

Public Document Pack

Cherwell District Council

Council

Minutes of a meeting of the Council held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 8 December 2010 at 6.30 pm

Present: Councillor George Parish (Chairman)
Councillor Timothy Hallchurch MBE (Vice-Chairman)

Councillor Rick Atkinson
Councillor Luke Annaly
Councillor Ken Atack
Councillor Alyas Ahmed
Councillor Maurice Billington
Councillor Norman Bolster
Councillor Colin Clarke
Councillor Nick Cotter
Councillor Margaret Cullip
Councillor Mrs Diana Edwards
Councillor Tim Emptage
Councillor Andrew Fulljames
Councillor Mrs Catherine Fulljames
Councillor Michael Gibbard
Councillor Simon Holland
Councillor Alastair Milne Home
Councillor Chris Heath
Councillor Russell Hurle
Councillor Tony Ilott
Councillor Victoria Irvine
Councillor James Macnamara
Councillor Kieron Mallon
Councillor Nicholas Mawer
Councillor Nigel Morris
Councillor P A O'Sullivan
Councillor D M Pickford
Councillor Neil Prestidge
Councillor G A Reynolds
Councillor Alaric Rose
Councillor Leslie F Sibley
Councillor Chris Smithson
Councillor Trevor Stevens
Councillor Carol Steward
Councillor Keith Strangwood
Councillor Lawrie Stratford
Councillor Lynda Thirzie Smart
Councillor Patricia Tompson
Councillor Nicholas Turner
Councillor Douglas Webb
Councillor Douglas Williamson
Councillor Barry Wood

Apologies for absence: Councillor Fred Blackwell
Councillor Ann Bonner
Councillor John Donaldson
Councillor David Hughes
Councillor Daniel Sames
Councillor Rose Stratford
Councillor Martin Weir

Officers: Mary Harpley, Chief Executive and Head of Paid Service
Ian Davies, Strategic Director - Environment and Community
John Hoad, Strategic Director - Planning, Housing and Economy
Karen Curtin, Head of Finance
Nigel Bell, Team Leader - Planning and Litigation
Natasha Clark, Senior Democratic and Scrutiny Officer

36 **Declarations of Interest**

There were no declarations of interest.

37 **Communications**

The Chairman welcomed Councillor Diana Edwards back to the Chamber after her recent fall and expressed his best wishes to former Councillor Eric Heath who had recently been in hospital for a serious operation.

The Chairman advised the meeting that this was the Chief Executive's last meeting and this would be marked later in the meeting. He also advised Members that he had agreed to cancel the Council meeting scheduled for 17 January 2011.

Lastly the Chairman explained that in the current economic climate he had decided not to send Christmas cards to Members and wished all Councillors the compliments of the season.

38 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

39 **Urgent Business**

There were no items of urgent business.

40 **Minutes of Council**

The minutes of the meeting held on 18 October 2010 were agreed as a correct record and signed by the Chairman.

41 **Minutes**

a) **Minutes of the Executive, Portfolio Holder Decisions and Executive Decisions made under Special Urgency**

Resolved

That the minutes of the meeting of the Executive and Portfolio Holder decisions as set out in the Minute Book be received and that it be noted that since the last meeting of Council, no Executive decisions had been taken that were subject to the special urgency provisions of the Constitution.

b) **Minutes of Committees**

Resolved

That the minutes of Committees as set out in the Minute Book be received.

42 **Questions**

a) **Written Questions**

One question relating to the Secretary of State for Education's declared intention to withdraw funding from the School Sports Partnership which would affect the North Oxfordshire School Sports Partnership had been submitted by Councillor Williamson and signed by Councillors Cotter, Emptage and Rose and was tabled together with the reply from the Leader of the Council.

The Leader and Portfolio Holder Customer Service and ICT answered a supplementary question put by Councillor Williamson.

b) **Questions to the Leader of the Council**

Questions were asked and answers received on the following issues:

Announcement by the Secretary of State for Health that elements of the health budget would be given to Local Authorities: Councillor Cotter

Request that consideration be given to referring to deprived areas in Banbury as "Banbury brighter future areas" rather than areas of deprivation: Councillor Strangwood

c) **Questions to Committee Chairmen on the minutes**

There were no questions to the Committee Chairman on minutes.

43 **Motions**

There were no motions.

Business Case for shared management team with South Northamptonshire Council

The Portfolio Holder for Resources and Communications, the Leader and the Chief Executive submitted a report which sought Council's approval to accept the recommendation of the Cherwell District Council and South Northamptonshire Council Joint Working Group to put in place a shared senior management team.

The Portfolio Holder for Resources and Communication thanked Officers from both Cherwell District Council and South Northamptonshire Council for their hard work throughout the process of developing the business case (annex to the minutes as set out in the minute book).

Resolved

- (1) That the overarching recommendation of the Cherwell District Council and South Northamptonshire Council Joint Working Group, endorsed by the Executive, to put in place a shared management team by the end of September 2011 be agreed.
- (2) That the further eighteen recommendations made by the Joint Working Group, and endorsed by the Executive, be agreed as follows:

Sovereignty

- 2.1 Both SNC and CDC will remain separate councils and will retain their sovereignty. Elected members of both councils will remain in charge of decision-making in line with their visions, strategic aims, objectives and priorities.

Shared management team

- 2.2 CDC and SNC share a senior management team comprising twelve posts: a Chief Executive, three Directors and eight Heads of Service and that the final structure and responsibilities of the senior management team be agreed between the shared Chief Executive, once appointed, and members of both councils before further appointments are made.
- 2.3 Recruitment to the shared Chief Executive commences immediately, using the Job Description and Person Specification attached in Appendix 8 of the business case, via an open recruitment process which will be supported by recruitment consultants appointed by both councils.
- 2.4 The shared Chief Executive is appointed in February 2011 and shared Directors and Heads of Service are appointed by July/August and by September respectively, subject to the final structure being approved first by both full councils.

- 2.5 Officers appointed as the shared Chief Executive, Directors and Heads of Service be appointed on new terms and conditions to be agreed by the Joint Personnel Committee.
- 2.6 SNC and CDC share three further posts – covering the functions of communications, corporate performance and programme management – and that these posts be appointed to as soon as possible after end September 2011.
- 2.7 Officers appointed to the three other shared posts retain their current terms and conditions, with further consideration given to the remuneration levels for those roles in recognition of the new requirement to work across both councils.
- 2.8 All successful internal candidates remain employed by their original employer, though in exceptional cases they may be employed by the other authority; successful external candidates to be employed by one or other employer on a case-by-case basis.
- 2.9 Both councils apply at the appropriate time to the Department of Communities and Local Government for approval to capitalise the costs of creating a shared management team in order to protect revenue resources as far as possible.

Formal and informal structures for joint working

- 2.10 A Joint Personnel Committee be set up and works to the terms of reference in Appendix 4 of the business case; that this Committee, supported by recruitment consultants, recommends the appointment of the shared Chief Executive to both full councils and appoints to the Directors and Heads of Service.
- 2.11 A Joint Appeals Committee be set up to hear any appeals related to the shared posts and works to the terms of reference in Appendix 5 of the business case.
- 2.12 The Joint Working Group is disbanded and a new Joint Arrangements Steering Group is now set up and works to the Terms of Reference in Appendix 7 of the business case to oversee the implementation of the above recommendations.
- 2.13 CDC and SNC both sign on 9th December the Section 113 agreement in Appendix 3 of the business case to allow them to share a senior management team (including all statutory officers) and three other posts in the way proposed.

Current and future partnership working

- 2.14 SNC and CDC continue with their existing shared arrangements for service delivery with other local authorities, and these are reviewed either as they come up for renewal or as appropriate.

- 2.15 Both councils look to build directly on the creation of a shared management team by extending partnership working, creating a confederation of local authorities and other public sector organisations (including health and police) which could collaborate in a model resembling a gateway contract or framework agreement for mutual benefit.

Future development of joint working

- 2.16 CDC and SNC agree to consider in due course individual business cases for integrating posts at the tier below Service Heads, and teams below that.
- 2.17 Once SNC and CDC decide to consider service level business cases, they work towards a common set of terms and conditions for all staff below Service Heads so that these can be put in place early on.

Project review

- 2.18 Both councils receive an interim update in September/October 2011 and a post project report in September 2012, reviewing the implementation of these recommendations.
- (3) That Cllrs Atack, Cotter, Irvine, Reynolds and Wood be appointed as the five Cherwell District Council members on the Joint Personnel Committee and Cllrs Atkinson, Bolster and Williamson as the named substitutes and authority be delegated to the Head of Legal and Democratic Services to amend the Constitution to take account of this new Joint Committee.
- (4) That Cllrs Blackwell, Macnamara and Rose be appointed as the three Cherwell District Council members on the Joint Appeals Committee and Cllrs Clarke and Emptage as the named substitutes and authority be delegated to the Head of Legal and Democratic Services to amend the Constitution to take account of this new Joint Committee.
- (5) That Cllrs Atack, Cotter, Macnamara, Reynolds and Wood be appointed as the five Cherwell District Council members on the Joint Arrangements Steering Group and Cllrs Turner and Williamson as the named substitutes.
- (6) That Veredus be appointed as the recruitment consultants to provide support to the Joint Personnel Committee in arriving at a recommendation for the appointment of the shared Chief Executive.
- (7) That resolution 2.5 above be addressed by resolving that the terms of reference of the Joint Personnel Committee also include the determination of the terms and conditions of employment of the shared Chief Executive, Director and Head of Service posts subject to any salary levels being within the parameters set by the business case.

- (8) That the Executive's recommendation that, once a shared senior management team is in place, the Council can aspire to achieve continued excellent performance be endorsed.

At the conclusion of this item, the Chairman invited Councillor Ian McCord, Portfolio Holder for Resources at South Northamptonshire Council and Chairman of the Joint Working Group to address Council. Councillor McCord reported that Members at South Northamptonshire Council's Council meeting had also approved the recommendation of the Cherwell District Council and South Northamptonshire Council Joint Working Group to put in place a shared senior management team.

On behalf of South Northamptonshire Council, Councillor McCord thanked all Cherwell District Council Members who had sat on the Joint Working Group, attended site visits and participated in other meetings during the development of the business case. Councillor McCord also thanked all officers who had supported the process and wished the departing Cherwell Chief Executive success in her new post as Chief Executive at the London Borough of Hounslow.

45 **Appointment of Interim Head of Paid Service and Chief Executive**

The Leader of the Council submitted a report which sought Council's approval to the appointment of the interim Chief Executive.

Resolved

- (1) That the recommendation of the Personnel Committee to appoint Ian Davies as interim Chief Executive and Head of Paid Service from 1 January 2011 for between two and six months be accepted.

46 **Appointment of Electoral Registration Officer and Returning Officer**

The Chief Executive and Head of Legal and Democratic Services submitted a report on the appointment of an Electoral Registration Officer and Returning Officer.

Resolved

- (1) That, in terms of the Representation of the People Act 1983 and all related legislation, and with effect from 1 January 2011, Karen Curtin be appointed as Electoral Registration Officer for the Council until 30 June 2011.
- (2) That, in terms of section 41 of the Local Government Act 1972 and all related legislation, and with effect from 1 January 2011, Karen Curtin be appointed as Returning Officer for the Council, with authority to act in that capacity for elections to the Council and all or any parish and town councils within the Council area until 30 June 2011.

- (3) That the Electoral Registration Officer for the Council be also appointed or authorised to act in respect of all related electoral, poll or referendum duties, including in relation to County Council elections, elections to the European Parliament, and for national and regional polls or referendums.
- (4) That, in relation to the duties of Returning Officer or any other electoral, referendum or polling duties arising from such appointment, the Returning Officer shall be entitled to be remunerated in accordance with scale of fees approved from time to time by Council for local elections, or the relevant scale of fees prescribed by a Fees Order in respect of national, regional or European Parliament elections, polls or referendums.
- (5) That in all cases where it is a legal requirement or normal practice to do so, the Returning Officer may elect for such fees to be superannuable, and the Council shall pay the appropriate employer's contribution to the superannuation fund, recovering such employer's contributions from central government or other local authorities or agencies where this can be done.
- (6) That, in relation to the conduct of local authority elections and polls, and elections to the United Kingdom Parliament, and all other electoral duties where the Council is entitled by law to do so, the Council shall take out and maintain in force insurance indemnifying the Council, the Electoral Registration Officer and the Returning Officer against legal expenses reasonably incurred in connection with the defence of any proceedings brought against the Council, Electoral Registration Officer or the Returning Officer and/or the cost of holding another election in the event of the original election being declared invalid (provided that such proceedings or invalidation are the result of the accidental contravention of the Representation of the People Acts or other legislation governing the electoral process, or accidental breach of any ministerial or other duty by the Returning Officer or any other person employed by or officially acting for him in connection with the election or poll); and
- (7) That, in the event of such insurance carrying an 'excess' clause by which an initial portion of risk is not insured, the Council, through its internal insurance fund or otherwise, will indemnify the Electoral Registration Officer and Returning Officer up to the value of such excess.
- (8) That Council notes its duties to provide support to the Electoral Registration Officer and Returning Officer

Election Fees Schedule 2011/12

The Chief Executive submitted a report which sought agreement of the election fees for 2011/12

Resolved

- (1) That the election fees policy and election fees schedule for 2011/12 as set out in the annex to the minutes (as set out in the minute book) be agreed.

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Appointment of Section 151 Officer

The Chief Executive submitted a report which recommended changes from 1 March 2011 to the Council's current arrangements for a Section 151 Officer and Chief Finance Officer.

The Portfolio Holder for Resources and Communication reported that the Head of Finance had successfully passed her accountancy exams. Members congratulated the Head of Finance on her achievement and thanked her for all her hard work supporting Cherwell District Council. Members also thanked the Members of South Northamptonshire Council for releasing their Chief Finance Officer / Section 151 Officer to support Cherwell District Council and thanked him for his hard work with the Finance Team and the very good service he had provided to the council since his secondment began on 1 April 2010.

Resolved

- (1) That Karen Curtin be appointed as the Council's Section 151 and Chief Finance Officer with effect from 1 March 2011 or the day after the meeting of full Council at which the 2011/12 budget is agreed if this is later than 1 March.
- (2) That it be noted that Karen Curtin intends to nominate the Corporate System Accountant, Karen Muir, as Deputy Section 151 and Deputy Chief Finance Officer authorised to act in her absence from 1 March 2011.
- (3) That the Head of Legal and Democratic Services be delegated to make any necessary changes to the constitution to reflect this.
- (4) That the members of South Northamptonshire Council be thanked for releasing Martin Henry to support this Council and that Martin Henry be thanked for the very good service he has provided to the Council as Section 151 Officer during his secondment so far.

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Mary Harpley, Farewell to Chief Executive

The Chairman explained that this would be the Chief Executive's last Council meeting as she was leaving Cherwell District Council to take up a new role as Chief Executive at the London Borough of Hounslow in January 2011. On behalf of Council, the Chairman thanked the Chief Executive for the contribution she has made to the Council since her arrival in 2006 and wished her all the best for her new role.

The Leader, the Leader of the Opposition, the Leader of the Labour group and a number of other Members paid tribute to the Chief Executive. Members recalled personal anecdotes and thanked and commended the Chief Executive for her hard work and achievements in leading projects which had improved the Council and the district over the past four years. The Leader made particular reference to one of the Chief Executives greatest achievements which was leading the Council to an 'Excellent' rating in the 2009 Comprehensive Area Assessment. On behalf of all Members, the Chairman presented the Chief Executive with a gift as a token of their gratitude and wished her every success at Hounslow.

The Chief Executive responded to Members saying that Cherwell District Council would always be special to her and that she appreciated their support in implementing improvements to the district over the past four years, often taking very difficult decisions. The Chief Executive commented that whilst proud of her contribution, many other people had also contributed. She paid special tribute to the Leader for his leadership and support commenting on the importance of a good relationship between Leader and Chief Executive. Finally, the Chief Executive expressed her gratitude to all current and former Members for their support during her time as Chief Executive.

The meeting ended at 8.00 pm

Chairman:

Date:

BUSINESS CASE

**from the Joint Working Group
for a shared senior management team
between**

**South Northamptonshire Council
and
Cherwell District Council**

18 November 2010

Joint Working Group

South Northamptonshire

Cllr Ian McCord (Chairman)

Cllr Caryl Billingham

Cllr Steve Clarke

Cllr Diana Dallyn

Cllr Paul Farrow

Cllr Blake Stimpson

Cllr Martin Wilson

Cherwell

Cllr James Macnamara (Vice
Chairman)

Cllr Ken Atack

Cllr Nick Cotter

Cllr George Reynolds

Cllr Nicholas Turner

Cllr Douglas Williamson

Cllr Barry Wood

FOREWORD

At the moment, many district councils in England are either in a formal partnership arrangement with a neighbouring district or are seriously talking about it. They are doing this to help save council taxpayers' money, to preserve services for residents, and to respond to expected cuts in Government funding over the coming years. Experience in other parts of the country shows that efficiencies can be gained from a shared chief executive, management team and specialist positions between two authorities. All those who have successfully shared a management team have advised us to do it and reap the rewards; none has regretted it.

In presenting this joint business case to both councils, the Joint Working Group are inviting you to consider whether these models of joint management in the broadest sense offer both councils the flexibility to select the model which best reflects our local needs in the future, and whether or not they advance the cause of localism.

These recommendations, if adopted, will have far reaching consequences for both organisations. Before reaching an informed decision you must satisfy yourself that this alternative approach will deliver better services for the residents and businesses of South Northamptonshire and Cherwell, and give us the best management structure that will help us achieve our ambitions.

The initial saving is a significant amount that will go a long way to addressing our current financial situation, as we are under pressure from the effects of the recession as well as major reductions in grant support from Government.

There is no doubt higher savings could be achieved from a single team, but we must also be sure that we have the capacity and capability to deliver good services throughout both councils.

Public sector finances are going to be severely reduced, yet residents will continue to rely on their district council for good quality services and to champion their local community. By becoming more strategic and efficient in the way we work we can strive, not only for better councils, but councils that are heard more loudly when it comes to national decision making.

This is not a merger of our two councils but a model that strives to show that working together is the best way we can deliver good quality services to our communities in the years to come. Cherwell and South Northamptonshire will continue to be two sovereign bodies with differences in policy and procedure as now.

This final version of the business case builds on the draft first presented to Members of both councils on 17 September. It takes into account the comments received from Members, both formally through the Councils' Cabinet and Executive, as well as the respective scrutiny committees. It also

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8 December 2010

takes into account the comments received from the Trade Unions and staff at both Councils.

We want to thank the Joint Working Group for all their efforts, as well as all the Members who have participated in extensive discussions over the last few weeks. We also want to thank the officers who have supported the work of the Joint Working Group and all the members of staff who have contributed views to the consultation and to the further development of the business case.

The Rt Hon Eric Pickles MP, Secretary of State for Communities and Local Government, has encouraged Local Authorities to consider the benefits of shared management and shared services, and said that the decision is up to us.

This is the final version of the business case. It is now up to you, the Members of each council, to decide a way forward.

Best Wishes



Mary Clarke
Leader – SNC



Barry Wood
Leader – CDC

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1.0 EXECUTIVE SUMMARY AND RECOMMENDATIONS

Introduction

1.1 Cherwell District Council's (CDC) Executive and South Northamptonshire Council's (SNC) Cabinet agreed in July to set up a Joint Working Group to oversee the development and delivery of a detailed business case for the creation of a single senior management team to serve both councils. The Joint Working Group delivered a draft business case in September. Members, staff and unions of both councils have been consulted since then, as have the formal scrutiny committees of both councils and CDC's Executive and SNC's Cabinet. In arriving at this final document the Joint Working Group have taken the comments from all respondents into account. This final version of the business case summarises the Joint Working Group's findings and recommendations in advance of the final decisions to be taken by both full councils on 8 December.

1.2 The Comprehensive Spending Review report, published 20 October 2010, made it clear that local authorities can expect cuts of 26% to formula grant settlements over the next 4 years, with significant front-loading of cuts in 2011/12 and 2012/13. While the detailed assumptions about the final settlement of SNC and CDC are different, it is clear that the type of cost-saving activities, which have been successfully pursued in both councils in recent years, are not going to deliver the larger-scale cost reductions now required.

It was also announced in the Comprehensive Spending Review that DCLG will allocate up to £200m of additional capitalisation directions in 2011-12 only, in order to allow councils to restructure their services for example by capitalising redundancy costs. Both authorities will apply for such a direction at the appropriate time in order to protect dwindling revenue resources. If approved this will mean that capital receipts can be used to fund some, if not all, of the transitional costs.

1.3 But CDC and SNC have much more in common than their financial challenges. Both councils are managing significant housing growth with the infrastructure and resource challenges this brings. Both have ambitions for improving the quality of life of their residents, and for supporting their businesses in ways which go beyond the usual remit of district councils. This work takes up significant staffing capacity which the Leaders of CDC and SNC and the Joint Working Group would like to continue for as long as possible.

1.4 Both councils are now well advanced with their service and financial planning for 2011/12 and beyond. Both are considering potential cuts to services. Although bringing the management teams together would not remove the need for any service reductions, the savings from such a move would significantly reduce the shorter and medium-term cuts

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required. If they adopt joint working, members of both councils will have options that would not be the case if they continue to work alone.

Key workstreams

1.5 Before arriving at our recommendations we, the Joint Working Group, invested much effort in a number of pieces of work in order to present a comprehensive business case:

1.6 ***Lessons from councils who have already put shared management teams in place***

We visited/spoke to three pairs of district councils who share management teams. In response to comments we received on the draft business case we have gone back to some of these councils with specific questions.

1.7 ***Potential shared roles and structures***

We are recommending that the most appropriate shared management structure is one Chief Executive, three Directors and 8 Heads of Service. However, in response to consultation comments, we have been clearer in this final business case as to how and why we arrived at this.

1.8 ***Costs and benefits***

We considered the ongoing costs and benefits of a shared senior management team, the one-off costs, the affordability for both councils, and the payback periods for both. We also considered the potential models for allocating costs or savings between the councils.

1.9 ***Timing of implementation***

The pace at which CDC and SNC should move to a shared management team, particularly in light of the all-out elections at SNC in May 2011, has been a key consideration of the Joint Working Group.

1.10 ***Legal arrangements and appointments to shared senior team***

We have considered the legal arrangements which would need to be in place to allow SNC and CDC to share a senior management team, and the arrangements for member appointments to shared posts

1.11 ***Risks***

We considered the risks of combining the two current management teams into one, and the mitigating actions required to manage these risks.

1.12 ***The potential for savings beyond the senior management team***

In accordance with the scope of our terms of reference, we briefly considered the potential further savings which would come from CDC and SNC sharing officers at the tier below Heads of Service.

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Conclusions

We drew a number of conclusions from our work:

1.13 **Lessons from others**

That councils who share management teams do retain their sovereignty, and elected members of such councils remain in charge of decision-making in their respective districts.

- 1.14 That councils do share management teams successfully; that the theoretical savings have turned out to be real and often greater than predicted; that shared officers do successfully serve two councils even where the priority projects and policies are different; that councils which share management teams do carry on working in other partnerships where appropriate; that councils working together across county boundaries do not face any particular difficulties

1.15 **Shared structure**

That SNC and CDC should share a senior management team comprising twelve posts – a Chief Executive, three Directors and eight Heads of Service – and, beyond the senior management team, three further posts.

1.16 **Financial benefits**

That these fifteen proposed shared posts would cost a total of £1,601,000, compared to a total current cost of £2,647,000, representing a total annual saving of £1,046,000 on the councils' current costs.

- 1.17 That CDC and SNC should share the ongoing costs of these shared posts 50/50, recognising that officers appointed to these roles will split their time equally between the two organisations. There will be an **annual saving of £360,000 for SNC and £686,000 for CDC and cumulative 5-year savings of £1,800,000 for SNC and £3,430,000 for CDC.**

- 1.18 That the one-off costs are estimated as £1,384,000, and that CDC should pay 60% of these in light of its size relative to SNC and also in order to secure broadly similar payback periods for both councils. This represents costs to SNC of £553,600 and costs to CDC of £830,400, assuming average one-off costs, and that all posts are filled internally apart from the shared Chief Executive post which is subject to an external recruitment process and may be an internal or external appointment.

- 1.19 That these one-off costs would be paid back in 1.54 years to SNC in 1.21 years to CDC.

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- 1.20 That these one-off costs should include a contingency sum of £339,000.
- 1.21 That in the worst case one-off costs would be £1,693,000, depending ultimately on which officers are appointed to the new roles. This worst case represents costs to SNC of £686,000 and costs to CDC of £1,016,000, and the payback period to SNC is extended to 1.88 years and to 1.48 years to CDC, still comfortably inside the timeframe required by the Medium Term Financial Strategies of each council.
- 1.22 That in both the average and worst case scenarios the one-off costs are fundable from the balances and earmarked reserves of both councils.
- 1.23 That it is assumed that both councils apply the statutory number of weeks (maximum 30) to redundancy calculations, but that should the number of weeks' compensation awarded be greater than this, then the additional cost is borne by the relevant council.
- 1.24 **Pace**
That this shared team should be put in place as quickly as possible.
- 1.25 **Legal arrangements and appointments to shared posts**
That a Section 113 agreement is the most appropriate mechanism to provide the legal framework for joint working, and a new joint committee is required for elected members of both councils to make appointments to posts in the shared senior management team and to carry out other required functions such as the appraisal of the shared Chief Executive.
- 1.26 **Risks**
That in light of the risk assessment and the extensive learning and advice from other councils, the benefits of CDC and SNC sharing a senior management team outweigh the risks, subject to the mitigating actions being implemented.
- 1.27 **Potential further savings beyond the senior team**
That at the tier below Service Head savings of 15-25% are probably achievable and could deliver **further annual savings ranging from £168,000 to £280,000 for SNC and £294,000 to £489,000 for CDC.** Assuming a 20% reduction in costs, such action could deliver cumulative savings over five years of **£1,120,000 to SNC (£224,000 per annum) and £1,960,000 to CDC (£392,000 per annum).** This is based on 2010-11 budgets before the implementation of any budget proposals.

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Recommendations

1.28 We, the Joint Working Group, following consultation with members, staff and unions at both councils, recommend to the full councils of both CDC and SNC that CDC and SNC put in place a shared management team by the end of September 2011.

1.29 We make a further eighteen recommendations: that

Sovereignty

- Both SNC and CDC will remain separate councils and will retain their sovereignty. Elected members of both councils will remain in charge of decision-making in line with their visions, strategic aims, objectives and priorities.

Shared management team

- CDC and SNC share a senior management team comprising twelve posts: a Chief Executive, three Directors and eight Heads of Service and that the final structure and responsibilities of the senior management team be agreed between the shared Chief Executive, once appointed, and members of both councils before further appointments are made.
- Recruitment to the shared Chief Executive commences immediately, using the Job Description and Person Specification attached in Appendix 8, via an open recruitment process which will be supported by recruitment consultants appointed by both councils.
- The shared Chief Executive is appointed in February 2011 and shared Directors and Heads of Service are appointed by July/August and by September respectively, subject to the final structure being approved first by both full councils.
- Officers appointed as the shared Chief Executive, Directors and Heads of Service be appointed on new terms and conditions to be agreed by the Joint Personnel Committee.
- SNC and CDC share three further posts – covering the functions of communications, corporate performance and programme management – and that these posts be appointed to as soon as possible after end September 2011.
- Officers appointed to the three other shared posts retain their current terms and conditions, with further consideration given to the remuneration levels for those roles in recognition of the new requirement to work across both councils.

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- All successful internal candidates remain employed by their original employer, though in exceptional cases they may be employed by the other authority; successful external candidates to be employed by one or other employer on a case-by-case basis.
- Both councils apply at the appropriate time to the Department of Communities and Local Government for approval to capitalise the costs of creating a shared management team in order to protect revenue resources as far as possible.

Formal and informal structures for joint working

- A Joint Personnel Committee be set up and works to the terms of reference in Appendix 4; that this Committee, supported by recruitment consultants, recommends the appointment of the shared Chief Executive to both full councils and appoints to the Directors and Heads of Service.
- A Joint Appeals Committee be set up to hear any appeals related to the shared posts and works to the terms of reference in Appendix 5.
- The Joint Working Group is disbanded and a new Joint Arrangements Steering Group is now set up and works to the Terms of Reference in Appendix 7 to oversee the implementation of the above recommendations.
- CDC and SNC both sign on 9th December the Section 113 agreement in Appendix 3 to allow them to share a senior management team (including all statutory officers) and three other posts in the way proposed.

Current and future partnership working

- SNC and CDC continue with their existing shared arrangements for service delivery with other local authorities, and these are reviewed either as they come up for renewal or as appropriate.
- Both councils look to build directly on the creation of a shared management team by extending partnership working, creating a confederation of local authorities and other public sector organisations (including health and police) which could collaborate in a model resembling a gateway contract or framework agreement for mutual benefit.

Future development of joint working

- CDC and SNC agree to consider in due course individual business cases for integrating posts at the tier below Service Heads, and teams below that.

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- Once SNC and CDC decide to consider service level business cases, they work towards a common set of terms and conditions for all staff below Service Heads so that these can be put in place early on.

Project review

- Both councils receive an interim update in September/October 2011 and a post project report in September 2012, reviewing the implementation of these recommendations.

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2.0 SUMMARY OF CHANGES TO FINAL BUSINESS CASE

2.1 In developing this final business case we have taken into account the comments from members, staff and unions at both councils. We point out through the document where we have made changes or provided additional explanation.

The main areas are:

The reasons behind the recommended shared structure of one Chief Executive, three Directors and 8 Heads of Service – In hindsight the draft business case did not make this clear and we have laid out our reasoning now in more detail (in paragraph 5.3)

Timetable -- We had proposed that the shared senior team should be in place by March and we are now proposing end September 2011. We are recommending that work to appoint the shared Chief Executive should start immediately after 8 December, assuming both councils decide to proceed. This is now an open recruitment process and will inevitably take longer to conclude. The timetable now assumes that Directors will be appointed in July /August 2011 and Heads of Service in September 2011.

Cross-county working – We have explored the challenges and opportunities of cross county working in more detail and lay these out in paragraph 4.14.

Capacity of officers in shared posts – We have explored these in more detail and lay these out in paragraph 5.3.

Ringfencing – we have revisited our thinking on which current post holders would be eligible to apply for which roles, reflected in paragraph 5.6.

Comprehensive Spending Review – the outcome of this and its likely consequences are covered in section 3.

Cultural differences – these are explored in paragraph 4.15.

Organisational changes and recent performance – the recent history of the restructuring activity and performance at both councils is covered in paragraphs 3.22 and 3.23.

Extended partnership working – Creating a Confederation – Recognition of the potential to develop opportunities with other authorities in the public sector, putting the two councils in a strong position to address anticipated future challenges, is covered in paragraphs 3.13 and 3.14.

3.0 BACKGROUND

- 3.1 In July 2010, the CDC Executive and SNC Cabinet agreed to explore the feasibility of sharing a senior management team in order to save costs and develop closer working practices. To this end, a Joint Working Group was set up to oversee the development and delivery of a detailed business case for the creation of a single senior management team (CEX, Directors and Heads of Service) to serve both CDC and SNC, and to present this to the CDC Executive and SNC Cabinet, and subsequently to both Council's full council meetings on 8 December 2010.

Financial challenges faced by both councils

- 3.2 Both SNC and CDC have successfully reduced their running costs in recent years by securing efficiencies and transforming services. Both have taken out costs and looked to find new income streams.
- 3.3 SNC revenue costs have increased slightly over the last 5 years from £11.2m in 2006/07 to £12.8m in 2010/11. This was due in part to a decision to invest in senior capacity (following stock transfer) in order to develop an outward facing, policy-led, advocacy organisation. The council has achieved this by making significant revenue savings and by increasing revenue income. The budget reliance on investment income has been significantly reduced, although the Council has achieved a 3% return on four packages totalling £20m which mature over the next three years. All of this has enabled the impact on frontline services to be kept to a minimum.
- 3.4 CDC has reduced its revenue costs by £5m (21%) in the last 4 years, from £23.5m in 2006/07 to a budget of £18.5m in 2010/11. Reductions in total staff costs have driven this almost entirely, reducing from £21.1m in 2006/07 to £16.7m in 2010/11. Only minor cuts have been made to services along the way. At the same time CDC has deliberately reduced its exposure to investment income, relying in 2010/11 on investment income for 6% of the revenue budget, compared to 30% in 2007/08.
- 3.5 But despite this good work, both councils face significant shortfalls in their Medium Term Financial Strategies (MTFS). Both councils have been working to three MTFS scenarios, which in turn project total shortfalls for 2011/12 to 2014/15. The shortfalls are significant for both councils although the detailed assumptions around cuts to formula grant, concessionary travel pressures and other issues are different. The table in the first draft of the business case has been augmented to include the potential impact of the Comprehensive Spending Review (CSR) announcements which were made on 20 October 2010.

	Cherwell	South Northants
Best case	£11.3m (assumed formula grant cut by 5% per year for 3 years)	£4.2m (assumed formula grant freeze)
Realistic case	£15.8m (assumed formula grant cut by 6.5% per year for 3 years)	£6.9m (assumed formula grant cut by 10% in 2011/12)
Updated position after CSR	£13.8m - £16.8m	£8.9m
Worst case	£16.8m (assumed formula grant cut by 20% over 2 years)	£10.3m (assumed formula grant cut by 6.5% per year for 3 years)

- 3.6 Cherwell project their medium term revenue plan over a four year period and therefore in order to ensure comparability the South Northants projections have been provided for the same period (rather than the normal five year period reported to the SNC Budget Working Group). The five year period figures would be £5.2m (optimistic), £8.6m (realistic), £11.6m (CSR updated) and £13.0m (pessimistic).
- 3.7 Additionally the South Northamptonshire figures do not incorporate the £1m reduction that full council agreed in June 2010. With the exception of the CSR updated position, the above figures would be reduced by £5m if these were incorporated (and the figures in the table by £4m).
- 3.8 The CSR updated position above would need to be adjusted by £4.4m (and the figures in the table by £3.5m as a result of due diligence on the £1m reduction now being complete and verifying this figure as £0.876m)
- 3.9 The Comprehensive Spending Review report on 20th October made it clear that local authorities are facing cuts of about 26% over the next 4 years. The table above reflects the impact the announcements at the national level have had on the medium term revenue plans for each council assuming the national position is reflected in the local settlements.
- 3.10 However, the local situation and the phasing of the cuts are still key issues. We still do not know the provisional formula grant settlements both councils will receive for 2011/12 onwards, although the detailed provisional information for each council will be issued by the DCLG in early December, with final settlement figures to follow in January. However, the frontloading of the cuts suggests we will be facing potentially greater cuts in 2011/12 than we had previously thought. Any further news on our provisional settlements will be presented to both councils on 8 December.

