

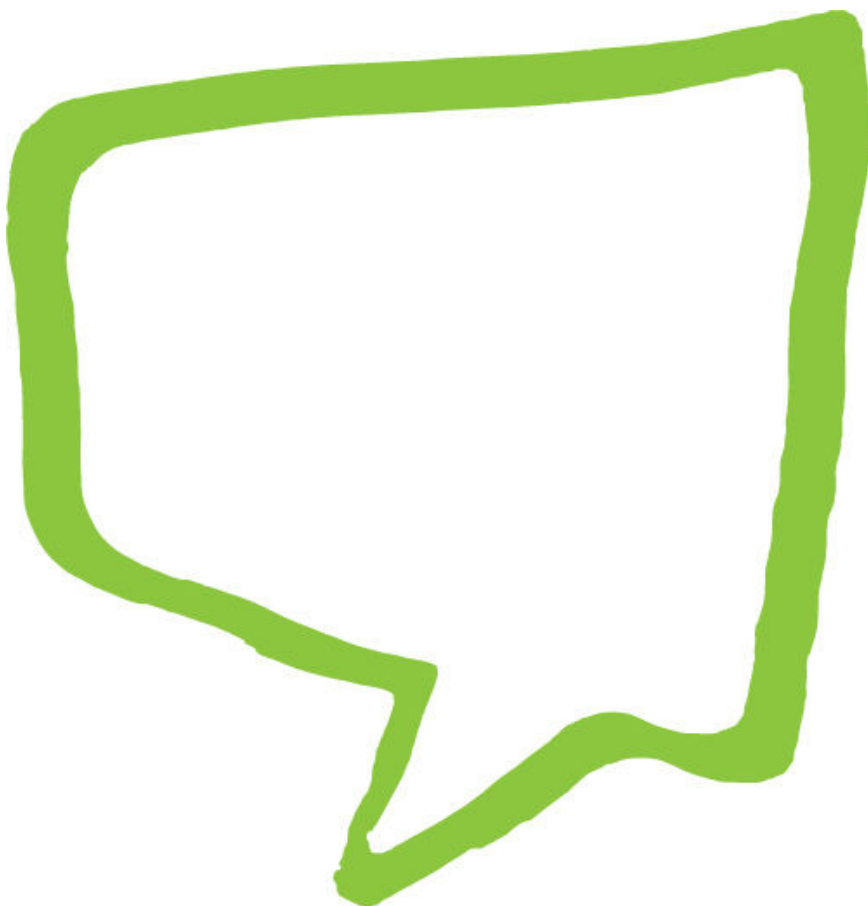
Shared Services

Review

Bromsgrove District Council and Redditch Borough
Council

Audit 2009/10

February 2010



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Summary report

Introduction

- 1 The Communities and Local Government Department takes the view that local government must always look for ways to improve what it does. It must offer better services in a way that fits modern lifestyles, and it must deliver what matters to people in local communities.
- 2 Local government employs over two million people and accounts for about 25 per cent of public spending. Transforming the way in which its services are delivered in order to achieve service improvements, efficiencies and value for money while making communities better places to live is therefore central to the local government agenda.
- 3 The arrangement for Shared Services including the post of a shared Chief Executive represents significant opportunities for better local services. However it also constitutes significant risks for both councils, particularly in ensuring that robust and legal governance arrangements are established, and in managing the project effectively within the timescales.
- 4 The project has now reached its latter stages. The appointment of the shared Chief Executive has been approved, and the arrangements for the single joint management team are currently being put in place.

Background

- 5 In June 2008 Bromsgrove District Council (BDC) and Redditch Borough Council (RBC) agreed at their respective council meetings to appoint an acting joint chief executive for twelve months.
- 6 It was also agreed that a Shared Services Board was established to oversee progress and the governance of this project.
- 7 The project was broken down into three main stages. These were as follows.
 - Phase 1. By September 2008 identify the quick wins that could be implemented by 31 January 2009.
 - Phase 2. By 31 December 2008 to establish targets and objectives for joint working arrangements that will identify some medium term opportunities that can be implemented by July 2009.
 - Phase 3. By 30 June 2009 identify the targets and objectives for long term joint working arrangements and/or a shared approach to the delivery of services to be presented in the form of a business case.

