

# Public Document Pack



South Northamptonshire Council

**Committee:** Joint Commissioning Committee  
**Date:** Thursday 15 September 2016  
**Time:** 6.00 pm  
**Venue:** The Forum, Moat Lane, Towcester, NN12 6AD

## Membership

Councillor Nicholas Turner (Chairman)  
Councillor Ken Attack  
Councillor Phil Bignell  
Councillor Roger Clarke  
Councillor G A Reynolds  
Councillor Dan Sames

Councillor Ian McCord (Vice-Chairman)  
Councillor Anthony S. Bagot-Webb  
Councillor Rebecca Breese  
Councillor Chris Lofts  
Councillor Barry Richards  
Councillor Barry Wood

## AGENDA

### 1. Apologies for Absence and Notification of Substitutes

### 2. Declarations of Interest

Members are asked to declare any interest and the nature of that interest that they may have in any of the items under consideration at this meeting.

### 3. Petitions and Requests to Address the Meeting

The Chairman to report on any requests to submit petitions or to address the meeting.

Cherwell District Council  
Bodicote House  
Bodicote  
Banbury  
Oxfordshire  
OX15 4AA

[www.cherwell.gov.uk](http://www.cherwell.gov.uk)

South Northamptonshire Council  
The Forum  
Moat Lane  
Towcester  
Northamptonshire  
NN12 6AD

[www.southnorthants.gov.uk](http://www.southnorthants.gov.uk)

4. **Chairman's Announcements**

To receive communications from the Chairman.

5. **Minutes** (Pages 1 - 6)

To confirm as a correct record the Minutes of the meeting held on 21 July 2016.

6. **Draft People and Organisational Development (OD) Strategy** (Pages 7 - 44)

Report of Commercial Director

**Purpose of report**

To provide the Committee with a background and context to the Draft People and OD Strategy attached to this report for review.

**Recommendations**

The meeting is recommended to:

- 1.1 Consider, review and agree the draft People and OD Strategy attached at Appendix 1.
- 1.2 Consider, review and agree the draft People and OD Strategy Action Plan attached at Appendix 2.

7. **Staff Survey 2016 - Action Plan** (Pages 45 - 58)

Report of Commercial Director

**Purpose of report**

To provide the committee with a proposed Action Plan in relation to the findings from the Staff Survey undertaken during 2016. The action plan will be in place for the period before the next Staff Survey takes place, which is likely to be two years.

**Recommendations**

The meeting is recommended to:

- 1.1 Consider, review and agree the draft Action Plan attached at Appendix 1.

8. **Indemnities for Members and Officers** (Pages 59 - 70)

Joint report of Head of Law and Governance and Assistant Director-Transformational Governance

## **Purpose of report**

To consider and recommend to full councils the adoption of a joint indemnities policy for members and officers.

## **Recommendations**

The meeting is recommended:

- 1.1 To recommend to full Council that pursuant to the Local Authorities (Indemnities for Members and Officers) Order 2004 (“the Order”) an indemnity be granted to Members and to officers of the Council in the terms set out in Appendix 1, such indemnity to replace the existing one in place at SNC.
- 1.2 That the Chief Finance Officer secures insurance to cover the liability under the indemnity in the event that such cover is available and subject to him being satisfied that such action would be financially prudent.
- 1.3 That the appointment of a Member to a position with an organisation which comes within the indemnity shall be treated as appointment as a representative of the Council for the purposes of the SNC Members’ Code of Conduct, and as an appointment to a role which is deemed to part of the role of an elected member for the purposes of the CDC Members’ Code of Conduct.
- 1.4 That it be deemed that appointments of Members and officers to organisations (including those where the Council nominates and the organisation formally appoints) be deemed as “advancing the interest of the Council” for the purposes the Terms of Indemnity.

## **9. Protocol on the Respective Roles of Members and Officers and Dealing with Conflicts of Interest and Ethical Walls Procedure (Pages 71 - 82)**

Joint report of Head of Law and Governance and Assistant Director - Transformational Governance

## **Purpose of report**

To consider the updated protocol on roles and conflicts of Interest and Ethical Walls procedure and recommend its adoption to both full councils.

## **Recommendations**

The meeting is recommended:

- 1.1 To consider and recommend to both full Councils the adoption of the updated Protocol on the Respective Roles of Members and Officers and Dealing with Conflicts of Interest and Ethical Walls Procedure.

## 10. **Establishment of Joint Local Authority Owned Companies** (Pages 83 - 92)

Report of Assistant Director - Transformational Governance

### **Purpose of report**

To begin the process of establishing joint local authority owned companies to deliver the savings identified in business cases for joint working and/or business transformation.

### **Recommendations**

The meeting is recommended:

- 1.1 To note the legal, financial and human resources work that is taking place with regard to the establishment of the companies.
- 1.2 To appoint a Joint Shareholder committee as a sub-committee of the Joint Commissioning Committee consisting of four councillors (2 CDC and 2 SNC) with the terms of reference as set out in section 3 of this report.
- 1.3 To recommend to Cabinet and the Executive that the Joint Commissioning Committee be given delegated powers to take all executive decisions with regard to any established and future shared service and ally executive decisions relating to any joint local authority owned company established pursuant to a shared service business case.
- 1.4 To recommend to Cabinet and Executive that delegated authority be given to the Joint Commissioning Committee to approve the nomination of elected Members and officers to be appointed as Directors by joint local authority owned companies.
- 1.5 To recommend to Cabinet and Executive that officers be requested to establish and register joint local authority owned companies limited by shares comprising a principal Company to be wholly owned by the Councils in equal shares and a subsidiary trading company to be majority owned by the principal company with a minority interest owned by the Councils to enable the Revenues and Benefits Business Case and other future commercial opportunities to be achieved.
- 1.6 To recommend to Cabinet and Executive that delegated authority be given to the Chief Finance Officer in consultation with members of the Joint Shareholder Committee to take all measures necessary to enable the establishment of jointly owned companies, where business cases have been agreed.
- 1.7 To request officers to prepare a detailed implementation plan including a draft business case, financial model, articles of association, shareholder agreement and communications plan for the creation of the companies to be considered by the Joint Commissioning Committee

## 11. Urgent Business

The Chairman to advise whether they have agreed to any item or urgent business being admitted to the agenda.

## 12. Exclusion of the Public and Press

The following item of business contains exempt information as defined in the following paragraphs of Part 1, Schedule 12A of Local Government Act 1972.

- 1 Information relating to any individual
- 2 Information which is likely to reveal the identity of an individual
- 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information)
- 4 Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

Members are reminded that whilst the following items have been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to pass the following recommendation:

“That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of Schedule 12A of that Act.”

## 13. Draft Business Cases: Joint Planning Policy and Growth Strategy Team and Joint Design and Conservation Team (Pages 93 - 134)

Exempt report of Head of Strategic Planning and the Economy and Head of Development Management

## Information about this Meeting

The agenda, reports and associated documents for the above meeting are available at the offices and websites of Cherwell District Council and South Northamptonshire Council at the addresses and websites set out on the agenda front sheet.

### **Apologies for Absence**

Apologies for absence should be notified to [natasha.clark@cherwellandsouthnorthants.gov.uk](mailto:natasha.clark@cherwellandsouthnorthants.gov.uk) or 01295 221589 prior to the start of the meeting.

### **Declarations of Interest**

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

### **Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates**

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

### **Evacuation Procedure**

When the alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the assembly point as directed by Democratic Services staff and await further instructions.

### **Access to Meetings**

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

### **Mobile Phones**

Please ensure that any device is switched to silent operation or switched off.

### **Queries Regarding this Agenda**

Please contact Natasha Clark, Democratic and Elections  
[natasha.clark@cherwellandsouthnorthants.gov.uk](mailto:natasha.clark@cherwellandsouthnorthants.gov.uk), 01295 221589

**Sue Smith**  
**Chief Executive**

Published on Wednesday 7 September 2016

# Agenda Item 5

## Cherwell District Council and South Northamptonshire Council

### Joint Commissioning Committee

Minutes of a meeting of the Joint Commissioning Committee held at Bodicote House, Bodicote, Banbury, Oxfordshire OX15 4AA, on 21 July 2016 at 6.30 pm

Present: Councillor Nicholas Turner (Chairman)

Councillor Ken Atack  
Councillor Anthony S. Bagot-Webb  
Councillor Phil Bignell  
Councillor Rebecca Breese  
Councillor Roger Clarke  
Councillor Chris Lofts  
Councillor G A Reynolds  
Councillor Barry Richards  
Councillor Barry Wood

Substitute Members: Councillor Peter Rawlinson (In place of Councillor Ian McCord)

Also Present: Councillor John Donaldson

Apologies for absence: Councillor Ian McCord

Officers: Sue Smith, Chief Executive  
Scott Barnes, Director of Strategy and Commissioning, for agenda item 6  
Chris Stratford, Head of Regeneration and Housing, for agenda items 7 and 11  
James Doble, Interim Assistant Director Transformational Governance, for agenda item 8  
Angela Chisholm, Human Resources Business Partner - Development and Bicester, for agenda items 7 and 11  
Hedd Vaughan Evans, Transformation Project Manager, for agenda items 7 and 11  
Natasha Clark, Interim Democratic and Elections Manager

## 15 **Declarations of Interest**

### **8. Joint Appraisal Sub Committee.**

Sue Smith, Declaration, as the item related to her Appraisal and would leave the meeting for the duration of the item.

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

There were no petitions or requests to address the meeting.

17 **Chairman's Announcements**

There were no Chairman's announcements.

18 **Minutes**

The Minutes of the meeting of the Committee held on 26 May 2016 were agreed as a correct record and signed by the Chairman.

19 **Staff Survey 2016 Results and Analysis**

The Director – Strategy and Commissioning submitted a report to provide an overview of the results of the 2016 staff survey.

In presenting the report, the Director – Strategy and Commissioned advised members that the results would be used by Human Resources to help formulate an action plan in response to the key findings of the survey. Additionally, results would be issued to individual service areas with a request that they look at these with a view to addressing any particular issues.

In considering the report, Members agreed that it was extremely important to undertake staff surveys and made a number of comments and suggestions of areas to be considered as part of the action planning process, namely the low JMT response rate to the survey; responses regarding the visibility of JMT; Alternative answer options where a question is not applicable to particular service, for example, the question regarding homeworking for employees where this is not an option; overall low response rate and the timing of the survey.

**Resolved**

- (1) That the report be noted.
- (2) That, having considered the staff survey results, the following particular issues be identified to be addressed through the action planning process:
  - Low JMT response rate
  - Visibility of JMT
  - Alternative answer options as not all questions are not relevant to all services
  - Low response rate overall – timing of survey to be considered



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## **Business Case for a Joint Property and Investment Service**

The Head of Regeneration and Housing submitted a report which presented the final business case following consultation for a joint Property and Investment service across Cherwell District and South Northamptonshire Councils and sought agreement for the staffing elements of the business case.

The proposal was part of the wider transformation programme across the two Councils.

The Head of Regeneration and Housing confirmed that the Joint Councils Employee and Engagement Committee had considered and endorsed the business case, recommending to the Joint Commissioning Committee that it be approved.

### **Resolved**

- (1) That the responses to the consultation process with the affected staff and trade union representatives and from the Joint Councils Employee Engagement Committee be considered and noted it be determined that no amendment to the business case was required as a result of them.
- (2) That it be noted that the business case was considered and approved in respect of non-staffing matters by CDC Executive on 4 July 2016 and by SNC Cabinet on 11 July 2016.
- (3) That the staffing aspects of the final business case to create a joint Property and Investment service between SNC and CDC be approved.
- (4) That authority be delegated to the Head of Regeneration and Housing to implement the business case, including approving the costs of any potential redundancies, in consultation with the Chief Finance Officer.

(Councillors Chris Lofts and Barry Richards requested that their votes against the recommendations be recorded)

21

## **Exclusion of the Public and Press**

There being no questions on the exempt appendices, it was not necessary to exclude the press and public.

22

## **Business Case for a Joint Property and Investment Service - Exempt Appendices**

### **Resolved**

- (1) That the exempt appendices be noted.

23

## **Urgent Business**

There were no items of urgent business.

(All officers, with the exception of the Interim Assistant Director – Transformation Governance and the Interim Democratic and Elections Manager, left the meeting at the conclusion of this item)

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### **Joint Appraisal Sub Committee**

The Assistant Director- Transformational Governance submitted a report to consider changes to the appraisal process for the Chief Executive.

The Committee was advised that the Deputy Head of Paid Service was currently Paul Sutton, Chief Finance Officer/Section 151 Officer.

### **Resolved**

- (1) That the report be noted and the following arrangements for conducting the Chief Executive's Appraisal be agreed:

Dates: The appraisal should continue to be conducted in March and with a six month review in October. All dates will be arranged by an independent facilitator through the Senior PA to the Deputy Head of Paid Service.

Process:

- 1) Chief Executive prepares her draft submission on how she has achieved her targets and met her role profile in the competency framework (this element replaces the 360 degree appraisal) and suggests targets for next year based on agreed corporate priorities (agreed at February councils).
- 2) Meeting between Chief Executive and independent facilitator to prepare for appraisal, discuss draft and critical friend approach. Draft revised to finalised version following meeting.
- 3) Meeting with opposition group leaders (or nominated deputy in case of absence) and independent facilitator to discuss draft and any issues and themes to be discussed at the appraisal
- 4) Meeting between Leaders of the Councils (or nominated deputy in case of absence) and independent facilitator to discuss draft and any issues, issues raised by opposition group leaders and themes to be discussed at the appraisal
- 5) Informal preparation discussion between Chief Executive and independent facilitator
- 6) Appraisal meeting with Leaders of the Councils (or nominated deputy in case of absence), Chief Executive and independent facilitator
- 7) Independent facilitator drafts outcomes, agreed with Leaders of the Councils and then passed to Chief Executive for her comment.
- 8) Final document agreed and filed by Deputy Head of Paid Service, summary of outcomes and objectives circulated to all group leaders.

- 9) Summary of outcomes and objectives sent to Democratic and Elections Manager for reporting into next available JCC as an exempt report.
- (2) That responsibility and all functions relating to the Chief Executive's Appraisal be delegated to the Deputy Head of Paid Service and consequently the Joint Appraisal Sub-Committee not be appointed to.

The meeting ended at 7.20 pm

Chairman:

Date:

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## Cherwell District Council and South Northamptonshire Council

### Joint Commissioning Committee

15 September 2016

<p><b>Draft People and Organisational Development (OD) Strategy</b></p>
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### Report of Commercial Director

This report is public.

#### Purpose of report

To provide the Committee with a background and context to the Draft People and OD Strategy attached to this report for review.

#### 1.0 Recommendations

The meeting is recommended to:

- 1.1 Consider, review and agree the draft People and OD Strategy attached at Appendix 1.
- 1.2 Consider, review and agree the draft People and OD Strategy Action Plan attached at Appendix 2.

#### 2.0 Introduction

- 2.1 During 2010 it was agreed that the two Councils would share resources and work together in a partnership approach. This has meant that during the last six years the Councils have undertaken a transformation programme including reviewing and restructuring of services to move to shared teams, to harmonise terms and conditions of employment, and to increase the opportunity for cost savings through shared procurement.
- 2.2 The HR and OD team became a shared team in September 2013, and the majority of the Councils' workforce is now working in shared teams, with the remainder being reviewed during 2016.
- 2.3 In 2015 the Councils agreed to move to a commercial business model that will use a mixed economy of alternative delivery models, such as council owned

companies, to deliver services and generate income, without this approach the Councils are unlikely to be able to balance their budgets over the next few years, and therefore a more commercial approach to deliver this is required. This is moving away from the traditional models in place for most local authorities.

- 2.4 Change is now a constant for both Councils, and there are many known and unknown activities and forces that will shape the future direction of travel for the Councils. This in turn creates challenges for the workforce in being able to deliver the Councils objectives, and it is hoped this draft People and OD Strategy has captured as many factors as possible that will create and develop the workforce for today and to meet future needs.

### **3.0 Report Details - The Strategy**

- 3.1 The purpose of the strategy is to describe the HR & OD strategic aims for the Councils, in relation to the people it employs (the workforce), and in order to align those aims with the overall Councils' strategic objectives. The strategy will also propose the key workforce priorities designed to bring about achievement of those aims within agreed timescales. In doing so, it will also support the implementation of the Councils' business plans.
- 3.2 The draft People and OD strategy exists for three reasons:
- To enable and drive the delivery of the Councils' business and corporate plans through people
  - To attract and develop a highly talented and motivated workforce; and
  - To create a culture in which our people thrive.
- 3.3 The strategy takes into account the drive for a more commercial approach, and how the workforce will need to change and adapt in terms of skills and behaviours to meet these challenges, you will see words that are linked to both the Competency Framework and the Transformation Prospectus.
- 3.4 The strategy includes a PESTLE at Appendix 1 and this gives a summary of the key internal and external challenges that may impact on the People and OD Strategy, especially in being able to meet its aims.
- 3.5 Sections below included within this report provide an overview of the key organisational development and human resource management issues that the strategy and action plan and plan will address.
- 3.6 The HR and OD service has already begun a service review process to set out how it needs to develop to deliver the strategy and the HR service required by the Councils in the future.