- 3.11 In seeking savings to date, both Councils have worked in partnership with other local authorities. SNC has a partnership with three other councils to prepare the Local Development Framework, which is the responsibility of the West Northamptonshire Joint Strategic Planning Committee supported by a Joint Planning Unit. It has a joint Community Partnership Unit (and a joint, statutory Community Safety Partnership) with Daventry District Council and also provides payroll services to DDC. It also works closely with Aylesbury Vale DC and Buckinghamshire CC on issues related to Silverstone Circuit, which straddles the districts' boundaries. CDC tendered and procured its internal audit services and its treasury management services jointly with Oxford City Council and is increasingly using the Oxford Procurement Hub to procure utilities and other services. Cherwell is currently sharing a S151 officer on an interim basis with SNC.
- 3.12 However, while both councils continue to pursue cost-saving opportunities with others where opportunities arise, the size of the potential shortfalls in both MTFs means a more strategic and more focussed approach to joint working is needed to make larger-scale opportunities possible, some of them in the short-term. In the meantime, neither council will need to undo any of these partnership arrangements. If CDC and SNC agree to share a senior management team it will be appropriate to review these as and when the right opportunities arise.

Extended Partnership Working – Creating a Confederation

- 3.13 This document is focussed on the business case for establishing a shared senior management team between CDC and SNC in accordance with the Joint Working Group's terms of reference. The shared Chief Executive will create a shared management team (Directors and Heads of Service), tasked with delivering the priorities of each sovereign council. This single officer core would have the potential to be the first stage in a process which could then be extended to develop opportunities with other authorities (including, but not limited to county, borough, district councils, health and police), adjacent and, possibly non-adjacent. This would put the two councils – via the shared officer core – in a strong position to address the anticipated challenges facing the public sector as a whole in the next few years.
- 3.14 In this way, the two originating organisations – CDC and SNC – would develop a model resembling a gateway contract or framework agreement, open for others to join in the future, creating a confederation of Authorities with a strong delivery focus and a strong policy drive at the core. This would provide critical mass and balance within the South East Midlands Local Economic Partnership.

Much more in common than our financial challenges

- 3.15 One of the widely recognised necessary starting points for successful joint working at the scale proposed is a degree of commonality between the councils and the districts they serve, allowing a shared group of officers to serve two different councils effectively and with sufficient common ground to open up the potential for efficiencies to flow from shared services.
- 3.16 SNC and CDC have a significant amount in common in terms of the districts we serve and our ambitions for service delivery and enhancing the quality of life of our residents. The following table provides a comparison between the two councils over a commonly used set of characteristics.

	Cherwell	South Northants
Land area	230 square miles	250 square miles
Current population	137,400	90,300
Population estimate (2031)	169,900	113,700
Number of Councillors	50	42
Staff (FTEs)	487	227
Revenue budget 2010/11	£18.5m	£12.1m
Spend per head of population	£134.47	£134.49
Spend per household	£315.24	£338.18
Band D Council Tax 2010/11	£123.50	£170.37

- 3.17 Although CDC's population is higher (the effect of Banbury), CDC's spend per head of population and household are almost identical and demonstrate that differences in revenue spend are driven by differences in population.
- 3.18 Differences in council tax levels have been driven by different approaches to council tax increases at the two councils. In recent years CDC has chosen to levy consistently a below-inflation increase, while SNC has chosen to maximise the amount of income being received through council tax. Information on council tax levels, annual and cumulative percentage increases are detailed for each authority in the tables below:

South Northamptonshire	2007-08	2008-09	2009-10	2010-11
Council Tax Increases (average Band D)	£150.31	£157.68	£165.41	£170.37
Net Increase % (+)/ Decrease (-)	4.90%	4.90%	4.90%	3.00%
Cumulative % Increase (+)/ Decrease (-)	4.90%	9.57%	14.03%	16.37%

Cherwell	2007-08	2008-09	2009-10	2010-11
Council Tax Increases (average Band D)	£118.45	£120.00	£123.50	£123.50
Net Increase % (+)/ Decrease (-)	3.00%	1.31%	2.92%	0.00%
Cumulative % Increase (+)/ Decrease (-)	3.00%	4.22%	7.08%	6.88%

3.19 Our strategic priorities are similar:

Cherwell	South Northants
<ul style="list-style-type: none"> ▪ Cherwell: A District of Opportunity ▪ A Cleaner, Greener Cherwell ▪ A Safe, Healthy Cherwell ▪ An Accessible, Value for Money Council 	<ul style="list-style-type: none"> ▪ Enhance performance ▪ Preserve what is special ▪ Protect the vulnerable

3.20 In particular, both councils are trying to manage significant housing growth with the infrastructure challenges this brings. South Northamptonshire is part of the Milton Keynes South Midlands (MKSM) area – the largest national growth area – and part of Cherwell (Bicester and the surrounding area) is included in one of the South East’s Diamonds for Growth. Both councils are part of the South East Midlands Local Enterprise Partnership (SEMLEP) which was given the green light by the coalition government in October.

3.21 Both councils have ambitions for delivering for our districts in ways which go beyond the usual remit of district councils, working with partners to deliver members’, residents’ and businesses priorities. Such work takes up significant staffing capacity which Leaders of both councils and the Joint Working Group would like to preserve for as long as possible.

For example:

Cherwell	South Northants
<ul style="list-style-type: none"> • Securing a flood alleviation scheme for Banbury • Delivering a national exemplar eco town at Bicester • Protecting maternity and paediatric services at the Horton Hospital in Banbury • Working to maintain the right fit between employers’ needs and local workforce skills – in good times and through recession 	<ul style="list-style-type: none"> • Helping shape the future of West Northamptonshire’s growth • Securing the future of Towcester by the Moat Lane regeneration scheme • Regenerating Brackley Town Centre – implementing the agreed Masterplan • Ensuring sustainable rural communities (Interim Rural Housing Strategy)

- 3.22 Both councils have undergone significant organisational change in the last few years.

South Northamptonshire

Since 2006-07 there have been two significant and linked organisational restructures.

Firstly, on the 17 March 2008 the council transferred its housing stock to a Registered Social Landlord (South Northants Homes) and with the transfer saw the vast majority of staff from the Housing and Property and Direct Services Divisions transfer to the new organisation under the TUPE arrangement. Approaching 100 members of staff transferred which represented almost 30% of the council's workforce.

In parallel to the stock transfer programme, which was led by the Chief Executive, the senior management team and members were considering an organisational review. This was the second restructure which became known as Organisation Design Review (ODR) and saw the organisation change into one organised into Directorates for:

- Policy
- Service Delivery
- Corporate Services and Community Engagement

The purpose of the review was for the council to become a 'policy led' and 'enabling' authority. To do this additional capacity was incorporated across the whole of the organisation and at every level and saw the creation of a number of new posts.

Cherwell

Cherwell District Council's pay bill has reduced from £21m in 2007/08 to £16.7m in 2010/11. This has been as a result of:

- A radical restructure in 2007/08 which redesigned the senior team structure and cascaded right through the organisation
- A further restructure of just the senior management team in 2009/10, which reduced the corporate team to the Chief Executive and two Directors and removed another Head of Service role
- The negotiated buy out of performance related pay
- A continuous (and continuing) programme of service by service value for money reviews which has systematically reduced the cost of services across the Council.

- 3.23 Both councils have focussed on improving their performance:

South Northamptonshire

South Northamptonshire was assessed as fair under the CPA arrangements in 2004 and chose not to seek a re-assessment when the Audit Commission invited Councils to do so in 2007.

Since 2004 its Use of Resources score had continually improved. Performance rose from being mediocre nationally and in the county to being the best in the county and in the top quartile nationally.

The Council had improved its performance from an overall score of 2 (adequate) in 2004-05 to an overall score of 3 (performing well) in 2007-08.

Organisational Assessment introduced a 'harder test' in 2008-09, SNC dropped to a score of 2. The Audit Commission indicated that in some areas it was performing close to level 3.

For the financial year 2009-10 the Audit Commission indicated that potentially the SNC score could increase to a level 3. However, with the announcement that the Commission would be abolished, all performance assessment work ceased before any formal position was arrived at.

Cherwell

Cherwell District Council was judged a CPA good council by the Audit Commission in 2004. In March 2009 Cherwell was judged, under CPA, to be an excellent council and secured the 7th highest score for any district council under CPA. Within this overall score CDC was awarded the maximum points available for both 'ambition' and 'achievement' in recognition of the entire organisation's aspirations for the district and excellent track-record in delivering promised outcomes.

In the one and only CAA assessment CDC scored an overall 3 (three 3s) for Use of Resources and 3 for managing performance. CDC lost out on an overall 4 at moderation with only 3 district councils scoring higher than CDC did.

Service and financial planning 2011/12

- 3.24 Both councils are now well advanced with their service and financial planning for 2011/12. Should both councils agree to put in place a shared management team, the 2011/12 savings from such a move would prevent some shorter-term cuts to services. It is unlikely that bringing the management teams together would remove the need for any other cuts. However, working together would open up options previously unavailable to either council and unavailable to each working on its own and would minimise reductions in front line services.

4.0 LESSONS FROM COUNCILS WHO ALREADY SHARE SENIOR MANAGEMENT TEAMS

- 4.1 The IDeA report *Shared chief executives and joint management: a model for the future*, published in October 2009, lays out the joint arrangements under which nine pairs of district councils (and one district and one county council) share a group of senior officers as well as some teams and under which all have achieved efficiencies. The report (attached as Appendix 9) demonstrates that safeguarding services though greater efficiencies is now the main motivation for pursuing joint management arrangements and shared services. It concludes that the benefits go beyond the financial savings to be made from taking the first step to move to one management team, to greater opportunities for efficiencies from shared services, savings from joint procurement and a higher profile for the pairs of councils who now represent between them combined populations of up to 250,000 people. The report is also clear that such savings are achievable much faster than they would otherwise be after the creation of one shared top team.
- 4.2 The same report includes a checklist of key factors to consider when thinking about shared management arrangements:
- Ensure no large cultural differences
 - There must be similarities in the areas covered by the councils
 - The communities need to have some similarities
 - Both councils must trust the chief executive
 - There must be clear and understood governance
 - Politicians must be able to trust and work with each other.
- 4.3 The Joint Working Group, and other elected members from both councils, invested significant time in understanding in detail the lessons to be learned from members and officers at other councils who have already trodden this path. We have visited/spoken to:
- South Oxfordshire and Vale of White Horse District Councils and spoken to both Leaders and one of the Directors
 - East Hampshire and Havant District Councils and spoken to one of the Leaders and the shared Chief Executive (the other Leader was ill on the day)
 - The shared Chief Executive of High Peak and Staffordshire Moorlands Borough Councils.
- 4.4 The notes of these three sessions, subsequently discussed in detail at meetings of the Joint Working Group, are detailed in Appendix 10 alongside the questions we used to explore issues at the first visit to South Oxfordshire and Vale of White Horse and built on during subsequent visits. We judge these to be the most important lessons we learned:

4.5 **Setting the direction**

- ***Sovereignty*** – is not compromised.
- ***Communications*** – cannot do enough with members, officers, unions and stakeholders. Keep messages clear and simple, and repeat the message as it will not always be heard or understood the first time. Be consistent. Use all media, email, face to face, letters, briefings etc.
- ***Trust and clarity*** – both groups of members must trust the shared Chief Executive, and be clear with him/her about their expectations and priorities. It is not essential that both councils are controlled by the same political group (South Oxfordshire and Vale of White Horse).
- ***Similar issues and priorities*** – both districts should have some common issues and concerns, requiring similar expertise in officers.
- ***Different priorities*** – can be recognised and respected – whether in the way resources are allocated or paid for, or in the way constitutions remain different and distinct.
- ***Shared S151s and Monitoring Officers*** – this works.

4.6 **Impact on structure**

- ***Harmonising terms and conditions*** – at the outset or after appointment of senior management team, both models are possible, although not harmonising in advance adds complexity in an already complex environment.
- ***Employing the shared management team*** – all officers employed by one organisation or employed by “home” (originating) organisation.

4.7 **The transition**

- ***Pace*** – once the proposal is agreed, it is important to move as quickly as possible in order to minimise uncertainty for officers.
- ***IT*** – this is crucial to efficient working from more than one location/base for officers, and it is essential compatible IT systems are in place in both organisations as early as possible.
- ***Appointing the shared management team*** – by a Joint Appointments Committee/Panel, comprising members from each organisation.
- ***Rigorous project management*** – ensures this complex series of inter-related initiatives are delivered on time and savings/efficiencies are realised.

4.8 **Financial issues**

- ***The savings*** – these are real and deliverable.
- ***Unexpected benefits/efficiencies*** – varying from single response to government consultations, to taking good practice from one organisation and transferring to other; streamlining procedures (helps officers working across two organisations) – BUT NOTE that this should not become the rule unless acceptable to members in both organisations.

4.9 **Impact on service delivery**

- ***Changing roles*** – members become more strategic, focussed on priorities; service managers have to take on more responsibility for delivering services as senior team's focus becomes more strategic.
- ***Sharing services with other organisations*** – some sharing arrangements were “monogamous”, some more mixed.

4.10 **Impact on members**

- ***Changing roles*** - members become more strategic, focussed on priorities

4.11 **Impact on staff**

- ***Sharing services*** – this is where the greatest on-going efficiencies are to be achieved, but officers and members have to be prepared to be innovative and think about services differently to deliver savings whilst maintaining (or improving) service levels. Heads of Service need to be appointed with clear expectation that they will prepare business cases for sharing services, and implement these cases if they are approved.

4.12 **Impact on partners and community**

- ***Residents*** – all agreed that residents in general are not concerned with shared management arrangements provided service levels are maintained and Council Tax levels/increases are low; being able to demonstrate overhead savings is a vote winner in the view of politicians.
- ***Impact on stakeholders*** – in some cases, other organisations had followed suit and joined up, e.g. Police Force Basic Command Units, Citizens Advice Bureaux and Local Strategic Partnerships in order to reduce duplication of meetings, consultations etc.

4.13 **With hindsight**

- ***Travel between sites*** – minimise by use of teleconferencing, telephone and email, otherwise can be very time-consuming to travel several times a day between sites.
- ***One way door*** – once shared management has been begun, there is no return – not only due to cost considerations, but also because it is successful in delivering efficiencies and protecting front line services.
- ***No regrets from anyone*** – and hearty recommendations to follow them all down this path.

4.14 In response to questions asked during the consultation on the draft business case we have sought to understand in more detail what specific challenges and/or advantages are presented by working across counties. We spoke again to Simon Baker, Chief Executive of Staffordshire Moorlands and High Peak Borough Councils who reported that:

- Cross-county/cross-regional working had not led to any problems for either district council, and there were some (but not strong) advantages.
- Cross-county working has not posed any real issues for partners. The two county councils had some initial worries, but these were soon resolved and by the time the two councils decided to work together were not issues.
- The two councils have not gained the benefit of the ‘strength of speaking for two’ within each county. But this has meant that the shared approach has been less of a threat to the two county councils than that presented by two districts in the same county working closely together.
- Joint working has had no effect on the two councils’ relationships with larger partners. Both councils have partners in both counties at a range of levels, from very local to cross-county. Both councils started out as respected partners in their respective partnerships, and that has not changed. They have kept their autonomy and continue to make local partnering arrangements to fit their respective priorities. There has been no change in the ability of the two councils to influence the achievement of their respective objectives via partnership working.
- In terms of the practicalities of reduced senior management capacity and whether it is sufficient, the fact is that the Chief Executive and Directors simply do not go to as many meetings as previously. The new Executive Team is ruthless about deciding who goes to what meeting – they simply prioritise and only go to critical things. The Executive Team back each other up so any one of them can substitute for the other

(which reflects current practice at SNC and CDC). There is more delegation to Heads of Service and from them to middle managers, which provides good career development for all managers.

- If Staffordshire Moorlands and High Peak Borough Councils were to enter into their shared arrangements again, they would do nothing differently in respect of cross-county working.
- 4.15 In light of the IDeAs report reference to ensuring “no large cultural differences,” we have reflected on how the shared senior management team, and in particular the shared Chief Executive, will need to work hard to counter any perception of one council “taking over” the other.

Each council aspires to deliver excellent services, and each organisation has an active “learning” culture. Both are Investors in People (IIP) compliant. The most recent reports highlight training and development strengths, as well as the fact that each organisation has been through a considerable change programme in the past three to four years.

Existing cultural differences across the organisations, whilst not huge, flow at least in part from the different leadership styles of the two current Chief Executives and the styles of the two Council Leaders and other Members. With the appointment of senior officers, the two organisations have the opportunity to discuss leadership style and culture with candidates, and ensure that in the future the best is taken from each, respecting the sovereignty and autonomy of each authority.

Conclusions

4.16 *Lessons learned*

- That councils who share management teams do retain their sovereignty, and elected members of such councils remain in charge of decision-making in their respective districts.
- That councils do share management teams successfully.
- That the theoretical savings have turned out to be real, and often greater than predicted.
- That shared officers do successfully serve two councils, even where the priority projects and policies remain different and where the two councils operate in two different counties (and former regions).
- That councils which share management teams do carry on working in other partnerships where appropriate.

5.0 POTENTIAL SHARED ROLES AND STRUCTURES

- 5.1 The terms of reference of the Joint Working Group in effect put 31 posts across SNC and CDC in scope. The current top-level structures at both councils are shown in Appendix 11.
- 5.2 It is proposed that CDC and SNC share a senior management team comprising twelve posts – a Chief Executive, three Directors, and eight Heads of Service. This level of resource is in line with other shared teams, and both current Chief Executives are of the view that this is the right level of resource going forward. Appendix 12 contains 3 illustrative shared senior management team structures.
- 5.3 In light of responses to the consultation we lay out in this final version of the business case more of our reasoning for the so-called ‘one, three, eight’ model.
- The ‘one, three, eight’ model has been arrived at by considering the experience of other councils with a shared Chief Executive. This is the model most frequently used by councils who together cover districts and populations comparable to the scale of those which will be covered by a management team shared between SNC and CDC. In each case this has been found to be an appropriate structure in terms of the number of posts and the capacity available to both councils. It has also made compelling financial sense elsewhere and does so in our case.
 - We consider that three Directors will be required to provide the senior management capacity to deliver the agendas of both councils effectively and to a high standard. Appointing fewer Directors for this first phase could lead to delays in implementing joint working across the two councils, and/or jeopardise the delivery of priorities and key strategic projects. Capacity of this order will be needed at this level in order to drive the transformation agenda, to deliver on priorities and ensure that the organisations work effectively together. This will be kept under review by the shared Chief Executive and members.
 - With eight Heads of Service (HoS), there will be a wide span of expertise across the broad responsibilities of the two Councils. Most, if not all, Heads of Service will have equal responsibilities across both councils. Again the number of HoS should be kept under review by the shared Chief Executive and senior Members.
 - During at least the first two years of the new arrangements, it will be essential to have sufficient transformational senior management capacity to drive through the changes in ways of working and to ensure that the efficiencies set out in the outline business case are delivered as a minimum.
 - In light of the consultation feedback we have spoken in further detail to South Oxfordshire and Vale of White Horse about the capacity of a

shared management team of this scale. It is clear from the discussion that there is some capacity to be gained by the removal of duplication between two similar jobs, but there are some other important drivers of increased capacity: the recruitment of the best people from the combined talent pool to shared posts; a robust approach by staff in the shared posts to prioritisation; and the fact that these shared posts are bigger roles with greater time commitment required from the staff in them.

- 5.4 It is proposed that the final structure for the senior management team is agreed by both councils only once the shared Chief Executive has been appointed. Once appointed the shared Chief Executive will work with the two Leaders and other leading members from both authorities to agree a detailed structure, using the 'one, three, eight' model as the starting point but with flexibility within the new budget for the shared management team laid out in this business case. The final structure will need to complement the shared Chief Executive's particular strengths and skills, as well as supporting the priorities of both councils.
- 5.5 It is proposed that a further three posts are shared by the two councils at this stage – to cover the functions of communications; corporate performance and programme management. These posts are being added now, as these roles are captured by the scope of the Joint Working Group's terms of reference and help deliver further savings.
- 5.6 The role of shared Chief Executive will be open to internal and external candidates simultaneously. The other fourteen new roles will be open only to the current holders of specific posts in both councils in order that both councils can fulfil their legal obligations to those members of staff they put at risk by putting in place a smaller shared management team. This process of 'ring-fencing' roles results in jobs being ring-fenced to officers already in broadly similar roles at an equivalent level. In this instance it results in three ring-fences and the following eligibility to apply for roles in the new structure:

	New shared posts	Current posts in ring-fence
Ring-fence 1	3 Directors	5 Directors (3 at SNC and 2 at CDC)
Ring-fence 2	8 Heads of Service	14 Heads of Service (4 at SNC and 9 at CDC as 1 CDC post is vacant and another will be by end March 2011) 2 SNC managers with responsibility for service planning, budget and team management (Waste Services Manager and IT & Customer Services Manager)
Ring-fence 3	3 Lead Officer posts	1 SNC Communications Manager; (CDC Communications Manager post is vacant) 1 SNC Corporate Performance Manager; 1 CDC Corporate Planning, Performance and Partnerships Manager 1 SNC Programme Manager; 2 CDC Improvement Project Managers

- 5.7 After the appointment of the shared Chief Executive, and confirmation of the final structure, all 26 staff remaining in scope (14 at CDC and 12 at SNC) will be consulted formally on the proposed structure and then asked to express interest in any of the roles for which they are eligible and/or voluntary redundancy on the basis that any requests for voluntary redundancy may not be accepted. This will potentially reduce the 'pool' at an early stage and facilitate contractual notice being issued earlier than may otherwise be possible, and therefore savings being realised earlier. Voluntary redundancies will only be accepted if the business case is robust both in terms of future service need and financial considerations.
- 5.8 In the event that an appointment or appointments are not made from the internal candidates across the two councils, additional redundancy payments and further recruitment costs will be payable. A contingency of £339,000 has been built into the business case to deal with these eventualities and any other unforeseen costs, should they arise.

Conclusions

Best structure

- 5.9 That SNC and CDC should share a senior management team comprising twelve posts – a Chief Executive, three Directors and eight Heads of Service – and, beyond the senior management team, three further posts.

6.0 COSTS AND BENEFITS

6.1 SNC and CDC together spend a total of £2,647,000 on their current, separate senior teams and other roles in scope:

	SNC		CDC		Total	
	Number	Cost £000s	Number	Cost £000s	Number	Cost £000s
Chief Executive	1	144	1	144	2	288
Directors	3	340	2	213	5	553
Heads of Service	4	381	11	878	15	1,259
Lead Officers	5	295	4	252	9	547
Total	13	1,160	18	1,487	31	2,647
		44%		56%		

Cost of new structure

6.2 The cost of the proposed new shared senior management team is £1,601,000. This represents a total annual saving of £1,046,000.

	Total	
	Number	Cost £000s
Chief Executive	1	157
Directors	3	371
Heads of Service	8	850
Lead Officers	3	223
Total	15	1,601

6.3 In arriving at the senior team costs we have made the worst case assumption that a 10% uplift is awarded to the highest salary at each tier across the two authorities in order to reflect the additional responsibilities taken on by the new postholders, and the fact that they will now be serving two authorities. Actual salaries will need to be set once posts have been established, either via external evaluation or through market testing.

6.4 In arriving at the cost of the other posts, we have assumed in the business case that successful candidates will be paid a joint working allowance of 10% above the highest current salary.

- 6.5 These posts are non-member appointments and would fall within the normal evaluation processes employed at each authority. The authorities currently have different evaluation schemes, and therefore further consideration is required in relation to assessing a fair salary for the job that reflects the additional responsibilities of the role, and is the same amount regardless of the authority the successful candidate comes from. The impact on the rest of the authority is also a relevant consideration at this level.
- 6.6 The concept of a joint working allowance is an interim arrangement to facilitate joint working below service head level ahead of harmonisation of pay scales and formal re-evaluations. It is a process used in other authorities to recognise the additional duties, responsibilities (and potentially travel) associated with joint working, and also to incentivise posts to ensure the joint organisation is able to attract and retain competent staff. It is particularly relevant in the CDC/SNC partnership because of the significant disparity in pay scales and pay structures.

To share costs or to share savings?

- 6.7 Detailed discussions with a range of local authorities revealed that we need to make a choice up front between sharing costs or savings, and that there are pros and cons for each.
- 6.8 If the costs of a shared senior management structure are shared then the savings made by each council will not be equal, as we currently spend different amounts on our senior management structures.
- 6.9 If the savings are shared then the costs of the new structure are not shared equally going forward. This could lead to an expectation from the authority funding the larger share of the costs that its members have the right to greater access to and attention from officers in the shared senior management team than the other authority.
- 6.10 Detailed discussions were held with the following authorities who already share senior management teams. Their arrangements are:
- South Oxfordshire and Vale of White Horse – share costs equally
 - High Peak and Staffordshire Moorlands – share costs equally
 - East Hampshire and Havant – share costs equally but will review the arrangement after 12 months
 - Adur and Worthing – share costs, but not equally. For example housing is apportioned 90:10 as one authority still has its housing stock.
 - Hambleton and Richmondshire – share costs, but not equally.

- Bromsgrove and Redditch – share costs equally with the exception of housing as one authority still has its housing stock.

In summary all the authorities we contacted share costs rather than savings.

- 6.11 We are proposing that the ongoing costs of the new shared senior management team are shared 50/50 between SNC and CDC, representing an annual saving of £360,000 for SNC and £686,000 for CDC.

One-off costs

- 6.12 The one-off costs of putting this shared team into place are estimated to be £1,384,000, although the final figures will depend on which members of staff are appointed to the new team and which are not.

One-off costs	£000s
Estimated termination payments (average)	647
Redundancy contingency (20%)	129
General contingency	339
Recruitment costs	155
Consultancy advice (HR/Legal etc.)	100
Training/outplacement support	14
Total estimated one-off costs	1,384

- 6.13 We propose that CDC should pay 60% of these one-off costs in light of its size relative to SNC and in order to secure broadly similar payback periods for both councils. These costs would be shared as follows:

- CDC £830,400
- SNC £553,600

Our respective external auditors have both confirmed that they have no problems with this.

- 6.14 These figures assume that both councils apply the statutory number of weeks (maximum 30) to redundancy calculations, which is now the policy at both CDC and SNC.

- 6.15 The costs of termination payments are difficult to estimate at this stage as we cannot predict the outcome of the recruitment process. The costs above are the average costs of termination payments at each tier across the authorities, multiplied by the number of posts that will be made redundant at each tier.

6.16 However, we can calculate the minimum and maximum costs of termination and these are included in the next table to arrive at best and worst case one-off costs. We continue to assume that an internal candidate will be appointed to each post and we retain the contingency figure of £339,000.

One-off costs	Best case £000s	Worst case £000s
Estimated termination payments (average)	205	1,158
Redundancy contingency (20%)	0	0
General contingency	343	266
Recruitment costs	155	155
Consultancy advice (HR/Legal etc.)	100	100
Training/outplacement support	14	14
Total estimated one-off costs	817	1,693
Share of one-off costs (60:40)		
CDC	490	1,016
SNC	327	677

Payback periods

6.17 The table below demonstrates the payback periods for the overall project and for each council in the best, average and worst case scenarios.

		Best case £000s	Average £000s	Worst case £000s
TOTAL PROJECT	One off costs	817	1,384	1,693
	Ongoing savings	1,046	1,046	1,046
	Payback period (years)	0.78	1.32	1.62
CDC	One off costs	490	830	1,016
	Ongoing savings	686	686	686
	Payback period (years)	0.71	1.21	1.48
SNC	One off costs	327	554	677
	Ongoing savings	360	360	360
	Payback period (years)	0.91	1.54	1.88

Balances

6.18 In considering a project such as this, members need to be mindful of the impact on the general fund balances of each council.

- 6.19 General fund balances are the 'contingency of last resort' for all councils and it is perfectly normal for one-off project costs to be funded from such balances. The financial modelling has considered the level of general fund balances held for each council and the impact the three best, average and worst case scenarios would have on them.

The results are summarised below:

	Best case £000s	Average £000s	Worst case £000s
Cherwell District Council			
General fund balances (31.03.10)	1,777	1,777	1,777
Estimated costs	490	830	1,016
General fund balances remaining	1,287	947	761
South Northamptonshire Council			
General fund balances (31.03.10)	2,539	2,539	2,539
Estimated costs	327	554	677
General fund balances remaining	2,212	1,985	1,862

- 6.20 Both SNC and CDC are also considering other cost reduction exercises which will also have one-off costs associated with them, and these also need to be considered as a draw on general fund balances. Possible costs for further phases of joint working will also draw on these balances.

It was announced in the Spending Review that DCLG will allocate up to £200m of additional capitalisation directions in 2011-12 only to allow councils to restructure their services - for example by capitalising redundancy costs. Both authorities will apply for such a direction at the appropriate time in order to protect dwindling revenue resources. If approved this will mean that capital receipts can be used to fund some, if not all, of the transitional costs.

- 6.21 In addition to their general balances CDC and SNC have the following earmarked reserves set aside for particular projects and potential liabilities:

- CDC earmarked reserves (31.03.10) £7.0m
- SNC earmarked reserves (31.03.10) £4.0m

- 6.22 These reserves can be un-earmarked at any time and transferred back to general fund balances if the liabilities they are covering diminish or if the projects they are held for are stopped, reduced or are underspent.

5-year view

6.23 The five-year cumulative impact of the savings and costs is summarised below. Total savings before implementation costs to SNC over the next five years total are potentially £1,800,000 and total savings to CDC in the same period total potentially £3,430,000.

5-year savings overview	SNC £000s	CDC £000s	Total £000s
Savings from shared senior management team and three other shared posts	1,800	3,430	5,230
Implementation costs – senior team plus three posts only (average cost estimate)	-554	-830	-1,384
5-year savings (estimate)	1,246	2,600	3,846

Other options considered and dismissed

6.24 The Joint Working Group have considered and dismissed the possibility of limiting the joint working to a shared Chief Executive. The value of the total annual savings is £131,580 and therefore not considered worthwhile.

6.25 The Joint Working Group have considered and dismissed the possibility of limiting the joint working to a shared Chief Executive and Directors. Although the total annual savings are £313,388, and higher than for just a shared Chief Executive, the value of these savings is still not considered worthwhile.

6.26 A regular theme in the consultation feedback was to do joint working but from the 'bottom up' rather than the 'top down'. Apart from this being outside the scope of the Joint Working Group's Terms of Reference, examples of this to date have proven that this is harder to achieve than a 'top down' approach.

Conclusions

6.27 *Financial benefits*

- That these fifteen proposed shared posts would cost a total of £1,601,000 compared to a total current cost of £2,647,000, representing a total annual saving of £1,046,000 on the councils' current costs.
- That CDC and SNC should share the *costs* of the fifteen shared posts and that they should share these costs 50/50 between the councils,

recognising that officers appointed to these roles will split their time equally between the two organisations. There will be an annual saving of £360,000 for SNC and £686,000 for CDC and cumulative 5-year savings of £1,800,000 for SNC and £3,430,000 for CDC.

- That the one-off costs of putting this shared team into place are estimated as £1,384,000 and that CDC should pay 60% of these in light of its size relative to SNC and in order to secure broadly similar payback periods for both councils. This represents costs to SNC of £553,600 and costs to CDC of £830,400, assuming average one-off costs and that all posts are filled internally.
- That these one-off costs would be paid back in 1.54 years to SNC in 1.21 years to CDC.
- That these one-off costs should include a contingency sum of £339,000.
- That in the worst case one-off costs would be £1,693,000, depending ultimately on which officers are appointed to the new roles. This worst case represents costs to SNC of £686,000 and costs to CDC of £1,016,000. The payback period to SNC is extended to 1.88 years and to 1.48 years to CDC, still comfortably inside the timeframe required by the Medium Term Financial Strategies of each council.
- That in both the average and worst case scenarios, the one-off costs are fundable from the balances and earmarked reserves of both councils.
- That it is assumed that both councils apply the statutory number of weeks (maximum 30) to redundancy calculations but that should the number of weeks' compensation awarded be greater than this, then the additional cost is borne by the relevant council and would impact on their payback period.

7.0 TIMING OF IMPLEMENTATION

7.1 The following timetable for appointments is proposed:

December 2010	Business case approved; shared Chief Executive job description and person specification agreed; recruitment of shared Chief Executive launched, supported by recruitment consultants
February 2011	Chief Executive appointed to start between 1 March and 1 June 2011
March – July 2011 (depending on the start date of shared Chief Executive)	Formal consultation on final shared senior management structure with affected group
By end July 2011 (may be earlier, depending on the start date of shared Chief Executive)	Approval of final structure and job descriptions and person specifications for Directors and Heads of Service
July/August 2011 (may be earlier, depending on the start date of shared Chief Executive)	Directors appointed
September 2011 (may be earlier, depending on the start date of shared Chief Executive)	Heads of Service appointed
October – November 2011 (may be earlier, depending on the start date of shared Chief Executive)	Job descriptions and person specifications for roles covering communications , corporate performance and programme management finalised and posts appointed

7.2 This is the Joint Working Group's preferred timetable as it:

- Retains the finalisation of the shared management structure until the new shared Chief Executive is in post, ensuring that she/he is accountable for the final structure and its success.
- Recognises the importance of moving as quickly as possible to remove the uncertainty faced by staff in affected posts.
- Taking the worst case timetable still secures significant savings in 2011/12 from the creation of a shared Chief Executive, Directors, Heads of Service and Lead Officers. These total £527,000 with the remaining £519,000 following in 2012-13. The total saving of £1,046,000 is consistent with the original business case.

The profile of savings can be split for each Council as follows:

- SNC
 - £194,000 in 2011-12
 - £166,000 in 2012-13

- CDC
 - £333,000 in 2011-12
 - £353,000 in 2012-13

7.3 The alternative would be to delay the Directors and Heads of Service appointments until the autumn but the Joint Working Group does not recommend this alternative.

Information Technology

7.4 We have heard from other councils how critical it is to get compatible IT arrangements in place across the two authorities as soon as possible. Technologies to facilitate the efficient operation of joint management arrangements will need be assessed and implemented as a priority – e-mail and diary management, remote file access, shared telephony etc. – with further opportunities to be identified through a review of IT projects currently underway in both councils.

7.5 In response to comments during the consultation both councils have already established a joint ICT Working Group, the terms of reference of which are included at Appendix 2. Establishing this group so early will also help both councils respond to the potential opportunity offered by the end of SNC's existing outsourcing contract with Capita at SNC in April 2012.

Conclusions

Pace

7.6 That this shared team should be put in place as quickly as possible.

8.0 LEGAL ARRANGEMENTS AND ARRANGEMENTS FOR MEMBER APPOINTMENTS TO SHARED SENIOR TEAM

- 8.1 Section 113 of the Local Government Act 1972 allows a local authority to place one or more of its staff at the disposal of another local authority to carry out the latter's functions. This is done by way of legal agreement known as a Section 113 agreement. These can be used to share single officers, management teams or entire departments. The agreement sets out such matters as what work the shared officers carry out for both councils, how they are appointed and who pays their wages and expenses. The agreement also deals with issues of dispute resolution and termination. The Joint Working Group is recommending a rolling arrangement as opposed to a fixed term but with an interim review in September/October 2011 and full reviews in year 2 and at 5 yearly intervals thereafter, with a right for either council to withdraw with six months notice following the unsuccessful resolution of any dispute.
- 8.2 Councils who already have shared management teams have used Section 113 agreements as the legal framework for joint working. They are tried and tested.
- 8.3 We recommend that both councils sign the Section 113 agreement attached as Appendix 3 immediately after the 8 December, assuming both councils agree to the proposed shared arrangements.
- 8.4 Arrangements are required to allow members of both councils to make appointments to joint posts and to deal with other matters relating to these joint posts. The councils would need to set up a joint committee of elected members to appoint the posts in the senior management team and another to deal with any appeals related to these posts.
- 8.5 The proposed terms of reference of a Joint Personnel Committee are laid out in Appendix 4. This Joint Personnel Committee will be in addition to the committees at both councils which deal with HR issues. This new committee will need to be convened immediately after 8 December to appoint and commission the recruitment consultants supporting the recruitment of the shared Chief Executive and up to three further times during January and February.
- 8.5 The proposed terms of reference of a Joint Appeals Committee are laid out in Appendix 5. This Joint Appeals Committee will be in addition to the committees at both councils which deal with appeals.

