and progress.

8. ENHANCED TWO TIER WORK PROGRAMME

8.1 During February and March Officers from both Bromsgrove District Council and Redditch Borough Council have engaged in a range of facilitated workshops to consider the vision and future opportunities for enhanced two tier working in the following areas:

- Waste
- Street Scene
- Regulatory Services
- Human Resources
- Property Services
- Internal Audit
- Youth and Community
- Financial Services
- Procurement
- Legal and Democratic
- ICT

8.2 As a result of each of the workshops (2 held for each service area) a paper was developed outlining the strategy and vision for each of the respective project teams, stakeholder

consultation including that of the Treasurers Group, project and programme resources and the programme manager's recommendations.

8.3 At the County Chief Executives Panel held on the 13th March 2009 the group considered each of the outline cases and prioritised the programme as:

Phase 1

- Street Scene
- Regulatory Services
- Property Services
- Human Resources
- Internal Audit

Phase 2 (subject to further discussion)

- Waste
- Youth & Community
- Procurement
- ICT
- Finance

8.4 The Chief Executives Panel also agreed to revisit the Legal & Democratic outline case.

8.5 A bid is to be submitted to the WRIEP to support the development of the Regulatory Services business case with further discussion to be had with regard to the timescale and resources to develop the phased business cases.

8.6 Officers from both Redditch Borough Council and Bromsgrove District Council have fully engaged with the workshops and case development, however, have consistently advised of the ongoing shared service programme between Bromsgrove and Redditch and that this needs to take priority.

8.7 The County have in place the capacity to continue to co-ordinate and facilitate the work and an update will be provided to the next Leaders/Chief Executives Panel in April.

9. OTHER AREAS

9.1 Other areas that are continuing to be pursued together with a brief update are as follows:

9.1.1 Procurement

- a. The joint procurement service operated between Redditch and Bromsgrove continues to deliver efficiency and cashable savings. Supplier Seminars and member training has been delivered at both Councils and joint framework and contracts are reviewed where possible.
- b. Procurement has been identified as an area for Phase 2 of the two tier detailed business case. The procurement officers across the region have proposed a more formal arrangement of their current networking and best practice arrangements rather than a shared service with a host Council. Any shared contracts and procurement opportunities are addressed by the procurement officers within their current network of Councils.

9.1.2 Payroll

- a. Phase 1 transfer of monthly payroll was completed with the first pay run in September 2008.
- b. Phase 2 transfer of the weekly payroll with backdating and salary protection (due to Job Evaluation) is on target with a live date of April 2009. Following this the transfer of payroll will be complete.

9.1.3 Worcestershire Hub

- a. The Worcestershire HUB shared service project is progressing. So far an Acting Head of Hub Customer Service and two Senior Managers have been appointed. The legal agreement is being drafted and new sites for the Hub call centre have been evaluated. The TUPE transfer process is progressing. The business process improvement stage of the project has been discussed and an initial list of services has been established.
- b. The upgrade to the Hub wide Customer Relationship Management system is progressing and is scheduled for the Summer 2009.
- c. The implementation of the new Content Management System is being planned and is scheduled for September 2009.

9.1.4 Legal

- a. Discussions are taking place between Redditch, Bromsgrove and Wyre Forest exploring a shared debt recovery service across 2 or more of the authorities. Discussions are still at an early stage but there is a real possibility that some economies and efficiencies could be achieved.
- b. The large scale land registration project being delivered by Bromsgrove District Council to Redditch Borough Council is progressing within timescales.

9.1.5 Climate Change

- a. Funding for a joint post to help deliver the climate change agenda has been considered and agreed by each Authority.
- b. A job description and person specification has been drawn up and officers are currently working on a partnership agreement to manage the work of the Climate Change Manager and the climate change agenda for the two authorities. The post will be hosted by RBC but will also have desk space in Bromsgrove. A management board of senior officers will be established to oversee the agenda.
- c. It is proposed to start with the external recruitment to the post but also to offer a secondment opportunity, for a period of approx 3 months (depending on recruitment) to ensure early delivery of ongoing projects and support achievement of the National Indicators and the LAA key deliverables.
- d. It is anticipated that a secondee will be in place by the end of April which will be required to deliver on the climate change agenda.

9.1.6 Workforce Planning

- a. The Workforce Planning project commenced in September 2008 and will produce our first workforce plan ready for implementation from late Autumn 2009. The project is strategically aligned with the acting Joint Chief Executive initiative, Shared Services /Joint Working review, and will deliver key information to support the creation of that business case. The project itself is being managed and delivered in accordance with the principle of sharing services by using one overall project manager to coordinate the work for both Bromsgrove and Redditch Council simultaneously. There are 4 key stages to the overall process:

Supply side analysis

This examines the current make-up of the workforce and seeks to obtain a detailed picture of it in terms of: Age, length of service, continuous service, gender, ethnicity, disability, roles, grade, salaries, qualifications and skills.

Demand-side analysis

This examines the known and anticipated future needs of the business, looking 3-5 years ahead, considering a range of possible scenarios. Considering each of these potential future scenarios, we also identify the workforce required to deliver them, particularly looking at numbers, roles and skills.

Supply and demand-side analyses are almost complete and are due to be delivered in April 2009.

Gap analysis

We will examine the gap (and any duplication) between the current workforce and the required workforce.

Creation of solutions and strategies

We will undertake a wide-ranging review of all HR&OD strategies, policies and procedures, with a view to enhancing/changing these to enable the development of the workforce in the required direction.

- b. Delivering the project jointly has meant that both councils can demonstrate efficiencies with shared resources, experience and a stronger power for procurement.

9.1.7 Asset Management

- a. There are a number of arrangements currently being explored with regard to the future delivery of asset/property management as follows:
 - Redditch Borough Council have approached Worcestershire County Council to assist in a service review assessment of current arrangements which has been agreed in principle.

- Alongside this, both Bromsgrove District Council and Redditch Borough Council have engaged in a National study of Asset Management sponsored and funded by the 4PS and West Midlands RIEP and supported by Price Waterhouse Cooper. The objectives of this will be to:
 - Design and deliver a robust Strategic Outline business case and sector wide implementation programme for asset management.
 - Demonstrate proven examples with quantifiable payback.
 - Shared vehicles and pathways to accelerate benefits.
 - Quantify the size of benefits for participants, WMRIEP and nationally.
 - Identify new and shared opportunities amongst partner authorities.

It is anticipated that Redditch and Bromsgrove will significantly benefit from the participation and have the ability to identify the best opportunities and initiatives. The County are also engaging in the work streams to ensure there is not a duplication of work from that originally agreed.

- Property management is also being considered within the Enhanced Two Tier framework with agreement of the Chief Execs Panel to pursue this within Phase 1 of the future programme. Members will be updated as to the ongoing potentials and opportunities as they are developed.

10. FINANCIAL IMPLICATIONS

- 10.1 At the end of the financial year it is expected that there will be an overall financial saving in salaries and oncosts of approximately £33,000 solely as a result of the Joint Chief Executive initiative (excluding ongoing pension liability).
- 10.2 Interim arrangements continue to be in place at Redditch which include the interim post of Acting Deputy Chief Executive and the substantive posts of Director of Housing, Leisure & Customer Services and Director of Environment & Planning. The cost of these arrangements, compared with the previous management structure below Borough Director level equate to approximately £8,000 (excluding redundancy costs) and £39,000 including redundancy costs.
- 10.3 At the end of the financial year, there will be a saving of £35,000 to Bromsgrove and a saving to Redditch of approximately £9,000 (excluding redundancy costs).
- 10.4 Additional costs have been incurred in terms of performance management support for Redditch Borough Council but these have been funded from WMRIEP funding.
- 10.5 Legal costs associated with the Acting Joint Chief Executive arrangements amount to £11,209. These costs have been met by BDC to date, given the fact that they are the employing authority and they have the employment responsibilities in relation to their serving Chief Executive. Therefore the estimated savings to BDC will reduce to approximately £24,000 although this will enable savings in future years.
- 10.6 Both Councils have agreed to the release of £40,000 to support production of the wider business case. As mentioned above Serco have been appointed to assist with the production

of the business case. The Serco proposal is a fixed price contract of £83,600 (inclusive of all expenses). The budget available for this phase of the project was £80,000 however £2,770 has already been spent on advertising the contract which leaves a £77,230 available. Therefore there is a shortfall of £6,370 in order to be able to fund Serco undertaking the project and it is therefore recommended that this is split equally between the 2 councils and that this cost is met from savings from the overall project. This would reduce the overall saving (associated with the Acting Joint Chief Executive arrangements to approximately £26,000.

