

**BROMSGROVE DISTRICT COUNCIL AND REDDITCH BOROUGH COUNCIL**

**SHARED SERVICES BOARD**

**20th APRIL 2010 at 5.30pm**

**THE COUNCIL HOUSE, BROMSGROVE**

**PRESENT:**

Councillors Roger Hollingworth (Chairman), Steve Colella, Geoff Denaro and Stephen Peters (Bromsgrove District Council)

Councillors Carole Gandy, Mike Braley (substituting for Colin MacMillan), Malcolm Hall and Bill Hartnett (Redditch Borough Council)

**In Attendance:** Jane Matheson (Audit Commission)

**Officers:** Kevin Dicks, John Staniland, Claire Felton, Clare Flanagan and Ivor Westmore.

1. **APOLOGIES**

An apology for absence was received from Councillor Colin MacMillan.

2. **MINUTES**

The minutes of the previous meeting of the Board held on 1st March 2010 were agreed as a correct record.

3. **MATTERS ARISING FROM THE MINUTES**

a) **Target Setting**

In response to the suggestion that the set of 13 targets for the Chief Executive, Kevin Dicks, to work towards was excessive, an additional paper was circulated by Councillor Denaro demonstrating how the initial list of targets had subsequently been rationalised following consultation with Garth Wood of the West Midlands Leaders' Board.

Members sought clarification on the role of the Board in relation to the assessment of Mr Dicks performance against the targets which had been set for him. Claire Felton explained that neither Redditch Borough Council nor the Board had the right to formally monitor his performance and it was simply through Mr Dicks willingness to submit to this level of scrutiny of his performance that such a situation pertained. Mr Dicks expanded on this by indicating that he was willing to provide a written undertaking of this nature which would in any event be covered through changes to his contract of employment.

b) **Climate Change**

Mr Dicks undertook to establish whether any progress had been made in respect of the suggestion that a Joint Climate Change Panel be established.

**c) Future Shared Services Programme / Transformation**

The meeting was informed that CMT had agreed that the focus for further shared services and transformational activity should be around customer interaction. The Shared Services Programme was to be reviewed and proposals brought forward for Members' consideration in due course.

**d) Heads of Service Vacancies**

Mr Dicks provided a brief update on the progress in filling the vacant posts of Head of Customer Services and Head of Planning & Regeneration, noting that both posts would shortly be the subject of a final interview process involving the senior management team.

**e) Worcestershire Enhanced Two Tier (WETT) Programme**

Mr Dicks informed Members of the latest progress in relation to the WETT programme. It was noted that the Joint Committee to oversee the shared Regulatory Service was to be set up in shadow form from May. Audit Services and Property Services were both moving forward. It was noted that Leaders and Chief Executives across the County had acknowledged that progress on this first phase should be evaluated before any further county-wide shared services were pursued.

**4. AUDIT COMMISSION REPORT ON SHARED SERVICES**

Jane Matheson, performance specialist at the Audit Commission with responsibility for Bromsgrove District and Redditch Borough Councils, introduced a report into the shared services arrangement between the two authorities.

The report commenced with a brief overview of the context within which the arrangement had been established, with a restatement of the expectation articulated by the Communities and Local Government Department (CLG) that authorities should explore different ways of working. It was clear that the shared services arrangement offered both great opportunities and introduced a number of risks. One of the key findings of the review had been the strong desire within both organisations to make the arrangement work.

Whilst it was clear that both Officers and Members were clear about the potential risks there was felt to be some benefit to be gained from a more general discussion taking place within and between the authorities about the potential risks that might emerge. Likewise, it was felt that a discussion around an overall contingency, such as a fall-back position or an exit strategy, would be prudent. It was noted that Kevin Dicks was to take this recommendation to the forthcoming meeting of the Chief Officer Reference Group, a meeting facilitated by the IDeA, so as to raise the matter formally and gain a view from those authorities who were engaged in similar shared services arrangements.

Conflicts of interest were being addressed very adequately, with legal and technical advice being sought when appropriate, and robust and mature discussions had been undertaken over the division of costs between the authorities.

Governance arrangements were considered effective, although there was a recognition that these would require review at some point in the future. The importance of all Members of each authority receiving the papers in respect of the shared services arrangements, particularly when key decisions were being considered, was stressed. The Audit Commission review had predated the appointment of the Director of Policy, Performance and Partnerships which rendered the recommendation made in that regard obsolete.

Overall, the tone of the report was positive and the Audit Commission highlighted the desire to make things right first time and to achieve buy-in to the process, citing good communication with staff as a strength.

In response to a query regarding follow-up work, the Audit Commission representative suggested that they were considering carrying out a number of quick 'health-checks' that were not detailed or too intrusive but which would provide a level of assurance going forward that the arrangement was continuing to progress.

Members welcomed the report and noted that the recommendations that had been made by the Audit Commission were already being addressed by the Senior Management Team

**It was AGREED that the Audit Commission Shared Services Review, its associated Recommendations and Action Plan be accepted and noted.**

## 5. **FRAMEWORK AGREEMENT**

The Board received a report that set out a draft Overarching Strategic Alliance / Shared Services Framework Agreement that was proposed as a replacement for the existing Concordat between the two authorities. Officers explained that the progress towards a greater sharing of services and the appointment of a Senior Management Team required a more formal agreement to be put in place. The draft Framework Agreement had been based on instructions from Members and the recommendations arising from the Audit Commission report. In concert with this new framework was a revised set of Terms of Reference for the Shared Services Board, but this did not propose any change to the non-decision making nature of that body.