Conclusions

- 8.6 That a Section 113 agreement is the most appropriate mechanism to provide the legal framework for joint working and two new Joint Committees are required.

9.0 SUCCESS CRITERIA AND PROJECT RISKS

Success criteria

9.1 Both councils want to see the following from the project:

- Financial savings of sufficient scale achieved to prevent the need for substantial service cuts
- Front line services unaffected or improved for the same or reduced level of cost
- Corporate priorities achieved
- Partnerships performance unaffected or improved

Key projects delivered –

For SNC specifically:

- Moat Lane regeneration and potential relocation
- Affordable Choices
- Customer Service Improvement
- HS2 collaboration with action groups/mitigation

For CDC specifically:

- 'Eco Bicester'
- Bicester town centre development
- Banbury 'Brighter Futures'
- Banbury Cultural Quarter

For both councils:

- Hospital services (Horton Hospital, Brackley and Bicester hospitals)
- Local Development Frameworks.

Risk assessment

9.2 The Joint Working Group has developed a full project risk register including impact/probability scores, mitigating measures and responsibilities and this is detailed in full in Appendix 6.

9.3 The key risks are:

- Failing to secure member support for a shared management team
- Other projects suffer due to a lack of capacity.

9.4 Although these remain scored 'high' even after mitigation measures the Joint Working Group believes we should tolerate these risks at this level going forward, but continue to pay detailed attention to them.

Conclusions

Risks

- 9.5 That In light of the risk assessment and the extensive learning and advice from other councils, the benefits of CDC and SNC sharing a senior management team outweigh the risks, subject to the mitigating actions being implemented.

10.0 POTENTIAL FOR SAVINGS BEYOND THE SENIOR MANAGEMENT TEAM

Fourth tier savings

10.1 A piece of work has been carried out to consider the potential savings at the next tier of the organisation (the fourth tier). Indicatively this would bring a further 62 posts into scope as follows. The assumed costs and number of posts are based on the 2010-11 budget:

	South Northants		Cherwell		Total	
	Number	Cost £000s	Number	Cost £000s	Number	Cost £000s
Fourth tier posts	22	1,120	40	1,958	62	3,078

10.2 It is important to stress that the number of fourth tier posts in the new officer structure cannot be determined at this stage. If members so wished, this would follow on from the appointment of the senior management team but it is reasonable to anticipate that fewer 'middle managers' would be required.

10.3 The following analysis is provided to give an indication of savings for each authority (to add to the savings already laid out in this business case) if the middle management structure could be reduced by 15%, 20% and 25%. There should be no expectation that these savings are achievable at this stage.

	South Northants £000s	Cherwell £000s	Total £000s
Current cost	1,120	1,958	3,078
15% reduction in current costs	168	294	462
20% reduction in current costs	224	392	616
25% reduction in current costs	280	489	769

10.4 There are two further important points to make about the above analysis:

- To achieve the above we need to move away from a 50:50 cost sharing model for this level of the organisation, and the reductions would need to be on current costs. This approach is different to the approach applied to the senior management team but is reasonable as we move more into the operational areas where, broadly, Cherwell should be picking up a greater charge because they are a larger authority.

18 November 2010: Final business case for consideration by full councils on
8 December 2010

- There will be some middle management posts contained in the above analysis which will already be subject to possible deletion as a result of the budget proposals that are being worked up and evaluated at each authority.

Further savings

10.5 Savings beyond the fourth tier become increasingly hard to estimate. It is expected that there will be savings as teams and systems are brought together over time, but to estimate what these are likely to be at this stage is difficult and would require significant further work.

Conclusions

Potential further savings beyond the senior team

10.6 That savings at the tier below Service Head of 15-25% are probably achievable and could deliver a further annual savings ranging from £168,000 to £280,000 for SNC and a range of £294,000 to £489,000 for CDC. Assuming a 20% reduction in costs such action could deliver cumulative savings over five years of £1,120,000 to SNC (£224,000 per annum) and £1,960,000 to CDC (£392,000 per annum).

BUSINESS CASE

**from the Joint Working Group
for a shared senior management team
between**

**South Northamptonshire Council
and
Cherwell District Council**

18 November 2010

APPENDICES

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**CHERWELL/SNC JOINT MEMBER WORKING PARTY ON SHARED SENIOR
MANAGEMENT AND SERVICES
PROPOSED TERMS OF REFERENCE**

MEMBERSHIP

- 5 elected members from each council – 4 from each controlling group and one from each opposition group
- Substitute members to be appointed – 1 for each controlling group and one for each opposition group

OFFICER SUPPORT TO THE WORKING PARTY

- Two Chief Executives (or Directors as substitutes)
- Two Heads of Finance (and shared Section 151 Officer)
- Two Monitoring Officers
- Two Heads of Human Resources
- A dedicated and specifically identified Administrative Support Officer

OFFICERS/OTHERS TO BE CONSULTED BY THE WORKING PARTY

- Directors, Heads of Service and other officers as necessary
- Trade Union/staff representatives

OBJECTIVES

- Oversee the development and delivery of a detailed business case for the creation of a single senior management team (CEX, Directors and Heads of Service) to serve both Cherwell and SNC and present conclusions/recommendations to the Cherwell Executive and SNC Cabinet and both Councils
- Understand the benefits gained and lessons learned from three other pairs of District Councils which have already created a joint management team and present the findings/resulting recommendations to the Cherwell Executive and SNC Cabinet and both Councils
- Scope the financial baselines and potential savings to both Councils of extending the concept of shared teams to the level below Head of Service for 'back office' support services and present the findings/resulting recommendations to the Cherwell Executive and SNC Cabinet and both Councils
- Recommend a mechanism/formula for the allocation of associated costs and efficiencies across the two organisations
- Detail the risks to both Councils of taking this step and recommend mitigating actions to the Cherwell Executive and SNC Cabinet and both Councils
- Propose a communications plan to elected members in both councils, to staff in both councils, to media and (when appropriate) to residents in both Districts

QUORUM

The Working Party meetings will be considered quorate if three elected members from each council are present.

DECISION-MAKING POWERS

Decisions regarding the implementation of any recommendation rest separately with each Council.

METHOD OF APPROACH

The Working Party will convene every two weeks on an evening convenient to a majority of the Members. The first meeting is to be held in the week ending 16 July 2010. The meetings will alternate between Towcester and Banbury. Officers will facilitate a standard agenda for the meetings and maintain a record of decisions and actions, together with a risks and issues log which will be updated in time for each meeting.

INTERFACES & ASSUMPTIONS

There is a strong assumption that the product of the Working Party will interface with budget construction for both Councils for 2011/12 and the respective Medium Term Financial Strategies. A corollary of this is that care must be taken not to take separate (other) decisions about top tier(s) officer structures that might hamper or confuse the potential of this proposal while the Working Party is meeting to draw conclusions.

TIMETABLE

Week ending 16 July	Working Party to meet for the first time and agree workplan (officers to provide a draft workplan).
Mid September	Working Party members to report draft findings/recommendations to controlling and opposition groups
11 October	Formal reports to Cherwell Executive and SNC Cabinet
Late October/early November	Formal decisions made by both Councils

NOTE: This timeframe enables the results to be included in 2011/12 budget preparations and effectively allows any resulting recruitment/selection processes to be completed by the end of January 2011

30th June 2010

ICT Joint Working Group

Mandate

Business Case for Shared Senior Management Team

3.7 The transition

IT – this is crucial to efficient working from more than one location/base for officers, and it is essential compatible IT systems are in place in both organisations as early as possible.

CDC: Summary of the decisions taken at the meeting of the Executive held on 11 October 2010

3) Note the fourth recommendation of the CDC Executive from last night i.e. that in light of the concerns from the joint Overview and Scrutiny meeting that a joint IT working group be convened to look at the issues of technology integration, costs and savings that would be required should a shared management team be agreed.

Terms of reference

1. To identify technology required to facilitate efficient working form more than one location / base for officers.
2. To identify opportunities for harmonisation of ICT systems and infrastructure across the two organisations.

Workstreams

1- Facilitate efficient working

- Identify user requirements
 - Access communication at either site (email, DDI phone, post...)
 - Access stored documents at either site (MS office, google docs...)
 - Access key-systems at either site (Agresso, Monitor, Academy...)
 - Virtual meeting space (GoToMeeting, video conference....)
 - Contact authorities who have completed a similar exercise to discuss user requirements and lessons learnt.
- Assess suitability of systems in place
 - Ability to meet user requirements fully / adequately / inadequately

- Activity required to make suitable systems available (identify additional license / implementation cost, user training....)
- Assess additional systems required
 - Implementation timescale
 - Budgetary requirements – 5yr cost profile

2- Opportunities for harmonisation

- Map current technology architectures to identify common systems
- Map key projects / business plan activities to
 - identify shared needs and aspirations over the next 12 months
 - develop a coordinated approach to IT developments – where planned developments are shared and reviewed by this group
- Identify areas of strength and quality in each organisation
- Produce list of potential harmonisation projects.
 - Ranking criteria:
 - Significance of revenue saving
 - Potential to increase quality of service & user / customer satisfaction
 - Ability to enable further joint working
 - Budgetary requirements – 5yr cost profile
 - Implementation timescale
- Recommend harmonisation projects

3- Reporting Arrangements

- Report findings back to the Joint Arrangements Steering Group as appropriate

Membership

Sponsors:	Cllr McCord, David Price, Cllr Turner, Ian Davies
SRO:	Michael Shaw and Pat Simpson
Technology resource:	Tim Bartlett, Gareth Jones
Administrative resource:	Amanda Hulmes



DATED 9 December 2010

Agreement

between

(1) Cherwell District Council

and

(2) South Northamptonshire Council

An agreement under section 113 of the Local Government Act 1972 for the employment by the Councils of a shared senior management team and for the placing at the disposal of the one Council members of that team employed by the other for the purposes of their functions

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THIS AGREEMENT is made on the 9th day of December 2010
BETWEEN

(1) **Cherwell District Council** whose principal office is at Bodicote House
Bodicote Banbury Oxfordshire OX15 4AA (“Cherwell”)

and

(2) **South Northamptonshire Council** whose principal office is at Springfields
Towcester Northamptonshire NN12 6AE (“South Northamptonshire”)

1. Background

1.1 Section 113 (1) of the Local Government Act 1972 provides that a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter for the purposes of their functions, on such terms as may be provided by the agreement, of the services of officers employed by the former.

1.2 At their respective Executive and Cabinet meetings on July 12th 2010 the Councils decided by various resolutions to explore the creation of a shared senior management team for Cherwell and South Northamptonshire

1.3 At their meetings on 8th December 2010 the Councils resolved to enter into this Agreement and approve the creation of a shared senior management team for Cherwell and South Northamptonshire.

NOW IT IS HEREBY AGREED as follows

2. Definitions

In this Agreement the following terms shall have the following meanings

Term	Meaning
Chief Executive	the Chief Executive of the Councils initially to be appointed pursuant to sub clause 8.1
Clause	a Clause in this Agreement
Commencement Date	9 th December 2010
Council	Cherwell or South Northamptonshire as the case may be
Councils	both Cherwell and South Northamptonshire
Executive Arrangements	shall be construed in accordance with Part II of the Local Government Act 2000
Expenses	shall be interpreted in accordance with Clause 6
Intellectual Property Rights	all rights available for the protection of any discovery invention name design process or work in which copyright or any rights in the nature of copyright subsist and all patents copyrights registered designs

	design rights trade marks service marks and other forms of protection from time to time subsisting in relation to the same including the right to apply for any such protection and trade secrets and other unpublished information
The Joint Appeals Committee	the Joint Appeals Committee established by the resolutions of the Councils on 8 December 2010 to hear appeals from the Joint Personnel Committee
The Joint Arrangements Steering Group	the Joint Arrangements Steering Group established by the resolutions of the Councils on 8 December 2010
The Joint Committees	the Joint Appeals Committee, the Joint Arrangements Steering Group and the Joint Personnel Committee
The Joint Working Group	the Joint Working Group established by the Executive at Cherwell and the Cabinet at South Northamptonshire on 12 July 2010 to explore the creation of a shared senior management team
The Joint Personnel Committee	the Joint Personnel Committee established by the resolutions of the Councils on 8 December 2010
Legal Adviser	the Head of Legal and Democratic Services or equivalent officer of Cherwell and or the Head of Corporate Services or equivalent officer of South Northamptonshire
Monitoring Officer	the officer or officers appointed under section 5 of the Local Government and Housing Act 1989
Senior Officers	the Senior Officers employed within the Shared Senior Management Team
Shared Senior Management Team	the Shared Senior Management Team established by Clause 5
Section 151 Officer	the officer appointed under Section 151 of the Local Government Act 1972

3. Preliminary

3.1 This Agreement is made pursuant to

- (a) Sections 101 and 102 of the Local Government Act 1972 (delegation to joint committees);
- (b) Section 112 of the Local Government Act 1972 (duty to appoint officers);
- (c) Section 113 of the Local Government Act 1972 (power to place staff at the disposal of other local authorities);
- (d) Section 3 of the Local Government Act 1999 (duty to secure best value);
- (e) Section 2 of the Local Government Act 2000 (power to promote economic social and environmental well being)

- (f) Sections 14 and 20 of the Local Government Act 2000 and The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000/2851 (joint arrangements for the exercise of executive functions)

and all other enabling powers.

- 3.2 This Agreement has been entered into by the Councils by virtue of the resolution of the Councils of the 8th December 2010.
- 3.3 This Agreement shall commence on the Commencement Date and shall only be terminated pursuant to the provisions of Clause 7.

4. The Joint Committees

- 4.1 The Councils have established the Joint Committees.
- 4.2 The Joint Arrangements Steering Group shall have the terms of reference agreed by the Councils on 8th December 2010 or such other amended terms of reference as they may recommend to the Councils and as the Councils shall approve.
- 4.3 The Joint Arrangements Steering Group shall not be a formal joint committee within the meaning of the Local Government Acts unless and until resolved otherwise.
- 4.4 The Joint Personnel Committee shall have the terms of reference agreed by the Councils on 8th December 2010 shall be a joint committee within the meaning of section 101 (5) of the Local Government Act 1972 and shall be politically balanced for each Council in accordance with Part I of the Local Government & Housing Act 1989.
- 4.5 The Joint Appeals Committee shall have the terms of reference agreed by the Councils on 8th December 2010 shall be a joint committee within the meaning of section 101 (5) of the Local Government Act 1972 and shall be politically balanced for each Council in accordance with Part I of the Local Government & Housing Act 1989.
- 4.6 The Joint Personnel Committee and the Joint Appeals Committee shall be serviced by Cherwell in accordance with its constitution and the Joint Arrangements Steering Group shall be serviced by South Northamptonshire in accordance with its constitution unless otherwise agreed in writing between the Councils and where there is any conflict with the terms of this Agreement then this Agreement shall prevail. The ongoing arrangements for the management and administration of the Joint Committees will be considered as part of the first review referred to in sub-clause 7.9 below.
- 4.7 Notwithstanding Clause 6 (Expenses) below each Council shall meet any cost that they incur arising from meetings of the Joint Committees.
- 4.8 The Joint Committees shall take into account advice from the Senior Officers and officers of the Councils.

- 4.9 The Joint Arrangements Steering Group shall meet on at least four occasions a year. One of those meetings shall be scheduled to ensure that any proposed salary budgets can be properly and fully considered by each of the Councils as part of their respective budget-making processes.
- 4.10 The Joint Personnel Committee shall meet on at least one occasion each year.
- 4.11 The Joint Appeals Committee shall meet as and when required to hear any appeals from the Joint Personnel Committee.
- 4.12 Where decisions are taken by the Joint Committees the following principles and conditions shall apply:
- (a) the Joint Committees shall have proper regard to any relevant resolution of one Council provided that such resolution is not to the detriment of the other Council;
 - (b) the Joint Committees shall satisfy themselves that any inter Council consultation has been carried out;
 - (c) the taking of decisions shall be subject to there being appropriate and adequate budgetary provision by the Councils;
 - (d) any decision which could have legal implications shall be taken in consultation with the respective Legal Adviser;
 - (e) any decision which could have financial implications shall be taken in consultation with the Section 151 Officer;
 - (f) any decision which could involve the exercise by the Monitoring Officer of any of his or her powers shall be taken in consultation with him or her or in his or her absence the Deputy Monitoring Officer.
- 4.13 The Joint Committees shall not be bodies corporate or have the functions of acquiring or holding assets employing staff or entering into contracts.

5. The Shared Senior Management Team and the application of section 113 of the Local Government Act 1972

- 5.1 The Councils hereby establish the Shared Senior Management Team which shall include the Chief Executive and such other Senior Officers as the Councils may agree and any other Senior Officers shall be statutory non statutory or deputy chief officers within the meaning of section 2 of the Local Government and Housing Act 1989 PROVIDED ALWAYS that the Councils may also appoint deputy chief officers who are not members of the Shared Senior Management Team.
- 5.2 The Senior Officers may be employed by either one of the Councils and having been so employed shall forthwith be placed at the disposal of the Council who is not their employer.
- 5.3 For superannuation purposes service rendered by an officer of one of the Councils whose services are placed at the disposal of the other in pursuance

of section 113 of the Local Government Act 1972 and hence in pursuance of this Agreement is service rendered to the Council by whom he is employed but any such officer shall be treated for the purposes of any enactment relating to the discharge of functions as an officer of the other Council and Senior Officers may act and shall have powers to act under the constitutions of the Councils.

- 5.4 The Senior Officers shall divide their time fairly and reasonably between the Councils and shall not show bias towards one Council vis-à-vis the other. The Chief Executive will use reasonable endeavours to achieve in as timely a way as is practicable a position where each Senior Officer's time is divided between the Councils on as equal a basis as possible.
- 5.5 The Chief Executive shall be the shared Head of Paid Service in respect of the workforce of the Councils.
- 5.6 By August 2011 or by such other date as may be resolved by the Councils the Councils shall appoint Senior Officers to fill the posts of Directors and by September 2011 or by such other date as may be resolved by the Councils Heads of Service within the Shared Senior Management Team serving the Councils by arrangements drawn up by the Head of Paid Service and put to the Joint Arrangements Steering Group and confirmed by the Councils.
- 5.7 The Joint Arrangements Steering Group shall establish protocols to deal with (1) conflicts of interests of individual officers in the Shared Senior Management Team and (2) the roles of individual officers in the Shared Senior Management Team in providing advice to the Councils jointly and separately by no later than six months after the Commencement Date.

6. Expenses

- 6.1 The one-off costs including redundancy and associated pension costs, arising from the creation of the Shared Senior Management Team shall be apportioned in the ratio 60 (sixty) percent Cherwell /40 (forty) per cent South Northamptonshire which reflects the maximum financial risk to which each Council is exposed.
- 6.2 The ongoing salary and on-costs superannuation training travel and incidental costs of the Shared Senior Management Team and the costs incurred in managing the Joint Committees shall be apportioned equally between the Councils unless there are material factors that dictate that a different apportionment is appropriate in any particular financial year.
- 6.3 Any proposal to apportion or share on-going costs other than on an equal shares basis in a particular year shall only be made following a resolution of each Council's Executive and Cabinet respectively on the recommendation of the Joint Arrangements Steering Group and in the case of an apportionment that is a departure from the budget set by either Council that cannot be approved at Executive or Cabinet only by way of a decision at full Council.
- 6.4 The Section 151 Officer shall account to each of the Councils annually regarding the expenses of the Shared Senior Management Team by not later

than 30th June following the end of the relevant financial year and shall render valid VAT invoices accordingly.

- 6.5 Costs incurred in the event of termination shall be apportioned in accordance with Clause 7 below.

7. Termination and Review

- 7.1 This Agreement shall continue unless terminated in accordance with this Clause 7 PROVIDED ALWAYS THAT the provisions of this Clause 7 shall be subject to any other provision of this Agreement extending financial liability beyond termination.

- 7.2 Subject always to the other sub paragraphs of this Clause 7 this Agreement may be terminated either:

(a) unilaterally by one Council by resolution of its full Council: or

(b) by agreement by both Councils by resolutions of their respective full Councils on the recommendation of one of the Joint Committees.

- 7.3 Where one of the Councils proposes to withdraw from the Agreement pursuant to Clause 7.2(a) for whatever reason that Council shall invoke the informal dispute resolution process set out in Clause 10. If that informal process is not successful the Council wishing to withdraw shall prepare a report to the Joint Arrangements Steering Group setting out its reasons. If the Joint Arrangements Steering Group acting reasonably cannot remedy the problem and such remedy may include invoking Clause 10 (Dispute Resolution) below within a reasonable time to the reasonable satisfaction of the Council proposing to withdraw then the Council proposing to withdraw shall be at liberty acting always under its constitution to withdraw from this Agreement.

- 7.4. Where the reasons for the proposed withdrawal involve a proposal by an employing Council to suspend dismiss or discipline a Senior Officer and either the Joint Personnel Committee or the Joint Appeals Committee or both of them acting reasonably cannot remedy the problem within a reasonable time to the reasonable satisfaction of the Council proposing to withdraw and such remedy may include invoking Clause 10 (Dispute Resolution) below then the employing Council shall be at liberty acting always under its constitution to suspend dismiss or discipline and withdraw from this Agreement.

- 7.5 Where the reasons for the proposed withdrawal involve a proposal by a Council to suspend dismiss or discipline a particular member of the other Council's staff and the Joint Arrangements Steering Group acting reasonably cannot remedy the problem within a reasonable time to the reasonable satisfaction of the Council proposing to withdraw and such remedy may include invoking Clause 10 (Dispute Resolution) then the Council so proposing shall be at liberty acting always under its constitution to withdraw from this Agreement.

- 7.6 Where either of the Councils terminates or withdraws from this Agreement it shall do so by giving to the other not less than six months' prior written notice

and such a decision to terminate or withdraw may only be made by the relevant Council acting by its full Council.

- 7.7 In the event of a termination for any reason the Councils shall:
- (a) co-operate in terminating modifying restructuring assigning or novating contractual arrangements entered into to mutual advantage and properly and timeously execute any documents necessary;
 - (b) use best endeavours to secure an amicable financial settlement;
 - (c) immediately transfer or return any property including data belonging to the other Council;
 - (d) ensure that each Council is allocated a fair and reasonable proportion of the members of the Shared Senior Management Team subject to any necessary actions being taken as required by employment law or by the policies of the transferring council so that (1) each Council can maintain continuity in the provision of its services at the same level of effectiveness and efficiency as if this Agreement had not been terminated and (2) they become employed by the Council to which they are transferred.
- 7.8 In the event of a termination however and whenever occurring the costs consequential upon such termination including costs of recruitment selection administration but not salary costs after the date of termination shall be apportioned equally between the Councils and each Council shall indemnify and keep indemnified the other Council in respect of that Council's share from and against any actions and causes of action claims demands proceedings damages losses costs charges and expenses whatsoever arising from or in connection with such early termination or withdrawal and such indemnity shall continue after the termination of this Agreement.
- 7.9 The Councils may review and seek to amend this Agreement from time to time and in any event shall carry out a review as to the efficacy and relevance of its terms after the first anniversary of the Commencement Date and any changes agreed shall come into effect on the second anniversary of the Commencement Date. Thereafter the Councils shall carry out further reviews at least every five years unless otherwise agreed with the date of the next following review being fixed as part of the initial review referred to above. All changes arising upon such reviews shall only take effect upon the completion and sealing of a formal amending Agreement.
- 7.10 No deletion, addition or modification to this Agreement shall be valid unless agreed in writing and sealed by the Councils.
- 8. Head of Paid Service: Application of section 4 of the Local Government and Housing Act 1989**
- 8.1 The Chief Executive will be appointed Head of Paid Service by the Councils at meetings to be held by the end of February 2011 or by such other dates as may be resolved by the Councils on the recommendation of the Joint Personnel Committee.

- 8.2 The Councils shall provide that officer with such staff accommodation and other resources as are in his or her opinion sufficient to allow his or her duties to be performed.
- 8.3 It shall be the duty of the Head of Paid Service where he or she considers it appropriate to do so in respect of any proposals of his or hers with respect to any of the matters specified in Clause 9.4 below to prepare a report to either one or both of the Councils setting out his or her proposals.
- 8.4. These matters are:
- (a) the manner in which the discharge by either one or both of the Councils of their different functions is co-ordinated;
 - (b) the number and grades of staff required by the Councils for the discharge of their functions;
 - (c) the organisation of the staff of the Councils; and
 - (d) the appointment and proper management of the staff of the Councils.
- 8.5 It shall be the duty of the Head of Paid Service as soon as practicable after he or she has prepared such a report to arrange for a copy of it to be sent to each member of either one or both of the Councils as appropriate.
- 8.6 It shall be the duty of each of the Councils separately to consider any such report by the Head of Paid Service at a meeting held not more than three months after copies of the report are first sent to members of one or both of the Councils.

9. Head of Paid Service: Supplementary

- 9.1 Without prejudice to Clause 8 above it shall be the duty of the Head of Paid Service to ensure that all members (and non-Executive members in particular) have such access to and support from all officers of their Council and in particular to the Head of Paid Service and Shared Senior Management Team as they may reasonably expect.
- 9.2 Without prejudice to Clause 8 above the duties of the Head of Paid Service shall include advising the Joint Committees and the respective Executive and Cabinet of each Council in respect of executive functions within the meaning of the Local Authorities (Functions and Responsibilities) Regulations 2000 (as amended) or the full Council or relevant committee of each Council in respect of non executive functions within the meaning of the said regulations and the duty of the Head of Paid Service to advise the Councils shall include but not be limited to providing advice on:
- (a) The structure of the Shared Senior Management Team of the Councils;
 - (b) The host employer for each post;
 - (c) Performance management of the Shared Senior Management Team.

10. Dispute Resolution

- 10.1 In the event of a dispute concerning the construction or effect of this Agreement and/or one of the Councils is proposing to withdraw from this Agreement there shall initially be an informal dispute resolution process which involves reference of the matter to the respective Leaders of the Council (or Deputy Leaders in the absence of the Leader) who shall meet to try and resolve the dispute within fifteen working days of the referral. If such informal dispute resolution is unsuccessful then the dispute will be referred to the Joint Arrangements Steering Group which will consider whether to make recommendations to each Council and the matter may be referred by the Joint Arrangements Steering Group to the respective Leaders (or Deputy Leaders in absence) of the Councils in consultation with the Chief Executive and such other Senior Officers as are appropriate who shall take all reasonable steps to conciliate and resolve such dispute or difference whether by negotiation, mediation or any other form of dispute resolution procedures (with a view to resolution by discussion and negotiation).
- 10.2 In the event that a matter in dispute cannot be resolved under Clause 10.1 above the matter may be referred to an arbitrator under Clause 10.3 below.
- 10.3 The arbitrator shall be appointed with the agreement of the Councils or in the event that agreement cannot be reached by the President or other chief officer of The Chartered Institute of Arbitrators or such other professional body appropriate to the matter in dispute (such body to be determined by the Chief Executive).
- 10.4 The resolution of unresolved disputes in respect of the expenses of any Joint Committee to which section 103(b) the Local Government Act 1972 applies shall be determined in accordance with that section by a single arbitrator agreed on by the Councils or in default of agreement appointed by the Secretary of State.
- 10.5 For the avoidance of doubt this Clause shall remain in effect after the termination of this Agreement to confer powers on the Councils to resolve matters remaining in dispute.

11. No Fetter of Discretion

- 11.1 Nothing in this Agreement shall fetter the discretion of the Councils.

12. Liabilities

- 12.1 The Councils shall be jointly and severally liable to any third parties in respect of all actions and causes of action claims demands proceedings damages losses costs charges and expenses directly arising from this Agreement. Each Council shall indemnify and keep indemnified the other Council from and against the extent of the indemnifying Council's liability for any actions and causes of action claims demands proceedings damages losses costs charges and expenses directly arising from or in connection with this Agreement and such liability and indemnity shall continue after the termination of this Agreement.

- 12.2 Each Council shall ensure that it has all appropriate insurances relating to public liability employee liability professional indemnity and Member indemnity to cover any liabilities arising under this Agreement. The Councils will use their reasonable endeavours to ensure that their respective insurance arrangements are mutually comparable as soon after the Commencement Date as practicable.
- 12.3 Each Council shall notify its insurer or insurers of the fact that it has entered into the Agreement and shall pay such adjusted premiums as arise therefrom to ensure continuation of its prior insurance cover.

13. Intellectual Property Rights

- 13.1 Each Council shall remain the owner of all intellectual property rights it owns at the date of this Agreement in any materials which it has created or the creation of which was undertaken by a third party which it commissioned to create those materials.
- 13.2 Any new material created jointly by the Councils in the course of provision of the Shared Senior Management Team shall belong to the Councils jointly.
- 13.3 Each Council hereby grants a licence to the other to use its intellectual property rights incorporated in or appearing from the materials referred to in clauses 13.1 and 13.2 for the purposes of the performance of this Agreement.

14. Notices

- 14.1 Any notice to be served under this Agreement shall be valid and effective if it is addressed to the Chief Executive and delivered by e-mail fax prepaid recorded delivery post or delivered by hand to the other Council's principal office.

15. Rights and Duties Reserved

- 15.1 Nothing in this Agreement shall prejudice or fetter the proper exercise of any function by the Councils or their officers.

16. Legal and other Fees

- 16.1 Each Council shall bear its own legal and other fees in relation to the preparation and completion of this Agreement.

17. Provision of Relevant Information

- 17.1 Each Council shall make available to the other such information which each Council may from time to time reasonably require which is relevant to and/or improves the efficacy of this Agreement.
- 17.2 Without prejudice to any provision in this Agreement requiring the keeping of records the supply of statistics or the provision of information the Councils

shall keep such other records and details of or concerning the Shared Senior Management Team or their performance as the Councils may require and shall produce or provide to the other copies whether kept electronically or in paper format of such accounts invoices orders contracts receipts statistics and other information or documents touching or concerning or arising from this Agreement or their performance under this Agreement when and in such form as each Council may reasonably require.

- 17.3 Without prejudice to any provision in this Agreement the Councils shall keep and maintain all necessary information and shall provide all necessary assistance to enable each Council to complete all necessary official returns or statistics related to this Agreement.
- 17.4 The Councils shall supply each other with such assistance and information as each Council may require to enable it to allocate such expenditure as each Council may incur under this Agreement.

18. Audit

- 18.1 Each Council's external and internal auditors (whether in house or outsourced) shall have in respect of the other Council the like powers set out in Part II of the Audit Commission Act 1998 in so far as their exercise is relevant to this Agreement. Each Council shall at all reasonable times (including following the termination for whatever reason of this Agreement) allow or procure for any auditor for the purposes of an external or internal audit immediate access to and permission to copy and remove any copies of and permission to remove the originals of any books records and information in the possession or control of either Council which in any way relates to or are or were used in connection with this Agreement including (but without limitation) any of each Council's data and any such information stored on a computer system operated by a contractor servant or agent of the other Council.
- 18.2 Each Council will provide all practicable co-operation and afford all appropriate access to personnel and records in order to assist the requesting Council in carrying out any investigations which are already under way at the Commencement Date and to which this Agreement is relevant and any investigations which are carried out after the termination of this Agreement to which it is relevant.

19. Partnership

- 19.1 Nothing in this Agreement shall be construed as establishing or implying any legal partnership or joint venture between the Councils.

20. Anti-Corruption

- 20.1 Either Council may cancel this Agreement at any time and recover from the other the amount of any loss resulting from such cancellation if any of the following apply:-

- (a) the other Council has offered or given or agreed to give to any person any gift or consideration as an inducement or reward (1) for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the Agreement or any other contract with the Council (2) for showing or forbearing to show favour or disfavour to any person in relation to the Agreement or any other contract with the Council;
- (b) any person employed by or acting on behalf of the other Council (whether with or without the other Council's knowledge or consent) acts in a similar manner to that set out in sub Clause (a) above;
- (c) in relation to any contract or potential contract with the Council the other Council or any person employed by or acting on behalf of the other Council shall have committed any offence under the Prevention of Corruption Acts 1889 to 1916 or any amendment or replacement of them or shall have given any fee or reward the receipt of which is an offence under Sub Section (2) of Section 117 of the Local Government Act 1972.

21. Discrimination

- 21.1 The Councils shall not unlawfully discriminate within the meaning and scope of the provisions of the Equal Pay Act 1970 (as amended) the Race Relations Act 1976 the Sex Discrimination Act 1975 and 1986 or the Disability Discrimination Act 1995 Gender Recognition Act 2004 Equality Act 2006 and any other legislation prohibiting discrimination on any grounds whatsoever. The Councils shall take all reasonable steps to secure the observance of these provisions and any statutory provisions amending or replacing the same by its employees in the performance of the Agreement. The Councils shall indemnify and or keep indemnified each other against all actions and causes of action claims demands proceedings damages losses costs charges and expenses whatsoever in respect of any breach by the one Council of this Clause and such indemnity shall continue after the termination of this Agreement.

22. Human Rights

- 22.1 The Councils in the performance of this Agreement shall comply with the provisions of the Human Rights Act 1998 in all respects as if the Joint Committees were public bodies within the meaning of the Act. The Councils shall indemnify and or keep indemnified each other against all actions and causes of action claims demands proceedings damages losses costs charges and expenses whatsoever in respect of any breach by the one Council of this Clause and such indemnity shall continue after the termination of this Agreement.

23. Freedom of Information

23.1 It is agreed that the Councils are subject to the provisions of the Freedom of Information Act 2000. Each waives all claims of commercial or other confidentiality in respect of this Agreement.

24. Survival of this Agreement

24.1 In so far as any of the rights and powers of the Councils provided for in this Agreement shall or may be exercised or exercisable after the termination of this Agreement the provisions of this Agreement conferring such rights and powers shall survive and remain in full force and effect notwithstanding such termination.

24.2 In so far as any of the obligations of the Councils provided for in this Agreement remain to be discharged after the termination of this Agreement the provisions of this Agreement imposing such obligations shall survive and remain in full force and effect notwithstanding such termination.

25. Whole Agreement

25.1 This Agreement constitutes the whole agreement and understanding of the Councils as to its subject matter and there are no prior or contemporaneous agreements between the Councils.

26. Waiver

26.1 Failure by either Council at any time to enforce any provision of this Agreement or to require performance by the other or others of any of the provisions of this Agreement shall not be construed as a waiver of any such provisions and shall not affect the validity of this Agreement or any part or the right of that party to enforce any terms and provision of this Agreement.