10.7 Attached at Appendix 4 is a financial summary that seeks to capture all of the costs / savings arising from the shared services / joint working project in 2008/09. Further work has been undertaken on this to try to split out the savings between cash releasing and non cash releasing. This will be kept up to date as the project continues however members should note that this continues to be a work in progress as officers are still capturing information and will be subject to further review especially with regard to 2009/10.

10.8 Current service areas generating cash savings by utilising shared operations or expertise across the Councils include:

- Procurement
- Equalities
- Environmental Health
- Abandoned vehicles
- Member Development

Payroll will deliver savings to both BDC and RBC from 2009/10 once the transitional costs have been met as a result of the delays in implementation of Job Evaluation at Bromsgrove.

10.9 The total estimated saving realised from the sharing of professional knowledge, contracts and expertise will amount to £83k in 2008/09 (£69k cash releasing and £14k non cash releasing). The Medium Term Financial Plan for both Authorities includes £250k for 2010/11 and a further £100k in 2011/12. The detailed business case will seek to identify the areas where further savings can be delivered whilst maintaining or improving the service to the residents.

11. LEGAL IMPLICATIONS

11.1 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 or medium term 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

12. COUNCIL OBJECTIVES

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

13. RISK MANAGEMENT

- 13.1 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
- 13.2 In terms of the ongoing assessment of the short/long term risks contained within the original business case an update is provided at Appendix 5.

14. CUSTOMER IMPLICATIONS

- 14.1 No direct impact on the Customer arising from this report, although indirectly the intention of each area is to deliver efficiencies/savings or improve service quality to the ultimate benefit of the customer.

15. EQUALITIES AND DIVERSITY IMPLICATIONS

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

16. VALUE FOR MONEY IMPLICATIONS

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

17. HUMAN RESOURCES IMPLICATIONS

TUPE

- Both HR Teams are currently offering guidance and support to employees from both Councils who will be transferring between the two councils. Employee briefings will happen prior to any transfer.
- Adequate time will need to be built into any proposals to inform employees of possible transfer.

TERMS AND CONDITIONS

- In light of the views of Members of the Shared Services Board we have considered which HR policies and procedures are likely to benefit from consideration of harmonisation at the earliest stage (to ease the transition to a shared services environment, and mitigate the scope for inequality between the two Council's). The following have been identified:
 - Redundancy*
 - Redeployment
 - Early Retirement/Voluntary Redundancy
 - All allowances i.e. subsistence, overtime, telephone etc.

- * Interim measures were agreed Unison and Management for the purpose of facilitating the delivery of the high priority business cases (specifically the transfer of the

Community Safety Service). A revised set of redundancy selection criteria has been developed, and, having been approved by the CMT of Bromsgrove District Council is progressing to its next stage of consultation with the trade unions. The same redundancy selection criteria is being considered by the CMT of Redditch Borough Council. If approved by both Councils (and the trade unions) this is likely to represent the first HR policy to become common to both Council's.

- The next stage will be to potentially draw up a combined policy, with consultation with members, management and trade unions. With a view to having an agreed policy ratified by Cabinet and Full Council, a timetable for this will be drafted on completion of the mapping exercise.
- A further factor for consideration is that it is anticipated that the unions may soon request a more formal agreement in respect of time off for union activities due to the potential workload for their local representatives arising from the implications of the shared services agenda, and that also of other key projects being conducted within both Council's. This will need to be considered carefully by both organisations.

CONSULTATION

- A timetable will need to be established to ensure there are adequate consultation periods for those services, following a TUPE transfer that are going into a service review.

18. OTHER IMPLICATIONS

Procurement Issues
None in relation to this report.
Personnel Implications
Staff and trade union consultation would need to be undertaken with any proposals that have an impact on staff.
At the last Shared Services Board it was AGREED that each authority's HR teams should be urged to look into this as a matter of urgency, to determine the extent to which contractual terms and conditions and employment policies could be harmonised. The HR teams have begun working on this and are liaising with the Unions as to the policies and procedures that they would prefer to work to.
Governance/Performance Management
None
Community Safety including Section 17 of Crime and Disorder Act 1998
None
Policy

None
Environmental
None

18. WARDS AFFECTED

All

19. APPENDICES

- Appendix 1 – ICT Shared Services PID
- Appendix 2 – ICT Shared Services Project Plan
- Appendix 3 – CCTV/Lifeline Project Plan
- Appendix 4 – Financial Summary
- Appendix 5 – Risk Assessment

20. BACKGROUND PAPERS

Shared Services Papers

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

b) Quick Wins: Community Safety

Sue Hanley reported that, as with Elections above, TUPE transfer of staff had taken place on 23 February, but subject to RBC terms and conditions.

In response to a Member query about future selection processes, Mrs Hanley advised that there would be a joint interview panel involving senior Officers from both Councils.

Indicative grades would be subject to future RBC JE processes.

c) Other Quick Wins

Reports on Performance Management, Equalities and Diversity, and Member Development, were as detailed in the Progress Report.

d) Medium Term Wins - Savings

Members noted that not all possible savings might accrue in the first year(s) of operation but, rather, over a longer period.

e) ICT - incl. Disaster Recovery / Shared Web Development

It was noted that there was no clear Lead authority yet for these areas.

f) Internal Audit

This was now to be looked at across the County but at a District level, as part of enhanced two tier work, rather than as part of the Redditch and Bromsgrove shared services arena.

It was AGREED

to remove Internal Audit from the list of 'medium term wins' (separate recommendation below refers).

g) CCTV / Lifeline

Jackie Smith (RBC Director) was leading on the production of a Business Case for this service area. It was noted that the County Council might prefer one County-wide service, under the banner of 'Supporting People', in relation to the Lifeline / Telecare services.

h) Economic Development.

Wyre Forest District Council was leading on production of this Business Case and had offered to host the service (but it was agreed that the arguments for this would need to come out of the Business Case).

i) Business Case

Progress on the Business Case for the overall Project was noted. Serco had been appointed and had commenced their interviews.

Members noted a shortfall of £6,370 in order to be able to fund Serco undertaking the project and therefore

AGREED that

this be split equally between the two Councils and that this cost be met from savings from the overall project (separate Recommendation below refers).

j) Enhanced Two-Tier Working

Members discussed the relative positions of a number of current proposals and queried, for example, why Youth and Community and Waste were not higher up the list / in Phase 1?

There was general agreement that Youth Services would be better devolved down to Districts.

k) Other Areas

The Board considered updates in relation to the following services:

Procurement; Payroll; Worcestershire Hub; Legal (here there were discussions on a Shared Debt Recovery service, and on a larger-scale Land Registration service); Climate Change (where a post was to be hosted by Redditch, and shared with BDC); and Workforce Planning.

In terms of Asset Management, it was noted that a service was currently provided to Bromsgrove District Council by the County and that something similar was being looked at for Redditch Borough Council.

l) Financial Implications

The Board's attention was drawn to Appendix 4 which offered a financial summary that sought to capture all of the costs / savings arising from the shared services / joint working project in 2008/09. However it was stressed that this was still a work in progress...

Appendix 4 attempted to split cashable from non-cashable savings. Mr Dicks apologised that 2009/10 figures were not yet included.

Members sought clarifications on the issue of the different presentation styles used by the two Councils and Mr Dicks advised that more work was required on this, in consultation with both Councils' Section 151 Officers.

m) Risk Management

It had been agreed to add the 'buy-in' of all political parties as an additional risk. It was acknowledged that Labour Members supported the principle of Shared Services, though not the current Shared Chief Executive arrangement.

Other Members expressed the view that both Councils would have made substantially less progress on the shared services agenda without the joint Chief Executive Officer arrangement being in place.

n) Human Resources Implications – Terms & Conditions

It was agreed that, based on the experience of implementing shared services to date, there was now a need to focus on harmonising terms and conditions between the two Councils in terms of:

Redundancy, Redeployment, Early Retirement / Voluntary Redundancy / Allowances (subsistence / overtime / other) / etc.

o) RECOMMENDATIONS

Having considered the Progress Report, and with specific reference to items f) and i) above,

It was AGREED that

Members note the reported progress to date and that Officers continue to apprise Shared Services Board Members of key issues and progress at each meeting;

and RECOMMENDED that

- 1) Internal Audit be removed from the list of ‘medium-term wins’ and that it be considered as a Shared Service as part of the ‘enhanced two tier’ programme; and**
- 2) the additional cost of £6,370 arising from procuring Serco to undertake preparation of the full business case be met by the two authorities 50:50 from savings arising from the overall project.**

4. Date of next meeting

This remained to be confirmed. Members noted the intention to hold one meeting in April and that the meeting currently proposed for 21 May was to be changed to a different date.

