

URGENT BUSINESS AND SUPPLEMENTARY INFORMATION

Executive

15 July 2019

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
7.	(Pages 1 - 30)	<p>Joint Senior Leadership Posts</p> <p>Please note this item was listed as exempt but in finalising the report, it has been agreed it is a public report</p>	Deputy Director Human Resources	Report being reviewed and finalised at time of agenda publications

If you need any further information about the meeting please contact Natasha Clark, Democratic and Elections natasha.clark@cherwellandsouthnorthants.gov.uk, 01295 221589

This page is intentionally left blank

Cherwell District Council

Executive

15 June 2019

Senior Joint Leadership Roles – Cherwell District Council and Oxfordshire County Council

Report of Deputy Director – Human Resources

This report is public

Purpose of report

To consider proposed changes to the Senior Management structure and the creation of joint Leadership roles between Cherwell District Council and Oxfordshire County Council.

1.0 Recommendations

The meeting is recommended:

- 1.1 Endorse the proposed change to the Senior Management Structure.
- 1.2 Note the proposals to appoint two senior joint posts so as to facilitate further joint working between OCC and CDC.
- 1.3 Request the Joint Shared Services and Personnel Committee to convene as soon as practicable to approve the proposed management structure and to proceed with the recruitment and appointment of the most suitable candidate
- 1.4 Approve the salary package as proposed in paragraph 3.11(i) for two Joint Corporate Director roles

2.0 Introduction

2.1 Since the implementation of the joint working partnership between Oxfordshire County Council (OCC) and Cherwell District Council (CDC) a series of senior joint roles have been implemented on a combination of permanent and interim arrangements. These are currently expected to deliver around 600k of savings per annum shared between the two organisations. There is a clear ambition for CDC and OCC to continue to develop the partnership for several reasons:

- To explore the potential of enhanced two tier working to improve the 'joining up' of services, improving the experience of service users

- To explore the benefits of enhanced two tier working to improve locality working
- To support the financial sustainability of both organisations (i.e. sharing management roles where appropriate reduces the costs of management overhead)
- To align service delivery; where appropriate, to cover such activity as core back office functions, commissioning, housing and social services, to assist with demand management / focus on the prevention agenda and to improve customer access and engagement.

2.2 Furthermore, the recent Peer Review team recommended that the Council provide stability and capacity for senior management roles and to build on the success of the partnership. These appointments seek to do this and to reduce the number of interim posts on the two senior teams.

3.0 Report Details

Current Situation

3.1 Currently both councils have senior management teams with some vacancies and a series of interim arrangements. The OCC structure was designed with the support of Penna relatively recently. The structure is relatively fit for purpose, requiring a number of modifications to ensure it has the skill sets and capacity to deliver against our strategic objectives. The CDC structure was designed to facilitate a separation from South Northamptonshire Council (SNC), with a view to exploring future partnering opportunities with OCC as the relationship developed. As a result, the CDC structure is in a transitional state and as such is supported with the use of a number of interim roles.

3.2 The positions of each authority are set out below:

Oxfordshire County Council

3.3 The OCC structure was reviewed relatively recently and whilst there are some gaps due to senior staff retiring and taking career development opportunities the structure is broadly fit for purpose. However, in the light of the recommendations from the peer challenge and a consideration of current priorities and areas for development the changes set out in this document and its appendix are recommended.

3.4 In addition, there are a series of changes required to iron out some anomalies, these changes are relatively small, non-material or have already been implemented but for the sake of completeness are set out below:

Director of Public Health <i>Line management</i>	Will no longer line manage the Director Adult Services and the Director of Children's Services. Recruitment for the DPH has completed.
Director Adult Services and the Director of Children's Services <i>Reporting line</i>	Will report directly to the CEO. Recruitment for the new DASS is complete.

Director of Law and Governance <i>Joint working (already established)</i>	Now a joint role covering OCC and CDC. Direct report to the CEO and taking on the role of monitoring officer for both councils.
Strategic Director – Resources <i>Currently vacant</i>	Role to be recast at the same level. A joint role to lead on all matters relating to strategic finance, assets, investment, commercial development.
Strategic Director Communities <i>Interim arrangements</i>	Currently covered with interim arrangements. The substantive post holder is seconded to lead the growth deal and as such leadership in this directorate will need either interim or fixed term arrangements.
Assistant Chief Executive <i>Interim arrangements</i>	Role to be recast as a joint appointment to cover this remit.

Cherwell District Council

- 3.5 A stand-up senior management structure was put in place in January 2019 to facilitate the separation of CDC and SNC. At the time it was recognised that the structure would need further development and consideration subject to opportunities arising from the joint working partnership. Following the six-month review of the partnership it has been agreed to continue developing these opportunities. As such a series of changes and clarifications to the senior management structure are recommended with the aim of meeting the council's strategic priorities within its financial envelope.

Chief Operating Officer <i>permanent CDC post</i>	To continue in current role and format. To note that the postholder currently line manages Assistant Directors who work jointly, so whilst the post is currently a CDC only role, a good understanding of, and contribution to, joint working is required.
Director Customers and Service Development <i>Currently interim joint working</i>	To note that the post holder is currently acting as the OCC interim Assistant Chief Executive in a joint role. The proposal is to develop a joint role between CDC and OCC to cover this remit.
<i>Executive Director Finance and Governance Interim</i>	Role to be reconfigured. The new joint role of Monitoring Officer (Director of Law and Governance) is already responsible for all matters of governance across both Authorities. As a result, this role will be subsumed into a joint strategic director role encompassing all matters relating to strategic finance, assets, investment and commercial development.
Executive Director Place & Growth <i>Interim</i>	Role to lead the recruitment of senior planning and development management capacity (for CDC). Thereafter potential for joint working arrangements to encompass this ED role. In the longer term it is expected that this role will be covered through joint working arrangements.