27. Severance

27.1 If any term or provision of this Agreement shall in whole or in part become or shall be declared by any court of competent jurisdiction to be invalid or unenforceable in any way such invalidity or unenforceability shall in no way impair or affect any other term or provision all of which shall remain in full force and effect.

28. Headings

28.1 Headings contained in this Agreement are for reference purposes only and shall not affect the validity or construction of this Agreement.

29. Governing Law

29.1 This Agreement shall be governed by and interpreted in accordance with English law and the Councils submit to the exclusive jurisdiction of the English courts.

30. Contracts (Rights of Third Parties) Act 1999

30.1 The Councils do not intend that any term of this Agreement should be enforceable by any third party as provided by the Contracts (Rights of Third Parties) Act 1999.

31. Non-assignment

31.1 Neither of the Councils shall be entitled to assign this Agreement or any of its rights and obligations under it without the written consent of the other (which consent the other Council may in its absolute discretion withhold unless such assignment is being imposed by legislation).

32. Disruption

32.1 The Councils shall take reasonable care to ensure that in the execution of this Agreement it does not disrupt the operations of the other Council its employees or any other third party.

33. Health and Safety

33.1 Each Council shall promptly notify the other of any health and safety hazards which may arise in connection with the performance of this Agreement and shall promptly notify each other of any health and safety hazards which may exist or arise at a Council's premises and which may affect the performance of this Agreement.

33.2 While on the Councils' premises, the Shared Senior Management Team shall comply with any health and safety measures implemented by the relevant Council in respect of employees and other persons working on those premises.

33.3 Each Council shall notify the other immediately in the event of any incident occurring in the performance of this Agreement on the Council's premises where that incident causes any personal injury or damage to property which could give rise to personal injury.

33.4 The Councils shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on Council premises in the performance of this Agreement.

33.5 The Councils shall ensure that their health and safety policy statements (as required by the Health and Safety at Work etc Act 1974) are made available to each other on request.

IN WITNESS of which this Agreement has been executed as a Deed on the first day before written

EXECUTED AS A DEED by affixing
The Common Seal of Cherwell
District Council
in the presence of:

Authorised Signatory

The Common Seal of
South Northamptonshire Council
was fixed here In the presence of:

Head of Corporate Services

Cherwell District Council and South Northamptonshire Council Joint Personnel Committee — Terms of Reference

Joint Committees; legal framework

Under Local Government Act 1972 s.101 (5) two or more local authorities may appoint a joint committee to discharge any of their functions that are not reserved for the sole decision of a single authority in legislation. The Joint Committee can authorise an officer employed by either authority to act on its behalf. Whilst it is envisaged that the majority of daily business and processes such as recruitment, personnel and appeals will be carried out under each employing authority's decision making processes, there are a few functions which are best delivered through joint arrangements.

It is therefore proposed that a joint committee be established to interview all Chief Executive, Strategic Director and Head of Service applicants, recommend the appointment of the Head of Paid Service to both councils for approval (a legal requirement) and appoint Strategic Directors and Heads of Service. The Committee would also have the power to suspend a statutory officer in the event of a misconduct allegation needing to be investigated, appoint the necessary independent person and appoint a sub committee for the Chief Executive's and Directors appraisal.

Additionally, although it is highly unlikely to be used, it is recommended that a Joint Appeals Committee be established to hear and determine any appeals by, or grievance appeals against, the Head of Paid Service (Chief Executive) and be the investigating committee for the purpose of disciplinary action in the case of an officer covered by the terms and conditions for Chief Executives and Chief Officers.

Joint Personnel Committee – Cherwell District Council and South Northamptonshire Council

Area: The Joint Committee shall exercise its authority for the areas comprising of Cherwell District Council and South Northamptonshire Council

Membership: The committee shall be comprised of 10 councillors, 5 from Cherwell District Council and 5 from South Northamptonshire Council with 3 named substitutes from each authority. All councillors including substitutes will receive appropriate training before they can participate as a Committee member.

Quorum: will be 3 Members from each authority.

Chairman: the Chairman and Vice Chairman will be elected by the committee and will be representative of each authority.

Decision making: decision will be by a majority of Members of the committee present and voting.

Terms of Reference

- To act as the interviewing panel for the Head of Paid Service (Chief Executive), making recommendations to both councils for formal appointment.
- To act as the interviewing panel and appoint Strategic Directors and Heads of Service (NB. Anyone involved in the decision for a particular post must be present throughout the entire interview process).
- To appoint the designated independent person where a complaint of misconduct requires it to be investigated against the Head of Paid Service, Monitoring Officer or Section 151 Officer¹.
- To agree dismissal, including compulsory or voluntary redundancy and the exercise of discretionary awards for Chief Officers and any other posts where costs are going to be shared.
- To appoint an Appraisal Subcommittee comprised of 6 councillors, 3 from Cherwell District Council and 3 from South Northamptonshire Council who will be responsible for carrying out the appraisal of the Head of Paid Service (Chief Executive). The Leaders of both councils will not be part of the subcommittee but must be invited to participate.

¹ Local Authorities (Standing Orders) Regulations 1993, as amended by Local Authorities (Standing Orders) (England) Regulations 2003

Cherwell District Council and South Northamptonshire Council Joint Appeals Committee — Terms of Reference

Area: The Joint Committee shall exercise its authority for the areas comprising of Cherwell District Council and South Northamptonshire Council

Membership: The committee shall be comprised of 6 councillors, 3 from Cherwell District Council and 3 from South Northamptonshire Council with 2 named substitutes from each authority. They may not be members of the Joint Personnel Committee. All councillors including substitutes will receive appropriate training before they can participate as a Committee member.

Terms of Reference

- To hear and determine any appeals by or grievance appeals against the Head of Paid Service (Chief Executive).
- To be the investigating committee for the purpose of disciplinary action in the case of an officer covered by the terms and conditions for Chief Executives and Chief Officers where this is permitted by law.

Quorum: will be 2 Members from each authority.

Chairman: the Chairman and Vice Chairman will be elected by the committee and will be representative of each authority.

Decision making: decision will be by a majority of Members of the committee present and voting.

CDC and SNC Shared Senior Management Risk Management Strategy and Risk Register

This document outlines the strategy for risk management of the shared senior management team project and includes the risk register for review and development. This risk management process and register aims to cover the transition to a shared senior management team from cradle to grave and not just the development of the business case.

Responsibility for Risk Management

All members of the project group are responsible for:

- ensuring a rigorous risk management procedure is in place.
- considering risk as part of all decisions
- review the project's arrangements for risk management at regular intervals or when circumstances change.
- make recommendations as to the ways in which risks could be managed.

The Programme manager (just a suggestion?) will be responsible for:

- ensuring that the risk register is up to date
- ensuring that appropriate control measures are in place for managing those risks
- monitor the adequacy and effectiveness of all control measures and report to the project group where controls are not adequately resourced or implemented

Methodology for the Management of Risk

Risk Management involves five key stages:

- Identification
- Evaluation
- Mitigation
- Review
- Action

Identification

Risks to the project have previously been identified and listed for consideration by the project board. The list does not aim to be exhaustive but to capture the most significant risks to the strategic, financial and operational success of the project. The risk register is a living document and will be updated at regular intervals throughout the project to ensure newly emerging risks are identified and managed.

Evaluation

The aim of evaluating the risks is to ensure that efforts to mitigate those risks are proportionate to the potential impact the risk could have on the project. The first evaluation is to determine the inherent impact of risk prior to any mitigating factors being in place. The second evaluation takes place after the mitigating controls have been considered (see “review” section below). To evaluate the risks the impact and likelihood of each risk should be scored from 1 (low) to 5 (high). As a guide the following definitions can be used:

IMPACT

- 5 – will have a major effect on the project. May result in major financial loss or major disruption.
- 3 – will have a noticeable effect on the project. May result in no significant financial gain, may cause some disruption.
- 1 – consequences will not be severe and any associated financial implications will be minimal. Negligible effect on delivery.

LIKELIHOOD

- 5 – very likely to happen
- 3 – likely to happen infrequently and difficult to predict
- 1 – most unlikely to happen

These assessments are then placed in the following 5x5 risk matrix to give an overall result:

		Impact				
		1	2	3	4	5
Likelihood	5	Low	Medium	High	High	Critical
	4	Low	Medium	Medium	High	High
	3	Low	Low	Medium	Medium	High
	2	Low	Low	Low	Medium	Medium
	1	Low	Low	Low	Low	Low

Mitigation: Identify the control measures that mitigate the individual risks. These should only be noted as mitigating controls when they are in place and working adequately. It is important to note that there is no visible evaluation of the adequacy of those control measures within a standard risk register and matrix system. The adequacy of the mitigating controls should be assessed/tested in a separate exercise before being added to the register and reviewed at regular intervals. Where mitigating controls are planned or desired but not yet in place, these should be added to the Action Plan (final column on the risk register) and allocated a responsible member and date for implementation.

Review

The level of residual risk should be reviewed after control measures are listed and re-plotted in the risk matrix to provide a residual risk score. This will give a measure of the effectiveness of the various control measures and help raise awareness of their importance.

The residual score should be at a level that is acceptable to the project team. The risk assessment process involves all members of the project group and should be repeated if there are changed circumstances.

Action Plan

The residual score gives an indication of the appropriate course of action required for each risk. Often referred to as the four Ts; tolerate, treat, transfer or terminate.

Low Risk = Tolerate

Medium Risk = Treat (develop mitigating controls) or Transfer (obtain insurance or pass risk to consultants)

High Risk = Treat or Transfer immediately

Critical Risk = abandon project

As noted above the Action plan should contain planned or desired controls to cover residual risks that score higher than the project group do not wish to tolerate. The plan should include responsible member of the project group and date for implementation.

RISK REGISTER

OVERALL ASSESSMENT OF RISK OF ENTIRE JOINT WORKING ARRANGEMENT = MEDIUM to HIGH

Original Risk Ref.	Risk	L	I	Inherent Score	Mitigating Factors Currently in Place	L	I	Residual Risk	Action Needed and Responsible Person
Relationship Risks									
1	Lack of (or failure to establish) member support for development of a shared senior management team.	4	5	High	<p>Joint working group and Council consideration of Business Case. Regular Member and Portfolio Holder briefings throughout the process.</p> <p>Regular meetings between members to foster positive relationships across the two authorities.</p> <p>Visits to Authorities where joint working has been a success to inspire members and keep a positive image of the project at the forefront of members minds.</p> <p>Positive communication of the potential savings, good practice and benefits to customers, public.</p>	3	5	High	<p>Business Case Accepted by both Council's. Sept 2010. (joint working group)</p> <p>Start up of Joint Appointments Panel. Sept 2010. (Oct 2010)</p> <p>First Appointments to be made. Nov 2010. (Joint Appointments Committee)</p>
2	Perception of "take-over" rather than joint working.	4	3	Medium	<p>Communication with staff affected, joint working group meetings and briefings. Agreed joint press releases.</p>	3	3	Medium	Open consideration and debate on the content of the business case supported by dialogue with comparable Local Authorities
3	Agreements over "deal-breakers" cannot be reached and the Authorities are unable or unwilling to agree and sustain effective joint governance (and dispute management) arrangements.	3	5	High	<p>Joint working group discussions, briefings and pre-meetings. Meetings between leaders and finance and resources portfolio holders fostering positive negotiations.</p>	2	5	Medium	<p>Sufficient options produced and adequately supported negotiations to arrive at a beneficial position for both Authorities. Must be determined and defined clearly within the business case and supported through due legal diligence.</p> <p>Demonstration of genuine partnership working by all leading members</p>
4	Unwillingness of staff across both Councils to engage proactively in the delivery of the programme of change emerging from a decision to go ahead	3	2	Low	<p>Rapid timescale for the change.</p> <p>The business case does not affect the majority of staff in the organisation.</p>	2	2	Low	<p>Ensure clear lines of responsibility and strong united leadership giving a consistent message about the aims of the shared working.</p> <p>Communication of the benefits of the shared working.</p>

5	Resistance from Unions	4	2	Medium	Regular monitoring of performance. Desire to close the budget deficit present in both Council's. Communication of the financial problems that will result in redundancies whether there are joint services or not.	3	2	Low	A regular programme of staff engagement, communication and consultation to ensure staff are fully involved with the process.
									Ongoing and regular dialogue with Unions throughout the whole process to ensure they are involved in the process.
6	Competent and confident senior managers search for new opportunities and become more attractive to the external market	3	3	Medium	Early involvement in briefings and feedback. The implementation timetable has been extended leading to the process not being as rapid as initially anticipated. This heightens the risk and there are examples where staff 'in scope' are leaving their organisation prior to the implementation of the arrangement. Imminent decision (December 8) and associated communications will provide more certainty to staff and are factors which will seek to mitigate this risk as far as possible	2	3	Low	Communication and consultation.
									Clear and effective communication and leadership, identifying, acknowledging and reasonably addressing staff concerns. Investment of time by new Chief Executive in building relationships and respecting local expertise, knowledge and intelligence. Communication of the enhanced roles that will be available for ring fenced recruitment. Ensure adequate remuneration packages and continuing opportunities for development of senior managers.
7	Bad feeling between officers at different authorities develops.	3	2	Low	Joint working group work, informal contacts developing between officers, senior officers model co-operative behaviour	2	2	Low	Investment of time by new Chief Executive in building relationships and respecting local expertise, knowledge and intelligence
8	A resistance to the cultural change required by the impact of shared management arrangements on individual roles and responsibilities by members and officers	4	3	Medium		4	3	Medium	Investment in and commitment to a meaningful organisational development programme that promotes the development of a new culture for the partnership organisation (which is not subordinate to the pre-existing cultural norms). Involving staff in the new arrangements through their services.

9	Other partnership opportunities are lost because of the focus on the joint working project.	3	3	Medium	Relationships with other Councils still exist and are maintained e.g. CDRP, LEP	3	3	Medium	Decisions to join services should actively look for other partners to become involved to increase opportunities for greater efficiencies. Hiatus over new partnerships during business case need to visit after completion in Summer 2010. NOTE: Should not jeopardise existing partnerships
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Operational Risks									
10	Impact of changes in political, leadership, control and balance bringing forward alternative views on partnering and changed political priorities	2	2	Low		2	2	Low	The programme and the proposed governance model designed to accommodate changes in political leadership. Regular meetings with Leaders of all Political Groups to ensure that it is clear that the management team serves all members not just a controlling group. NOTE: Elections are for SNC 100% and CDC 33% in May 2011
11	Other projects suffer due to lack of capacity during the joining up and also after the staffing have been reduced.	4	4	High		4	4	High	Impact assessment on major projects is needed. For example Moat Lane and Eco Town.
12	Practical arrangements not properly thought through as a result of limited numbers of officers involved.	4	4	High	Since the original risk was highlighted the business case has been the subject of Councillor, Staff and Union consultation processes at both authorities. Whilst this risk was raised as a concern it was based on conjecture. As part of the consultation process no strong evidence has been presented to substantiate the claim.	3	4	Medium	Widen involvement in the joint working arrangements or increase meaningful consultation and involvement.
13	Challenges presented by requirement to harmonise staffing/terms and conditions and pay are insurmountable	3	4	Medium	Work is already underway to identify and address these differences and this will be accelerated to ensure a common set of terms and conditions is in place as soon as possible.	2	4	Medium	Proposals negotiated successfully with trade unions and a staffing protocol established and agreed which provides a comprehensive and consistent framework and balances the interests of the Councils with the rights and obligations towards employees

The proposed Joint Working Group is well established and will provide expertise and resource to plan and lead the implementation programme.										
The financial plan for the shared services includes funding to provide additional Resources support during the period of transition.										
14	Senior Managers leading with major projects leave the organisation before the completion of major projects.	3	4	Medium	Robust project management and procedures, clear milestones and budgets.	2	3	Low	Business continuity plans in place and tested regularly.	
15	Greater distance causes reduced capacity as staff spend more time travelling (and increased costs of mileage).	3	3	Medium	Teleconferencing available.	2	3	Low	Greater use of tele- and video- conferencing. Training for members and staff. Clear organisational plans to communicate when officers will be in which building.	
16	Reduced senior management capacity to sustain focus upon and achievement of local service priorities and objectives and deterioration of front line service standards.	3	4	Medium		3	4	Medium	The determination of clear arrangements for 'locally focused' management and adequate support / backfill arrangements. Enhanced roles of the levels below senior management. Reduce the number of objectives or accept longer deadlines for implementation or those objectives.	
17	The focus upon bilateral arrangements makes the councils too insular and limits their ability to engage in wider partnership working and influence changes at local, regional and national levels	3	3	Medium		3	3	Medium	The Joint working group must ensure a wider perspective in their target setting and assessment of proposals for change, together with a willingness to address the enhanced two tier agenda and cross public sector working. NOTE: working across two counties provides both challenges and opportunities for shared best practice and lobbying.	
18	Members reduced access to their senior management on operational issues	4	2	Medium		4	2	Medium	Clearly identified and communication 'local' management arrangements and regular and effective strategic dialogue at SMT level	
19	Reputational impact on Councils if high profile objectives fail to secure improvement and/or positive impact on external VFM indicators	2	4	Medium	Full business plan developed , dedicated project management team, regular site visits.	2	4	Medium	Make sure the project delivers and secure improvements.	
21	Consultation throws up problems that had not previously been identified.	3	3	Medium		3	3	Medium	Start consultation early in the process. Consult widely and amend project if necessary.	
22	Communication managed ineffectively	3	4	Medium	Robust project management and procedures and staff involvement.	2	4	Medium		

23	Legal and employment issues not properly considered leaving the process open to challenge.	3	4	Medium	HR and Legal experts within the joint working group membership. Budget for specialist HR and legal advice if required.	2	4	Medium	
24	Difficulty recruiting posts that become vacant in the lead up to joint working as there is knowledge that the jobs will be put at risk shortly after appointment.	4	4	High	Hold posts open for as long as possible leading up to joint working arrangements.	3	3	Medium	Speed up joint working arrangements within the services.
25	Speed of project leads to mistakes being made or short cuts taken that expose the Council to risk later on (Tribunals, grievances etc).	4	4	High	Project management, HR, Legal, Finance involvement in the joint working group and budget available if further expertise required. JWG meeting regularly held, briefing meetings for councillors and regular contact between the officers involved.	3	4	Medium	

Financial Risks

26	Alternative cost saving proposals provide the savings required by either Authority without requiring a joint shared senior management team.	3	3	Medium	Both authorities have considered an alternative to a shared management arrangement as part of their separate budget processes. Additionally, the business case has been amended following consultation to allow flexibility in the future and an ability to develop and adapt the arrangement via a confederation model.	3	3	Medium	
27	Extent to which business case is not adequate.	4	4	High	Project management, HR, Legal, Finance involvement in the joint working group and budget available if further expertise required. JWG meeting regularly held, briefing meetings for councillors and regular contact between the officers involved. Extensive Councillor, Staff and Union consultation process has not raised concerns that the business case is not adequate. Only that it can be developed further than originally envisaged. Both sets of internal auditors (Deloittes and PWC) have scrutinised the business case and have not found it to be inadequate. Close involvement of finance officers.	2	4	Medium	Interdependent on successful mitigation of other risks within this risk assessment
28	The financial benefits fail to meet projected targets and service enhancements	4	4	High	Detailed financial modelling.	2	4	Medium	Development of a clear benefits realisation plan, with SMART targets and robust and regular monitoring by elected members.
30	One off costs become prohibitive for further stages of the project.	4	5	High		2	5	Medium	Work done on costs model.

31	One off costs larger than anticipated	4	High	Contingency budget proposed. Detailed financial modelling taking place.	2	4	Medium	Further development of costs model.
32	Joint working impacts on other budget proposals currently being worked up, leading to potential double counting of savings.	4	High	Awareness of other budget proposals being progressed and ensuring duplication does not occur	2	4	Medium	Careful review of all budget items and comparison.
33	Spending review impacts on ability to implement the joint working project	3	Medium	Outcome of the Spending Review is now known and incorporated into the final business case. Spending review highlights a significant reduction in funding for all local authorities. This national position will be translated into local impact when the provisional settlement details are announced.	3	3	Medium	Thorough analysis of spending review now complete. Further thorough analysis will be required when provisional settlement details are released.

Appendix 7

South Northamptonshire and Cherwell District Council – Joint Arrangements Steering Group

Membership

- 5 elected members from each council
- 3 substitute members to be appointed by each Council

Officer support to the Joint Arrangements Steering Group (whilst implementation occurs)

- Two Chief Executives (or nominated Directors as substitutes)
- Directors from both Councils
- Two Heads of Finance
- Two Monitoring Officers
- Two Heads of Human Resources
- Project Management as required from both Councils or jointly
- A dedicated and specifically identified Administrative Support Officer from SNC

These arrangements will continue until joint appointments are made at which point the joint Head of Paid Service shall determine officer support as appropriate,

Officers/Others to be consulted by the Joint Arrangements Steering Group

- Directors, Heads of Service and other officers as necessary
- Trade Unions and/or staff representatives as necessary

Terms of Reference

- To consider and recommend a detailed action plan, issues register and risk register for all stages of implementation.
- To recommend as necessary the principal decisions that will need to be taken by the Joint Personnel Committee or each Council as appropriate (e.g. appointment of advisers etc.)
- To oversee and supervise the implementation of the joint working project through regular meetings and monitoring of the agreed action plan, issues register and risk register.
- To receive regular reports on:
 - The progress of the project against the action plan
 - Realisation of savings and monitoring of implementation costs
 - Emerging issues and risks relating to the project together with proposed mitigation measures
- To consider business cases for other services that could be shared and to make recommendations to each Council as appropriate

- To establish and maintain protocols to deal with (1) conflicts of interests of individual officers in the Shared Senior Management Team and (2) the roles of individual officers in the Shared Senior Management Team in providing advice to the Councils jointly and separately by no later than May 2011.
- To make recommendations to each Council on relevant proposed salary budgets to feed into their respective budget setting processes
- To be the forum for the first consideration of the review of the joint working arrangements scheduled to conclude by November 2012.
- To recommend steps relating to the ongoing communication of matters concerning the implementation and operation of the joint working arrangements.
- To be the forum where any issues or reports in relation to joint working are considered prior to consideration by each Council's decision making processes.
- To continue to meet regularly after implementation of the senior management structure to consider other joint working possibilities and to continually review the effectiveness and practical implications of the joint senior management team.
- To be responsible for the consideration and recommended resolution of any disputes¹ between the Councils pursuant to the dispute resolution process set out in the S113 agreement between the Councils dated 8 December 2010.
- To oversee the work of the ICT Joint Working Group, including reviewing its objectives as its work progresses

Quorum

The Joint Arrangements Steering Group will be quorate if three elected members from each Council are present.

Decision making powers

The Joint Arrangements Steering Group shall not be a formal joint committee within the meaning of the Local Government Acts unless and until resolved otherwise by each Council.

Decisions regarding the implementation of any recommendation of the Joint Arrangements Steering Group rest separately with each Council where they are not within the remit of the Joint Personnel Committee.

¹ If the dispute goes to a vote there must be an equal number of CDC and SNC members taking part in the vote

Frequency of Meetings

The Joint Arrangements Steering Group will meet as necessary and on at least four occasions a year.

The meetings will alternate between Towcester and Bodicote where possible.

Cherwell District Council and South Northamptonshire Council

Job Description and Person Specification

Job Title: Shared Chief Executive

Responsible to: The District Councils of Cherwell and South Northamptonshire

Job Purpose:

To work in partnership with the two Leaders and other Elected Members to provide leadership, vision and strategic direction to both Councils

- To ensure that the strategic aims, objectives and priorities of each Council are met and that residents and businesses across both districts receive excellent services in accordance with the policy, budgetary, statutory, quality and value for money requirements of each Council
- To lead the creation and implementation of the agreed shared management team and to lead, with Elected Members of both Councils, the further development of joint working arrangements to the timetable and budget required by Elected Members
- To examine, with Elected Members of both Councils, the potential for the development of a broader confederation of public sector organisations, including in particular health, police and other local authorities, which helps both Councils and any future confederation partners realise further savings and benefits and to implement if agreed.
- To plan, with Elected Members of both Councils, for the reform of local government and public services and the advent of community-based budgeting
- To build and maintain successful internal and external partnerships and relationships, and to oversee each Council's communications strategy to promote a positive image of each Council to partners, citizens, and national and regional bodies

Main Duties and Responsibilities:

- To lead the implementation of the business case for a shared management team approved by both Councils in December 2010; to secure the financial savings laid out in the business case as a minimum and put in place joint working arrangements between Elected Members and staff at both Councils that support the delivery of improved services and outcomes in both districts and that achieve further financial savings for both Councils.

- To exercise the statutory duties and responsibilities of Head of Paid Service for both Councils as defined within the Local Government and Housing Act 1989
- To be the principal advisor to each Council on matters of general policy, development, implementation and maintenance of corporate and strategic policies and to ensure effective and pro-active forward planning
- To work with leading Elected Members and senior officers at both Councils to ensure that the strategic aims and values of each Council are clearly understood by their Elected Members, staff and partners and are reflected in all that each Council does
- To maintain and continuously improve a coherent framework of performance management which ensures that the objectives, desired outcomes and improvement aspirations of both Councils are met and staff in both organisations understand clearly what is expected of them
- To ensure that constructive relationships are developed and maintained between each Council and with central government, together with the other local authorities, businesses, community, voluntary and other organisations, (including in particular health, police and Local Economic Partnerships), which are important to meeting the objectives of both Councils
- To provide clear direction for the management of human, financial and other resources; to ensure that under the shared management team both Councils maintain and improve their reputations for being fair, responsible employers and providing value for money services.
- To ensure that the Elected Members and staff of both Councils are provided with appropriate support and opportunities for personal development to ensure that both Councils are in the best possible position to deliver the broadest possible benefits of joint working
- To seek other potential partners in a confederation of public sector bodies who would work together for mutual benefit, building directly on the formal joint working arrangements between the two Councils and to implement if agreed
- To lead and chair the shared Executive and Corporate Management Teams in a way that provides the strategic direction and leadership necessary to achieve the business and service objectives of both Councils
- To serve and represent both Councils equally and without bias
- To exercise the statutory duties and responsibilities of the Electoral Registration Officer and Returning Officer on behalf of both Councils

PERSON SPECIFICATION – ALL ITEMS ESSENTIAL

Experience

- Demonstrable evidence of successfully leading, inspiring, motivating and challenging a public or private sector organisation, of comparable scale and complexity, to achieve continuously improving standards of service
- Demonstrable evidence of successfully leading transformational change of comparable scale and complexity in difficult organisational circumstances and improving performance while doing so
- Demonstrable evidence of a successful history of developing an organisational culture that is committed to strong performance, delivering high standards and quality services, innovation and customer service taking into account the diversity agenda
- Demonstrable evidence of successfully establishing a performance culture based on innovation, efficiency and customer service
- Demonstrable evidence of successfully shaping and then leading on the delivery of service outcomes reflecting the needs of users, while ensuring that value for money and efficiencies are delivered in line with political expectations
- Demonstrable evidence of successfully leading large regeneration and housing development projects of comparable type, scale and complexity to time, budget and required quality
- Demonstrable evidence of successfully acting as an appropriate role model and of using a strong intellect along with high levels of persuasion, influence, convictions and energy to lead and inspire staff at all levels towards a common vision and the delivery of exceptional standards
- Demonstrable evidence of experience of successful partnership working with a wide range of communities, partner organisations, private sector providers, public agencies, voluntary bodies and statutory authorities

Key competencies and behaviours

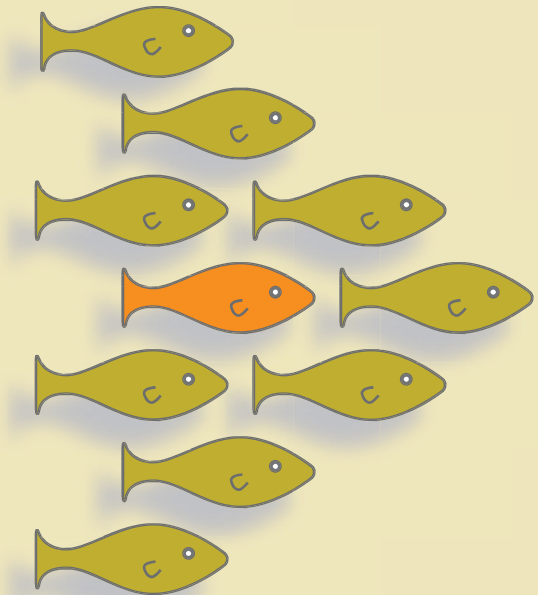
- Excellent leadership and management skills, including ability to delegate appropriately
- Strong interpersonal skills and the ability to influence and persuade
- Business acumen

- High level communication, networking and ambassadorial skills
- Strong personal commitment to the delivery of first-class services
- Vision and creativity
- Ambitious, energetic and highly motivated
- Visible, approachable and accessible; resilient, determined and confident
- Aware of own strengths and weaknesses and committed to addressing areas requiring development
- The tenacity to develop a shared management team which harnesses the strength and best practice from both management teams and organisations.

Shared chief executives and joint management:

a model for the future?

October 2009



Stephen Fletcher, Regional Associate, IDeA
Eamon Lally, Improvement Manager, IDeA

Improvement and Development Agency for local government (IDeA)

The IDeA supports improvement and innovation in local government, focusing on the issues that are important to councils and using tried and tested ways of working. We work with councils in developing good practice, supporting them in their partnerships. We do this through networks, online communities of practice and web resources, and through the support and challenge provided by councillor and officer peers. We also help develop councillors in key positions through our leadership programmes. Regional Associates work closely with councils in their areas and support the Regional Improvement and Efficiency Partnerships (RIEPs).

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Introduction

With the increasing pressures on local government finances many councils are looking at developing closer partnerships and collaborative ways of working in order to secure greater levels of efficiencies. Councils are becoming increasingly creative in their approach to service delivery, which can take many forms. A growing number of councils have chosen to deepen their partnership working by sharing their chief executive and management teams to facilitate shared services and achieve efficiencies.

In discussing joint management arrangements we are talking about two councils, remaining separate organisations, that agree to share a group of officers. They will carry out the full role of the management team to both councils and work on developing shared services. By shared services we mean a single group of officers or contractors that deliver a service for both authorities, beyond shared management.

In an earlier IDeA publication 'Shared Chief Executives: the lessons' we discussed some of the early developments, highlighting the reasons for the joint arrangements. In this report, a year later, we explore the impact of sharing chief executives on councils' integration, particularly in terms of efficiency savings and the shared services agenda.

The main reasons for appointing shared chief executives have evolved. Earlier examples were pragmatic responses to filling vacancies on an interim basis. Latterly joint arrangements have been entered into by councils seeking greater efficiencies and longer term partnerships. The efficiencies from developing shared services are now the key driver for looking at joint chief executives.

Councils have faced mounting financial pressures in recent years. For some councils the grant received from central government has been increasing at a very low rate. Nine of the councils in this study saw an increase of just 0.5 per cent in 2009/10.

The impact of the recession, coupled with the expectation that public spending is expected to fall following the next spending review in 2011, has led many more councils to rethink service delivery with the aim of achieving greater efficiencies and savings.

Joint management arrangements have evolved naturally using a bottom-up approach. They have developed alongside local government reorganisations (LGR) and two-tier pathfinders and have remained low profile.

With this context in mind a key question is whether joint management arrangements across two or more authorities can deliver efficiencies and a faster pace of change.

The IDeA believes the examples from the 10 joint chief executive arrangements highlighted in this report demonstrate that this approach is one that other councils should seriously consider when developing their approach to the issues above. It has to be accepted that circumstances differ, with an agreed local menu being the recipe for success.

Thanks – The IDeA wishes to thank all those councils named in the report for their time in helping us put this report together. Without their help and enthusiasm this report would not have been possible.

“The joint chief executive role can be quite a lonely position until you have a joint management team in place.”



Joint management arrangements

Whilst chief executives had been shared as interims, more permanent shared chief executive arrangements began to appear in 2007. Since then there has been a slow growth in the number of formal arrangements. At the time of writing the councils that have a formalised joint chief executive/management arrangement are:

Adur District Council and
Worthing Borough Council

Hambleton District Council and
Richmondshire District Council

Suffolk Coastal District Council and
Waveney District Council

South Oxfordshire District Council and
Vale of White Horse District Council

Bromsgrove District Council and
Redditch District Council

West Devon Borough Council and
South Hams District Council

West Oxfordshire District Council and
Cotswolds District Council

Staffordshire Moorlands District Council and
High Peak Borough Council

Havant District Council and
East Hampshire District Council

Essex County Council and Brentwood Borough Council (this example differs from the others as it is a county and district working closer together).

These councils are all at different stages of integration. However, the path the majority have taken, or are in the process of taking, is to move from a joint chief executive towards a joint senior management team across two authorities with shared service units.

In all these cases there has been a great deal of clarity and openness about the goals behind seeking greater integration. There has also been a

good degree of rigour in the development of the business cases for deeper integration. That said, councils have taken different approaches. Some have been very pragmatic, exploiting opportunities as they arise, while others have taken a systematic approach towards service integration.

To boldly go...

Following a period where the **Adur District Council** chief executive was also acting as interim chief executive for **Worthing Borough Council**, the first permanent joint chief executive of two authorities was appointed in 2007. The brief was to join up the officer arrangements. Whilst innovative and controversial at first, the lessons learned and obvious savings and advantages that began to emerge set the pattern for others to follow.

A systematic approach

With a history of joint working (including shared accountancy, finance client side, benefit fraud and audit teams), a shared management team was an obvious next step for **South Oxfordshire District Council** and the **Vale of White Horse District Council**. In July 2008, the two incumbent chief executives proposed a plan for joint management arrangements. By February 2009 the councils had moved from two chief executives, five directors and 14 heads of service, to a combined structure with one chief executive, three directors and eight heads of service. The annual salary saving is £750,000 (the one-off transition cost was around £1.2 million). All appointments have been made from within the existing workforce. Following the appointment of a single management team, heads of service have been tasked with developing business cases for further service integration. There is an expectation that integration at the next level of management can achieve an additional £350,000 in savings per annum in total across both councils.

“We are doing this to safeguard front-line services.”



The benefits

Safeguarding services through greater efficiencies is now the main motivation for pursuing joint management arrangements and shared services. However, councils are clear that continuing to improve the quality of services and meet customer expectations are also important. It is not surprising that some authorities have come to this view. Most of the authorities highlighted in this report, although not all, are small in terms of employee numbers and turnover. They are well managed and have achieved significant efficiencies from within their own services. They also face very tight financial settlements. Joint arrangements provide them with the opportunity to explore further efficiencies and to become more influential in regional and even national debates.

A number of benefits of joint management arrangements have been identified by councils. These include:

- financial savings from reductions in the size of management teams
- greater opportunities for efficiencies from shared services
- savings from joint procurement
- a higher profile for the councils, which in some cases can represent combined populations of nearly 250,000 people
- the combined teams can be made up of the best individuals from both councils.

It is important to remember that many of these arrangements are still new and therefore it is a little early to look at the savings actually achieved which will be modest compared to the longer term view. To date the realisable savings are mostly from staff reductions.