**The meeting commenced at 5.30 pm
and closed at 6.50 pm.**

g:working parties / ssb/090330/sms/14.4.9

BROMSGROVE DISTRICT COUNCIL AND
REDDITCH BOROUGH COUNCIL

SHARED SERVICES BOARD

Monday 29th June : 5.30 pm

Conference Room - Bromsgrove District Council

A G E N D A

Members:

- **(Bromsgrove District Council) Councillors Roger Hollingworth, Mike Webb, Peter McDonald, Jean Luck**
- **(Redditch Borough Council) Councillors Carole Gandy, Colin MacMillan, Bill Hartnett, Malcolm Hall**

1. **Welcome and Introductions**
2. **Apologies**
3. **Minutes of last meeting and matters arising (attached)**
4. *****CONFIDENTIAL*** Serco Full Business Case (attached)**
5. **Date of next meeting : 5.30 pm on Tuesday 21st July 2009 - Committee Room Two at Redditch Borough Council**

Kevin Dicks
Acting Joint Chief Executive



1.

From: Karen Firth
Sent: 17 September 2009 17:07
To: Claire Felton
Subject: FW: Shared Service Board - 5.30 pm on Monday 29th June (CONFIDENTIAL BOARD PAPERS)
Importance: High

C,

See below/attached for what I sent to P McD & all other cllrs

(the word confidential appears on the email heading, in my covering email and on the front agenda sheet)

Karen Firth
Committee Group Leader
Legal, Equalities and Democratic Services
Bromsgrove District Council
The Council House
Burcot Lane
Bromsgrove
Worcestershire
B60 1AA

Tel: 01527 881625
Web: www.bromsgrove.gov.uk
Email: k.firth@bromsgrove.gov.uk

From: Karen Firth
Sent: 23 June 2009 17:53
To: Councillors
Subject: FW: Shared Service Board - 5.30 pm on Monday 29th June (CONFIDENTIAL BOARD PAPERS)
Importance: High

Dear Councillors,

Please find attached, for information, the agenda papers for the next Shared Services Board meeting to be held on Monday 29th June at 5.30pm at the Council House.

This report including the Business Case is ****STRICTLY CONFIDENTIAL TO COUNCILLORS ONLY****

Karen Firth
Committee Group Leader
Legal, Equalities and Democratic Services
Bromsgrove District Council
The Council House
Burcot Lane
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From: Susan Tasker [mailto:susan.tasker@redditchbc.gov.uk]
Sent: 23 June 2009 17:11
To: Tony Beirne; Cllr Gandy; Cllr Hall; Cllr Hartnett; Cllr Macmillan; Helen Mole; Jean Luck; Kevin Dicks; Karen Firth; Michael Webb; Peter McDonald; Roger Hollingworth; Steve Skinner; Sue Hanley
Subject: Shared Service Board - 5.30 pm on Monday 29th June (CONFIDENTIAL BOARD PAPERS)
Importance: High

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Dear Board Member

Please find attached the papers for the Board meeting scheduled for **Monday 29th June at 5.30 pm in the Conference Room at Bromsgrove Council Offices.**

This report including the Business Case is ****STRICTLY CONFIDENTIAL TO COUNCILLORS ONLY****

Steve/Karen - could you forward to [all Members](#) (for their information)

If you have any queries, please let me know.

Susan Tasker
PA to Chief Executive
01527 534000 (Direct Line)
01527 64252 ext 3299

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We have considered a variety of ways of approaching this. Our first recommendation was that Kevin Dicks should be confirmed in post as soon as possible. However, we were conscious of an issue of equity. It will be plain that for many in senior management in the short term, and for others elsewhere in the organisations as the programme develops, that there will be competition for a smaller number of jobs. They will look askance at a situation in which the CEO is not subject to the same pressures.

As a compromise, that balanced equity with the need to maintain momentum, we recommended that Kevin Dicks should be confirmed in post for the duration of the transformation period. He would lead the process, advising members immediately on the composition of portfolios for the shared management team, that team's objectives and harmonisation questions. Once completed, he would then contest the role in open competition, with the post of permanent joint CEO internally externally advertised. Hence, while the pressure on the CEO is deferred and Kevin Dicks will be the only member of staff confirmed in post on a temporary basis, the post will be subject to competition after the deferral period. Accordingly, it would be the only post subject automatically to external and internal competition.

However, following discussions with the West Midlands LGA, we are putting forward an alternative, which they argue will be viewed as more palatable. In this model, the CEO post would be open to applications from all officers within a "ring-fence" comprising the directors and service heads of both councils. The appointment would again be for the duration of the transformation programme, with the post being subject to external advertisement at the end of the process.

We can see merits in both approaches, but will leave it for members in both authorities, following the advice of officers, to determine which approach makes more sense. Whichever is adopted, however, we believe that the CEO confirmation/appointment should precede all other appointments, allowing the CEO to advise members on their preferred structure and approach to service sharing.

A formal process of staff consultation and engagement should then be led by the CEO. This should meet statutory requirements, of course, but should also exceed them as far as possible. Routine engagement with staff and their trade union representatives should be supplemented by:

- Staff working parties (on service sharing options, strategy, and in particular terms and conditions);
- A formal bulletin;
- Drop in sessions with the CEO.

In this period, the job descriptions for the strategic directors and service heads, as well as the three year Transformation Director and their team, should be drawn up and the recruitment process started. We recommend that this should be an internal process. However, the two authorities should set aside a prudential sum (we recommend £130,000) in case this process needs to be supplemented by external recruitment.

At the same time, a project should be started to harmonise the terms and conditions of the two authorities. We recommend that this task be commenced immediately in September, not least as other collaborating authorities cite it as the central obstacle to progress. Worthing and Adur, for instance, argue that they regret not sorting these issues out first. We recommend that Redditch and Bromsgrove learn from this experience. Further, it has been

very difficult for us to give wholly accurate assessments of the savings potential of service sharing for the simple reason that we are uncertain what the terms and conditions position of the two authorities will be in the future. Whereas Bromsgrove has finished the process of job evaluation, Redditch has only just begun. Accordingly, we initially recommend that, subject to expert and if necessary legal advice, the Redditch job evaluation be discontinued and replaced by the harmonisation programme. However, we have been advised that the manner in which job evaluation is to be conducted in Redditch will drive harmonisation, as it is intended that it will follow the Bromsgrove blueprint. Further, as there may be HR and legal issues associated with discontinuing the exercise, we have withdrawn our first recommendation and agree that job evaluation should proceed in Redditch, following the Bromsgrove model.

(As we have observed previously, we have no wish to pre-empt the outcomes of harmonisation. Notwithstanding this advice to use job evaluation as the basis for harmonisation, we still think it inappropriate to do so. Accordingly, we have continued to record savings and costs associated with management restructuring and sharing on the basis of mean figures.)

We anticipate that the council will need external HR support for this work. It is difficult to quantify exactly what will be needed. However, for this and for other advisory support, we work on the assumption of a gross cost of £1,200 per day for advisory support, and then suggest a prudential allocation of days. For HR advice, we think it will be worth setting aside £18,000, over and above any resources already allocated for job evaluation.

Also limiting the accuracy of our financial estimates, especially with regard to the service sharing proposals, are the differing accounting treatments (for overheads and recharges) and budgetary procedures of the two authorities. This has made accurate comparisons and costings challenging. (Indeed, as noted in section 5, we have had some difficulties in getting consistent and authoritative financial and staffing information at service unit level throughout the process.) We recommend a programme of financial, budgetary and accounting harmonisation across the two authorities. This will ensure that both authorities work to the same understanding of what is sometimes called financial “truth” in sharing contexts (i.e. a common set of standards, underpinned by identical approaches to expressing costs, recharges etc). We recommend some external advisory input here, and again recommend that a figure of £18,000 be set aside.

