

Dated :

2010

Overarching Strategic Alliance/Shared Services Framework Agreement

Between

(1) BROMSGROVE DISTRICT COUNCIL of The Council House, Burcot Lane, Bromsgrove, Worcestershire B60 1AA ("Bromsgrove")

and

(2) REDDITCH BOROUGH COUNCIL of The Town Hall, Walter Stranz Square, Redditch B98 8AH ("Redditch");

together called "the parties"

BACKGROUND

- (1) Bromsgrove and Redditch have agreed that they will develop a Strategic Alliance/shared services arrangement and have entered a Concordat to establish an agreed framework to take this forward
- (2) The legal basis for the Strategic Alliance is Section 2 of the Local Government Act 2000 and in relation to the staffing arrangements to support the alliance is Section 113 of the Local Government Act 1972 which enables each authority to place staff at the disposal of the other
- (3) The parties have agreed a vision for the Strategic Alliance, a set of aims and a set of general principles and values to underpin the implementation of the Strategic Alliance
- (4) Bromsgrove and Redditch have appointed a shared Chief Executive to manage this process and the term of the shared Chief Executive runs until 31 March 2013
- (5) A Corporate Management Team comprising three Executive Directors, one Director and nine Heads of Services will take office on 20 April 2010 and will be placed at the disposal of both Bromsgrove and Redditch for the purposes of their functions

IT IS AGREED AS FOLLOWS

1 Definitions and Interpretation

- 1.1 In the Agreement the following words and phrases shall have the following meanings:

“Authority” means either Bromsgrove or Redditch and
“authorities” means both Bromsgrove and Redditch

“Business Case” means a detailed proposal presented to the Shared Services Board in relation to an existing or proposed area for the delivery of shared services which shall set out the service delivery, staffing, property, data sharing and cost implications of implementation.

“Concordat” means the (non legally enforceable) agreement entered into by the parties to set out the framework for the development of the Strategic Alliance which is superceded by the signing of this Agreement

“Exit Strategy” means a strategy and details to facilitate an exit from this Agreement and an end to some or all Shared Services

“Initial term” means the period from the date of this Agreement to the 31 March 2013

“Seconded Officer(s)” means any officer(s) employed by either Bromsgrove or Redditch placed at the disposal of the other for the purposes of discharging Shared Services and any function of the other authority

“Shared Service” means a service provided by a single team of officers employed by either Bromsgrove or Redditch for both Bromsgrove and Redditch

“Shared Services Board” (“SSB”) means the joint member board established by the parties to drive forward and oversee the operation of the Strategic Alliance

“Strategic Alliance” means the commitment between the parties to work closely together and develop shared services across both authorities and also means the arrangements between the parties to implement this commitment.

- 1.2 Words importing the singular number shall include the plural and vice versa.
- 1.3 Titles and headings to clauses are for convenience only and shall not affect the construction or interpretation of the Agreement.
- 1.4 Notwithstanding any breach of this Agreement by any party, and without prejudice to any other rights which the other party or

parties may have in relation to it, the other party or parties may elect to continue to treat this Agreement as being in full force and effect and to enforce its or their rights under this Agreement. The failure of any party to exercise any right under this Agreement, including any right to terminate this Agreement and any right to claim damages, shall not be deemed a waiver of such right for any continuing or subsequent breach.

2 Principles

2.1 The parties will work together to seek to achieve the Vision of the Strategic Alliance which is that the authorities intend, under the management of a shared Chief Executive, to identify and establish joint working arrangements and a shared approach to the delivery of services that will improve the quality of people's lives in the two authorities and deliver greater value for money.

2.2 The parties will work together to deliver the Aims of the Strategic Alliance which are:

- To increase the levels of customer satisfaction through the improvement of services;
- To produce realistic cash saving in order to deliver improved services and limit Council tax increases;
- To strengthen and share skills, expertise and learning in order to deliver better services;
- To preserve and enhance the special and distinctive characteristics within each locality area; and
- To increase the authorities' influence locally, regionally and nationally in order to secure a better deal for all their communities

2.3 The parties will work together in accordance with the Principles and Values underlying the Strategic Alliance which are

- The maintenance of excellent working relations between members and officers for the mutual benefit of both authorities;
- Effective and open communication;
- Mutual trust between the authorities; and
- Approaching issues from a positive standpoint with an emphasis on problem solving to overcome barriers rather than letting barriers become obstacles to progress.