#### 4. Organisational Profile

These are the organisational profiles as at the end 31 July 2016.

##### CDC Profile

Directorate	Established		Filled	Vacant		All Including Internal Transfers			Leaving CDC				Filled		
	Posts	FTE	Posts	FTE	Posts	FTE	Starters	Leavers	Turnover	Leavers	Turnover	Leavers	Turnover	Posts	FTE
Chief Executive's Office	14	12.50	13	11.47	1	1.03	2	0	0.00	0	0.00	0	0.00	11	9.47
Bicester Resources	8	8.00	7	7.00	1	1.00	1	0	0.00	0	0.00	0	0.00	6	6.00
Community & Environment Development	131	115.66	98	67.38	33	48.28	9	4	4.26	3	3.19	3	3.19	94	83.05
Totals	573	524.17	486	388.24	87	135.93	36	13	2.80	11	0.00	11	2.37	465	401.44

**SNC Profile**

SNC Totals	Directorate	Established		Filled		Vacant		All Including Internal Transfers			Leaving SNC				Filled	
		Posts	FTE	Posts	FTE	Posts	FTE	Starters	Leavers	Turnover	Leavers	Turnover	Leavers	Turnover	Posts	FTE
	Chief Executive's Office	1	1.00	1	1.00	0	0.00	0	0	0.00	0	0.00	0	0.00	1	1.00
	Resources	66	56.99	53	46.88	13	10.11	3	1	1.96	0	0.00	0	0.00	51	45.18
	Community & Environment	94	90.94	81	79.88	13	11.05	0	14	14.74	3	3.16	3	3.16	95	94.24
	Development	92	77.26	69	57.23	23	20.03	15	10	15.63	5	7.81	5	7.81	64	60.58
	<b>Totals</b>	<b>253</b>	<b>226.18</b>	<b>204</b>	<b>184.99</b>	<b>49</b>	<b>41.19</b>	<b>18</b>	<b>25</b>	<b>11.85</b>	<b>8</b>	<b>0.00</b>	<b>8</b>	<b>0.00</b>	<b>211</b>	<b>199.80</b>



## 5. Harmonisation of Terms and Conditions

- 5.1 Each Council remains an employer to a number of staff as detailed above, and as such has their own set of terms and conditions. However since 2011 these terms and conditions have been reviewed and the majority of terms and conditions are now identical for each Council. There are very few policies that are now not shared, and there is a plan to review all during 2016/2017. However this is also important to ensure that any such reviews going forward meet the needs of the Councils' objectives especially in relation to the commercial agenda, this is of particular relevance to reward and recognition, an area which has not yet been harmonised and will need to be reviewed in line with commercial objectives.

## 6. Staff Survey

- 6.1 The outline highlights of the staff survey undertaken in 2016, have recently been released. These are as stated below and although there will be a separate action plan for the staff survey, there is also some cross over in terms of categories for change which need to be taken into account as part of the future People and OD Strategy. As such actions resulting from the staff survey may appear in the action plan for the People and OD strategy.

### 6.2 Key findings

The response rate was 59% (433 out of 733 staff) compared to 71% (534 out of 748 staff) in 2013.

Many respondents were 'on the fence' by neither agreeing nor disagreeing with the statement / question posed. As the statements in the survey were predominately positively positioned i.e. do you feel something was better / improved / more effective, it has been considered the responses where staff neither agree nor disagree on a particular issue indicate a non-positive answer. This has been reflected in the key findings.

<b>My Job</b>	On the question whether changes in the past year have or will improve staff effectiveness, an overall 75% of respondents could not agree to this and 40% of respondents are not convinced they are recognised for doing a good job.
<b>Development and training</b>	Around two thirds of respondents indicate they use the appraisal process to offload issues and problems and around half could not agree they get training and development addressed.
<b>Communication</b>	As a whole, respondents felt communication is good across the organisation but around a third of respondents could not agree that we have good internal communication

	that keeps them informed and allows them to be aware of the contribution their role makes to overall performance. 50% of respondents could not agree the organisational awareness days were useful.
<b>Management</b>	Around 70% of respondents generally feel that they have good support from their line manager, but just under half may not get monthly 121s, whilst a third don't feel their opinions, ideas and views are taken forward. Additionally, two-thirds of respondents could not agree the changes have been managed effectively and that adequate assistance has been provided to enable staff to cope with the changes. 85% of respondents did agree that their team co-operates to get work done
<b>JMT</b>	Less than a third agreed that JMT is visible, dynamic, forward thinking, listens to staff or is honest with staff.
<b>Line management</b>	This doesn't appear to be something that respondents feel there is a huge problem with although the idea of managers escalating and acting upon ideas comes out strongly here again and a third of respondents are not sure their manager is good at managing people.
<b>Work / Life Balance</b>	A third of respondents cannot say they feel the amount of work they do is fair or appropriate although two thirds do not feel staff absence makes things more difficult.
<b>Place of work (Facilities)</b>	General positive responses were received towards the workplace but these become more negative when looking at break areas and catering amenities.
<b>Place of work (Work stations)</b>	Home working and hot desking provoke a strong negative response with two thirds of respondents suggesting they may not have the benefit of using these working practices. A third of respondents do not aim to have a clear desk policy.
<b>Perceptions of the Council</b>	A third of respondents could not agree to recommend working here and could also not agree they are proud to work here. Whilst pay is always a contentious issue, nearly half could not agree to say it's reasonable. Around 80% of respondents understand their role in safeguarding and believe the council is an equal opportunities employer.
<b>Looking Ahead</b>	Responses on job movement indicate a 12% churn rate. Nearly half of respondents don't see progression within 2 years.

## **7. Sickness Absence and Health and Wellbeing**

- 7.1 Sickness absence is a key priority for the Councils, both in terms of the financial impact it has and the pressure it places on service delivery, notwithstanding the a need to address the overall health and wellbeing agenda which has now been agreed to during 2016. It is also important that the Councils ensure that effective strategies are in place to ensure health and wellbeing supports recruitment and retention, and staff motivation.
- 7.2 Both Councils have a target for sickness absence of 8 days per employee per year and at present these targets are not forecasted to be exceeded during 16/17, however it is important to ensure that this is the same for each year going forward and with changes within the way the workforce is expected to work, appropriate strategies need to be put in place to ensure this position does not change.

## **8. Leadership/Management and the Competency Framework**

- 8.1 The importance of good leadership and management and associated behaviours in organisations cannot be overestimated, and this has been one of the key themes for the Competency Framework. In order to ensure both Councils can address areas such as; management behaviour, performance management, and leadership capacity and capability then these need to be taken account of in the strategy to ensure appropriate mechanisms of support are in place to enable improvement and development where this is needed. If this is not undertaken then managers and leaders may not have the capability and won't apply good management practices necessary to meet the needs of the organisation. Succession planning also needs to be taken account of to ensure future managers and leaders are also up-skilled.
- 8.2 Through having a single organisation framework, it will be possible to achieve consistency and standardisation of management/leadership training across the Councils, and will also support the move to a more commercial and excellent performance culture.
- 8.3 Succession planning can be broadly defined as identifying future potential leaders to fill key positions and is typically linked to business continuity and risk management. Given the changing nature of the Councils, it is essential to have a succession plan in place, as well as appropriate actions are taken, to ensure the continued leadership of the Councils. In addition to development there will need to be a review and formalise how the Councils apply succession planning and talent management. This is vital to ensure we have an understanding of the business critical posts within the Councils, the risks related to losing those posts and an understanding of how that risk will be addressed, supported by an internal supply of potential candidates.

## 9.0 Staff Engagement

- 9.1 During 2015 it was agreed by both Councils that a Joint Employee Council would be set up. This was mainly due to the fact that although there are recognition agreements in place for both CDC and SNC for Unison, there appear to be a low representation of actual Unison members across both Councils. Those employees who are not in the trade union have previously had limited access to consultation arrangements, and as a result of requests from employees the new JEC was set up in mid 2016 to be able to meet this request.
- 9.2 For a number of years the Councils have had good employee relations, however, in taking the next steps forward in employee relations, it is important to consider how our staff has a stake in the business and become fully engaged with what the Councils are trying to achieve. Engaged staff can deliver better customer satisfaction, trust and confidence, productivity and staff retention, as well as help facilitate change. In the current economic climate with the potential need to make swift organisational changes, staff engagement becomes even more important.

## 10. Learning & Development

- 10.1 The learning and development function sits within the HR and OD team and commissions & manages training interventions and supports a range of needs from meeting the organisational legal/statutory requirements to providing a platform for staff to develop personally. Given this, the aim will be for learning and development to be structured around a 3 tier model, as shown below.



- 10.2 In applying this model, it will be important to align this delivery to the both the short and longer term needs of workforce planning and role design. A key aspect of the occupational/role development will be in relation to the development and delivery of a consistent organisational approach to the training that support the Competency Framework and identified learning from the Role Competency Profiles.
- 10.3 This model will also allow the classification and prioritisation of training to ensure the achievement of statutory and mandatory training requirements, and will also support the need to recruit Apprentices in accordance with the requirements of national guidance on Apprenticeships.

- 10.4 In order to ensure learning & development meets the needs of both Councils, there will be a need to review approaches to training delivery, as well as incorporate a review of e-learning opportunities to ensure the Councils are well placed to take advantage of these approaches.

## 11. Employment & Recruitment

### 11.1 Recruitment

The cost of a “bad” appointment can be significant in any organisation. The implications of a “bad” appointment can impact:

- Financially
- On Time
- On Customers
- Team effectiveness
- Organisational reputation

The aim for the recruitment process will to bring into the Councils, people with the right **skills, knowledge, attitude and behaviours**.

### 11.2 Employment

Looking beyond the recruitment process, it is important to take a wider view of employment. In doing so, the Councils will need to consider a number of employment related aspects, such as:

- The Councils’ social responsibility as a large employer in the community
- The available recruitment pool and local employment factors
- Workforce planning needs
- The use of temporary staffing through bank and agency
- Work experience
- The development of apprentices
- Terms and conditions
- Work placements

## 12. Workforce Planning & Role Development

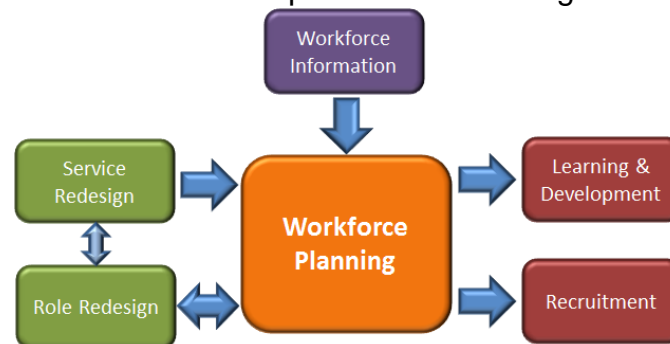
- 12.1 Development of the workforce will be crucial to achieving the Councils’ strategic aims, as well as on-going service delivery and workforce planning will be an essential element of our overall organisational development, at present there is no current data that allows this to happen.

Workforce planning describes a number of related activities and can be defined as providing the best care through a workforce of the right size, with the right skills and diversity, organised in the right way and within an affordable budget. Given this, workforce planning seeks to anticipate the

impact of these variables and anticipate potential future imbalance through providing answers to some key workforce questions such as:

- What will they do? What skills will they need?
- Where will they work? Where will they come from?
- How many people will we need?
- What is our current and projected workforce balance?

12.2 Given this, the workforce planning process should allow the Councils to understand where it is currently, where we need to be and identify how the gap will be filled, in terms of roles, skills and numbers. The output of this will have a direct impact on employment/recruitment and/or learning and development. These relationships are outlined in figure below.



Successful workforce planning, beyond just a simple “numbers game”, along with role re-design, will be pivotal in ensuring we have the right staff at the right time as well as support efficiency savings.

Traditional planning arrangements often identified available funding first, then identifying the number of traditional roles that this would support, before going onto develop job descriptions to support a new service. The aim will be to use the principle where future service requirements are the starting point before identifying the skills/competencies required to deliver that service and then developing a role that will meet those requirements.

## 13. HR Technology

13.1 Technology can be a key tool in support of wider workforce efficiency initiatives, as well as using technology to support and improve HR processes and information. At present limited workforce information is made available to managers and employees, and this should to be factored into the People and OD strategy. Without this improvements and efficiencies in relation to processes that are currently paper heavy and highly administrative cannot be changed, and managers are unable to receive information that will support decisions in relation to their workforce and services.

## 14.0 Conclusion and Reasons for Recommendations

The issues covered within this report highlight the many factors and considerations that have been taken account of to ensure that the People and OD strategy is as inclusive as can be known at this time. It is appreciated that the strategy may need an annual review to ensure that it still meets the needs of both Councils objectives and business plans but also to take account of any external forces that at this stage are unknown. However without this direction from the strategy there will be no clear direction of travel and wasted time and effort may be seen on workforce matters that do not deliver a return on investment. With staff being the Councils biggest resource and cost it is important to ensure that clear direction is given.

The figure below shows a summary of what is intended to be delivered by the strategy and the HR/OD service as it develops.



## 15.0 Consultation

Consultation is taking place with JMT, the trade unions and members of the JEC, and feedback will be provided verbally at the JCC meeting due to deadline and meeting timings.

## 16.0 Alternative Options and Reasons for Rejection

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

Option 1: Not agree with the recommendations made in this report, however this will mean there is no current strategy to support people and OD requirements for both Councils.

## 17.0 Implications

### Financial and Resource Implications

- 17.1 There are no direct financial implications arising from this report.

Comments checked by: Paul Sutton, Chief Finance Officer – 0300 003 0106,  
paul.sutton@cherwellandsouthnorthants.gov.uk

### Legal Implications

- 17.2 There are no specific legal implications arising from this report.

Comments checked by: Kevin Lane, Head of Law and Governance – 0300  
0030107, kevin.lane@cherwellandsouthnorthants.gov.uk

## 18.0 Decision Information

### Key Decision

**Financial Threshold Met: No**

**Community Impact Threshold Met: No**

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

None

### Lead Councillor

Cllr Barry Wood, Leader of the Council, CDC  
Cllr Ian McCord, Leader of the Council, SNC



## Document Information

<b>Appendix No</b>	<b>Title</b>
Appendix 1	Draft People and Organisational Development Strategy
Appendix 2	Draft Action Plan
<b>Background Papers</b>	
None	
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# Futures in People

## People and Organisational Development Strategy

Delivering for  
Cherwell and South Northamptonshire

***FINAL DRAFT***

2016 – 2020



South Northamptonshire Council

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DISTRICT COUNCIL  
NORTH OXFORDSHIRE

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# 1 Introduction and Context

## 1.1 Introduction

Cherwell and South Northamptonshire Councils are working together in order to respond to customers' needs, champion local communities, and provide high quality and good value services. This partnership commenced in 2011 and has developed ever since, delivering in excess of £3.5 million a year in savings, protecting frontline services, attracting significant additional grant funding and winning awards for their entrepreneurial and innovative approaches.

With a strong track record of delivery in terms of organisational transformation, this strategy sets out the councils' approach to organisational development, people and change management in the period 2016-2020.

## 1.2 Context

The national policy landscape and medium term economic picture are in a state of flux with a new Cabinet and the longer term implications of Brexit not yet clear.

However, the financial outlook for local authorities remains challenging and this is unlikely to change. The two councils are facing significant funding deficits in their medium term revenue plans. Government policy has encouraged councils to share services and in the wider public sector, outsourcing, budget pooling and alternative forms of service delivery (including commercialisation) are all being developed at pace.

Given national policy change and the likelihood of on-going financial constraints, delivery of the councils strategic priorities around sustainable economic growth, housing, community development and supporting vulnerable people remain at the heart of the transformation programme. Opportunities for devolution and working in partnerships either at the regional level or across sectors continue to be explored and proposals for business transformation, further joint working or commercialisation will be developed with governance that is flexible enough to accommodate change whilst continuing to deliver strategic priorities.

The commercial strategy adopted by the councils, and the new business operating model developed to deliver them, provides an opportunity to generate income, further reduce running costs and remain flexible and sustainable as sovereign councils in the long term.

