



# **Taunton Deane and West Somerset Joint Management and Shared Services Project**

**Full Council 12th November 2013**

**Report of the Leaders of Council, Cllr J Williams and Cllr T Taylor**

## **JOINT MANAGEMENT & SHARED SERVICES BUSINESS CASE**

### **1. Executive Summary**

This report presents the Business Case for Joint Management and Shared Services for Taunton Deane Borough Council and West Somerset District Council. By joining up the Officer structures of the Councils we can not only deliver savings, but can offer a more resilient base for service delivery moving forward.

If approved, it will deliver ongoing annual savings for the Councils of £1.889m (£1.582m for TDBC and £0.307m for WSC). This will require £2.7m one-off investment to cover costs such as staff termination costs, IT investment and programme costs.

Scrutiny has reviewed the proposal and comments are included in section 9 of this covering report.

The Tenant Services Management Board at TDBC has reviewed the proposal and were generally supportive of the Business Case and management structure (see separate report).

Staff consultation responses are now included in Appendix B.

- 2.1 The financial position of both Councils is well documented; with both Councils presenting medium term financial plans that show significant financial challenges ahead.
- 2.2 In February / March 2013, both Councils agreed to mandate a project to review the potential to deliver joint management and shared services arrangements. The key driver for this was the need to find savings.
- 2.3 We quickly put a Project Team in place to ensure the Business Case was developed safely, and asked that this came back to Members in October 2013. Over the summer both Councils agreed to move to a shared Chief Executive who took up post with effect from 24 October, 2013.
- 2.4 More recently, both Councils have updated their medium term financial plans to reflect the reductions now forecast in Central Government funding over the next few years. The headline from this is that the financial challenges ahead have got tougher – putting even more focus on our shared need to find savings and fast.
- 2.5 The context in which we commissioned this project earlier this year is still very relevant and perhaps more pressing than ever.

### **3. Introduction**

- 3.1 The Business Case considers the case for creating a single officer management and staffing structure (with associated budgets) to provide services to 147,000 residents and 5,600 businesses located in, and thousands of visitors to, the areas governed by Taunton Deane Borough Council and West Somerset Council.
- 3.2 The proposal is to permanently change the officer structures. It does not alter the ability of the 84 members of the two Councils to play their full representational and leadership roles on behalf of their communities. It does propose joint member arrangements to govern the implementation of this Business Case.
- 3.3 By joining up management and service delivery it is envisaged that both Councils could benefit from financial savings and increased service resilience together with more effective, efficient and affordable service delivery. The ambition is to help deliver a sustainable financial future for both democratically independent organisations. By reducing the overall cost of senior management and by sharing service delivery, both Councils can mitigate the impact of Government funding cuts on their front-line services.

- 3.4 The ambition is to deliver a single, fully integrated affordable Officer structure serving two separate, sovereign Councils.
- 3.5 If implemented, the Business Case highlights a number of key decisions that will affect the 637 FTE staff currently employed by the two Councils. It identifies further work that needs to be carried out to ensure this is implemented smoothly, and work that needs to take place in the longer term to harmonise terms and conditions.
- 3.6 The proposal will deliver significant financial savings to the Councils and will bring resilience to service delivery that neither Council could achieve on its own.
- 3.7 Both Councils recognise that this Business Case alone will not resolve the entirety of the financial challenges ahead. This project needs to be seen in the wider context of each Council's Corporate Business Plans and ambitions.
- 3.8 The detailed Business Case for Joint Management and Shared Services has previously been circulated to all Councillors on Friday, 11 October 2013 and by way of the agenda published for the meeting of the Corporate Scrutiny Committee held on 24 October 2013. The contents of the main Business Case document have not changed, therefore a further copy has not been appended to this report. The headlines of the Business Case are summarised below, together with the recommendations for consideration. This is an important decision for both Councils. We strongly encourage all Members to review the document and attend Member Drop-In sessions if they have questions on the detail.

#### **4. Approach To Developing The Business Case**

- 4.1 The governance arrangements for the project are clear with the Joint Project Board (Officers) and Joint Member Advisory Panel meeting monthly to review project progress and discuss the detail of the project. Representatives from the UNISON branches of the Councils are meeting jointly (Joint UNISON Board) to engage on key staffing matters on the project.
- 4.2 As mentioned in section 2 of the Business Case, the Joint Project Board has representation from other Councils in Somerset. Mendip progressed political approval for work with us on "shared service" options in July 2013. Sedgemoor (SDC) has recently reviewed their interest in the project. They, like others, have had a seat on the Project Board since the inception of the work on the Business Case. Whilst we would not want the project to lose momentum without a compelling reason to do so – the 3 Leaders

