

Executive – 19 November 2009

SHARED SERVICES

Report of the Joint Management Team

Statutory Powers: The relevant powers for the delegation are contained within Section 101 Local Government Act 1972. This will enable development of shared services delivery between both Councils, the creation of the Joint Steering Group and the delegation of powers as proposed in this report.

Financial Implications: There are direct financial implications arising from this report which are set out in paragraph 8. Other costs will be dealt with in accordance with the agreed approach for shared services. However, the development of shared services is intended to contain and reduce delivery costs whilst maintaining and improving services to the public.

Purpose: The purpose of this report is to obtain authority to implement the actions overwhelmingly agreed by the large number of Members of both Authorities who attended the Workshop on 12 October 2009. In addition to those actions identified in the recommendations, there is a general Member agreement to:

- (a) assess options for Landscape and Leisure activities and Property Services and put to the next Member Workshop;
- (b) move ahead with a shared approach in all services. However, the early actions have to be prioritised and need to be focussed on those areas which have the greatest potential to produce financial savings.

The Heads of Service structure, if this approach is agreed, is set out in Appendix B.

RECOMMENDATIONS

That the Executive RESOLVES that:

- (i) **two new Heads of Service Designate roles be created (for a period of 4 months), namely:**
 - **Head of Strategic Planning & Economy**
 - **Head of Housing and Community Delivery****and that those appointed work with the Joint Management Team to produce Business Plans for the next 3-5 years;**
- (ii) **the Internal Audit service currently operated for West Devon Borough Council by PricewaterhouseCoopers be provided by South Hams District Council as a shared service;**
- (iii) **in principle, a shared Legal Service be agreed;**
- (iv) **integration of Waste and Street Scene Services be progressed and a route map to achieve a single Head of Service be prepared;**

- (v) responsibility of PR/Communications be moved to the Chief Executive;**
- (vi) the Performance and Improvement Service be integrated in Housing and Community Delivery, except for data performance which will be transferred to the Finance Service at both Councils;**
- (vii) a Steering Group of six Members, three from each Council, be appointed and that this Group be tasked with agreeing recommendations to be put to the Executive at South Hams and Strategies & Resources Committee at West Devon;**
- (viii) the Council be recommended to agree the names of the Members to serve on the Steering Group;**
- (ix) the responsibilities of the Steering Group be the same as those the Executive agreed in July 2007 in relation to the joint working with Teignbridge District Council;**
- (x) authority be delegated to the Chief Executive, in consultation with the Leader, to agree to the sharing of the costs and the savings arising from any redundancy that flows from the earlier recommendations.**

Background

1. In January 2007, the County Council, Devon Districts and other partners, in response to the Local Government White Paper on Strong and Prosperous Communities, decided to inform Government of their support for improved two-tier working rather than making a Unitary or "pathfinder" bid. South Hams District Council and West Devon Borough Council have been leading players in progressing that approach.
2. Since June 2007 when both Councils have operated with a Shared Chief Executive, considerable progress has been made in advancing shared services. In addition to the financial savings, senior Members have recognised the following benefits:
 - frontline services to the public have been maintained and, in some cases, improved during a period of unprecedented reductions in Central Government support;
 - a louder voice has been achieved for our area;
 - staff have exchanged learning and different approaches leading to enhanced career opportunities, motivation and effectiveness (this is evidenced in the recent IIP Report for West Devon and featured in the 2008 Report for South Hams).
3. Both Councils have obtained national recognition for their work in this area which is featured in a national publication by the Improvement & Development Agency. Clearly shared services are increasingly featuring in Local Authority plans and many are turning to us to learn from our successes.

The Issues

4. Clearly this process needs to continue to be led by Members and information continually communicated to all Councillors. National research shows that the process works most effectively when a Steering Group is established to receive proposals, evaluate them and, if satisfied that they meet both Authorities' objectives, to refer them to the appropriate decision-making body of both Councils. Members will recall that this approach worked well in our joint working with Teignbridge District Council (see Appendix A for details of existing approved arrangement).
5. It is suggested that the composition of the Steering Group comprises three Members from each Authority. In addition, when the Steering Group is considering proposals affecting specific areas, it will be helpful for the Group to involve the Lead Member from each Authority to attend the Group and participate in the discussion.
6. One of the objects of this approach is to reduce management posts and costs, focussing on more shared approaches which will deliver better outcomes at less cost. Inevitably there will be redundancies as we travel on this journey and a general principle has already been established that the cost of redundancies and the financial savings arising from it should, generally, be shared on an equal basis.
7. In addition, Members have indicated their preference for services that they wish to see maintained and those that they feel are not as important as has previously been the case.
8. Heads of Service are fully aware of the issues set out above. A Head of Service employed by West Devon Borough Council has identified that his post is at risk and, following discussion with HR, the Employing Authority is currently considering a redundancy situation. This will assist the effective implementation of Recommendation (i) above and thus be of benefit to this Council. The approximate share of the cost of redundancy and pension fund strain to be borne by this Council would be £57,000. This will result in net savings of £15,000 per annum for the first five years and full savings thereafter.
9. It is suggested that the existing delegation to officers in connection with joint working with Teignbridge (as agreed in July 2007) be applied in relation to this initiative.
10. There may be complex governance and constitutional implications to the proposal which will be dealt with as they arise.

Corporate Priorities

11. A fundamental driver for the development of shared services is the containment and reduction of costs. The achievement of this objective will enable the Council to redirect more resources towards its corporate priorities whilst creating more robust, customer orientated functions and improving access to the organisation's services.

Risk Assessment

The following are the significant risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits
Council continues to deliver shared services and addresses financial challenges in a structured manner	Lack of progress developing the shared service agenda	<ul style="list-style-type: none">• A clear vision and outcome for shared services• Strong leadership• Robust timetable• Regular progress reports
Existing shared officers have developed approaches to ensure both Authorities' positive ambitions and individual needs can be pursued vigorously	Differences in each of the Council's policies and strategies could lead to management difficulties in the new organisation	All applicable policies and strategies will be reviewed to determine differences in approaches and priorities. Harmonisation of strategies may occur prior to the merger of services where this is in the best interests of both Councils
Clear communication of outcomes and effective monitoring will ensure performance is identified	Improvements in services and cost savings will not be delivered	A business case will be developed for each service and the Joint Member Group will monitor performance

Equality

12. Both Councils will continue to have full regard to considerations under the Human Rights Act, Race Relations Act, Sex Discrimination Act, Equal Pay Act and Disability Discrimination Act in advancing proposals.

Joint Management Team

Executive
19 November 2009

Background Documents:

Report to Council – 24 January 2008 (Post of Chief Executive)

Report to Executive – 12 July 2007 (Shared Service Arrangements)