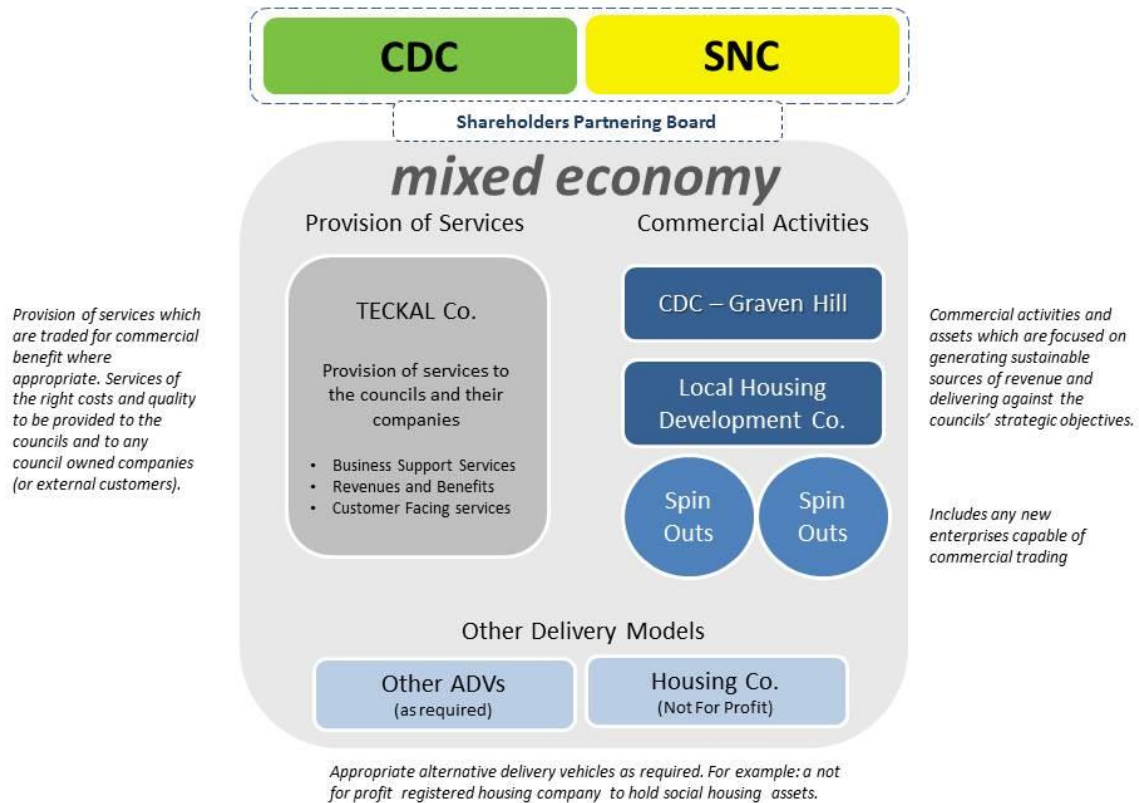
## 1.3 Drivers of Change and Future Direction

The national political context, changing demographics, increasing customer expectation and the councils' strategic priorities for the district have shaped the development of the transformation programme and the commercial strategy. These two programmes set out how the councils will need to work in the future, including new skills and competencies for the workforce, new ways of working, technological change, leadership and development.

The councils have committed to a new business operating model that will use a mixed economy of delivery vehicles, such as council owned companies, to deliver services and generate income. The people and organisational development strategy will ensure that the right support is available for employees as change happens and that the right organisational

changes take place whether this is in terms of policy, process, design, training, and leadership or performance management.

## Commercial Councils – a new operating model



### 1.4 Future Challenges

All councils will be facing significant challenges over the next few years and this is likely to continue to change as time moves on, some may be fully understood now and others emerging as the future unfolds.

In developing this strategy some of these known challenges have been considered along with the needs of both Councils' Business plans, some of these are detailed below, explored in more detail in the PESTLE analysis (see appendix):

- Increasing demands of the population including older people and younger adults with high needs
- The pressures on the local economy with continued growth in both districts and the changing demographic picture
- Increasing health needs and the shift in public health responsibilities
- An uncertain economic outlook and resultant gaps in the medium term financial plan
- The need for partnership working across all sectors, devolution options and the development of commercial opportunities
- A reduction in resource availability and the need for a talented, agile and focused workforce along with the challenges of recruitment in some key roles

## 1.5 A People and Organisational Development Strategy

The next five years and beyond will be challenging for both Councils. Our workforce is central to our success and is fundamental to developing an organisation that is fit for the future.

This strategy outlines the future needs of our workforce now and in the future. From attracting and retaining the right people, providing the development they need to allow them to grow and progress, developing and supporting behaviours that support organisational and culture change, managing the talent and planning for the future the way in which we lead and manage our people is key to the successful delivery of quality services.

This strategy sets the overarching principles for organisational development, human resources and learning and development that meet the needs of both councils. It aims to ensure that we have the right people with the right skills in the right place at the right time to deliver quality services to the people of both districts, within a challenging financial context.

## 2 OD and HR Priorities - what the strategy will deliver

### 2.1 A vision for people and organisational development

Organisational Development (OD) is a planned and systematic approach to sustained organisation performance. It delivers through promoting a whole system and culture change which enables the organisation to deliver its long term objectives and improve its effectiveness.

In ten years' time local authorities will look and feel very different to now and our human resources, training and organisational development service will need to be flexible to meet future customer service and organisational demands during this period.

### 2.2 Vision and Values of the HR and OD Team

The human resources and organisational development team exists to support the delivery of the strategy and ensure there are effective HR and OD policies and processes in place. The role of the team is to provide advice, support and solutions working with managers and employees in matters relating to HR and OD, including activities such as recruitment, performance management, professional and personal development.

The team will work with their customers to develop solutions that:

- Enable and drive the delivery of the Councils' business and corporate plans through effective people management
- Attract and develop a highly talented and motivated workforce
- Create a culture in which people thrive

#### Through

- HR expertise and professionalism

- Working in partnership
- Supporting the move to commercial activity
- Business focused solutions
- Driving and facilitating change
- Developing and empowering leaders and managers
- Effective systems, policies and processes

**Our values of the team are:**

- Trust
- Integrity
- Responsiveness
- Customer-Focus

**2.3 What will the strategy deliver?**

The strategy will support the implementation of the councils' strategic priorities, their transformation objectives and the long term development of a high performing, skilled and adaptable workforce, supported by an organisational culture that:

- Embraces change
- Values performance, delivery and innovation
- Is leaner and more efficient
- Is able to manage risk productively
- Is driven by good management and leadership supported with a high quality planned management and leadership development programme
- Attracts and retains excellent staff
- Seeks and learns from open and honest feedback
- Is open to deliver services in new ways

The projects, changes and initiatives that will deliver the strategy are outlined in the accompanying action plan; they will adhere to the following principles:

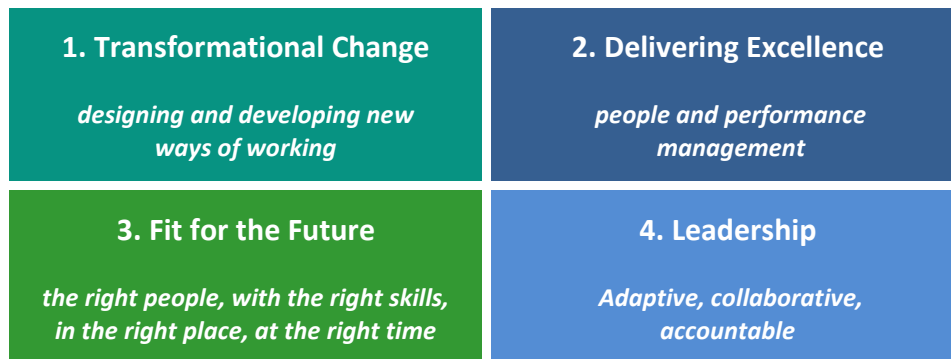
- Employee engagement – getting feedback about what works
- Flexible and agile workforce – supporting people to develop and gain transferable skills
- Support that will be targeted at all levels of employees
- Implemented at organisation wide, team and individual levels



## 3 Strategic Objectives and Deliverables

### 3.1 The Four Core Delivery Themes

The People and Organisational Development Strategy sets out a series of key objectives grouped into four core themes. These themes have been developed to ensure the strategy shapes the organisational characteristics, culture, systems and processes, as well as the development of a skilled workforce, required to meet the needs of the future and the councils' long term strategic objectives as set out in their business plans.



This section summarises the desired outcomes and objectives of the strategy. To deliver the strategy a number of interventions and activities will take place and the accompanying action plan sets out the tasks and projects that will be delivered in the medium term (between 2016 and 2020) to meet these objectives.

These activities will include:

- ➔ policy and process review and change
- ➔ organisational development interventions such as the competency framework
- ➔ review of learning and development and training interventions
- ➔ better employee engagement and communication development
- ➔ changes to organisational design and structure
- ➔ new ways of working, including reviewing terms and conditions where appropriate
- ➔ health and wellbeing changes
- ➔ review of management information requirements

### 3.2 **Objective 1:** Transformational change: designing and developing new ways of working

#### Transformational change: designing and developing new ways of working

Activities undertaken within this theme will support the organisations' transformation objectives. This includes implementation of new ways of working, such as alternative service delivery models, the development of new commercial enterprises or significant changes to the way a service is

commissioned or delivered. As well as supporting the change process itself, including the impact on employees and customers, this objective will ensure the organisations become resilient and agile, with a culture ready for new changes and challenges.

**Outcomes – What we plan to achieve**

We will manage the process of change efficiently and have service models and operational structures in place which have both addressed budget reductions and the needs of priority services. We will use best practice approaches to services design, including business process engineering and the delivery of relevant technology solutions.

**Activities – What we will do:**

1.1	Developing a framework for change management incorporating employee and trade union engagement and communication
1.2	Promoting a programme of learning to support transformational change and innovation
1.3	Supporting the design and implementation of alternative business / service delivery models, including shared services.
1.4.	A HR service that supports commercial council services (including a new SLA)
1.5	Developing a coaching approach to support change and to learn from mentors

**3.3 Objective 2: Delivering excellence: people and performance management**

**Delivering excellence:  
people and performance management**

Activities undertaken in this theme will transform our approach to human resource management. They will focus on the delivery of effective people and performance management policy that directly supports the delivery of the councils’ strategic and transformational objectives.

**Outcomes – What we plan to achieve**

A customer focused performance culture, where delivery is rewarded, success celebrated and areas for improvement addressed.

Our managers will have the skills, abilities and confidence to manage and promote the expected standard of performance, our employees will be empowered to deliver.

**Activities – What we will do:**

2.1	Reviewing and strengthening our appraisal and personal development (PDP) processes to ensure all employees have relevant performance development plans in place
-----	---

2.2	Assist managers to identify, target and improve poor levels of performance, and where required enhance process and policy to support this
2.3	Review reward and recognition, to help underpin our performance culture and attract and retain the workforce
2.4	Delivering a cultural change to embed positive values of commercialism, to be more business-like and cost aware
2.5	Implementing a programme of developments to improve our HR and payroll database, to provide accurate and easily accessible management information
2.6	Review management information and refine and develop from the current suite of management information measures to support enhanced performance

3.4 **Objective 3: Fit for the future: the right people, with the right skills, in the right place, at the right time**

**Fit for the future:  
the right people, with the right skills, in the right place, at the right time**

Activities undertaken in this theme will be focused on ensuring we have a planned approach to developing our workforce. They will include succession planning, talent management, employee engagement, learning and development. This work area will also ensure the organisation has the right management information to make decisions about workforce development and organisational design.

**Outcomes – What we plan to achieve**

Our workforce will be trained, qualified and experienced, to deliver quality services which meet current and anticipated service needs.

Our workforce will have the skills, abilities and confidence to meet the needs of services for the future and will embrace new ways of working.

**Activities – What we will do:**

3.1	Implementation of competency based management approach clearly linking performance to our competency framework
3.2	Reviewing and improving our employee engagement, communication and reward/recognition arrangements including celebrating success and health and wellbeing programmes
3.3	Developing talent for the future through Talent Management and Succession Planning programmes

3.4	Promoting our Competency Framework and all behaviours for all employees and ensure appropriate learning opportunities are available to support any 'gaps' identified
3.5	Ensuring that corporate learning and development programmes are driven by the needs of the organisations, make best use technology and specialist in house knowledge and are informed by the Workforce Planning Framework
3.6	Review recruitment processes to develop innovative ways to attract and recruit new talent
3.7	Creating employment and training opportunities for young people in the community by exploring training schemes and further developing Apprenticeships

3.5 **Objective 4: Leadership: Adaptive, collaborative, accountable**

**Leadership:  
Adaptive, collaborative, accountable**

This final theme sets out a series of objectives which aim to ensure the councils, and their businesses, excel in terms of both political and managerial leadership, collaborative working, strategic capacity and operational expertise.

The focus of this theme will be on developing a systematic approach to create a learning environment in terms of both technical and professional skills and establishing a culture of learning and improvement.

**Outcomes – What we plan to achieve**

All our managers will lead, motivate, energise, and encourage innovation and commercialisation and will be viewed as role models, be highly effective, supportive and approachable.

**Activities – What we will do:**

4.1	Delivery of a new leadership development programme
4.2	Delivery of a new management development programme
4.3	Delivery of a new member development programme
4.4	Implementation of matrix delivery arrangements to support corporate delivery and break down silos
4.5	Develop a future leaders programme to support workforce planning and succession management
4.6	Integrating coaching and mentoring into leadership and management approaches

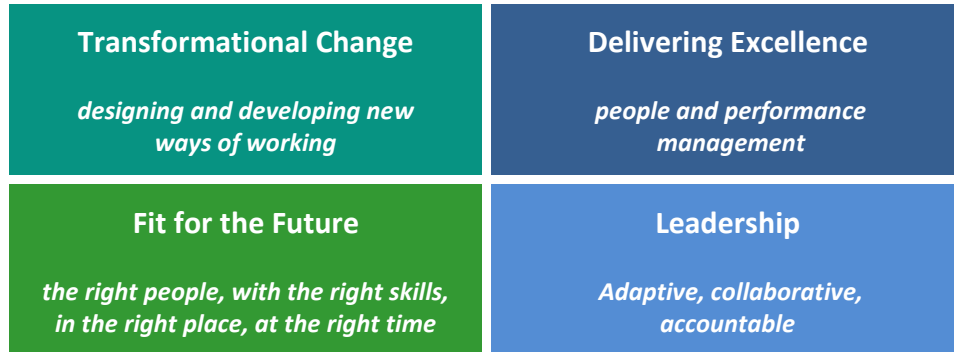
4.7	Using the Competency Framework to identify gaps in management and leadership behaviours and support development using learning methods identified for this purpose
4.8	Proactively facilitating partnership and collaborative working to enhance learning and development opportunities and policy development
4.9	Support the proactive use of staff engagement opportunities and to ensure there is a focus on innovation, efficiency and collaborative working
4.10	Support managers and leaders to lead by example and promote behaviours in accordance with the Competency Framework and to challenge others constructively where this is not seen

## 4 Implementation, Monitoring and Review

### 4.1 Performance Review

The strategy is owned by the strategic management team and is underpinned by an action plan which is reviewed and updated on an annual basis.

The action plan is based around the four core themes and the objectives and actions that will deliver against them.



Performance and delivery is monitored as part of the Councils' transformation programme, however an agreed set of targets will need to be agreed to support the monitoring of the strategy.

Operational impact will be measured through a suite of KPIs and a twice yearly snap shot employee survey will also be used to collect feedback.

### 4.2 Key Performance Measures

A suite of KPIs will be developed and reported on. It will include core HR measures such as those listed below. In addition relevant organisational development measures will also be identified.

- Sickness / Employee satisfaction / Training Evaluation
- Appraisals (completions) / Personal Development Plans (delivery)

## Appendix 1: PESTLE Analysis

Overview of external factors that may have an impact on the delivery or content of the People and Organisational Development Strategy.

	Issue	Potential Impact
<b>Political</b>	<ul style="list-style-type: none"> <li>• Devolution</li> </ul>	Potential impact on organisation design, reconfiguration, governance.
	<ul style="list-style-type: none"> <li>• New national government emerging new policy</li> </ul>	Unknown policy change, but likely to see continued focus on economic growth and housing delivery
	<ul style="list-style-type: none"> <li>• Local issues/priorities</li> </ul>	Importance to keep local focus to policy and service delivery
	<ul style="list-style-type: none"> <li>• Drive to share/commission services</li> </ul>	On-going joint working business cases
	<ul style="list-style-type: none"> <li>• Major political change</li> </ul>	Election – new policy environment, organisations must be ready to adapt to new policy.
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Macro-economic implications of Brexit</li> </ul>	E.g. recession, lower interest rates etc. Possible increase in financial constraint, possible opportunities for borrowing at better rates
	<ul style="list-style-type: none"> <li>• Recession – implications for customers / service users</li> </ul>	Increased service demand, increased pressure on local jobs market
	<ul style="list-style-type: none"> <li>• Potential reduction in property / asset values</li> </ul>	Possible impact on viability of housing/property and asset projects
	<ul style="list-style-type: none"> <li>• Income generation</li> </ul>	Support for services needing to trade/commercialise, support for council owned companies/entities
	<ul style="list-style-type: none"> <li>• Reduced government funding</li> </ul>	Reductions in government and other funding streams require services to consider efficiencies in order to meet budget demands, possibly doing more for less.
<b>Social</b>	<ul style="list-style-type: none"> <li>• Ageing population</li> </ul>	New service demands, links to health, wellbeing and adult social care, changes to workforce demographic.
	<ul style="list-style-type: none"> <li>• More mobile population</li> </ul>	Recruitment opportunities/more transient workforce. Community impact, more travelling to work/ homeworking communities. Impact on service delivery.
	<ul style="list-style-type: none"> <li>• Higher customer expectations/demand</li> </ul>	Increasing demands from customers, based on experience with other service providers (e.g. who may be better equipped for online). Requiring service design, process change and technology interface.