In the individual service proposals set out in Section 5, we have set out some limited suggestions on transformation for each service. We have been asked to do this in the light of our understanding of the councils’ respective priorities for services. Yet while it is easy to discern these at a “vision” level for both councils, the absence of a fully developed strategic planning process, focused on outcomes, means it is not always clear to understand what either council wants its individual services to achieve. This is true even of Bromsgrove, which has a reasonable score in this category in its most recent Audit Commission assessment. For the most part, the service plans of both councils describe activities, general aspirations or restate national targets. The councils are not alone in this, as many other authorities, even those scoring well in this category, lack a fully developed strategic planning process, and the development of one is made difficult by uncertainties associated with changes to the local government performance framework. However, for authorities intending to share services, such a process is essential. Without a developed strategic planning approach, focused on outcomes, the separate and joint planning sessions described in the section on Partnership Governance will be suboptimal.

Furthermore, without such a process, it is difficult to understand fully the relationship between resources and service objectives. Service plans, as we have indicated, state general aims and budgets, but they do not contain much in the way of “activity-based costing”. That is to say, they do not break down resources by activities and link levels of resourcing to outcomes sought. As indicated, a key aim shared service planning is to determine what the two authorities wish to do that is the same, what they wish to do that differs, and where they wish to achieve jointly a new service standard. To determine this requires costing by activity and testing of those costings against strategic assumptions.

Accordingly, we recommend that the councils set aside a sum for externally facilitated sessions on strategic planning, with an element of “knowledge transfer” built in. We recommend that £12,000 be set aside for this purpose.

Finally, we have indicated that the programme will entail significant challenges for members and officers alike. Externally facilitated leadership training and development sessions should be included in the programme, with £24,000 set aside for purpose.

Recommendation 9. In the transformation phase September 2009 to end March 2010, the following activities should take place:

- **A CEO should be appointed first for the duration of the transformation. The CEO would then advise members on their preferred structure and approach to sharing.**
- **A formal process of staff and trade union engagement should be put in place, including drop in sessions, working parties, and a newsletter.**
- **The new team of directors, service heads and the Transformation Team should be recruited (£130,000 should be set aside to cover potential recruitment costs).**
- **A common set of terms and conditions should be agreed. To that end, job evaluation in Redditch should continue, and should follow the Bromsgrove model. £18,000 should be set aside for additional external advisory support, over and above any already allocated to job evaluation.**
- **Common financial and accounting procedures should be agreed by the two authorities. £18,000 should be set aside for this purpose.**
- **The councils should purchase assistance and training in strategic planning, setting aside £12,000 for this purpose.**
- **The councils should commence a programme of member and officer leadership development, setting aside £24,000 for this purpose.**

2010-11 to 2012-13

As indicated, in the first full year of the programme, whatever the actual directorate structure, the service sharing programme should focus on back office and support services, with the services being prepared for sharing becoming progressively more “visible” over the three year period. In effect, the programme will move from left to right across the organisation chart.

The planning process will have broadly the same characteristics in each of those three years. Strategic directors and service heads, supported by the Director of Transformation, will establish working parties of officers, and where appropriate members. These working parties will take the summary plans in Section 5 as their starting point, and will develop these into more detailed service and resource plans. These will include:

STRICTLY CONFIDENTIAL

Agenda Item 4

BROMSGROVE DISTRICT COUNCIL AND REDDITCH BOROUGH COUNCIL

SHARED SERVICES BOARD

29th June 2009

**Business case for joint and shared working between
Bromsgrove DC and Redditch BC**

1. SUMMARY

- 1.1 This report presents for consideration by the Shared Services Board the Business case for joint and shared working between Bromsgrove District Council (“BDC”) and Redditch Borough Council (“RBC”) as developed by Serco.

2. RECOMMENDATION

It is **recommended** that

- 2.1 The Board considers the Business Case as produced by Serco and the recommendations contained therein and notes the Management response to the Business Case.
- 2.2 The Board considers whether to recommend to BDC and RBC full Councils agreement to the principle of a single management team to serve both authorities.
- 2.3 If the Shared Services Board decides to recommend approval of the Business Case and in particular the creation of a single management team the Board is requested to consider and make recommendations to the BDC and RBC full Councils on:
- (i) Whether the current Secondment arrangements should be extended for a period of up to 3 years and 6 months to enable the current Acting Joint Chief Executive to carry out the transformation process (Option 1); or
 - (ii) Whether an Interim Joint Chief Executive role should be created whereby an Interim Joint Chief Executive is employed by one Council and provide services to the other Council under a Secondment Agreement and that this post be advertised externally (Option 2).
 - (iii) Whether the salaries of the Joint Chief Executive and Corporate Management need to be properly evaluated to take account of the proposed changes.
- 2.4 If the Shared Services Board decides to recommend Option 1 (the current Secondment arrangements be extended) it is requested to make recommendations to BDC and RBC full Councils on how the terms of the Secondment Agreement would be determined.
- 2.5 If the Shared Services Board approve the Business Case, this should be in principle only and the Joint CEO (whether appointed under Option 1 or, Option 2) should be tasked to bring back detailed proposals for the next stages (including costings, legal implications and implementation arrangements) as soon as possible.

- 2.6 If the Board decides not to recommend approval of the Business Case to the BDC and RBC full Councils, the Board is requested to recommend to BDC and RBC full Councils whether the Joint CEO arrangements should continue and if so on what basis.

3. BACKGROUND

- 3.1 RBC and BDC agreed at their respective full Council meetings in March 2008 to officers undertaking work with regard to the feasibility of a Joint Chief Executive. This was undertaken by Colin Williams (Director of Local Government Services, West Midlands LGA) and Howard Davis (Regional Associate, Improvement and Development Agency (IDeA)).
- 3.2 This report led to the agreement of both Councils to share a Chief Executive for a trial period of 12 months with Kevin Dicks being appointed to this role from 1st August 2008. A Shared Services Board, comprising 4 Councillors from both Councils was established to oversee the project with targets set as follows:
- Phase 1 – By 30th September 2008 identify the “quick wins” for shared services / joint working (for implementation before 31st January 2009);
 - Phase 2 – By 31st January 2009 identify some medium term opportunities (for implementation by 31st July 2009);
 - Phase 3 – By 31st July 2009 review all services of the Council and develop a business case outlining the opportunities for shared services / joint working.
- 3.3 This report focuses purely on Phase 3 – the review of all services.
- 3.4 Following a special meeting of the Shared Services Board to recruit external consultants to produce the full business case, Serco were appointed to conduct the work. The Serco proposal is a fixed price contract of £83,600 (inclusive of all expenses).
- 3.5 The following governing principles of the business case development were established:
- Make protecting both Councils’ sovereignty paramount.
 - Pursue service options that are efficient, generate savings and promote value for money
 - Consider a range of options, including those that are radical and innovative.
 - Select service options that are achievable.
 - Produce flexible options, consistent with other strategic imperatives.
 - Conduct itself with openness
- 3.6 A project plan was submitted with the following key milestones:-
- Documentation and literature review by 27th March 2009
 - Service analysis by 1st April 2009
 - Stakeholder analysis and interviews with Members, staff and senior stakeholders 30th March to 24th April 2009
 - Analysis and options appraisal by 13th May 2009
 - The business case document will be issued in draft and reviewed by Acting Joint Chief Executive on 1st June.
 - The business case document will be revised as necessary and issued for review by SMT and CMT on 3rd June.
 - The business case document will be revised to take account of any comments and issued to the Shared Service Board on 19th June for discussion and approval at their meeting on 29th June.
 - A final version of the business case document will be produced and issued for approval by full Council from both Authorities during late July 2009.

3.7 The above milestones have all been hit and the draft business case was considered by the respective Management Teams on 8th and 9th June and detailed feedback provided to Serco. Serco have taken this into account where they feel they can without negating the independence of the report.

4. **BUSINESS CASE**

4.1 Serco have completed the work on the Business Case and this is attached at Appendix 1. It is a comprehensive piece of work which has been produced in accordance with the governing principles set out 3.5 and in accordance with the key milestones set out at 3.6.