- 8 Serco were appointed as consultants in February 2009, to prepare and present a business case to the board in July 2009. The board accepted the business case and it was subsequently accepted by meetings of both Councils later that month. The newly appointed shared Chief Executive was tasked with producing a structure that was fit for purpose to manage both councils. This structure was presented and accepted by both councils in September 2009 for the purposes of consultation.

Audit approach

- 9 In order to discharge our duties under the audit Code of Practice, we carried out a high level diagnostic audit which aimed to answer the following key questions.
- Have the risks been fully evaluated with mitigating action planned? What contingency is in place if the joint working arrangements/shared services do not work?
 - Were the full costs as well as savings fully identified and evaluated?
 - How are perceived conflicts of interest and bias being addressed?
 - Are the governance arrangements in place for the shared service board adequate?
 - Are the performance management processes and the performance information for the project sufficient? Is there adequate information for reporting to the shared services board?
 - How is the performance of the joint Chief Executive monitored?
 - Has adequate legal advice been sought by individual councils, and by the shared services boards?
 - Were the objectives of each of the three phases achieved? Are they realistic, quantified and of equal benefit to both councils? Were decisions transparent?
 - What assurances are in place to ensure the process has been independent and fair, and will continue to be so?
- 10 To help us answer these questions, we reviewed relevant documents to which we were referred, interviewed councillors, council officers and other key people observing and advising the process.
- 11 Our field work took place in November 2009. The next stage is to discuss our recommendations with the Councils, and for the Councils to complete the action plan appended to this report.

Main conclusions

- 12** Sound procedures have been put in place to support the delivery of shared services and a shared Chief Executive at Bromsgrove District Council and Redditch Borough Council. The Councils have made good early progress. However, it involves a longer term programme of work and there are risks. It is therefore timely to review the processes followed and their impact to date and to comment on the assurance that this process gives for the future of these arrangements. We would like to thank all of those whom we met for giving up their time, for sharing information and for being so open. We found there was a very strong desire by the lead councillors, officers and other key representatives to make this process for sharing a Chief Executive and moving towards shared services work well and to learn from the lessons of others.

Managing risk

- 13** Risks are regularly evaluated, with mitigating actions put in place. Officers and councillors are clear about the main risks and the role of the single management team in providing mitigation for these. However more general debate at the Shared Service Board is needed to identify emerging risks. And consideration needs to be given to the risks and reality of having a fall back position or exit strategy.
- 14** Conflicts of interest are being well managed. A conflict management policy is being drafted, and a communications protocol has been put in place for use between the two councils.

Advice and information

- 15** External legal advice has been sought where and when needed. This has been obtained, when needed, from external solicitors with the relevant specialist experience, and more regularly from the West Midlands Leaders Board. Both the Chief Executive and Leaders have looked for advice from other councils who have taken a similar course of action. The Chief Executive has also joined the Chief Executive's Reference Group for these councils.
- 16** The monitoring officer from Bromsgrove District Council has had a specific role in giving advice - particularly around the secondment arrangements for the Chief Executive. However she has worked in tandem with her counterpart at Redditch Borough Council to ensure they agree on issues and share information. The legal issues arising from the proposals have been identified and are being worked through by the Councils' legal advisors. We do not anticipate any significant problems and will continue to monitor progress in resolving these.

- 17** There has been robust discussion and evaluation of the costs and savings identified. Councillors demonstrate that they have been able to get good access to financial information to inform the decisions they make. Concerns were raised about the costs and savings identified in the original Serco report. These were felt to be unrealistic and as a result a more robust structure has been put forward and agreed. The associated savings have reduced and costs increased with this new, strengthened structure. Costs are incurred early on as part of the process of reducing the overall structures of both Councils, and forming a single management team. The majority of cost identified relates to redundancy/early retirement and so it is difficult to determine the exact amount involved prior to the recruitment procedure. The Councils will need to monitor these costs carefully. Savings can be easier to quantify, but again will need to be closely monitored particularly as they will be affected by any additional costs. Concern was also expressed about papers provided at Council meetings, and the need to provide a full set to inform decision making.

Governance and performance management

- 18** Governance arrangements are straightforward and on the whole quite simple - but have worked well. Very few changes have been made since the initial set up. The project is now at a stage where governance arrangements of the Shared Services Board need to be reviewed to ensure that the arrangements remain fit for purpose, for example whether the Shared Services Board should continue in its current format as an advisory body or have delegated powers to make decisions.
- 19** The progress reports provided for the Shared Services Board are detailed and provide good information, however they do not report on performance management of services already being shared however it is accepted that it is still relatively early days for the services being shared. Performance management arrangements need to be agreed and put in place at a programme management level.
- 20** A process for monitoring the performance of the Chief Executive has been put in place. This has been strengthened with training for councillors involved in the appraisal process and support through the appraisal given by the West Midlands Leaders Board to ensure consistency and appropriate challenge.