For **Suffolk Coastal and Waveney**, where the joint chief executive appointment was made in April 2008, savings are around £90,000 per annum relating to the shared chief executive position. For others the savings are larger. **Adur and Worthing**, which was the first of the joint chief executive arrangements, now has £13.9 million being spent in joint services. The two councils have achieved savings for the two years to 2009/10 of £913,000. In 2010/11 savings will be running at over £1.5m per annum.

In a number of cases authorities have been in shared services partnerships prior to the move to appoint a joint chief executive. The partnership working between West Devon, South Hams and Teignbridge is an example. However, West Devon and South Hams are now taking forward their largest shared services project with the integration of the Revenue and Benefits Service.

Brentwood Borough Council now controls over c£2.5m of Essex County Council budget spend through a Local Highways Panel set up in March 2008 to make decisions on local priorities in the light of extensive community consultation, bringing decision making closer to the people of Brentwood. Closer working between the two councils has helped to deliver the £7m redevelopment of Brentwood town centre and high street.

Collateral influence

One of the positive unforeseen impacts of the shared working arrangements is the influence it sometimes has on other organisations. In some examples, as the shared arrangements have bedded in, other stakeholders have changed their management arrangements to mirror the lead from the councils. For example for **Adur District Council** and **Worthing Borough Council** this has included: Police command units, the voluntary sector, local Unison branch, business representatives, and local strategic partnerships.

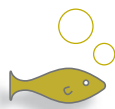
Savings from joint management arrangements and shared services

Councils	Sharing arrangements	Savings from joint management (per annum)	Savings from shared services
Adur and Worthing	Joint chief executive and joint management team	Initial savings from joint chief executive and management team were £452,000. Further savings of £220,000 expected in 2010/11 as more management savings realised.	Cumulative savings of £2.2 million have been made since the beginning of the arrangements. The ongoing annual savings will be £1.5 million. Savings of £652,000 p.a. realised in 2009/10 as a result of the first tranche of shared services: refuse and recycling, street cleansing, financial services, legal and democratic services, corporate services, and customer services. Further savings of £350,000 p.a. expected in 2010/11 due to extension of shared services across the councils: planning, parks, ICT, building surveying, and environmental health.
Hambleton and Richmondshire	Joint chief executive and joint management team	£84,440 for joint chief executive, increasing to £109,000 for joint management team.	Shared service plan establishes five blocks for exploration. Block one, the business case for ICT indicates net savings of £425,000 over four years to 2012/13 and potential ongoing annual savings in excess of £200,000. An outline business case for joint waste management shows indicative savings of around £336,000 in the four years to 2012/13 and annual savings of £160,000 thereafter. Shared service propositions on a worst case basis show £300,000 annual savings and best case £750,000, with the total growing as shared services develop.
Suffolk Coastal and Waveney	Joint chief executive, moving towards sharing management team	Approximately £90,000 is being saved across the two authorities which relates to the joint chief executive post and other shared posts.	
South Oxfordshire and Vale of White Horse	Joint chief executive and joint management team	£1.1 million across both councils from joint management arrangements.	£500,000 in savings to be shared by the two councils from a new joint waste contract. The councils are already benefiting from a joint revenues and benefits contract with Capita which is producing savings of £3 million over 10 years.

Savings from joint management arrangements and shared services

Councils	Sharing arrangements	Savings from joint management (per annum)	Savings from shared services
Bromsgrove and Redditch	Joint chief executive, moving to joint management team	Current direct savings from joint chief executive appointment, approximately £80,000 across both councils.	Reported approximately £240,000 per annum across both authorities from shared services, which largely predate the joint appointment. Future 'approved' savings from shared services for 2010/11, 2011/12 and 2012/13 are £250,000, £390,000 and £390,000 respectively. In addition, the planned extensive transformation programme is expected to generate £3.4 million in savings across both councils in the period to 2012/13.
West Devon and South Hams	Joint chief executive and joint management team	Shared chief executive produces savings of around £70,000.	South Hams and West Devon combined cumulative savings to date are £775,000, with ongoing savings from 2010 of £600,000 per annum. Joint services: human resources (HR), environmental health, payroll, building control, and revenues and benefits, which started on 1 October 2009. The two councils are exploring a range of shared services together. In addition, the councils share services with Teignbridge District Council.
West Oxfordshire and Cotswolds	Joint chief executive (plus shared director of finance)	Savings from a shared chief executive from 1 November 2008 and joint finance director from 1 August 2009 (approximately £60,000 to £80,000).	Forecast savings £700,000
Staffordshire Moorlands and High Peak	Shared chief executive and joint management team	The establishment of a joint management team across the two councils and a reduction in the number of middle and senior managers from 37 to 21 will generate savings of £560,000 per annum from 2012.	The councils have introduced a number of shared services which will produce savings of over £1 million per annum from 2010/11. Current shared services are: combined ground maintenance, joint clean team, environmental health, and joint chief executive team, including combined policy function.
Havant and East Hampshire	Shared chief executive	£59,000 savings from shared chief executive.	Potential savings of between £600,000 and £1 million from shared management and shared services.
Essex and Brentwood	Shared chief executive	£100,000	Property rationalisation released capital receipt (approx £1.6m), creating £150,000 revenue income for Brentwood. Further savings made through sharing the internal audit service.

“The biggest benefit is having a single voice at the top of the organisation.”



Shared services

For the examples in this study, the pace of shared service development across two councils quickens following the establishment of joint management arrangements.

Many of the authorities have, or are, taking a comprehensive look at all their services to assess:

- political acceptance
- the degree of difficulty in bringing services together and
- the potential financial rewards resulting from a shared service.

The faster pace reflects the fact that elected members from both councils will have taken a positive decision to appoint a joint chief executive, often with the express intent of exploring the scope for greater efficiencies. Once in post, chief executives value having a single voice, theirs, at the top of the organisation.

There are differences in the approach taken to identifying services for integration. However, many of the approaches have the following characteristics:

- a shared understanding and vision across both councils
- political direction and ownership
- a phased approach, with high level business cases identifying where more detailed and resource intensive development work can be taken forward
- a sound evidence base with a good understanding of service costs, transition costs and projected savings.

It is important to note that even the most systematic approach to the integrated management of services has room for pragmatism. In the High Peak and Staffordshire Moorlands example, the decision on which services to integrate took into account vacancies in environmental health which made consolidation more straightforward.

Chief executives have noted the value of taking advantage of opportunities, such as staff vacancies, legislative change and new grant funding, to push forward service integration. Not all the benefits to be derived from a joint chief executive or joint management arrangements are transformational.

Whether the change being pursued is transformational or transactional, it is the case that the deeper the management integration the greater the opportunities to establish and deliver opportunities for working across two councils. It is also true that integration comes about more quickly therefore realising savings earlier.

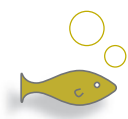
Through this process councils have identified short, medium and longer term opportunities for service integration. **Staffordshire Moorland District Council** and **High Peak Borough Council** established a three phased approach which identified a long-list of opportunities, the development of business cases and a prioritisation and selection process for the transformation programme. Members led the decision-making process at each stage.

The vision for the strategic alliance between the two councils is “to establish a shared approach to the delivery of key services that will improve the quality of people’s lives in the two authorities and deliver greater value for money”.

An evaluation process identified a long list of services including quick wins (eg chief executive support and communications) and those with potential for whole service transformation. Business cases were developed for 19 services. These were developed by heads of service with their teams, supported by a Joint Transformation Team. The business cases looked at financial implications, service continuity, governance, management of change, human resource issues, impact on partners, programme and performance management and reputation.

A small number of services were selected for whole service transformation projects including environmental services and property services.

“I have got nothing but praise for the staff from both councils.”



The challenges

There are many challenges for two authorities seeking to develop and deepen joint management arrangements. These challenges are present for politicians, senior staff and for managers and staff within individual services.

The information set out above highlights that joint management arrangements and shared services come with start-up or transformation costs and the bulk of savings are spread over a number of years. There are quick wins, but not many, and the bigger rewards are likely to come from the larger projects with deeper integration; this points to the need for a long-term political commitment, which is robust enough to withstand electoral cycles and changes of political administration.

There are councils involved in joint management arrangements where opposition groups are openly hostile to the arrangements. However, there have been some notable examples where politicians have come together across political divisions to lead and champion the integration process. This does not preclude debate and difference. However, a process built on common priorities, shared principles, openness and good governance, allows differences to be explored without undermining the programme.

The savings from joint management arrangements and from shared services across two authorities are largely drawn from staff savings. This should not be surprising as for district councils the most significant area of cost is staffing, which brings the greater challenge of people management in achieving change. Such an approach leads to leaner and more efficient service delivery, but it is not clear to what extent the approach that councils are taking is fundamentally changing how services are delivered. In practice authorities have sought to integrate those services that have a large statutory element with prescribed practices. In essence there are stages of development from shared management, shared services and shared processes. Some or all of these are being undertaken simultaneously or in phases.

Other potentially transforming elements, such as overarching accommodation strategies, have been mentioned but not built into councils' plans at this stage. There are also sensitivities about the perception of mergers when following such strategies. An exception is Essex County Council and Brentwood Borough Council, where approximately £1.6 million in capital receipts and £150,000 in revenue income for Brentwood have been realised, by moving Essex staff into Brentwood Town Hall. The approach benefits Brentwood residents as it brings staff together from the county and district councils, and the Primary Care Trust, to support Brentwood to be a healthy community.

ICT is an issue with all integration projects. Incompatible systems impact corporately across both organisations and also at the level of individual service projects. Transformation costs for ICT can be expensive, but there are also efficiencies to be gained through better procurement and the integration of ICT support. Where possible it is an important issue to address at an early stage. It will bring benefits as an aid to further and deeper integration. There are also efficiency and symbolic benefits to being able to access systems in both councils.

A challenge for chief executives is recognising and convincing others that they are not simply doing the same job twice. Chief executives have described a very different role at the top of a joint management arrangement. The key difference is that the role is much more strategic and it is necessary to step away from some of the day-to-day detail. The change in role for chief executives has implications for corporate directors and other senior managers who must step up to the new challenges and take on more responsibility. A chain reaction means that many staff deep within each organisation will also feel the effects. Chief executives have, without exception, praised their staff for the maturity and commitment with which they have approached integration.

It is worth noting that chief executives did not identify the technical issue of advising two councils as being a significant challenge. The key point here is that the councils and the members remain separate bodies sharing a joint officer management team which advises both councils separately.

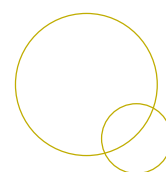
It is important to recognise the impact on managers leading the integration and developing shared services. Heads of service face competing claims on their time, not least the pressure to maintain service continuity and standards while at the same time managing integration. Recognition and corporate support for the integration process are valuable in these circumstances.

Some of the Regional Improvement and Efficiency Partnerships (RIEPs) have been very supportive of joint management arrangements and some councils have been able to access funding to support the integration process. In some authorities this has been used to bolster corporate support to those developing integrated services.

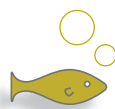
Geography matters. All of the joint arrangements considered here are councils that share a boundary. When the services that are being integrated are local and customer facing this makes sense. However, even within the proximity of neighbouring authorities the distances between the main administrative centres can be large and/or poorly served by transport links. This can reduce flexibility in the integration of services, particularly in relation to administrative staff on lower grades.

The chief executives point to a checklist of key factors which need to be in place to ensure two councils can share a management team:

1. ensure no large cultural differences
2. there must be similarities in the areas covered by the councils
3. the communities need to have some similarities
4. both authorities must trust the chief executive
5. there needs to be clear and well understood governance
6. politicians must be able to trust and work with each other.



“Communicate, even if there isn’t anything to communicate.”



Culture

Dealing with the cultural issues associated with change is an important element of the chief executive’s role and essential to effective integration.

A risk in the integration process is that one of the councils is perceived to have taken over the other. The authority that ‘donates’ the chief executive is often cast in this role. Chief executives have spoken about the need to communicate at all levels in the organisation and to continually reiterate the key messages.

Integration is complex and takes time and during the process there is a need to be as open as possible with staff. Of course there is a balance to be struck and this calls on the skill and judgement of the chief executive, together with leading members, to get that balance right.

The cultural differences between organisations will be seen in the espoused values, in the systems and processes, and also in the unwritten and unsaid assumptions. This will also be true of political cultures. There will be a need to address difference at all three levels.

The process of developing shared organisational priorities across the two councils can help people to understand and address different perspectives.

Differences in decision-making processes, access to members, and levels of autonomy for staff will also differ across the organisations. Listening to staff and working with them to standardise processes will be important.

One of the key areas faced by councils seeking to integrate has been differing terms and conditions for staff across the two organisations. These differences are important for two reasons. They can bring the integration process into stark relief as staff on different terms and conditions are brought together to work in joint teams. A second reason for paying attention to terms and conditions is that much of the culture of an organisation can be embedded in these systems. As a result harmonisation of terms and conditions can be both rewarding and challenging.

Councils have been pragmatic in their approach to dealing with HR issues. In some cases staff have been subject to TUPE eg in Adur and Worthing, where one of the councils has taken on the delivery of a service across both councils. In most cases staff have remained employed with their ‘home’ authority. With South Oxfordshire and Vale of White Horse they have started the process of engaging with staff on harmonising terms and conditions across the two authorities

Joint management arrangements: an alternative model for taking forward shared services

Joint chief executives and joint management teams can save councils money. In cases where management teams are effectively halved in size, the savings can be substantial. However, the big savings will come from shared services.

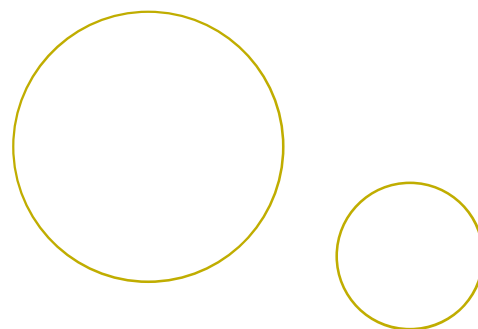
There are many approaches to shared services which do not require a joint management team. However, there are advantages to a single team at the top of an organisation driving the changes.

The joint chief executive role has inherent savings, but it also reduces the transaction costs of shared services in terms of the time and resources associated with partnership working. Bringing the partners under a single arrangement speeds up the process. A joint management team can accelerate the pace, by increasing the alignment of the organisation.

Examples of this overall approach can be seen with Adur and Worthing, South Oxfordshire and Vale of White Horse, High Peak and Staffordshire Moorlands, South Hams and West Devon and Hambleton and Richmondshire.

There is an important role for elected members in establishing at the outset strong leadership of the aims and objectives and sound scrutiny of the implementation.

Joint chief executive arrangements do not work in all cases and our previous report highlighted some of the reasons for them discontinuing. However, where they exist, they are supporting councils to realise savings from deeper integration.



Annex

Authority	Formula grant 2009/10 (£million)	Formula grant, floor adjusted increase 2009/10 (per cent)	Population (thousand)
Adur	4.99	0.50	60.50
Worthing	7.91	0.50	99.60
			160.10
West Oxfordshire	6.08	0.50	101.50
Cotswold	5.26	0.83	83.90
			185.40
South Oxfordshire	7.82	0.50	128.40
Vale of White Horse	7.02	0.73	117.00
			245.40
Richmondshire	4.13	3.16	51.20
Hambleton	5.71	1.33	86.70
			137.90
Redditch	6.43	0.50	79.60
Bromsgrove	4.95	1.80	92.20
			171.80

Authority	Formula grant 2009/10 (£million)	Formula grant, floor adjusted increase 2009/10 (per cent)	Population (thousand)
High Peak	7.10	0.56	92.20
Staffordshire Moorland	7.55	0.51	95.40
			188.30
West Devon	4.27	1.53	52.10
South Hams	5.48	0.50	83.60
			135.70
Suffolk Coastal	8.10	1.96	124.40
Waveney	11.42	0.50	117.30
			241.70
East Hants	6.18	0.50	110.70
Havant	9.83	0.50	117.40
			228.10
Brentwood	5.20	0.50	71.60
Essex	245.00	238.90	1.36 million

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L09-787

Produced by Liberata Design and Print Studio



The Local Government Association is the national voice for more than 400 local authorities in England and Wales. The LGA group comprises the LGA and five partner organisations which work together to support, promote and improve local government.



POSSIBLE QUESTIONS FOR THE CDC/SNC VISIT TO SOUTH OXFORDSHIRE AND VALE OF WHITE HORSE ON 10 AUGUST 2010
(key questions in bold)

Setting the direction	What were the business drivers for the councils when you first considered moving towards joint working?
	Have these changed at all as a result of the changes in direction and policy coming out of central government?
	How clear was the vision of where joint working would end up?
	To what extent were issues of organisational culture and trust important when you started out, how did you assess this and did you get it right?
	How did you assess the similarities in the areas and communities covered by the councils and were these important?
	At the time Members voted to move to a joint working arrangement, did they see this as a potentially reversible arrangement or was it clearly understood to be the start of a permanent and non-reversible?
Impact on structure	How far do your joint working arrangements now go and over what time have you achieved this? With hindsight, would you have gone slower or faster?
	Have things gone further than was anticipated when joint working was first proposed?
	How did you go about establishing clear and well understood governance?
	Who employs your shared staff and to what extent have you harmonised terms and conditions?
About the transition	What capacity did you need to drive through the changes at the start of the process and subsequently and did you estimate this correctly?
	What, if any, problems did you experience during the transition in terms of loss of focus, slippage, reduced performance or anything else?

Financial issues	<p>How accurately were you able to identify all of the costs and savings in advance, and have you achieved the benefits set out in the original business case for the project?</p>
	<p>Were there any lessons that we need to take into account in putting our business case together about unexpected costs or benefits?</p>
	<p>Have any of the savings been re-invested and in what areas?</p>
	<p>Which areas yielded the greatest savings? e.g.</p> <ul style="list-style-type: none"> • removal/rationalisation of management tiers • joint working/rationalisation across cross cutting (corporate) services such as HR, IT and Communications • joint working/rationalisation across vertical services such as revenues collection, planning and environmental services • economies of scales reducing annual costs other than salaries • other.
	<p>Were the two councils similarly cost effective when joint management was introduced and how were the costs and savings allocated between the two authorities?</p>
	<p>What arrangements have been put in place for monitoring and scrutinising the benefits, issues and opportunities arising from joint working, and are these joint arrangements?</p>

Impact on service delivery	What were the non-financial benefits to the two organisations, did they feature in the decision to move forward, and were they what you anticipated?
	Were the same services delivered for less and/or has there been an added value leading to improvement in the way services are delivered?
	Were there areas where integrating services through proved particularly easy or beneficial to do? Were there areas where this was more difficult or less beneficial than expected?
	What has been the impact on the performance of the two organisations? In particular, is there any indication from performance indicators that working on a shared basis has raised the performance in lower performing areas or lowered performance in higher performing areas?
	Has the reduction in management capacity affected the ability of the two organisations to deliver its key projects? What has happened to the work that a shared management team can no longer do? Hasn't it cascaded downwards causing overload below?
	Do your arrangements make you less or better able to meet the challenge of 'Total Place'?
	What difference has joint working made for the public?
Impact on Members	How has the move to a joint senior management team affected the senior Members in the organisations (Leader, Portfolio Holders, Committee Chairmen etc)?
	How has the move affected backbench Members?
	Do Members feel they have the same level of control over the workings of their Council as previously?
	How have you managed to maintain different policies, values, other things that either organisation holds dear/makes you distinctive when you have the same officers working for both of you?
	Has the sovereignty of the two councils been affected at all?

Impact on partners and the community	What impact has joint working had on the councils' relationships with larger partners and has there been any noticeable change in the ability of the two councils to influence the achievement of their objectives?
	What impact has there been in terms of smaller local partners and the local community? For example, do the parishes think the 'local' feel of their district council had been lost?
Impact on staff	What expectations were staff given at the start of the project about how far joint working would go and how does this match up with what has happened in reality?
	What, if any, changes did you see in the way staff perform and how they feel about things?
	To what extent will the joint arrangements restrict each authority in the future should they need to change how they work or how they are structured (at whatever level) in order to respond to local circumstances / changing priorities?
With hindsight	Do Members think joint working has delivered what was promised?
	Did Members get anything, good or bad, as a result of joint working that they were not expecting?
	Knowing what you know now, both about joint working and given how the world of local government is changing, would Members make the same decision again?

Cherwell District Council & South Northamptonshire Council Joint Working Group

Notes of a Visit to South Oxfordshire District Council (SODC) and Vale of White Horse District Council (Vale) at the SODC Council Offices, Benson Lane, Crowmarsh Gifford, Wallingford, Oxon, OX10 8ED on 10 August 2010 at 2pm

Present: Councillor Ann Ducker, Leader, South Oxfordshire District Council
Councillor Tony De Vere, Leader, Vale of White Horse District Council
Councillor Ken Attack (CDC)
Councillor Dermot Bambridge (SNC)
Councillor Carole Clarke (SNC)
Councillor Diana Dallyn (SNC)
Councillor Michael Gibbard (CDC)
Councillor James Macnamara (CDC)
Councillor John Townsend (SNC)
Councillor Martin Wilson (SNC)
Councillor Barry Wood (CDC)

Officers: Steve Bishop, Strategic Director, South Oxfordshire and Vale of
White Horse District Councils
Mary Harpley, Chief Executive (CDC)
David Price, Director of Community Engagement & Corporate
Services (SNC)
Gina Thomas, HR Manager (SNC)
Beth Baines, Accountancy Manager & Deputy S151 Officer (SNC)
Liz Howlett, Head of Legal & Democratic Services & Monitoring
Officer (CDC)
Nadine Trotman, Corporate Programme Manager (SNC) & Project
Support Officer to the Joint Working Group
Natasha Clark, Senior Democratic & Scrutiny Officer (CDC) &
Administrative Support Officer to the Joint Working Group

Setting the direction

Overview of the process to shared management arrangements

- SODC and Vale are fairly similar in size and predominantly rural. Each council employs approx. 250 FTEs and each outsources many services.
- Process began by entering into shared service arrangements for finance and waste:

Finance

- SODC outsourced financial services contract was due for renewal.
- Vale joined re-tender process and single specification was approved by both sets of Members.
- Some elements outsourced and single finance team established for elements remaining in-house.

Waste

- Single specification put out to tender.
- Existing contracts had different end dates so each council began when appropriate.

Shared management arrangements

- Realisation that shared management was an opportunity not to be missed.
- Business case was presented to both Councils in July 2008.

What were the business drivers for the councils when you first considered moving towards joint working?

- Improve and strengthen management ~ good decision making.
- Financial pressures ~ efficiency savings.
- Need to be innovative to survive as a district council.
- Joint arrangements are the only way for a district council to make efficiency savings.

How clear was the vision of where joint working would end up?

- The paper presented to each Council in July 2008 was clear that agreeing shared management arrangements was opening a door that would lead to discussion on shared services.

At the time Members voted to move to a joint working arrangement, did they see this as a potentially reversible arrangement or was it clearly understood to be the start of a permanent and non-reversible?

- Members were aware that there was no way back once the decision was made ~ Members had wanted an exit process included the Agreement between the two councils but once arrangements to share staff in the 4th tier and below had begun, it was not feasible to reverse the arrangement due to the cost of doing so/loss of savings (approx. £1m each).

Impact on structure

How far do your joint working arrangements now go and over what time have you achieved this? With hindsight, would you have gone slower or faster?

- Shared senior managers:
 - Chief Executive ~ reduced from 2 to 1.
 - Strategic Directors ~ reduced from 5 to 3.
 - Head of Service ~ reduced from 15 to 8.
 - Service Managers ~ reduced from 45 to 32.
 - Shared 4th tier managers ~ 32 service managers.
- Service managers' first task is to develop business cases for single teams across the 2 councils.
- Members have agreed to consider shared services in all areas except planning and housing at present.
- Pace ~ would not have gone any slower, once the proposal in place it's important to move forward as it does lead to a lot of uncertainty for staff.
- Each council currently has different IT systems and work is underway looking at bringing these together.

Who employs your shared staff and to what extent have you harmonised terms and conditions?

- One arrangement for staff in the Ridgeway Partnership (the original joint finance function):
 - Employment is shared and there is 1 set of terms and conditions.
 - Each council employs a number of elements of the finance team.
 - Staff were TUPE transferred in both directions.
- A different arrangement for shared management arrangements.
- Chief Executive, Strategic Directors and Heads of Service:
 - An appointment panel was established for the CX and Strategic Directors recruitment.
 - Independent consultants were employed (money for this was included in the business case to help with the process to ensure proper processes followed and guaranteed openness and transparency (light touch used for Heads of Service as Members were more aware of the processes)).
 - Business case stated that whoever the successful applicants were would continue to be employed by their current employer but would be on secondment to the other council for 50% of their time.
 - Senior managers have set days in each office (though flexible to change as required) ~ makes it easier for Members and staff to contact/meet senior managers.

- Tier 4 Managers:
 - Employees at this level are not paid for 50:50 across the two councils.
 - Division is on a service basis and based on service requirements.
- Terms and Conditions:
 - All tier 1-4 staff are now on the same terms and conditions across the two councils
 - Working hours and flex system harmonised
 - Salaries have not yet been harmonised – deadline agreed with UNISON for this is 2012.
- HR Policies
 - Around 1/3 proved similar, 1/3 medium similarity, 1/3 more difficult to harmonise
 - All harmonisation has included staff consultation.

Financial issues

How accurately were you able to identify all of the costs and savings in advance and have you achieved the benefits set out in the original business case for the project?

- Each Council has a budget of £14/£15m and has saved over £1m (more than put forward in the business case).
- At each stage more money has been saved than projected.

Have any of the savings been reinvested and in what areas?

- Savings not reinvested explicitly, rather they have been used to ensure frontline services in both Councils can be maintained.
- Occasionally one of the Councils has decided to invest some of their savings in a particular service (e.g. Vale now spends more than it did on Building Control).

Were the two councils similarly cost effective when joint management was introduced and how were the costs and savings allocated between the two authorities?

- SODC was/is in a better financial position than Vale.
- 50:50 shared costs for the top three tiers (with agreement that this could be 45:55 at any point without triggering the need for discussion).

- 4th tier level is not 50:50.
- each service area is considered on a case by case basis taking account of service delivery expectations, resources required, projects etc. and this is reflected in the recharge.
- each council does its own budget with its own priorities and needs to ensure that there are adequate funds to meet these ~ rely on and confident in officers to ensure that projects are resourced and funded.

What arrangements have been put in place for monitoring and scrutinising the benefits, issues and opportunities arising from joint working and are these joint arrangements?

- Ridgeway Shared Services Partnership (RSSP) was established as a strategic board charged with reviewing and monitoring the RSSP. It involves the Vale and SODC working jointly to deliver shared financial services.
- No formal monitoring of shared management arrangements or comprehensive review of arrangements to date as this has not been considered necessary as everything is working so well (though a monitoring report was submitted to each Council when the process moved on a stage and approval was being sought for shared 4th tier management).
- Savings have been seen in the budget monitoring reports.
- Informal Joint Senior Management Board meets weekly (Leaders, plus 4 other elected members) which looks at and considers issues and reports to each Executive/Cabinet as appropriate.
- Joint policies:
 - Much background work is done before they are presented to Full Council to overcome any differences
 - Communication with Members is very important
 - If differences cannot be overcome, policies include separate clauses for each council.

Impact on service delivery

What were the non-financial benefits to the two organisations, did they feature in the decision to move forward and were they what you anticipated?

- Some services have become much better ~ more resilient and leaner ~ so now considering selling own services externally.
- Convergence has been seen in service areas:

- Combined performance reports are presented to each council (a recent development)
- Can easily see if targets for each council are being met and share best practice.
- Important to make officers' lives as easy as possible so many processes have been brought together e.g. similar reporting systems and management styles, same software and report styles.

What difference has joint working made for the public?

- Residents aren't interested; their priorities are good services, low council tax and better value for money.

Impact on Members

How has the move to a joint senior management team affected the senior Members in the organisations (Leader, Portfolio Holders, Committee Chairmen etc)?

- Cabinet/Executive members have scheduled meetings with officers and cabinet briefings are scheduled.
- Leader (SODC) now shares a secretary.

How has the move affected backbench Members?

- Fear that officers wouldn't be available but no issues seem to have arisen.
- Fear that shared arrangements would lead to a takeover.
- The biggest challenge was not losing CX (Vale) or the restructure but the fear of the backbenchers that the process was a takeover.
- Communication with all Members, particularly backbenchers who aren't directly involved in the process, is imperative.

How have you managed to maintain different policies, values, other things that either organisation holds dear/makes you distinctive when you have the same officers working for both of you?

- Service area splits are not 50:50 as at times each council values a certain service differently ~ the service splits are designed to reflect this and can be adjusted as required according to projects that arise.
- Members trust officers to spend their time fairly on delivering services for each council.

Has the sovereignty of the two councils been affected at all?

- At the time the discussions began, SODC and Vale were working well together and felt that shared arrangements would show a strong district identity rather than being pushed into any potential unitary arrangements.
- The arrangement works well as long as you are clear where you do differ.

Impact on partners and the community

What impact has joint working had on the councils' relationships with larger partners and has there been any noticeable change in the ability of the two councils to influence the achievement of their objectives?

- No feeling of having greater influence over peer districts unless in a district v. county situation.
- LSP Chairmen keen now to discuss joint working.
- Have received funding from the Government Office for the South of England (GOSE) for joint project.
- LGA was very impressed and advocated model.

What impact has there been in terms of smaller local partners and the local community? For example, do the parishes think the 'local' feel of their district council had been lost?

- Each council is still involved in its own partnerships.

Impact on staff

What, if any, changes did you see in the way staff perform and how they feel about things?

- Affected staff were offered voluntary redundancy/early retirement which was taken up by some.
- Officers have been very committed.
- There has been a lot of consultation with staff and HR officers and Union representatives have been available for staff.
- Sickness absence now the best ever.
- Some management responsibility does get delegated down, but generally staff have seized the opportunity for personal development ~ there has been a big investment in middle management training this year.

- There have been isolated incidents of managers saying they have too much work, but these have been easily rectified by line managers.
- Morale is generally better at SODC than Vale ~ more SODC officers have jobs in the new structure.
- The Strategic Director personally felt it was very positive and empowering offering many opportunities.

To what extent will the joint arrangements restrict each authority in the future should they need to change how they work or how they are structured (at whatever level) in order to respond to local circumstances / changing priorities?

- Shared services are monitored and can be flexible to changing priorities of each council.
- For internal monitoring reasons to ensure the service split is fair, 4th tier managers and staff below will undertake time sheet recording twice a year to ensure that there is no more than the agreed 5% variation to the service agreement ~ this will ensure the shared service split remains fair and fulfil the monitoring requirements of the Audit Commission.
- Members have confidence in and rely on officers who run the council on a day to day basis ~ frequent meetings/briefings are held and any issues/concerns should be picked up early.

With hindsight

Do Members think joint working has delivered what was promised?

- Yes.

Did Members get anything, good or bad, as a result of joint working that they were not expecting?

- Very pleased with everything and can't think of any negatives.

Knowing what you know now, both about joint working and given how the world of local government is changing, would Members make the same decision again?

- Yes, no regrets and would highly recommend it to other councils

**Cherwell District Council & South Northamptonshire Council
Joint Working Group**

**Notes of a Meeting with Simon Baker, Chief Executive, Staffordshire Moorland District Council (SMDC) and High Peaks Borough Council (HPBC)
at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA
on 25 August 2010 at 2pm**

Present: Councillor Ken Atack (CDC)
Councillor Carole Clarke (SNC)
Councillor Colin Clarke (CDC)
Councillor Michael Gibbard (CDC)
Councillor Steven Hollowell (SNC)
Councillor Timothy Jackson-Stopps (SNC)
Councillor Nigel Morris (CDC)
Councillor George Parish (CDC)
Councillor Debbie Pickford (CDC)
Councillor George Reynolds (CDC)
Councillor Dan Sames (CDC)
Councillor Mary Anne Sergison-Brooke (SNC)
Councillor Blake Stimpson (SNC)
Councillor Sally Townsend (SNC)
Councillor Tony Wilkinson (SNC)
Councillor Douglas Williamson (CDC)
Councillor Barry Wood (CDC)

Officers: Simon Baker, Chief Executive Staffordshire Moorlands District Council and High Peaks Borough Council
Jean Morgan, Chief Executive (SNC)
Steven Shuttleworth, Director of Service Delivery (SNC)
John Hoad, Strategic Director Planning, Housing and Economy (CDC)
Gina Thomas, HR Manager (SNC)
Stephanie Rew, HR Manager (CDC)
Natasha Clark, Senior Democratic & Scrutiny Officer (CDC) & Administrative Support Officer to the Joint Working Group

Attachments	
Attachment 1	Presentation of Simon Baker

Setting the direction

Overview of the process to shared management arrangements (see attached presentation)

- There was concern about the future and finances of district councils. All savings from earlier efficiencies had been exhausted and there was a need to find new mechanisms for savings.
- In July 2007 the Chief Executive of HPBC left and a window of opportunity was seen.
- The SMDC Chief Executive had experience of managing 2 councils having covered the post at another authority while the Chief Executive was on sick leave.
- In October 2007 HPBC political leaders approached the SMDC Chief Executive. Consultants were requested to develop a business case in November 2007. The alliance was launched in December 2007 and a formal partnership (Concordat) signed in February 2008. The Joint Chief Executive was formally appointed in May 2008.
- What were the business drivers for the councils when you first considered moving towards joint working?
- As above – need to find new mechanisms for saving money and reducing costs.
- Learning opportunities.

Have these changed at all as a result of the changes in direction and policy coming out of central government?

- Element of uncertainty about the future and finances of district councils

How clear was the vision of where joint working would end up?

- The 2007 business case presented 5 options for change (slide 5 of presentation).
- Members chose options 3: 'Formal Partnership with joint approach to the delivery of key services'.
- The vision for the strategic alliance is "to establish a shared approach to the delivery of key services that will improve the quality of people's lives in the two authorities and deliver greater value for money".

At the time Members voted to move to a joint working arrangement, did they see this as a potentially reversible arrangement or was it clearly understood to be the start of a permanent and non-reversible?

- The elected members of both councils supported the process for the most part though there was some element of nervousness at times.
- The Concordat (formal partnership arrangement) allows for each Council to walk away from the arrangement.
- There is an arrangement in place that enables 1 council to get independent/separate advice if they do not wish to do something that the other does (this has not happened to date however).

Impact on structure

How far do your joint working arrangements now go and over what time have you achieved this? With hindsight, would you have gone slower or faster?

- See slide 6 of the presentation for timeline of implementation for joint management structure.
- The number of senior staff has reduced from 37 to 21 (1 CX, 3 Executive Directors, Assistant Chief Executive and 17 Heads of Service) and it is anticipated this will be reduced further.
- Following agreement of the Transformation Programme in February 2010, an evaluation process identified a list of services including quick wins (e.g. chief executive support) and those with potential for whole service transformation.
- A Joint Transformation Team supported heads of services and their teams to develop business cases. 19 services developed business cases with a small number being selected for whole service transformation projects including environmental services and property services.
- There are a number of shared services: combined ground maintenance, joint clean team, environmental health, joint chief executive team, including combined policy function.
- The process did not move as fast as authorities now considering shared management arrangements could contemplate as they can learn from the experiences of others.

