

URGENT BUSINESS AND SUPPLEMENTARY INFORMATION

Executive

1 April 2019

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
7.	(Pages 1 - 24)	Review of Section 113 Agreement between Cherwell District Council and Oxfordshire County Council	Director: Customers and Service Delivery	Report being reviewed and finalised at time of agenda dispatch

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Cherwell District Council

Executive

1 April 2019

<p>Review of Section 113 Agreement between Cherwell District Council and Oxfordshire County Council</p>
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Report of Director Customers and Service Development

This report is public

Purpose of report

To provide an update with regards to the progress of the joint working partnership between Cherwell District and Oxfordshire County Councils.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the report attached at appendix 1.
- 1.2 To endorse the recommendations in the report (appendix 1) and agree (subject to agreement by Oxfordshire County Cabinet) to establish a project team to develop the next phase of partnership working.

2.0 Introduction

- 2.1 Appendix 1 is a detailed report from the Oxfordshire and Cherwell Partnership Working Group setting out progress and options for future development of the partnership after six months in operation.
- 2.2 At the inception of the partners it was agreed that a six-month review would take place to consider progress and next steps. The report sets out positive progress and savings identified.

3.0 Report Details

- 3.1 The report at appendix 1 sets out the progress of the partnership since its inception in October 2018. Including a series of recommendations to develop and enhance joint working.

- 3.2 Positive progress has been shown alongside opportunities for further development. It is the view of the Partnership Working Group that the joint working model demonstrates a good opportunity for Cherwell and Oxfordshire to generate savings, deliver efficiencies and improve two tier working. The recommendations set out how this can be further developed. Executive is asked to agree these recommendations.
- 3.3 In addition to the recommendations the Partnership Working Group have also set out a proposal to establish a joint project team to expedite the delivery of joint working. This team will be co-funded and expected to deliver savings in excess of its costs. Funding will be drawn from existing service budgets and/or transformation reserve.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Executive is asked to agree the recommendations set out in the report.

5.0 Consultation

N/A

6.0 Alternative Options and Reasons for Rejection

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

Option 1: Executive may choose not to endorse the report. If this was the case it is likely that the joint working partnership between CDC and OCC would come to an end.

7.0 Implications

Financial and Resource Implications

- 7.1 Joint working is a proven way of delivering savings (with £315,000 already identified as set out in appendix 1). A dedicated project team will expedite the delivery of further savings. Any project delivery team will be joint funded and is expected to deliver savings greater than their cost, in effect 'paying for themselves'. The initial establishment of the team will be funded from within existing resources including use of appropriate reserves

Comments checked by:

Adele Taylor, Executive Director: Finance and Governance (Interim), 0300 003 0103, Adele.Taylor@cherwell-dc.gov.uk

Legal Implications

- 7.2 There are no legal implications arising from this report. The governance of the partnership is set out in an existing section 113 agreement between the two authorities.

Comments checked by:

Nick Graham, Director of Law & Governance, 01865 32391

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8.0 Decision Information

Key Decision

Financial Threshold Met: No

Community Impact Threshold Met: No

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Barry Wood, Leader of the Council

Document Information

Appendix No	Title
1	Partnership Review, Evaluation and Next Steps Report of the Partnership Working Group
Background Papers	
None	
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Oxfordshire County Council and Cherwell District Council

Partnership Review, Evaluation and Next Steps

Report of the Partnership Working Group

March 2019

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Document Control

Date	16/3/19
Version	Draft 2.0
Report Author	Claire Taylor Assistant Chief Executive / Directors of Customers and Service Development
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1. Executive Summary

- 1.1 This review provides a background to the joint working partnership between Oxfordshire County Council and Cherwell District Council. The report summarises activity and progress since the inception of the partnership in October 2018 and sets out a series of options and recommendations to further develop the work that has begun in the first six months of partnership delivery.
- 1.2 The report provides an overview of joint working models and gives examples of similar arrangements in place elsewhere in the local government sector.
- 1.3 The governance of the partnership is considered, and it is concluded that the governance arrangements (i.e. the use of a 113 agreement, oversight through an informal joint working group, and a joint working committee to deal with any formal decision-making requirements) provides a solid framework for sharing services, one that is well used across the sector.
- 1.4 Successes of the partnership are considered in relation to to the original principles and outcomes set (in October 2018) and with regards to the financial benefits. It should be recognised that the partnership has been in operation for only 6 months and therefore business cases for full shared services are still underway, but the report sets out that even in this short time benefits have been achieved.
- 1.5 Finally, the report makes recommendations to further enhance assurance and embed joint working into 'business as usual operations' such as performance management, internal communications, governance, project management, audit and organisational change.
- 1.6 The review provides an opportunity for Member of both councils to reflect upon the work undertaken to date and set the direction for the future development for the partnership.