- have met and discussed the project in depth. As a consequence the Leader of SDC has been invited to seek a formal mandate from his Council, before the 12 November, demonstrating SDC's express desire to explore a Business Case for our 3 Councils for Joint Management & Shared Services. A verbal update will be given to the meeting.
- 4.3 The approach to developing the business case has been shared through the Joint Project Board and Joint Member Advisory Panel meetings, and also shared more widely at the "all Member" briefings on the project.
  - 4.4 As a reminder, the approach taken was to model the financial outcome of creating a single officer management and staffing structure, and associated support budgets to provide services to both Councils. We have used the "reduced financial envelope" route where we recognise that by joining up what we have independently at the moment, we will make savings.
  - 4.5 We have learnt from other Councils who have progressed similar arrangements. This learning (the positive and negative aspects of other arrangements) has been significant to our project and hopefully provides some comfort that the proposal set out is reasonable in approach and assumptions, and importantly, is deliverable.
  - 4.6 The Business Case does NOT set out detailed staffing structure and service delivery solutions for each service. It does offer a framework for delivering the overall joint staffing arrangements and the reduced budget position that that would operate within.
  - 4.7 The implementation of this proposal would progress the detailed arrangements for each service. The simple "joining up" would be progressed at pace following approval of this Business Case. That task would be driven by a new Joint Management Team to ensure the Business Case savings were delivered. A Joint Partnership Advisory Group (JPAG) would be established to oversee this and ensure the intended outcomes were delivered from a Member perspective. The final phase of this project – the transformation phase – is where further detailed Member involvement would be required. This is where each service is reviewed and challenged on the most appropriate service delivery solution moving forward. Member Working Groups will be set up to support this.
- 5. Business Case Headlines**
- 5.1 The Business Case seeks to achieve broadly the same level of service at less cost because:

- Both Councils' medium term financial plans show funding gaps in the years ahead.
- Government funding in future years is being cut, and there are limits on our tax raising powers.
- Costs are already under pressure in each Council, but by joining together we can make savings that we couldn't on our own.

5.2 The Business Case is based on:

- A single, new shared Officer structure.
- Two separate sovereign Councils – each responsible for the government of their areas
- A Joint Partnership Advisory Group being set up to monitor the delivery of the Business Case and help shape future policies on shared arrangements.
- A collective will to consider different ways of working to achieve efficiencies.
- No detriment to the local tax payers of either authority.

5.3 The impact on staff is:

- New Joint Management arrangements will be implemented quickly
- A single officer structure, hosted by Taunton Deane Borough Council, with pay and terms and conditions harmonised on a cost neutral basis.
- There will be less staff employed in the future than at present.

5.4 The financial headlines are:

- Minimum ongoing annual savings of £1.889m from 15/16 (£1.582m for TDBC and £0.307m for WSC)
- Further savings will be delivered during “transformation” of services to improve this position.
- One-off Transition Costs of £2.716m (£2.002m for TDBC and £0.714m for WSC). These can be funded by the Councils.  
*(This is an “indicative” cost and will vary in reality depending on the final staffing structures and the costs of redundancy for individuals).*

5.5 The main risks detailed in the Business Case are:

- We don't deliver on the savings projections or timeline (Mitigation: Member and Senior Management leadership and direction must be clear. The initial focus must be on joining services. The transformation agenda must not slow down the joining of officer structures)
- Insufficient management resource to run the new structure effectively (Mitigation: clear roles developed for management, with strong focus on delivering shared services)

- Lack of flexibility in existing key contracts and arrangements (Mitigation: Seek suppliers input as to how they can support the change process. Identify work-arounds where necessary).
- Existing projects and priorities impacted by shared services implementation (Mitigation: Implementation plan will control the resource requirements and impact on other projects. Introduce Programme Management function to manage links and resources effectively).

A full Implementation Risk Assessment is included as an appendix within the Business Case.

- 5.6 The timeline set out will drive forward the joining of staffing structures at pace to ensure savings are delivered in a timely manner.
- 5.7 As Members will be aware, the Councils submitted a bid to the Government for a Transformation Challenge Award grant. It was disappointing that our application for the Joint Management and Shared Services Project was not among the successful bids. In total, 140 Bids were received and awards have been made to 18 projects. This funding would obviously have been very welcome but it does not detract from the potential savings that this project can deliver. The Business Case stacks-up financially without external funding and was drafted on the basis of NO external funding being received.