4.2 The key issues in the Business Case which it is worth drawing out are as follows:

- The objectives and priorities of the Councils are very closely aligned which would not preclude the sharing of any services;
- All services, with the exception of the Housing Revenue Account (HRA), can be shared;
- The context and the environment within which the Councils will operate in the future will become increasingly challenging – with the expectation that significant efficiency savings will need to be made – not only to achieve the Medium Term Financial Strategies of both Councils but also against the backdrop of significant reductions in central government finance over the next few years;
- No change is not an option;
- To oversee this programme of change a single management team is required;
- The Business Case suggests a Management Team of 1 Chief Executive, 3 Directors, and 7 Heads of Service (plus 1 for the HRA). This would be supplemented by a Transformation Team of a Director plus 3 Heads of Service for a period of 3 years to oversee the change programme. This structure should only be only seen as indicative as it should be down to the Joint Chief Executive, working with members, to propose a Management Structure;
- The Business Case also suggests the “packaging” of services under each Head of Service. Again this should be seen as indicative as this would be a matter for the Joint Chief Executive in discussion with members to determine;
- The Business Case shows that there is potential to save over £3.2m (over the course of the transformation programme) from having a single Management Team. This is indicative based on average salary levels; however a formal approach to evaluation of all posts on the proposed Management Team would be required;
- A detailed service analysis has been undertaken which has made further suggestions as to how services should be shared and indicative savings arising from this. It is, however, acknowledged that this is only a blue print and that it should be up to the Joint Chief Executive, Management Team and Members to determine how and when services should be shared;
- The Business Case is suggesting an “Inside out” approach to transformation i.e., starting with Support Services first as they are not so visible to the public
- With regard to the appointment of a Joint Chief Executive members will note from the Business Case that there are a number of options that have been scoped in reaching the recommendation that members are considering in this report;
- It is fair to say that the Business Case has acknowledged the need for both authorities to ultimately consider the creation of a Special Purpose Vehicle (SPV) to create the legal environment for the provision of joint employing authorities;
- It is also fair to say that the Business Case does not consider that this would be the most appropriate way to proceed in the short to medium term given the complexities involved in achieving an SPV and the need for both authorities to capitalise on the

momentum that has been created under a Joint Chief Executive for driving forward efficiencies in both Councils and the need for this to continue;

- In determining the most appropriate way for both authorities to move through the proposed change programme the Business Case acknowledges and recommends that one authority employs a Joint Chief Executive and provide services to the other through a secondment agreement;
- Members will be aware that during the trial period the Acting Joint Chief Executive has been operating on this basis and under the terms of a Secondment Agreement.

5. MANAGEMENT RESPONSE

5.1 The Acting Joint Chief Executive has asked both Councils' Management Teams to comment on the Business Case and this section of this report sets out the results of that exercise. Serco have taken on board a number of elements arising from the feedback from the respective Management Teams where they have felt able to. However it is felt that it would benefit the Shared Service Board if they were aware of the following response from the Management Teams. This should not be construed as a consultation response as this would need to be undertaken based on the decisions taken at the end of July:

- On the whole it is felt that this is a good report. It provides a good, albeit bleak analysis of the future context in which local government will be operating. Both Management Teams fully accept that no change is not an option;
- The detailed services analysis could provide a blueprint going forward – although it should be and is flagged as being proposals for consideration, it is up to the Joint Chief Executive and the Management Team to put forward options for members consideration which would then be subject to appropriate consultation;
- There are concerns about the proposed management structure – both in terms of the packaging of service areas and in terms of numbers. Neither of the Management Teams have discussed the packaging of service heads in any detail as it is felt that this would need to be the subject of separate discussion with the CEO and formal consultation with those affected;
- In terms of the proposed numbers in the structure it is felt that the Management Structure is light at 1 CEO, 3 Directors and 7 Heads of Service given the issues within both Councils – the report is at pains to say that both councils are only fair authorities. Therefore it is felt that a management structure more akin to Adur and Worthing of 1 CEO, 3 Directors and 10 Heads of Service is more appropriate – at least initially. There is concern about the assumption that there is sufficiently skilled resource and capacity at 4th tier level to enable the change needed;
- There are some concerns over the role of the proposed Transformation Team – again it is felt that this should be down to the CEO to determine;
- Given the above concerns about numbers and packaging of services in the Management Structure it is felt that members should agree with the report in principle and ask the Management Team to bring forward proposals including costs / savings;
- Inside out approach – broadly comfortable with this as a principle but have to accept that there should be flexibility in this i.e., when an opportunity comes along the authorities need to be in a position to take it.
- Value For Money indicators – these should be seen as indicative as it is felt that there are more appropriate benchmark figures that could have been applied. Appropriate benchmarks will be used as part of the review of services under the transformation programme.

6. FINANCIAL IMPLICATIONS

- 6.1 Serco have used financial information provided by the finance teams in both Councils. The basis of the finance data is the budget provision for 2009/10. The potential efficiency savings contained within the business case has been developed using this information. The business case shows the potential costs and savings realised from a single management structure will deliver £3.2m savings over a 5 year period.
- 6.2 The business case also shows potential costs and savings contained within the service specific sections of the business case, with an additional estimated total of £4.5m over the same period. Members are advised to consider the overall costs / savings as indicative given the broad nature of some of the assumptions e.g., average salary level for management posts and estimated redundancy costs.
- 6.3 In addition the business case includes a number of benchmark positions for services provided by both Councils with an indication of how they compare with similar organisations reviewed by Serco. Again members are advised to consider this information as indicative as the comparable data has not been validated for assumptions on costs by the comparable organisations. Both RBC and BDC are currently undertaking full cost reviews of its services to identify benchmark positions with our family groups for members consideration.
- 6.4 The current Medium Term Financial plans include £1.681m (£961k for BDC and £720k for RBC) to be realised from alternative methods of delivery / joint working over the 3 year period to April 2012. The proposed savings in the business case would deliver approximately £5m over the same period however there is a significant cost associated with redundancy / early retirement / interim support costs that would have to be met by the Councils in the short term which would reduce this to approximately £815,000. Over five years the saving is estimated to be £7.7m.
- 6.5 Balances are currently held by BDC of £1.8m which could be utilised to fund a proportion of these costs (interim support arrangements) with a request being made to the DCLG for capitalisation (payment of revenue from capital) of the redundancy and early retirement costs. BDC has already been successful in securing a capitalisation direction in 2006 to fund costs associated with a previous management restructure. Any request to the DCLG would be investigated further following Members decision. Balances at RBC are £2.1m as at March 2009 however £255,000 of this has been earmarked for investment in services. In addition savings of £262,000 have to be identified for savings by the end of the three year Medium Term Financial Strategy ending 2011/12.
- 6.6 Funding of £100,000 towards capital expenditure in relation to the transformation arrangements has been secured from the WMIEP. This could be utilised to fund ICT systems that will be required to ensure a robust infrastructure is in place to support the shared service.
- 6.7 It should be noted that the Transformation team, as suggested, may be entitled to Redundancy Payments, subject to further restructuring, which have not been factored into the business case.

7. LEGAL IMPLICATIONS

- 7.1 Specific legal advice on the options relating to the Joint Chief Executive post has been obtained and is incorporated into the HR implications paragraphs in this report as it is inextricably linked with the HR issues.
- 7.2 In relation to the overall Business Case, it should be noted that the current legal framework within which local authorities operate does not sit easily with recent moves towards extensive joint working and the "merging" of council functions and operations. The Local Government Acts 1972 and 2000 do allow for one council to delegate functions to another and also for the setting up of joint member decision making through Joint Committees. Also there are legal provisions which allow one authority to make its staff available to another (which are being relied on in relation to the proposals to second staff between councils). However, it is difficult under the current legal framework to employ staff "jointly" and this leads to the need to rely on secondment arrangements to allow staff to provide services to more than one council and as this would also be the basis for a Joint Management Team.
- 7.3 One of the drivers for the proposal to consider the setting up of some kind of Special Purpose Vehicle is to create a body which can neutrally provide support for more than one council. However, local government law currently requires posts such as the Head of Paid Service, s.151 Officer and Monitoring officer to be held by employees of the council, so they could not be employees of an SPV. Also, it is not possible currently, without specific legislative powers, to delegate local authority functions to bodies other than other councils or Joint Committees so the SPV could not carry out council functions.
- 7.4 If the Business Case is adopted and moves forward, it will be necessary to examine the legal implications of each aspect of it in more detail to ensure that it meets both authorities' statutory obligations and effective governance arrangements are developed. It is possible that the government could introduce changes to the current statutory framework to facilitate joint working of the kind currently being contemplated by BDC and RBC and this would be welcomed. Until then, the proposals must be evaluated against current legal provisions to find legally robust solutions.