<p>Director of Law and Governance <i>Joint working (established)</i></p>	<p>Now a joint role covering OCC and CDC. Direct report to the CEO and taking on the role of monitoring officer for both councils.</p>
--	--

Proposals for Stabilisation

- 3.6 The recommendations for a new structure seek to stabilise the senior management arrangements at both organisations
- 3.7 The diagram set out at appendix 1 presents the proposed senior management structure, including OCC and CDC stand alone roles and a series of joint roles.

Design Principles

- 3.8 Senior management design principles are set out below:
- Where it is possible and desirable for a joint role to be developed this will be explored. Where a role has a clear single organisation function or requirement it may be appointed to without a 'joint working' element. However, that should not mean that the post holder would not seek to maximise operational joint working effectiveness or alignments where-ever possible.
 - Wherever possible one functional line management route (e.g. a service should only have one reporting line e.g. HR should report into one director rather than a CDC director and an OCC director).
 - Statutory officer roles should be deliverable, the size and scope of these roles should take account of the statutory responsibilities required. As such there should be clear deputy arrangements, approaches in place to manage any potential conflict and the scale of the role should be deliverable across two organisations.
 - The usual considerations will be given to spans of control.
 - Both councils will need to ensure they have effective pay and grading arrangements in place. In the longer-term opportunities to align HR policy will be explored.
 - Where a post holder is not considered to be in a joint role the employing authority will be responsible for 100% of the costs of the post.
 - For joint roles costs will be split between each authority. As per the partnership agreement financial impacts should wherever possible see a reduction for both councils. In some cases, a cost neutral impact may be considered where additional capacity or expertise is secured.

Developing the Joint Working Partnership in the Longer Term

- 3.9 In the longer term there may be additional opportunity to further consolidate senior manager posts. However, at this stage the priorities are to ensure there is effective

and stable leadership in place for both organisations and to retain senior dedicated capacity for both OCC and CDC in priority areas until such time that operational joining up of service is feasible.

- 3.10 As Members would expect the CEO, in their role as Head of Paid Service, would expect to keep senior roles under review in terms of ensuring the right capacity and capability is available to ensure the delivery of both councils' strategic objectives. The recommendations in this report seek to address immediate issues and build the opportunity to further develop and enhance the skills and capacity of the joint senior leadership team for both authorities.

Proposals and Next Steps

- 3.11 The proposals below are presented in diagrammatic form at Appendix 1.

- (i) Create two new permanent posts for immediate recruitment
- A **Joint** Chief Officer level role to cover the remit of strategic finance, assets, property, commercial matters, procurement and contracts. Final Job title to be determined. This role would be a Member appointment for both authorities and remuneration level will sit within the OCC Corporate Adviser range (£117,912 - £144,228).
 - Recast the OCC Assistant Chief Executive / CDC Director of Customers and Service Development into a single joint senior role to lead on the following: HR, ICT, digital, transformation, strategic communities, policy and performance, customer contact. This role would be a Member appointment for both authorities and remuneration level will sit within the OCC Corporate Adviser range (£117,912 - £128,631).
- (ii) Continue to develop proposals for joint working and alignment between county and district services under the guidance of the Partnership Working Group.

- 3.12 The power to appoint any individual to the joint roles has been reserved to the Joint Shared Service and Personnel Committee established under the Partnership Agreement between Oxfordshire County Council and Cherwell District Council.

- 3.13 The Department for Communities and Local Government published a guidance document in 2012 that provided that Members should be offered the opportunity to vote before large salary packages are offered in respect of new appointments. The Secretary of State considers that £100k is the right level for that threshold to be set. Whilst neither Oxfordshire County Council or Cherwell District Council will be paying a sum of £100k individually the post holder will receive a salary in accordance with the grade outlined in paragraph 3.11(i) above

4.0 Conclusion and Reasons for Recommendations

- 4.1 The recommendations in this report seek to address immediate issues in the CDC and OCC management team and build the opportunity to further develop and enhance the skills and capacity of the joint senior leadership team for both authorities.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Not to agree the proposed senior leadership changes and creation of joint leadership posts. This is rejected as the recommendations for a new structure seek to stabilise the senior management arrangements at CDC and OCC.

7.0 Implications

Financial and Resource Implications

- 7.1 The costs of joint roles will be split between each authority and as such the financial impacts should see a reduction in costs for both authorities. To date a series of senior joint roles have been implemented on a combination of permanent and interim arrangements. These are currently expected to deliver around £600k of savings per annum shared between the two organisations. The proposed senior management structure will continue with and build on that position.

Comments checked by:

Adele Taylor, Executive Director of Finance (Interim) & Section 151 Officer,
0300 003 0103, Adele.taylor@cherwell-dc.gov.uk

Legal Implications

- 7.2 There are no legal implications arising from this report.