## **6. Decisions To Be Made From The Business Case**

- 6.1 The key decisions emerging from supporting this proposals are:-
- That, on the basis of the potential savings contained within the Business Case, the two Councils support the Business Case for the Joint Management & Shared Service arrangements and that Officers are tasked with delivering on time and to the financial targets.
  - That these arrangements are progressed under the host employer model, with TDBC as the host employer. The detailed planning for this will be overseen by the Joint Partnership Advisory Group with appropriate consultation undertaken with staff and UNISON.
  - That a common set of employment terms and conditions are developed for approval by both Councils.
  - That the necessary financial approvals are made to fund the Transition (one-off) costs.

- For TDBC this is likely to be funded by a combination of General Fund Reserves (£900k), by unallocated Capital Resources (£800k), and by top-slicing the 14/15 New Homes Bonus allocation (£300k).
  - For WSC this is likely to be funded by £358k from the Sustainability Earmarked Reserve and the remainder from a combination of unallocated Capital Receipts.
- That the inter-authority agreement is approved, including the establishment of a Joint Partnership Advisory Group, and operated in the spirit of the Business Case, as set out in a separate report from the Monitoring Officers.
  - That the proposal for Joint Management arrangements supporting the operation of this Business Case be considered (as set out in a separate report from the Joint Chief Executive).
  - That the proposals for the creation of a shared workforce and a Transition Redundancy Policy be adopted in accordance with the details set out in a separate report from the retained HR Manager.

## **7. Finance Comments**

- 7.1 The financial headlines are clearly set out in the attached Business Case (see section 11). There are a number of factors, such as the speed of implementation, the design of final staffing structures and the costs of redundancy for individuals that mean it is difficult to produce exact figures for the Transition Costs (one-off costs). The Business Case takes a reasonable approach to forecasting this, but Members will need to note that the elements of spending within this agreed total may shift during implementation.
- 7.2 The financial assumptions used for allocating savings have been tested by the Assurance Review process and found to be sound. A framework for checking this on an annual basis will be developed based on learning from shared service arrangements already implemented by other councils.
- 7.3 Detailed “operational” arrangements now need to be finalised to ensure the operation of joint services is handled in a transparent but practical manner. This will take care of accounting, cost sharing and charging arrangements for service costs, assets and other resources used to deliver shared services

## **8 Legal Comments**

- 8.1 The legal framework under which the two councils will implement the proposed joint arrangements should the business case be approved is covered by the Inter Authority Agreement as set out in a separate report from the Monitoring Officers.

## **9. Feedback From Scrutiny Meetings at West Somerset Council and Taunton Deane Borough Council**

- 9.1 At their meetings on 24<sup>th</sup> October 2013, the Scrutiny Committees at each Council considered four reports relating to the Business Case for Shared Management and Services between Taunton Deane and West Somerset Councils. The comments below related to the Business Case.

### **Comments From West Somerset Council Scrutiny Meeting**

- 9.2 In response to questions, the four members of the Joint Members Advisory Committee explained their role in the project and how they had helped to shape the business case and why they felt that able to commend the proposal to the two councils for approval.
- 9.3 The costs of the project to date were clarified.
- 9.4 It was suggested that the original project mandate aims had not been addressed by the Business Case and the Project Manager explained why, in her opinion, the proposals did meet these aims.
- 9.5 In response to a question, an assurance was given that West Somerset Council would not be responsible for any termination costs relating to the current South West One contract
- 9.6 Concern was expressed that there were no figures provided in the Business Case for saving from the transformation phase and it was explained that such cost could not be identified until after the shared management and shared workforce stages had been completed. The savings identified related to these two phases only and so any costs from the transformation phase would be additional and subject to decisions to be taken by both councils in the future.
- 9.7 A request that savings identified in the Business Case should show far more detail.



- 9.8 A request that Council should be sure that proposed ICT costs are necessary in the merging of staff and services and whether these proposed costs represent best value and would not provide a further barrier to other partners joining the partnership in the future.
- 9.9 A request that an assurance should be sought that any further reduction in staff at WSC does not negatively impact on service delivery.
- 9.10 A view was expressed that if the proposed joint management structure was implemented, members would not have a good an access to senior officers as they had now and it was acknowledged that new and smarter ways of working would need to be adopted
- 9.11 A request that assurance should be sought in relation to the impact of possible changes to staff terms and conditions including any Job Evaluation process on the level of savings predicted
- 9.12 There was general concern that the level of savings for West Somerset from the project were more marginal than for Taunton Deane and could call into question the value of undertaking the project. The response was that the project still provided an opportunity of delivering significant savings to the council without directly impacting on service provision to the customer.
- 9.13 All issues raised at the meeting were responded to at the time, with further offers made to Member to meet to review the detailed workings underpinning the Business Case if this would be helpful.