8. COUNCIL OBJECTIVES

- 8.1 Each Council will need to ensure the proposals support its own Council Objectives.
- 8.2 The Business Case has used a top down, bottom up approach – i.e., the Councils' Objectives and Priorities have been used to assess whether any / all of the Councils' services could or should be shared. This sharing of services has thus in turn been used to assess whether there should be a single management team.

9. RISK MANAGEMENT

- 9.1 An overall risk register has been submitted as part of the Business Case and members should consider this when making their decision.
- 9.2 A risk assessment has been undertaken for each service analysis; however it is suggested that members use the service analysis as a blue print for potential shared services as this would have to be developed by the respective Head of Service – this would of course include a risk assessment.

10. CUSTOMER IMPLICATIONS

10.1 No direct impact on the Customer arising from this report, although indirectly the intention of each area is to deliver efficiencies/savings or improve service quality to the ultimate benefit of the customer. This would need to be assessed as each service area is developed with regard to Shared Services / Joint Working.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

11.1 This report outlines the potential employment risks that are associated with this proposal. The Council will need to consider these along side its general recruitment and selection policies and commitment to equality of opportunity.

12. VALUE FOR MONEY IMPLICATIONS

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

12.2 Each council is continuing to develop its approach to Value for Money and it is recommended that this should be used to influence the order that services are shared.

13. HUMAN RESOURCES IMPLICATIONS

13.1 The current Acting Joint Chief Executive arrangements have operated on the basis that Mr Dicks remains employed by BDC in his substantive post but his services are seconded to RBC under the terms of a secondment agreement. He is subject to BDC terms and conditions of employment and is managed by the Leader of BDC in accordance with BDC policies. The Leaders of RBC and BDC have liaised so that targets set for Mr Dicks by the Leader of BDC under the Performance Management process include targets in relation to RBC. It therefore needs to be noted that if a secondment arrangement is to continue the basis of Mr Dicks' employment will remain as above.

13.2 The Business Case does recommend moving to a single management team and presents for members' attention two options with regard to progressing the appointment of the Joint CEO (should members agree to progress with the principle of a single management team):

13.2.1 Kevin Dicks be confirmed in post for the duration of the transformation period (three years and six months) and then the post be subject to concurrent internal and external competition at the end of that period. Members are advised that the external legal advice received in relation to this option has been presented to members as Option 1 in this report.

13.2.2 That a short term Interim Joint CEO post (for 3 years and 6 months) would be open to applications from all officers within a "ring-fence" comprising the directors and service heads of both councils. The appointment would again be for the duration of the transformation programme, with the post being subject to external advertisement at the end of the process.

13.3 Having considered the merits of adopting the option at 13.2.2 members are advised that the proposal to "ring-fence" applications for the Interim Joint CEO has been reviewed, as advice received from external legal advisers and subsequent discussions with the WMLGA indicate that if such a post were to be considered at this stage it would be more appropriately subjected to external competition, given the requirement of Section 7 of The Local Government and Housing Act 1989 (dealt with below). Members are advised that

the external legal advice received in relation to this option has been presented to members as Option 2 in this report.

13.4 Local Government and Housing Act 1989 - Section 7 of The Local Government and Housing Act also deals with the appointment and management of staff and makes it clear that every appointment of a person to paid office shall be made on merit, having regard to various Acts of Parliament, notably:

- The Disability Discrimination Act 1995
- The Sex Discrimination Act 1975
- The Race Relations Act 1976
- The Local Government Finance Act 1988

There is no definition of “merit”, nor is any remedy provided in the Local Government and Housing Act for individuals who feel that an appointment was not made on merit. However if a breach of Section 7 was brought to the attention of the Monitoring Officer (of either Council) she could prepare a report on the alleged breach in accordance with her statutory duties. Such obligations also extend to the appointment of other senior officers.

13.5 Option 1 – continuation of current interim secondment arrangements

13.5.1 Option 1 - The current employment and secondment arrangements of the Acting Joint Chief Executive be continued for up to 3 years 6 months at which point the requirements of section 7 of the LG&HA 1989 would be revisited and assessed in relation to the extent to which both authorities were satisfied that those requirements were being met or the extent to which they should be reviewed.

13.5.2 The advantage of Option 1 is that it preserves the status quo, is likely to be more cost effective and meet the requirements of the business case in relation to maintaining momentum. It also suspends the potential for any claims of unfair dismissal from the current Acting Joint Chief Executive.

13.5.3 The disadvantage is, as the SERCO report itself identifies, there may be a question of perceived unfairness (or rather inequality) expressed by other members of the management team if Option 1 were to be followed.

13.5.4 Members would need to be satisfied that the duration of the extension to the secondment arrangements for up to 3 years 6 months is reasonable and that the existing postholder meets the requirements of Section 7 of the LG & HA 1989. as detailed above.

13.5.5 It would also be necessary for members to ensure that the secondment arrangements were adequately monitored throughout the period of the agreement and that there were agreed milestones and an agreed process for regular review to enable both authorities to satisfy themselves that the requirements of section 7 of the LG&HA 1989 continued to be met as detailed above

13.5.6 It is fair to say that the Business Case identifies the need for continuity of post and that Kevin Dicks should be confirmed in post for the period of the transformation. Members may wish to consider this advice alongside the proven record achieved by Mr Dicks over the preceding 12 months when determining whether the Section 7 duty can be satisfied.

13.5.7 Whilst it is clear that this is very much a subjective test the advice received from the WMLGA and external legal advisers indicate that for the purposes of the proposed secondment it would be reasonable for members to assess those two areas.

13.6 Option 2 – a short term appointment of Joint Chief Executive/Head of Paid Service

13.6.1 **Option 2** - allows an assessment of competencies to be made through including in a competitive assessment process.

13.6.2 The disadvantages with Option 2 are the likely additional costs (potential unfair dismissal costs, in addition to the costs associated with a recruitment process),, delay and loss of momentum. Members will be aware that the costs associated with an external recruitment exercise would be in the region of £75K and that in the event that an external candidate were the successful applicant their appointment would be subject to their contractual notice period which could be anything up to 12 months.

13.6.3 Given the requirement within the SERCO Business Case to maintain momentum and the respective Councils' need to make management changes as a matter of urgency members would need to consider this option within this context and the extent to which it renders the Business Case unachievable.

13.6.4 In addition, the potential employment liabilities associated with this option need to be taken into account. The Acting Joint Chief Executive of BDC and RBC is employed in a substantive capacity of Chief Executive/Head of Paid Service by BDC. All employment liabilities with regard to Mr Dicks rest with Bromsgrove District Council. It should however be recognised that the costs of any (potential) successful unfair dismissal claim brought by Mr Dicks would be shared between both partner Councils (as stated in the secondment agreement).

13.6.5 BDC is being asked to consider a proposal which effectively puts Mr Dicks at risk of termination of employment in the context of what could be a redundancy situation, with the associated potential cost, (it is important to stress that such costs would not be limited to just a redundancy payment, but could also extend to unfair dismissal), if he is not successful in securing the interim post. In carrying out any such termination of employment, BDC would have to have regard to its obligations to follow a fair procedure in accordance with employment law requirements and the terms of applicable BDC policies. There would also be a financial cost to RBC under the terms of the Secondment agreement if Mr. Dicks were to be made redundant.

13.6.6 Subjecting Mr Dicks to a competitive process runs the risk of a legal challenge by him for unfair dismissal. He may argue that the role of Interim Joint Chief Executive is just a continuation of his existing role as Acting Joint Chief Executive, so that there is no reason for any competitive process, or that, if there is a redundancy situation then the role amounts to suitable alternative employment and that he should be offered it under BDC's redeployment policy (indeed as part of the Council's statutory obligations under the Employment Rights Act). However, the Councils are appointing to a post which must provide effective leadership across two authorities and must take into account the expectation at a national level that the appointment of a Local Authority Chief Executive officer should be subject to competition. It would be reasonable to consider competition in that context to satisfy the requirements of section 7 of the LG&HA 1989. In any event, both Councils would need to be satisfied that Mr. Dicks met the

requirements of Section 7 of the LG & HA 1989 to extend the current secondment arrangements.