Comments checked by:

Nick Graham, Director: Law and Governance & Monitoring Officer,
nick.graham@cherwellandsouthnorthants.gov.uk, 01865 323910

8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

N/A

Links to Corporate Plan and Policy Framework

N/A

Lead Councillor

Councillor Barry Wood, Leader of the Council

Document Information

Appendix No	Title
1	Proposed Senior Leadership Team
Background Papers	
None	
Reference Documents	
Report Author	Karen Edwards, Deputy Director – Human Resources (HR, OD and Payroll)
Contact Information	Karen.edwards@cherwell-dc.gov.uk , 01295 221865

This page is intentionally left blank

Proposed Leadership Team

Chief Executive (Joint)

OCC Roles		Joint Roles		CDC Roles	
Corporate Director of Public Health	Corporate Director Children's Services	Corporate Director: Commercial Development, Assets and Investment (<i>new role title to be confirmed</i>)	Corporate Director: Law & Governance (MO)	Chief Operating Officer	Executive Director: Commercial, Property and Assets (interim)
Corporate Director Adult Services	Corporate Director Communities**		Corporate Director: customers, people and improvement (title to be confirmed)	Executive Director: Place & Growth (interim)	

Tier 1: Chief Exec direct reports

Notes

- ** post holder currently seconded - requirement to hold vacant. In the longer-term post could be reconfigured as a joint role.

Proposed senior leadership team

Chief Executive (Joint)

OCC Roles		Joint Roles		CDC Roles	
Corporate Director of Public Health	Corporate Director Children’s Services	Corporate Director: Commercial Development, Assets and Investment (<i>new role title to be confirmed</i>)	Corporate Director: Law & Governance (MO)	Chief Operating Officer	Executive Director: Commercial, Property and Assets (interim)
Corporate Director Adult Services	Corporate Director Communities**		Corporate Director: customers, people and improvement (title to confirmed)	Executive Director: Place & Growth (interim)	

Tier 1: Chief Exec direct reports

Notes

- ** post holder currently seconded - requirement to hold vacant. In the longer-term post could be reconfigured as a joint role.

Oxfordshire County Council and Cherwell District Council

Partnership Review, Evaluation and Next Steps

Report of the Partnership Working Group

March 2019

Contents:

- 1 Executive Summary
- 2 Recommendations
- 3 Background
- 4 Partnership Progress
 - 4.1 Delivery of Joint Working Opportunities
 - 4.2 Financial Benefits
 - 4.3 Principles and Objectives
 - 4.4. Summary of Benefits Achieved
- 5 Proposals for Partnership Development and Next steps
 - 5.1 Governance
 - 5.2 Performance and Review
 - 5.3 Operational and Project Delivery
 - 5.4 Options for the Future and Next Steps

Tables:

- Table 1: Models of Joint Working
Table 2: Examples of Joint Working
Table 3: Summary of Joint Working Deliverables
Table 4: Partnership Principles - delivery assessment
Table 5: Partnership Programme Objectives - delivery assessment

Appendices:

- Appendix 1: Joint Working Principles and Objectives
Appendix 2: SWOT Analysis
Appendix 3: Confidential Note – CEO Appraisal summary of feedback relating to partnership working

Document Control

Date	16/3/19
Version	Draft 2.0
Report Author	Claire Taylor Assistant Chief Executive / Directors of Customers and Service Development
Circulation	Partnership Working Group
Review Date	NA
Publication	Public via OCC Cabinet and Executive in April appendix 3 to be excluded from publication.

1. Executive Summary

- 1.1 This review provides a background to the joint working partnership between Oxfordshire County Council and Cherwell District Council. The report summarises activity and progress since the inception of the partnership in October 2018 and sets out a series of options and recommendations to further develop the work that has begun in the first six months of partnership delivery.
- 1.2 The report provides an overview of joint working models and gives examples of similar arrangements in place elsewhere in the local government sector.
- 1.3 The governance of the partnership is considered, and it is concluded that the governance arrangements (i.e. the use of a 113 agreement, oversight through an informal joint working group, and a joint working committee to deal with any formal decision-making requirements) provides a solid framework for sharing services, one that is well used across the sector.
- 1.4 Successes of the partnership are considered in relation to to the original principles and outcomes set (in October 2018) and with regards to the financial benefits. It should be recognised that the partnership has been in operation for only 6 months and therefore business cases for full shared services are still underway, but the report sets out that even in this short time benefits have been achieved.
- 1.5 Finally, the report makes recommendations to further enhance assurance and embed joint working into 'business as usual operations' such as performance management, internal communications, governance, project management, audit and organisational change.
- 1.6 The review provides an opportunity for Member of both councils to reflect upon the work undertaken to date and set the direction for the future development for the partnership.

2. Recommendations

Partnership Working Group is recommended to:

1. Note the progress to date developing opportunities for joint working between Cherwell District Council and Oxfordshire County Council as set out in section 4 of this report.
2. Endorse the proposals set out in this report (section 5) to continue developing joint working arrangements. These arrangements may include recruitment to joint posts and the development of shared services. To note that any new shared service arrangements will be subject to the development and adoption of specific business cases.

3. Request that officers continue to develop options for the exploration of collaborative frontline delivery arrangements that will improve access and outcomes for local people. The options may take the form of shared service delivery, closer alignment of county and district services or pilot projects. As for shared services these proposals should be brought forward with a specific business case, where necessary governance implications will be set out.
4. Request that officers prepare an annual 'performance' update to provide a summary of the achievements and benefits of joint working and that officers use this report as a model to explore joint working opportunities with other partners whether these be districts or other public sector organisations.
5. Request that a joint event is held for Members of both councils to raise awareness about joint working and its wider applications through a member briefing or seminar.
6. Endorse the ongoing use of a section 113 agreement as the framework to enable joint working. Note that the Monitoring Officer will keep under review arrangements for joint working governance requirements to ensure that governance remains fit for purpose in a shared service environment.
7. Identify any additional recommendations, lessons or feedback that the Working Group would wish to provide to Oxfordshire County and Cherwell District Council as part of this gateway review.