	<b>Issue</b>	<b>Potential Impact</b>
	<ul style="list-style-type: none"> <li>• Skills shortages in key professions</li> </ul>	Difficultly recruiting quality staff, impacts on pay and reward talent management, workforce planning.
<b>Technological</b>	<ul style="list-style-type: none"> <li>• Agile working</li> </ul>	Skills, technology and cultural change to deliver effective remote and agile working, impact on working environments
	<ul style="list-style-type: none"> <li>• Self service</li> </ul>	Efficiencies for HR process to facilitate self-service and reduce costs of transaction HR
	<ul style="list-style-type: none"> <li>• Data / information management</li> </ul>	Management information to effectively plan and deploy workforce
	<ul style="list-style-type: none"> <li>• Workforce skills</li> </ul>	Ensuring the workforce is able to use new and emerging tech.
	<ul style="list-style-type: none"> <li>• Recruitment</li> </ul>	Shift to online and more flexible/tailored/individual recruitment
	<ul style="list-style-type: none"> <li>• Online transactions, channel shift and service design</li> </ul>	Cultural and service design changes required to deliver.
	<ul style="list-style-type: none"> <li>• Social media (communications, recruitment, networking, L&amp;D)</li> </ul>	New ways of working to maximise the benefits and opportunities from increased social media and networking.
	<b>Legal</b>	<ul style="list-style-type: none"> <li>• Brexit – European Law</li> </ul>
<ul style="list-style-type: none"> <li>• Employment law changes and governmental requirements</li> </ul>		Equal pay law changes will require changes to data publication and may increase equal pay claims
<ul style="list-style-type: none"> <li>• TUPE</li> </ul>		Implications for alternative models of service delivery
<ul style="list-style-type: none"> <li>• Changes to LG pension scheme</li> </ul>		Implications for alternative models of service delivery (possible increase costs)
<ul style="list-style-type: none"> <li>• New business regulation</li> </ul>		Requiring new approaches / services from council businesses/services
<ul style="list-style-type: none"> <li>• Skills gaps</li> </ul>		Current focus of the legal service offer not necessarily aligned with the requirements of the new operating model, high external spend, not currently a trading unit.
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• Changes to environmental regulation</li> </ul>	Impact of environmental regulation on service delivery, skills, learning and development implications
	<ul style="list-style-type: none"> <li>• Environmental events</li> </ul>	Effective business continuity, emergency planning community resilience and disaster recovery competencies embedded in the organisation and any owned entities.

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# Futures in People

Appendix 2

## People and Organisational Development Strategy

Delivering for  
Cherwell and South Northamptonshire

*DRAFT Action Plan 2016-20*



## Appendix 2: Draft Action Plan

The action plan sets out the delivery priorities on a year by year basis which will deliver the key objectives within the People and OD strategy. The actions, tasks and projects within the action plan are set out under the four themes identified in the strategy.

<b>Transformational Change</b> <i>designing and developing new ways of working</i>	<b>Delivering Excellence</b> <i>people and performance management</i>
<b>Fit for the Future</b> <i>the right people, with the right skills, in the right place, at the right time</i>	<b>Leadership</b> <i>Adaptive, collaborative, accountable</i>

*NB. The action plan will be finalised after the draft of the strategy is signed off.*

## Theme 1 Transformational Change

Activities undertaken within this theme will support the organisations' transformation objectives. This includes implementation of new ways of working, such as alternative service delivery models, the development of new commercial enterprises or significant changes to the way a service is commissioned or delivered. As well as supporting the change process itself, including the impact on employees and customers, this objective will ensure the organisations become resilient and agile, with a culture ready for new changes and challenges.

Objective	Activities/Tasks	Timescale Y1 Y2 Y3	Lead
Supporting a culture of change and employee engagement	Developing a framework for change management incorporating employee and trade union engagement and communication.	YR1	HR and OD/Governance Teams
	Promoting a programme of learning to support transformational change and innovation, including new skills requirements whether they be related to national policy change or local priorities such as commercial skills.	YR2	HR and OD Team
	Developing a coaching approach to support change and to learn from mentors. Including a mix of in- house and external provision.	YR1	SMT with HR and OD Team
Delivering new ways of working	Supporting the design and implementation of alternative business / service delivery models, including: <ul style="list-style-type: none"> <li>• Teckal Co. for Revs and Bens</li> <li>• Shared service business cases</li> <li>• Business models for commercial activity</li> </ul>	YR1 onwards	Transformation Team
	An HR service that supports commercial council services, including: <ul style="list-style-type: none"> <li>• A new SLA for internal and external customers</li> <li>• A review of key HR processes to increase efficiency</li> <li>• A clear offer for council services / arm's length companies</li> </ul>	YR1	HR and OD Team

## Theme 2 Delivering Excellence: people and performance management

Activities undertaken in this theme will transform our approach to human resource management. They will focus on the delivery of effective people and performance management policy that directly supports the delivery of the councils' strategic and transformational objectives.

Objective	Activities/Tasks	Timescale	Lead
Reward and Recognition	Review reward and recognition, to help underpin our performance culture and attract and retain the workforce, including: <ul style="list-style-type: none"> <li>• A review of pay, grading and job evaluation arrangements across the councils</li> <li>• Developing a suite or menu of reward and recognition options for council owned companies/commercial entities</li> </ul>	YR1	Transformation Team
	Delivering a cultural change to embed positive values of commercialism, to be more business-like and cost aware, including: <ul style="list-style-type: none"> <li>• Identification of 'soft' rewards/recognition for delivery</li> </ul>	YR1	Commercial Leads/HR and OD Team
People and Performance Management	Assist managers to identify, target and improve poor levels of performance, and where required enhance process and policy to support this.	YR2	HR and OD Team
	Reviewing and strengthening our appraisal and personal development (PDP) processes to ensure all employees have relevant performance development plans in place.	YR2	HR and OD Team
Management Information	Review management information and refine and develop from the current suite of management information measures to	YR1 for YR2	Performance Team

Objective	Activities/Tasks	Timescale	Lead
	support enhanced performance.		
	Implementing a programme of developments to improve our HR and payroll database, to provide accurate and easily accessible management information.	YR1, YR2 and YR3	Finance/HR and OD Teams

### Theme 3 Fit for the future: the right people, with the right skills, in the right place, at the right time

Activities undertaken in this theme will be focused on ensuring we have a planned approach to developing our workforce. They will include succession planning, talent management, employee engagement, learning and development. This work area will also ensure the organisation has the right management information to make decisions about workforce development and organisational design.

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Objective	Activities/Tasks	Timescale	Lead
Learning and Development	Ensuring that corporate learning and development programmes are driven by the needs of the organisations (addressing professional and technical development), make best use of technology and specialist in house knowledge and are informed by the Workforce Planning Framework.	YR2	L&D Lead
	Promoting our Competency Framework and all behaviours for all employees and ensure appropriate learning opportunities are available to support any 'gaps' identified.	YR1	SMT/HR and OD Team
	Implementation of competency based management approach clearly linking performance to our competency framework.	YR2	HR and OD Team
	Reviewing and improving our employee engagement, communication and reward/recognition arrangements including celebrating success and health and wellbeing programmes.	YR1/YR2	SMT
Talent Management	Developing talent for the future through Talent Management and Succession Planning programmes.	YR2	L&D Lead
Recruitment	Review recruitment processes to develop innovative ways to attract and recruit new talent, including graduates.	YR2	HR and OD Team
	Creating employment and training opportunities for young	YR1	L&D Lead

Objective	Activities/Tasks	Timescale	Lead
	people in the community by exploring training schemes and further developing apprenticeships		

## Theme 4 Leadership: adaptive, collaborative, accountable

This final theme sets out a series of objectives which aim to ensure the councils, and their businesses, excel in terms of both political and managerial leadership, collaborative working, strategic capacity and operational expertise.

The focus of this theme will be on developing a systematic approach to create a learning environment in terms of both technical and professional skills and establishing a culture of learning and improvement.

Objective	Activities/Tasks	Timescale	Lead
Leadership Development	Delivery of a new leadership development programme	YR2	L&D Lead
	Delivery of a new management development programme	YR2	L&D Lead
	Delivery of a new member development programme	YR2	Democratic Services
	Integrating coaching and mentoring into leadership and management approaches	YR1	All managers
Future Leaders	Develop a future leaders programme to support workforce planning and succession management	YR2	L&D Lead
Supporting Managers	Support managers and leaders to lead by example and promote behaviours in accordance with the Competency Framework and to challenge others constructively where this is not seen	YR1	SMT/JMT
	Using the Competency Framework to identify gaps in management and leadership behaviours and support development using learning methods identified for this purpose	YR1	HR and OD Team
Collaboration and cross	Implementation of matrix delivery arrangements to support corporate delivery and break down silos	YR1	SMT/Transformation



Objective	Activities/Tasks	Timescale	Lead
departmental working	Proactively facilitating partnership and collaborative working to enhance learning and development opportunities and policy development	YR2	Transformation/L&D Lead
	Support the proactive use of staff engagement opportunities and to ensure there is a focus on innovation, efficiency and collaborative working by: <ul style="list-style-type: none"> <li>Supporting the Employee Council</li> <li>Enhancing opportunities to participate in business improvement/innovation activities</li> </ul>	YR1	Transformation/Governance/HR and OD Team

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## Cherwell District Council and South Northamptonshire Council

### Joint Commissioning Committee

15 September 2016

<b>Staff Survey Action Plan</b>
---------------------------------

### Report of the Commercial Director

This report is public.

#### Purpose of report

To provide the committee with a proposed Action Plan in relation to the findings from the Staff Survey undertaken during 2016. The action plan will be in place for the period before the next Staff Survey takes place, which is likely to be two years.

#### 1.0 Recommendations

The meeting is recommended to:

- 1.1 Consider, review and agree the draft Action Plan attached at Appendix 1.

#### 2.0 Introduction

- 2.1 The findings from the Staff Survey as undertaken in 2016, were submitted to JMT and JCEEC and JCC during July 2016. Based on these findings consideration has been given to possible actions that could improve on the employee experience. Actions would be monitored to ensure that progress could be seen, and where appropriate reported through the Performance Team.
- 2.2 It is important to note that when considering appropriate actions, this also needs to take account of other strategies and action plans that are or will be in place to ensure duplication of effort is not seen. A good example of this might be the People and OD Strategy that is currently being developed.
- 2.3 JMT, the trade unions and the Joint Employee Council (JEC) will be asked for feedback on the proposed action plan, following the JMT meeting on the 7<sup>th</sup> September 2016. Any feedback received will be provided to the committee as a verbal update due to timings of the meetings.

#### 3.0 Report Details

- 3.1 The response rate was 59% (433 out of 733 staff) compared to 71% (534 out of 748 staff) in 2013.

- 3.2 Many respondents were 'on the fence' by neither agreeing nor disagreeing with the statement / question posed. As the statements in the survey were predominately positively positioned i.e. do you feel something was better / improved / more effective, it has been considered the responses where staff neither agree nor disagree on a particular issue indicate a non-positive answer. This has been reflected in the key findings.
- 3.3 **My Job** - On the question whether changes in the past year have or will improve staff effectiveness, an overall 75% of respondents could not agree to this and 40% of respondents are not convinced they are recognised for doing a good job.
- 3.4 **Development and training** - Around two thirds of respondents indicate they use the appraisal process to offload issues and problems and around half could not agree they get training and development addressed.
- 3.5 **Communication** - As a whole, respondents felt communication is good across the organisation but around a third of respondents could not agree that we have good internal communication that keeps them informed and allows them to be aware of the contribution their role makes to overall performance. 50% of respondents could not agree the organisational awareness days were useful.
- 3.6 **Management** - Around 70% of respondents generally feel that they have good support from their line manager, but just under half may not get monthly 121s, whilst a third don't feel their opinions, ideas and views are taken forward. Additionally, two-thirds of respondents could not agree the changes have been managed effectively and that adequate assistance has been provided to enable staff to cope with the changes. 85% of respondents did agree that their team co-operates to get work done.
- 3.7 **JMT** – less than a third agreed that JMT is visible, dynamic, forward thinking, listens to staff or is honest with staff.
- 3.8 **Line management** – This doesn't appear to be something that respondents feel there is a huge problem with although the idea of managers escalating and acting upon ideas comes out strongly here again and a third of respondents are not sure their manager is good at managing people.
- 3.9 **Work / Life Balance** - A third of respondents cannot say they feel the amount of work they do is fair or appropriate although two thirds do not feel staff absence makes things more difficult.
- 3.10 **Place of work (Facilities)** - General positive responses were received in relation to the workplace but these become more negative when looking at break areas and catering amenities.
- 3.11 **Place of work (Work stations)** - Home working and hot desking provoke a strong negative response with two thirds of respondents suggesting they may not have the benefit of using these working practices. A third of respondents do not aim to have a clear desk policy.
- 3.12 **Perceptions of the Council** - A third of respondents could not agree to recommend working here and could also not agree they are proud to work here. Whilst pay is always a contentious issue, nearly half could not agree to say it's

reasonable. Around 80% of respondents understand their role in safeguarding and believe the council is an equal opportunities employer.

- 3.13 **Looking Ahead** - Responses on job movement indicate a 12% churn rate. Nearly half of respondents don't see progression within 2 years.

## **4.0 Staff Survey Action Plan**

- 4.1 In pulling together a draft Action Plan to support areas for improvement, it should also be noted that there are other strategies and actions that are being developed/are newly in place, in relation to staff, that should be noted and cross referenced. Together all of the actions will hopefully enhance the staff experience and be closer in meeting staff expectations over the next few years. These should include the following:
- 4.2 **JEC- Joint Employee Council**  
The Council is made up of staff representatives from across all staff departments within both Councils, and will support the ability to enhance consultation and engagement arrangements across both Councils, which in turn should also improve communication that would specifically relate to staff such as restructures, policy development, change management and development activity.
- 4.3 **Health and Wellbeing Charter**  
Both Councils have recently signed up to the Charter which it is hoped will not only impact directly on health and wellbeing for staff but also in relation to recruitment and retention. There will be a more specific action plan agreed once assessment has taken place in relation to the requirements of the Charter.
- 4.4 **People and OD Strategy**  
This is at draft consultation stage but once agreed will include many areas of activity that relate to staff during their career at the Councils and will be an important cross reference to the staff survey action plan as many of the points raised from the staff survey are reflected within the Strategy.
- 4.5 The draft Action Plan has been drawn up based on what is known from the feedback within the survey, however it should be noted that in some areas it is hard to interpret what is meant by the responses and without further questioning it may be impossible to determine what actions would provide a focussed approach to any improvement. Therefore there are some general actions that should be considered as necessary to ensure the right focus and resource is used.

## **5.0 Conclusion and Reasons for Recommendations**

### **5.1 Conclusions**

It would be helpful to consider actions in relation to an overhaul of the Staff Survey for future use, but also in relation to whether other surveys between now and the next Staff Survey in 2 years would be effective. This could be on more focussed topics such as facilities.

The Action Plan hopefully picks up a wide variety of areas that could be improved and some methods for this to be achieved, although it is also important to ensure

the Action Plan is monitored against activity and consideration needs to be given to how this will be done e.g. whether the actions can be held in Performance Matters.

Communication on the Action Plan will also need to be considered, and it may be worth considering a Communication Strategy specifically for the Action Plan at key milestones, to ensure that employees can see they have been listened to and actions are being moved forward.

And finally in order for the Action Plan to be implemented and to be successful this is not necessarily just about those that have actions, but also to embed any changes further afield in teams managers need to be on board and these need to be fully supported by leaders and managers at both Councils.

## **6.0 Consultation**

Consultation is taking place with JMT, the trade unions and members of the JEC, and feedback will be provided verbally at the JCC meeting due to deadline and meeting timings. The report will also be discussed at JCEEC on the 15 September 2016 meeting, where it is hoped a recommendation for approval will be given.