- 13.6.7 There is potentially a conflict between the expectations of section 7 of the LG&HA 1989 and the obligations upon employers to seek suitable alternative employment for employees who are at risk of redundancy. Fundamentally, this becomes a matter of risk management, the risk being that of a potential unfair dismissal claim, versus a complaint that the authority does not engage in an open recruitment process and important matters for members to consider in the context of Option 2.

13.7 **Contractual Arrangement**

The SERCO report is silent on the mechanism by which the Joint Chief Executive appointment should be put into effect; Option 1 is our best interpretation of this proposal, given the legal implications of what is being proposed, and can be achieved by way of a variation to the current contractual arrangements with Mr Dicks, subject to his agreement. It would also be important to include specific targets/objectives and review periods. If Option 2 is selected, a contract of employment with one of the Councils would be agreed with a secondment to the other authority. Once the transformational agenda is complete (which is anticipated to be at the end of a three and a half year period) both Councils should review structures which are in place at a senior level to ensure that existing and emerging organisational requirements are met.

13.8 **Pay and Conditions of Service**

13.8.1 The business case is currently based on average salaries of the Corporate Management Team and the Joint Chief Executive and therefore these posts would need to be properly evaluated

13.8.2 The conditions of service for all posts would be in accordance with JNC conditions for Chief Executives or Chief Officers.

13.9 **Harmonisation of Terms and Conditions**

13.9.1 This should not be underestimated in terms of the time taken – fortunately the Councils are using the same JE scheme for NJC staff and the local conventions used are very similar which should reduce the amount of effort required. However, full and proper consultation with staff and Unions would be required. The redundancy and redeployment policies need to be harmonised in such a way as to enable ring-fenced staff from one Council to apply for a suitable post at the other Council, and ultimately to reduce the potential for unfair dismissal claims from any officer affected by the Shared Services agenda.

13.9.2 It should be noted that the adopted job evaluation scheme was not designed to measure Chief Officer posts – as such a separate evaluation process will need to be determined and a budget for this will therefore need to be made available.

13.9.3 It should be noted that if the Shared Services Board approve the business case, this will be in principle only and subject to more detailed proposals being presented by the Joint Chief Executive in relation to the structure of management team proposed. In any event the new structure will be subject to a period of consultation with affected staff. It will therefore be necessary at the point of any “in principle” decision to commence consultation with those employees from both Councils who are affected by the proposals as, if the respective Councils,

following such consultation, subsequently decide to implement the business case, the affected employees would either be at risk of redundancy or require the terms and conditions of their employment to be amended.

13.9.4 It should be further noted that the process for consultation would indeed be dependent on whether members were minded to proceed with option 1, option 2, or another as yet undetermined option.

13.10 **Support**

There are no costs built in for support for those going at a senior level, ie outplacement. There needs to be finances built into support both organisations through change as this will have a very disruptive effect on them. This should include outplacement and career counselling, for individual members of the two management teams who find themselves in the position of being served with notice of redundancy.

14. **OTHER IMPLICATIONS**

Procurement Issues

None in relation to this report.

Personnel Implications

Covered above.

Governance/Performance Management

None

Community Safety including Section 17 of Crime and Disorder Act 1998

None

Policy

None

Environmental

None

18. **WARDS AFFECTED**

All

19. **APPENDICES**

Appendix 1 Business case for joint and shared working between Bromsgrove DC and Redditch BC

20. **BACKGROUND PAPERS**

Shared Services Papers

Roger Hollingworth and Carole Gandy
Leaders of Bromsgrove District and Redditch Borough Councils

Bromsgrove District Council

Standards Investigation

Case References: 03/09 and 04/09

Note of Interview – Councillor Peter McDonald

At Bromsgrove District Council Offices

On Wednesday 4th November 2009 5.00 p.m.

Present: Councillor Peter McDonald (PM) accompanied by Alan Cooper and Michael Blamire-brown (Investigating Officer)(MBB).

MBB introduced himself and stated that he was an investigator acting on behalf of the Monitoring Officer of Bromsgrove District Council (BDC). He stated that he would be taking notes. The interview was being recorded but only for the purpose of compiling these notes. He stated that he was conducting the interview under powers given to the Monitoring Officer under the Local Government Act 2000 and Regulations. He said that he proposed to ask various questions which he would incorporate into a note which he would send to PM and ask him to agree. That note would form part of MBB's report to the Standards Committee and would be submitted with his report.

MBB stated that prior to completion of his investigation, he would send a copy of his draft report to BD to enable him to make any representations he considered to be necessary. Having considered any comments on the draft report he would then issue his final report. Parts of the notes of this interview may be included in the draft and final report

Those present were asked to treat any information provided during the interview as confidential. It was pointed out that there were restrictions on disclosure in Section 63 of the Local Government Act 2000 and breach was a criminal offence.

PM was asked if he had any questions and responded that he would like to know exactly what the allegations were because in this country a person was entitled to know what the allegations are and what he was meant to be responding to. With regard to Cllr Doyle's allegation he had not been told what confidential information or papers he was supposed to have disclosed. With regard to Cllr Taylor's complaint an allegation that he "ranted off" at a parish meeting is not good enough for an investigation to be carried out.

MBB showed PM the email dated 24th July 2009 from Cllr Doyle to the Monitoring Officer which contained details of her complaint. PM confirmed he had seen that email but asked where details of the information in respect of which he was alleged to have breached the code. MBB pointed out that this is what he was being asked to investigate. PM responded by asking why he was "here today" when he had not been accused of anything. MBB explained that we were "here today" because the Standards Committee had asked for the complaint to be investigated. PM said that up to now no one had said what he had done. His point was that he had not been given any details. PM asked to be told what he had said that was confidential so that he could defend himself.

MBB explained that he would go through with PM the information which it was alleged he gave out at the parish meeting so that he (MBB) could assess and come to a conclusion on whether that information was confidential. PM said that he believed that he had breached nothing.

PM confirmed his official details:

He was elected as a member of BDC in May 2007 for a term of 4 years.

He was also a member of Worcestershire County Council.

PM had given a written undertaking to observe the code of conduct of BDC on 9th May 2007.

PM has completed the register of interests required of members of BDC.

PM confirms that he has received training in the code of conduct.

PM is not a member of any Council committees or appointments. He is a leader of the Labour Group on BDC.

He is aware of the provisions of the code of conduct of BDC. MBB showed PM a copy of the code and drew his attention to paragraph 4. PM confirmed that he was aware of this provision and that he was also aware and had spent some time studying the "challenges" to the confidentiality of information and that sometimes information was marked confidential which should be in the public domain.

PM confirmed that he had seen the email from Councillors Doyle and Taylor which comprised the complaints to the Standards Committee.

PM confirmed that he would have seen the papers for the meeting of the Shared Services Board for 29th June 2009 but questioned why he was being asked this because the complaint emails did not suggest that at all.

MBB referred to the email from Karen Firth (Committee Officer) sent to all members which enclosed the agenda and reports for the meeting of the Shared Services Board of 29th June 2009 which was clearly marked private and confidential. PM confirmed that he would have received that email and the documents enclosed (the Serco Report and the Leader's report) but he did not print out those documents. PM was aware of the Serco Report which was the business case in respect of shared services. He would not have read the report in full but he would have looked at the recommendations.

PM agreed that if the papers for the 29th June meeting were marked as private and confidential he would have understood and respected that. He stated that he did not put any of that material in the public domain. PM understood that he would have had an obligation to maintain confidentiality in the papers.

MBB asked PM if he understood that if papers were marked as private and confidential that he had an obligation not to disclose information in those papers. PM responded by stating that he did not breach anything which was confidential. There was nothing in the public domain and if anyone had any evidence that he breached it he had a right to know what evidence there was and felt there was no case for him to answer.

MBB referred to Cllr Doyle's email and seven points on which it was alleged that PM had disclosed confidential information at Lickey and Blackwell Parish Council.

PM agrees that he probably said that “the Council was employing consultants”. It was his turn to speak and he said that the Council were going forward with shared services with Redditch which had been going on for some 18 months and was not a secret. He said at the meeting that he did not think it was a good thing and would cost a considerable amount of money. He probably also said what he said in the papers two weeks earlier that the only people who would gain out of this were the salaries of the people at the top. PM pointed out that this had been in the public domain for about a year. MBB referred to the Shared Services Board minutes of 9th February and 31st March which PM had already drawn to MBB’s attention and which were in the public domain.