#### **Comments From Taunton Deane Borough Councils Corporate Scrutiny Meeting**

- 9.14 At its meeting on 24 October 2013 the Corporate Scrutiny Committee considered the Business Case. The Committee were not asked to vote on the Business Case but examined the proposals in detail.
- 9.15 Most Member comments supported the idea of sharing management and services. However, there were one or two differences of opinion about what this should look like.
- 9.16 While some Members gave support for the proposals, as set out within the Business Case, there were others who expressed a wish for the Business Case to have been more innovative or more far-reaching, merging the two Councils or sharing more widely with other Somerset Councils. Shirlene Adam reminded Members of the scope of the Project Mandate agreed by both Councils which was to look at sharing of management and services

between TDBC and WSDC and specifically precluded merging the Councils. The project team developed the Business Case within those boundaries. Shirlene Adam clarified that Mendip, Sedgemoor and Somerset CC all have a place on the project board for this project. All are keen to explore sharing services more widely when opportunities arise, so in agreeing this Business Case, Members would not preclude sharing services with those Councils, or others.

- 9.17 Members asked questions surrounding the unsuccessful bid for Transformation Challenge funding. In particular, whether DCLG has explained its decision to the Councils. Penny James confirmed we have not yet received a formal written response from DCLG setting out why we were not successful but formal feedback has been asked for and will be shared with Members when it is received. The project team have developed the Business Case throughout on the premise the Councils would not receive external funding. Therefore, the DCLG decision does not affect the investment needed, savings arising and pay back periods within the Business Case.
- 9.18 Other questions concerned SAP and ICT costs. Would WSC have to use SAP? The answer to that is 'no'. Questions were asked about the estimated ICT costs within the Business Case and whether this was a minimum or maximum. Shirlene Adam confirmed that this is a best estimate of the maximum costs that are likely to be incurred.
- 9.19 Some time was spent reviewing the risk register, provided as part of the Business Case. This mainly concerned whether the risks around Southwest One and ICT in particular should have been scored more highly. Scoring risk is very much a subjective exercise and is also an iterative process, where scores will rise and fall as the project moves forward and more detail emerges. Feedback from the Committee will be taken on board when the register is next reviewed. The most important thing about the risk register is to capture the risk itself, to ensure it is on everyone's radar and is not overlooked during the planning and implementation stages of the project.
- 9.20 Concern was expressed about capacity and the risk of 'burn-out' of the management team and officers through reducing numbers but having to handle the same workload. This is acknowledged within the risk register and it is recognised that new ways of working will have to be introduced to enable management and staff to meet the challenges that sharing will bring.
- 9.21 The Committee made no formal recommendations for consideration by Full Council although asked for details of the method used for calculating the split of ICT costs between WSC and TDBC to be sent to all Members

and for a briefing note regarding the Leader of the Council's recent meeting in London with the Secretary of State and Local Government Minister also to be provided to all Members.

- 9.22 Since the Scrutiny meeting both briefings have been shared with all Councillors in both Taunton Deane and West Somerset.

## **10. Links to Corporate Aims and the Health and Wellbeing Strategy**

- 10.1 The progression of Joint Management and Shared Services fits with the agreed objective of “Achieving Financial Sustainability” and the clear ambition in the Project Mandate of maintaining democratic independence.

## **11. Environmental and Community Safety Implications**

- 11.1 The initial joining up of management and service teams will not have any direct impact on this. However, when the “transformation” phase is reached, full analysis will be required on a service by service basis.

## **12 Equalities**

- 12.1 A full Equalities Impact Assessment is included in the Business Case (see section 19).

## **13 Risk Management**

- 13.1 Identifying and managing risks is an important element to securing the success of the Joint Management and Shared Service arrangements. Members need to be aware of the risks associated with the creation and implementation of this Business Case and should ensure they have reviewed section 21 of the document.
- 13.2 Risks will need to be continually reviewed and actively managed if the project is to succeed.

## **14. Partnership Implications**

- 14.1 Services currently delivered in partnership arrangements will continue pending review. Decisions on future service delivery models will be made at the transformation phase of the project when any recommendations for changes will be shared with Members. Members will have the opportunity

to get involved in the early thinking on this via the Members Working Groups supporting JPAG.