Have the objectives of each stage been achieved?

- 21** The objectives of the phases have been mostly achieved but there has been some slippage. Lessons have been learnt, for example the Councils found that they were able to deliver the business cases for each shared service on time, but realised that more time was needed to do robust and proper consultation with staff. Councillors are clear why the services that have been shared were put forward and what benefits have been anticipated.

Main conclusions

Assurances in place now and for the future

- 22** Assurances are in place to ensure the governance process is as fair and independent as it can be. The Shared Services Board is not a decision making board – it is run by consensus with the opportunity to debate and monitor progress before issues and decisions are taken to full council. Its membership is from both the Executive and opposition from both Councils which means there is continuity and appropriate involvement. Assurance is also given as each respective council has made decisions on everything on an all party basis.
- 23** Future assurance is in place for the recruitment of the single management team to ensure it is a fair and transparent process. Proposals have been drawn up by the West Midlands Leaders Board for the procedure for voluntary redundancy/early retirement which means that staff involved in the recruitment process have not been compromised by potential conflicts of interest. A recruitment panel will be made up of cross party members and from both councils, and the Chief Executive. External support will be given by Solace. Members understand the need for robust recruitment so that the best people are appointed to the right post and they understand the consequences of not appointing.

Recommendation	
R1	Risks should be discussed at the Shared Service Board meetings, not only around the level of significance and impact, but to identify new risks. <ul style="list-style-type: none">This is a low cost recommendation and should be implemented immediately.
R2	The Councils should set out their contingency position for either a fall back or exit strategy. The initial starting point for this could be to discuss at the Chief Executives reference group to see how other councils have managed this process. <ul style="list-style-type: none">This is a low cost recommendation and should be implemented by 31st March 2010.
R3	To provide a full set of working papers at full Council meetings where decisions on shared service are made. This will reflect the significance of the decisions taken and enable full and informed debates. <ul style="list-style-type: none">This is a low cost recommendation and should be implemented immediately.
R4	The Councils should review the governance arrangements of the Shared Services Board and whether it is appropriate for this Board to continue with its current role. <ul style="list-style-type: none">This is a low cost recommendation and should be implemented in the next six months.
R5	The Councils should develop a performance management process for shared services. The Councils will need to consider what information is needed for the single management team to manage performance and what information will be needed to enable councillors to manage and scrutinise performance. <ul style="list-style-type: none">This is a low cost recommendation and should be implemented by 31 March 2010.

Recommendation

R6 The Councils should review the expected costs and savings, ensure that they are realistic and monitor their delivery. The Councils should also ensure that any outstanding legal issues are resolved.

- This is a low cost recommendation and should be implemented immediately.

Detailed findings

Managing risk

- 24 Risks are regularly evaluated, with mitigating action put in place. The risk register for the shared Chief Executive and shared services was developed mainly by the Chief Executive, but with legal involvement from the monitoring officers particularly around statutory issues. It is reviewed regularly by the Chief Executive when drafting the six weekly progress reports for the Shared Services Board.
- 25 The level of a risk (significance and impact) is discussed at the Shared Services Board and changed where appropriate. But there is not a general debate about risk, for example whether there are any new risks. The risks are linked to the individual corporate risk registers, and are discussed with councillors as part of the management of the corporate risks at each Council. It is anticipated that the single management team will have more input into the register, though each respective management team has input at the moment.
- 26 Officers and councillors are clear about the main risks. These are agreed as being political, in terms of a change of administration and consequential change of heart for having a shared Chief Executive, and financial with the current uncertainties around future settlements for councils. One of the main mitigating factors for the significant risks is the implementation of a single management team. This will be the driver for change and at a pace which could not easily be achieved by having the existing set up for management teams. This second risk identified around future financial settlements is not described on the risk register which links to the point made above about needing more debate about emerging risks.
- 27 An omission in the risk register is the lack of overall contingency - as a fall back position or an exit strategy. Prior to a single management team being set up the ability to reverse the process, or significant parts of the process to date are simpler than they will become once a single management team is in place. The effects of having one management team should be investigated in relation to the financial consequences of reducing each council's budget as it is likely to be difficult to replace the lost resources in future years if the need arose. It is important for an exit or fall back strategy to be clear about the difficulties around getting out of this arrangement. The need to discuss this matter more fully with councillors should be considered so they are realistic about the inherent difficulties in reversing the situation and that as they go further down the line of shared services this may become more difficult. This will be a situation that other councils are in whether they share services or have entered a strategic partnership arrangement with the private sector. The district councils that have gone down a similar route to Bromsgrove and Redditch Councils may be able to offer useful advice. Also, there are similar issues for all the Worcestershire districts as part of the Worcestershire Enhanced Two Tiered working programme and so having debated and set out various scenarios could place them in a stronger and more prepared position overall when looking at shared services countywide.