2. Recommendations

Partnership Working Group is recommended to:

1. Note the progress to date developing opportunities for joint working between Cherwell District Council and Oxfordshire County Council as set out in section 4 of this report.
2. Endorse the proposals set out in this report (section 5) to continue developing joint working arrangements. These arrangements may include recruitment to joint posts and the development of shared services. To note that any new shared service arrangements will be subject to the development and adoption of specific business cases.

3. Request that officers continue to develop options for the exploration of collaborative frontline delivery arrangements that will improve access and outcomes for local people. The options may take the form of shared service delivery, closer alignment of county and district services or pilot projects. As for shared services these proposals should be brought forward with a specific business case, where necessary governance implications will be set out.
4. Request that officers prepare an annual 'performance' update to provide a summary of the achievements and benefits of joint working and that officers use this report as a model to explore joint working opportunities with other partners whether these be districts or other public sector organisations.
5. Request that a joint event is held for Members of both councils to raise awareness about joint working and its wider applications through a member briefing or seminar.
6. Endorse the ongoing use of a section 113 agreement as the framework to enable joint working. Note that the Monitoring Officer will keep under review arrangements for joint working governance requirements to ensure that governance remains fit for purpose in a shared service environment.
7. Identify any additional recommendations, lessons or feedback that the Working Group would wish to provide to Oxfordshire County and Cherwell District Council as part of this gateway review.

3. Background

- 3.1 During the summer of 2018 Members at Oxfordshire County Council (OCC) and Cherwell District Council (CDC) agreed to establish a joint working partnership. Partnership working began in October 2018 with the establishment of a joint Chief Executive role.
- 3.2 The development of the partnership represented a new opportunity to reset the tone of county and district collaboration in Oxfordshire. An opportunity to work together in the context of the Oxfordshire growth deal, the first of its kind in the country. It is also an opportunity for both authorities to explore how vertical joint working (i.e. joint working between a county and district rather than between two districts or two counties often referred to as horizontal joint working) could successfully deliver operational efficiencies. The partnership provides an opportunity in terms of reducing the cost of running services and, perhaps more importantly improving how local residents experience the delivery of services by aligning county and district frontline operations.
- 3.3 As instigators of the partnership OCC and CDC have made a bold move. Sharing services and joint working are well established within the sector however there is often a perception that like should share with like (horizontal sharing). OCC and CDC are somewhat ahead of the game, beginning to shape and develop what is beginning to be referred to as non-structural reform. This

type of reform aims to ensure that services are designed around people, communities and places rather than organisational boundaries, seeking to ensure operational efficiencies, but more fundamentally a better service experience for local communities. The goal is to ensure that the resources of both organisations are meeting both the long term and local needs of communities, through better planning and place shaping, service support designed around the recipient and a focus on prevention and demand management.

- 3.4 The first stage of this arrangement was to share a chief executive officer with an agreement to explore further opportunities. The terms and framework of the partnership are set out in a section 113 agreement. This agreement essentially enables officers from each authority to operate for the other. The councils have established a broad 113 agreement which extends beyond the CEO role to include any post or service area. It should be noted that officers working in joint roles remain employed by their 'home' authority.
- 3.5 Members set out their expectations that any long-term shared service arrangement should be subject to a detail business case. A partnership working group (the PWG) has been established to oversee the development of these business cases. The PWG has also chosen to endorse joint appointments on both an interim and permanent basis as opportunities have arisen. To date none have been permanent chief officer appointments and as such the PWG has not had to meet as a formal joint committee to undertake a Member appointments process.
- 3.6 There are several different ways of enabling joint working table 1 (overleaf) sets out the various delivery models available. After six months of operation the OCC | CDC partnership could best be described as being in the earliest stages of the second model. However, it should be noted that a mix of the three approaches can be utilised effectively. Joint working should be enabled by the most appropriate governance and delivery models and these may differ on a service by service basis.
- 3.7 The delivery of shared services has an established track record within the local government sector. Members may be familiar with the Cherwell and South Northants model whereby a fully integrated workforce delivered savings of around £20 million over the 10-year life of the partnership. Likewise, OCC established a shared service partnership with Hampshire (IBC) to deliver transactional HR and finance services, with annual savings estimated at £0.805m. Whilst neither of these models may be the preferred long-term model of shared service delivery, they do demonstrate that various shared services models are operative and offer a variety of benefits.