## **15. Recommendations**

### 15.1 It is recommended :

- a/ That, on the basis of the potential savings contained within the Business Case, the two Councils support the implementation, of the Joint Management and Shared Services arrangements delivering a single officer structure providing a shared workforce to support the two councils of Taunton Deane Borough Council (TDBC) and West Somerset Council (WSC).
- b/ That Officers be authorised to implement the proposals in accordance with the financial targets and timeline as set out within the Business Case, with the financial targets to be included in the Councils budgets for 2014/15 and Medium Term Financial Plans for later years.
- c/ That consideration be given to establish new governance arrangements to safely manage the implementation phase of the Business Case; such arrangements to include a framework to support the proposed Service Transformation Phase (see separate report from Monitoring Officers on this agenda – Inter Authority Agreement)
- d/ That the shared workforce arrangements are progressed under the host employer model, with TDBC as the host employer, with the detailed planning being overseen by the proposed new governance arrangements referred to in c above together with appropriate consultation undertaken with staff and UNISON.
- e/ That a common set of employment terms and conditions are developed for approval by both Councils in consultation and negotiation with UNISON.
- f/ That the necessary respective financial approvals are hereby agreed to fund the Transition (one-off) costs.
  - o For TDBC to fund their share of the transition costs (£2.002m) by
    - a supplementary estimate from General Fund Reserves of £900,000; plus

- by using unallocated Capital Resources of £800k; plus
  - by using £302k of 2014/15 New Homes Bonus allocation.
- For WSC to fund their share of the transition costs £714k by
    - A transfer of £358k from the Sustainability Earmarked Reserve; plus
    - By using unallocated Capital Receipts of £356k.

**Contact Officers:**

Shirlene Adam  
Project Manager – Joint Management & Shared Services Project  
01823 356310  
[s.adam@tauntondeane.gov.uk](mailto:s.adam@tauntondeane.gov.uk)

Paul Harding  
Project Lead – Joint Management & Shared Services Project  
01823 356309  
[p.harding@tauntondeane.gov.uk](mailto:p.harding@tauntondeane.gov.uk)

Kim Batchelor  
Project Lead – Joint Management & Shared Services Project  
01984 635264  
[kjbatchelor@westsomerset.gov.uk](mailto:kjbatchelor@westsomerset.gov.uk)

**Background Papers**

Project Mandate – Feb / March 2013  
Joint CEO Proposal – June 2103  
Medium Term Financial Plan Update – Sept / Oct 2013

## **APPENDIX A**

**The detailed Business Case for Joint Management and Shared Services has previously been circulated to all Councillors on Friday, 11 October 2013 and by way of the agenda published for the meeting of the Corporate Scrutiny Committee held on 24 October 2013.**

**The contents of the main Business Case document have not changed, therefore a further copy has not been appended to the covering report.**



## APPENDIX B

### TAUNTON DEANE & WEST SOMERSET JOINT MANAGEMENT & SERVICES

#### STAFF CONSULTATION FEEDBACK ON BUSINESS CASE

|   | Comment  |
|---|--|
| 1 | <p>I understand that there is no political will to consider a merger of the political administration, but I believe that is one area where both Council's could make significant efficiency savings if there was a merger of the committee structure. This would prevent officers having to present at two separate meetings, reduce cost of producing two sets of different reports for two different councils etc, not to mention a saving in Elected Member expenses etc.</p> <p>I also question why Elected Members think it is appropriate for staff to face uncertainty and potential redundancy while members are protected from any reduction in their numbers?</p> <p>It would also seem logical to expect that if the numbers of staff reducing and services merging that there should be also be a corresponding reduction in the number of elected members and committees.</p> <p>I am surprised that the report does not make any comment about this and think at the very least figures should be produced to show the potential cost and efficiency savings that could be made by both authorities from a merger of the committee structures and resultant reduction in the number of elected members for both authorities.</p> <p>As was discussed at today's meeting it is clear that this process will only be a temporary reprieve from what is the next logical step, i.e. a merger of functions with other authorities within Somerset, in fact the report does hint at this.</p> <p>I would suggest that some thought should be given to this now, rather than a solution than only offers a short term fix.</p> <p>For example, if the Districts shared services like Housing Benefit, which operate to statutory regulation, there could be just one Housing Benefit service for the whole of Somerset operated through one call centre. Other services that operate to national</p> |

