SOUTH BUCKS AND CHILTERN DISTRICT COUNCIL SHARED MANAGEMENT ARRANGEMENTS
Contact Officer: Alan Goodrum (01494 732001)

RECOMMENDATIONS

That the Cabinet:

• Endorses the Business Case (October 2011) for South Bucks and Chiltern District Councils Shared Senior Management Arrangements as the basis for moving forward.

• Agrees the terms of the Inter Authority Agreement ("IAA") in so far as they relate to Executive functions of the Council

• Recommends to full Council the approval of the terms of the IAA in so far as they relate to Non Executive functions of the Council

• Authorises the Monitoring Officer to finalise the execution of the IAA (in consultation with their counterpart in South Bucks District Council) and delegates to them the power to deal with any drafting or minor final points to achieve the aims of the two authorities

• Forms and participates in a Joint Committee with South Bucks District Council and delegates to the Joint Committee all necessary Executive functions to enable it to fulfil its functions and responsibilities as set out in the IAA subject always to such delegation not extending to any matter where agreement cannot be reached between the authorities

• Recommends to full Council the formation of and participation in a Joint Appointment and Implementation Committee with South Bucks District Council and delegates to the Joint Appointment and Implementation Committee all necessary Non Executive functions to enable it to fulfil its functions and responsibilities as set out in the IAA subject always to such delegation not extending to any matter where agreement cannot be reached between the authorities and

• Authorises the Monitoring Officer to agree detailed constitutions and standing orders for the Joint Committee and the Joint Appointments and Implementation Committee (in
consultation with their counterpart in South Bucks District Council) in order to ensure that the two joint bodies are able to fulfil their responsibilities as set out in the IAA effectively and efficiently.

That the Council

- Considers and agrees the recommendations from Cabinet in relation to the IAA and the Joint Appointment and Implementation Committee.

- Agrees the principle of making available relevant staff under the terms of Section 113 of the Local Government Act 1972 to South Bucks District Council for the purposes of the Joint Arrangements, subject to all necessary consultation and consents and in accordance with employment legislation and good practice.

- Makes any necessary consequential amendments to its constitution to reflect the newly created joint arrangements.

Relationship to Council Objectives

The proposal is included in the recently approved Council Key Objectives. 1. Efficient and Effective Customer Focused Services: D. Implement the most effective management team arrangements at least cost.

Implications

(i) A Key Decision.

(ii) Contains recommendations to full Council.

Financial Implications

The proposal will generate for the two Councils £514k ongoing savings pa with a set up cost of £482k, detailed further in the business case and financial appendices.

Risk Implications

The business case contains a risk assessment – the biggest risk is entering into the partnership without the ambition and commitment to see it through.

Equalities Implications
An Equalities Impact Assessment is being prepared and equalities will be considered at each stage of implementation.

Sustainability Implications

The business case is concerned with phase 1 – shared management team. The real sustainability impact will come in the shared service reviews, where not only cost and customer service issues will need to be considered but service location and contribution to sustainability.

Report

1 Earlier in the year, Chiltern, South Bucks and Wycombe District Councils agreed to look at the possibility of sharing senior management, subject to an Inter Authority Agreement (IAA) and confirming the Business Case. Discussions subsequently took place between the three Leaders. They consider the most cost effective arrangement at this time is that South Bucks and Chiltern look at rationalising their Management Teams together to form a joint team and a joint Chief Executive. The two Councils can do this because they have a number of senior level vacancies and can achieve it at low cost.

2 The proposal the Councils of South Bucks and Chiltern are now being asked to consider before committing to the project, has two components.

- The Business Case setting out the rationale for sharing management, and the financial implications of the proposal, together with identification of risks, and a potential timetable. (Appendix 1)

- An inter authority agreement that sets out the governance arrangements that would underpin the shared management arrangement and shared working. (Appendix 2)

The Business Case

3 The business case has as its starting point that there are a lot of similarities between South Bucks and Chiltern, that there is a shared understanding of the principles and critical success factors, and that there is a common financial imperative.

4 The financial aspects of the business case relate solely to setting up a shared Management Team (Stage 1) which will provide a firm platform to move forward to create shared services (Stage 2). The report includes several working assumptions, but it is reasonable to conclude that for Stage 1 ongoing savings of £514k can be achieved with a maximum £482k cost. No assumptions are made about the financial outcomes of Stage 2 and individual proposals brought forward would be judged on their own individual business cases at the time.
5 The report advocates a phased approach, with Members able to control the pace and scale of change. To divide up the savings fairly, a cost share model has been developed which would lead to savings being shared on the basis of population. On this basis Chiltern would benefit from 58% of the savings or £298k in a full year. An analysis of strategic risks is included in the business case, and essentially the biggest risk is entering into this partnership without the ambition and commitment to see it through.