2.4 The parties recognise that the commitment to the Strategic Alliance is long term and that the development of shared services will take place in an incremental way through agreement by each of the authorities

- 2.5 Accountability for services delivered through joint working between the parties shall remain with the authority with whom the statutory responsibility lies.
- 2.6 The parties agree that the Concordat previously agreed between them shall be superceded by the provisions of this Agreement.

3 Governance

- 3.1 The parties have established a Shared Services Board (“SSB”) comprising members from each authority.
- 3.2 The proposed terms of reference of the SSB are set out in Appendix 1 of this Agreement. They are subject to review by the SSB and then recommendation on to and the agreement of each authority.
- 3.3 For the avoidance of doubt the parties confirm that the SSB has no decision making powers.
- 3.4 The parties may amend the terms of reference of the SSB from time to time as the Strategic Alliance develops. Any such amendment shall be agreed by each authority, taking into account any recommendation from the SSB.
- 3.5 Each authority shall continue to have autonomy in decision making but shall take into account the views and recommendations of the SSB in considering any issue relating to the Strategic Alliance.
- 3.6 The SSB shall consider proposals for extending the scope of the shared services delivered jointly through the Strategic Alliance. The proposals shall be presented as a detailed Business Case which the SSB shall consider and recommend a way forward to each authority.

4. Term

- 4.1 This Agreement shall commence on 20 April 2010 and shall continue until terminated by either party in accordance with the provisions of Clause 9.2 of this Agreement or by mutual consent.
- 4.2 The parties confirm their commitment to the long term nature of the Strategic Alliance and recognise that withdrawal from the Alliance would create significant implications for service delivery and for staff.

5 Review

- 5.1 The parties shall review the operation of this Agreement by no later than 1 August each year to assess whether or not the arrangements contained in this Agreement continue to meet the requirements of both parties and are delivering the Vision and Aims of the Strategic Alliance.

6 Staffing Arrangements

- 6.1 Bromsgrove and Redditch shall each place at the disposal of the other for the purposes of discharging Shared Services and any function of the authority the services of officers employed by that authority (“the Seconded Officers”).
- 6.2 Without prejudice to the generality of clause 6.1 Bromsgrove and Redditch shall place at the disposal of the other authority:
- 6.2.1 Executive Directors;
 - 6.2.2 Directors;
 - 6.2.3 Heads of Service;
 - 6.2.4 Officers employed in Shared Services;
 - 6.2.5 Any other officers employed by Bromsgrove or Redditch who are required to provide services to the other authority.
- 6.3 Bromsgrove and Redditch acknowledge that any Seconded Officer placed at the disposal of the other authority will have been consulted beforehand on an individual basis in accordance with s113 of the Local Government Act 1972.
- 6.4 For superannuation purposes service rendered by an officer of one authority whose services are placed at the disposal of the other is service rendered to the authority by whom he is employed but any such officer shall be treated for the purposes of any enactment relating to the discharge of local authorities’ functions as an officer of the other local authority.
- 6.5 An officer whose services are placed at the disposal of the other authority shall be treated as an officer of the authority for the purposes of any enactment relating to the discharge of local authorities’ functions.
- 6.6 Nothing in this Agreement will be construed or have effect as construing any relationship of employer and employee between officers placed by their employing authority to the other authority and that other authority.