Table 2 outlines similar examples covering county, district and mixed examples.

Table 1: Models of Joint Working (PWC March 2019)

	1. 'Customer / supplier' partnership (Host Authority)	2. Shared roles / specialist functions (Joint direct delivery)	3. Fully shared functions (Joint direct delivery at scale)
Description	The services of one council being extended to another on a commercial/contractual or partnership basis. The supplier authority delivers defined and agreed service provision to the customer authority. Services are delivered and managed under the supplying authority's processes, practices and operational decision-making.	The councils establish shared management or specialist roles, using various legal mechanisms, to deliver services on behalf of both councils. Officers are responsible directly to both councils, with alignment of processes, practices and decision making where possible. However, these will be tailored to meet differing requirements between organisations if needed.	Similar to Option 2 but at greater scale, with the councils establishing whole functions / teams to deliver services on behalf of both councils. In some cases, some functions might primarily be utilised by one council but resources accessible by both. Integration of processes, practice and decision making where possible.
Key features	<ul style="list-style-type: none"> • 1:1 agreement between the two authorities for a specific purpose (likely use of s101 agreement). • Defined services and delegation of responsibilities (under a Service Legal Agreement of some form). • Customer authority pays the supplier authority an agreed amount for the provision of services. • Functions in this model operate using the policies, working practices and systems of the host authority. • Host authority is the employer of staff with staff transfers if required. • Various mechanisms available for accountability between customer and supplier authorities. 	<ul style="list-style-type: none"> • Use of s113 for specific posts enabling designated officers to operate for both councils but remaining an employee of their original authority. • Majority of posts continue to deliver for employing authority, following their processes and practice. • Separate budgets, with financial contribution for service costs which are proportionate to services delivered to each authority. • Mixed policies, working practices and systems used for operational delivery. • Shared roles or specialist functions directed by aligned policy goals, set either by a Joint Committee or simultaneous executive decisions. 	<ul style="list-style-type: none"> • Pooled team resource using s113 arrangements, with any subsequent new posts hosted by one authority. • Majority of posts able to deliver across both authorities. • A form of budget sharing (with appropriate accounting and audit mechanisms for each authority). • Harmonisation of policies, working practices and systems used for operational delivery (as far as possible). • Shared management and operational decision making, informed by strategic goals and priorities set by each authority. • Potential precursor for an alternative or separate delivery vehicle.

Table 2: Examples of Joint Working (PWC March 2019)

	Gloucester City / Gloucestershire	Suffolk Shared Services
Description	Shared CEO of City and Director of County, sharing of back office services, potential co-location	Babergh DC, Mid Suffolk, Suffolk County
Horizontal / Vertical	Vertical	Horizontal limited vertical
Benefits	Resilience, financial, long term opportunity to save through co-location	13m since 2011
	Selby DC and North Yorks County	Suffolk Councils Legal Services
Description	Shared senior posts, co-location, sharing of finance, exploring legal and HR.	County wide shared service based around a single case management system.
Horizontal / Vertical	Vertical	Vertical and horizontal
Benefits	1.5m saved in first three years	Resilience, co-ordination.

4. Partnership Progress

The partnership has been in operation for just under six months, commencing with the implementation the joint Chief Executive role in October 2018. At the commencement of the partnership it was agreed that a six month 'gateway' review would be undertaken. This gateway review gives Members from both councils the opportunity to reflect upon achievements and consider proposals for the future of the partnership.

Development of the partnership has combined an emergent and opportunistic approach coupled with planned and specific proposals, this has resulted in a combination of permanent and interim joint posts, detailed work exploring shared services and the early stages of service alignment in areas such as housing and commissioning.

