

BUSINESS CASE

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

**South Northamptonshire Council
and
Cherwell District Council**

18 November 2010

APPENDICES

CONTENTS

	Page	
Appendix 1	Terms of reference of Joint Working Group	5
Appendix 2	Terms of reference of Joint ICT Steering Group	7
Appendix 3	Proposed final Section 113 agreement	9
Appendix 4	Proposed terms of reference of Joint Personnel Committee	27
Appendix 5	Proposed terms of reference of Joint Appeals Committee	29
Appendix 6	Risk Register	31
Appendix 7	Proposed terms of reference of Joint Arrangements Steering Group (to replace the Joint Working Group)	41
Appendix 8	Proposed Job Description and Person Specification for shared Chief Executive	45
Appendix 9	I&DeA report – Shared chief executives and joint management: a model for the future?	49
Appendix 10	Notes from meetings with three other pairs of district councils who already have shared senior teams in place	65
Appendix 11	Current senior management team structures at SNC and CDC	133
Appendix 12	Illustrative shared senior management team structures	135

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

MEMBERSHIP

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

OFFICER SUPPORT TO THE WORKING PARTY

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

OFFICERS/OTHERS TO BE CONSULTED BY THE WORKING PARTY

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

OBJECTIVES

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

QUORUM

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

DECISION-MAKING POWERS

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

METHOD OF APPROACH

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

INTERFACES & ASSUMPTIONS

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

TIMETABLE

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

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

30th June 2010

ICT Joint Working Group

Mandate

Business Case for Shared Senior Management Team

3.7 The transition

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

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

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

Terms of reference

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

Workstreams

1- Facilitate efficient working

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

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

2- Opportunities for harmonisation

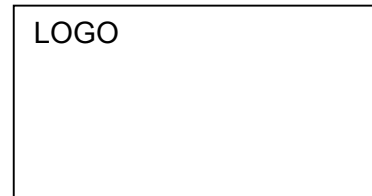
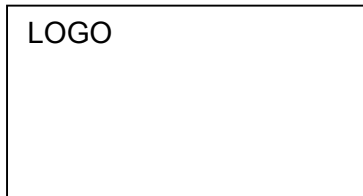
- Map current technology architectures to identify common systems
- Map key projects / business plan activities to
 - identify shared needs and aspirations over the next 12 months
 - develop a coordinated approach to IT developments – where planned developments are shared and reviewed by this group
-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

3- Reporting Arrangements

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

Membership

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



DATED 9 December 2010

Agreement

between

(1) Cherwell District Council

and

(2) South Northamptonshire Council

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

Liz Howlett
Head of Legal & Democratic Services
Cherwell District Council
Bodicote House
Bodicote
Banbury
Oxfordshire
OX15 4AA

Kevin Lane
Head of Corporate Services
South Northamptonshire Council
Springfields
Towcester
Northamptonshire
NN12 6AE

CONTENTS

Clause	Description	Page
1.	Background	3
2.	Definitions	3
3.	Preliminary	4
4.	The Joint Committees	5
5.	Shared Senior Management Team	6
6.	Expenses	7
7.	Termination and Review	8
8.	Head of Paid Service	9
9.	Head of Paid Service: Supplementary	10
10.	Dispute Resolution	11
11.	No Fetter of Discretion	11
12.	Liabilities	11
13.	Intellectual Property Rights	12
14.	Notices	12
15.	Rights and Duties Reserved	12
16.	Legal and other Fees	12
17.	Provision of Statistical Information Accounts and other Documents etc	12
18.	Audit	13
19.	No Partnership etc	13
20.	Anti-Corruption	13
21.	Discrimination	14
22.	Human Rights	14
23.	Freedom of Information	15
24.	Survival of this Agreement	15
25.	Whole Agreement	15
26.	Waiver	15
27.	Severance	15
28.	Headings	15
29.	Governing Law	15
30.	Contracts (Rights of Third Parties) Act 1999	16
31.	Non-assignment	16
32.	Disruption	16
33.	Health and Safety	16

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

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

and

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

1. Background

- 1.1 Section 113 (1) of the Local Government Act 1972 provides that a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter for the purposes of their functions, on such terms as may be provided by the agreement, of the services of officers employed by the former.
- 1.2 At their respective Executive and Cabinet meetings on July 12th 2010 the Councils decided by various resolutions to explore the creation of a shared senior management team for Cherwell and South Northamptonshire
- 1.3 At their meetings on 8th December 2010 the Councils resolved to enter into this Agreement and approve the creation of a shared senior management team for Cherwell and South Northamptonshire.

NOW IT IS HEREBY AGREED as follows

2. Definitions

In this Agreement the following terms shall have the following meanings

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

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

3. Preliminary

3.1 This Agreement is made pursuant to

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

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

and all other enabling powers.

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

4. The Joint Committees

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

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

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

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

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

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

6. Expenses

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

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

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

7. Termination and Review

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

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

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

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

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

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

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

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

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

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

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

9. Head of Paid Service: Supplementary

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

10. Dispute Resolution

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

11. No Fetter of Discretion

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

12. Liabilities

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

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

13. Intellectual Property Rights

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

14. Notices

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

15. Rights and Duties Reserved

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

16. Legal and other Fees

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

17. Provision of Relevant Information

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

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

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

18. Audit

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

19. Partnership

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

20. Anti-Corruption

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

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

21. Discrimination

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

22. Human Rights

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

23. Freedom of Information

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

24. Survival of this Agreement

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

25. Whole Agreement

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

26. Waiver

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

27. Severance

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

28. Headings

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

29. Governing Law

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

30. Contracts (Rights of Third Parties) Act 1999

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

31. Non-assignment

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

32. Disruption

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

33. Health and Safety

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

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

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

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

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

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

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

Authorised Signatory

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

Head of Corporate Services

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

Joint Committees; legal framework

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

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

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

Joint Personnel Committee – Cherwell District Council and South Northamptonshire Council

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

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

Quorum: will be 3 Members from each authority.

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

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

Terms of Reference

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

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

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

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

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

Terms of Reference

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

Quorum: will be 2 Members from each authority.

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

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

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

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

Responsibility for Risk Management

All members of the project group are responsible for:

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

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

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

Methodology for the Management of Risk

Risk Management involves five key stages:

- Identification
- Evaluation
- Mitigation
- Review
- Action

Identification

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

Evaluation

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

IMPACT

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

LIKELIHOOD

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

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

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

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

Review

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

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

Action Plan

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

Low Risk = Tolerate

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

High Risk = Treat or Transfer immediately

Critical Risk = abandon project

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

RISK REGISTER

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

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

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

9	Other partnership opportunities are lost because of the focus on the joint working project.	3	3	Medium	Relationships with other Councils still exist and are maintained e.g. CDRP, LEP	3	3	Medium	Decisions to join services should actively look for other partners to become involved to increase opportunities for greater efficiencies. Hiatus over new partnerships during business case need to visit after completion in Summer 2010. NOTE: Should not jeopardise existing partnerships
---	---	---	---	--------	---	---	---	--------	--

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

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

Financial Risks

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

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

Appendix 7

South Northamptonshire and Cherwell District Council – Joint Arrangements Steering Group

Membership

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

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

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

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

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

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

Terms of Reference

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

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

Quorum

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

Decision making powers

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

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

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

Frequency of Meetings

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

The meetings will alternate between Towcester and Bodicote where possible.