- 6.7 Where an officer is placed by his/her employing authority at the disposal of the other authority, such other authority shall not do anything that would breach the employment contract of that Seconded Officer and shall have no authority to vary the terms of the employment contract of the Seconded Officer nor make any representations to such officer in relation to the terms of such employment contract.
- 6.5 The parties shall consult with each other as often as may be necessary in relation to the management of the Seconded Officers.
- 6.6 The parties will consult each other before proceeding to fill any staff vacancy where the vacant post might contribute to the delivery of shared services.
- 6.7 The employing authority of a Seconded Officer shall continue to manage, appraise and (if necessary) discipline the Seconded Officer during any period in which the Seconded Officer is placed at the disposal of the other authority.
- 6.8 The parties shall provide each other with such information and assistance as they may reasonably require in order to carry out their obligations in respect of the Seconded Officers.
- 6.9 The parties are committed to working together to seek to harmonise terms and conditions of all staff of Bromsgrove and Redditch as far as reasonably practicable (in accordance with good employment practices).

7 Cost of Shared Services

- 7.1 The parties are committed to the fundamental principles that any savings generated by the Strategic Alliance will be shared across the authorities on an equitable basis and that any costs associated with the Strategic Alliance and the delivery of shared services will be shared equally unless specifically agreed otherwise.
- 7.2 Without prejudice to clause 7.1 each Shared Service shall be funded by Bromsgrove and Redditch on an activity-based costing basis.
- 7.3 Each Business Case prepared in respect of an existing or proposed Shared Service shall specify the allocation of cost in accordance with an appropriate mechanism of cost sharing which will be specific to each business case and as agreed by both Councils on a case-by-case basis.

- 7.4 The parties will work together to ensure that the details of the full financial implications of the Strategic Alliance are available to each authority in order that they can be fully taken into account in each authority's budget setting and review.

8 Insurance

- 8.1 The parties will each take out and maintain in full force with a reputable insurance company adequate employee liability insurance cover in respect of officers employed by the party and those seconded to it in accordance with this Agreement.

9 Conflicts

- 9.1 If any situation arises where there is a potential or actual conflict of interest or a perceived conflict of interest between Bromsgrove and Redditch, the shared Chief Executive shall:
- 9.1.1 Draw such conflict to the notice of the Executive Director with responsibility for Bromsgrove and the Executive Director with responsibility for Redditch in writing;
 - 9.1.2 Remove himself from all aspects of the decision-making process in relation to the situation;
 - 9.1.3 Provide the Executive Directors with such resources as they require to ensure that the interests of each authority are appropriately represented including taking independent professional advice or seeking independent third party support if appropriate.
- 9.2 On receipt of notice under clause 9.1 each Executive Director shall immediately:
- 9.2.1 represent only the interests of the authority for which they have responsibility to the best of his or her ability;
 - 9.2.2 notify the Section 151 officer and the Monitoring Officer of the circumstances of the conflict;
 - 9.2.2 ensure that officers instructed to provide them with support are clearly informed that a conflict between the two authorities exists and are notified to which authority the Executive Director is reporting; and
 - 9.2.3 ensure that officers are not or might not be compromised in any way in performing their duties on behalf of either or both of the authorities;

- 9.3 If it becomes apparent to an Executive Director acting on receipt of a notice under clause 9.1 that the interests of the authority for which he or she has responsibility or the position of any officer supporting him or her will or might be compromised the Executive Director shall immediately make arrangements for independent professional advice or independent third party support.
- 9.4 The parties shall ensure that procedures and safeguards are in place to identify such conflicts at an early stage.
- 9.5 The parties shall keep a written record of any such conflicts which have been identified and how such conflicts have been resolved.

10 Dispute Resolution

- 10.1 Initially, if the parties are unable to agree a matter arising under the terms of this Agreement, such dispute shall be referred to the Executive Director with responsibility for Bromsgrove and the Executive Director with responsibility for Redditch with a view to resolution.
- 10.2 Should the dispute remain unresolved, the matter shall be referred to the Leaders of the two authorities with a view to resolution.
- 10.3 Should the dispute still remain unresolved, the parties shall seek to resolve it amicably by using an alternative dispute resolution procedure acceptable to them both before pursuing any other remedies available to them.
- 10.4 If any party fails or refuses to agree to or participate in the alternative dispute resolution procedure or the dispute is not resolved to the satisfaction of any party within 90 days after it has arisen, the dispute shall be referred to arbitration.
- 10.5 Such arbitration shall be undertaken by a single arbitrator to be agreed upon by the parties. In default of agreement, the arbitrator shall be appointed in accordance with a nomination from the President or any Vice-President for the time being of the Chartered Institute of Arbitrators. The arbitration shall be undertaken in accordance with the provisions of the Arbitration Act 1996 and the costs of the arbitration shall be shared equally between Bromsgrove and Redditch.