Who employs your shared staff and to what extent have you harmonised terms and conditions?

- The Chief Executive has a contract with both Councils which includes terms regarding processes should the councils fall out or 1 lose faith.
- The 3 directors are jointly employed.
- The Heads of Service are employed by the LA they came from.
- Generally staff are employed by their previous employer and this was under the terms and conditions of the previous employer, but terms and conditions have recently been harmonised.
- HR have developed a new payscale and progression points and a job evaluation scheme which all employees have now been migrated to:
 - This was a more difficult project than moving to joint terms and conditions as the payscales were different at each council meaning staff in the same teams were on different pay.
 - This was a cost neutral project.
 - There were losses and gains for staff from both councils.
 - The trade unions were consulted throughout and were in favour.
 - The progression criteria is linked to performance.
 - The job evaluation scheme is a hybrid of each authorities own scheme.
- Originally there was to be no single set of core values. However now there is a combined set of norms that all staff work to.
- Learning and development:
 - Due to the pace there was little time for training, so practical learning was key - staff were given targets and a transformation programme and asked to deliver, which the majority have.
 - A new appraisal system for the two councils is now being implemented from which training needs can be identified, and a learning and development plan will be developed.
- A project is currently underway to develop combined policies e.g. health and safety.

About the transition

What capacity did you need to drive through the changes at the start of the process and did you estimate this correctly?

- Consultants were used to develop the business case. As one of the first organisations considered joint management arrangements funding was obtained for this.

- The use of consultants was to provide external validation.
- There was a general feeling that staff wanted to work things out themselves and steps were taken in bite size chunks.

What, if any, problems did you experience during the transition in terms of loss of focus, slippage, reduced performance or anything else?

- There was initially concern that there would be increased mileage claims. Pool cars were introduced to address this.
- There was a problem with ICT and access at both locations, and both councils previously used different ICT systems. The business case to combine ICT was 3 years. An expense was incurred to install new ICT pipes due to the location of the HPBC offices.

Financial issues

How accurately were you able to identify all of the costs and savings in advance and have you achieved the benefits set out in the original business case for the project?

- See slide 14 of the presentation for the financial impacts.
- The estimated cumulative savings to 2010/11 are £1,278k which is purely attributable to combining management and sharing services.
- The more that you do, the more savings you will realise. It is anticipated that big savings will be realised with sharing transactional services.
- Were there any lessons that we need to take into account in putting our business case together about unexpected costs or benefits?
- Generally you need to spend some money to save money – each business case should be looked at on its own merits.
- Have any of the savings been reinvested and in what areas?
- Members are keen to reinvest savings – no savings have been labelled ‘alliance’, they go to each council.
- Both councils are keen on supporting environmental enhancements so some savings have been reinvested in this area.
- Some savings have been banked.

Were the two councils similarly cost effective when joint management was introduced and how were the costs and savings allocated between the two authorities?

- Each council had a similar net annual budget – SMDC: £13m, HPDC: £12m.
- The Concordat states that the two councils agree to share equally the costs associated with the investigation and implementation of the agreed areas of joint working.

Impact on service delivery

What were the non-financial benefits to the two organisations, did they feature in the decision to move forward and were they what you anticipated?

- HPBC was the junior partner but saw the proposal as an opportunity to improve – audit letters state that the council has improved.

Were the same services delivered for less and / or has been there an added value leading to improvement in the way services are delivered?

Were there areas where integrating services proved particularly easy or beneficial to do?

- The transformation programme cross referenced and plotted all services on a graph which identified the ease of sharing and the potential savings (slide 10 of the presentation).
- 'Quick wins' such as shared Chief Executive and a combined performance management service went ahead quickly.
- Need to realise though that you can't do everything so you need to prioritise.
- Currently in the third year of the process and at the second stage – bringing together more difficult services such as developing a single customer call centre.

What has been the impact on the performance of the two organisations?

- Both councils have measurably improved performance at a reduced cost.

Has the reduction in management capacity affected the ability of the two organisations to deliver its key projects?

- Each council has different priorities. 1 Head of Service with staff in each office is tasked with addressing the individual priorities.

- Need to be ruthless in prioritising what needs to be done – no projects have fallen off the radar.

What difference has joint working made for the public?

- None, the public are interested in the best service possible.

Impact on Members

How has the move to a joint senior management team affected the senior Members in the organisations (Leader, Portfolio Holders, Committee Chairmen etc)?

- The politics of both councils is changeable.
- Elected Members generally do not see each other.
- The two Executives meet together once or twice a year, the Leaders meet and PfHs talk as required.

How has the move affected backbench Members?

- At HPBC the most opposition came from Conservative backbenchers who complained that the process was too slow.
- There was some nervousness but generally politicians have been supportive and feel that it won't be an election issue next year.
- There is one joint scrutiny panel.
- The same reports are produced for both councils and considered at the respective meetings.
- As directors are undertaking more strategic work, Members have more contact with Heads of Service.
- Heads of Service have been allocated to wards in the authority they did not previously work for and managers spend time with the elected member getting to know the area.

Has the sovereignty of the two councils been affected at all?

- No, the arrangement is shared management and services overlaying two democratic organisations. The two councils' identities remain different.

Impact on partners and the community

What have been the challenges for politicians and officers working across two counties and regions?

- The two respective counties were nervous e.g. about overlapping strategies, but the SMDC and HPBC have assured the counties that the alliance is not a platform for a unitary local authority.
- Need to coordinate meeting dates and attendance.

What have been the opportunities for politicians and officers working across two counties and regions?

- The regional issue has only presented benefits – more access to information and funds.
- Have obtained money and extra resources for some projects.
- Increased capacity in key areas and can call on expertise from two county councils.
- Each council talks to the other before talking to anyone else.
- It is not a 'monogamous relationship' however and each council has other arrangements with other local authorities.
- LEP arrangements for the two councils may be different.

Impact on staff

What expectations were staff given at the start of the project about how far joint working would go and how did/do they feel about things?

- Members wanted to involve staff in the change programme – staff from the respective services have developed business cases together within the framework.
- The Chief Executive has an office at both councils, though for the first year of appointment, with the agreement of the Leaders, he was based in HPBC. Now he spends a few days in each office, these are not set days but as required.

- Initial relationships were difficult (before a shared management team was implemented) as the CX was chairing two management teams with anxious staff due to the future proposed changes.
- There are now less staff working in the two councils, but those who have stayed feel better.
- Compulsory redundancy has been avoided, but lots of staff have left voluntarily.
- There has been no external recruitment in 3 years.
- Staff were not forced to move office bases, but some volunteered.

With hindsight

Do Members think joint working has delivered what was promised and would they make the same decision again?

- The process may not have started had the vacancy at HPBC not arisen but once the decision was made members were keen to move fast.
- Without member support nothing will happen – don't need to be sure of where you'll end up, ensure you have support and once you start keep going.

SHARED CHIEF EXECUTIVE AND MANAGEMENT ARRANGEMENTS

Wednesday 25 August 2010

High Peak Borough Council and Staffordshire Moorlands
District Councils'
'Strategic Alliance'

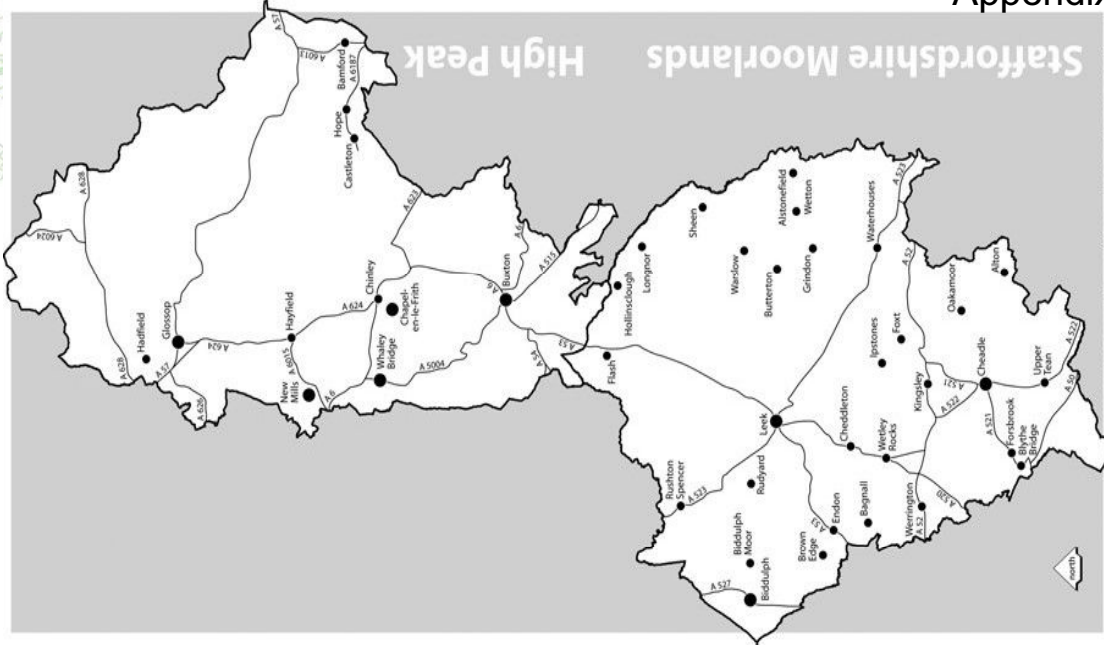
Simon Baker – Joint Chief Executive

Appendix 10



High Peak/ Staffordshire Moorlands Areas

Appendix 10



Characteristics	HPBC	SMDC
Population	92,000	96,000
Geographic Size	53,915 hectares	57,642 hectares
External Assessment	CPA Excellent (2004) Council of the year (2007) Beacon – Sustainability Organisational Assessment – Level 3	CPA Excellent (2007) Beacon – Procurement Beacon – Partnerships Beacon – Empowerment Beacon – Digital Inclusion Organisational Assessment – Level 4
Net Annual Budgets	£12m	£13m
Other information	Small but dynamic rural area (5 main towns and villages). Two thirds of in Peak National Park	50% of population based in 3 towns. One third of district is in Peak National Park
County	Derbyshire	Staffordshire
Region	East Midlands	West Midlands



High Peak Borough Council
working for our community



STAFFORDSHIRE
moorlands
DISTRICT COUNCIL
ACHIEVING · EXCELLENCE

Context and Background

- Concern about the future and finances of district councils
- Passionate and determined about retaining control of our own futures and identities
- Lack of willing/culturally-compatible partners in own areas
- HPBC Chief Executive left in July 2007
- SMDC Chief Executive experienced in managing 2 councils

Appendix 10



Overview (1)

- Initial approach from political leaders (Oct 07)
- Consultants to develop business case (Nov 07)
- Launched Alliance (Dec 07)
- Interim appointment at HPBC (Jan 08)
- Formal partnership/Concordat (Feb 08)
- Development of Transformation Programme (Apr 08)
- Formal appointment of Joint Chief Executive (May 08)



Appendix 10



Options for Change

Option	Description	Potential Savings	Costs/key risks
1	2 Separate authorities	0	Zero Cost Doing nothing will lead to failure
2	Joint Working under one CEO	£0.3M	Low Costs Low risks supported by effective change management
3	Formal Partnership with joint approach to the delivery of key services	£0.96-£1.16M	Medium Costs Increased risk profile requiring more focussed management
4	Formal partnership with combined workforce	£1.26M	High Costs Higher risks through the creation of a 'new entity'
5	Full Merger and joint political management	£1.26M +	High Costs Increased statutory, political and democratic issues/risks

Appendix 10

Overview (2)

- Setting up joint Chief Executive's Office (July 08)
- Transformation Programme (July 08)
- Commenced development of new senior management structure (Oct 08)
- Developed new managerial structure (Jan 09)
- Executive Directors appointed (March 09)
- Heads of Service appointed (June 09)
- New management structure implemented (July 09)
- Transformation + Programme agreed (Feb 10)
- Joint Terms and Conditions for all staff - consultation (June 10)
- On-going/developing partnerships with other councils

Appendix 10



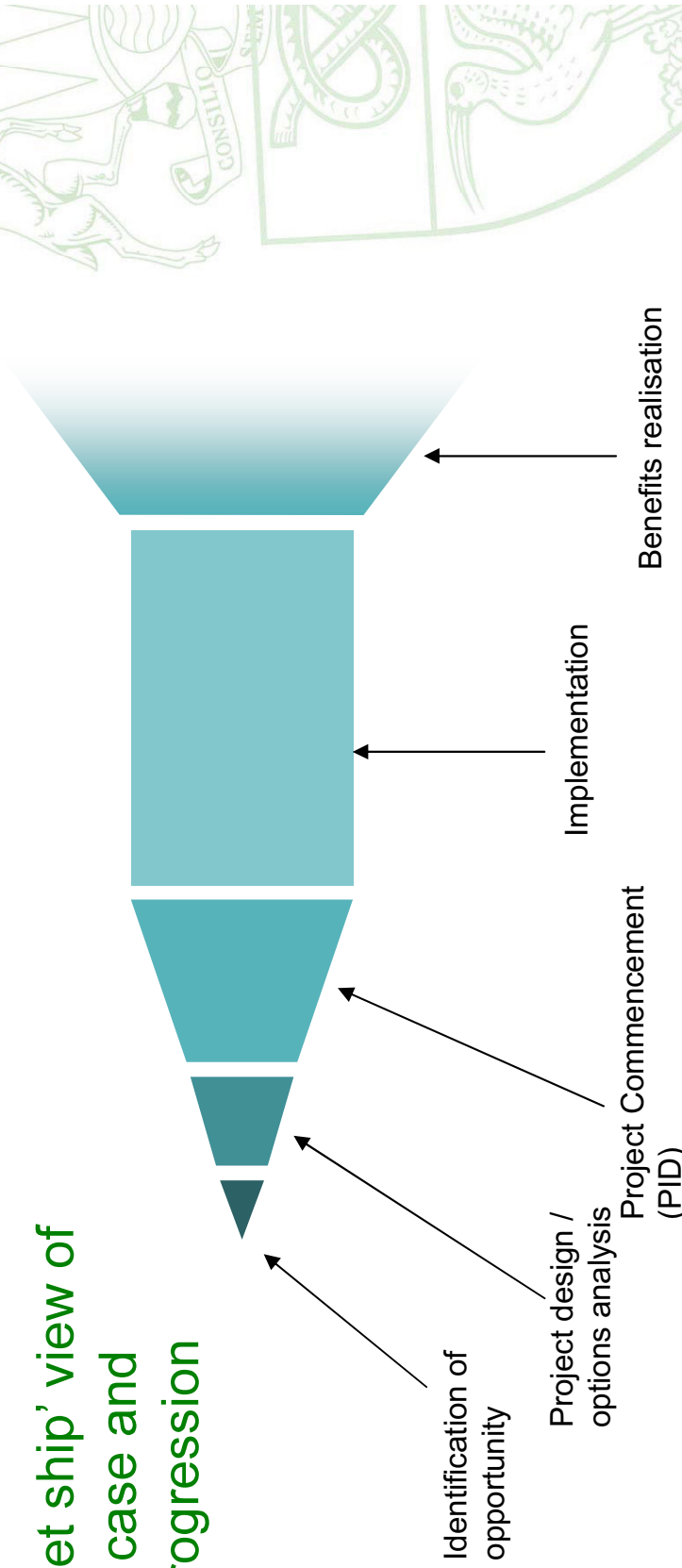
Transformation Principles

- Makes financial savings
- Improves performance
- Achievable with the resources available to deliver
- No compulsory staff redundancies
- Risk managed
- Investment in priority service areas
- Focussed on areas of shared benefit that add value
- Visible impact on communities
- Supported by a clear business case



Business Case Development

The 'rocket ship' view of business case and project progression

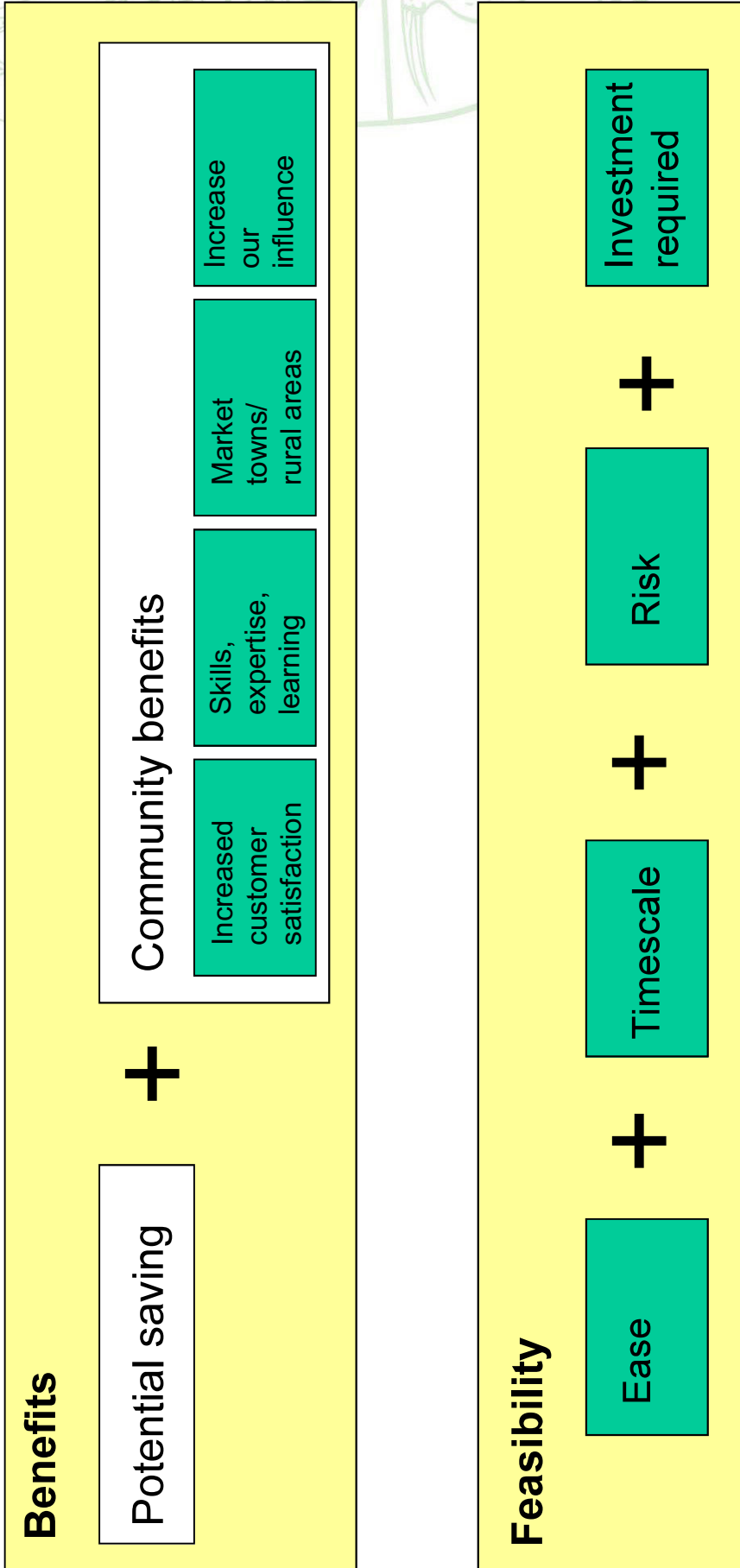


- There are many levels to a business case
- It is critical that you work the business case to the right level at the right time for the programme

Appendix 10

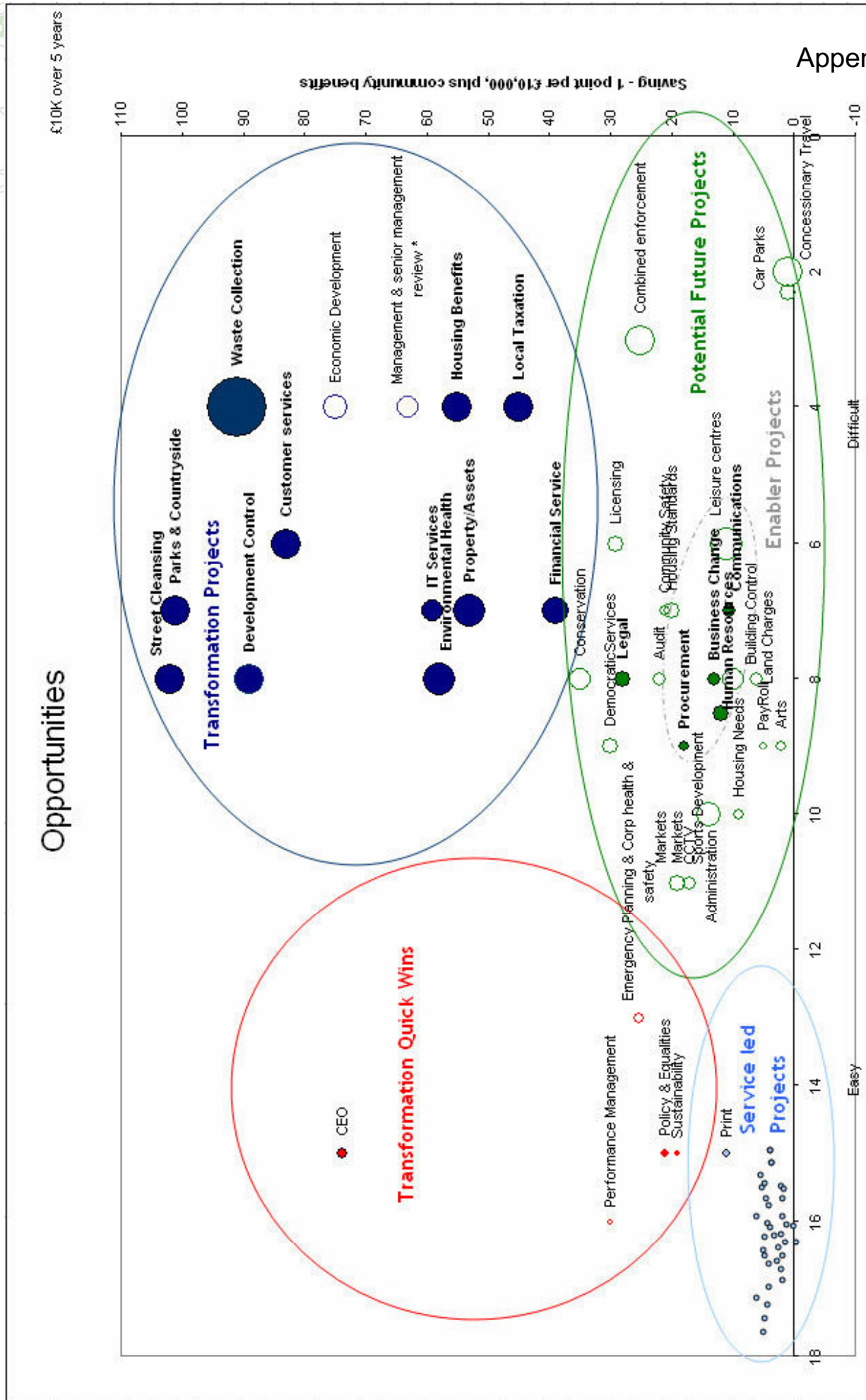


Methodology for identifying opportunities



Appendix 10







Transformation Projects

- Transformation Quick wins
- Policy including consultation
 - Communications and marketing
 - Health and safety and Emergency Planning
 - Environmental sustainability

- Major Transformation Projects
- Environmental Health
 - Grounds Maintenance
 - Property management
 - Responsive removal of litter and fly tipping
 - Financial services
 - ICT



Achievements

- Improved performance, increased satisfaction with services,
- Enhanced capacity, more attractive career progression for staff - retention and recruitment
- Low council tax increases
- Completed Transformation Programme
- Started Transformation +



Transformation +

- **Support Services**
 - Legal, HR, Finance
- **Strategic Services**
 - Housing, Waste & Recycling, Regeneration, Communities, Parks & Countryside, Leisure Management, Democratic Services
- **Transactional Services**
 - Customer Services, Council Tax, Housing Benefits, Development Control, Building Control, Environmental Services
- **Direct Services**
 - Street Scene, Visitor Services
- **Local Efficiency Savings**
 - Accommodation, Administration, Travel Costs, Energy Efficiency, Procurement



Appendix 10





Appendix 10



Financial impacts

Year	Net Shared Financial Savings (£,000)
2008/09	348
2009/10	365
2010/11 (Est)	1,278
2011/12 (Est)	394
2012/13 (Est)	790
TOTAL	3,175





Challenges

- ‘Buy-in’ – councillors (including leading groups!) and staff
- Communications – public, stakeholder, partners
- Party politics – including MPs
- Two counties and two regions (2 Local Area Agreements, 2 Government Offices, 2 county networks)

Appendix 10



Key Messages

- Choose the right partner
 - Seize the moment/opportunity
 - Led by members and obtained clear member support at every stage of implementation
 - Be bold/radical – most obstacles can be overcome
 - Invest time and resources in selling/communication
- and finally ...
- It works and delivers better services and savings



**Cherwell District Council & South Northamptonshire Council
Joint Working Group**

**Notes of a Visit to East Hampshire District Council (EHDC) and
Havant Borough Council (HBC) at the
EHDC Council Offices, Penns Place, Petersfield, GU31 4EX
on 1 September 2010 at 1pm**

- Present:** Councillor Patrick Burridge, Interim Leader, East Hampshire District Council
Councillor Michael Gibbard (CDC)
Councillor Debbie Pickford (CDC)
Councillor George Reynolds (CDC)
- Officers:** Sandy Hopkins, Chief Executive, East Hampshire District Council and Havant Borough Council
Tom Horwood, Head of Communications, Customer and IT Services, East Hampshire District Council (present 1pm – 2pm)
Mary Harpley, Chief Executive (CDC)
Jean Morgan, Chief Executive (SNC)
Martin Henry, Head of Finance (SNC)
Gina Thomas, HR Manager (SNC)
Natasha Clark, Senior Democratic & Scrutiny Officer (CDC) & Administrative Support Officer to the Joint Working Group

Attachments	
Attachment 1	East Hampshire and Havant Councils Individual Management Structures
Attachment 2	East Hampshire and Havant Councils Proposed Joint Management Structure

Setting the direction

Overview of the process to shared management arrangements

- A shared Chief Executive was appointed in October 2009.
- Between October 2009 and April 2010 the CEX implemented a change management programme between the two councils in order to progress the partnership between the two organisations.
- The shared CEX delivered some savings (£59k), however, to achieve greater savings and efficiencies a business case of proposals for the sharing of the Management team was considered and agreed by each Council in May/June 2010.

- The recruitment process for the shared management team took place in July 2010.
- Executive Directors and Heads will be in post from October 2010 and will be tasked with looking at shared services.

What were the business drivers for the councils when you first considered moving towards joint working?

- The key organisational drivers for exploring such a partnership arrangement include:
 - Cost savings in overheads of a shared management of approximately £587,000 before transitional costs and any reinvestment to cover any backfilling/capacity costs is taken into consideration.
 - Seeking further efficiency and effectiveness in service delivery through shared functions.
 - Improved innovation and creativity through sharing of skills.
 - Improved capacity to deliver services.
 - Improved sustainability as a 'district council'.
 - Resilience and attractiveness in two-tier and commercial markets as a provider and customer.
 - Meeting the political objective of smaller and more efficient Government.

Have these changed at all as a result of the changes in direction and policy coming out of central government?

- Both Councils recognise that the external environment will require a new approach to change management to help deliver organisations that are fit for purpose into the future.
- Included in the business case is reference to the:
 - Comprehensive Spending Review.
 - Coalition Government commitment to devolve power.

How clear was the vision of where joint working would end up?

- Both Councils have developed improvement programmes in recent years and delivered efficiency savings and performance improvements as well as income generation initiatives.
- The shared CEX entered her role in October 2009 and in the following six months a change management programme has been implemented and managed by a Joint Management Team and its nominated steering group (the JMT consists of the Officer Leadership Team in East Hampshire and the Executive Management Team in Havant. Nominated representatives have formed a steering group to manage the change programme and the CEX chairs the group).

- Joint Cabinet meetings have been held since August 2009. In September 2009 a provisional list of priorities was discussed and in January 2010 a 'Route Map' for moving forward was agreed by a meeting of the two Cabinets.
- The CEX outlined proposals for shared management within the *Route Map* document including the vision for an integrated management team, functions and models for delivery and options for taking forward the integrated management and services. A joint political vision, with objectives and priorities for shared services, was also finalised.

Impact on structure

How far do your joint working arrangements now go and over what time have you achieved this? With hindsight, would you have gone slower or faster?

- Shared Chief Executive – in post October 2009.
- Shared Executive Directors and Heads – in post October 2010.
- Executive Heads will be tasked with working up business cases for shared services which will be considered on a case by case basis by each Council.
- Between the two authorities there were 5 Director level roles (including a Deputy Chief Executive post at East Hampshire District Council) and 16 Heads of Service/Senior Managers reporting to the Directors. Of the Service Heads reporting to Directors, there were 10 positions with corporate responsibility as a member of the management team (Attachment 1).
- Senior management numbers have reduced across the two organisations from 8: 1 CEX, 2 Executive Directors, 5 Executive Heads (Attachment 2).
- All posts have been filled internally with the exception of 1 which will be advertised externally.
- During the recruitment process 3 staff took voluntary redundancy, 1 compulsory redundancy and a number left.
- The vacant post is for the S151 Officer, interim arrangements are in place at present however once the post is filled the S151 Officer will be shared between the two organisations – EHDC and HBC will be going with the models that are currently working and envisage no problems having a shared S151 Officer.

- The Monitoring Officer has not been affected yet as it is a tier 4 post but will be affected in the next phase – believe that legal services will be a good service to share ~ increased expert/specialist base for both councils.
- With regard to shared services, HBC currently has its own parking enforcement service which EDHC is looking to join and implementing the same service in East Hants:
 - Each councils overview and scrutiny committees are independently scrutinizing the proposals
 - A joint Cabinet meeting will be held to consider the final proposals although each Cabinet will make its own decision

How did you go about establishing clear and well understood governance?

- The Business Plan which was agreed by both Councils outlined the formal governance structures to take the work forward which include two small member-led groups to provide political and strategic direction to the Joint Service Improvement Programme:
 - Joint Shared Services and Business Transformation Board – focusing on partnering opportunities, shared-service, value for money, cost reduction and income generation (excluding property asset management).
 - Joint Organisational Development Board – focusing on HR, Re-structure, Communication and People Strategy.

Who employs your shared staff and to what extent have you harmonised terms and conditions?

- All shared management posts were advertised as ‘joint’ to make it clear that the post would cover both organisations.
- The CEX is employed by HBC (previous employer) and has a contract with EHDC as Head of Paid Service.
- The Joint Executive Management Team will stay with their original employer but will have a change to their contracts.
- There has been no harmonisation of policies yet – the thinking was that it was better to move forward and more efficiencies would be achieved by implementing the shared management team and then looking at harmonising policies that vice versa .

About the transition

What capacity did you need to drive through the changes at the start of the process and did you estimate this correctly?

- Support for the recruitment of the shared senior management team was provided by SOLACE:

- All posts (Executive Director and Heads) were advertised with generic job descriptions.
- An assessment day was held for applicants (run by SOLACE) which aimed to determine the skill set of applicants and what level they were performing at.
- Staff were appointed to a role that was not based on the previous post they held e.g. Head of Planning not appointed as Executive Head (Planning & Built Environment).
- All of the Executive team have been appointed on a 3 or 6 month trial basis.

What, if any, problems did you experience during the transition in terms of loss of focus, slippage, reduced performance or anything else?

- Different Constitutional requirements
 - EHDC: Senior management posts must be ratified by Council; CEX and S151 Officer ratify redundancies.
 - HBC: Leader and CEX appoint senior managers; Staffing Matters Committee must ratify redundancies.
 - Delegated powers ~ these vary between the two councils. This will be considered in due course by the two Leaders.
- Branding – some discussion around how this should work for business cards, letter heads etc.
 - CEX has joint business cards and headed paper.

Financial issues

How accurately were you able to identify all of the costs and savings in advance and have you achieved the benefits set out in the original business case for the project?

- To date the savings for the shared management team have been £0.5m (£0.25m for each council).
- To achieve real savings it is necessary to amend / streamline / improve bureaucratic processes – you cannot keep cutting services to save money.

Were there any lessons that we need to take into account in putting our business case together about unexpected costs or benefits?

- It is important to ensure compatible ICT systems as soon as possible – this is the platform to everything else working and as this had not been immediately addressed caused reduced productivity at EHDC and HBC.

Were the two councils similarly cost effective when joint management was introduced and how were the costs and savings allocated between the two authorities?

- The two councils had similar revenue budgets (EHDC – net £14; HBC – net £18m) and council tax requirements (EHDC - £6m; HBC - £8.3m).

- The savings have been shared 50:50.
- The costs were divided according to each authority's liability which equated to HBC – 65% and EHDC – 35%. The Auditors were happy with this arrangement.

What arrangements have been put in place for monitoring and scrutinising the benefits, issues and opportunities arising from joint working and are these joint arrangements?

- The two Governance Boards play a key role in this.
- The two councils Overview & Scrutiny Committees also scrutinize separately.

Impact on service delivery

What were the non-financial benefits to the two organisations, did they feature in the decision to move forward and were they what you anticipated?

- Improved innovation and creativity through sharing of skills.
- Improved capacity to deliver services.
- Improved sustainability as a 'district council'.
- Resilience and attractiveness in two-tier and commercial markets as a provider and customer.

Has the reduction in management capacity affected the ability of the two organisations to deliver its key projects?

- Each organisation maintains its own key projects.
- Project Directors within the joint management structure provide a strategic project management role for two significant regeneration based programmes of work taking place in the organisations:
 - South & East Hampshire Public Service Village (HBC)
 - Whitehill & Borden Regeneration (EHDC)
- The Director Public Service Village is for one year only and the Project Director Whitehill Borden is funded 100% by the Government.
- Each council has its own LDF which are at different stages in the process.

What difference has joint working made for the public?

- Cllr Burrige reported that feedback he had from residents was that they were concerned with efficient services. He believed it was a vote winning policy ~ maintaining services with a streamlined workforce is better than making service cuts.

Impact on Members

How has the move to a joint senior management team affected the senior Members in the organisations (Leader, Portfolio Holders, Committee Chairmen etc)?

- There have previously been Joint Cabinet meetings and these will be held in the future for consideration of business cases:
 - Feeling that it is more efficient and cost effective to present the business case once rather than holding two separate meetings ~ halving overheads to manage the cost of democracy, also helps build relationships.
 - Each Cabinet will vote and make its own decision on each business case.
- CEX has weekly meetings with the Leader/Deputy Leader.
- There was a perception by some Cabinet members that the CEX would have less time for face to face meetings – CEX has said that she can be contacted 24/7 but has received few calls.

How has the move affected backbench Members?

- HBC voted unanimously to move forward.
- EHDC ~ some underlying political issues behind the scenes so the decision was not unanimous (6 abstentions, none against).
- Important to consult with members regularly but be careful with the terminology used, e.g. 'merger' has negative connotations.

Do Members feel they have the same level of control over the workings of their council as previously? Has the sovereignty of the two councils been affected at all?