This section sets out the progress made by the partnership during its first six months, it covers delivery of joint working opportunities, that is what has been delivered and how it is working. It then considers financial benefit and finally summarises with an assessment about the extent to which the partnership has met its stated principles and objectives (which are reproduced in Appendix 1).

4.1 Delivery of Joint Working Opportunities

4.1.1 The table below sets out the progress made in terms of joint working. The activities below reflect the agreed approach of taking opportunities as they arise and developing more detailed and specific service proposals.

Table 3: Summary of Joint Working Deliverables

Joint Senior Appointments	<ul style="list-style-type: none">• Chief Executive - the appointment of a CEO shared across both organisations. This also includes shared PA support.• The appointment of an Assistant Director shared across both organisations to lead regulatory services and public protection (permanent appointment).• The appointment of an Assistant Director shared across both organisations to lead Housing and Commissioning (permanent appointment).• The appointment of a strategic lead shared across both organisations for human resources (permanent appointment).• Interim sharing of the monitoring officer.• Interim sharing of Assistant Chief Executive / Director
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Business cases for shared services (all currently under development)	<ul style="list-style-type: none"> • Law and Governance • Finance • Human Resources • Corporate Services (including communications and marketing, corporate core services such as policy and consultation, research and business intelligence) • Regulatory Services, Community Safety and Public protection.
Provision of service arrangements	<ul style="list-style-type: none"> • Emergency Planning (OCC to CDC) • Business Continuity (OCC to CDC)
Collaboration and service alignment	<ul style="list-style-type: none"> • IT – provision of informal project assurance (CDC to OCC) • CDC and OCC shared approaches to junior management & organisational development • Early stage feasibility on how to align service development between OCC and CDC with regards to the proposed Family Safeguarding model. • Early stage development of service alignment proposals around housing and commissioning
Co-location	<ul style="list-style-type: none"> • Provision of training area at Bodicote House for OCC staff using the new Liquid Logic application • Provision of hotdesking area at Bodicote House for OCC staff

4.2 Financial Benefits

4.2.1 Joint working and shared services partnerships are able to drive out savings through a variety of means; these include shared senior management, other joint posts or service structures, shared opportunities such as procurement and commissioning, economies of scale and business process efficiency. More established partners may also seek to deliver savings through rationalisation of property and estates and shared endeavours / investments / projects that could generate income. The benefits returned depend on the nature of the partnership, its depth and ambition.

4.2.2 The Oxfordshire | Cherwell partnership to date has focused on the sharing of senior posts which have delivered savings. A small amount of financial benefit or cost avoidance has also been achieved through the provision of emergency planning and business continuity services from OCC to CDC – this amounts to around £20k (on the basis that CDC have avoided employing additional FTE and the limited funding available contributes to a shared post).

4.2.3 It should be noted that the savings outlined represent a best estimate. This is due to the fact that several of the posts are shared on an interim basis and with regards to the HR post the contribution arrangements are due be finalised at the end of March, so at this stage have been estimated. The calculations are

based on salary plus on costs and to give a sense of the annual sum have been are presented as a predicated annual saving for 2019/20 based on the assumption the current arrangements continue.

Posts shared	OCC estimated saving 2019/20	CDC estimated saving 2019/20
<ul style="list-style-type: none"> • Chief Executive • Monitoring Officer • Assistant Chief Executive/Director • Assistant Director Regulatory Services and Community Safety • Assistant Director Social Care, Commissioning and Housing • Strategic Lead for HR 	£314k	£315k
	£629k	

4.2.4 The figures above demonstrate that savings that can be realised through the sharing of senior posts. It should be recognised that other opportunities such as procurement or process efficiency haven't been taken into account.

4.3 Principles and Objectives

4.3.1 The table below sets out the principles that underpin the joint working partnership and makes an assessment about the extent to which these principles have been met. These were agreed at the meeting of the Working Group in October 2018 (the report is set out at Appendix 1).

Table 4: Partnership Principles - delivery assessment

Partnership Principle	Assessment
1) That both councils will retain their own governance and constitutional structures	Principle met. The section 113 agreement sets out how this works. No examples of conflict have emerged. No additional changes have been required to accommodate the partnership in terms of governance.
2) That there will be no restriction on each authorities' ability to determine how it exercises its functions nor how each formulates and spends its budgets	Principle met. The section 113 agreement sets out how this works. No examples of conflict have emerged.

