

Cherwell District Council

Council

24 February 2014

<p>Section 113 Arrangements and shared ICT Service and Systems Policy Framework Decision</p>

Report of Chief Executive

This report is public

Purpose of report

To approve entering into a Section 113 agreement between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire Council and to add the principle of a shared ICT service and associated harmonisation of ICT business applications between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire to the policy framework.

1.0 Recommendations

The meeting is recommended:

- 1.1 To approve the entering into an agreement between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire Council pursuant to Section 113 of the Local Government Act 1972 and all other enabling powers so that employees can be placed at the disposal of the other Councils for the purposes of shared working and that the Head of Law and Governance, Cherwell and South Northamptonshire be authorised to complete such agreement in negotiation with the Head of Legal and Democratic Services at Stratford-on-Avon District Council.
- 1.2 To delegate authority to the Chief Executive (Cherwell and South Northamptonshire) to negotiate and approve a protocol – on the respective roles of members and officers and dealing with conflicts of interest in consultation with the Chief Executive (Stratford)
- 1.3 That the principle of shared working between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire Council for the purpose of the proposed shared ICT service and associated harmonisation of ICT business applications be added to the adopted policy framework.

2.0 Introduction

- 2.1 Earlier this year, the Department of Communities and Local Government announced the creation of the Transformational Challenge fund and invited applications from councils and other public sector bodies to receive funding from the pot of £7m. The guidance issued at the time specifically referred to joint working and was encouraging new and innovative approaches to generating efficiencies. A report was presented to the 19 June 2013 meeting of the 3 Way Joint Arrangements Steering Group which supported officers submitting bids to support the three way working between Stratford-on-Avon District Council, Cherwell District Council and South Northamptonshire Council. Urgency powers were used at Stratford-on-Avon District Council and at South Northamptonshire Council and Cherwell District Council approval was sought from the Cabinet (8 July 2013) and the Executive (1 July 2013) to progress the submissions. Six joint bids were submitted covering a range of activities including ICT, procurement and another to support the programme office costs of driving and managing the changes associated with extending shared services working across the three councils.

3.0 Report Details

Section 113 Agreement

- 3.1 Due to the proposed governance and operational arrangements it will be necessary to enter into a Section 113 agreement between the three authorities. Cherwell and South Northamptonshire already have a Section 113 agreement in place to enable two way shared working which was agreed prior to the formation of the Joint Management Team and subsequently extended to cover any other shared service that was the subject of an approved business case. It should be noted that at Cherwell and South Northamptonshire each proposal for a shared service will still require agreement by Council to include this within the policy framework prior to consideration by Executive/Cabinet and agreement from the relevant Personnel Committee.
- 3.2 The authority to enter into such arrangements rests with Full Council. Similar authority was sought and granted by Council in December 2013 to facilitate the work of the Transformation Team. It is suggested that to ensure that shared service opportunities of working between Cherwell District Council, Stratford District Council and South Northamptonshire Council are not unduly delayed a wider authority is provided to enter into a Section 113 agreements for all services, subject to the approvals process outlined at 3.1 above. Additionally in order to facilitate the efficient and effective operation of the Section 113 it is recommended that a protocol on the respective roles of members and officers and dealing with conflicts of interest be put in place and approval delegated to the Chief Executive. A draft is set out in Appendix 1 to this report. A similar protocol has been in place at Cherwell and South Northamptonshire since 2011.