Cherwell District Council and South Northamptonshire Council

Job Description and Person Specification

Job Title: Shared Chief Executive

Responsible to: The District Councils of Cherwell and South Northamptonshire

Job Purpose:

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

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

Main Duties and Responsibilities:

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

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

PERSON SPECIFICATION – ALL ITEMS ESSENTIAL

Experience

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

Key competencies and behaviours

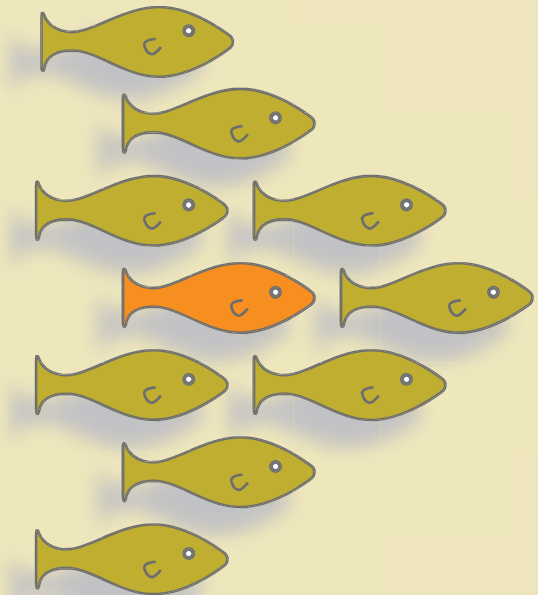
- Excellent leadership and management skills, including ability to delegate appropriately
- Strong interpersonal skills and the ability to influence and persuade
- Business acumen

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

Shared chief executives and joint management:

a model for the future?

October 2009



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

Improvement and Development Agency for local government (IDeA)

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

www.idea.gov.uk

Contents

Introduction	page 2
Joint management arrangements	page 3
The benefits	page 4
Shared services	page 7
The challenges	page 8
Culture	page 10
Joint management arrangements: an alternative model for taking forward shared service	page 11
Annex	page 12

Introduction

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

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

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

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

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

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

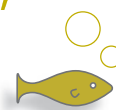
Joint management arrangements have evolved naturally using a bottom-up approach. They have developed alongside local government reorganisations (LGR) and two-tier pathfinders and have remained low profile.

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

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

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

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



Joint management arrangements

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

Adur District Council and
Worthing Borough Council

Hambleton District Council and
Richmondshire District Council

Suffolk Coastal District Council and
Waveney District Council

South Oxfordshire District Council and
Vale of White Horse District Council

Bromsgrove District Council and
Redditch District Council

West Devon Borough Council and
South Hams District Council

West Oxfordshire District Council and
Cotswolds District Council

Staffordshire Moorlands District Council and
High Peak Borough Council

Havant District Council and
East Hampshire District Council

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

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

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

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

To boldly go...

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

A systematic approach

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

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



The benefits

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

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

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

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

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

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

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

Collateral influence

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

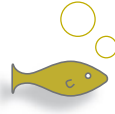
Savings from joint management arrangements and shared services

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

Savings from joint management arrangements and shared services

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

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



Shared services

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

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

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

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

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

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

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

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

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

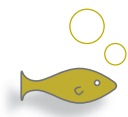
Through this process councils have identified short, medium and longer term opportunities for service integration. **Staffordshire Moorland District Council** and **High Peak Borough Council** established a three phased approach which identified a long-list of opportunities, the development of business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

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

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

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

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



The challenges

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

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

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

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

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

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

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

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

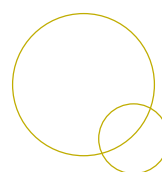
It is important to recognise the impact on managers leading the integration and developing shared services. Heads of service face competing claims on their time, not least the pressure to maintain service continuity and standards while at the same time managing integration. Recognition and corporate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

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

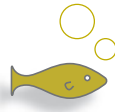
Geography matters. All of the joint arrangements considered here are councils that share a boundary. When the services that are being integrated are local and customer facing this makes sense. However, even within the proximity of neighbouring authorities the distances between the main administrative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

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

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



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



Culture

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

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

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

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

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

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

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

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

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

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

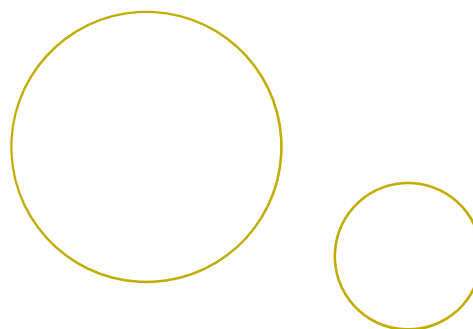
There are many approaches to shared services which do not require a joint management team. However, there are advantages to a single team at the top of an organisation driving the changes.

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

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

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

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



Annex

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

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

IDeA

Layden House
76-86 Tummill Street
London EC1M 5LG
telephone 020 7296 6880
facsimile 020 7296 6666
email ihelp@idea.gov.uk
www.idea.gov.uk

For more information please contact:

Stephen Fletcher

Regional Associate, IDeA
email: stephen.fletcher@idea.gov.uk
telephone: 07773 775904

John Hayes

Director of Services and Development, IDeA
email: john.hayes@idea.gov.uk
telephone: 020 7296 6445

Eamon Lally

Improvement Manager, IDeA
email: eamon.lally@idea.gov.uk
telephone: 07799 768570



INVESTOR IN PEOPLE

©IDeA – October 2009

For a copy in Braille, Welsh, larger print or audio, please contact iHelp on 020 7296 6880. We consider requests on an individual basis.

L09-787

Produced by Liberata Design and Print Studio



Local Government Association

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



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

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

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

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

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

Cherwell District Council & South Northamptonshire Council Joint Working Group

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

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

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

Setting the direction

Overview of the process to shared management arrangements

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

Finance

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

Waste

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

Shared management arrangements

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

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

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

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

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

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

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

Impact on structure

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

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

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

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

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

Financial issues

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

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

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

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

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

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

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

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

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

Impact on service delivery

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

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

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

What difference has joint working made for the public?

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

Impact on Members

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

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

How has the move affected backbench Members?

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

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

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

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

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

Impact on partners and the community

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

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

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

- Each council is still involved in its own partnerships.

Impact on staff

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

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

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

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

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

With hindsight

Do Members think joint working has delivered what was promised?

- Yes.

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

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

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

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

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

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

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

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

Attachments	
Attachment 1	Presentation of Simon Baker

Setting the direction

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

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

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

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

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

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

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

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

Impact on structure

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

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

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

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

About the transition

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

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

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

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

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

Financial issues

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

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

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

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

Impact on service delivery

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

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

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

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

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

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

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

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

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

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

What difference has joint working made for the public?

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

Impact on Members

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

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

How has the move affected backbench Members?