Partnership Principle	Assessment
3) That both councils will be able to demonstrate savings or a neutral position through the joint arrangements	Principle met. All arrangements and opportunities to date have adhered to this.
4) That both councils will be able to demonstrate improved services and outcomes through the joint arrangements	At this stage no full shared services have been implemented and therefore it is too soon to be able to demonstrate this principle in action. Business cases are underdevelopment and the Partnership Working Group will wish to ensure that they can demonstrate this principle.
5) That an incremental approach will be taken to manage risk, reduce costs and minimise the impact of transition on service delivery	Principle met. Proposals have been subject to consideration on a case by case basis. No whole service decisions have yet been taken although several are under development and will be considered on a business case by business case basis.
6) That both councils will commit to working towards sharing formulation of policy, alignment of procedures and sharing of teams (subject to the approval by each council) where doing so is in the interests of residents and represents value for money	Principle met. Although in the early stages the work undertaken as part of the business case for law and governance demonstrates this principle. The lessons learnt document produced by PWC sets out how this can be supported through alignment in HR, ICT and finance. These documents are set to be consider by the Partnership Working Group in April 2019.
7) That local physical presence will be maintained and improved	Principle met. Local presence maintained. Enhanced through training and hotdesking space at Bodicote House for OCC staff. It should be noted that there is further opportunity to enhance local presence through a wider approach to estate and property management.

Partnership Principle	Assessment
8) That councillors from both councils will be fully involved in the development of the joint working arrangements	<p>Principle met. All proposals are considered by the Partnership Working Group with equal representation. The Chair and Vice Chair of the Partnership Working Group have communicated progress after each meeting.</p> <p>It should be acknowledged that there are opportunities to share and engage more widely and this forms one of the recommendations in the review.</p>
9) That both councils will work together to understand their organisational and political cultures and to assess risks and opportunities for joint working that result from these	<p>Principle met. OCC and CDC have worked to understand their organisations contexts. The Partnership Working Group has sought to understand the impact of separation between CDC and SNC and how this impacts on joint working development.</p> <p>Likewise, OCC and CDC have sought to explore how the county's transformation programme can sit alongside joint working and help to enable or unlock shared service delivery.</p>

4.3.2 The Partnership Working Group also set out as series of programme objectives to sit alongside joint working principles (Appendix 1). These are set out in the table below and again an assessment is made with regards to the success of delivery. It should be noted that the objectives for the partnership working programme reflect an ambitious and long-term agenda, so it cannot be argued that any of the objectives have been completed. However, it can be shown that work to date demonstrates that there is significant potential to meet the long-term objectives set out.

Table 5: Partnership Programme Objectives - delivery assessment

Programme Objective	Assessment
1) To effectively co-ordinate and align key areas of work such as place making and growth, community development and wellbeing for the benefit of local residents, communities and businesses.	Objective underway. The Partnership Working Group has demonstrated it can effectively consider, commission and co-ordinate opportunities for joint working. Opportunities to consider joint working in place making and growth work are in the earliest stages.

Programme Objective	Assessment
2) To develop joint working in areas where it makes sense to deliver services through integrated and/or aligned management and delivery teams.	Objective met. Joint working opportunities currently being explored in the following areas: <ul style="list-style-type: none"> • Law and Governance • Corporate services in`c policy and communications • Human Resources • Finance • Housing and Commissioning • Public Protection and Regulatory Services • Family Safeguarding • Sharing of senior posts
3) To improve (or maintain) the financial position of both councils.	Objective met. In year savings realised. On-going savings deliverable. Further potential for joint working to make savings through estate and property, procurement and demand management to be scoped.
4) To consider the potential for an effective joint management structure or joint management posts.	Objective underway. A mix of interim and permanent appointments have been made and show proof of concept. There are clear further opportunities given the number of vacancies at CDC and OCC. Savings on senior appointment (management overheads can be demonstrated).
5) To consider the potential for shared support services, serving the needs of both councils to the standards agreed by each.	Objective underway. Proposals for law and governance well advanced (expected to PWG in April 2019). Business case for joint working in HR commissioned. Finance and corporate services options to be explored in the first phase of county council transformation programme.
6) To maximise the opportunities for joint initiatives and joint working with partners in ways that better meet the needs of residents.	Objective underway. The Partnership Working Group has identified a number of opportunities to improve how residents experience services through joint work. These include co-location, alignment of frontline services and strategic co-operation in areas such as the delivery of the growth deal.