## **7.0 Alternative Options and Reasons for Rejection**

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

Option 1: Not agree with the recommendations made in this report, but the staff survey outcomes will not be change if not actions are taken.

## **8.0 Implications**

### **Financial and Resource Implications**

8.1 There are no direct financial implications arising from this report.

Comments checked by: Paul Sutton, Chief Finance Officer – 0300 003 0106  
paul.sutton@cherwellandsouthnorthants.gov.uk

### **Legal Implications**

8.2 There are no specific legal implications arising from this report.

Comments checked by: Kevin Lane, Head of Law and Governance – 0300 0030107  
kevin.lane@cherwellandsouthnorthants.gov.uk

## 9.0 Decision Information

### Key Decision

**Financial Threshold Met:** No

**Community Impact Threshold Met:** No

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

None

### Lead Councillor

Cllr Barry Wood, Leader of the Council, CDC  
Cllr Ian McCord, Leader of the Council, SNC

### Document Information

<b>Appendix No</b>	<b>Title</b>
Appendix 1	Draft Staff Survey Action Plan
<b>Background Papers</b>	
None	
<b>Report Author</b>	Karen Curtin, Director, Commercial Development
<b>Contact Information</b>	karen.curtin@cherwell-dc.gov.uk

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## Draft Staff Survey Action Plan - 2016 to 2018

### My Job

This area focusses on recognition, team working and changes to jobs. It would be helpful to have more focussed data on specific changes to see how effective that has been, and that could relate to restructures, individual post changes/requests, contract management arrangements for new services, etc, as this will enable specific actions to be targeted at the desired outcomes. Reward and recognition is not being flagged as an area for improvement but is being reviewed. Change is inevitable as part of the local government and therefore effective change management mechanisms need to be in place to support this, and to ensure business as usual is affected as little as possible.

1. My Job			
	Action	Owner	Deadline
1.1	More communication supporting transformational change at both Councils by using the Joint Employee Council.	Democracy/HR	Continuous, but meetings every 3 months.
1.2	More communication supporting changes to posts and restructures within the Councils by using In Brief to update staff on restructures and other staffing changes including showing Benefits Realisation data to staff. This will show that the objectives for business cases have been achieved.	Restructure lead HOS/Director	As each restructure starts and is completed.
1.3	Look at opportunities for Talent Management and Workforce Planning as discussed within the People and OD Strategy.	HR/JMT	Autumn 2017
1.4	Change management training and support for teams/managers is reviewed to ensure it supports employees now and in the future. Note: Coaching both personal and management style will be embedded as part of the People and OD Strategy implementation.	L&D lead	December 2016

## Development and Training

As part of the implementation of the Competency Framework, there will be a requirement for all staff to self-assess against competency levels, and to ensure a Personal Development Plan is in place for both behaviours and skills development. Consideration is also being given to the way staff are developed and what opportunities are available to meet specific needs of both individuals and teams, that will meet current and future resource requirements. Therefore there is a specific refocus on this area at present 16/17 that will be reviewed as part of the action plan for the People and OD Strategy.

<b>2. Development and Training</b>		
<b>Action</b>	<b>Owner</b>	<b>Deadline</b>
2.1 A review of training and development is taking place as part of the People and OD Strategy and therefore this is picked up as part of the action plan for the Strategy.	JMT	31 March 2017
2.2 The Competency Framework will allow for specific data capture in relation to personal development, and the training needs of both Councils, including future aspirations.	All staff	31 March 2017
2.3 Appraisals, the process and policy will be reviewed for the 17/18 year.	HR	31 March 2017

## Communication

The evidence suggests that current communication systems do work, however it is not clear what does and does not work without further evidence gathering. However tied into the fact there is a massive transformation programme happening at present and taking account of some of the other issues raised as part of the staff survey, it is important to ensure communication is effective by being timely, easy to understand, especially given that is true that openness and honesty will reap rewards in terms of employee engagement. The JEC will also be able to support improved communication through better engagement which can only further support staff through transformational change.

<b>3. Communication</b>		
<b>Action</b>	<b>Owner</b>	<b>Deadline</b>
3.1 Chief Executive all-staff briefings should continue, but should be shorter and followed by a more detailed directorate briefing. There should be a nominated co-ordinator for each round of briefings with dates and agendas clearly set out in advance. Staff should have the opportunity to suggest topics to be covered at either Chief Executive or Directorate briefings.	CEX & Directors – Appoint a co-ordinator for CEX and Director briefings.	April 2017
3.2 Continue to embed the new joint employee consultation group to ensure that employees are consulted with prior to changes taking place that impact on them (e.g. restructures, joint working business cases, new policies etc.). Link to 1.1.	Democracy/HR	April 2017
3.3 Create an area on each Council's intranet pages for staff and staff reps where all consultation documents, meeting dates, minutes, surveys and feedback can be stored and easily accessed by staff.	IT/HR	April 2017
3.4 Investigate the possibility of having a single shared intranet across both Councils.	IT	April 2017
3.5 Review In-Brief and ask staff for feedback in relation to what they would like to see, and how improvements could be made to meet staff and Member need.	Communications Manager	April 2017

## Management

Although the majority of staff feel supported by their line manager, around 70%, just under 50% state they don't get monthly 121's, although this could be accounted for by those staff who may not require these such as manual workers. (See 6.1). A third of staff state they don't have their opinions, ideas and views taken forward and this could be picked up with some of the engagement work supported by JEC. Also as part of the reward and recognition review, soft recognition will be picked up, which should also help develop in this area. Change management is covered in section 1, so is not covered again here. Managers need to ensure they are able to effectively manage their teams and to meet the needs of both Councils in meeting business objectives. Support and development in achieving this will be delivered as part of the implementation of the Competency Framework in relation to behaviours and skills development will be undertaken as part of the Transformation Programme with a Leadership and Management Development Programme in 17/18.

<b>4 Management</b>		
<b>Action</b>	<b>Owner</b>	<b>Deadline</b>
4.1 Develop an internal/external resource of coaches and mentors that can be accessed by staff that is going through the change process.	HR	September 2016
4.2 Develop a 'coaching style' of management, starting with training for all managers across both Councils to encourage improved management styles and conversations.	HR/Managers	April 2017
4.3 A formal 121 process and team meeting process is put in place relevant to each service area, with templates for agendas and records kept of both to ensure they happen in a consistent manner across both Councils monthly.	HR/Managers	December 2016
4.4 Peer management group sessions for coaching and mentoring to be embedded as part of the People and OD Strategy which support management development.	HR/Managers	March 2017

## JMT/Leadership Visibility

This is a recurring theme from previous staff surveys, however it should be recognised that there may be some lack of clarity around what the term leadership means, and who that might refer to, as there may be a different perceptions for different staff. Quite clearly depot workers are unlikely to physically see members of JMT regularly so consideration needs to be given to use of other means to enhance visibility without this being physical. This is also much harder as there are very few members of JMT so a none physical awareness needs to be considered as much as a physical one.

5 . JMT / Leadership Visibility		
Action	Owner	Deadline
5.1 Create a profile page for each member of JMT on the Councils intranets which details key areas of work, responsibility etc. This would provide staff with more clarity on JMT roles and in particular the differences between Directors and Heads of Service.	JMT – Nominate a co-ordinator	April 2017
5.2 A welcome letter from the Chief Executive or Director setting out the Councils' visions and priorities, and anything specific to the relevant directorate, and wishing new starters well in their career.	SMT/EA's	November 2016
5.3 The Chief Executive's briefings should be followed the following month by a directorate staff briefing led by each Director. These would provide more detailed, specific information and would allow staff to ask questions in a less formal environment. This would also allow for a shorter all-staff briefing (linked to 2.1). <i>*Staff Suggestion*</i>	CEX & Directors – Appoint a co-ordinator for CEX and Director briefings.	April 2017
5.4 JMT structure charts with photos should be posted around the offices in communal areas (e.g. corridor doors) to increase staff awareness of who JMT are and their areas of responsibility.	EA's and PA's	February 2017
5.5 Each member of JMT to put two hours in their diaries each month to walk their floors/hold staff open door sessions. This should be informal and an opportunity for JMT to simply talk to staff or for staff to ask questions.	JMT Members	February 2017

5.6	JMT job swap, a day in the life of a JMT member or back to floor initiatives to support management development.	JMT Members	March 2017
5.7	Send a weekly e-mail/have a blog from a member of JMT each Friday that provides all staff with a brief overview of what the JMT member has done that week including any projects that they are involved in.	JMT – Nominate a co-ordinator	February 2017

## 6 My Line Manager (also see section 4).

Action	Owner	Deadline
6.1 All managers are encouraged to have regular 121's with their staff, and this should take place at least once a month so there is an opportunity for staff to have a discussion about performance and development along with other topics.	Managers	31 March 2017
6.2 All managers will support and encourage staff with the roll out of the Competency Framework and will engage in discussions and training activity especially with self-assessment and PDP development.	Managers	31 March 2017

## 7. Work Life Balance

Action	Owner	Deadline
7.1 Develops a strategy and action plan in relation to supporting a healthier work life balance which forms part of the Health and Wellbeing Charter.	HR/Health and Safety/JEC	April 2017
7.2 Create an online noticeboard where social events, activities and information can be posted. This would be a visual/interactive format for an informal staff magazine.	IT/JEC	April 2017

<b>8 Place of Work – Facilities and General</b>		
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<b>Action</b>	<b>Owner</b>	<b>Deadline</b>
8.1 Individual places of work are undertaken in relation to the facilities and environment to give further specific data to enable improvements to be made if required.	Performance Team	31 December 2016

<b>9. Perceptions of the Council</b>		
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<b>Action</b>	<b>Owner</b>	<b>Deadline</b>
9.1 Review pay and reward arrangements to meet current and future need as detailed with the People and OD Strategy.	HR/Commercial Team	31 March 2017
9.2 Introduce corporate values and vision that embrace the future and the commercial agenda that can be used as marketing for the Councils but also link to objectives with appraisals.	Communications and Managers	31 March 2017

<b>10. Equal Opportunities</b>		
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<b>Action</b>	<b>Owner</b>	<b>Deadline</b>
10.1 Continue to develop Safeguarding training appropriate to all staff.	Safeguarding Lead	31 March 2017

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## Cherwell District and South Northamptonshire Councils

### Joint Commissioning Committee

15 September 2016

<b>Indemnities for Members and Officers</b>
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### Joint report of Head of Law and Governance and Assistant Director- Transformational Governance

This report is public

#### Purpose of report

To consider and recommend to full councils the adoption of a joint indemnities policy for members and officers.

#### 1.0 Recommendations

The meeting is recommended:

- 1.1 To recommend to full Council that pursuant to the Local Authorities (Indemnities for Members and Officers) Order 2004 (“the Order”) an indemnity be granted to Members and to officers of the Council in the terms set out in Appendix 1, such indemnity to replace the existing one in place at SNC.
- 1.2 That the Chief Finance Officer secures insurance to cover the liability under the indemnity in the event that such cover is available and subject to him being satisfied that such action would be financially prudent.
- 1.3 That the appointment of a Member to a position with an organisation which comes within the indemnity shall be treated as appointment as a representative of the Council for the purposes of the SNC Members’ Code of Conduct, and as an appointment to a role which is deemed to part of the role of an elected member for the purposes of the CDC Members’ Code of Conduct.
- 1.4 That it be deemed that appointments of Members and officers to organisations (including those where the Council nominates and the organisation formally appoints) be deemed as “advancing the interest of the Council” for the purposes the Terms of Indemnity.

#### 2.0 Introduction

- 2.1 Members and officers of the Council can incur personal civil and criminal liability as a result of their actions, both within the Council and on behalf of a wide range of

outside bodies or council owned/influenced company/organisations. Case law establishes that, in certain contexts such as planning, building control and food safety, where members or officers may be taking decisions and exercising discretions on behalf of the Council as part of its regulatory functions, civil legal liability to individuals or businesses affected by those decisions does not exist save for deliberate and malicious (as opposed to negligent) acts/omissions due to the lack of a legal “duty of care”. In addition, in non-regulatory contexts, members and officers enjoy statutory immunity from civil liability where they act within the powers of the Council in good faith and without negligence. However this immunity does not apply where they go beyond the powers of the authority or act in bad faith, negligently, or where they are acting on outside bodies or council owned/influenced companies/organisations to which they may have been nominated or appointed by the Council, and it does not protect them from criminal liability.

- 2.2 Local authorities have a broad power to give officers an indemnity against such liability as part of their terms and conditions of employment. This enables the Council to take out insurance to cover this risk. The Order enables the Council to grant indemnities, and/or to take out insurance, to cover the potential liability of Members and officers in a wide range of circumstances.

### **3.0 Report Details**

#### **Indemnities for Members**

##### Within the Council

- 3.1 As set out above, Members enjoy statutory immunity from civil liability where they act within the powers of the Council, in good faith and without negligence. This immunity may also cover the case where a Member acts within the overall powers of the Council, but in a situation where the particular power rests with some other part of the authority (for example if a Cabinet/ Executive Member purports to take a decision which can only be taken by full Council), provided that he/she does so in the honest belief that he/she had the power to take that decision.

The problem areas where a Member could incur personal liability are therefore:

#### **Where a Member purports to take a decision which is actually outside the powers of the Council, or outside the powers of the particular Member**

- 3.2 It is recommended that the Council provide an indemnity for any liability which a Member may incur by inadvertently acting outside powers of the Council or outside the powers of the individual Member, and in respect of any legal and other costs in defending a claim that he/she has exceeded the powers of the Council, provided that he/she has acted in good faith, i.e. in the honest belief that the action was within the Council’s powers or the individual Member’s powers and having made due enquiry where he/she was in any doubt.

**Where a Member acts in bad faith, fraudulently, out of malice, for an ulterior purpose, or as a deliberate or reckless act of wrongdoing**

- 3.3 Whilst there is no public interest in providing an indemnity to a Member who has actually acted in bad faith, fraudulently, out of malice, for an ulterior purpose, or as a deliberate or reckless act of wrongdoing, a third party may question whether a Member has acted in such a manner and this does not necessarily mean that the Member concerned has actually acted in such a manner. There is a public interest in ensuring that Members are not put off taking necessary decisions by the fear that they may be put to considerable legal expense in justifying the decisions that they have taken in good faith. Accordingly the Council would appear to be justified in providing an indemnity for such costs of representation, provided that the member is ultimately cleared of the allegation (i.e. with a requirement for repayment if the allegation is eventually substantiated).

**Where a Member acts in a manner which constitutes a criminal offence**

- 3.4 There is no public interest in providing an indemnity to a Member who has acted in a manner which constitutes a criminal offence. But there may well be a public interest in ensuring that the Member's case in respect of any such allegation is properly presented, to ensure that Members are not deterred from acting by the potential legal cost of justifying their actions taken in good faith. Accordingly the Council would appear to be justified in providing an indemnity for such costs of legal representation in defending any prosecution, provided that the Member is ultimately cleared of the allegation of criminal conduct (i.e. with a requirement for repayment if the Member is convicted of a criminal offence and that conviction is not overturned on appeal).
- 3.5 A single action or decision may not only constitute a criminal action but may also give rise to civil liability. Despite the limitation of the indemnity to the costs of legal representation in respect of criminal activity, the indemnity in respect of any civil liability arising from the same action or decision would cover both legal representation and civil liability.

**Where a Member is sued for defamation**

- 3.6 The law includes a power to grant an indemnity in respect of the legal costs of defending a defamation action (but not in respect of any damages which may be awarded against the Member), where it is alleged that the Member has defamed another person.
- 3.7 Where a Member is acting in his/her capacity as a Member of a local authority and makes a statement that he/she honestly believes to be true, he/she will be able to rely on the defence of "qualified privilege", provided that he/she has not acted out of malice. As a result, successful defamation actions against Members of local authorities are very rare, but it is possible that a third party may allege that a comment was made out of malice and therefore came outside the protection of qualified privilege. There is a public interest in ensuring full and open debate of matters of current interest to the Council, and such open debate could be inhibited if Members were to feel constrained from honest debate by fear of the legal costs of defending a defamation action. Accordingly, the Council would be justified in providing an indemnity against the costs of defending defamation actions.

- 3.8 The Order specifically prohibits an indemnity in respect of the costs incurred by a Member in pursuing a defamation action against a third party (i.e. where the Member believes that he/she has been defamed by another person).

### **Repayment of Sums Paid Out**

- 3.9 Where an indemnity is provided in respect of defending allegations of a crime, the Regulations require that the indemnity must be subject to a requirement for repayment in the event that the Member is subsequently found to have committed a criminal offence. In order to enable the Council to recover such sums, it will be necessary to ensure that no such indemnity is given unless and until the Member concerned has entered an indemnity agreement in which he/she gives the Council a contractual right to recover the sums in such circumstances.