3. Background

- 3.1 During the summer of 2018 Members at Oxfordshire County Council (OCC) and Cherwell District Council (CDC) agreed to establish a joint working partnership. Partnership working began in October 2018 with the establishment of a joint Chief Executive role.
- 3.2 The development of the partnership represented a new opportunity to reset the tone of county and district collaboration in Oxfordshire. An opportunity to work together in the context of the Oxfordshire growth deal, the first of its kind in the country. It is also an opportunity for both authorities to explore how vertical joint working (i.e. joint working between a county and district rather than between two districts or two counties often referred to as horizontal joint working) could successfully deliver operational efficiencies. The partnership provides an opportunity in terms of reducing the cost of running services and, perhaps more importantly improving how local residents experience the delivery of services by aligning county and district frontline operations.
- 3.3 As instigators of the partnership OCC and CDC have made a bold move. Sharing services and joint working are well established within the sector however there is often a perception that like should share with like (horizontal sharing). OCC and CDC are somewhat ahead of the game, beginning to shape and develop what is beginning to be referred to as non-structural reform. This

type of reform aims to ensure that services are designed around people, communities and places rather than organisational boundaries, seeking to ensure operational efficiencies, but more fundamentally a better service experience for local communities. The goal is to ensure that the resources of both organisations are meeting both the long term and local needs of communities, through better planning and place shaping, service support designed around the recipient and a focus on prevention and demand management.

- 3.4 The first stage of this arrangement was to share a chief executive officer with an agreement to explore further opportunities. The terms and framework of the partnership are set out in a section 113 agreement. This agreement essentially enables officers from each authority to operate for the other. The councils have established a broad 113 agreement which extends beyond the CEO role to include any post or service area. It should be noted that officers working in joint roles remain employed by their 'home' authority.
- 3.5 Members set out their expectations that any long-term shared service arrangement should be subject to a detail business case. A partnership working group (the PWG) has been established to oversee the development of these business cases. The PWG has also chosen to endorse joint appointments on both an interim and permanent basis as opportunities have arisen. To date none have been permanent chief officer appointments and as such the PWG has not had to meet as a formal joint committee to undertake a Member appointments process.
- 3.6 There are several different ways of enabling joint working table 1 (overleaf) sets out the various delivery models available. After six months of operation the OCC | CDC partnership could best be described as being in the earliest stages of the second model. However, it should be noted that a mix of the three approaches can be utilised effectively. Joint working should be enabled by the most appropriate governance and delivery models and these may differ on a service by service basis.
- 3.7 The delivery of shared services has an established track record within the local government sector. Members may be familiar with the Cherwell and South Northants model whereby a fully integrated workforce delivered savings of around £20 million over the 10-year life of the partnership. Likewise, OCC established a shared service partnership with Hampshire (IBC) to deliver transactional HR and finance services, with annual savings estimated at £0.805m. Whilst neither of these models may be the preferred long-term model of shared service delivery, they do demonstrate that various shared services models are operative and offer a variety of benefits.

Table 2 outlines similar examples covering county, district and mixed examples.

Table 1: Models of Joint Working (PWC March 2019)

	1. 'Customer / supplier' partnership (Host Authority)	2. Shared roles / specialist functions (Joint direct delivery)	3. Fully shared functions (Joint direct delivery at scale)
Description	The services of one council being extended to another on a commercial/contractual or partnership basis. The supplier authority delivers defined and agreed service provision to the customer authority. Services are delivered and managed under the supplying authority's processes, practices and operational decision-making.	The councils establish shared management or specialist roles, using various legal mechanisms, to deliver services on behalf of both councils. Officers are responsible directly to both councils, with alignment of processes, practices and decision making where possible. However, these will be tailored to meet differing requirements between organisations if needed.	Similar to Option 2 but at greater scale, with the councils establishing whole functions / teams to deliver services on behalf of both councils. In some cases, some functions might primarily be utilised by one council but resources accessible by both. Integration of processes, practice and decision making where possible.
Key features	<ul style="list-style-type: none"> • 1:1 agreement between the two authorities for a specific purpose (likely use of s101 agreement). • Defined services and delegation of responsibilities (under a Service Legal Agreement of some form). • Customer authority pays the supplier authority an agreed amount for the provision of services. • Functions in this model operate using the policies, working practices and systems of the host authority. • Host authority is the employer of staff with staff transfers if required. • Various mechanisms available for accountability between customer and supplier authorities. 	<ul style="list-style-type: none"> • Use of s113 for specific posts enabling designated officers to operate for both councils but remaining an employee of their original authority. • Majority of posts continue to deliver for employing authority, following their processes and practice. • Separate budgets, with financial contribution for service costs which are proportionate to services delivered to each authority. • Mixed policies, working practices and systems used for operational delivery. • Shared roles or specialist functions directed by aligned policy goals, set either by a Joint Committee or simultaneous executive decisions. 	<ul style="list-style-type: none"> • Pooled team resource using s113 arrangements, with any subsequent new posts hosted by one authority. • Majority of posts able to deliver across both authorities. • A form of budget sharing (with appropriate accounting and audit mechanisms for each authority). • Harmonisation of policies, working practices and systems used for operational delivery (as far as possible). • Shared management and operational decision making, informed by strategic goals and priorities set by each authority. • Potential precursor for an alternative or separate delivery vehicle.