4.4. Summary of Benefits Achieved

4.4.1 In summary the OCC | CDC partnership has met the objectives and principles it set out at the early stages of joint working. The partnership has taken

opportunities as they have emerged and commissioned more detailed business cases for joint working in several back-office services.

- 4.4.2 Members of the Partnership Working Group have been explicit in their ambitions to look at how county and district services can be aligned to better meet the needs of local communities and have endorsed early work to explore this with regards to housing and commissioning, family safeguarding, emergency planning, public protection and regulatory services.
- 4.4.3 Both partners have seen the potential for financial benefit, with in year savings delivered and the opportunity for further savings identified.
- 4.4.4 Finally, the work undertaken to date could be used to test the model for wider collaboration, for example with other districts or public sector partners.

5. Proposals for Partnership Development and Next steps

This section sets out a number of recommendations and proposals to help support the development of joint working if the partnership continues. It covers governance, performance, operational and project delivery and options for the future.

5.1 Governance

- 5.1.1 There are many options that are available to provide a governance framework for joint working. These include more formal or contractual arrangements (usually managed through service level agreements), the use of arm's length employment vehicles, joint ventures and various collaborative options under different elements of local government law. The use of a section 113 enables one authority to put its staff at the disposal of another to deliver services. It provides a flexible governance model whereby service specific arrangements can be developed on a case by case basis. The 113 provides the simplest method by which to undertake joint service delivery and as such should be maintained. Alternative governance models may be considered and if necessary they will be presented as part of specific service functions or projects / business cases. The 113 therefore needs to be clear and fit for purpose, to facilitate this a brief review of the 113 is suggested to ensure it is clear and fit for purpose.
- 5.1.2 Assurance that shared services are delivering and underpinned by effective corporate governance is important, as it is for traditional forms of service delivery. It is therefore proposed that as joint working is embedded and developed the shared arrangements should be added to the both councils internal audit programmes so assurance is considered on a routine basis, as part of business as usual.
- 5.1.3 Likewise both councils may wish to add appropriate commentary to their annual/quarterly governance statements to provide on-going assurance with regards to partnership governance.

- 5.1.4 As such, it is not proposed to change the role of audit committees with regards to risk, assurance and corporate governance of shared services or joint working, these recommendations seek to reflect or embed shared services governance in both councils' respective governance frameworks. Likewise, the scrutiny arrangements of both authorities may also be used to consider joint working as and when they choose to.
- 5.1.5 The decision-making body for matters relating to Joint Working is a formal joint working committee. This committee acts as an appointments committee and oversight committee for shared services. To date there has been no requirement for the committee to meet as there have been no chief officer appointments or formal business cases for shared services. When these are developed or appointments required the committee will be required to meet.

5.2 Performance and Review

- 5.2.1 All service delivery arrangements benefit from periodic review and performance management should form part of everyday operational delivery, shared services should not be considered any differently. However, it should be recognised that where a service is shared Members and/or service commissioners need to be assured that the function is delivering. As such it is recommended that an annual review of joint working performance is presented in the form of an annual report (publicly available) setting out outcomes, achievements and savings/efficiencies delivered.
- 5.2.2 This annual review should be a shared document providing both a summary of performance and a prospectus of opportunities which could be replicated in other areas of the county. This performance review should be considered in the public meeting of the councils' joint committee to ensure transparency. The document may also be considered used by each councils' scrutiny committees.
- 5.2.3 In terms of partnership review, it should be noted at any stage members from either side of the partnership can seek to end the relationship. The 113 sets out how this process would be undertaken. As such no further 'gateway' reviews of the existence of the partnership are recommended.
- 5.2.4 It is noted that the Partnership Working Group meets in private. This is due to the nature of discussions which include human resource matters. It is suggested that shared service delivery is included in both councils' performance management frameworks so Members not on the PWG are able to access information about joint working.