- 28** Conflicts of interest are managed. Conflicts have arisen in a number of ways and at different levels, for example at a policy level with the Regional Spatial Strategy and at an individual level as part of the process towards having a shared Chief Executive and single management team. Having good evidence of learning already in place from other councils going through this process has helped the team anticipate where conflicts may arise and generally be well prepared. And having support and advice from the West Midlands Leaders Board has ensured that recruitment procedures have been put in place without compromising officers who will be subject to that procedure by involving them in their set up. With the Regional Spatial Strategy both Councils talked through what they agreed on and what they didn't with regard to housing numbers required between the two areas. A lead officer for each Council was identified to give advice, with the Chief Executive's involvement being to mediate if required.
- 29** The need for a conflict management policy has been anticipated and is currently being drafted. External advice has been given by other councils in a similar position - they have conflict management policies in place which have been tested. Having a robust policy in place is important for managing and resolving conflicts which may arise in the future.
- 30** The Councils have been proactive in drawing up a communications protocol. This has been agreed for use by the Leaders of each Council. This will be used when the Councils differ in their response to a proposal, policy detail etc. Having this in place means that the Leaders are able to communicate publicly about issues where they conflict, but in an agreed and reasonable way without compromising themselves or each other.

Advice and information

- 31** External legal advice has been sought where and when needed. Employment advice has been obtained from Bevan Britton - initially on the secondment arrangements for the Chief Executive, and more recently on the overarching secondment for the single management team. It has been an interesting process as although there is an appetite nationally for shared services it's not as clear cut to achieve as it may seem, and councils also have certain statutory functions to maintain. Both Councils have been careful to make sure that they have covered all they need to from a constitutional perspective. And although constitutions will need to be aligned in some aspects a complete overhaul is not needed. The monitoring officers from both Councils work together to ensure consistency in their approach and shared understanding of the issues and of advice given.

Detailed findings

- 32 Legal advice and input from West Midlands Leaders Board has been very helpful, particularly around employment issues. The Serco consultants also provided advice and experience. Advice has been obtained from monitoring officers at other councils who have gone through a similar process. So for example, advice from Adur and Worthing helped both Councils in working out the best ways to report information to councillors and to be firm where needed for example around the need for confidentiality where it is appropriate as issues may concern officers and potential redundancies. This means that also certain information and parts of council meetings have not been open to the public, so that councillors have been able to discuss fully the implications of any proposals without compromising members of staff.
- 33 Advice and learning about good practice as well as what hasn't worked, is also available through the Chief Executives reference group - a meeting of Chief Executives from councils with joint working arrangements. The Chief Executive attends this meeting and brings back learning from this to the Shared Service Board.
- 34 The monitoring officer from Bromsgrove District Council has been involved in the legal arrangements for the shared Chief Executive from the start of the process. This was agreed as an appropriate arrangement between the two councils as the secondment arrangements had to be made by Bromsgrove Council, as the original employer of the Chief Executive. The monitoring officer works with her counterpart at Redditch Borough Council to discuss and make sure they both agree on issues.
- 35 Although the monitoring officer attends the Shared Service Board meetings and gives advice when it is asked for, advice is not given as a matter of course - as the Board is not a constitutional body. This makes the support from West Midlands Leaders Board more important, and also the need for the Shared Service Board to recognise where external legal advice from solicitors is needed to ensure that councillors do ask for and take the most appropriate advice.
- 36 There has been robust discussion and evaluation of the costs and savings identified. The costs and savings that were set out in the Serco report were felt to be unrealistic for a number of reasons. For example the single management team salary levels were scoped on an average of existing rates of pay between the two authorities which was not felt to be realistic as new roles would need to be re-evaluated and also the pay levels at Redditch are lower than at Bromsgrove, severance costs were felt to be underestimated and the size of the team was agreed as too small and lacking in capacity to meet future needs for both Councils. Whilst there was a challenge around the costs and savings included in the Serco business case a separate financial model could have been produced which may have led to a more realistic structure with costs and savings coming out of that first proposal. Councillors gave the Chief Executive the task to review Serco's proposals and come back with a more resilient structure and with the associated costs and savings. There was consensus over the revised structure and implications for costs, though there was some initial disappointment at the reduction in the overall savings. However there was much debate around the changes and councillors understood the reasons for the changes and approved them.