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

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

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

Impact on partners and the community

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

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

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

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

Impact on staff

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

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

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

With hindsight

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

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

SHARED CHIEF EXECUTIVE AND MANAGEMENT ARRANGEMENTS

Wednesday 25 August 2010

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

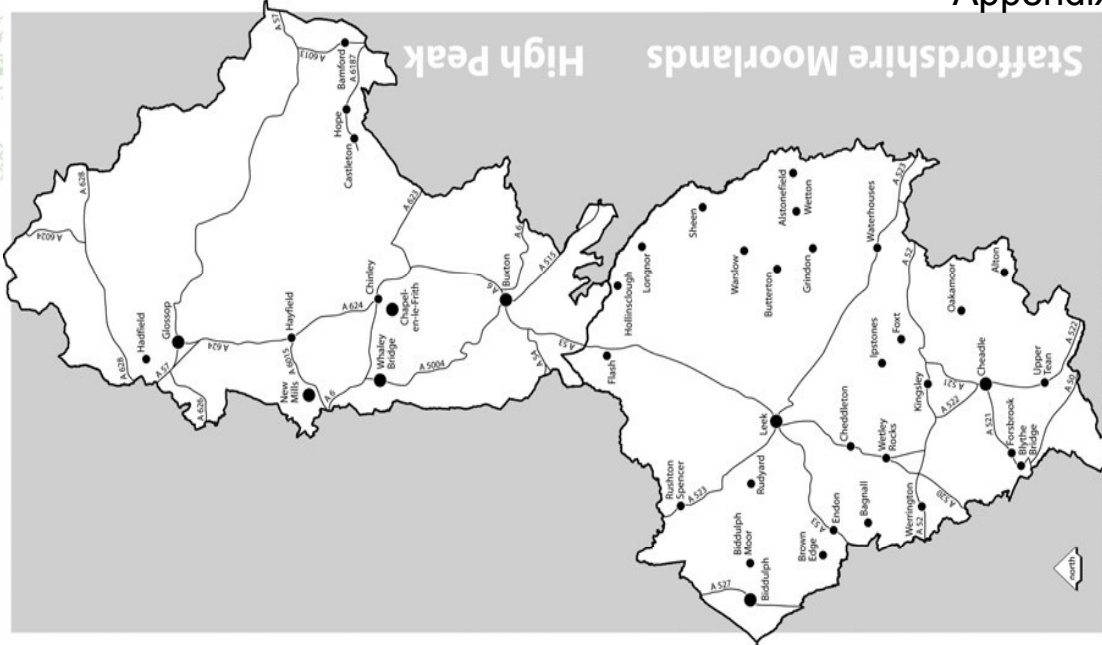
Simon Baker – Joint Chief Executive

Appendix 10



High Peak/ Staffordshire Moorlands Areas

Appendix 10



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



High Peak Borough Council
working for our community



STAFFORDSHIRE
moorlands
DISTRICT COUNCIL
ACHIEVING · EXCELLENCE

Context and Background

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

Appendix 10



Overview (1)

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



Appendix 10



Options for Change

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

Appendix 10

Overview (2)

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

Appendix 10



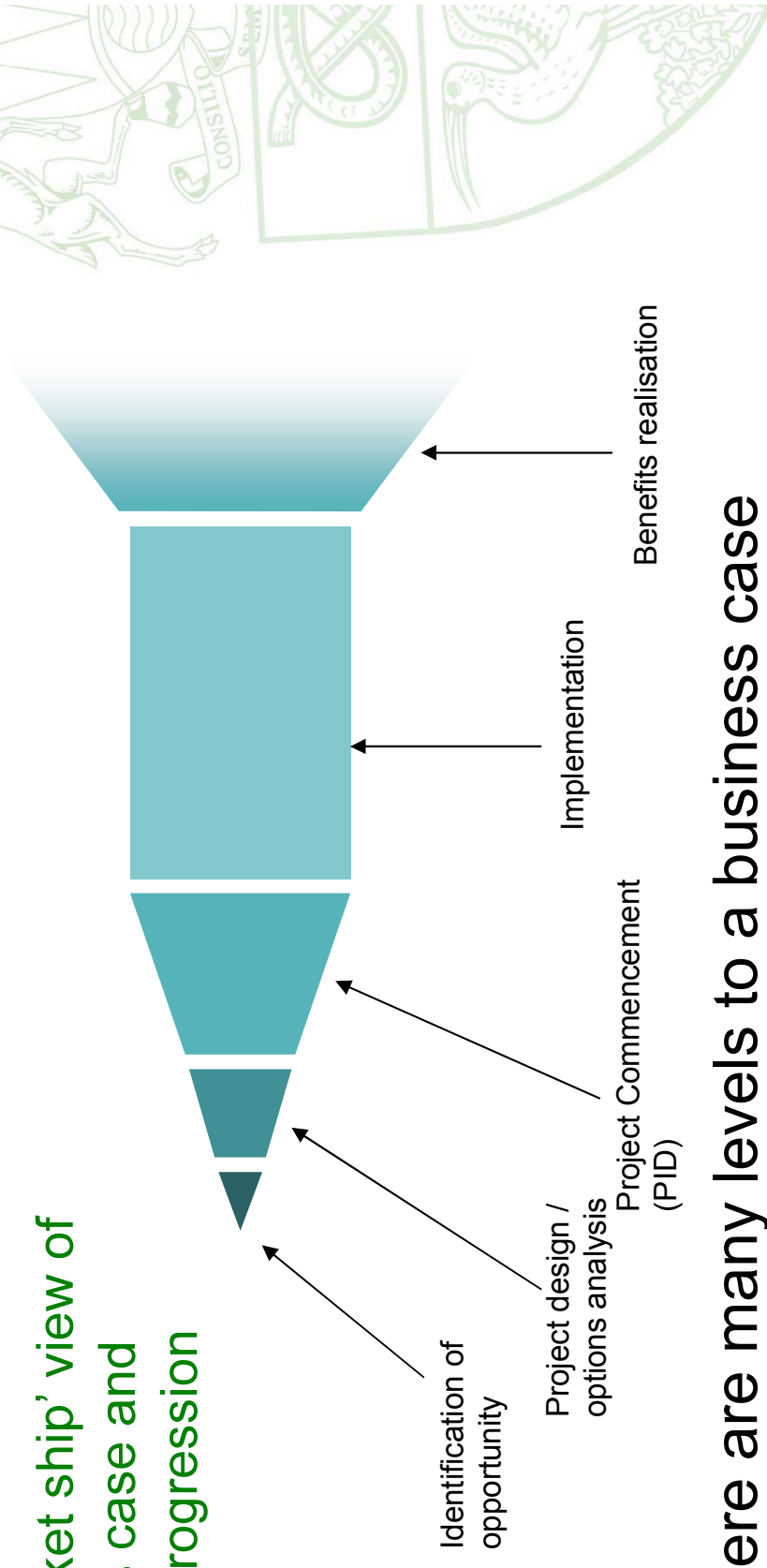
Transformation Principles

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



Business Case Development

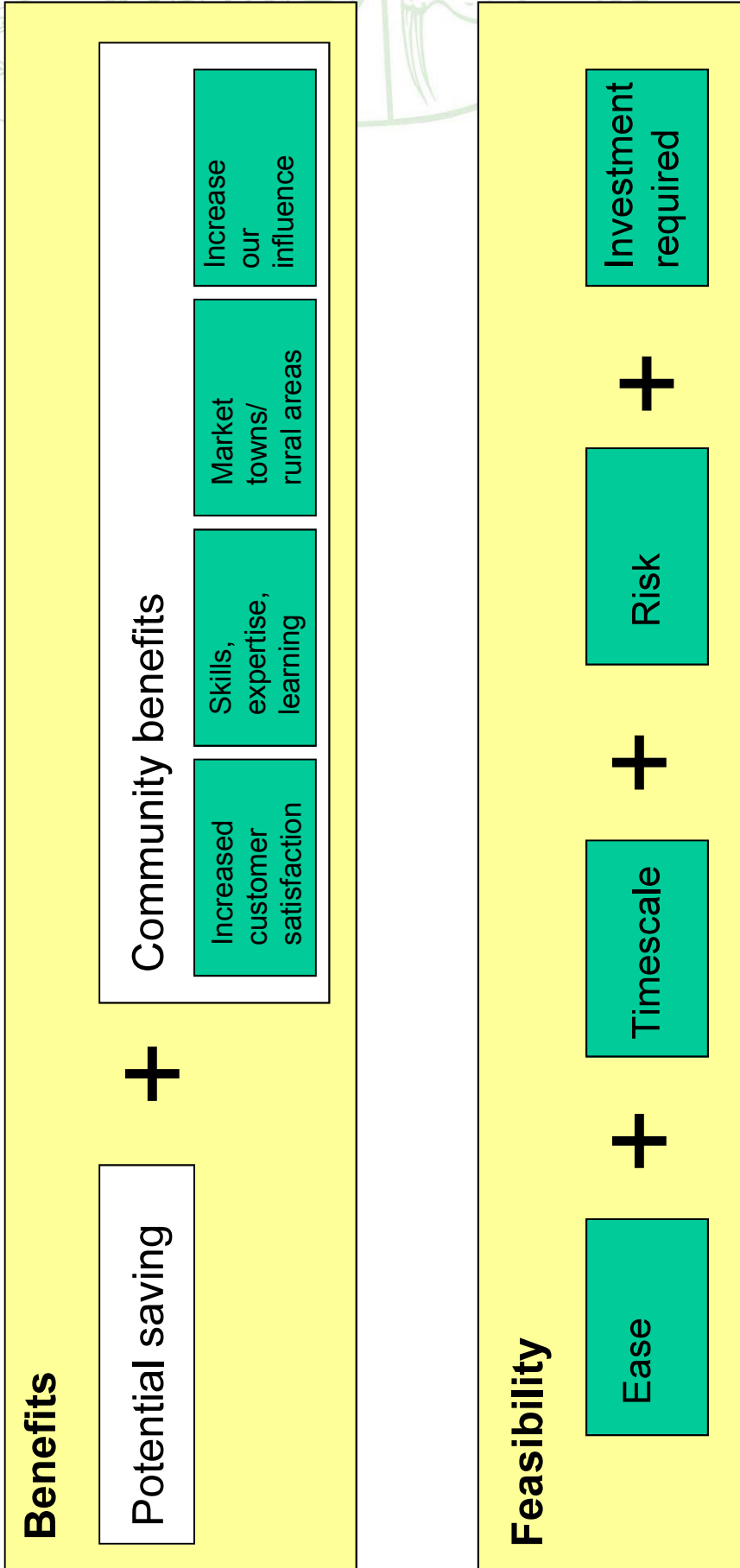
The 'rocket ship' view of business case and project progression