|   |  |
|---|--|
|   | <p>statutory regulations could also be considered for this 'sharing 'of services'</p> <p>This I believe is where real long term savings could be made rather than a short term fix which will only provide a time limited solution to this very difficult issue.</p> <p><b>RESPONSE</b></p> <p><b>The comments about number of elected members are noted – the Project Mandate did not include a review of democratic arrangements.</b></p> <p><b>The Business Case will be looking at sharing services widely and this could include sharing with the other Somerset districts where appropriate.</b></p>   |
| 2 | <p>The objective of this project appears to be to make financial savings by creating 'a single fully joined officer structure'.</p> <p>I would like to comment that far more savings could be made by aligning the Members and Councillors of each Authority. It must cost a lot of money to run 2 Full Councils, 2 Scrutiny committees, 2 Executive committees etc etc etc as well as preparing and producing 2 sets of accounts.</p> <p>I feel that the 'political' side of both Councils should be looked at as well as officer structure.</p> <p>I also feel it is very unfair that the Members can decide to push ahead with this project but not be prepared to be part of the solution!!</p> <p><b>RESPONSE</b></p> <p><b>The comments are noted – it should however be noted that the Project Mandate did not include a review of democratic arrangements.</b></p> |
| 3 | <p>According to the Corporate Scrutiny Report September 2013 Medium Term Financial Plan Update &amp; Approach To Budget Setting 2014/15 under stated aims number 14.</p> <p>'We will seek to reduce the cost of democracy and internal governance; Review the cost of democracy and internal governance arrangements and redesign to achieve a minimum saving of 10%.'</p>   |



|   |   |
|---|---|
|   | <p>In light of above, I would suggest that if this is a stated aim of the Council it does not appear to have been a consideration when making the business case for the Joint Management and Shared Services.</p> <p>Perhaps Elected Members should be reminded of this aim when considering the Business Case for Joint Management &amp; Shared Services?</p> <p><b>RESPONSE</b></p> <p><b>The comments are noted and will be provided to elected members.</b></p>   |
| 4 | <p><b>General</b></p> <p>The underlying principle behind the comments, observations and suggestions given below is that the process of joining the two administrative arms of West Somerset and Taunton Deane is; <b><i>not only fair but, seen to be fair.</i></b> Not only to the staff of both Local Authorities but to anyone coming to the new administration and those observing on ‘the outside’.</p> <p><b>Para. 1.14</b><br/> <u>Why is WSC having to pay a greater proportion of the one-off transition costs (26.29%) when compared to its contribution to staffing costs in the current set up (17.3%)? - see also para. 15.13)</u></p> <p><b>RESPONSE</b></p> <p><b>Each and every transition cost has been looked at by finance (and other) professionals, and an appropriate ratio to share these costs between TDBC and WSC has been agreed. Each Council’s Section 151 Officer has signed-off the sharing ratios, and these have also been agreed by JMAP.</b></p> <p><b>Para. 4.3</b><br/> 1<sup>st</sup> sentence is inaccurate and misleading in its reference to the availability of developable land. It is not about the availability of land but the perceived desirability of West Somerset as a location for development amongst non-local and/or national developers/operators. The second part of the sentence is accurate in that there is a feeling (both perceived and, actual) that West Somerset is not a desirable location due to its accessibility to the strategic communications networks (e.g. West of England main railway, M.5/A.303).<sup>1</sup> Also, an important characteristic of the area and its workforce/business-structure is the</p> |

<sup>1</sup> EDAW Plc.; Western Somerset Economic Development and Access Strategy – February 2003; Somerset County Council; 2003

predominance of micro-business units (employing <5 staff). This is reflected in the proportion of people who are self-employed (27.15%<sup>2</sup>) compared with its neighbour Taunton Deane (16.12%<sup>3</sup>) and nationally (15.71%<sup>4</sup>)

## **RESPONSE**

**Comments noted.**

### ***Para. 14.21***

The deadline for the creation of a fully operational Senior Management Team for the new administrative organisation is unrealistic and unachievable if one of the posts concerned is subject to an external recruitment process. Given all the stages that will have to be gone through, it is unlikely that the appointed person will be in-post, before April at the earliest.

## **RESPONSE**

**The Business Case sets out when the new arrangements for the Joint Management Team becomes operational – it is acknowledged that not all posts will be in place by 1 January 2014.**

### ***Para. 15.3***

This refers to Directors and Assistant Directors determining between them the 4<sup>th</sup> tier of management. Given the imbalance in staffing numbers between the existing Local Authorities, there is the high probability of both these upper levels being occupied by Taunton Deane staff. They may wish to 'play-safe' in the identification of roles lower down the structure and the appointment of people to fill them (the expression, "better the devil-you-know than the devil-you-don't" springs to mind). This could give the impression (perceived or actual) of 'favouritism'. In order to avoid this situation arising, it might be prudent to include a relevant West Somerset line-manager (in the existing structure) as part of the structure creation and appointment, in order to provide balance to the decision- making aspect of the process. A case could be made in terms of the emerging structure and positions where individuals have already been 'slotted-in' in relation to the posts of, Director of Growth & Development and Assistant Director, Planning and Environment.