- 37** The progress reports to the Shared Service Board show revised financial models where appropriate and needed. For example, in a recent report a revised model shows the implications on shared services if the Worcestershire Enhanced Two Tier proposals go ahead. Savings increase - mainly because of the loss of a head of service post, but with the same initial costs. This means that councillors can see the implications of a number of different factors coming into play.
- 38** Full information on costs and savings has been provided to enable decisions to be made. Councillors on the Shared Services Board acknowledge they have received as much financial information as they need. They have been able to get detailed advice on the costs and savings from the S.151 officers and this is evidenced by even greater scrutiny of the Chief Executive's revised structure proposals. In turn, members of the Shared Services Board felt able to explain in more detail the rationale behind the revised structure and the reduction in the level of overall savings and increased costs at their respective council meetings. There has been good access to additional support from the West Midlands Leaders Board, which has also bought particular expert knowledge around employment issues. There has been debate around costs of severance, and how it may be difficult to control costs if appointments are not made and they need to go to the market. This is mainly in terms of recruitment costs, time and severance costs. This demonstrates clear understanding of the issues and the fact that councillors have taken the time to ensure they are as well informed as possible to make decisions.
- 39** There has been good debate and scrutiny of decisions. For example, there has been detailed debate and advice sought about sharing costs and savings and the presumptions made. As a result of this the basis for sharing costs and savings has changed. For example, activity based costings have been prepared to support the CCTV/lifeline and ICT business cases. Consequently Redditch will benefit from more savings than Bromsgrove from CCTV / Lifeline - but this reflects use of the service and where there are still more savings to be stripped out. This demonstrates clear and fair thinking about how costs and savings should be shared and putting the mechanisms in place for managing this.
- 40** An area of concern has been expressed about papers provided at full council meetings. The concern is that if a full set of papers are not given out at the meeting councillors may not be aware of the context of the discussion and decision. However, all papers have been sent to all councillors electronically so all councillors do have prior access to the information. It may be useful though to reproduce a full set of papers at full council meetings where shared service decisions are being made to ensure an informed debate and to alleviate concerns councillors have. This would mean that all councillors can refer to items in documents that are under discussion.

Governance and performance management

- 41 Governance arrangements are straight forwards and on the whole quite simple - but have worked well. Governance arrangements have only changed slightly since the original concordat was put in place. However they will now need to be reviewed because of progress with the project and to ensure that the arrangements remain fit for purpose, for example whether the Shared Services Board should continue in its current format, or have delegated powers to make decisions.
- 42 The process is that the Shared Services Board gets all reports relating to the shared Chief Executive and shared services. The Board makes a decision about what to recommend and this is then taken back to their respective full councils so that all councillors, including opposition councillors, are involved in the decision making process and in debates around the decision. This means that decision making may take longer, but meetings have been set up regularly and for full council meetings to follow the Board meetings as quickly as possible.
- 43 The Shared Service Board meetings are chaired by each of the two Leaders in turn. The Leader at each Council decides the political make up of their councillors represented on the Board. Four councillors from each Council attend the Board but there have been problems from time to time in ensuring consistent and regular attendance. In the last few weeks, each Council has approved that named substitutes should represent their Council when Board members are unable to attend, and to also attend generally so if they need to step in then they are up to speed. This should mean that there is full representation at meetings, and consistency of knowledge and approach.
- 44 An informal officer version of the Shared Services Board exists. This group act as a programme board overseeing the implementation and progress of shared services, and to challenge and critique proposals from the Chief Executive to ensure that they are robust and reasonable. It is envisaged that once the single management team is in place, a transformation board will be formally put in place to manage the programme of change.
- 45 Performance of shared services now in place is not managed through the Shared Service Board currently. Progress reports are provided for each Shared Service Board meeting and are more akin to project management reports. These give up to date and timely information about the project, about issues arising or proposals which need to be discussed. The information is detailed, and where additional information can be obtained this is referred to. However, although progress is given about the shared services that have been set up, performance of these services is not yet reported or monitored through this board. The newly shared services are due to report back on progress and performance after six months of being in place. Officers and councillors have good knowledge about the performance of these services however this needs to be formalised to ensure that information is consistently received so that performance can be managed and to ensure that longer term decisions about these shared services are well informed.