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

Appendix 10

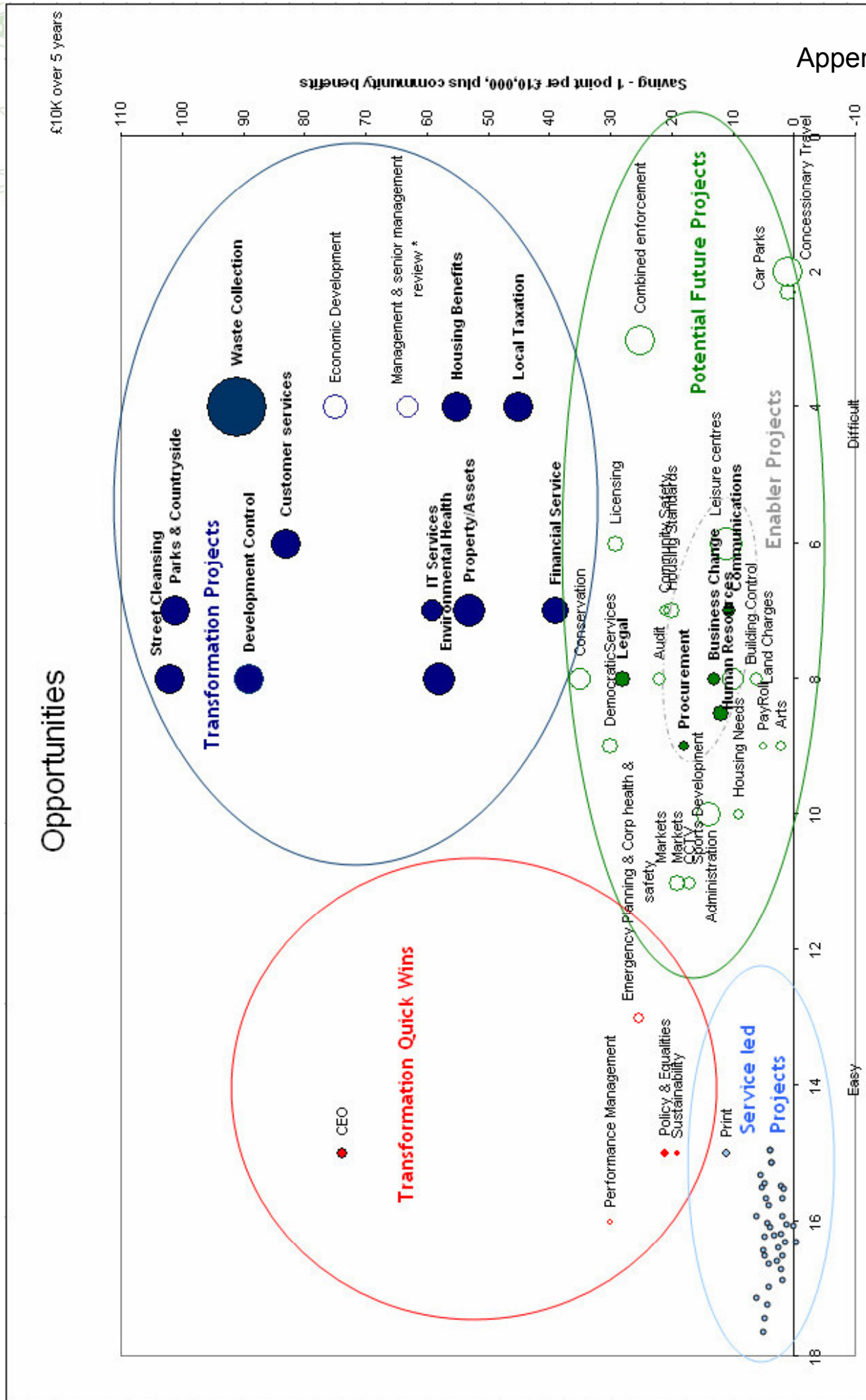
Methodology for identifying opportunities



Appendix 10



Appendix 10





Transformation Projects

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

Major Transformation Projects

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

Appendix 10



Achievements

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



Appendix 10



Transformation +

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





Appendix 10



Financial impacts

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



Challenges

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



Key Messages

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



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

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

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

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

Setting the direction

Overview of the process to shared management arrangements

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

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

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

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

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

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

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

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

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

Impact on structure

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

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

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

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

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

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

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

About the transition

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

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

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

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

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

Financial issues

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

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

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

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

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

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

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

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

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

Impact on service delivery

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

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

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

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

What difference has joint working made for the public?

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

Impact on Members

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

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

How has the move affected backbench Members?