PM agreed that he probably did say that the costs of the consultants was £83k. He agreed that this was stated (in fact £83,600) in the public report to the Shared Services Board of 30th March as pointed out by PM and that this was the source of his information.

PM agreed that he probably did say that consideration was being given to Kevin Dicks continuing as Joint Chief Executive of Bromsgrove and Redditch Councils. This had in fact been in the public domain since at least August 2008 when Kevin Dicks had been appointed to the joint post.

In respect of the point that that the Council had “thrown out their recommendations, PM said that what he actually said that he expected that the normal practice of this Council was to employ consultants at great cost and then to throw out their recommendations and he saw nothing wrong in saying that. PM pointed out that he was not involved the decision making, there were only 6 members of his group, he was not a portfolio holder and would not have known whether they were going to throw anything out.

PM agreed that he did say that the post should be advertised to everybody and that he had been saying that for two years. MBB referred to the two options set out in the Serco report. Option 1 being for the existing Joint Chief Executive to be confirmed in post for the transitional period of shared services implementation and the post to then be advertised externally or option 2 being an interim appointment for the duration of the transitional period from a ring fenced arrangement of Bromsgrove and Redditch officers and then to be subject to external advertisement. PM said that over a year ago he had made it publicly clear that the chief executive post should be publicly advertised and he has kept to that point ever since. He was sure that this was reported in the local newspapers in 2008. He has always believed this because it

was important to get the right person for the job and if the current chief executive was appointed it would be important that he had been appointed through a competitive process. The point he made has nothing to do with the Serco Report. It has been the Labour Group's position since shared services first started. PM stated that he did not disclose anything from the reports to the Shared Services Board meeting of 29th June.

PM does not agree that he said that the officers would determine the salary. He said that he said that the officers would have a say in the senior appointments. He does not agree that he was referring to the chief executive. PM said that he did not know anything about the delegation to the officers to act in consultation with the Leader to determine the terms and conditions and secondment agreement in respect of the chief executive. His explanation of that point is that he was in fact referring to the fact that officers would be determining the senior appointments.

PM accepts that he may have mentioned that the Chief Executive's salary might be £150k. PM agreed that this was not a figure mentioned in any of the reports. It had come from him. It was his estimation as to what the salary might be in the future.

In general PM, apart from the specific points mentioned above does not dispute the statements that Cllr Doyle alleges have been made by him.

PM mentioned that he had a paper which had been circulated before the Parish Council meeting on 6th July which stated the procedure for appointing officers.

(The interview ended at 5.30 p.m.)

BROMSGROVE DISTRICT COUNCIL AND REDDITCH BOROUGH COUNCIL

SHARED SERVICES BOARD

29th JUNE 2009 at 5.30pm

THE COUNCIL HOUSE, BROMSGROVE

PRESENT:

Councillors Roger Hollingworth (Chairman), Jean Luck and Mike Webb (Bromsgrove District Council)

Councillors Carole Gandy, Bill Hartnett and Malcolm Hall (Redditch Borough Council)

Observers: Councillor Geoff Denaro (Bromsgrove District Council) and Councillor Michael Braley (Redditch Borough Council) (for part of the meeting)

Officers in Attendance: Kevin Dicks (for part of the meeting), Claire Felton and Karen Firth.

Also in Attendance: Paul Connolly, Serco Consulting

1. **APOLOGIES**

An apology for absence was received from Councillor Colin MacMillan.

2. **MINUTES OF LAST MEETING AND MATTERS ARISING**

The minutes of the meeting of the Board held on 28 May 2009 were confirmed as a correct record.

In response to a Member query with regard to progress on Medium Term Wins - Economic Development, Mr Dicks referred to the lack of response from Wyre Forest District Council and indicated that therefore a joint Bromsgrove/Redditch approach would be explored whilst still maintaining pressure for a North Worcestershire approach.

2. **SERCO FULL BUSINESS CASE**

Paul Connolly introduced the Business Case produced by Serco for joint and shared working between Bromsgrove District Council and Redditch Borough Council. He explained the methodology that had been adopted for this piece of work and drew attention to issues such as the fiscal constraints facing both Councils and the national context; the availability and quality of expenditure information supplied to Serco; and the time constraints for the production of the report. He then drew Members' attention to the recommendations set out in the Business Case.

During the ensuing discussions, Mr Connolly responded to Members' comments and queries.

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In response to a Member query, Mr Connolly explained that the alignment of portfolio responsibilities for a single joint management team were purely illustrative and not a recommendation.

Members expressed some concerns about the indicative size of a joint management team compared to the actual size of the two separate management teams. In response, Members' attention was drawn to examples of other councils who had or were pursuing joint chief executive or joint management team arrangements and it was intended that specific proposals with regard the size of the joint management team and alignment of portfolio responsibilities would be matters for the Joint Chief Executive to report back upon.

In response to a Member query, Mr Connolly explained how 'no change' was not an option for both Councils, particularly given the gravity of the fiscal situation faced and government policy drive for enhanced two-tier working through lateral and vertical sharing of services.

In response to further Member queries, Mr Connolly explained the proposed cost sharing arrangements and the illustrative 'bubble' proposals for how shared services could be implemented over a three year programme from inside out (i.e. from back office and support in the first year to visible front line services in the third year). He also responded to the lack of support expressed by Members to the governance proposals within the Business Case

Mr Dicks left the meeting prior to discussion on the contents of the Business Case with regard to the Chief Executive Officer and the option of extending the current secondment arrangements in relation to the Acting Joint Chief Executive.

During this part of the discussion Members indicated their satisfaction with the high standard of performance of Mr Dicks as Acting Joint Chief Executive over the past twelve months', although Councillor Hartnett reiterated his Group's objection in principle to a Joint Chief Executive. It was acknowledged that there would be a loss of momentum for the transformation process going forward if a competitive process was applied to the Joint Chief Executive post. Members also noted the potential employment liabilities associated with the termination of Mr Dicks' employment. Furthermore, if the current secondment arrangements were extended, each Council would be given the opportunity on a regular basis to review these arrangements, including Mr Dicks' progress against specific milestones and targets that would be set for the implementation of the Business Case.

Discussion then ensued on the next steps in the context of the timetabled decision-making process. Following this, the Monitoring Officer from Bromsgrove District Council responded to Member queries and provided clarification on the legal and HR advice provided.

It was **AGREED** that the **Shared Services Board** recommends to **Bromsgrove District Council (BDC)** and **Redditch Borough Council (RBC)**:

- (1) that the creation of a single management team be approved;**
- (2) that in pursuit of the above:**
 - (a) the current secondment arrangements in relation to the Acting Joint Chief Executive be extended up to the end of 20012/13; and**
 - (b) authority be delegated to BDC's Head of Legal, Equalities and Democratic Services and Head of Financial Services in consultation with the Leader to determine and agree the necessary amendments to the Acting Joint Chief Executive's contract of employment and to the Secondment Agreement, and that authority be delegated to RBC's Head of Legal Services and Head of Financial Services in consultation with the Leader to determine and agree the necessary amendments to the Secondment Agreement;**
- (3) that any costs associated with recommendation (2) above be shared equally by BDC and RBC;**
- (4) that the post of Acting Joint Chief Executive be re-titled Joint Chief Executive for the duration of the extension to the secondment arrangements;**
- (5) that the Business Case as produced by Serco be approved in principle noting the management team response;**
- (6) that the Joint Chief Executive be tasked with preparing and presenting more detailed proposals to the Shared Service Board by the first week of September 2009 in relation to:**
 - (a) the structure of the single joint management team;**
 - (b) the detailed financial arrangements to meet the requirements of both Councils' Medium Term Financial Plans;**
 - (c) details in relation to the legal implications, employment implications and implementation arrangements of a single joint management team; and**
 - (d) a timetable for the implementation of the Business Case to include specific milestones;**
- (7) that the post of Joint Chief Executive be re-evaluated for the duration of the extension to the secondment arrangements and that the WMLGA be requested to undertake this; and**
- (8) that the Joint Chief Executive be authorised to commence negotiations with the relevant Trade Unions in relation to the creation of a single joint management team and the harmonisation of terms and conditions of employment.**

(Note: recommendations (1) and (2) above were agreed by a majority vote).

3. **DATE OF NEXT MEETING**

It was noted that the next meeting would be held on Tuesday 21st July 2009 at 5.30 pm at Redditch Borough Council.

The Meeting closed at 8.03 pm

Confidential