Table 2: Examples of Joint Working (PWC March 2019)

	Gloucester City / Gloucestershire	Suffolk Shared Services
Description	Shared CEO of City and Director of County, sharing of back office services, potential co-location	Babergh DC, Mid Suffolk, Suffolk County
Horizontal / Vertical	Vertical	Horizontal limited vertical
Benefits	Resilience, financial, long term opportunity to save through co-location	13m since 2011
	Selby DC and North Yorks County	Suffolk Councils Legal Services
Description	Shared senior posts, co-location, sharing of finance, exploring legal and HR.	County wide shared service based around a single case management system.
Horizontal / Vertical	Vertical	Vertical and horizontal
Benefits	1.5m saved in first three years	Resilience, co-ordination.

4. Partnership Progress

The partnership has been in operation for just under six months, commencing with the implementation the joint Chief Executive role in October 2018. At the commencement of the partnership it was agreed that a six month 'gateway' review would be undertaken. This gateway review gives Members from both councils the opportunity to reflect upon achievements and consider proposals for the future of the partnership.

Development of the partnership has combined an emergent and opportunistic approach coupled with planned and specific proposals, this has resulted in a combination of permanent and interim joint posts, detailed work exploring shared services and the early stages of service alignment in areas such as housing and commissioning.

This section sets out the progress made by the partnership during its first six months, it covers delivery of joint working opportunities, that is what has been delivered and how it is working. It then considers financial benefit and finally summarises with an assessment about the extent to which the partnership has met its stated principles and objectives (which are reproduced in Appendix 1).

4.1 Delivery of Joint Working Opportunities

4.1.1 The table below sets out the progress made in terms of joint working. The activities below reflect the agreed approach of taking opportunities as they arise and developing more detailed and specific service proposals.

Table 3: Summary of Joint Working Deliverables

Joint Senior Appointments	<ul style="list-style-type: none">• Chief Executive - the appointment of a CEO shared across both organisations. This also includes shared PA support.• The appointment of an Assistant Director shared across both organisations to lead regulatory services and public protection (permanent appointment).• The appointment of an Assistant Director shared across both organisations to lead Housing and Commissioning (permanent appointment).• The appointment of a strategic lead shared across both organisations for human resources (permanent appointment).• Interim sharing of the monitoring officer.• Interim sharing of Assistant Chief Executive / Director
----------------------------------	---

Business cases for shared services (all currently under development)	<ul style="list-style-type: none"> • Law and Governance • Finance • Human Resources • Corporate Services (including communications and marketing, corporate core services such as policy and consultation, research and business intelligence) • Regulatory Services, Community Safety and Public protection.
Provision of service arrangements	<ul style="list-style-type: none"> • Emergency Planning (OCC to CDC) • Business Continuity (OCC to CDC)
Collaboration and service alignment	<ul style="list-style-type: none"> • IT – provision of informal project assurance (CDC to OCC) • CDC and OCC shared approaches to junior management & organisational development • Early stage feasibility on how to align service development between OCC and CDC with regards to the proposed Family Safeguarding model. • Early stage development of service alignment proposals around housing and commissioning
Co-location	<ul style="list-style-type: none"> • Provision of training area at Bodicote House for OCC staff using the new Liquid Logic application • Provision of hotdesking area at Bodicote House for OCC staff

4.2 Financial Benefits

4.2.1 Joint working and shared services partnerships are able to drive out savings through a variety of means; these include shared senior management, other joint posts or service structures, shared opportunities such as procurement and commissioning, economies of scale and business process efficiency. More established partners may also seek to deliver savings through rationalisation of property and estates and shared endeavours / investments / projects that could generate income. The benefits returned depend on the nature of the partnership, its depth and ambition.

4.2.2 The Oxfordshire | Cherwell partnership to date has focused on the sharing of senior posts which have delivered savings. A small amount of financial benefit or cost avoidance has also been achieved through the provision of emergency planning and business continuity services from OCC to CDC – this amounts to around £20k (on the basis that CDC have avoided employing additional FTE and the limited funding available contributes to a shared post).

4.2.3 It should be noted that the savings outlined represent a best estimate. This is due to the fact that several of the posts are shared on an interim basis and with regards to the HR post the contribution arrangements are due be finalised at the end of March, so at this stage have been estimated. The calculations are

based on salary plus on costs and to give a sense of the annual sum have been are presented as a predicated annual saving for 2019/20 based on the assumption the current arrangements continue.

Posts shared	OCC estimated saving 2019/20	CDC estimated saving 2019/20
<ul style="list-style-type: none"> • Chief Executive • Monitoring Officer • Assistant Chief Executive/Director • Assistant Director Regulatory Services and Community Safety • Assistant Director Social Care, Commissioning and Housing • Strategic Lead for HR 	£314k	£315k
	£629k	

4.2.4 The figures above demonstrate that savings that can be realised through the sharing of senior posts. It should be recognised that other opportunities such as procurement or process efficiency haven't been taken into account.

4.3 Principles and Objectives

4.3.1 The table below sets out the principles that underpin the joint working partnership and makes an assessment about the extent to which these principles have been met. These were agreed at the meeting of the Working Group in October 2018 (the report is set out at Appendix 1).

Table 4: Partnership Principles - delivery assessment

Partnership Principle	Assessment
1) That both councils will retain their own governance and constitutional structures	Principle met. The section 113 agreement sets out how this works. No examples of conflict have emerged. No additional changes have been required to accommodate the partnership in terms of governance.
2) That there will be no restriction on each authorities' ability to determine how it exercises its functions nor how each formulates and spends its budgets	Principle met. The section 113 agreement sets out how this works. No examples of conflict have emerged.