## **RESPONSE**

<sup>2</sup> Office for National Statistics; Neighbourhood Statistics: West Somerset – Census 2011: Quick Statistics – Economic Activity (Table QS601EW); Office for National Statistics; 2013. (data-set)

<sup>3</sup> Office for National Statistics; Neighbourhood Statistics: Taunton Deane – Census 2011: Quick Statistics – Economic Activity (Table QS601EW); Office for National Statistics; 2013. (data-set)

<sup>4</sup> Office for National Statistics; Neighbourhood Statistics: West Somerset – Census 2011: Quick Statistics – Economic Activity (Table QS601EW); op. cit.

<sup>5</sup> Taunton Deane Borough Council and West Somerset Council; Business Case – Joint Management & Shared Services v1.2: Appendix D; Taunton Deane Borough Council; 2013.

**The comments are noted and the authorities will continue to work with UNISON to ensure that processes used in the creation of the shared workforce are fair and equitable.**

***Paras. 15.6 & 15.7***

These refer to Assistant Directors and 4<sup>th</sup> tier Managers determining the staffing structures beneath them. The time-scale for implementation may need to be adjusted given that following the briefing sessions on 21<sup>st</sup> October, it was identified that at least four of the Assistant Director posts were intended to go through the external recruitment process. The alternative would be for those 4<sup>th</sup> tier Managers who could be identified from the relevant pool of existing people and 'slotted-in' to carry out the creation of the new staffing structures beneath them and the 'new' Assistant Directors be presented with an already agreed set of structures when they take up their appointments – it would be prudent to inform the applicants that this would be happening 'in-their-absence'.

This refers to Assistant Directors 4<sup>th</sup> tier Managers determining between them the lower tiers the structure (e.g. 'Team-Leads', specialists, others). Given the imbalance in staffing numbers between the existing Local Authorities, there is the high probability of both these upper levels being occupied by Taunton Deane staff. They may wish to 'play-safe' in the identification of roles lower down the structure and the appointment of people to fill them (the expression, "better the devil-you-know than the devil-you-don't" springs to mind). This could give the impression (perceived or actual) of 'favouritism'. In order to avoid this situation arising, it might be prudent to include a relevant West Somerset line-manager (in the existing structure) as part of the structure creation and appointment, in order to provide balance to the decision-making aspect of the process.

In filling the lower levels beneath the 4<sup>th</sup> tier Managers, there is concern that use of existing job-titles and pay-scales may be used as proxies for determining where individuals from each Local Authority should 'fit' in the new structure. West Somerset staff are used to working in a much 'flatter' structure than their Taunton Deane equivalents if compared in terms of job-titles, resulting in greater levels of responsibility for similar or less pay. This needs to be taken account of in any selection/appointment process.

**RESPONSE**

**The comments are noted and the authorities will continue to work with UNISON to ensure that processes used in the creation of the shared workforce are fair and equitable.**

***Para. 15.13***

The data used in this paragraph does not directly relate to that provided in Appendix F from which it is assumed it was drawn as there is reference to, General Fund in both. The figures in the paragraph appear to be lower than those given in the appendix with no explanation as to why.

## RESPONSE

**The figures in 15.13 refer to the number of employees outside of the senior management tier, as explicitly stated in this paragraph. The figures in Appendix F relate to staff at all tiers.**

### **Para. 15.14 – 1<sup>st</sup> element**

It is unclear as to what is meant by the use of the phrase, "...reflects the modest staffing numbers at WSC compared to other districts which have shared services." It could be suggested that this means WSC is being more successful in being prudent with finances whilst at the same time delivering those services. In these circumstances it could be interpreted that WSC is being penalised for being successful!

### **Para. 15.14 – 2<sup>nd</sup> element**

It is unclear how the figure of 37 (Full-Time Equivalent - FTE) has been arrived at. There is no direct reference to any other part of the Business Case document. The data in Appendix F does not reflect this unless one makes the unstated assumption that only the General Fund posts in both Local Authorities apply (see comments on Para. 15.13 above). Given that the real number of posts funded through the General Fund has to be higher because, in the case of West Somerset only 72% are Full-Time<sup>5</sup> (the equivalent proportion for Taunton Deane cannot be calculated due to different presentation of the data), it would seem to be more sensible to present the number as a range (FTE's to notional number of actual posts). Some clarification, amending of data and/or Cross referencing is required.

It is unclear as to how a reduction of 37FTE posts equates to a financial saving of £1.162m. Surely it depends on where the savings are made from combining the two Local Authority staff particularly in relation of the mix of posts to be deleted. The removal of more higher-paid posts would result in greater savings than if the same number were deleted from those people lower down the structure. This point needs to be clarified.