### Outside the Council

- 3.10 Members do not just work within the authority, but are frequently appointed to a wide range of other organisations (outside bodies and or council owned/influenced companies/organisations). Both councils only appoint to organisations which support and advance the broad objectives of the Councils. When they do work on such outside bodies, they are not working within the Council and therefore would not enjoy the statutory immunity from personal liability that they enjoy when they are acting as Members of the Council.

### **Manner of appointment**

- 3.11 The manner of appointment of Members to such outside bodies varies:
- the Council itself makes the appointment.
  - the organisation asks the Council to make a nomination, but the actual power to appoint, or not to appoint, rests with the organisation itself.
  - the organisation seeks to appoint someone who has connections with the local community and makes a direct invitation to the local Councillor to join the organisation and the member joins the organisation of his/her own volition.
  - a Member joins an organisation of his/her own volition.
- 3.12 There is no public interest in the Council providing an indemnity in respect of the last two categories. Indemnities should extend only to appointments made by the Council, or in consequence of a nomination by the Council, or where the Council has specifically approved the appointment as advancing the interests of the authority.
- 3.13 This formulation has the advantage that the particular action from which such personal liability arises does not have to be conducted at the request or with the approval of the Council. This means that, once appointed to the outside body, the Member may participate fully in the activities of the outside body and an indemnity will cover them even where the particular action was not connected to the Council's reasons for appointing him/her to that outside body.

## **Corporate / unincorporated organisations**

- 3.14 Where a Member is appointed to an organisation which has a separate legal identity, such as a company or statutory authority, he/she acts on behalf of the organisation, so that where he/she enters a contract on behalf of the organisation, it would be the organisation rather than the Member who actually enters the contract and incurs the liability. In contrast, where the organisation is unincorporated, such as a members' club, it has no separate legal entity. If the Member enters a contract on behalf of the club, he/she actually enters the contract in a personal capacity and relies upon the membership agreement to secure re-imbusement from the resources of the club or from other members.

## **Solvent / insolvent organisation**

- 3.15 When a company director acts on behalf of a company, he/she is only required to apply him/herself diligently to the job with the skills and experience that he/she happens to possess. However, where the company becomes insolvent and is unable to pay its debts, he/she has personal liability to any creditors of the company for any additional loss which they suffer if, once he/she knew or ought to have known that the company was insolvent, he/she failed to take every step to minimise those losses. A director is expected to bring to the job the minimum level of competence and experience that might be expected of a director in such circumstances. Accordingly, any director is expected to take reasonable care to ensure that the company is accurately recording its financial affairs and that he/she is kept fully informed of any impending financial problems.
- 3.16 In an unincorporated organisation such as a members' club, the membership agreement will normally limit the ability of any member to call for re-imbusement to any assets held by the club and to the subscription of any individual member. However, if the club is insolvent, it will have no assets from which to reimburse the individual member, so such a reimbursement provision is of little use in an insolvency.

## **Insurance**

- 3.17 In most cases, the organisation can (and it is anticipated in the case of council controlled/influenced companies/organisations will) take out insurance to protect its directors or members from any liability that they might incur in their activities on behalf of the organisation. This is particularly so for school governing bodies and charities (if their constitutions so provide), but as a general rule NHS and central government bodies do not have such a power.
- 3.18 It will be apparent from the above that this is a complex area, where Members should take advice as to their potential personal liability before agreeing to participate, but where the scope for such personal liability can be significantly reduced by taking simple precautions. In particular, Members who are appointed/nominated to or asked to join organisations should check whether the body is properly incorporated and whether it carries insurance for its members.

## **Scope for local authority indemnity**

- 3.19 The Order applies the same restrictions on the power of the Council to provide indemnities for Members acting on organisations as they do for Members acting within the authority, namely that the indemnity –
- cannot cover any criminal liability;
  - cannot cover liability arising from fraud or deliberate wrongdoing or recklessness on the part of the Member; and
  - cannot cover the costs of pursuing a defamation action.
- 3.20 However, unlike actions which are outside the Council's own powers, the indemnity cannot cover liability for any action which is outside the powers of the organisation, even if the action was taken in the honest belief that it was within the organisation's powers.

## **Conflicts of interest**

- 3.21 Where a Member is also a member of an organisation, it is important to be alert to the dangers of conflicts of interest.

## **Indemnities for Officers**

### Within the Council

- 3.22 As set out above, case law establishes that, other than for deliberate and malicious acts/omissions, officers are immune from civil legal liability when acting in a regulatory context and they also enjoy statutory immunity from civil liability generally where they act within the powers of the Council, in good faith and without negligence. So a third party who has suffered loss as a result of the actions or inaction of a local authority officer cannot normally sue the officer directly.
- 3.23 However, where a third party does suffer such loss in a non-regulatory context as a result of the officer's actions or inactions in the course of his/her employment, his/her employer is vicariously liable for that loss, so that a person who has suffered loss as a result of the actions of an officer can sue the Council, rather than the individual. This is normally to the advantage of the claimant because of the authority's greater resources and insurance cover. But a local authority which has incurred such vicarious liability as a result of the actions or inactions of its employees could then sue its employee in order to recover that loss. In practice, local authorities have often provided an undertaking that they will not sue their officers for recovery of such losses. The reason for this is that it is more cost effective for authorities to insure such risk than for it to meet the insurance premiums of each employee taking out his/her own professional indemnity insurance. It is recommended that the Council should give such an undertaking to its officers.
- 3.24 The immunity referred to above only covers actions which are within the officer's employment, and therefore does not cover actions which prove to be outside the powers of the authority. The Council may grant an indemnity in respect of actions which prove to be outside the powers of the authority, but only where the officer reasonably believed that the action was within the powers of the Council at the

time when he/she took it. As for Members, it is therefore recommended that the Council provides an indemnity to cover any liability which an officer may incur by inadvertently acting outside powers of the Council, and in respect of any legal and other costs in defending a claim that he/she has exceeded the powers of the Council, provided that he/she has acted in good faith, i.e. in the honest belief that the action was within the Council's powers and having made due enquiry where he/she was in any doubt.

3.25 The Order applies the same restrictions on the power of the Council to provide indemnities for officers as they do for Members acting within the authority, namely that the indemnity –

- cannot cover any criminal liability;
- cannot cover liability arising from fraud or deliberate wrongdoing; and
- cannot cover the costs of pursuing a defamation action.

3.26 It is also necessary to ensure that when the Chief Executive and other officers are acting in the capacity of Returning Officer, Electoral Registration Officer and other associated capacities for the purposes of the conduct of elections, any indemnity expressly applies to them. This is because, when acting in such a capacity, the officers are not working directly for the Council.

#### Outside the Council

3.27 Officers also act outside the Council in a wide range of organisations, from professional associations to partnerships and community organisations to council owned/ influenced companies/ organisations. Such participation in organisations can assist in the discharge of the Council's functions and objectives. Officers are required to declare to the Council any conflict of interest, and should seek the approval of the Council before taking up any outside interests that potentially conflict with the performance of their obligations to it. That requirement for the Council's approval can provide a simple mechanism for defining those outside appointments to which an indemnity should apply. Accordingly it is suggested that the Council provides an indemnity which extends to all outside appointments of officers where the Council, normally through the Head of Paid Service or her deputy, has approved the appointment as likely to advance the interests of the Council, either at the time of the original appointment or otherwise.

#### **Insurance**

3.28 Where the Council has a power to grant an indemnity, it may also provide insurance, either in place of or in addition to the indemnity. The one exception to this is that the legislation does not permit it to provide insurance in respect of any action which is beyond the powers of the Council, or beyond the powers of the individual member or officer.

3.29 It is suggested that the Chief Finance Officer secures such insurance to cover the Council's liability under this indemnity in so far as he is of the opinion that such insurance would be financially prudent, and that such cover is available. The Council's current insurer does provide cover for the majority of situations intended to be the subject of the indemnity.

## **4.0 Conclusion and Reasons for Recommendations**

- 4.1 The proposals in this report are designed to ensure that the councils have in place appropriate safeguards for members and officers.

## **5.0 Consultation**

- 5.1 Informal consultation on the principle of an indemnity has taken place with councillors and officers who have been nominated to serve on council owned/influenced companies/organisations and the Chief Finance Officer who represents the council's shareholding interest. Nominees and the Chief Finance Officer have expressed a very clear their desire to see an indemnity in place.

## **6.0 Alternative Options and Reasons for Rejection**

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

Option 1: To agree the recommendations as set out in the report

Option 2: To amend the recommendations as set out in the report

Option 3: To reject the recommendations as set out in the report. This is not recommended, as members and officers are currently exposed to an element of risk through appropriate indemnities not being in place.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 There is a cost to the Councils in ensuring insurance is in place to cover the liability under the indemnity in the event that such cover is available and it is financially prudent to obtain it such costs can be met from the councils existing insurance budgets. The council has risk contingency reserves in place to ensure that the councils can meet any excess arising from a claim against a member or officer and/or any liabilities where the councils are unable to procure suitable insurance cover.

Comments checked by: Paul Sutton, Chief Finance Officer - 0300 003 0106  
[paul.sutton@cherwellandsouthnorthants.gov.uk](mailto:paul.sutton@cherwellandsouthnorthants.gov.uk)

### **Legal Implications**

- 7.2 This is a joint report and the Head of Law and Governance has been fully involved in the preparation of the report and all legal implications are contained in the report.

Comments checked by: Kevin Lane, Head of Law and Governance – 0300 0030107  
[kevin.lane@cherwellandsouthnorthants.gov.uk](mailto:kevin.lane@cherwellandsouthnorthants.gov.uk)



## Risk Implications

- 7.3 The proposals set out in this report mitigate risk to the officers, members and the councils through ensuring that appropriate indemnities are in place.

Comments checked by: Ed Bailey Corporate Performance Manager - 01295 221605 [edward.bailey@cherwellandsouthnorthants.gov.uk](mailto:edward.bailey@cherwellandsouthnorthants.gov.uk)

## 8.0 Decision Information

### Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

None directly

### Lead Councillor

Councillor Ian McCord, Leader of the Council, SNC  
Councillor Barry Wood, Leader of the Council, CDC

### Document Information

Appendix No	Title
Appendix 1	Terms of Indemnity
Background Papers	
None	
Report Author	James Doble, Assistant Director - Transformational Governance
Contact Information	01295 221587 <a href="mailto:james.doble@cherwellandsouthnorthants.gov.uk">james.doble@cherwellandsouthnorthants.gov.uk</a>

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## Terms of Indemnity

- 1 The Council will, subject to the exceptions set out below, indemnify each of its Members and employees against any loss or damage suffered by the Member or officer arising from his/her action or failure to act in his/her capacity as a Member or officer of the Council.

This indemnity will not extend to loss or damage directly or indirectly caused by or arising from:

- 1.1 any criminal offence, fraud or other deliberate wrongdoing or recklessness on the part of the Member or officer; or
- 1.2 any act or failure to act by the Member or employee otherwise than in his/her capacity as a Member or officer of the Council.
- 2 The Council will, subject to the exceptions set out below, indemnify each of its Members and officers against the reasonable costs which he/she may incur in securing appropriate legal advice and representation in respect of any civil or criminal proceedings to which he/she is subject.
- 2.1 “Criminal proceedings” includes any interview or investigation by the Police, and any proceedings before a criminal court, in the United Kingdom.
- 2.2 This indemnity shall not extend to any advice or representation in respect of any claim or threatened claim in defamation by the Member or officer.
- 2.2.1 Where any Member or officer avails him/herself of this indemnity in respect of defending him/herself against any criminal proceedings the indemnity is subject to a condition that if, in respect of the matter in relation to which the Member or officer has made use of this indemnity the Member or officer is convicted of a criminal offence in consequence of such proceedings, or and the conviction is not overturned on appeal, the Member or officer shall reimburse the authority for any sums expended by the Council pursuant to the indemnity.
- 2.3 Where the Council arranges insurance to cover its liability under this indemnity, the requirement to reimburse in Paragraph 2.2 shall apply as if references to the Council were references to the insurer.
- 3 For the purpose of this indemnity, a loss or damage shall be deemed to have arisen to the Member or officer “in his/her capacity as a Member or officer of the Council” where:
- 3.1 The act or failure to act was outside the powers of the Council, or outside the powers of the Member or officer, but the Member or officer reasonably believed that the act or failure to act was within the powers of the Council or within the powers of the Member or officer (as appropriate) at the time that he/she acted or failed to act, as the case may be;

- 3.2 The act or failure to act occurred not in the discharge of the functions of the Member or officer as a Member or officer of the Council but in their capacity as a member (including a director, trustee) or employee of another organisation including, for the avoidance of doubt, a council controlled/influenced company/organisation, where the Member or officer is, at the time of the action or failure to act, a member or employee of that organisation either –
- 3.2.1 in consequence of his/her appointment as such member or officer of that organisation by the Council; or
  - 3.2.2 in consequence of his/her nomination for appointment as such member or officer of that organisation by the Council; or
  - 3.2.3 where the Council, either by resolution or via an authorised officer, has specifically approved such appointment as such a member or employee of that organisation as advancing the interests of the Council.
- 4 The Council undertakes not to sue (or join in action as co-defendant) an officer of the Council in respect of any negligent act or failure to act by the officer in his/her capacity as an officer of the Council, subject to the following exceptions:
- 4.1 Any criminal offence, fraud or other deliberate wrongdoing or recklessness on the part of the officer; or
  - 4.2 Any act or failure to act by the officer otherwise than in his/her capacity as an officer of the Council.
- 5 This indemnity and undertaking will not apply if a Member or officer, without the express permission of the Council or of the appropriate officer of the Council, admits liability or negotiates or attempts to negotiate a settlement of any claim falling within the scope of the indemnity or undertaking.
- 6 This indemnity and undertaking are without prejudice to the rights of the Council to take disciplinary action against an officer in respect of any act or failure to act.
- 7 This indemnity and undertaking shall apply retrospectively to any act or failure to act which may have occurred before this date and shall continue to apply after the Member or officer has ceased to be a Member or officer of the Council as well as during his/her membership of or employment by the Council.
- 8 This indemnity shall also apply to any officer acting in the capacity of Returning Officer, Acting Returning Officer, Counting Officer, Electoral Registration Officer, Deputy Returning Officer, Deputy Acting Returning Officer, Deputy Counting Officer or Deputy Electoral Registration Officer in relation to the conduct of elections and electoral registration. Where any such officer is acting in the reasonable belief that any act or failure to act is within the powers of the Returning Officer, Electoral Registration Officer or Counting Officer he or she shall be deemed to be acting in his/her capacity as an officer of the Council for the purposes of this indemnity.

## Cherwell District and South Northamptonshire Councils

### Joint Commissioning Committee

15 September 2016

<p><b>Protocol on the Respective Roles of Members and Officers and Dealing with Conflicts of Interest and Ethical Walls Procedure</b></p>
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**Joint report of Head of Law and Governance  
and Assistant Director - Transformational Governance**

This report is public

### **Purpose of report**

To consider the updated protocol on roles and conflicts of Interest and Ethical Walls procedure and recommend its adoption to both full councils.

### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To consider and recommend to both full councils the adoption of the updated Protocol on the Respective Roles of Members and Officers and Dealing with Conflicts of Interest and Ethical Walls Procedure.

### **2.0 Introduction and Report Detail**

- 2.1 When Cherwell District Council and South Northamptonshire Council first proposed shared working and joint officer posts it was a recommendation from the South Northants auditor that a protocol was adopted on the respective roles of members and officers and dealing with conflicts of interest, to ensure that the position and sovereignty of each council was understood and protected. A protocol was adopted by both councils and has provided a useful reference document for officers. Subsequently it was realised that the councils would also benefit from an ethical walls procedure. A procedure was introduced at the officer level and is activated if there is a conflict or potential conflict between the two councils where it is necessary to ensure that both councils receive independent officer advice and the position of both council is not compromised. The policy has been used on at least one occasion, this was with regard to Banbury Site 15 (Junction 11, M40) of Cherwell's proposed Local Plan, where South Northamptonshire objected to the proposed land usage. The procedure was successfully implemented and the position of neither local authority was compromised at the planning inquiry.

The protocol and procedure were again updated and amended when a further Section 113 agreement was signed with Stratford-on-Avon District Council.

Since the creation of both the protocol and procedure there have been changes to governance arrangements with a number of council owned/influenced companies /organisations either in operation or planned to be brought into operation. Due to officer appointments to the board of directors conflicts and potential conflicts are much more common and so far it has been necessary to implement ethical walls for Graven Hill and Cherwell Community Build.

Therefore both the protocol and procedure need to be amended to reflect these new relationships. Additionally as members are being appointed to the boards of these new entities they could also find themselves in a position of conflict or potential conflict and amendment is needed to ensure that the protocol and procedure also protect elected members.