Partnership Principle	Assessment
3) That both councils will be able to demonstrate savings or a neutral position through the joint arrangements	Principle met. All arrangements and opportunities to date have adhered to this.
4) That both councils will be able to demonstrate improved services and outcomes through the joint arrangements	At this stage no full shared services have been implemented and therefore it is too soon to be able to demonstrate this principle in action. Business cases are underdevelopment and the Partnership Working Group will wish to ensure that they can demonstrate this principle.
5) That an incremental approach will be taken to manage risk, reduce costs and minimise the impact of transition on service delivery	Principle met. Proposals have been subject to consideration on a case by case basis. No whole service decisions have yet been taken although several are under development and will be considered on a business case by business case basis.
6) That both councils will commit to working towards sharing formulation of policy, alignment of procedures and sharing of teams (subject to the approval by each council) where doing so is in the interests of residents and represents value for money	Principle met. Although in the early stages the work undertaken as part of the business case for law and governance demonstrates this principle. The lessons learnt document produced by PWC sets out how this can be supported through alignment in HR, ICT and finance. These documents are set to be consider by the Partnership Working Group in April 2019.
7) That local physical presence will be maintained and improved	Principle met. Local presence maintained. Enhanced through training and hotdesking space at Bodicote House for OCC staff. It should be noted that there is further opportunity to enhance local presence through a wider approach to estate and property management.

Partnership Principle	Assessment
8) That councillors from both councils will be fully involved in the development of the joint working arrangements	<p>Principle met. All proposals are considered by the Partnership Working Group with equal representation. The Chair and Vice Chair of the Partnership Working Group have communicated progress after each meeting.</p> <p>It should be acknowledged that there are opportunities to share and engage more widely and this forms one of the recommendations in the review.</p>
9) That both councils will work together to understand their organisational and political cultures and to assess risks and opportunities for joint working that result from these	<p>Principle met. OCC and CDC have worked to understand their organisations contexts. The Partnership Working Group has sought to understand the impact of separation between CDC and SNC and how this impacts on joint working development.</p> <p>Likewise, OCC and CDC have sought to explore how the county's transformation programme can sit alongside joint working and help to enable or unlock shared service delivery.</p>

4.3.2 The Partnership Working Group also set out as series of programme objectives to sit alongside joint working principles (Appendix 1). These are set out in the table below and again an assessment is made with regards to the success of delivery. It should be noted that the objectives for the partnership working programme reflect an ambitious and long-term agenda, so it cannot be argued that any of the objectives have been completed. However, it can be shown that work to date demonstrates that there is significant potential to meet the long-term objectives set out.

Table 5: Partnership Programme Objectives - delivery assessment

Programme Objective	Assessment
1) To effectively co-ordinate and align key areas of work such as place making and growth, community development and wellbeing for the benefit of local residents, communities and businesses.	Objective underway. The Partnership Working Group has demonstrated it can effectively consider, commission and co-ordinate opportunities for joint working. Opportunities to consider joint working in place making and growth work are in the earliest stages.

Programme Objective	Assessment
2) To develop joint working in areas where it makes sense to deliver services through integrated and/or aligned management and delivery teams.	Objective met. Joint working opportunities currently being explored in the following areas: <ul style="list-style-type: none"> • Law and Governance • Corporate services in`c policy and communications • Human Resources • Finance • Housing and Commissioning • Public Protection and Regulatory Services • Family Safeguarding • Sharing of senior posts
3) To improve (or maintain) the financial position of both councils.	Objective met. In year savings realised. On-going savings deliverable. Further potential for joint working to make savings through estate and property, procurement and demand management to be scoped.
4) To consider the potential for an effective joint management structure or joint management posts.	Objective underway. A mix of interim and permanent appointments have been made and show proof of concept. There are clear further opportunities given the number of vacancies at CDC and OCC. Savings on senior appointment (management overheads can be demonstrated).
5) To consider the potential for shared support services, serving the needs of both councils to the standards agreed by each.	Objective underway. Proposals for law and governance well advanced (expected to PWG in April 2019). Business case for joint working in HR commissioned. Finance and corporate services options to be explored in the first phase of county council transformation programme.
6) To maximise the opportunities for joint initiatives and joint working with partners in ways that better meet the needs of residents.	Objective underway. The Partnership Working Group has identified a number of opportunities to improve how residents experience services through joint work. These include co-location, alignment of frontline services and strategic co-operation in areas such as the delivery of the growth deal.

4.4. Summary of Benefits Achieved

4.4.1 In summary the OCC | CDC partnership has met the objectives and principles it set out at the early stages of joint working. The partnership has taken

opportunities as they have emerged and commissioned more detailed business cases for joint working in several back-office services.

- 4.4.2 Members of the Partnership Working Group have been explicit in their ambitions to look at how county and district services can be aligned to better meet the needs of local communities and have endorsed early work to explore this with regards to housing and commissioning, family safeguarding, emergency planning, public protection and regulatory services.
- 4.4.3 Both partners have seen the potential for financial benefit, with in year savings delivered and the opportunity for further savings identified.
- 4.4.4 Finally, the work undertaken to date could be used to test the model for wider collaboration, for example with other districts or public sector partners.

5. Proposals for Partnership Development and Next steps

This section sets out a number of recommendations and proposals to help support the development of joint working if the partnership continues. It covers governance, performance, operational and project delivery and options for the future.