11 Termination and Exit Strategy

- 11.1 Neither authority may seek unilaterally to terminate or withdraw from the Strategic Alliance either in whole or in part during the

initial term i.e. until after 31 March 2013 (the expiry date of the current contract of the shared Chief Executive).

- 11.2 If either authority wishes to consider unilateral termination/withdrawal from the Strategic Alliance in whole or in part following the expiry of the initial term, it shall first raise its concerns and/or proposals at the SSB (or any successor joint forum or joint decision making body)
- 11.3 If either authority, following such discussion, then wishes to consider termination of the Strategic Alliance, it shall give at least two years' notice of such termination, to expire on 31 March in any year. For the avoidance of doubt this means that the earliest date an authority is able to give two years' notice of termination/withdrawal shall be 1 April 2013 and the earliest date any such notice shall take effect is 31 March 2016
- 11.4 Upon termination of this Agreement whether by mutual consent or through notice of termination in accordance with clause 11.3 or otherwise the parties shall agree an Exit Strategy to include determination of issues relating to:
 - 11.4.1 employment and redundancy;
 - 11.4.2 asset management;
 - 11.4.3 IT;
 - 11.4.4 documents and information compiled or acquired by the parties during the Term of the Agreement.
- 11.5 If the parties are unable to agree an Exit Strategy the parties shall agree to appoint an independent arbitrator who shall prepare an Exit Strategy on behalf of both authorities and which both authorities shall implement.
- 11.6 In default of agreement, the arbitrator shall be appointed in accordance with a nomination from the President or any Vice-President for the time being of the Chartered Institute of Arbitrators and the costs shall be shared equally between Bromsgrove and Redditch.
- 11.7 The parties agree that the key principles in the preparation and implementation of any Exit Strategy shall be continuity of excellent service delivery and fair treatment of staff.

12 Variation and Waiver

- 12.1 No modification variation or amendment to this Agreement shall be effective unless agreed by the parties in writing.

13 Third Parties

13.1 It is agreed for the purposes of the Contract (Rights of Third Parties) Act 1999 that this Agreement is not intended to and does not give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.

14 Governing Law and Jurisdiction

14.1 This Agreement shall be governed by and construed in accordance with the law of England and Wales.

Signed etc

Appendix One

Terms of Reference of the Shared Services Board “SSB”¹

The SSB is a joint member forum comprising four members from Bromsgrove and four members from Redditch. Each authority will nominate its four members who may be Executive or Non-Executive members but who will include the Leader of each authority. The meeting venues will alternate between the two authorities' offices and the Leader of the host authority will chair each meeting.

The SSB is not a decision making body and for the avoidance of doubt it is not a Joint Committee of the two authorities.

Its meetings will not be formal meetings of the either authority although its meetings will be open to the public (except where confidential/exempt business has to be conducted in private) and a record of its discussions will be made available to all members of both authorities

The prime purpose of the SSB is to drive forward and oversee the Strategic Alliance between Bromsgrove and Redditch.

Its specific responsibilities are

- To review frequently (and at least on an annual basis as required by this Agreement) the operation of the Strategic Alliance between the authorities and the overall delivery of shared services by the authorities
- To make recommendations to each authority on the overall way forward for the Strategic Alliance
- To establish and monitor appropriate performance indicators for shared services provided under joint arrangements including financial and service delivery indicators
- To consider Business Cases setting out the detail of a proposed new area for the joint delivery of shared services including the service delivery, staffing, property, data sharing and costs implications of implementation
- To recommend the way forward in relation to individual Business Cases to each authority.

¹ These are draft terms of reference for consideration by the SSB and then for onward recommendation to each authority for adoption. They can be amended at any time if both authorities agree.

- To consider and address any concerns about the Strategic Alliance raised by each authority
- To ensure that members of each authority are regularly updated on the operation and progress of the Strategic Alliance.