Governance

6 It is essential that clear governance arrangements and accountability are established at the outset and the Inter Authority Agreement provides that. The two Councils remain separate sovereign bodies with their own Member governance structures as existing, but it is proposed that there is a new shared governance created to look after the establishment of the shared Management Team, the management of the overall programme and future shared services initiatives.

7 A Joint Committee (JC) of the two Cabinets is to be established to drive forward Stages 1 and 2 and manage the shared programme. Member working groups (MWG) will be established to oversee the development of particular shared service proposals that will arise in Stage 2, giving an opportunity for a wider group of Members to get involved. To make appointments to the new senior structure (Stage 1) a Joint Appointments and Implementation Committee (JAIC) would be established on the basis of political balance. A suggested amendment to the JAIC terms of reference is to make it 5 Members from each authority rather than to allow for a broader cross section of Members to be represented. This will be incorporated in the agreement for signature (Appendix 3 of the document).

8 In committing to the arrangements, the two Councils’ earliest exit would be 31 May 2015 and after that with a year’s notice on a rolling basis. A process is set out if a request to expand the arrangements to include other authorities is made, and the cost split reflected in the business case is included in the IAA. For reasons of expediency, staff appointed to the new structure will retain their existing employer. Once the shared arrangements are mature, this can be reviewed.

9 In drafting the governance arrangements, the Councils have been advised by Bevan Brittan LLP.

Next Steps

10 The timetable for the establishment of the joint arrangements is as follows:-
11 If both authorities agree with the proposals at their respective Council meetings then there would be early meetings of the Joint Committee and the Joint Appointment Committee to progress the project.

12 Both authorities are taking a consistent approach in terms of the content of the Cabinet report, Overview and Scrutiny and staff briefings.

13 A letter from UNISON giving their comments on the Business Case and Inter Authority Agreement is included as Appendix 3. It was very useful to engage in discussions with them at the regular MT/Staff Side meetings and many of their points have been discussed with them. In summary, on the business case their comments relate to ensuring we have sufficient capacity and resource to do the jobs effectively (which officers believe the business case as proposed provides for), and ongoing consultation (which we will continue). In respect of the IAA, we are not proposing at present a single employer (this is for future consideration), and UNISON feel more consideration should be given to the exit strategy (clearly it will be difficult to unravel the arrangements and the reports to Members of both Councils emphasise that we should not enter into this with the intention of withdrawing; nevertheless potential exit is covered in the IAA). In terms of the freeze on permanent staffing replacements, officers feel this would be unnecessarily restrictive at this stage and not appropriate to the IAA. Both Councils will however want to fulfil statutory and contractual consultation as well as supplementing this with briefings and liaison with Staff Side.

14 It should be noted that the proposals do give rise to some sensitive personnel issues and the two Councils are taking steps to appoint an independent advisor with experience of shared management teams to advise and support Stage 1. Provision has been made in the Business Case costs for external support for personnel and other services related to moving to the new approach of shared management.

15 The approach to a shared management team and shared services has been the subject of an all staff briefing. In addition, the Business Case and IAA have been the subject of considerable discussion at Management Team and Heads of Service meetings and Management Team Staff Side meetings. Formal consultation with the affected staff would take place once the recommendations contained in this report have been considered and the JAIC convened.
The proposals were supported at SBDC Overview and Scrutiny Committee on 14 November and Cabinet on 22 November 2011.

The independent personnel advisor has been formally appointed. She was closely involved in setting up the Cherwell and South Northants shared Chief Executive and Management Team recently. In addition, at the time of writing dates are being canvassed for the Joint Committee and Joint Appointments and Implementation Committee. It is expected the Leader will announce the JC Members at Cabinet and propose the JAIC Members at Council.

Overview and Scrutiny

A very useful discussion took place at Performance and Resources Overview Committee on 8 November. A copy of the minute is appended (Appendix 4).

The main issue was to understand more fully the financial breakdown. This issue is addressed in Private Appendix which has also been made available to SBDC Members. Performance and Resources have arranged to meet on 8 December to consider this additional information.

This report will be updated orally at Cabinet.

Background Papers: None