Given the end of the Section 113 arrangements with Stratford-on-Avon District Council, the new governance arrangements and the need for the protocol and procedure to cover elected members they have been revised and are set out in Appendices 1 and 2 for the committee to consider and adopt.

### **3.0 Conclusion and Reasons for Recommendations**

- 3.1 The proposals in this report are designed to ensure that the councils have in place appropriate safeguards for the councils, members, officers and council owned/influenced companies/organisations.

### **4.0 Consultation**

- 4.1 Both the Protocol on Roles and Conflicts of Interest and Ethical Walls Policy have been in operation at the Councils for some years. As they have been used feedback has been taken and updates made in light of the experience using them.

### **5.0 Alternative Options and Reasons for Rejection**

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

Option 1: To agree the recommendations as set out in the report

Option 2: To amend the recommendations as set out in the report

Option 3: To reject the recommendations as set out in the report. This is not recommended, as the protocol and policy will not be applicable to current position of the councils and will pose risk to the councils through accommodating the emerging council owned/influenced companies/organisations.

## 6.0 Implications

### Financial and Resource Implications

6.1 There are no financial implications arising from this report.

Comments checked by: Paul Sutton, Chief Finance Officer - 0300 003 0106  
[paul.sutton@cherwellandsouthnorthants.gov.uk](mailto:paul.sutton@cherwellandsouthnorthants.gov.uk)

### Legal Implications

6.2 This is a joint report and the Head of Law and Governance has been fully involved in the preparation of the report and all legal implications are contained in the report.

Comments checked by: Kevin Lane, Head of Law and Governance – 0300 0030107  
[kevin.lane@cherwellandsouthnorthants.gov.uk](mailto:kevin.lane@cherwellandsouthnorthants.gov.uk)

### Risk Implications

6.3 The proposals set out in this report mitigate risk to the officers, members, councils and council owned/influenced companies/organisations through ensuring that appropriate ethical walls are in place.

Comments checked by: Ed Bailey Corporate Performance Manager - 01295 221605 [edward.bailey@cherwellandsouthnorthants.gov.uk](mailto:edward.bailey@cherwellandsouthnorthants.gov.uk)

## 7.0 Decision Information

### Key Decision

**Financial Threshold Met: No**

**Community Impact Threshold Met: No**

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

None directly

### Lead Councillor

Councillor Ian McCord, Leader of the Council, SNC  
Councillor Barry Wood, Leader of the Council, CDC

## Document Information

<b>Appendix No</b>	<b>Title</b>
Appendix 1	The Respective Roles of Members and Officers and Dealing with Conflicts of Interest
Appendix 2	Ethical Walls Procedure
<b>Background Papers</b>	
None	
<b>Report Author</b>	James Doble, Assistant Director - Transformational Governance
<b>Contact Information</b>	01295 221587 <a href="mailto:james.doble@cherwellandsouthnorthants.gov.uk">james.doble@cherwellandsouthnorthants.gov.uk</a>



## **The Respective Roles of Members and Officers and Dealing with Conflicts of Interest**

### **Introduction**

Cherwell District Council (CDC) and South Northamptonshire Council (SNC) have created a number of shared posts and teams and intend to create further shared posts and teams in the future. Council owned/influenced companies/organisations (Council Entities) have also been created and it is intended to create more in the future.

Shared officers will divide their time on an equal basis between the authorities or on such other basis as is agreed via the approved business case for the relevant service (although peaks of work in one or more councils may result in short term variations from this) and will at all times act in the best interests of both the authorities. Nominated officers may also spend their time serving Council Entities as set out in their letter of nomination from the councils. Underpinning this is an acknowledgment that where a smaller number of senior officers will be serving multiple organisations, there will be a need to reflect this new set of circumstances in the way in which officers have to operate.

Members of the authorities need to be sensitive to this change with regard to the respective roles of officers and members. In particular all members and officers need to be aware of the action to be taken when there is an actual or potential conflict of interest in acting for more than one organisation.

### **The role of Members**

At each authority full Council is collectively responsible for setting Council policy within the defined policy framework. The intention of the authorities is to remain sovereign bodies under the Section 113 agreement, but in setting their own Council policy they will have regard to the views and policies of the other authority and will endeavour to avoid adopting any policy which explicitly and overtly contradicts the policy of the other authority.

CDC has established an Executive to bring forward the delivery of their agreed policies. Members of the Executive are both collectively and individually accountable for carrying through the Council's policy objectives. SNC has also established a Cabinet to bring forward the delivery of its agreed policies and members of the Cabinet are collectively (but not individually) accountable for carrying through the Council's policy objectives.

At neither of the authorities are members directly involved in the day to day provision of services to the public but members of the Executive/Cabinet will have a close involvement with officers in dealing with the effectiveness of service provision. It is recognised that on occasion this may result in the need for immediate contact with officers but where practicable such contact will be on a managed basis. In order to make best use of officer and member time, there will be mutually managed contact between Executive/Cabinet members and officers on service provision where members pursue matters on behalf of their constituents.

As only Executive/Cabinet lead members/portfolio holders have executive authority/responsibilities as members all other members will need to pursue matters with the appropriate lead member/portfolio holder or officer through a managed approach. A portfolio holder at CDC may take certain decisions on matters within their own portfolio, and within the scheme of delegation of the relevant constitution, but in doing so must be

aware of any possible conflict in policy or budget. At SNC, where portfolio holders are not vested with individual decision taking power, such decisions can only be taken by the Cabinet collectively but the same principles and approach will be followed.

No member (portfolio holder or otherwise) should become involved in the day to day management or operation of a service area, which shall be the responsibility of the head of service.

Members may also be appointed as Non-Executive Directors/ Trustees of Council Entities.

### **The role of Officers**

Officers are equally accountable to the Council and the Executive/Cabinet. All shared officers are equally accountable to both Councils and to the Executive and Cabinet as appropriate.

Officers are professional advisers on policy and carry out the instructions of the Council and the Executive/Cabinet as well as exercising powers that are delegated to them and taking operational decisions within their areas of responsibility.

Officers may also be appointed as Directors/ Trustees of Council Entities.

The possibility of conflict between organisations should be minimised by identifying from the outset where potential conflict might arise, operating the ethical walls policy appended and referring, if necessary, such conflict through the dispute resolution mechanism in the Section 113 agreement/ shareholder agreement/ Memorandum of Understanding.

### **The role of Directors/Trustees**

Both members and officers may be Officers may also be nominated and appointed as Directors/ Trustees of Council Entities. This will involve members and officers serving together as board members equally in terms of voting rights and responsibilities. Councillors who are Non-Executive Directors will by their nature have different and often higher levels of involvement with the organisation to which they are appointed than members would normally would have. However, day to day management of operations and staff shall remain the responsibility of the managing director of the Council Entity and board collectively.

### **How these roles work in practice**

Decisions on matters relating to each Council's policy framework are taken by members at meetings of full Council, usually after having considered the recommendations of the Executive/Cabinet or appropriate Committee which in turn considers the recommendations of the officers.

Decisions on policy matters within the relevant Council's policy framework are taken by the Executive/ at CDC and Cabinet at SNC having considered the recommendations of officers.

Decisions on policy matters by Council Entities are taken by the board.

The Councils have an adopted scheme of delegation .This scheme sets out what is delegated to which body or officer, either conditionally or unconditionally. The Councils can review their scheme of delegation at any time to ensure decisions are being taken at the appropriate level. The process of delegation ensures that members are not overloaded with relatively less important matters and can concentrate on important policy issues and the effectiveness of service provision and continuous improvement in service. Members who are not portfolio holders have an important role in representing the views of their constituents and ensuring through scrutiny that the Council's policies and plans are effectively delivered. Some members (portfolio holders and otherwise) have roles on regulatory committees dealing with matters such as planning and licensing. To minimise the possibility of any conflict of interest, or defect in process, the schemes of delegations of the authorities should be harmonised so far as possible. Where differences need to remain there should be a clear business case for this.

Council Entities have adopted articles or a constitution and these documents set out what is delegated to which body or employee, either conditionally or unconditionally. They can be reviewed at any time to ensure decisions are being taken at the appropriate level.

It is recognised that there may be rare occasions where it is not possible to reconcile the interests of two or more organisations with their respective legal responsibilities. Such conflicts shall be managed by ensuring that relevant officers and members in each organisation are ring fenced from each other through the creation of ethical walls in accordance with the appended procedure to ensure that due regard is taken of each organisation and the need for certain matters to remain confidential to one or other organisation.

## **Statutory requirements**

The Councils derive their powers from statute. Some of these are mandatory (i.e the Councils must do them) and some are discretionary (i.e the Councils may carry them out if they wish). In all cases members and officers of both authorities may only operate within the law.

Councils must have a Head of Paid Service, a Monitoring Officer and a Section 151 Officer. These officers are part of the senior management team and have an obligation to act in the best interests of their appointing authority/authorities.

If any of these statutory posts in a shared role consider that there is a conflict of interest within their area of responsibility which is affecting the ability of either Council to function effectively the most appropriate statutory officer may take a report to the appropriate full Councils setting out the conflict of interest and proposals for resolution.

## **Summary**

Members are responsible for setting Council policy.

Officers are responsible for advising members on the setting of Council policy and for ensuring such policy is implemented.

The scheme of delegation determines which body or person deals with particular matters, and at which level decisions are taken.

The day to day management and operation of services is the responsibility of officers.

Where officers are dividing their time between two or more organisations members need to have regard to less time being available for their authority alone and the need to manage contact with officers to ensure the optimum use of both member and officer time.

If conflicts arise in relation to the respective regulatory duties of any of the organisations steps will be taken to ensure the ring fencing of officers and the confidentiality of information as necessary.

Otherwise, where there is actual or potential conflict there are three routes depending on the nature of the conflict,

1. agree to pay for appropriate external support to advise one or more authorities.
2. refer the issue through the dispute mechanism in the section 113 agreement, shareholder agreement or memorandum of understanding.
3. the most appropriate statutory officer may refer the matter to either or both full Councils for resolution.

Version Eight: 6 September 2016

## **Ethical Walls Procedure**

This procedure is designed to be read alongside the protocol on the Respective Roles of Members and Officers and Dealing with Conflicts of Interest.

It is recognised that there may be rare occasions most commonly in a regulatory context or where a council owned/ influenced company/organisation context (Council Entity) has been established where it is not possible to reconcile the interests of the two Councils or those between the council(s) and a Council Entity with their respective legal responsibilities.

Such conflicts shall be managed by ensuring that relevant officers working for each side are ring fenced from each other to ensure that due regard is taken of the respective and conflicting duties and interests and the need for certain matters to remain confidential to the individual Council or Council Entity. This procedure sets out how this will operate in practice.

## **Background**

An Ethical wall, cone of silence, screen or firewall is a business term describing an information barrier within an organisation that is erected in order to prevent exchanges or communication that could lead to conflicts of interest and/or the disclosure of information which is confidential to one Council or the other or to a Council Entity. For example an ethical wall may be erected to separate and isolate people who make investments from those who are privy to confidential information that could influence the investment decisions, in newspapers between journalists and advertising executives to protect editorial independence and in law firms where different solicitors are acting for different clients on the same issue.

For the vast majority of members and officers there will be no conflict of interest in working for, being appointed to or advising more than one Council or Council Entity, in fact most officers and members will not experience this during their time in local government. However, a small number of officers and members mainly those holding Executive, senior management, statutory, legal, financial, regulatory and planning posts may face situations where they become aware of conflict or potential conflict between the councils or between one or both of the Councils and a Council Entity. There is a need for officers and members in these posts to maintain vigilance in identifying these situations where conflict could arise. Whilst there is no definitive list of these situations, these might include where one authority is consulting the other with regard to planning policy, planning applications, boundary changes, electoral areas or other situations where there is either an implied or express duty to consult and/or co-operate. Similar situations apply with regard to legal matters where the Councils are on either side of a dispute and the consideration of homelessness applications to one Council where there may be a local connection identified with one of the others. Similar situations apply to the Council(s) and Council Entities where an officer or member may be a Director or trustee or where an officer or member who is a Director may be dealing with other officers or members in their capacity as Directors or trustees of another Council Entity.

In all cases officers and members should always err on the side of caution and seek advice as it is much better to deal with and plan for potential conflicts, as when actual conflicts are identified it may be that too many officers and members are already acting for one side or the other and/or the erection of the Ethical Wall may be too late. The creation of an Ethical Wall does require a level of maturity and respect from those on either side of

it. For instance it is not uncommon for a manager to be on one side and a direct report on the other.

If there is a conflict or significant risk of a conflict, between the councils, or between the Council(s) and a Council Entity the officer or member must not act for both, except where the councils or the council(s) and the Council Entity are expressly pursuing the same common objective. In all cases of conflict or potential conflict a decision should be sought immediately from the Monitoring Officer. The Monitoring Officer in deciding whether there is a conflict or whether the officer or member can act for multiple organisations, will ensure that the overriding consideration is the best interests of the individual organisation, and in particular, whether the benefits of the officer or member acting for all them outweighs the risk.

If the Monitoring Officer feel that there is a risk of conflict or that the interest of the organisations are not best served by an officer or member acting for both they will invoke this procedure.

### **Procedure**

When a conflict or potential conflict is identified an officer or member should alert the Monitoring Officer or one of his deputies.

The Monitoring Officer will provide advice to the officer on whether there is a conflict and in all cases alert all JMT members. The Monitoring Officer will maintain an audit trail of his actions and any advice given, including a list of active Ethical Walls.

In the case that a conflict or potential conflict is identified the Monitoring Officer (in consultation with the relevant members/ JMT officers) will draw up a list of the officers who will be representing the interests of each party.

The Monitoring Officer will alert those on the list, JMT members, relevant lead members and any external parties to the discussion, that an Ethical Wall has been put in place and who they should deal with.

Once the Ethical Wall has been erected, officers on either side of the wall should treat and behave towards the other Council or Council Entity and the officers representing it with full regard to the issue in question as if they were an external organisation. That is information supplied by the other party should be thoroughly and critically examined and not taken on trust or face value, and information which is confidential to the interests of the organisation they represent must not be disclosed to the other party.

Whilst this relationship should be respectful and business like, it should be based on auditable correspondence as opposed to verbal communications as such documents could later be relied upon in legal action.

It should be agreed where files and electronic correspondence should be held and neither party should access information held by the other. Appropriate access restrictions will be established by ICT Services for information held electronically.

Officers should only advise members and officers on their side of the wall. Reports to committees must be in the name of and signed off by officers on the correct side of the wall and officers should not be present at meetings at any time when they are dealing with the issue on the other side of the wall.

The Ethical Wall should only be used for the issue in question and does not extend to any other areas of work.

When the issue in question has been successfully concluded the Monitoring Officer(s) should be notified and they will close the issue on the list of active Ethical Walls if they deem it appropriate.

In the case of an Ethical Wall between the Councils, the list will contain a minimum of two named officers on either side, one of which will be the Monitoring Officer, a Deputy Monitoring Officer or a legal officer. The Head of Paid Service (or in her absence or case of conflict her deputy) will not normally be assigned to either side of the wall and will not become involved in the issue. This enables the Head of Paid Service to arbitrate on any issue including human resources implications which may arise in the operation of this procedure. For employees in shared teams the identity of their employing Council will not necessarily dictate the side of the Wall to which they are allocated.

### **Statutory Officers and Section 113 Agreement Dispute Resolution Procedure**

All Councils must have a Head of Paid Service, a Monitoring Officer and a Section 151 Officer. These officers are part of the management teams and have a legal obligation to act in the best interests of the authorities which appointed them.

It is imperative that the statutory officer system is robust and resilient therefore statutory officers should ensure that they appoint deputy statutory officers who may act for the other council(s) in case they are conflicted. To account for this and also to ensure there is sufficient statutory officer resilience; the recommendation is that each statutory officer appoints at least one, but preferably two deputies.

If any of these statutory posts consider that there is a conflict of interest within their area of responsibility, which has not been resolved through invoking this procedure and which is affecting the ability of any of the individual Councils to function effectively the most appropriate statutory officer(s) may take a report to the full Councils setting out the conflict of interest and proposals for resolution and invoke the Section 113 Agreement dispute resolution procedure between the Councils or the relevant shareholder agreement/Memorandum of Understanding Dispute resolution procedure for Council Entities if necessary.

Version 8: 6 September 2016

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## Cherwell District Council and South Northamptonshire Council

### Joint Commissioning Committee

15 September 2016

<p style="text-align: center;"><b>Establishment of Joint Local Authority Owned Companies</b></p>
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### Report of Assistant Director - Transformational Governance

This report is public

#### Purpose of report

To begin the process of establishing joint local authority owned companies to deliver the savings identified in business cases for joint working and/or business transformation.