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

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

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

Impact on partners and the community

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

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

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

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

Impact on staff

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

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

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

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

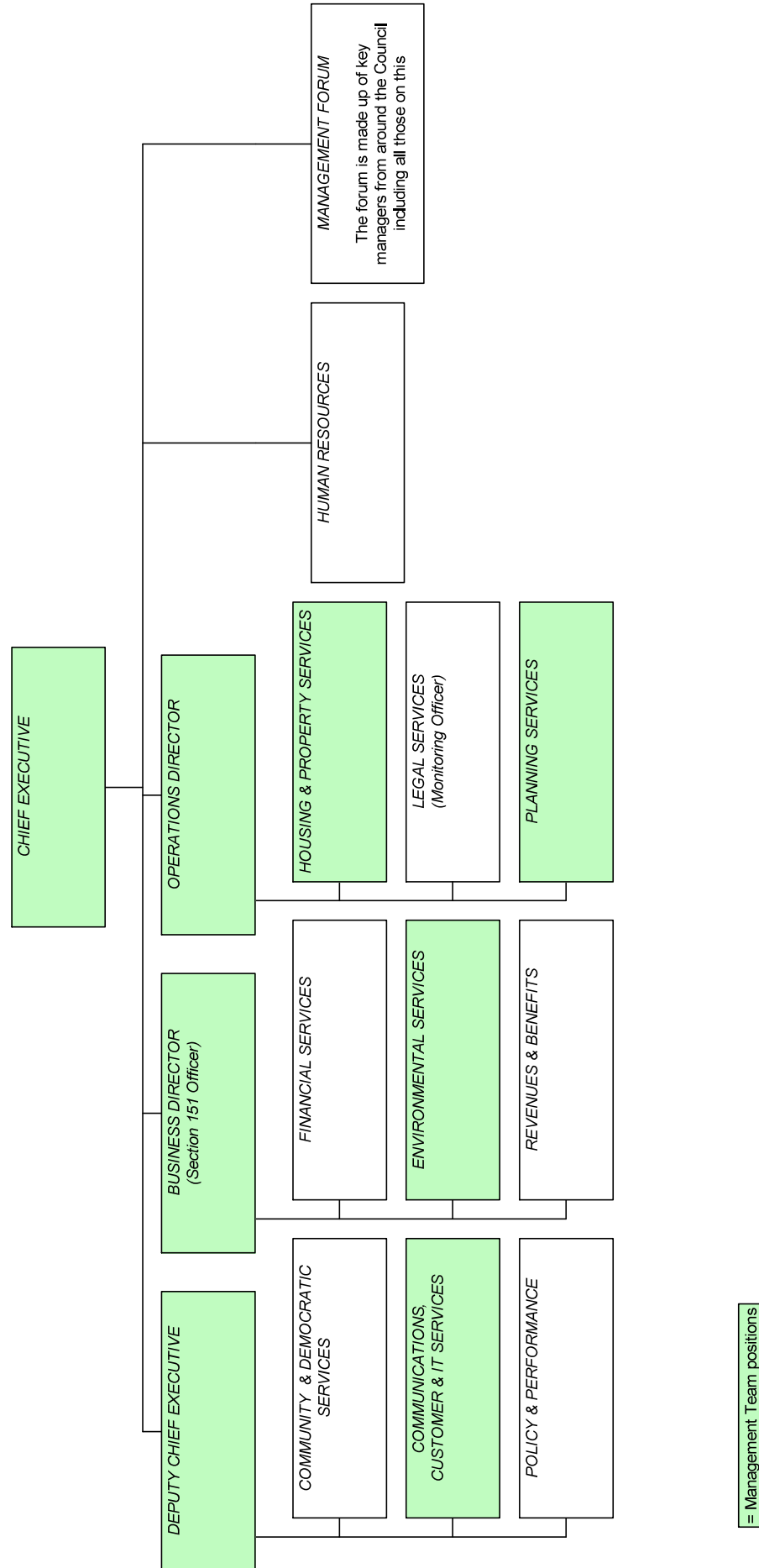
With hindsight

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

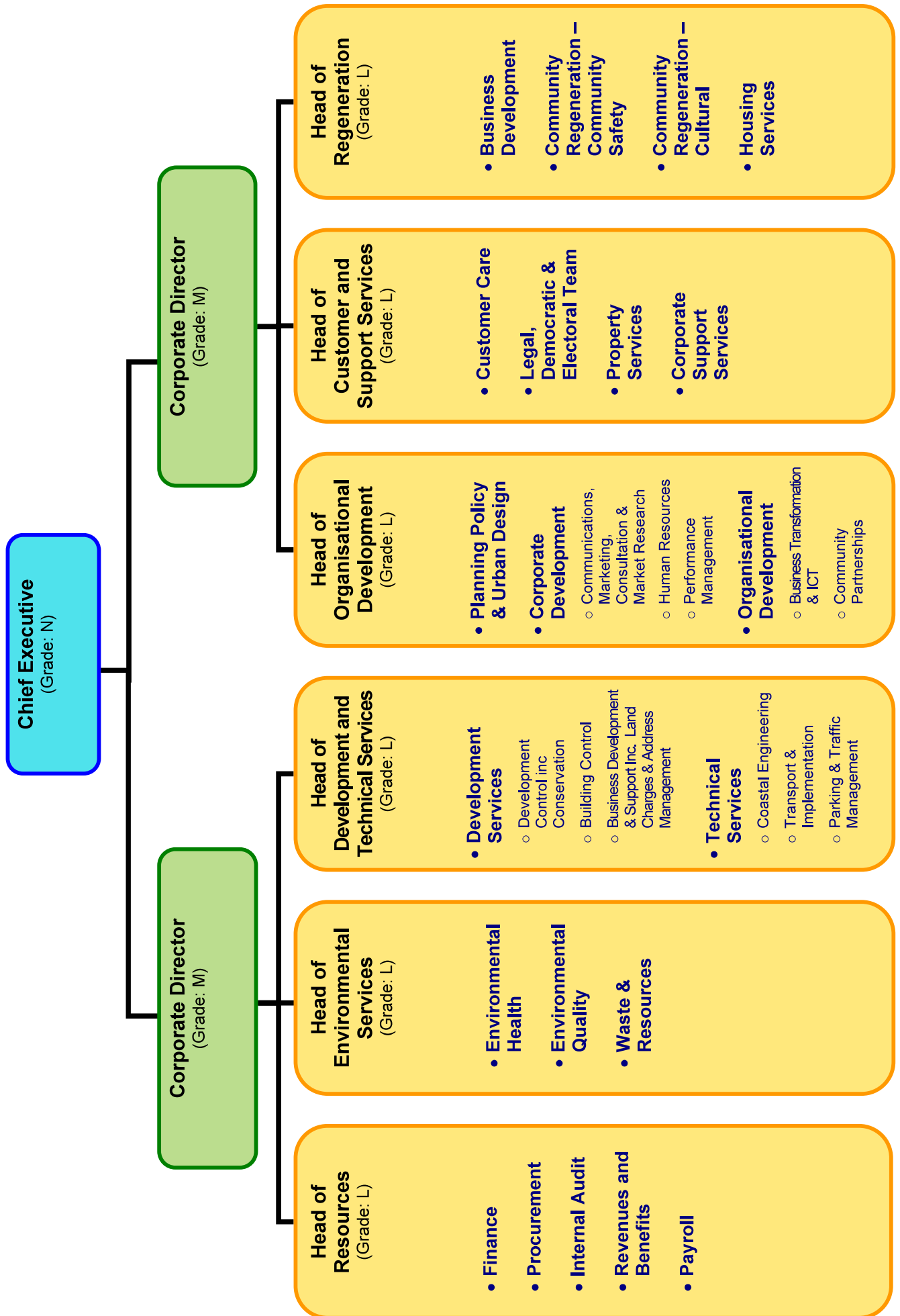
- Yes, “if you don’t do it, it will happen to you”.
- General advice in hindsight.
- Imperative to understand the two organisations and the differences.
- A good relationship between the political leaders is important.
- Never assume anything.
- Communication with Members and staff is extremely important.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