- Members are clear that EHDC and HBC remain two democratically accountable organisations but they can share officer resources.
- Members need to remain sovereign but management and the delivery of services can be shared.

Impact on partners and the community

What impact has joint working had on the council's relationship with larger partners and has there been any noticeable changes in the ability of the two councils to influence the achievement of their objectives?

- Both councils have external arrangements/contracts with other partners e.g. EHDC and Winchester for waste; HBC and Winchester for internal audit:
 - It is important to ensure that staff have the skill sets to manage these contracts/SLAs for two organisations.
- The dynamics have changed with other partners:
 - The police force is assessing its own way of working.
 - The fire service has appointed single Commander for two areas.
 - The PCT restructure place EHDC and HBC in the same area.
 - Private sector organisations have been setting their areas differently with the view that it is better to work with one CX.
- HBC would argue that they have more influence over the county council who move more quickly to get things done ~ the county approaches the district/borough as it is seemed preferable to deal with one CX who covers two authorities.

What impact has there been in terms of smaller local partners and the local community? For example, do the parishes think the 'local' feel of their district council has been lost?

- Parishes in the south of EHDC had a feeling of isolation but now with shared arrangements they can more easily access services in Havant which is closer.

Impact on staff

What expectations were staff given at the start of the project about how far joint working would go and how does this match up with what has happened in reality?

- It is very important to communicate with staff and essential to keep staff motivated particularly in the current climate when the media are picking up on perceived local government efficiencies.
- Staff need to understand the vision and be assured that the Leaders and CEX are clear about the direction and what is happening.
- EHDC and HBC have different intranets so a joint website was established to communicate with staff.

What, if any, changes did you see in the way staff perform and how they feel about things?

- There was no senior management level resistance during the move to a shared senior management team.
- From 1 October the business cases for shared service will be developed and it is expected that the outcomes will be decided by April 2011 ~ fourth tier managers are excited about the opportunities but nervous about the potential personal impact.
- Staff have to get used to different ways Members at each authority work e.g. EHDC and HBC have different ways of Member/Officer communication:
 - HBC has a protocol in place whereby Members should contact the Customer Service Centre in the first instance rather than officers directly.
- Neither the CEX nor the senior management team have offices at either location.

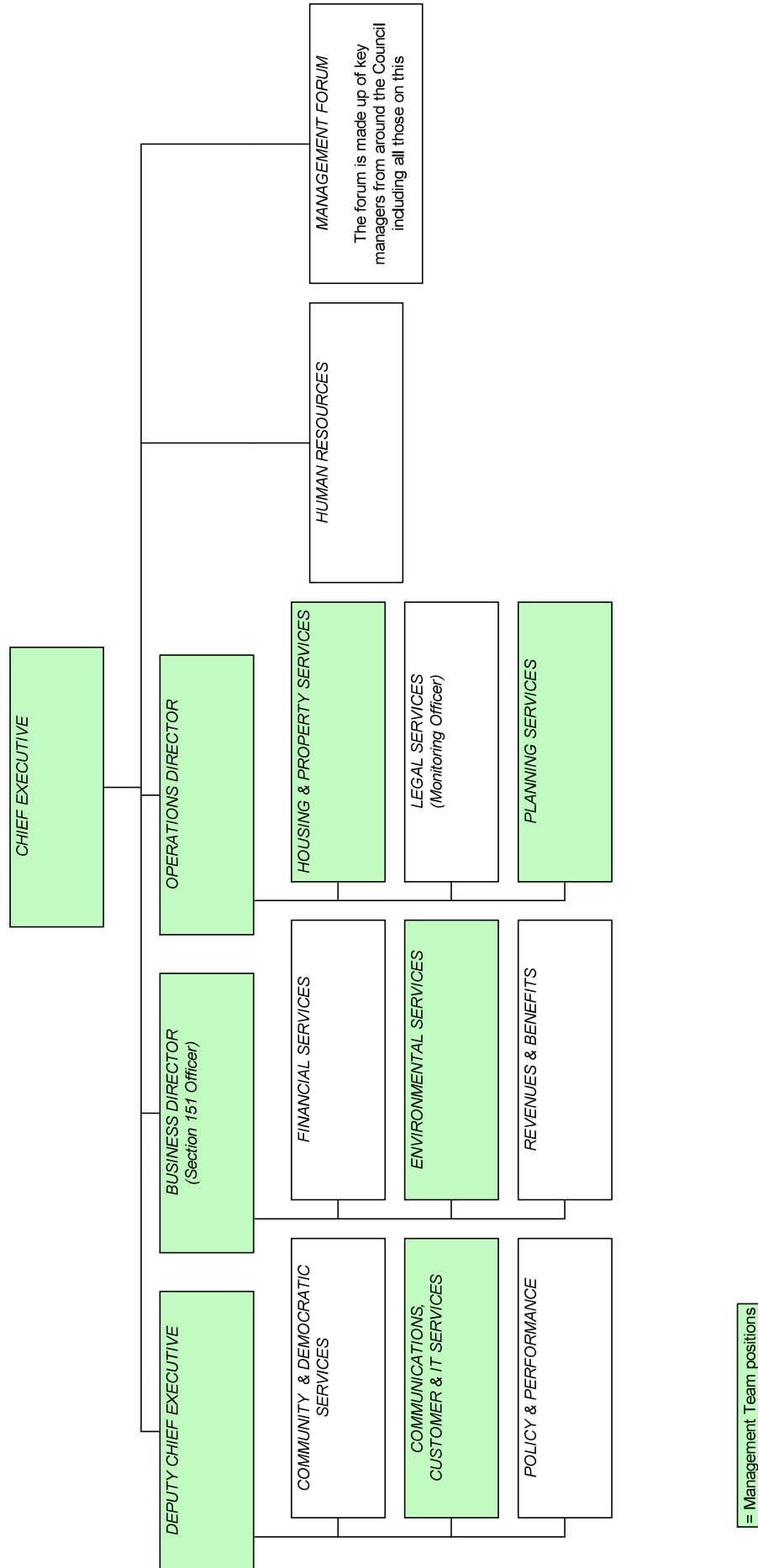
With hindsight

Knowing what you know now, both about joint working and given how the world of local government is changing, would Members make the same decision again?

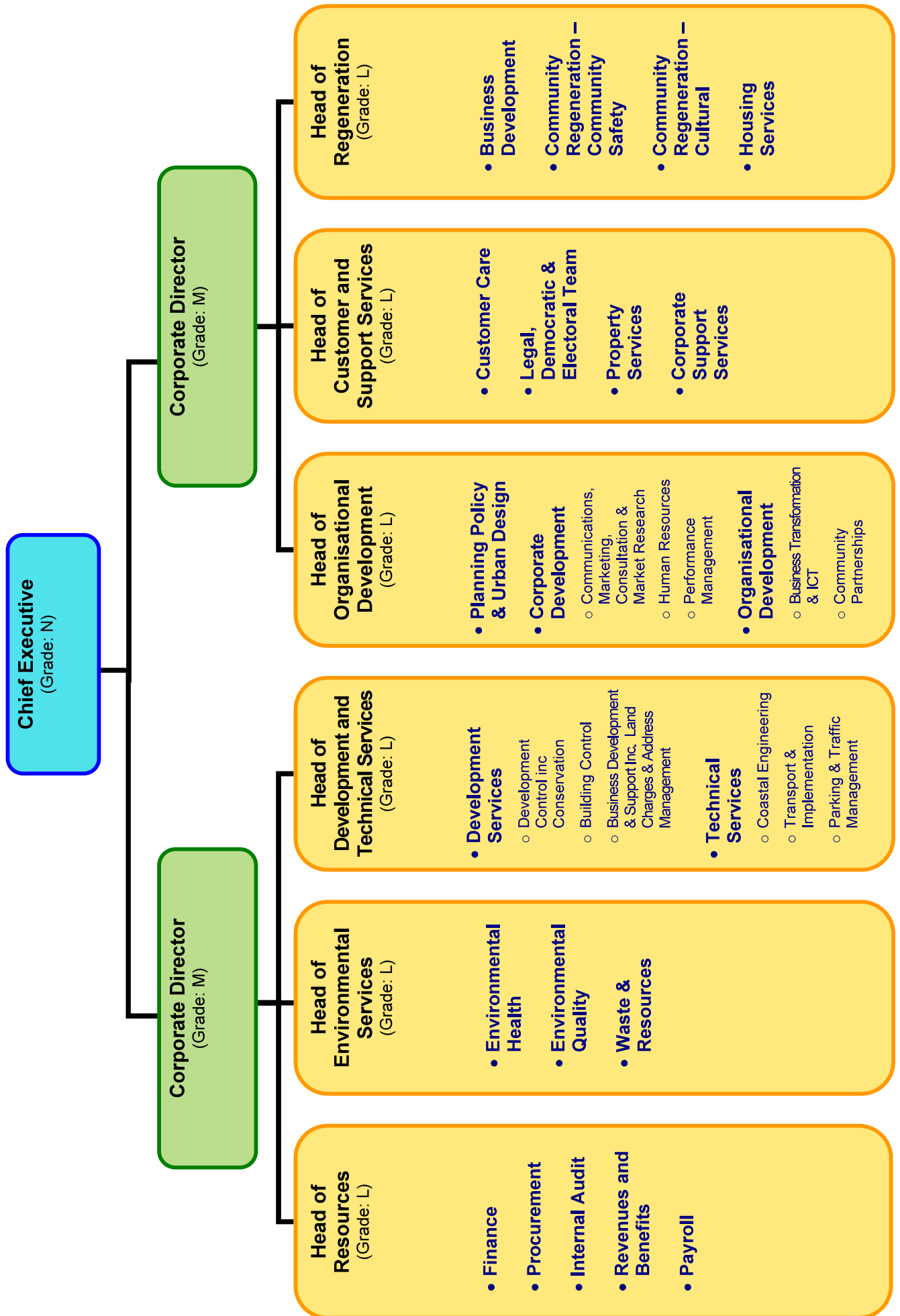
- Yes, “if you don’t do it, it will happen to you”.
- General advice in hindsight.
- Imperative to understand the two organisations and the differences.
- A good relationship between the political leaders is important.
- Never assume anything.
- Communication with Members and staff is extremely important.
- “Do it”.
- You will realise savings and other opportunities that you hadn’t anticipated.
- Challenge yourselves.
- Be clear about where you are and where you want to get to, as this helps allay the concerns of staff and Members.

Attachment 1

East Hampshire District Council Management Structure

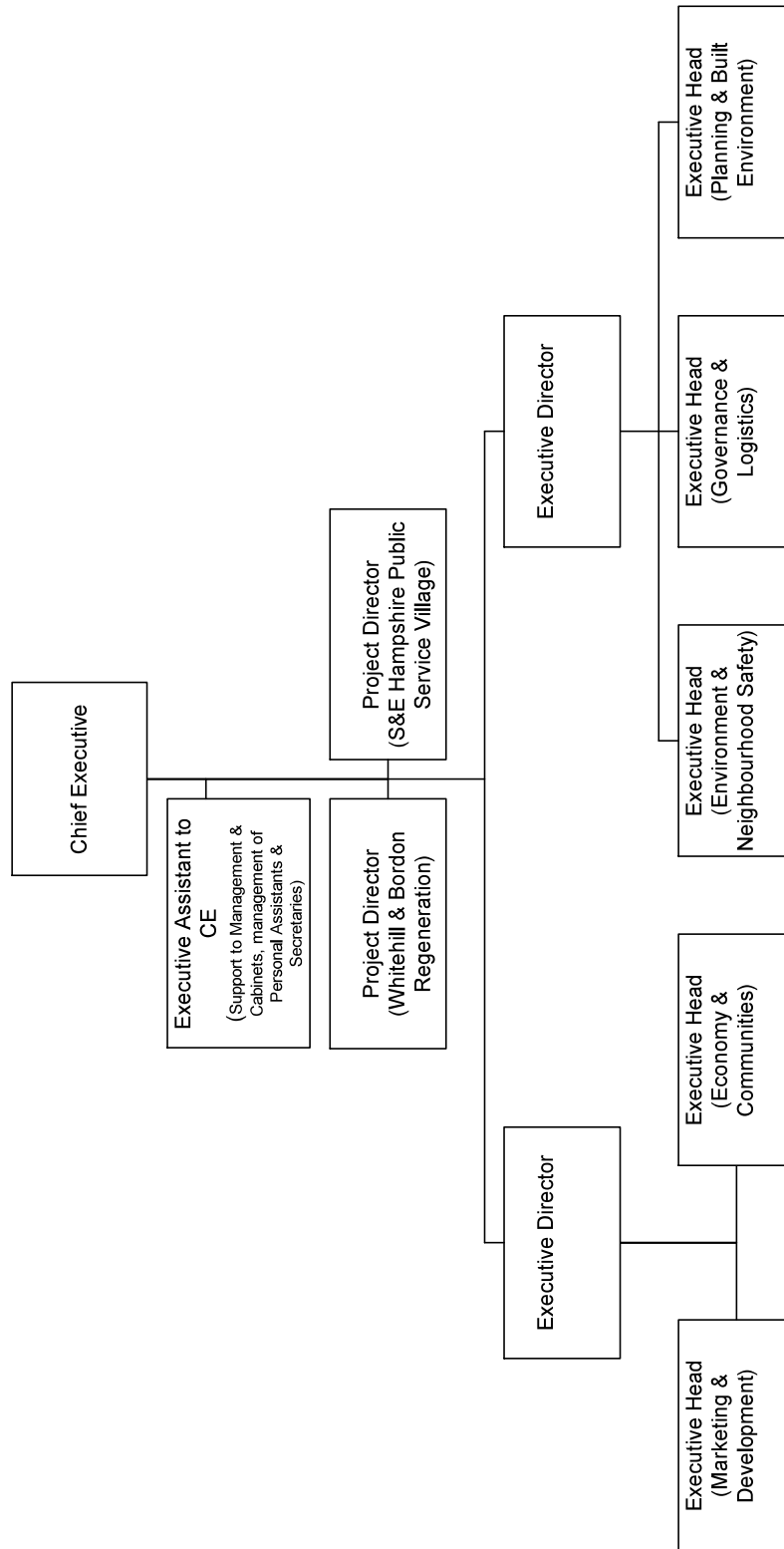


Havant Borough Council



Appendix 4

East Hampshire & Havant Councils
PROPOSED JOINT MANAGEMENT STRUCTURE¹



¹ Section 151 Officer will be given to an Executive Director or Executive Head role, Project Director Whitehill Bordon is 100% funded from Government. Project Director Public Service Village is for 1 year only.

Appendix 5

PROPOSED SALARY MODELLING	SALARY 2010/11 ²
Directors Havant (current cost top of scale)	£84,903
Directors East Hampshire (current cost top of scale)	£77,098
TOTAL	£162,001
50% of combined salary	£81,000
12.5% increase for new role	£10,125
Recommended 'Spot Salary' for Executive Director³	£91,000
Heads of Service Havant (current cost top of scale)	£68,427
Heads of Service East Hampshire (current cost top of scale ⁴)	£68,410
TOTAL	£136,837
50% of combined salary	£68,419
10% increase for new role	£6,842
Recommended 'Spot Salary' for Executive Head⁵	£75,000

² Based on top of scale

³ Increase is rounded down to nearest £1000

⁴ This applies to the Heads of Service on the Officer Leadership Team only.

⁵ Increase is rounded down to nearest £1000

Appendix 6

CURRENT COSTS OF MANAGEMENT TEAMS	SALARIES 2010/2011	ESTIMATE 2010/2011 (inclusive Pension & NI)
<u>HAVANT BOROUGH COUNCIL</u>		
Corporate Directors (X2)	£169,806	£219,916
Heads of Service (X6)	£416,337	£536,954
SUB TOTAL	£586,143	£756,870
<u>EAST HAMPSHIRE DISTRICT COUNCIL</u>		
Deputy Chief Executive	£88,679	£113,509
Directors (X2)	£154,196	£197,371
Heads of Service (x4)	£273,640	£350,259
SUB TOTAL	£516,515	£661,139
Shared Chief Executive	£125,000	£161,250
CURRENT TOTAL COSTS ACROSS BOTH COUNCILS	£1,227,658	£1,579,259
PROPOSED TOTAL COSTS		
Shared Chief Executive	£125,000	£161,250
Executive Directors x 2	£182,000	£235,690
Executive Heads x 5	£375,000	£485,625
Project Directors net of external funding ⁶	£85,000	£109,949
TOTAL	£767,000	£992,514
ESTIMATED SAVINGS⁷	£460,658	£586,745
LESS REINVESTMENT OUTSIDE MANAGEMENT TEAM (Estimate)⁸		- £135,026
NET ONGOING CASHABLE SAVINGS		£451,719

⁶ The apportionment of the PSV Project Director role has been assumed to be 80% to Havant, 20% to East Hampshire. All other costs shared 50/50. The £452,000 saving above would therefore be apportioned Havant £205,000 and East Hampshire £247,000. The Project Director role is intended to be for 1 year only so a further saving of £109,949 would arise thereafter.

⁷ It is likely that there will be further minor savings of other costs for the shared role i.e. IT support, training, conferences, mobile telephony and employers insurances.

⁸ This is calculated at 35% of the savings less the uplifts included in this report as explained in 4.5 of the report.

Appendix 7

Appendix 10

Risk ID	1	
Risk Title	Officer Capacity	
identification of areas where there are significant risks	Carry on the day job AND deliver proposed changes. Already limited resources areas of work with PSV, Eco Town, Alton Community Centre, National Park and rest of Partnership Programme of work. Capacity to support two organisations with Senior posts vacant in both organisations. Capacity at the service manager level. A lack of capacity will dilute the effort on other existing initiatives and potentially have a negative impact on the level of influence/successful change at Havant.	
Date Added	01/08/2009	
Type	Organisational/Project	
Risk Category	2, 3, 4	
Risk Owner	CEO	
Linked Risk IDs		
Inherent	Likelihood	5
	Impact	4
	Risk Rating	20
Status	▲	
Mitigation Required	Management of both organisations to meet and develop plans together. Set clear timetable and pace in agreement with both organisations. Resource management/succession planning	
Financial Assessment	Any additional capacity required shared across both £75K from existing budgets through vacancies	
Action Owner	CEO	

Action Owner		JMT	CE
Financial Assessment		Use of existing training budgets across both councils	Redundancy costs are included in the business case.
Mitigation Required		Development of skills/competencies and assessment of training needs. Design/sourcing of training. Delivery of training. Clear communication on requirements and expectations, so managers know what is expected in such roles.	Both Councils to agree whether investment is an option. Consider within the work of business planning and strategic direction i.e. shared services and asset rationalisation. Consider funding options for investment.
Status		▲	▲
Inherent	Risk Rating	12	15
	Impact	3	3
	Likelihood	4	5
Linked Risk IDs		1	
Risk Owner		CEO	CEO
Risk Category		2, 3	2, 4
Type		Organisational	Organisational
Date Added		01/08/2009	01/08/2009
identification of areas where there are significant risks		Both Councils are moving towards a very complex model for service delivery, drawing on the benefits of private and public sector working. To be successful there may be a need to develop management skills	The costs to implement may outweigh the benefits. High redundancy costs may prove to be prohibitive, and IT/Accommodation costs will need to be considered also.
Risk Title		Capability to deliver	Costs to Implement
Risk ID		2	3

Action Owner		JMT		JMT	
Financial Assessment		cost of failure £000,000's initial figures included in business case		None	
Mitigation Required		Both Councils have agreed an initial list of priorities on savings to be achieved via shared approach. Joint approach on change management and benefits realisation to be managed through new Governance arrangements.		Joint approach to defining protocols, ensuring that these also feed into the benefits realisation plan for the implementation.	
Status		▶		▶	
Inherent	Risk Rating	16		9	
	Impact	4		3	
	Likelihood	4		3	
Linked Risk IDs		1, 2, 3		4	
Risk Owner		CEO		CEO	
Risk Category		3, 4		2, 4	
Type		Organisational/Project		Organisational	
Date Added		01/08/2009		01/08/2009	
identification of areas where there are significant risks		Success will be measured by the level of benefits and financial efficiencies gained. There is a risk that savings won't materialise within service areas, which will have a financial and reputational impact on both organisations.		In order to achieve the greatest amount of efficiency, policies could be harmonised. There is a risk that this may have political implications.	
Risk Title		Securing the benefits		Maximising the Efficiencies	
Risk ID		4		5	

Risk ID			6			7
Risk Title			Apportionment of costs between the two councils.			Conflicting member-led priorities between the two councils
identification of areas where there are significant risks			There is no mechanism in place for the costs to be shared transparently with consistency, without this approach the relationship between the organisations will be more difficult to manage. Managed poorly, there is an increased risk also that best value will not be achieved and demonstrated.			The allocation of resources could be affected by mismatched member priorities.
Date Added			01/08/2009			01/08/2009
Type			Organisational			Organisational
Risk Category			3, 4			2, 3, 4
Risk Owner			CEO			Leaders of the Councils
Linked Risk IDs			5			5, 6
Inherent	Likelihood		4			4
	Impact		4			4
	Risk Rating		16			16
Status			►			►
Mitigation Required			Identify at a very early stage a mechanism that is open, transparent, legitimate and simple to apply to satisfy Councilors and audit and not be too onerous to apply by staff. Collective decision making to avoid any significant imbalance in one or other's Council Tax increases.			Good understanding of priorities through the Cabinets.
Financial Assessment			Minimal			Depends on final arrangements for shared services £00,000's est. costs of non achievement of efficiencies
Action Owner			CEO			Leaders of the Councils

Action Owner	Leaders of the Councils		Appendix 10
Financial Assessment	Savings set out in the report will not be achieved		
Mitigation Required	Regular meetings/contact between councillors especially Cabinet. Clear agreement on priorities of objectives at Cabinet and Council levels. "Start with the end in mind" Joint Management Team to drive cultural change and transformation. Communication between two leaders and approach agreed. Communication across both organisations with plans internally with councillors & staff. Clearly developed business case for moving forwards. Clearly agreed change programme.		
Status	▶		
Inherent	Risk Rating	20	
	Impact	5	
	Likelihood	4	
Linked Risk IDs	All		
Risk Owner	Leaders of the Councils		
Risk Category	1, 2, 3, 4		
Type	Organisational/Project		
Date Added	01/08/2009		
identification of areas where there are significant risks	If the project flounders, both organisations will continue to carry the risks and challenges surrounding the need for financial savings and efficiencies, which will affect priorities, service levels/scope of service provision. A poorly controlled process will also impact on customer satisfaction.		
Risk Title	Consequences of not progressing project.		
Risk ID	∞		

Action Owner		Leaders of the Councils	Leaders of the Councils
Financial Assessment		None	None known
Mitigation Required		Communication across both organisations at the start of the partnership. Communication plans internally with councillors. Clearly developed business case for moving forwards. Clearly agreed change programme.	Maintain watching brief on implications re national Park Boundary once authority is fully operational. Also, mitigation actions for risk ref 8. in order to bolster the partnership in its early stages.
Status		▲	▲
Inherent	Risk Rating	15	12
	Impact	3	4
	Likelihood	5	3
Linked Risk IDs		5, 7, 8	8
Risk Owner		Leaders of the Councils	Leaders of the Councils
Risk Category		1, 2, 3, 4	3
Type		Organisational/Project	Organisational
Date Added		01/08/2009	01/08/2009
identification of areas where there are significant risks		There may not be unanimous support for this agenda, which may impact on the success of the project/change process	This may change the direction of local service provision in districts, thereby damaging the scope/viability of the partnership.
Risk Title		Member level support	National Park Boundary
Risk ID		9	10

Appendix 10

Risk ID	11	
Risk Title	Failure of governance arrangements	
identification of areas where there are significant risks	Without careful consideration, the governance arrangements will become overly complex and unworkable, increasing the risks of: audit issues, inadequate/unwieldy political structures/committees, lack of clarity about employing authority, employee insurance, financial management.	
Date Added	01/08/2009	
Type	Organisational	
Risk Category	2, 3, 4	
Risk Owner	CEO	
Linked Risk IDs	2, 7	
Inherent	Risk Rating	12
	Impact	3
	Likelihood	4
Status	▶	
Mitigation Required	Clarity on priorities, ensuring both councillor and officer understanding. Clarity of approach re - employing authority model, joint governance, any insurance required, S151/Monitoring Officer/Returning Officer responsibilities. Ensure protocols and procedures are agreed.	
Financial Assessment	None known	
Action Owner	EMT	

Action Owner		JMT	JMT
Financial Assessment		None	None
Mitigation Required		Resolve matters of line management responsibilities at an early stage to ensure clarity for all staff involved. Ensure political/service priorities are aligned and any shared services follow these.	Have a clear change management approach at the outset - vision, skills, incentives, resources, action plan. Ensure all communication channels are used.
Status		▶	▶
Inherent	Risk Rating	12	12
	Impact	3	3
	Likelihood	4	4
Linked Risk IDs		2, 7	1, 2
Risk Owner		CEO	CEO
Risk Category		2, 3	2, 3
Type		Organisational	Organisational
Date Added		01/08/2009	01/08/2009
identification of areas where there are significant risks		A lack of clarity on common priorities and lines of management/responsibility/accountability could cause inefficiencies, customer service issues and issues of staff morale.	A possible reduction at senior management level may result in the loss of key knowledge and experience at the Council, whilst the prospect of change/concerns for job security may cause issues on loss/turnover of staff
Risk Title		Confusion in work practices	Staff Morale
Risk ID		12	13

Action Owner		JMT		HOD/H OC	
Financial Assessment		Recruitment costs £20K		£ Needs assessment as part of the project	
Mitigation Required		Resource Planning		Build the anticipated requirements for the partnership into discussions around the PSV IT needs/EHDC needs/HCC shared-service. Seek clarity/agreement on the position of IT across both organisations	
Status		▶		▶	
Inherent	Risk Rating	12		16	
	Impact	4		4	
	Likelihood	3		4	
Linked Risk IDs		1, 2, 13		3, 6	
Risk Owner		CEO		HOD/H OC	
Risk Category		2, 3		1, 3,4	
Type		Organisational		Organisational/Project	
Date Added		01/08/2009		01/08/2009	
identification of areas where there are significant risks		Concern for job security may cause issues of turnover of staff, resulting also in issues of service delivery where the Council is unable to recruit until there is clarity on the new structure/redeployment and re-training of existing staff.		IT service design is already under review through the work of the PSV. There is a risk that poor/costly decisions will be made without a thorough understanding of the requirements of the EHDC/HBC partnership.	
Risk Title		Maintaining Resource Levels		IT and Infrastructure - Service Design	
Risk ID		14		15	

Appendix 10

Action Owner		HOD/H OC
Financial Assessment		£ Needs assessment as part of the project
Mitigation Required		Build into options appraisal/service design work with HCC to assess the most cost effective approach - big bang v phased, quantification of scale of investment required, audit of hardware and software, cost of exiting/amalgamating contracts, review of infrastructure capacity moving forwards.
Status		▲
Inherent	Risk Rating	16
	Impact	4
	Likelihood	4
Linked Risk IDs		3, 15
Risk Owner		HOD/H OC
Risk Category		3, 4
Type		Organisational/Project
Date Added		01/08/2009
identification of areas where there are significant risks		The costs of moving towards a more joined up approach for IT infrastructure/software could be prohibitive
Risk Title		IT and Infrastructure - Investment/Cost
Risk ID		16

Action Owner			JMT
Financial Assessment			None
Mitigation Required	Introduce a Joint Governance model to facilitate/champion improved partnership working. EHDC/HBC to consider advantages of joining partnerships through joint governance model whilst taking into account individual needs of each council. Consideration of timing of this, and the cost for both.		
Status	▶		
Inherent	Risk Rating	16	
	Impact	4	
	Likelihood	4	
Linked Risk IDs	11, 12, 15		
Risk Owner	CEO		
Risk Category	1, 3, 4		
Type	Organisational		
Date Added	01/08/2009		
identification of areas where there are significant risks	Building the interests of EHDC into existing partnerships may introduce political and organisational complexities, and thus increase the risk of partnership difficulty. However, there are benefits in EHDC carefully considering the options, for example, in relation to the PSV and HCC IT services.		
Risk Title	Impact on existing partnerships eg. Capita, Steria, HCC, PUSH, 4 Authority work & wider HIOWA work		
Risk ID	17		

Action Owner		HOD/H OC	HOD/H OC
Financial Assessment		None	None
Mitigation Required		Keep staff, the public, partners and other stakeholders fully informed at all times. Undertake a promotion/ publicity campaign.	When reviewing individual services, consider customer needs and expectations before, during and after the implementation of any changes to ensure customer needs are being addressed. Promote/explain the benefits of any changes identified.
Status		▲	▲
Inherent	Risk Rating	8	8
	Impact	4	4
	Likelihood	2	2
Linked Risk IDs		4, 12	1, 2, 4, 5, 18
Risk Owner		CEO	HOD/H OC
Risk Category		3	3
Type		Organisational/Project	Organisational/Project
Date Added		01/08/2009	01/08/2009
identification of areas where there are significant risks		The process of transition/change may result in possible disruption/reduction in service levels/accessibility, including confusion as to where to go, who to speak to, who is their council..	Lack of proactive publicity/core messages may result in the customer believing that the services have not improved but worsened through the change, which may also result in a loss of public support/confidence.
Risk Title		Quality of customer service	Customer perceptions
Risk ID		18	19

Definitions

<p><u>Likelihood</u></p> <p>1 Extremely Unlikely 2 Very Unlikely 3 Unlikely 4 Fairly Likely 5 Likely 6 Highly Likely</p>	<p>-</p> <p>-</p>	<p><u>Type</u></p> <p>Organisational Project Organisational/Project</p>
<p><u>Impact</u></p> <p>1 Negligible 2 Marginal 3 Substantial 4 Severe 5 Disastrous</p>	<p><u>Category</u></p> <p>1 Timetable 2 Resource 3 Quality 4 Financial</p>	
	<p><u>Status</u></p> <p>► Unchanged ◄ Increased ▼ Decreased</p>	
		<p>NEW CLOSED</p>

LEGISLATIVE BASIS FOR SHARED SERVICES

1. APPOINTMENT OF STAFF

General duty to appoint officers

Under Section 112 of the Local Government Act 1972 local authorities have a duty to appoint such officers as they think necessary to enable them to discharge their own functions and any functions which they carry out for another local authority.

Officers appointed under section 112 hold office on such reasonable terms and conditions as are agreed by the employing authority.

Power to share staff

Section 113 of the Local Government Act 1972 allows a local authority to enter into an agreement with another local authority to place its officers at the disposal of the other authority. Authorities must consult the officers involved before entering into such an agreement

Staffs that are made available under such an arrangement are able to take binding decisions on behalf of the body at whose disposal they are placed, although they remain an employee of their original authority for employment and superannuation purposes.

This legislation therefore allows staff to be shared between the two Councils.

External advertisements

Section 7 of the Local Government and Housing Act 1989 requires that Councils appoint on merit.

The Local Authorities (Standing Orders) Regulations 1993 and 2001 require the Councils to have Standing Orders relating to the appointment of Chief Officers.

2. DESIGNATION OF STATUTORY OFFICERS

Chief Finance Officer

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.

Section 113 of the Local Government Finance Act 1988 requires that the Chief Finance Officer shall be a member of one of a list of named professional bodies.

Head of Paid Service

Section 4 of the Local Government and Housing Act 1989 places a duty on each Council to designate one of their officers as the Head of Paid Service and to provide that officer with such staff, accommodation and other resources as are, in his/her opinion, sufficient to allow his/her duties under this section to be performed.

Monitoring Officer

Section 5 of the Local Government and Housing Act 1989 places a duty on each Council to designate one of its officers (to be known as “the Monitoring Officer”) as the officer responsible for performing the duties imposed by that section and to provide that officer with such staff, accommodation and other resources as are, in his/her opinion, sufficient to allow his/her duties under this section to be performed. In essence, the Monitoring Officer has a duty to ensure that the Council, its members and officers act lawfully and ethically. There is no professional qualification specified by legislation for this post.

Electoral Registration Officer

Section 8 of the Representation of the People Act 1983 requires every district Council to appoint an officer of the Council to be Electoral Registration Officer.

Returning Officer

Section 35 of the Representation of the People Act 1983 requires every district council to appoint a returning officer for district and parish council elections.

Power to designate shared senior officers as statutory officers for both authorities

Each authority is under a duty to appoint each of the above statutory officers as part of the shared management structure. The combination of sections 112 and 113 of the Local Government Act 1972 means that both Councils could designate the same officer as a particular statutory officer. Alternatively, they could each choose to appoint a different officer to the statutory roles.

3. JOINT DELIVERY OF SERVICES

No decisions are being taken on how specific services will be delivered by each Council in this particular business case. However, should the business case be found satisfactory and a decision is made to move to a shared management and shared services the following powers may be drawn upon.

These powers will be explored in more detail following approval of the business case and will be considered through each shared service proposal and it may be necessary for each Council to amend its constitution, and its delegations as the partnership progresses.

General power to delegate

Section 101 of the Local Government Act 1972 provides that a local authority may (with certain exceptions) arrange for the discharge of any of their functions by any other local authority.

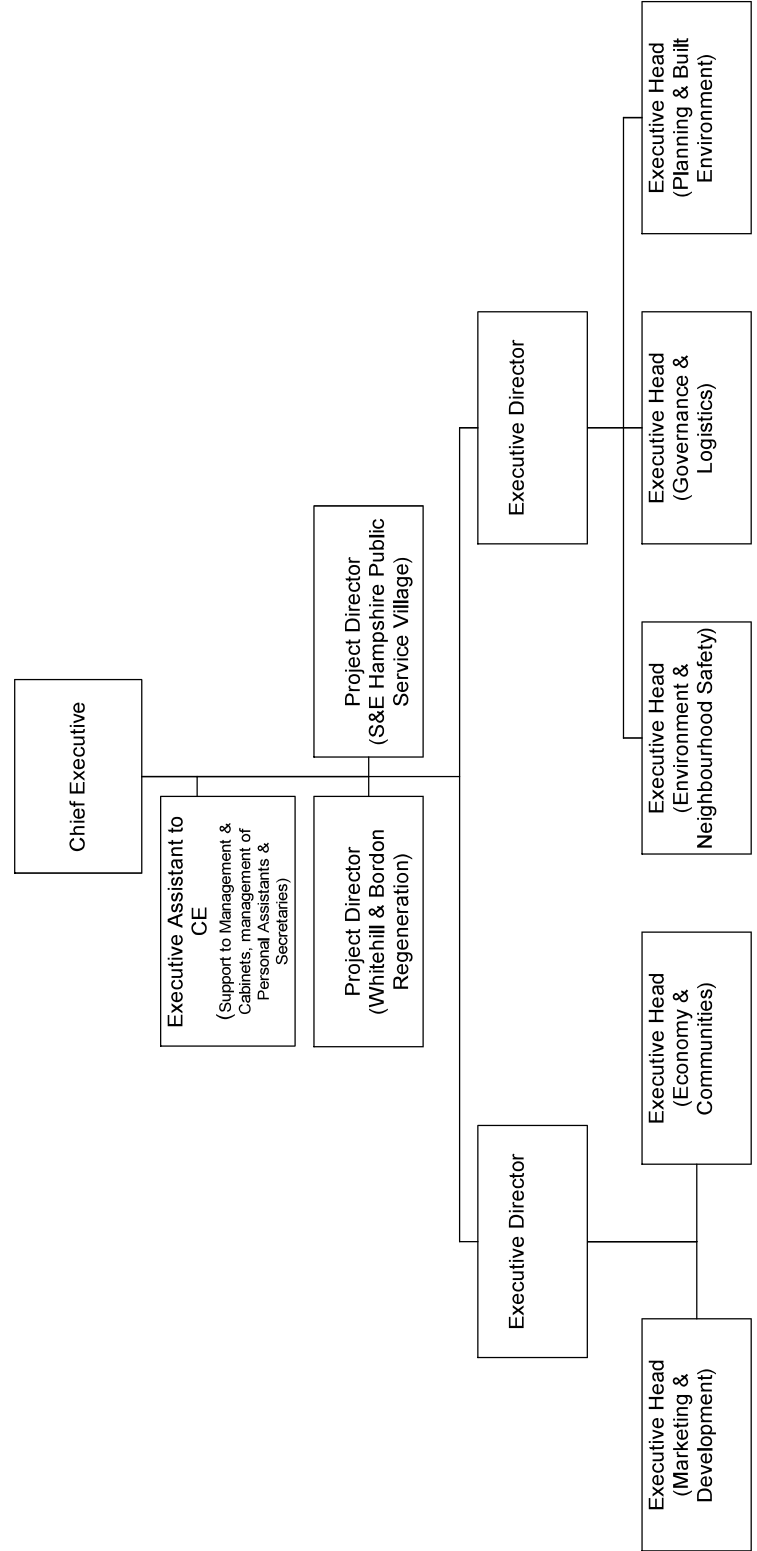
Two or more local authorities may discharge any of their functions jointly and, where arrangements are in force for them to do so they may also arrange for the discharge of those functions by a joint committee of theirs or by an officer of one of them.