- 46 The current arrangement for the performance management of shared services is through each council's own performance management framework. For example, the community safety national indicators are managed and monitored by the respective authorities. Thought needs to be given to how the single management team want shared service performance to be reported to them, what format will be useful, and what detail should be passed to councillors. Each Council has business plans in place for the delivery of services, but it is expected that for next year the majority of these plans will be in the same format with specific key deliverables and outcomes for each Council, and for these to be the same where that is possible and appropriate. As there will be a single performance management unit set up to provide information to both councils a structure will be in place to carry out the plans for performance management.
- 47 The performance of the Chief Executive is monitored. A formal appraisal process for this was approved at both full council meetings recently. This sets out the legal responsibility to ensure a process is in place and carried out. Advice on the process was taken from other Chief Executives in similar positions. The procedure set out is that from 2010 the Shared Chief Executive's appraisal is set and reviewed by a single panel made up of the Leaders of both Councils, and facilitated by an external advisor. Local targets specific to each individual Council are to be set by panels at each Council, and joint targets to be set by the Shared Services Board. The Leaders will consult with a local panel of councillors at their respective councils, again these meetings will be facilitated by external adviser. The external facilitation during these stages is seen as essential to ensure integrity, continuity and consistency. It also means that councillors from both Councils can be assured that their feedback will be properly given to the Chief Executive during the formal process.
- 48 There are three sets of targets against which the Chief Executive will be appraised - one set each for the individual councils, and one combined set of targets which the two Leaders will take through the Shared Service Board before the appraisal. All three parts will form one overall appraisal. An external facilitator from the West Midlands Leaders Board will attend the appraisal to make sure councillors understand the process, are thorough and that there's consistency across the process.
- 49 The Chief Executive's appraisal for this year has already started. Feedback from councillors is positive about the process, and they have found the facilitation by West Midlands Leaders Board challenging and useful to ensure they carry out their role in the appraisal properly and hold the Chief Executive to account. They also received training on the appraisal process generally.

Have the objectives of each of the phases been achieved?

- 50 The objectives of the phases have been mostly achieved but there has been some slippage. Lessons have been learnt, for example the Councils found that they were able to deliver the business cases for each shared service on time, but realised that more time was needed to do robust and proper consultation with staff. For elections and payroll the business cases were prepared on time, but the implementation took longer because more time was needed for consultation, and for testing new systems.

Detailed findings

- 51** The economic development business case has been predicated by involvement with Wyre Forest DC and therefore has been delayed/put on hold. The ICT business case has been drawn up and is due for implementation in the summer 2010. For the services that have moved forwards benefits have been delivered. With these initial shared services, benefits in terms of savings were not the main driver. The benefits expected have been in terms of giving resilience, mainstreaming funding for staff which previously was dependant on grant funding and therefore tenuous, and improving customer service. Costs of these services are managed and councillors are able to monitor whether costs are in target through budget reports.
- 52** There is transparency around the decisions for each of the business cases. Councillors are clear why the services which have been shared were put forward and what benefits were anticipated. Costs and how to share costs and any savings have been debated by councillors, and increased scrutiny has led to activity based costing for the CCTV/lifeline shared service. With the elections teams there were problems with recruitment. For Community Safety the grant funding was tenuous, so the business case looked to ensure that posts were mainstreamed and the service maintained and progressed. Economic development is a priority area for each council and a key area of development especially for all three north Worcestershire councils. With ICT there are particular issues for Redditch Borough Council but also the need for a common, shared platform and resilience. The CCTV/Lifeline business case was itself suggested by councillors.