Attachment 1

East Hampshire District Council Management Structure

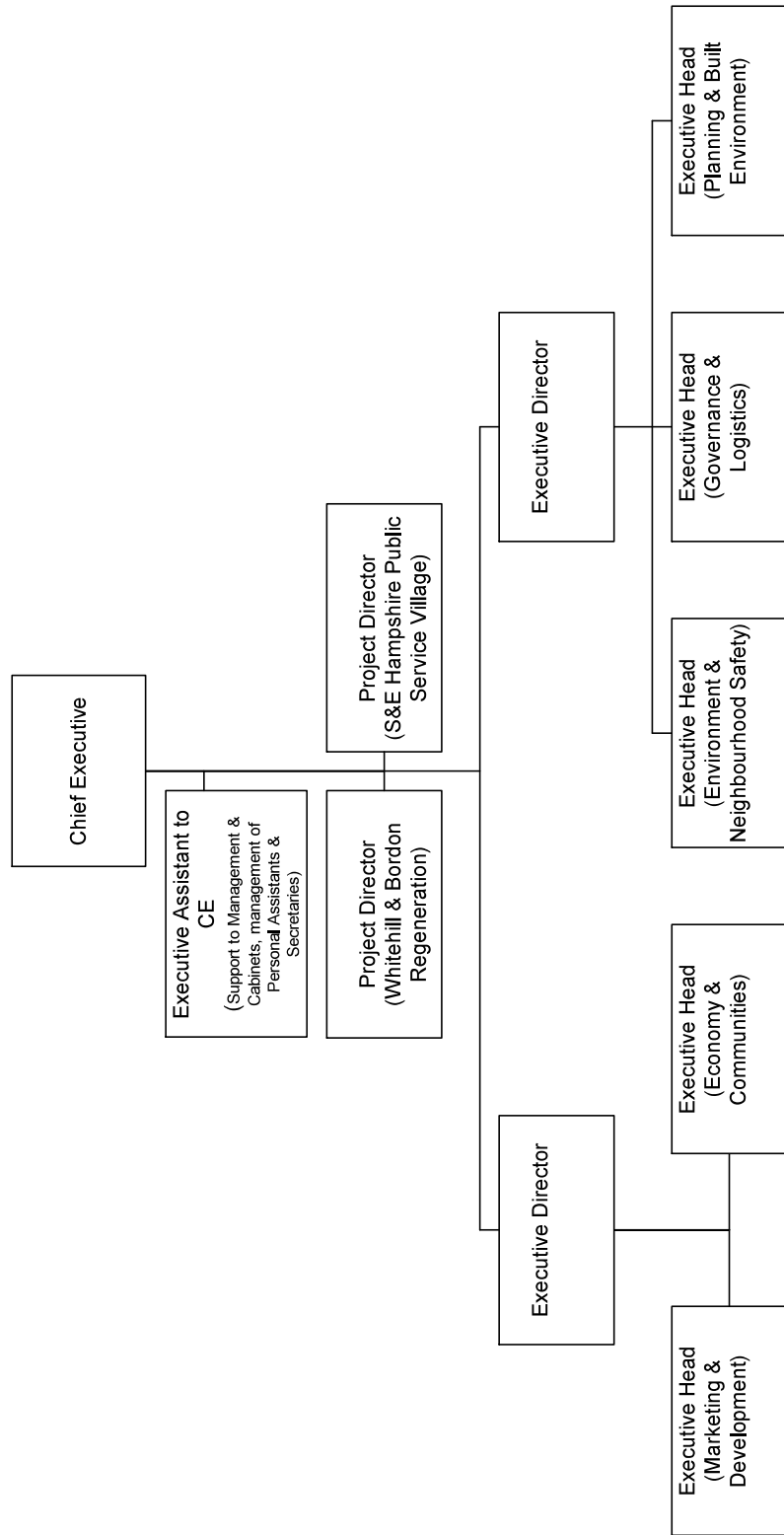


Havant Borough Council



Appendix 4

East Hampshire & Havant Councils
PROPOSED JOINT MANAGEMENT STRUCTURE¹



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

Appendix 5

PROPOSED SALARY MODELLING	SALARY 2010/11²
Directors Havant (current cost top of scale)	£84,903
Directors East Hampshire (current cost top of scale)	£77,098
TOTAL	£162,001
50% of combined salary	£81,000
12.5% increase for new role	£10,125
Recommended 'Spot Salary' for Executive Director³	£91,000
Heads of Service Havant (current cost top of scale)	£68,427
Heads of Service East Hampshire (current cost top of scale ⁴)	£68,410
TOTAL	£136,837
50% of combined salary	£68,419
10% increase for new role	£6,842
Recommended 'Spot Salary' for Executive Head⁵	£75,000

² Based on top of scale

³ Increase is rounded down to nearest £1000

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

⁵ Increase is rounded down to nearest £1000

Appendix 6

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

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

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

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

Appendix 7

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

Appendix 10

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

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

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

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

Appendix 10

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

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

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

Appendix 10

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

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

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

Definitions

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

LEGISLATIVE BASIS FOR SHARED SERVICES

1. APPOINTMENT OF STAFF

General duty to appoint officers

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

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

Power to share staff

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

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

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

External advertisements

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

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

2. DESIGNATION OF STATUTORY OFFICERS

Chief Finance Officer

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

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

Head of Paid Service

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

Monitoring Officer

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

Electoral Registration Officer

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

Returning Officer

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

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

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

3. JOINT DELIVERY OF SERVICES

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

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

General power to delegate

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

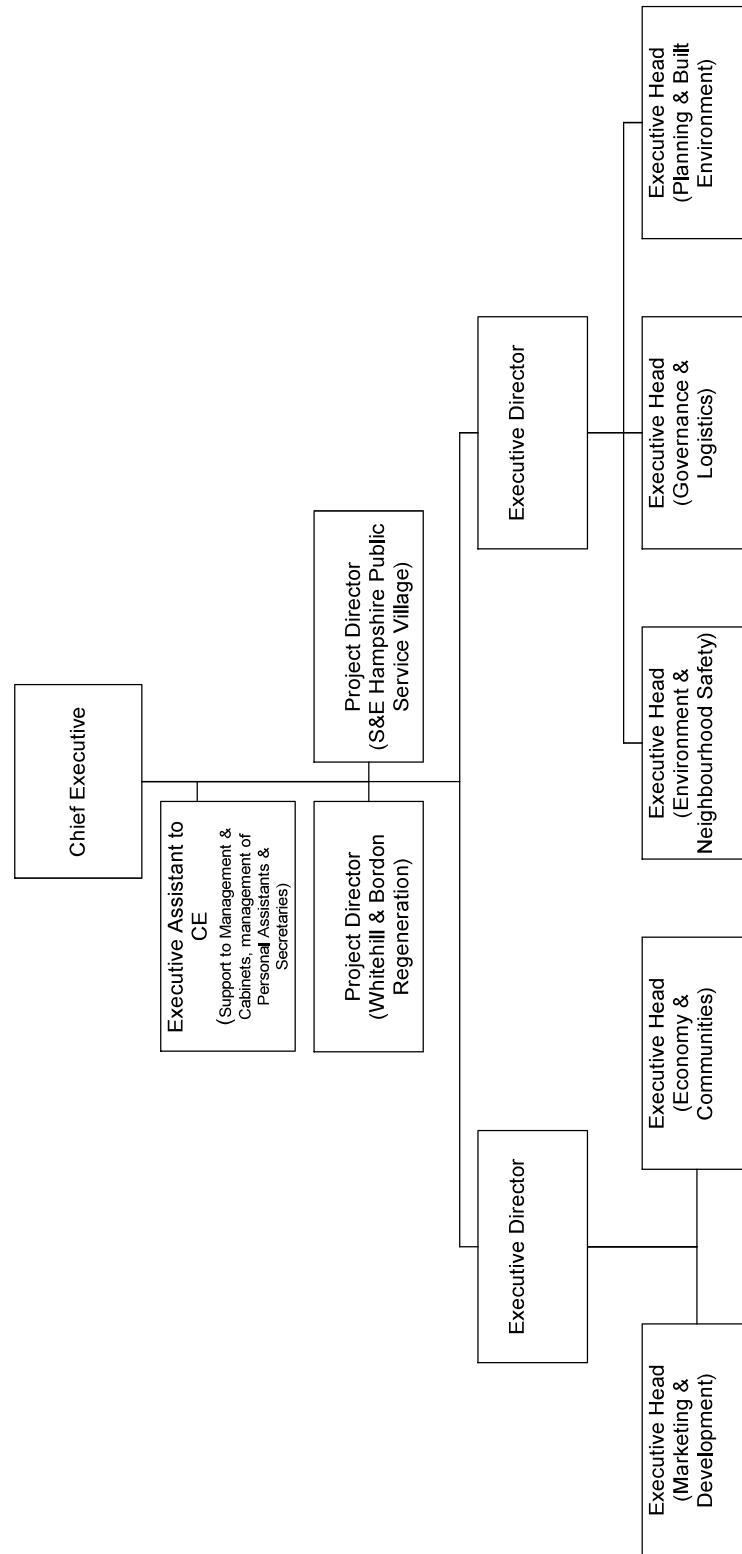
Two or more local authorities may discharge any of their functions jointly and, where arrangements are in force for them to do so they may also arrange for the discharge of those functions by a joint committee of theirs or by an officer of one of them.

