

Council

Shared Services – Environmental Services, Human Resources and Legal Services

15 May 2013

Report of Director of Resources

PURPOSE OF REPORT

To propose that the principle of (a) a shared Environmental Services team with Cherwell District Council, (b) a shared Human Resources team with Cherwell District Council and (c) collaborative working arrangements with both South Northamptonshire Council (South Northants) and Stratford-on-Avon District Council (Stratford) pursuant to the Local Authorities (Goods and Services) Act 1970 be adopted as part of Cherwell District Council's policy framework

This report is public

Recommendations

Council is recommended to:

- (1) Adopt the principles of shared working proposals for Environmental Services, Human Resources and Legal Services as part of the Council's policy framework.
- (2) Adopt the general principle of mutual collaborative working with South Northamptonshire and Stratford as part of the Council's policy framework.

Executive Summary

Introduction

- 1.1 The purpose of this report is largely technical in nature in that it simply seeks to put the principles underlying the business cases for shared/collaborative working in:
 - Environmental Services
 - Legal Services; and

- Human Resources

onto the policy framework so that when they are finalised they can be considered by Executive as the last step in the democratic process rather than Executive and Full Council.

Background Information

- 2.1 The Joint Arrangements Steering Group recently considered draft business cases for shared working in:
- Environmental Services (with South Northants pursuant to the existing section 113 agreement as subsequently varied)
 - Human Resources (with South Northants pursuant to the existing section 113 agreement as subsequently varied and with Stratford on a mutually collaborative basis); and
 - Legal Services (with South Northants and Stratford on a mutually collaborative basis).
- 2.2 It should be noted that the Legal Services business case is at outline stage only.
- 2.3 It should also be noted that the detailed business case for HR and outline business case for Legal services were recently considered by the three way Joint Arrangements Steering Group and were supported at that meeting by all parties. As a detailed business case, the HR business case was considered to be fit for consultation with the affected staff and trade union and such consultation has already commenced. The Environmental Service business case only had to be considered by the two way Joint Arrangements Steering Group as there are no plans for Stratford to be involved in this shared service at this point in time.
- 2.4 A brief summary of each business case is set out below:-

Environmental Services

- 2.5 A comprehensive shared service, capturing the service needs of both councils, will maximise best practice, avoid duplication, offer greater resilience and be better able to respond to changes in a dynamic service sector. Likewise other back office support roles must have the same flexibility and capacity to respond to changing service support requirements.
- 2.6 There are two very different structures used to deliver the services at each council but most of the core services are very similar. A fully integrated shared service will require a common management and supervisory structure which spans both councils. This offers the opportunity for financial savings. This principle should also be extended to back office staff: administrative, promotional and service development.
- 2.7 The key risk identified through the process to date is that of implementing change on top of major service change at South Northamptonshire Council. In 2013, South Northamptonshire Council is implementing a major service improvement programme which involves the introduction of a new food

waste collection service and a change from boxes to a bin for all dry recycling materials. This is such a significant change to all South Northamptonshire Council households that the roll out period alone extends to almost three months from June to August 2013.

- 2.8 In order to mitigate this risk, it is proposed that the shared service be undertaken in two stages. The **first stage** is the operational integration of a number of similar service teams and functions, largely outside the core household waste and recycling collection and street cleansing services of both Councils. These are logical opportunities and should be progressed as soon as possible as they are quite discrete and in some cases can be implemented relatively quickly as they are not influenced by other changes or external factors.
- 2.9 The first stage services which are proposed for integration are:
- Waste and Recycling – Bulky Waste Collections, Clinical Waste Collections, Bin Deliveries, Commercial Waste Collections and Community Recycling Bring Banks Servicing.
 - Street Cleansing – Large Mechanical Sweepers
 - Fleet Management and Vehicle Maintenance
- 2.10 The **second stage** relates to a review of the shared managerial, supervisory and back office staff and is proposed to take place later in 2013/14 after South Northamptonshire Council has completed the implementation of its waste and recycling service improvements. The full implementation of this stage and the benefit of any savings which would arise from it would not be realised until 2014/15, if the proposals are agreed. This delay ensures stability during the implementation of these SNC service improvements.
- 2.11 It is anticipated the first stage proposals would deliver shared revenue savings of a minimum of £81,000 in 2013/14 rising to £140,000 in 2014/15 if approved. The second stage proposals are also expected to offer savings of similar magnitude. In addition to these, through the shared use of some vehicles, there will be reductions in the call on future capital expenditure in both councils.
- 2.12 The proposed changes outlined above are the most obvious from the assessment of the services undertaken so far and based largely on current and best practices. A shared service is also expected to present opportunities for other new ways of more efficient working and will in time look at other support staff such as both depot-based administrative teams. Such an analysis has not been included in this Stage 1 Business Case but when undertaken further along the process and as part of the Stage 2 Business Case, is expected to produce additional efficiencies.