5.3 Operational and Project Delivery

- 5.3.1 The Partnership Working Group has sought to align the work to separate CDC from SNC and the OCC transformation programme with the development of options for joint working. It is worth noting that CDC is on track to separate all

frontline services from SNC by July 2019 and most back office services by September 2019. As such the CDC SNC partnership does not represent a significant barrier to joint working.

5.3.2 Since the inception of the partnership the OCC transformation programme has also begun in earnest. Officers have sought to align opportunities to explore joint working alongside transformation. This has the benefit of a single programme of change and minimises the impact on staff as the principle of 'one change process' is adhered to as much as possible. It should be noted that not all elements of the OCC transformation programme are appropriate to use for the development joint working. It should also be noted that the OCC transformation programme should not prevent options for joint working being explored.

5.3.3 As part of the work that has been undertaken to prepare a business case for a shared law and governance service PWC have reviewed and considered enablers for joint working. They have made a series of reflections which are set out below. It is recommended that should the partnership continue, these are addressed by a project team dedicated to the effective implementation of joint working. The PWG will receive a more detailed summary of the lesson learnt at the meeting in April 2019.

- a) There are no barriers which prevent joint working from being implemented. A systematic approach to addressing the areas raised through this work will help to avoid any potential 'speedbumps', improve staff engagement and can save additional effort and cost at a later point.
- b) Equally pragmatism is needed –the councils could spend considerable time trying to get comprehensive solutions without delivering benefit. The three broad models of joint working (see table 1) will help services determine what is most applicable to them and make progress quickly.
- c) A mixture of different joint models is likely to be needed depending on function, given the differences in responsibilities of OCC/CDC and vertical integration required. Clear core principles will help streamline how these arrangements are managed and monitored.
- d) Example case studies of joint working between OCC and CDC will be a great catalyst for momentum in other service areas –improving the staff experience of joint working by minimising or mitigating ICT/Finance/HR operational challenges will help to establish these stories.
- e) It should therefore be a priority to address key areas such as: HR operational policies (change management; disciplinary; appraisal); Finance principles for recharges, aligning finance working practice and budget processes; and ICT workarounds.
- f) There are a number of other longer-term areas that will be important to consider and plan for, but will not need to be implemented until later (if at

all), such as: potential for pay / T&C alignment; values and behaviours for operating in partnership; greater ICT integration.

- g) An overarching view of the direction of joint working and where it is being developed will help to communicate and demonstrate mutual benefit to both councils when all is taken into account.
- h) A centrally co-ordinated programme of work alongside transformation would help to drive and implement joint working at greater pace. The log of queries and issues captured as part of this work (i.e. the law and governance business case) can be converted into a work plan to support this.
- i) A focus on cultural alignment and change management will be important – The focus of this work is on technical solutions to remove potential issues but a spirit of partnership must be cultivated and authentically felt at all levels so that joint working can be as successful as possible.

PWC March 2019

5.4 Options for the Future and Next Steps

- 5.4.1 After six months in operation the partnership has demonstrated that effective relationships between Councillors from different authorities can be formed, that opportunities can be taken as they arrive to maximise benefits and that there is potential for shared service delivery. Members have also identified additional ambitions and areas for joint working, including public estate and alignment around frontline services.
- 5.4.2 Following the six-month review there are two options; to continue to develop the partnership or to cease partnership working and revert to single authority arrangements.
- 5.4.3 The activity completed in the last six months suggests that there are no operational or financial reasons not to continue developing the partnership. Further opportunities have been identified and a solid working relationship between both officers and Members of the two councils has been formed to lead delivery. A series of improvements have been identified in this review to improve awareness, to improve project delivery, increase transparency and embed the partnership in the governance arrangements of both councils (for example including in the audit programme).
- 5.4.4 The alternative option would be to decommission the partnership. This would require the 113 agreement to be ended and all existing joint working arrangements to come to an end. Oxfordshire County and Cherwell District councils would then need to redefine their working relationship.
- 5.4.5 In summary it can be concluded that the first six months of partnership operation have demonstrated the 'proof of concept'. No governance issues have emerged that have prevented joint working, protocols to manage conflict

of interests have been put in place and joint human resource processes have been tested.