Executive arrangements

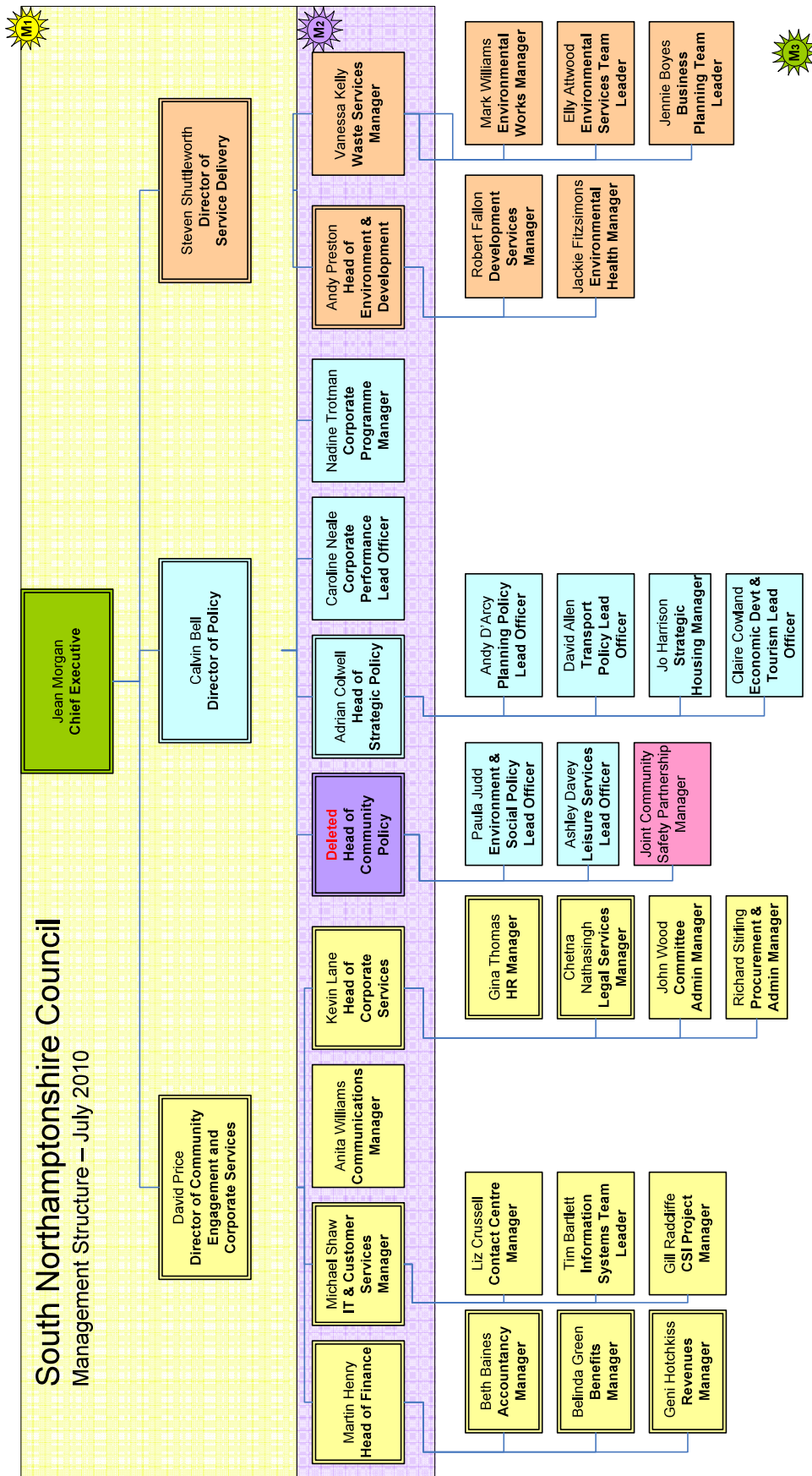
Both Councils are operating executive arrangements under part II of the Local Government Act 2000.

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

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



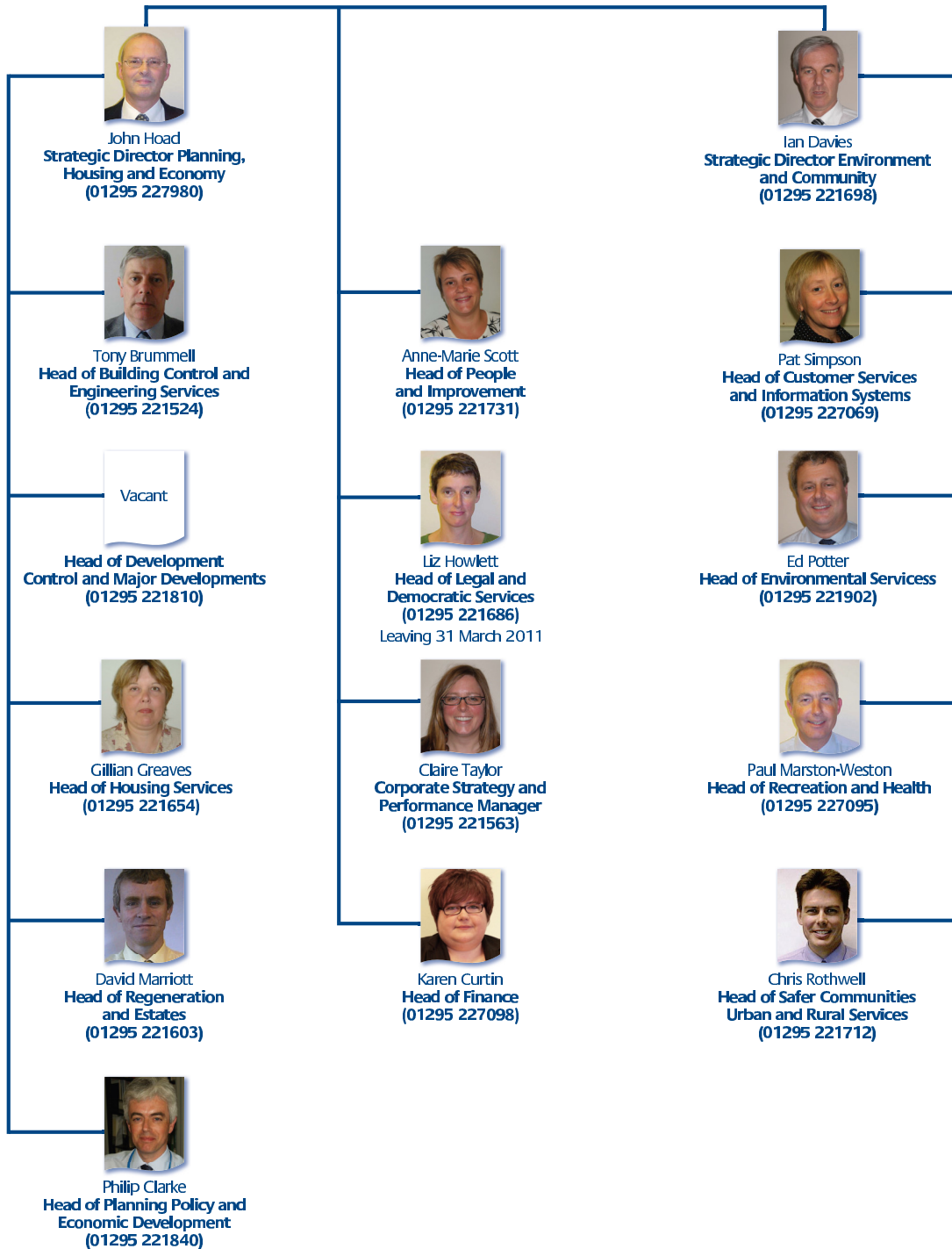
¹ Section 151 Officer will be given to an Executive Director or Executive Head role, Project Director Whitehill Bordon is 100% funded from Government. Project Director Public Service Village is for 1 year only.