5.1 Governance

- 5.1.1 There are many options that are available to provide a governance framework for joint working. These include more formal or contractual arrangements (usually managed through service level agreements), the use of arm's length employment vehicles, joint ventures and various collaborative options under different elements of local government law. The use of a section 113 enables one authority to put its staff at the disposal of another to deliver services. It provides a flexible governance model whereby service specific arrangements can be developed on a case by case basis. The 113 provides the simplest method by which to undertake joint service delivery and as such should be maintained. Alternative governance models may be considered and if necessary they will be presented as part of specific service functions or projects / business cases. The 113 therefore needs to be clear and fit for purpose, to facilitate this a brief review of the 113 is suggested to ensure it is clear and fit for purpose.
- 5.1.2 Assurance that shared services are delivering and underpinned by effective corporate governance is important, as it is for traditional forms of service delivery. It is therefore proposed that as joint working is embedded and developed the shared arrangements should be added to the both councils internal audit programmes so assurance is considered on a routine basis, as part of business as usual.
- 5.1.3 Likewise both councils may wish to add appropriate commentary to their annual/quarterly governance statements to provide on-going assurance with regards to partnership governance.

- 5.1.4 As such, it is not proposed to change the role of audit committees with regards to risk, assurance and corporate governance of shared services or joint working, these recommendations seek to reflect or embed shared services governance in both councils' respective governance frameworks. Likewise, the scrutiny arrangements of both authorities may also be used to consider joint working as and when they choose to.
- 5.1.5 The decision-making body for matters relating to Joint Working is a formal joint working committee. This committee acts as an appointments committee and oversight committee for shared services. To date there has been no requirement for the committee to meet as there have been no chief officer appointments or formal business cases for shared services. When these are developed or appointments required the committee will be required to meet.

5.2 Performance and Review

- 5.2.1 All service delivery arrangements benefit from periodic review and performance management should form part of everyday operational delivery, shared services should not be considered any differently. However, it should be recognised that where a service is shared Members and/or service commissioners need to be assured that the function is delivering. As such it is recommended that an annual review of joint working performance is presented in the form of an annual report (publicly available) setting out outcomes, achievements and savings/efficiencies delivered.
- 5.2.2 This annual review should be a shared document providing both a summary of performance and a prospectus of opportunities which could be replicated in other areas of the county. This performance review should be considered in the public meeting of the councils' joint committee to ensure transparency. The document may also be considered used by each councils' scrutiny committees.
- 5.2.3 In terms of partnership review, it should be noted at any stage members from either side of the partnership can seek to end the relationship. The 113 sets out how this process would be undertaken. As such no further 'gateway' reviews of the existence of the partnership are recommended.
- 5.2.4 It is noted that the Partnership Working Group meets in private. This is due to the nature of discussions which include human resource matters. It is suggested that shared service delivery is included in both councils' performance management frameworks so Members not on the PWG are able to access information about joint working.

5.3 Operational and Project Delivery

- 5.3.1 The Partnership Working Group has sought to align the work to separate CDC from SNC and the OCC transformation programme with the development of options for joint working. It is worth noting that CDC is on track to separate all

frontline services from SNC by July 2019 and most back office services by September 2019. As such the CDC SNC partnership does not represent a significant barrier to joint working.

5.3.2 Since the inception of the partnership the OCC transformation programme has also begun in earnest. Officers have sought to align opportunities to explore joint working alongside transformation. This has the benefit of a single programme of change and minimises the impact on staff as the principle of 'one change process' is adhered to as much as possible. It should be noted that not all elements of the OCC transformation programme are appropriate to use for the development joint working. It should also be noted that the OCC transformation programme should not prevent options for joint working being explored.

5.3.3 As part of the work that has been undertaken to prepare a business case for a shared law and governance service PWC have reviewed and considered enablers for joint working. They have made a series of reflections which are set out below. It is recommended that should the partnership continue, these are addressed by a project team dedicated to the effective implementation of joint working. The PWG will receive a more detailed summary of the lesson learnt at the meeting in April 2019.

- a) There are no barriers which prevent joint working from being implemented. A systematic approach to addressing the areas raised through this work will help to avoid any potential 'speedbumps', improve staff engagement and can save additional effort and cost at a later point.
- b) Equally pragmatism is needed –the councils could spend considerable time trying to get comprehensive solutions without delivering benefit. The three broad models of joint working (see table 1) will help services determine what is most applicable to them and make progress quickly.
- c) A mixture of different joint models is likely to be needed depending on function, given the differences in responsibilities of OCC/CDC and vertical integration required. Clear core principles will help streamline how these arrangements are managed and monitored.
- d) Example case studies of joint working between OCC and CDC will be a great catalyst for momentum in other service areas –improving the staff experience of joint working by minimising or mitigating ICT/Finance/HR operational challenges will help to establish these stories.
- e) It should therefore be a priority to address key areas such as: HR operational policies (change management; disciplinary; appraisal); Finance principles for recharges, aligning finance working practice and budget processes; and ICT workarounds.
- f) There are a number of other longer-term areas that will be important to consider and plan for, but will not need to be implemented until later (if at

all), such as: potential for pay / T&C alignment; values and behaviours for operating in partnership; greater ICT integration.

- g) An overarching view of the direction of joint working and where it is being developed will help to communicate and demonstrate mutual benefit to both councils when all is taken into account.
- h) A centrally co-ordinated programme of work alongside transformation would help to drive and implement joint working at greater pace. The log of queries and issues captured as part of this work (i.e. the law and governance business case) can be converted into a work plan to support this.
- i) A focus on cultural alignment and change management will be important – The focus of this work is on technical solutions to remove potential issues but a spirit of partnership must be cultivated and authentically felt at all levels so that joint working can be as successful as possible.