#### 1.0 Recommendations

The meeting is recommended:

- 1.1 To note the legal, financial and human resources work that is taking place with regard to the establishment of the companies.
- 1.2 To appoint a Joint Shareholder committee as a sub-committee of the Joint Commissioning Committee consisting of four councillors (2 CDC and 2 SNC) with the terms of reference as set out in section 3 of this report.
- 1.3 To recommend to Cabinet and the Executive that the Joint Commissioning Committee be given delegated powers to take all executive decisions with regard to any established and future shared service and ally executive decisions relating to any joint local authority owned company established pursuant to a shared service business case.
- 1.4 To recommend to Cabinet and Executive that delegated authority be given to the Joint Commissioning Committee to approve the nomination of elected Members and officers to be appointed as Directors by joint local authority owned companies.
- 1.5 To recommend to Cabinet and Executive that officers be requested to establish and register joint local authority owned companies limited by shares comprising a principal Company to be wholly owned by the Councils in equal shares and a subsidiary trading company to be majority owned by the principal company with a minority interest owned by the Councils to enable the Revenues and Benefits Business Case and other future commercial opportunities to be achieved.

- 1.6 To recommend to Cabinet and Executive that delegated authority be given to the Chief Finance Officer in consultation with members of the Joint Shareholder Committee to take all measures necessary to enable the establishment of jointly owned companies, where business cases have been agreed.
- 1.7 To request officers to prepare a detailed implementation plan including a draft business case, financial model, articles of association, shareholder agreement and communications plan for the creation of the companies to be considered by the Joint Commissioning Committee

## **2.0 Introduction**

- 2.1 The Revenues and Benefits Business Case was considered and approved by the Joint Commissioning Committee in May 2016 and Cabinet and Executive in June 2016. The business case set out the proposal to establish a Joint Revenues and Benefits Service across Cherwell District Council (CDC) and South Northamptonshire Council (SNC). The new joint team would be established and fully resourced in time for the insourcing of the current CDC capita contract in May 2017.
- 2.2 On implementation the new joint service would deliver the current revenues and benefits functions for CDC and SNC (including managing the Capita contract at CDC). The capacity of the service would then need to be increased in preparation for the insourcing of the current CDC Capita contract.
- 2.3 The proposal represents an opportunity for both Councils to deliver significant revenue savings of approximately £260,000 from 2017/18 onwards.
- 2.4 In addition to the financial savings, the business case provides an opportunity to maintain and improve performance, harmonise ICT and processes and integrate first point of contact delivery with the proposed Joint Customer Service team. The business case provides an opportunity for the Councils to create a service that is aligned to the Councils 'Confederation approach' and is capable of being delivered through an alternative delivery vehicle.
- 2.5 It was agreed in the business case that the additional staff that would need to be recruited to enable the joint service to deliver the CDC insourced service would be appointed by a wholly council owned company as part of the confederation model ahead of the implementation of this business case.
- 2.6 Following the insourcing of the Capita contract in May 2017, the remainder of the Revenues and Benefits service would transfer into this company structure (subject to separate decision and appropriate consultation with staff and trade unions).
- 2.7 This report represents the first steps in the formation of the jointly owned companies. There will also need to be a retained commissioning function within the Councils and this will be the subject of a future report.

## **3.0 Report Details**

### **Powers**

- 3.1 The Localism Act 2011 introduced a new General Power of Competence. Under the provision, a local authority has the power to do anything that individuals generally of full legal capacity may do. However, if a local authority is undertaking commercial trading activity it must do this through a company. In using these powers a local authority must also take heed of Section 96 of the Local Government Act 2003, which provides that in exercising the power to trade, a local authority shall have regard to Guidance issued by the Secretary of State.

### **Legal, Financial and Human Resources Work**

- 3.2 Since the agreement of the Revenues and Benefits Business case officers have begun to consider the legal, tax, pensions and human resources considerations with regard to establishing a wholly owned company to deliver revenues and benefits working with Trowers and Hamlins and KPMG. Early discussions have focused on the need to ensure that the entities are able to provide a suitable vehicle for any other services the council wishes to deliver in this way and also to allow the entity to trade in the future. Early advice has indicated that in order to trade and ring fence risk a principal Teckal company should be created which would employ the staff and deliver services back to the council and a subsidiary company should be created which would ring fence the risk of any trading also allow the Councils to provide consultancy/advisory services to public sector customers through the principal company and the councils seconding staff to the trading subsidiary.

### **Council Interface with Company**

- 3.3 It is important that the Councils have an effective interface with Council owned/influenced companies. Companies operate in real time as opposed to being based on local government decision making cycles and if they are to be agile and to maximise return need to be able to have swift resolution on matters which they require a shareholder decision.
- 3.4 Best practice is to establish a shareholder committee (an executive function under Local Government Act 2000, which can be operated by a Joint Committee), which is effectively a sub-committee of the Joint Commissioning Committee, therefore precluding only those members who are on the sub-committee from being nominated to Director Posts. It is suggested that the sub-committee should consist of four councillors, with the following terms of reference to be reconsidered at the first meeting:

The role of the Joint Shareholder Committee shall not be operational and shall be the means by which the Councils shall:

- be the body for approving council nominated non-executive directors, and approving best practice policies in relation to such appointments, considering any reserved shareholder matters within the company articles;

- be responsible for agreeing and approving the framework within which the councils interfaces with Council owned/influenced companies;
- exercise strategic functions flowing from the Councils' ownership of shares.

3.5 Day to day functions and liaison flowing from the Councils ownership of shares shall be delegated to the Chief Finance Officer (or in his absence the Monitoring Officer), where necessary consulting members of the Joint Shareholder Committee.

3.6 The Council responsibilities with regard to Council owned/influenced companies are wider than simply that of shareholder. The following roles have been identified in respect of each Council:

<b>Role</b>	<b>Description</b>	<b>Responsibility allocation</b>
Shareholder and Investor	To safeguard the Council's investments and maximise the return to the Council and community and any other shareholder function.	Chief Finance Officer with Monitoring Officer as their Deputy
Service Commissioning	To commission services provision from the companies on behalf of the council and to ensure the effective management of these arrangements.	Director of Strategy and Commissioning
Supplier of Goods and Services	To be responsible for the provision of goods and services that Council owned/influenced companies purchase from the council.	Officer to be nominated by Chief Executive
Nominator of non-executive directors	To ensure that those nominated by the council have the requisite skills and knowledge required by the company and to ensure that nominees are supported and protected in their role.	Head of Paid Service (or appointed Deputy if they are a non-executive director), with nominations approved by Shareholder Committee
Broker	To intervene and assist where necessary in ensuring a positive relationship between the Council and Council owned/influenced companies	Chief Executive (or appointed Deputy if they are a non-executive director), with nominations approved by Shareholder Committee

### **Establishing the Companies**

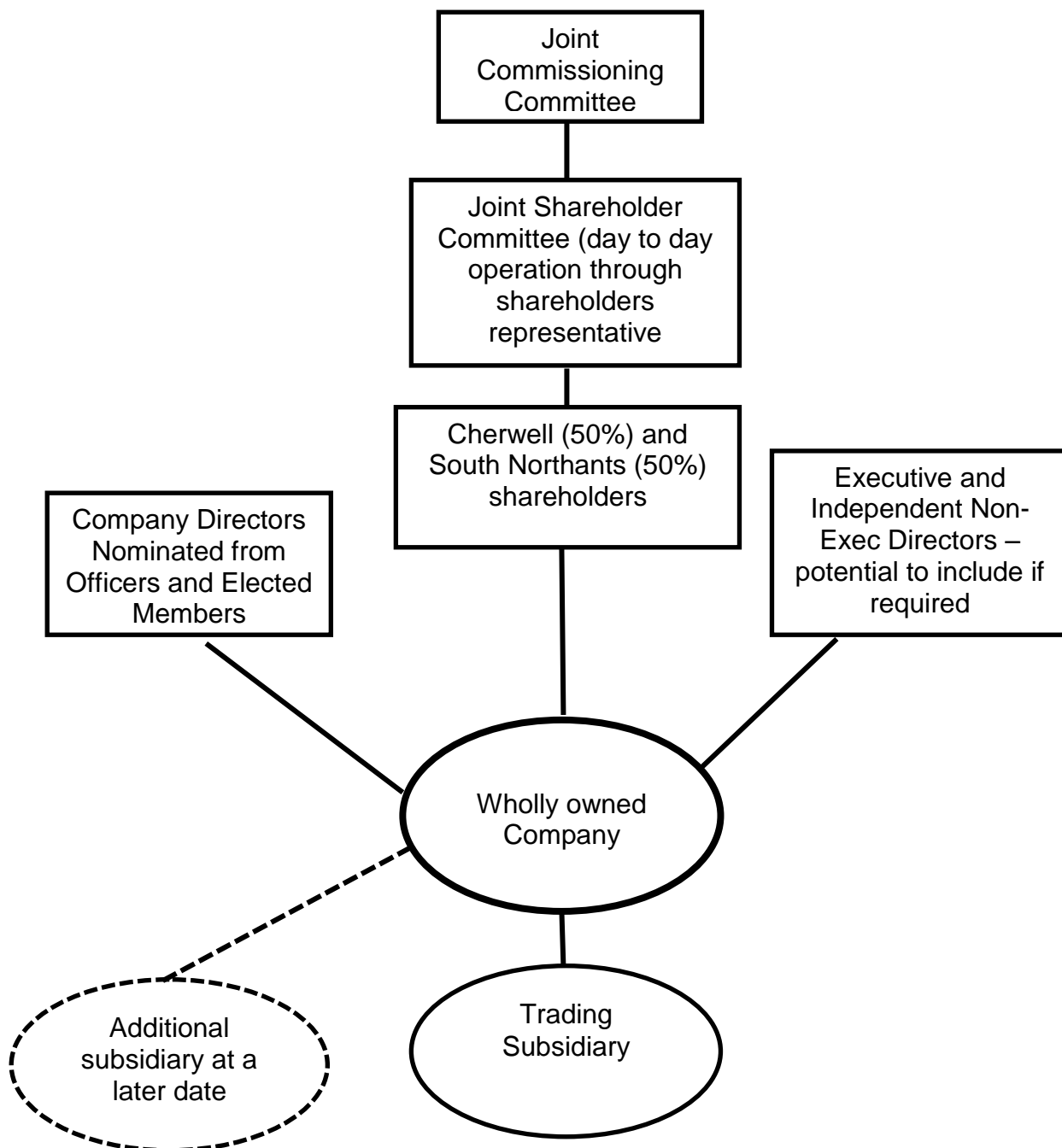
3.7 In order to meet the required 'go live' date for the new companies, triggered by the end of the CDC Capita contract in May 2017 it is necessary to ensure that the company structures are established, it is preferable that this is done early in the process whilst detailed work continues. The company structures will effectively sit dormant whilst this takes place.

3.8 It is proposed that the company structure will be delivered through a Company Limited by Shares (CLS). Under the 2011 Localism Act Councils have greater

freedom, but trading/commercial activity must be undertaken through a company structure.

- 3.9 A CLS is a recognised legal entity under the 2011 Localism Act (unlike, say a LLP). The CLS will be in the form of a group structure, initially with a principal company and a trading subsidiary with flexibility to add additional subsidiaries at a later date. As 100% joint owner of the principal company the Councils will have ultimate control over the companies.
- 3.10 The Joint Commissioning Committee, through the Joint Shareholder Committee will be the strategic supervisory body with ultimate responsibility for ensuring governance of the Company and compliance with the Business Plan. This role will be without prejudice to the Committee's normal decision making powers and the role of the Overview and Scrutiny Committee (CDC) and Scrutiny Committee (SNC) as set out in the Councils' constitutions.
- 3.11 The Directors of the Companies will be a mix of Officers and Elected Members and will be nominated based on their suitability and assessment against a person specification including their knowledge of the role, previous experience and knowledge of revenues and benefits. It is recommended that the Lead Members/ portfolio holders for finance and the Chief Finance Officer are not nominated as they will both have a responsibility to the Councils in relation to lending to the principal Company.
- 3.12 The Companies and the councils will provide appropriate indemnity insurance and training for each of the Directors and the cost of this is included within the Companies' running costs.
- 3.13 When a company is registered with Companies House it must have articles of association. These are the rules about running the company that shareholders and 'officers' (directors or company secretary) have to agree to. For example, rules about how decisions that affect the company must be made and the role of shareholders in those decisions.
- 3.14 Most companies use standard ('model') articles. If the recommendations in this report are approved then our legal advisors Trowers and Hamlin will assist in preparing these for each company. Once confirmed the Chief Finance Officer will approve these on the Councils' behalf under delegated authority and put the necessary appointments in place.
- 3.15 The Companies will engage the services of specialists to provide legal, accountancy, audit and tax advice to assist the Directors. It is envisaged that these services will be procured directly by the Companies and whilst there may be some contracts awarded to suppliers who already deal with the Council there will be recognition of working with local suppliers.
- 3.16 The role of Company Secretary can be undertaken by one of the nominated Directors or carried out by either a legal or accountancy representative.
- 3.17 Below is a proposed structure, which will be reflected in the constitutional documents (Memorandum and Articles of Association) illustrating:

- The Councils' shared 100% ownership of the company
- Accountability firstly to the Joint Commissioning Committee
- Company Directors for both companies (Elected Members and Officers)
- Principal Company
- Trading Subsidiary Company
- Other Subsidiaries which can be established as needed at a later date



**Commissioning of plans**

- 3.18 Ahead of setting up a company the Councils must prepare a business case in support of the proposed exercise of that power; and approve that business case. The business case means a comprehensive statement as to:
- the objectives of the business
  - the investment and other resources required to achieve those objectives
  - any risks the business might face and how significant those risks are, and
  - the expected financial results of the business, together with any other relevant outcomes that the business is expected to achieve.
- 3.19 Similarly detailed financial modeling for the companies is also required to enable a decision to be taken on the financial plan and for this to be built into the 2017-18 budget process. It is recommended that these plans are commissioned.
- 3.20 In order to manage the relationship between the Council and the joint local authority owned companies, it is best practice to have a shareholder agreement in place both between the Council and the principal company and also between the principal company and the Council with the subsidiary trading company. The agreements will cover the framework within which the Council interfaces with the companies, including elements such as the frequency of meetings, an open book approach to accounts etc. It is recommended that a shareholder agreement is commissioned.
- 3.21 To enable the company to employ staff it is necessary for the companies to have their own remuneration and pension policies and staff handbook. Work has commenced on developing these.

#### **4.0 Conclusion and Reasons for Recommendations**

- 4.1 The recommendations set out in this report are in line with the agreed recommendations of the Revenues and Benefits Business case and are necessary to ensure that the business case can be delivered and the associated savings achieved.

#### **5.0 Consultation**

Consultation has taken place on the original Revenues and Benefits Business case with staff, trade unions and elected members. The transfer of staff into the company structure will be subject to separate decision and appropriate consultation with staff and trade unions.

#### **6.0 Alternative Options and Reasons for Rejection**

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

Option 1: To agree the recommendations as set out in the report

Option 2: To amend the recommendations as set out in the report

Option 3: To reject the recommendations as set out in the report. This is not recommended, as members and officers are currently exposed to an element of risk through appropriate indemnities not being in place. In addition the councils' will reduce the potential to deliver the revenues and benefits business case savings unless a suitable employment vehicle is established.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 On-going work on with Trowers and Hamlin and KPMG is funded through transformation budgets. The cost of registering the required companies and domain names is around £60, which can be met through existing budgets. The detailed financial modelling for the company and draft business case will be subject to separate member approval when these are available and the creation of budgets for these companies will form part of the 2017-18 budget setting exercise.

Comments checked by:

Paul Sutton, Chief Finance Officer - 0300 003 0106

[paul.sutton@cherwellandsouthnorthants.gov.uk](mailto:paul.sutton@cherwellandsouthnorthants.gov.uk)

### **Legal Implications**

- 7.2 The proposals set out in this report are in accordance with the legal framework and will be subject to external legal advice from Trowers and Hamlins.

Comments checked by:

Kevin Lane, Head of Law and Governance – 0300 0030107

[kevin.lane@cherwellandsouthnorthants.gov.uk](mailto:kevin.lane@cherwellandsouthnorthants.gov.uk)

### **Risk Implications**

- 7.3 Risk will be considered fully as part of the legal and financial work being undertaken.

Comments checked by:

Ed Bailey Corporate Performance Manager - 01295 221605

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## **8.0 Decision Information**

### **Key Decision**

**Financial Threshold Met: No**

**Community Impact Threshold Met: No**



**Wards Affected**

All

**Links to Corporate Plan and Policy Framework**

None directly

**Lead Councillor**

Councillor Ian McCord, Leader of the Council, SNC  
Councillor Barry Wood, Leader of the Council, CDC

**Document Information**

<b>Appendix No</b>	<b>Title</b>
None	
<b>Background Papers</b>	
None	
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