ICT Business Case

- 3.3 A business case proposing shared services and the harmonisation of business applications in relation to ICT has been prepared and recommended for consultation with the affected staff and trade unions, by the 3 way Joint Arrangements Steering Group, having been previously endorsed by the Transformation Working Group. Following consultation with the staff and trade unions the business case and responses to the consultation process will be put forward for consideration by the respective democratic decision making groups at each of the three councils.
- 3.4 Cherwell and South Northamptonshire have an existing shared service in place for ICT which has been in place since 2012. This arrangement was considered and approved following a strategy and business case which was prepared in conjunction with Methods Consulting, and resulted in the service which was previously outsourced at South Northamptonshire being brought back in-house, and the shared arrangements agreed.
- 3.5 The current proposal contained within the business case now extends this arrangement to cover all three councils, whilst also recommending the harmonisation of ICT business applications across the three councils in order to generate financial savings, more efficient ways of working, and further improvements to the customer experience of our approach to service delivery. The business case includes interim management arrangements relating to the shared service where it is proposed in the first instance that the Head of Customer Access (Stratford) would assume the lead as the Head of Service delivering ICT services, with the Head of Transformation, (Cherwell/ South Northamptonshire) acting as the commissioning lead for all three Councils.
- 3.6 Under the proposed arrangements all staff will continue to be employed at this stage by their individual authorities, however, under the proposed s113 agreement these staff would be placed at the disposal of any of the three authorities despite the lack of a direct employment relationship with two of them. It is also proposed that there is one management structure which would act across the three authorities.
- 3.7 The proposed arrangements are proposed to commence on or as near to 1 April 2014 as possible, and the plan would be to move to an operating model structure in the first instance before a more permanent structure across the three authorities is developed and agreed. This approach is more evolutionary than the existing shared services between Cherwell and South Northamptonshire, however, will give more time for thorough assessments of skills and competencies to be undertaken to inform the permanent arrangements.
- 3.8 Staff savings of at least £107,000 are initially estimated between the three authorities and in implementing this arrangement advantage will be taken of existing vacancies. Further savings of 10% to 20% are envisaged as the Councils' harmonise approaches to ICT solutions, this equates to further estimated savings of £140,000 to £280,000 for the three councils.

- 3.9 In addition to bringing together the two ICT services across the authorities the business case also proposes an on-going programme to harmonise systems and processes across the three authorities. This not only delivers efficiencies in the management of these systems from an ICT perspective, but also ensures that future shared service opportunities can be implemented in other areas.
- 3.10 An early example of this relates to the Financial Information System, where it is proposed that a joint procurement exercise is undertaken in relation to a replacement system and that when selected the system is implemented in a consistent manner across all three councils. The implementation date for the new system would be before 31 March 2015.
- 3.11 The Transformation Team which has recently been established will help review the areas to be addressed as part of their new role.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Given the unique opportunity provided by the Transformation Challenge Award, the need to ensure that appropriate governance arrangements are in place, to plan for the financial challenges ahead, and the need to demonstrate active progress in relation to three way working it is recommended that Council support the recommendations as set out in the report.

5.0 Consultation

3 way Transformation Working Group	This report has been considered and supported by the 3 Way Transformation Working Group.
3 Way Joint Arrangements Steering Group	This report has been prepared at the request of the 3 Way Joint Arrangements Steering Group
Chief Executives, Monitoring Officers and Section 151 Officers (CDC, SDC and SNC)	Consultation responses received have been included in this report.

6.0 Alternative Options and Reasons for Rejection

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

Option 1: To agree the recommendations. This option is perceived to be in the best interests of the Councils.

Option 2: Not to agree the recommendations. This would not be in the interests of the Councils, will prohibit the realisation of savings and efficiencies and seriously compromise the Transformation Challenge Award funding and the reputation of all three councils as being exemplars for innovation.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no direct financial implications arising from this report. All financial implications will be included within the business cases that are brought forward and will be subject to full officer appraisal and considerations by the Executive and Cabinets.

Comments checked by:

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Legal Implications

- 7.2 Section 113 of the Local Government Act 1972 permits an officer of one Council to be put at the disposal of another and the formal agreement proposed will set the legal parameters for all future three way shared service working that is approved between the three Councils.

Comments checked by:

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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

An accessible value for money Council: Explore further opportunities with partners to share or provide services, reducing costs and maximising income (Cherwell District Council)

Enhance performance: Deliver the Council's transformation programme (South Northamptonshire Council)

Great value for money (Stratford-on-Avon District Council)

Lead Councillors

Councillor Nicholas Turner (CDC), Councillor Ian McCord (SNC), Councillor Stephen Thirlwell (SDC).

Document Information

Appendix No	Title
1	Protocol – The respective roles of members and officers and dealing with conflicts of interest
Background Papers	
None	
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