Assurances in place now and for the future

- 53** Assurances are in place to ensure the process has been independent and fair, and will continue to be so. Councillors from both the Executive and opposition are on the Shared Services Board which means there is continuity and appropriate involvement. Officers with specific statutory duties are involved - the monitoring and finance officers.
- 54** External involvement has helped ensure an independent and fair process. The West Midlands Leaders Board provides an independent legitimate source of advice, but also provides support. Furthermore, the West Midlands Leaders Board also supports the local government sector as a whole in the West Midlands and therefore has a professional interest in not bringing the sector into disrepute. The learning from other councils, particularly from some very good district councils, and involvement in the Chief Executive reference group also brings assurance. The success of the year's trial of a joint Chief Executive gives assurance.
- 55** Future assurance is in place for the recruitment of the single management team to ensure it's a fair and transparent process. Proposals have been drawn up by West Midlands Leaders Board for the procedure for voluntary redundancy/early retirement which means that staff involved in the recruitment process have not been involved in setting up procedures to manage that process. A panel will be used made up of cross party councillors and from both councils, and the Chief Executive. External support will be given by Solace. Councillors understand the need for robust recruitment so that the best people are appointed to the right post and they understand the consequences of not appointing.

- 56** Assurances are in place to ensure the governance process is as fair and independent as it can be. The Shared Services Board is not a decision making board – it is run by consensus with the opportunity to debate and monitor progress before issues and decisions are taken to full council. Future arrangements could be a continuation of what is presently in place, or it may be appropriate to debate whether the Board should have delegated powers. Assurance is also given as each respective Council has made decisions on everything on an all party basis. Senior managers are not aware of concerns from officers or councillors around the process being unfair or that there has been a lack of access to information, or that decisions have been made by the main party only. Proposals have been through Overview and Scrutiny, the Executive, and both informal and formal group meetings.
- 57** Not only has there been an immense amount of dialogue with councillors, similarly there has been robust communication with staff at all levels. All staff have direct access to the Chief Executive if that is what they want. Communication with staff has been formal and informal - formal through the consultation process and informal through staff briefings and talks by the Chief Executive and respective Leaders.

Appendix 1 – Action plan

No.	Recommendation	Priority	Action to be taken	Officer responsible	Implement by when
7	R1 Risks should be discussed at the Shared Service Board meetings, not only around the level of significance and impact, but to identify new risks.	3	Risk register will be submitted to every Shared Services Board. The Board will be asked to consider any new risks explicitly when discussing the Risk Register.	Kevin Dicks	1st March 2010 (next Shared Services Board)
7	R2 The Councils should set out their contingency position for either a fall back or exit strategy. The initial starting point for this could be to discuss at the Chief Executives reference group to see how other councils have managed this process.	3	Kevin Dicks to discuss this at next Action Learning Set for Shared Chief Executives and then bring any possible options back to the Shared Services Board for consideration. Overarching secondment agreement and dispute resolution protocol being developed which will also set out how any issues can be resolved.	Kevin Dicks	1st June 2010
7	R3 To provide a full set of working papers at full Council meetings where decisions on shared service are made. This will reflect the significance of the decisions taken and enable full and informed debates.	3	Full papers are sent to all members of both councils however we will make sure that papers are also provided at both full council meetings when considering items on shared services.	Kevin Dicks	Immediately
7	R4 The Councils should review the governance arrangements of the Shared Services Board and whether it is appropriate for this Board to continue with its current role as an advisory body or whether it should have a decision making role.	3	As more and more services are shared between the 2 council it may be more appropriate to consider moving to a formal Joint Committee in the future. This has initially been discounted by the Shared Services Board but will be revisited in 12 months time.	Kevin Dicks	March 2011

Appendix 1 – Action plan

No.	Recommendation	Priority	Action to be taken	Officer responsible	Implement by when
7	R5 The Councils should develop a performance management process for shared services. The Councils will need to consider what information is needed for the single management team to manage performance and what information will be needed to enable councillors to manage and scrutinise performance.	3	The Director of Policy, Performance and Partnerships will review the Performance Management arrangements across both councils and will ensure that this addresses any specific issues in a shared environment.	Hugh Bennett	September 2010
8	R6 The Councils should review the expected costs and savings, ensure that they are realistic and monitor their delivery. The Councils should also ensure that any outstanding legal issues are resolved.	3	The Shared Services Board has received updates with regard to financial savings however it is acknowledged that this needs to happen more frequently. Quarterly reports will be produced in the future. Both councils have reviewed the level of savings to be achieved from sharing services and realistic amounts included in both Councils Medium Term Financial Plans. The Councils monitoring officer will address any legal issues as they arise, and take the appropriate advice where needed, to ensure all issues are resolved.	Jayne Pickering Clare Felton	Immediately

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