PWC March 2019

5.4 Options for the Future and Next Steps

- 5.4.1 After six months in operation the partnership has demonstrated that effective relationships between Councillors from different authorities can be formed, that opportunities can be taken as they arrive to maximise benefits and that there is potential for shared service delivery. Members have also identified additional ambitions and areas for joint working, including public estate and alignment around frontline services.
- 5.4.2 Following the six-month review there are two options; to continue to develop the partnership or to cease partnership working and revert to single authority arrangements.
- 5.4.3 The activity completed in the last six months suggests that there are no operational or financial reasons not to continue developing the partnership. Further opportunities have been identified and a solid working relationship between both officers and Members of the two councils has been formed to lead delivery. A series of improvements have been identified in this review to improve awareness, to improve project delivery, increase transparency and embed the partnership in the governance arrangements of both councils (for example including in the audit programme).
- 5.4.4 The alternative option would be to decommission the partnership. This would require the 113 agreement to be ended and all existing joint working arrangements to come to an end. Oxfordshire County and Cherwell District councils would then need to redefine their working relationship.
- 5.4.5. In summary it can be concluded that the first six months of partnership operation have demonstrated the 'proof of concept'. No governance issues have emerged that have prevented joint working, protocols to manage conflict

of interests have been put in place and joint human resource processes have been tested.

- 5.4.6. As such it is proposed that the partnership continues to develop on its current trajectory. That the principles and programme objectives as set out in Appendix 1 are re-endorsed and that all the improvements to performance, governance, and operational delivery contained within this report are accepted. It is also recommended that a short review of the 113 agreement is undertaken to ensure it is clear and fit for the next phase of the partnership. No further gateway reviews are recommended, ongoing assurance and performance managements arrangements should be used to ensure effective Member and managerial oversight.

Appendix 1: Joint Working Principles and Objectives

CHERWELL DISTRICT COUNCIL AND OXFORDSHIRE COUNTY COUNCIL PARTNERSHIP WORKING GROUP

Joint Working Principles and Objectives

23 October 2018

Executive Summary

1. This paper sets out the draft principles of joint working as considered in July by both Councils.
2. The Partnership Working Group is asked to consider these principles and note that they will form the guiding framework by which the partnership work programme is managed.
3. It should also be noted that after six months the programme will be reviewed, and success will be considered using these principles and objectives as the baseline.
4. The working group is asked to review the principles and objectives and identify any gaps or omissions that they would wish to see included. It is anticipated that any business case for joint working will need to reflect the principles and meet one or more of the objectives set out.

Principles of Joint Working

- 1) That both councils will retain their own governance and constitutional structures
- 2) That there will be no restriction on each authorities' ability to determine how it exercises its functions nor how each formulates and spends its budgets
- 3) That both councils will be able to demonstrate savings or a neutral position through the joint arrangements
- 4) That both councils will be able to demonstrate improved services and outcomes through the joint arrangements
- 5) That an incremental approach will be taken to manage risk, reduce costs and minimise the impact of transition on service delivery

- 6) That both councils will commit to working towards sharing formulation of policy, alignment of procedures and sharing of teams (subject to the approval by each council) where doing so is in the interests of residents and represents value for money
- 7) That local physical presence will be maintained and improved
- 8) That councillors from both councils will be fully involved in the development of the joint working arrangements
- 9) That both councils will work together to understand their organisational and political cultures and to assess risks and opportunities for joint working that result from these

Programme Objectives

- 1) To effectively co-ordinate and align key areas of work such as place making and growth, community development and wellbeing for the benefit of local residents, communities and businesses.
- 2) To develop joint working in areas where it makes sense to deliver services through integrated and/or aligned management and delivery teams.
- 3) To improve (or maintain) the financial position of both councils.
- 4) To consider the potential for an effective joint management structure or joint management posts.
- 5) To consider the potential for shared support services, serving the needs of both councils to the standards agreed by each.
- 6) To maximise the opportunities for joint initiatives and joint working with partners in ways that better meet the needs of residents.

Appendix 2: SWOT Analysis (strengths, weaknesses, opportunities, threats)

The analysis below sets out the strengths, weaknesses, opportunities, threats associated with the partnership:

Strengths	Weaknesses
<ul style="list-style-type: none">• Collaborative approach• Strong working relationships are developing• Maturity – sector leadership demonstrated• Early progress demonstrates a willingness to deliver and a proof of concept• Ability to move at pace demonstrated• Ability to realise savings demonstrated• Governance arrangement established	<ul style="list-style-type: none">• Currently there is no project team supporting the partnership programme and there is a risk that opportunities may be missed or not delivered at pace• The partnership is not well understood outside of the working group, which may lead to misunderstandings about how shared services work• No communications strategy for the partnership – either internal or external.
Opportunities	Threats
<ul style="list-style-type: none">• OCC ICT service improvement work is about to commence which could facilitate the development of a joint IT offer• Back office savings for both authorities due to joint working are deliverable, and whilst they may only reduce running costs in the early stages they may also facilitate more effective joint working across the county• Opportunities to collaborate on strategic matters such as the growth deal and demand management identified• Ambitious transformation programme affords opportunity to help drive change• Willingness to use the partnership to pilot joint working ideas that could be replicated cross county• Opportunity to use the partnership to revitalise agenda such as co-location, estates and property	<ul style="list-style-type: none">• Partnership seen as limited or benefits not applied more widely across the county and the districts• ICT, finance and HR services enable joint working and as such some alignment is required, this is currently in the earliest stages• So much scope and potential for joint working that efforts are spread too thinly• Other districts may feel excluded•