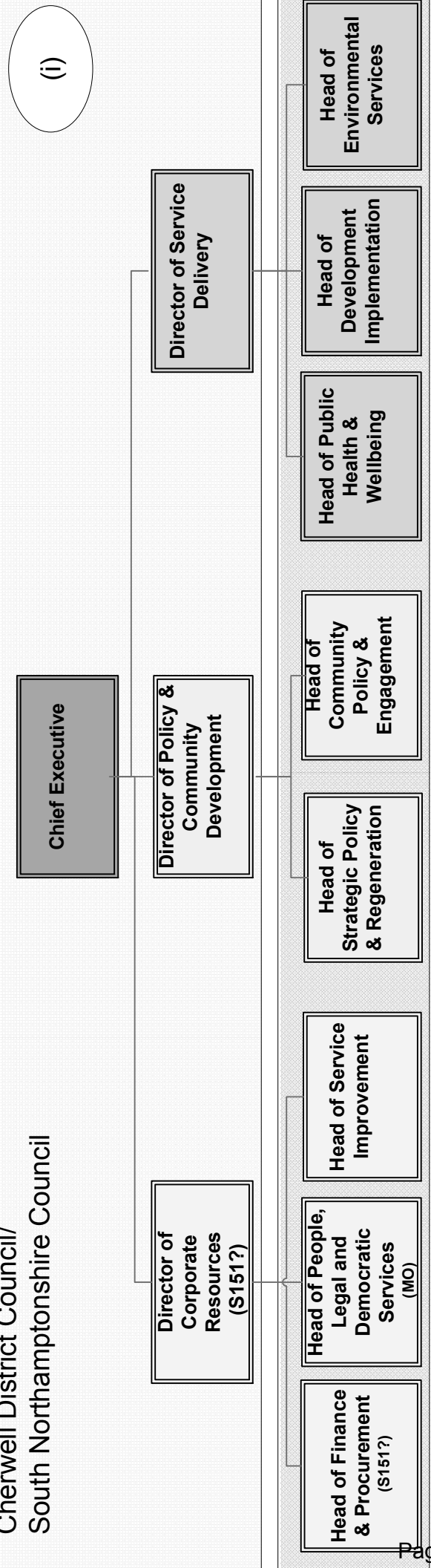
Cherwell District Council Extended Management Team



Mary Harpley
Chief Executive
(01295 221573)
 Leaving Christmas 2010



CONFIDENTIAL



Cherwell District Council/
South Northamptonshire Council

Resources/Policy/Service Delivery

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

Advantages

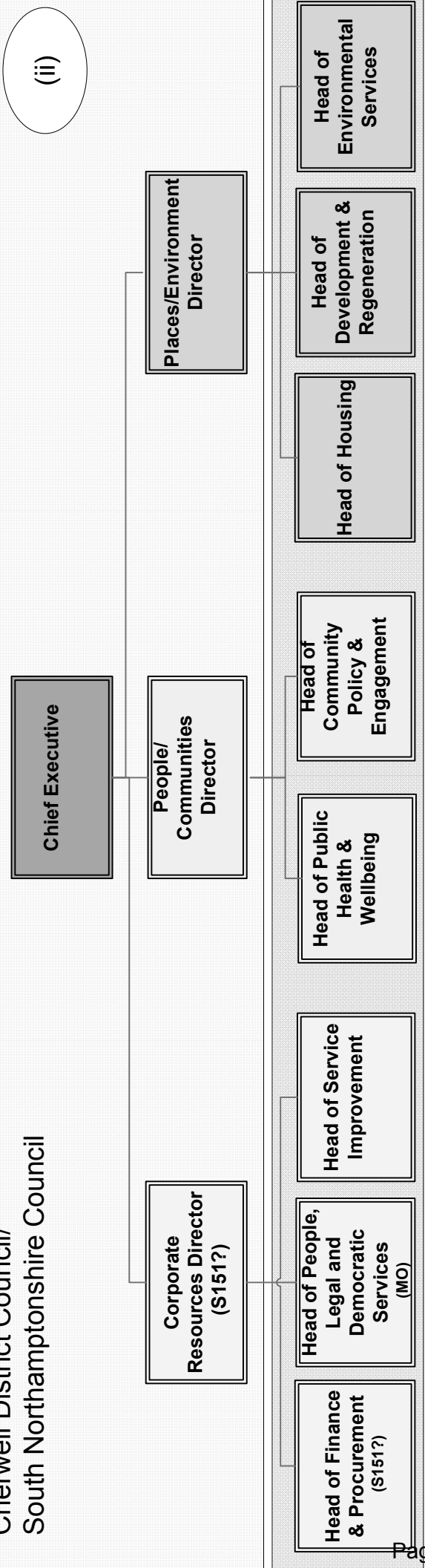
- Policy capacity fully integrated in 1 directorate (housing/planning/economic development etc) so organisations are in a strong position to develop comprehensive approaches to policy work/national initiatives
- Service delivery integrated in 1 directorate (implementation and enforcement working together)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

Risks

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

CONFIDENTIAL

**Cherwell District Council/
South Northamptonshire Council**



Resources/People/Places

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

Advantages

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

Risks

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

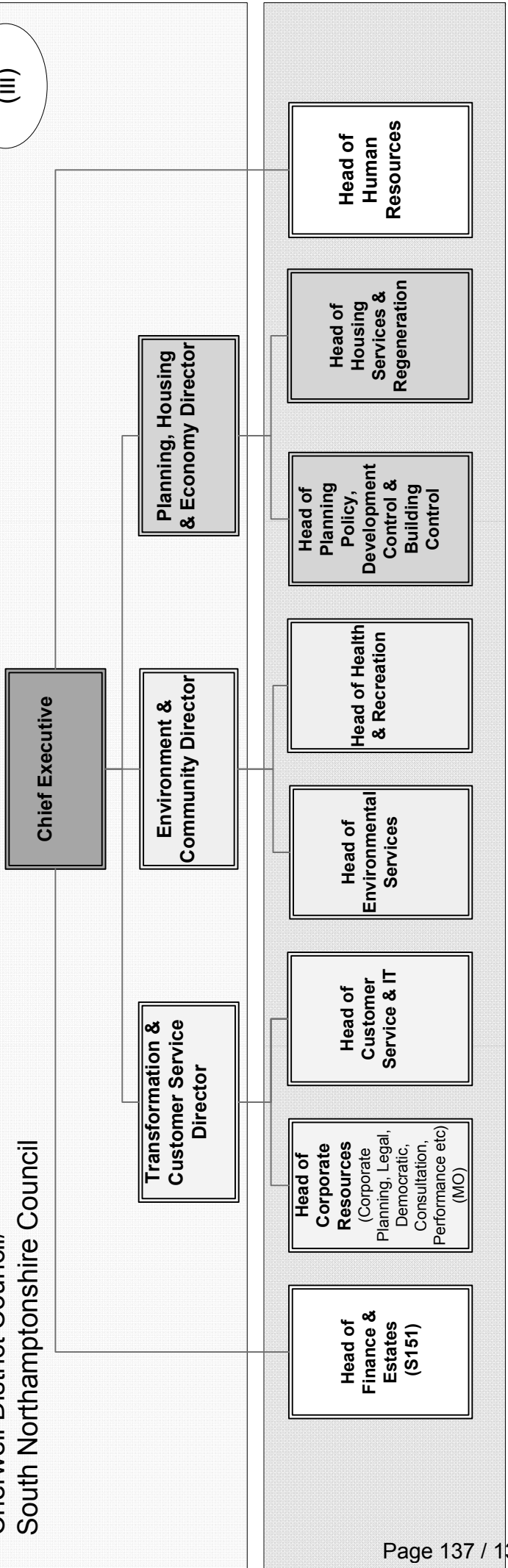
Comment

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

CONFIDENTIAL

(iii)

Cherwell District Council/
South Northamptonshire Council



Transformation/Regeneration/Environment

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

Advantages

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

Risks

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