There was concern expressed from some quarters that the timescales set out within the original Concordat had been altered and the first opportunity for termination of the agreement put back should such an eventuality arise. Claire Felton explained that the revised timescales took into account factors that the previous Concordat could not. The transformation agenda and the agreement of an expiry date for the current contract for the shared Chief Executive post-dated the Concordat, as did the installation of the Senior Management Team. Mrs Felton noted that a reversal of this increasingly close relationship would require a correspondingly prolonged period for any withdrawal from the arrangement.

In response to a query, Mr Dicks informed the meeting that the Board had already agreed the principles around activity-based costings at paragraph 7.2. The review of the cost sharing bases for community safety, elections, payroll and procurement were currently being reviewed in light of these agreed principles.

There was discussion around the subject of conflict resolution. Whilst there was a realisation that the instances of such conflicts arising were difficult to envisage there was an acknowledgement that the Framework Agreement could be enhanced to make provision for such eventualities. It was proposed that a sub-paragraph be included within Paragraph 9 to the effect that:

'In the event of the dispute resolution process being activated, both the Leaders of each Council and the Shared Services Board should be advised.'

A second matter that Members suggested could enhance the Framework Agreement was some provision to provide financial protection to either of the authorities in the event that the other either went to the extent of unilaterally withdrawing or engineered a situation wherein it would be difficult or impossible for the present arrangement to continue.

The Board then proceeded to a discussion of the implications of either party seeking to end the relationship prior to 1st April 2013 whereupon Mr Dicks declared an interest, in view of the fact that Members would be discussing the terms and conditions of his employment by the two authorities, and left the room.

Mrs Felton informed Members that the relationship of the two authorities to Mr Dicks was different in that he was an employee of Bromsgrove District Council. It was stated that a detailed breakdown of the potential costs involved to both sides had been developed by Officers. Mrs Felton indicated that Officers could incorporate wording in a draft Framework Agreement to cover the possible 'constructive dismissal' scenario that had been put forward by Members.

Officers proposed an addition to the draft Framework Agreement, this being a further subparagraph to paragraph 11.4 stating that an independent arbitrator be invited to take a view on any costs/payments involved. Members agreed this insertion. It was also agreed that paragraph 11.6 be clarified to indicate that the costs referred to were in relation to the cost of the arbitration.

(At this point in the proceedings Mr Dicks was invited to re-enter the room)

It was noted that there was an error in the draft Framework Agreement at paragraph 11.3 and that the earliest date upon which any such notice would take effect should be **31st March 2015** and not 31st March 2016.

Councillor Hartnett wished it to be recorded that he had voted against the extension of the termination period from one to two years.

**It was RECOMMENDED to both Councils that**

- 1) the Overarching Strategic Alliance / Shared Services Framework Agreement, as amended, be approved; and**
- 2) the Leader of each Council be authorised to sign it on behalf of that authority.**

## **6. ECONOMIC REGENERATION AND DEVELOPMENT IN NORTH WORCESTERSHIRE**

John Staniland introduced a report proposing a way forward for the development of an Economic Regeneration and Development Strategy for North Worcestershire and a model for joint working through integration of the three economic development teams. Inspira Consulting Ltd had been commissioned to undertake a review of the potential benefits of a North Worcestershire Economic Development Strategy and Members considered the outcome of that work.

It had been concluded that there was enough commonality across Redditch Borough, Bromsgrove District and Wyre Forest District Councils, adequate strategic justification for pursuing a shared approach and a sound rationale underpinning the proposal. Wyre Forest District Council had been suggested as the lead authority given its track record in economic development and regeneration.

Members were content that the Unions which represented the staff in the affected teams could be given the assurance that the ethos driving this scheme was the securing of significant economic advantage to North Worcestershire and that cost savings through reductions in staffing were not a motivating factor behind this proposal. However, it was acknowledged that an absolute guarantee over potential redundancies could not be provided.

Members welcomed the report and the proposals contained therein. One amendment was proposed and agreed, this being to qualify paragraph 4.18 c) through insertion of the words "...investigate the feasibility of..." following the words "in time,". It was noted that detailed proposals would follow an 'in principle' agreement by all three authorities, should that be forthcoming.

**It was RECOMMENDED that**

- 1) the four principal recommendations from the Inspira report 'Review of Economic Regeneration & Development - Strategy & Arrangements be agreed as amended;**
- 2) both Redditch Borough Council's Executive Committee and Bromsgrove District Council's Cabinet approve the delivery of a North Worcestershire Economic and Regeneration service by a single team hosted by Wyre Forest District Council; and**
- 3) an Implementation Plan be agreed between the three Councils with effect from 1st October 2010 or such other date as may be agreed by the three Councils, this Implementation Plan to deal with those matters set out in paragraph 4.27 of the report submitted to the Board.**

**7. DATE OF NEXT MEETING**

**It was AGREED that the next meeting be held on Thursday 24th June 2010 at 5.30pm at Bromsgrove Council House.**

The meeting closed at 7.19pm