Executive arrangements

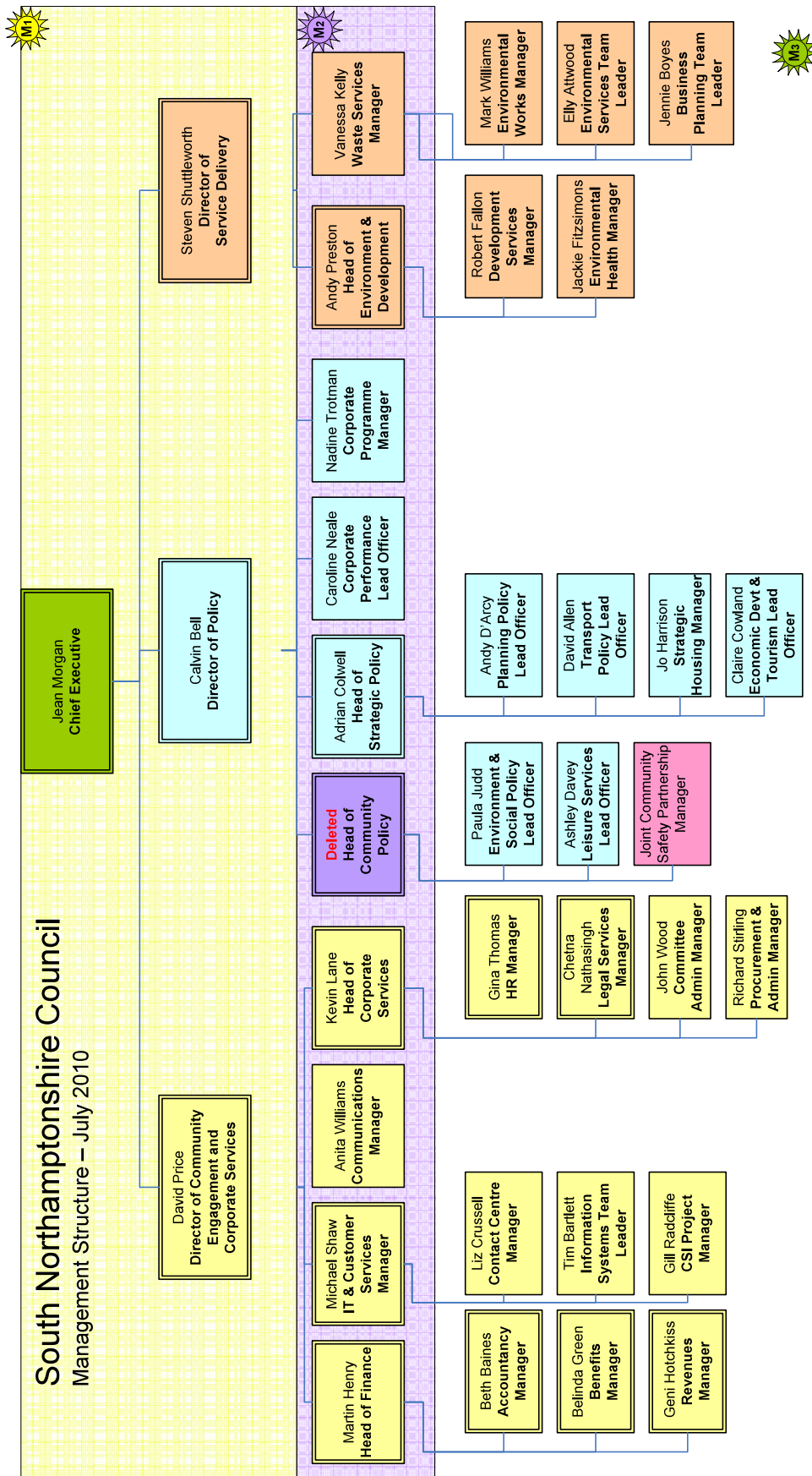
Both Councils are operating executive arrangements under part II of the Local Government Act 2000.

Regulations enable arrangements to be made for the discharge of executive functions by an area committee, another local authority or an executive of another local authority. There is also provision in the regulations for the discharge of executive functions jointly by two or more authorities, or by a joint committee.

**East Hampshire & Havant Councils
PROPOSED JOINT MANAGEMENT STRUCTURE¹**



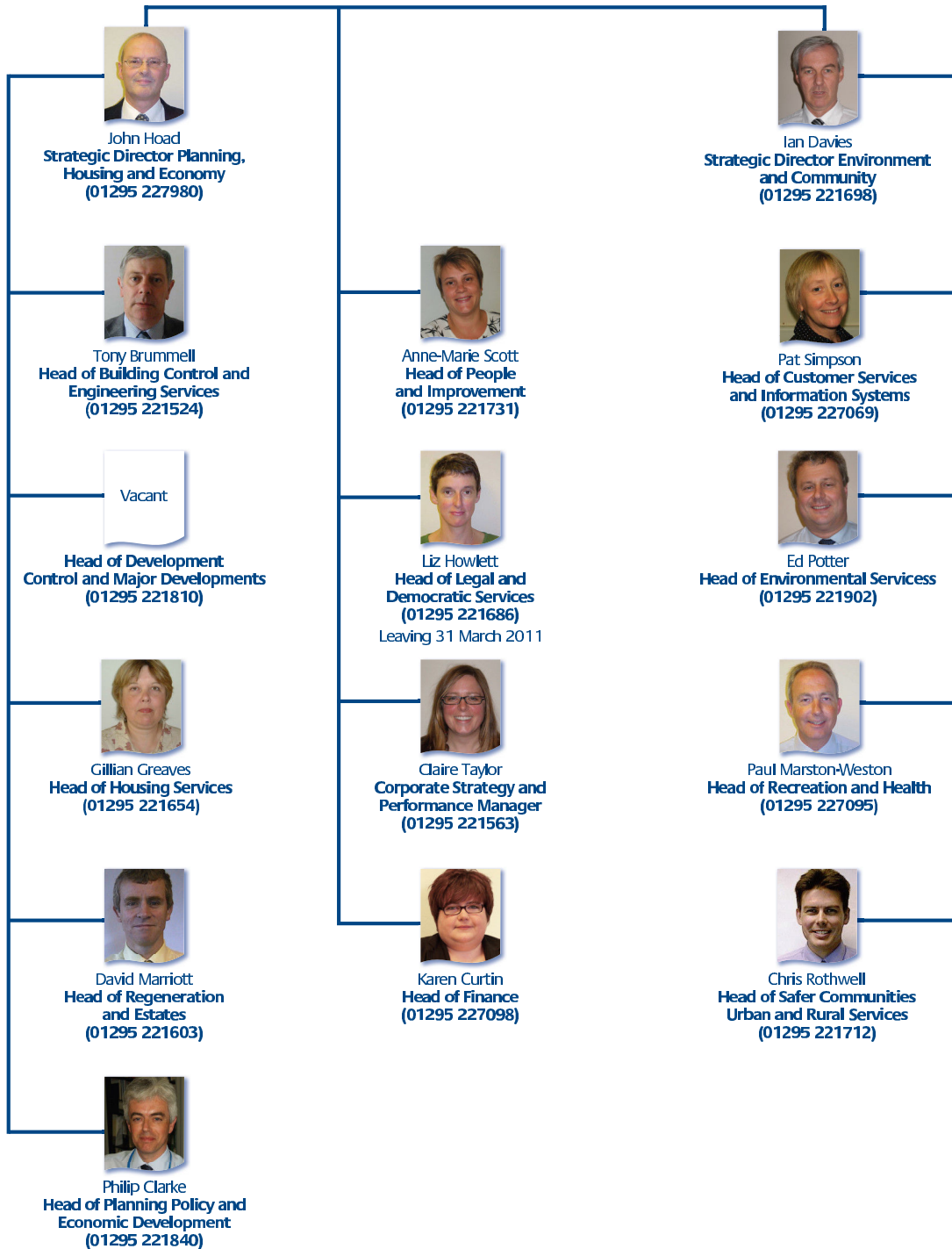
¹ Section 151 Officer will be given to an Executive Director or Executive Head role, Project Director Whitehill Bordon is 100% funded from Government. Project Director Public Service Village is for 1 year only.



Cherwell District Council Extended Management Team

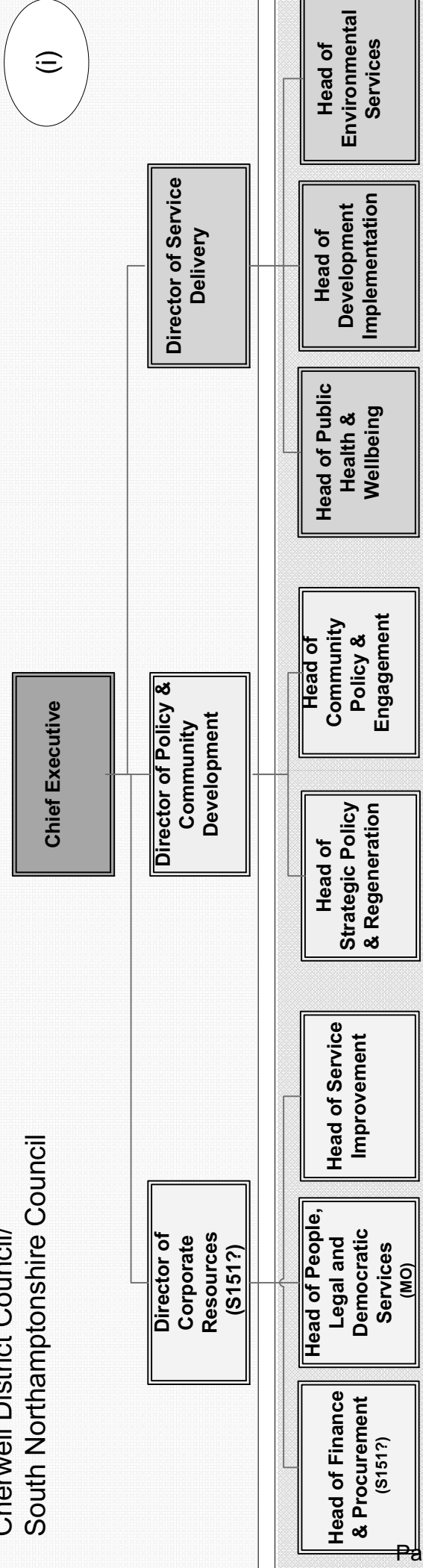


Mary Harpley
Chief Executive
(01295 221573)
 Leaving Christmas 2010



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Cherwell District Council/
South Northamptonshire Council



(i)

Resources/Policy/Service Delivery

- Chief Executive x 1
- Directors x 3
- Heads of Service x 8

Advantages

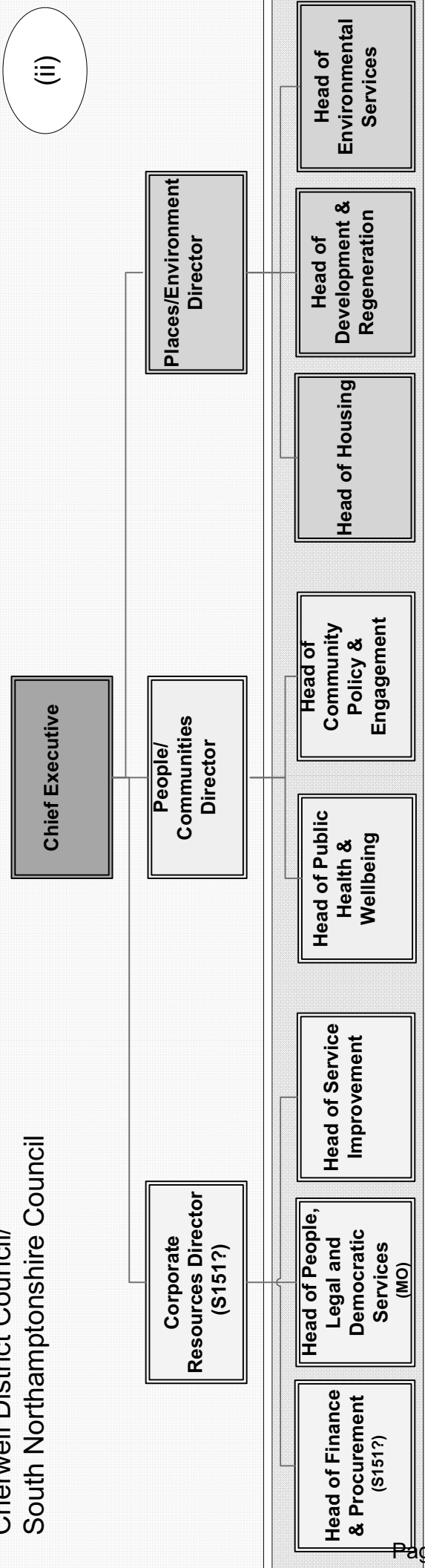
- Policy capacity fully integrated in 1 directorate (housing/planning/economic development etc) so organisations are in a strong position to develop comprehensive approaches to policy work/national initiatives
- Service delivery integrated in 1 directorate (implementation and enforcement working together)
- Resources/assets integrated (Finance/Estates/HR plus Procurement).

Risks

- Disconnect between Policy and Service Delivery in key professional areas (planning especially) for both authorities
- Distinction between Service Delivery and Policy not “pure” – (eg, housing services and customer services not included in Service Delivery Directorate) – i.e. artificial split.
- Unequal workload for Directors.
- Possibility of ‘doubling up’ Director of Resources/Head of Finance (dependent on qualifications).
- Directors focussed on operation of business, not transformation.

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Cherwell District Council/
South Northamptonshire Council



Resources/People/Places

- Chief Executive x 1
- Directors x 3
- Heads of Service x 8

Advantages

- Integrated approach to community-based issues, with health and well-being capacity (looking forward to demise of PCTs), and working relationship with leisure provision
- Environmental professions combined in one directorate
- Resources/assets integrated (as (i))
- Capacity retained in Housing Service (and see comment below).
- Fairly traditional, easily understood externally and possibly easy to recruit to.

Risks

- Community Policy responsibility isolated from other policy work (housing, planning regeneration etc)
- Directors focussed on operation of business, not transformation.

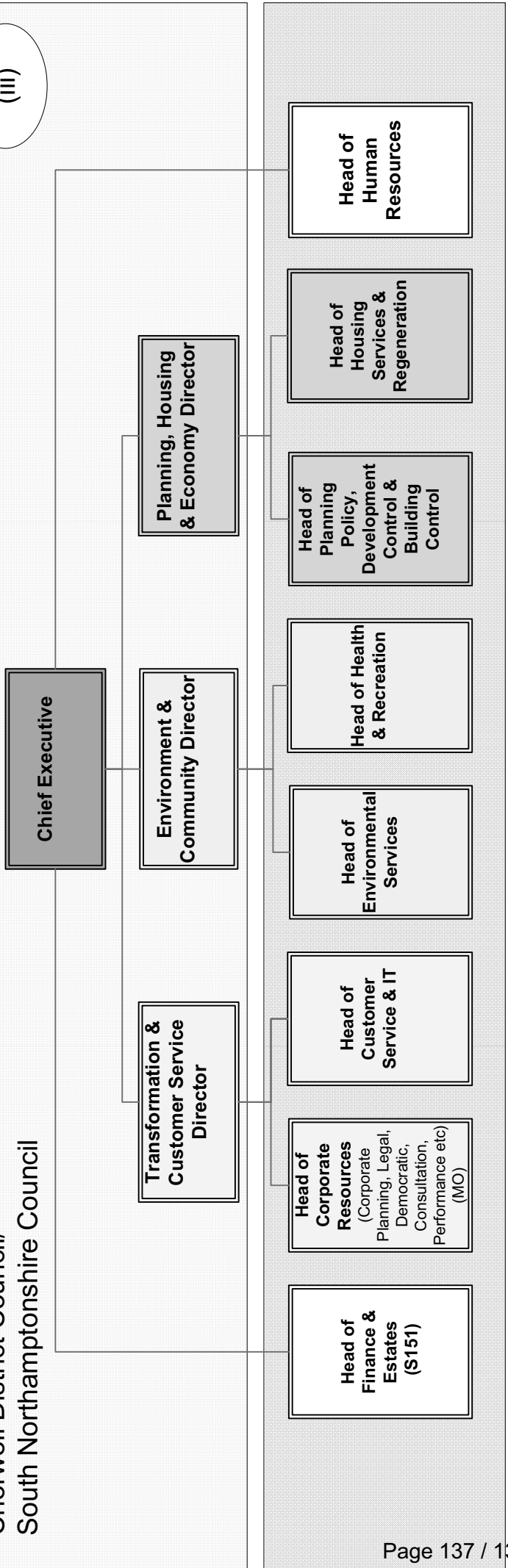
Comment

- Housing Head of Service could be based in either "People" or "Places" directorate dependent on emphasis of provision.

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(iii)

Cherwell District Council/
South Northamptonshire Council



Transformation/Regeneration/Environment

- Chief Executive x 1
- Directors x 3
- Heads of Service x 8

Advantages

- Heads of Finance and HR reporting directly to Chief Exec as these roles are critical to implementation/transformation of organisations
- Focus of Directors on delivery and service provision – not distracted by, eg Finance, HR issues
- Capacity retained in Housing Services
- Capacity created in HR, with specialised Head of Service.
- Third Director position could be phased out in 2 to 3 years time.

Risks

- Chief Executive has greater line management responsibility
- Service Delivery fragmented.

Pay and Leave Policy for staff employed on Elections

Principles

- Payments by the Returning Officer in addition to normal pay will only be given for increased responsibility or for specific additional functions outside of their Cherwell District Council job description.
- For Cherwell District staff employed by the Returning Officer on Election day and for daytime counts, staff can claim a business absence and will receive their normal council pay. In addition the Returning Officer will pay the standard election fee for the role they undertake.
- Cherwell District Council staff may not accrue flex/time off in lieu for election work from the publication of the notice of election if being paid a Returning Officer payment.
- Services (e.g. Human Resources, Customer Services and IT) will be purchased from the council by Returning Officer, council service heads may pay honorarium to staff in agreement with CEX for additional work and they will invoice the Returning Officer. The Returning Officer will not pay a fee to these individuals.
- Cherwell District Council staff have historically been used for processing and postal vote opening and paid additional amounts. In future, where possible, Cherwell District Council staff **volunteers** and staff bank will be employed and paid at an agreed hourly rate set by RO. Cherwell District Council staff volunteers must agree with line managers and clock out of wintime. This will provide services at the same cost to the Returning Officer but increase staff resources to the council.
- Clerical fees or Returning Officer ex-gratia payments should not be paid
- The core elections team will be required to sign an opt out of European working hours directive.
- The Remuneration Formula for all Returning Officer payments shall be : Responsibility Fee + Election Day Role Fee + Count Role Fee + Clerical Overtime + Expenses + (Superannuation RO only) + Postal votes Fees = Total Fee

Role	Pay	Hours	Other comments
Polling Station			
<ul style="list-style-type: none"> • Presiding Officer 	Fee set by RO or schedule	<ul style="list-style-type: none"> • Normal working hours ~ business absence • Does not accrue Flexi or TOIL 	<ul style="list-style-type: none"> • A/L or Flex before/after Polling Day to be agreed by line manager
<ul style="list-style-type: none"> • Poll Clerk 			
<ul style="list-style-type: none"> • Inspectors 			
Count			

Role	Pay	Hours	Other comments
<ul style="list-style-type: none"> Head of Count Count Manager 	RO Payment	<ul style="list-style-type: none"> Before Notice of Election ~ claim hours worked between 6 pm – 8 am in support of election as TOIL. Extra hours spent on close down remuneration to be agreed by Head of Service and CEX. From Notice of Election ~ book normal working hours to a maximum of 7.24 hour day ~ does not accrue flexi or TOIL. 	
<ul style="list-style-type: none"> Control Team Supervisor Web and Comms Supervisors 	Fee set by RO or schedule	<ul style="list-style-type: none"> Evening Count ~ does not accrue for Business Absence, Flexi or TOIL Daytime count ~ does not accrue for Flexi or TOIL Daytime count ~ business absence booked for duration of Count 	<ul style="list-style-type: none"> Limit on hours of work on polling day if working on evening count Polling Station staff cannot be employed on Evening Count for principal elections A/L or Flex before/after Count to be agreed by line manager
<ul style="list-style-type: none"> Assistant Supervisor 	Fee set by RO or schedule		
<ul style="list-style-type: none"> Counter 	Fee set by RO or schedule		
<ul style="list-style-type: none"> Runners 			
<ul style="list-style-type: none"> Pack up team 			
<ul style="list-style-type: none"> Web and Comms support staff 			
Postal Vote			
<ul style="list-style-type: none"> Royal Mail post sorting 	CDC admin staff: normal duties ~ no extra pay	Normal working day for agreed number of days	Should be covered by Admin pool
<ul style="list-style-type: none"> Issuing / Opening team 	CDC staff bank: Fee set by RO or schedule	Hourly for agreed number of days	
	CDC staff volunteers ~ Fee set by RO or schedule	Must take Flexi or A/L	Must be agreed with line manager
<ul style="list-style-type: none"> Scanner 			

Role	Pay	Hours	Other comments
<ul style="list-style-type: none"> Floor supervisor 	CDC staff bank: Fee set by RO or schedule	Hourly for agreed number of days	
Rolling Registration			
<ul style="list-style-type: none"> Processing team (daytime data entry) 	Normal duties ~ no extra pay	Normal working day	Covered by Admin pool
<ul style="list-style-type: none"> Processing team (out of hours phone calls and follow up) 	Pay as overtime at Fee set by RO or schedule	Does not accrue for flexi or TOIL	Prior agreement needed for out of hours duties. Limited period and predetermined staff and dates
<ul style="list-style-type: none"> Processing team (deadline entry out of hours) 			
Other			
<ul style="list-style-type: none"> IT support (on call) 	Pay as overtime at CDC agreed rate	Does not accrue for flexi or TOIL	To provide out of hours cover in run up to Polling Day and at Count Prior agreement needed for out of hours duties. RO to be invoiced by CDC for services
<ul style="list-style-type: none"> HR Officer (recruitment) and Training Provider 	Normal duties	Extra hours to be paid by CDC overtime, should not accrue flexi or TOIL	RO to be invoiced by CDC for services
<ul style="list-style-type: none"> Communications Officer 	Normal duties Attendance at Count (Evening) will be paid as for Count staff.	Does not accrue for flexi or TOIL for Count (Evening)	RO to be invoiced by CDC for services
<ul style="list-style-type: none"> Web Support 	Normal duties Attendance at Count (Evening) will be paid as for Count staff.	Does not accrue for flexi or TOIL for Count (Evening) Out of hours duties attract	RO to be invoiced by CDC for services

Role	Pay	Hours	Other comments
		overtime at CDC agreed rate	
<ul style="list-style-type: none"> Caretaker 	Normal duties ~ no extra pay	Out of hours duties attract overtime at CDC agreed rate	<p>Prior agreement needed for out of hours duties</p> <p>RO to be invoiced by CDC for services</p>
<ul style="list-style-type: none"> Customer Service Team 	Normal duties ~ no extra pay	Out of hours duties attract overtime at CDC agreed rate	<p>Prior agreement needed for out of hours duties</p> <p>RO to be invoiced by CDC for services</p>
Elections Team			
<ul style="list-style-type: none"> Returning Officer 	Fee set by RO or schedule	<p>Before Notice of Election ~ claim hours worked between 6 pm – 8 am as TOIL</p> <p>From Notice of Election ~ book normal working hours to a maximum of 7.24 hour day ~ does not accrue flexi or TOIL</p>	<p>Will allow line manager to control level of hours and keep it separate from any pre-existing flexi.</p> <p>Max limit on TOIL accrual ~ 37 hours</p>
<ul style="list-style-type: none"> Deputy Returning Officer 	Fee set by RO or schedule		
<ul style="list-style-type: none"> DRO Postal 	Fee set by RO or schedule		
Miscellaneous Duties			
<ul style="list-style-type: none"> Ballot Box prep 	Pay as overtime Fee set by RO or schedule	Does not accrue for flexi or TOIL	Prior agreement needed for out of hours duties
<ul style="list-style-type: none"> Ballot Paper allocation 			
<ul style="list-style-type: none"> Postal Vote delivery out of hours 	Pay as overtime at Fee set by RO or schedule with mileage		
<ul style="list-style-type: none"> Polling Day Elections Office staff 	Fee set by RO or schedule	Book normal working hours to a maximum of 7.24 hrs	

Election Fees Schedule 2011/12

(Fees held at 2010/11 levels)

CDC Elections RO, DRO Fees

	1 member ward	2 member ward	3 or more member ward
RO Election Fee (Uncontested)	£43.75	£87.50	£131.25
RO Election Fee (Contested)	£90.90	£181.80	£272.70
DRO Election Fee (Contested)	£86.50	£173.00	£259.50
RO & DRO Count Fee	£58.00	£116.00	£174.00
RO & DRO Recount Fee	£14.00 for each re-count		
The above figures are based on CDC elections. For elections funded by others the fees as set by that authority shall apply, apportioned as set out in Function and Responsibility Fees below marked *.			

Parish Elections RO, DRO Fees

	Electorate 1000 or less	Electorate 1000 to 2000	Electorate 2000 to 3000	Electorate Greater than 3000
RO Election Fee (Uncontested)**	£26.00			
RO Election Fee (Contested)**	£54.60 and £11.95 per electoral area			
RO & DRO Count Fee For Electoral areas of two or less seats	£40.20	£43.30	£45.30	£50.50
RO & DRO Count Fee For Electoral areas of more than two seats	£45.30	£53.60	£60.80	£68.00
RO & DRO Recount Fee Parish and District	£14.00 for each re-count			
**These figures are for Parish elections and are to be apportioned as set out in Function and Responsibility Fees below marked *.				

CDC and Parish Elections PO and PC Fees

	Single Election (Minimum)	Combined Election (Minimum)
PO Fee	£175	£196
PC Fee***	£113	£130
The above figures are based on CDC and parish elections. For elections funded by others the RO may decide to increase these in line with other local authorities and guidance.		
The above figures include all expenses other than travelling, unless the prior		

agreement of the Returning Officer has been obtained. Poll Clerks and Presiding Officers should where ever possible travel together and claims by both the PO and PC will only be paid with the prior approval of the RO.

*** Poll clerks working 7am-2pm or 2pm-10pm shall be paid 50% of the relevant fee

Election Mileage

Election mileage for RO, DRO, Inspectors, Count staff, PO & PC (where paid)	Paid at HMRC mileage rate, currently 40p per mile.	RO, DRO and Inspectors obliged to have a car and business use insurance available as condition of appointment/employment.
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Administration Recharges to Parishes

	5 or less candidates	6 to 10 candidates	Greater than 10 candidates
Charge for poll card administration	£7.00		
Additional charge for each hundred poll cards	£2.50		
Administration charge to Parishes (Uncontested)	£13.00		
Administration charge to Parishes (Contested)	£21.00		
Clerical charge to Parishes (Contested)	£22.80	£28.50	£36.60
Preparation of Ballot Boxes for each polling station	£3.65		
Receipt of postal ballot papers for each electoral area (includes first 25 postal voters)	£31.00		
Receipt of postal ballot papers for each electoral area (for each additional 25 postal voters or part)	£15.40		
Recharges to parishes will also include RO and DRO fees as well as a proportion of the actual and necessary costs shared on an equal basis between the relevant authorities unless a particular expense can actually be allocated to a specific authority where they will be applied directly. The above administration charges will also be applied.			

Returning Officers Expenses

In accordance with the Representation of the People Act 1983, 36 (4), (5) and (6) all actual and necessary cost of expenditure properly incurred by the Returning Officer in relation to holding an election of a councillor for a district or parish shall be paid by the council. At the request of the Returning Officer the council shall advance such reasonable sums in respect of the election expenses that the Returning Officer may

require. Additionally the Council will provide all reasonable assistance to the Returning Officer.

Parish Charges

For contested and uncontested parish elections for 2011/12 the Council will charge parishes a maximum contribution of £1.05 per elector to help defray the cost of the election.

Allocation of Poll Clerks

Polling Stations shall normally be staffed by a Presiding Officer (PO) and a Poll Clerk (PC). An additional Poll Clerk is provided to stations in districts that have between 1,000 and 1,500 electors. Where the electorate is greater than 1,500 electors a double polling station will be created.

Cost Sharing

At combined polls, wherever appropriate the costs are to be shared on an equal basis between the relevant authorities unless a particular expense can actually be allocated to a specific authority.

Function and Responsibility Fees

Category	Job	CDC Post	Day	Election	Pay
Fees for Functions and Responsibilities over and above CDC Job Description					
Returning Officer and Deputy Returning Officers					
*Responsibility Fee	RO	-	-	Externally funded elections	50% of set RO fee
*Responsibility Fee	DRO (Full powers)	-	-	Externally funded elections	25% of set RO fee
Responsibility Fee	Postal Vote and Election Systems Managers (DRO Limited powers)	-	-	Combined	75% DRO total fee
Responsibility Fee	Postal Vote and Election Systems	-	-	District and Parish	75% DRO total fee

Category	Job	CDC Post	Day	Election	Pay
Fees for Functions and Responsibilities over and above CDC Job Description					
	Managers (DRO Limited powers)				
Clerical Rates					
Clerical Overtime	Clerical Overtime rate	Trainee Admin officer	Weekday	All	CDC Trainee Admin officer Hourly Rate
Clerical Overtime	Clerical Overtime rate	Trainee Admin officer (1.5)	Weekend	All	Trainee Admin officer Hourly Rate @ (1.5)
Clerical Overtime	Clerical Overtime rate	Trainee Admin officer (2)	Bank holiday	All	Trainee Admin officer Hourly Rate @ (2)
Postal Vote Fees					
Postal Vote Fee	Postal Vote Issuers and Openers	Trainee Admin officer	Weekday	All	Trainee Admin officer Hourly Rate
Postal Vote Fee	Postal Vote Supervisor	Senior Admin Officer	Weekday	All	Senior Admin Officer hourly rate
Postal Vote Fee	Postal Vote Issuers and Openers	Trainee Admin officer	Night	All	Trainee Admin officer Hourly Rate @ (1.5)
Postal Vote Fee	Postal Vote Supervisor	Senior Admin Officer	Night	All	Senior Admin Officer hourly rate @ (1.5)
Count Fees					
Day					
Count Role Fee	Head of Count	-	Daytime	All	Single Election PO fee @ (2.5)
Count Role Fee	Count Manager	-	Daytime	All	Single Election PO fee @ (2)
Count Role Fee	Count Supervisor	-	Daytime	All	60% Single Election PO Fee
Count Role Fee	Count Assistant Supervisor	-	Daytime	All	75% of Daytime Count Supervisor Fee
Count Role Fee	Count Assistant	-	Daytime	All	60% of Single Election PC

Category	Job	CDC Post	Day	Election	Pay
Fees for Functions and Responsibilities over and above CDC Job Description					
					Fee
Night					
Count Role Fee	Head of Count	-	Night	Verification and Count	Combined Election PO fee @ (4.5)
Count Role Fee	Head of Count	-	Night	Verification or Count only	Combined Election PO Fee @ (2.5)
Count Role Fee	Count Manager	-	Night	Verification and Count	Combined Election PO fee @ (4.0)
Count Role Fee	Count Manager	-	Night	Verification or Count Only	Combined Election PO fee @ (2)
Count Role Fee	Count Supervisor	-	Night	All	Combined Election PO Fee
Count Role Fee	Count Assistant Supervisor	-	Night	All	75% of Night time Count Supervisor Fee
Count Role Fee	Count Assistant	-	Night	All	Combined Election PC Fee
Local Government By-elections****					
Count Role Fee	Head of Count	-	-	Local Government By-election	20% of Single Election PO Fee
Count Role Fee	Count Manager	-	-	Local Government By-election	20% of Single Election PO
Count Role Fee	Count Supervisor	-	-	Local Government By-elections	20% of Single Election PO Fee
Count Role Fee	Count Assistant Supervisor	-	-	Local Government By-elections	75% of Night LG By-election Count Supervisor Fee
Count Role Fee	Count Assistant Supervisor	-	-	Local Government By-elections	20% of Single Election PC Fee
Election Day Role Fee					

Category	Job	CDC Post	Day	Election	Pay
Fees for Functions and Responsibilities over and above CDC Job Description					
Election Day Role Fee	Inspectors	-	-	Combined	Combined Election PO Fee + £10
Election Day Role Fee	Inspectors	-	-	District and Parish	CPO Fee + £10
Election Day Role Fee	Inspectors	-		Local Government By-elections	20% of Single Election PO
Election Day Role Fee	Election Control Centre Managers			All elections (except by-elections)	Inspectors Fee
Election Day Role Fee	Election Control Centre Supervisors			All elections (except by-elections)	Combined Election PO Fee
Election Day Role Fee	Election Control Centre Staff			All elections (except by-elections)	Combined Election PC Fee
Miscellaneous Fees					
Miscellaneous Fee	Ballot Box Collection Point Co-ordinator	-	Night	All elections	£40
Miscellaneous Fee	Attending Polling Training			Combined or parliamentary or referendum	£30 (includes travel)
Miscellaneous Fee	Attending Polling Training			District and Parish	£20 (includes travel)

****Figures for by-elections are based on a ward or up to 3 parishes, for multiple elections in excess of this the RO will increase this fee up to a maximum of the level set for District elections.