- 5.4.6. As such it is proposed that the partnership continues to develop on its current trajectory. That the principles and programme objectives as set out in Appendix 1 are re-endorsed and that all the improvements to performance, governance, and operational delivery contained within this report are accepted. It is also recommended that a short review of the 113 agreement is undertaken to ensure it is clear and fit for the next phase of the partnership. No further gateway reviews are recommended, ongoing assurance and performance managements arrangements should be used to ensure effective Member and managerial oversight.

Appendix 1: Joint Working Principles and Objectives

CHERWELL DISTRICT COUNCIL AND OXFORDSHIRE COUNTY COUNCIL PARTNERSHIP WORKING GROUP

Joint Working Principles and Objectives

23 October 2018

Executive Summary

1. This paper sets out the draft principles of joint working as considered in July by both Councils.
2. The Partnership Working Group is asked to consider these principles and note that they will form the guiding framework by which the partnership work programme is managed.
3. It should also be noted that after six months the programme will be reviewed, and success will be considered using these principles and objectives as the baseline.
4. The working group is asked to review the principles and objectives and identify any gaps or omissions that they would wish to see included. It is anticipated that any business case for joint working will need to reflect the principles and meet one or more of the objectives set out.

Principles of Joint Working

- 1) That both councils will retain their own governance and constitutional structures
- 2) That there will be no restriction on each authorities' ability to determine how it exercises its functions nor how each formulates and spends its budgets
- 3) That both councils will be able to demonstrate savings or a neutral position through the joint arrangements
- 4) That both councils will be able to demonstrate improved services and outcomes through the joint arrangements
- 5) That an incremental approach will be taken to manage risk, reduce costs and minimise the impact of transition on service delivery

- 6) That both councils will commit to working towards sharing formulation of policy, alignment of procedures and sharing of teams (subject to the approval by each council) where doing so is in the interests of residents and represents value for money
- 7) That local physical presence will be maintained and improved
- 8) That councillors from both councils will be fully involved in the development of the joint working arrangements
- 9) That both councils will work together to understand their organisational and political cultures and to assess risks and opportunities for joint working that result from these

Programme Objectives

- 1) To effectively co-ordinate and align key areas of work such as place making and growth, community development and wellbeing for the benefit of local residents, communities and businesses.
- 2) To develop joint working in areas where it makes sense to deliver services through integrated and/or aligned management and delivery teams.
- 3) To improve (or maintain) the financial position of both councils.
- 4) To consider the potential for an effective joint management structure or joint management posts.
- 5) To consider the potential for shared support services, serving the needs of both councils to the standards agreed by each.
- 6) To maximise the opportunities for joint initiatives and joint working with partners in ways that better meet the needs of residents.

Appendix 2: SWOT Analysis (strengths, weaknesses, opportunities, threats)

The analysis below sets out the strengths, weaknesses, opportunities, threats associated with the partnership:

Strengths	Weaknesses
<ul style="list-style-type: none">• Collaborative approach• Strong working relationships are developing• Maturity – sector leadership demonstrated• Early progress demonstrates a willingness to deliver and a proof of concept• Ability to move at pace demonstrated• Ability to realise savings demonstrated• Governance arrangement established	<ul style="list-style-type: none">• Currently there is no project team supporting the partnership programme and there is a risk that opportunities may be missed or not delivered at pace• The partnership is not well understood outside of the working group, which may lead to misunderstandings about how shared services work• No communications strategy for the partnership – either internal or external.
Opportunities	Threats
<ul style="list-style-type: none">• OCC ICT service improvement work is about to commence which could facilitate the development of a joint IT offer• Back office savings for both authorities due to joint working are deliverable, and whilst they may only reduce running costs in the early stages they may also facilitate more effective joint working across the county• Opportunities to collaborate on strategic matters such as the growth deal and demand management identified• Ambitious transformation programme affords opportunity to help drive change• Willingness to use the partnership to pilot joint working ideas that could be replicated cross county• Opportunity to use the partnership to revitalise agenda such as co-location, estates and property	<ul style="list-style-type: none">• Partnership seen as limited or benefits not applied more widely across the county and the districts• ICT, finance and HR services enable joint working and as such some alignment is required, this is currently in the earliest stages• So much scope and potential for joint working that efforts are spread too thinly• Other districts may feel excluded•