Human Resources

- 2.13 As outlined above members of the JASG were satisfied that the proposals within the detailed business case to share HR services were fit for consultation with the affected staff and trade unions prior to the proposals being formally considered as part of the democratic decision making process at both councils. This approach will ensure that members are able to take the views and any potential representations of staff and the trade union into

account before making their final decision, and in doing so, will also support the important principle of inclusivity and an engaging approach to industrial relations.

- 2.14 The detailed business case outlines a proposal for the creation of a 2-way shared HR service between CDC and SNC, whilst at the same time working collaboratively with SDC to address issues of skills, capacity and resilience across all three partners from time to time, as the need may arise.

Legal Services

- 2.15 The proposal is to maintain three separate legal teams in the three Councils but, under the management of a single Head of Service, to increase significantly the collaborative sharing of workload across the three teams. This would lead to a significant pool of legal expertise that would be accessible to all client officers at each Council leading to significantly increased resilience within Legal Services and a higher quality of service. While the achievement of financial savings is not a prime driver for this business case it is anticipated that some savings would be achieved for each Council as a result of the pooling of common and currently overlapping expenditure on certain items such as legal publications and a reduction in the extent of expenditure on external legal advice.

Addition to the Policy Framework

- 2.16 Prior to consideration by the Joint Arrangements Steering Group all three business cases were endorsed by the Joint Management Team (whether as detailed business cases, or outline business cases). By putting the principles underlying the business cases on the policy framework, the final business cases can be considered by the Executive. Members will be provided with the opportunity to consider each business case as they are brought through the democratic process.
- 2.17 Between the writing of this report and the consideration of the final business cases at Executive the following consultation and scrutiny path will be followed:
- Staff and union consultation (already commenced for HR as indicated above)
 - Consideration at Scrutiny Committee (if deemed appropriate by chairman)
 - Consideration at Personnel Committee
 - Consideration at Executive

It will follow a similar democratic process at SNC. A similar report to this was considered and approved at SNC's Full Council in April.

- 2.18 Every shared services proposal that has been considered since the Joint Management Team has been implemented has been put on the policy framework in the same way proposed in this report.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 To enable the implementation of the proposed shared service business cases to proceed as efficiently as possible should they be agreed through the rest of the democratic process.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

Option One To not include in the Council's policy framework which will only seek to increase the implementation time. This in turn would extend the period of uncertainty for the affected staff, and in doing so increase the risk in relation to employee productivity and morale.

Consultations

Two Way Joint Arrangements Steering Group The two way (CDC and SNC) Joint Arrangement Steering Group has considered all three business cases and is supportive of their recommendations.
Formal consultation for the Environmental Services proposals will commence with the affected staff and trade union in the event that Council approves the recommendations set out in this report.

Three Way Joint Arrangements Steering Group The three way (CDC, SNC and SDC) Joint Arrangement Steering Group has considered all three business cases and is supportive of their recommendations.

In endorsing the HR business case they have triggered the formal consultation process for the proposals. .

As an outline business case the Legal Services business case must now be developed into a detailed business case for further consideration by the JASG prior to the possible commencement of consultation with the affected staff and trade union.

Implications

Financial: There are no direct financial implications associated with this report.

Comments checked by Karen Curtin , Head of Finance and Procurement 0300 003 0106

Legal: As explained in the report Executive is able to approve business cases for shared and collaborative working (other than the staffing implications) providing the principles are adopted as part of the Council's policy framework in each case. Otherwise they would need to be recommended to full Council for approval.

Comments checked by Kevin Lane, Head of Law and Governance, Tel: 0300 0030107

Risk Management:

The main risks associated with these proposals relate to Human Resources in terms of both legal risks and operational or performance risks. In order to mitigate against any employment risks (i.e. employment legislation, potential claims of unfair dismissal etc.), it is essential that consultation over any proposals to share services takes place with the affected staff and trade union ahead of consideration of those proposals through the statutory democratic decision making process. In doing so, this enables members to have regard to any views/representations of the affected staff and trade union before making any final decisions, and strengthens the councils approach to corporate governance. Likewise the organisational change policy sets out the process by which the shared services business case will be implemented and adherence to this policy will ensure risks are mitigated.

The second area of risk (relating to operational and/or performance implications whilst the business case is being implemented) will be mitigated through an effective staff consultation period, clear staff communications, additional external support to ensure the process runs effectively and employee support as appropriate.

Comments checked by Claire Taylor, Performance Manager, 01295 221563

Wards Affected

No wards directly or specifically affected by this report

Document Information

Appendix No	Title
None	
Background Papers	
None	
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