## RESPONSE

**It is true that the first element of paragraph 15.14 refers to the differing current positions of TDBC and WSC, which have arisen from the different priorities chosen by democratically-elected Councillors, using the financial resources that each Council has.**

**Paragraph 15.14 states that "it is anticipated that a 10% saving is credible and deliverable for this staff cohort".**

**Paragraph 15.13 establishes that this staff cohort comprises 367.31fte. 10% of 367.31fte is 37fte, to the nearest 1fte.**

**Until the whole structure is designed and implemented, it is impossible to know at which level staff reductions will be**

made. Therefore, a simple 10% reduction of the total of £11.620m (as given in 15.13) has been used to calculate the expected on-going saving of £1.162m. It is true that the accuracy of this figure will depend on which posts in the structure are removed.

**Para. 15.15**

The use of proportions expressed as percentages is potentially misleading especially where one is derived from another. It is assumed that the reference to 2.5% at the end of the first sentence should be 25% of the 10% mentioned at the start.

It is unclear what is meant by the phrase, “..voluntary turnover..” in the first sentence. Suggest it is replaced with more familiar terminology such as’ “..average turnover of staff (e.g. retirement, staff-moving-on, etc.)”

**RESPONSE**

**To phrase the paragraph in other words, we are expecting a reduction in posts of 10%, but only 7.5% will need to be found through redundancies due to other factors, as listed in the paragraph.**

**The phrase ‘voluntary turnover’ has been used to differentiate between staff leaving of their own volition and decisions being made by the Council on remaining posts. It is left that the intentions of the paragraph as written are clear.**

**Section 16**

It is unclear as to what happens regarding discrete geographically-based activities (e.g. Local Plan) that could not be easily rationalised as a piece of work in the short to medium-term.

**RESPONSE**

**In the first instance services will be joined together and following this all services will undertake a transformation review issues such as the one listed above will be considered at this time.**

**Para. 16.4**

Caution is required when using some of these data sources. With the exception of the Census, most of this type of data-source is based on sample surveys and in the case of West Somerset the size of the cohort used is often too small to be providing a statistically reliable set of figures/numbers/information. Even the 2011 Census has encountered confidentiality/reliability issues in respect of seven of its Parishes as the numbers involved do not exceed the minimum threshold and therefore the data is suppressed.

**RESPONSE**

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|   | <p><b>SPARSE and CIPFA utilise data from financial returns and service information sourced from data collected via central government returns. These sources of information, together with LG Inform (referred to in para. 18.7 &amp; 8) are considered the best option available for reliable, consistent and comparative performance information</b></p> <p><b>Elected Members have been given the opportunity to review the background data.</b></p>  |
| 5 | <p>The business case predicts savings from non-pay budgets of £0.5M for the period 2015/16, which are apportioned on an 80:20 ratio between both Taunton and West Somerset. The basis of this is set out in 15.18 of the Business Case, which explains that <i>‘learning from research and experience of others who have undertaken similar service sharing arrangements supports the potential for realising additional savings from non-pay budgets. Driving out these additional savings will be a key objective for the newly appointed shared service managers, to ensure delivery.’</i></p> <p>These potential savings are to come from areas such as <i>renegotiated third-party contracts and reduced ICT costs through rationalising applications and third party suppliers.</i></p> <p>Whilst the Local Partnership Review Report (Appendix B) agrees that 5% non-pay savings is realistic, it does not appear to refer to the proportion of pre-existing contracts which are going to be excluded.</p> <p>Will it be explained to the members and staff up to the end of this business case period (end of 2018) the potential savings of any <i>renegotiated third-party contracts and reduced ICT costs through rationalising applications and third party suppliers.</i> There should be detailed information on these contractual arrangements to ensure maximum savings can be made from non-pay, as opposed to staff budgets.</p> <p><b>RESPONSE</b></p> <p><b>The Business Case is supported by a range of learning and background data/analysis. Details of contractual arrangements and the potential for savings from these will be taken into account at the appropriate stage of sharing services and will be a key element in the review and transformation of services.</b></p> <p><b>In relation to the final point, these projected saving figures are currently indicative. As the programme progresses, more detail will become available, commercial confidentiality and related issues notwithstanding.</b></p> |
| 6 | <p>Why keep 100+ Councillors for population of approx 30,000 when North Somerset, a larger pop, have only approx 60 elected</p>  |

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|---|--|
|   | <p>members?</p> <p><b>RESPONSE</b></p> <p><b>The comments are noted – it should however be noted that the Project Mandate did not include a review of democratic arrangements.</b></p>   |
| 7 | <p>I would have hoped that the strong links between Strategic Housing/Benefits/Revenues (particularly between Housing and Benefits) could be maintained. I was also hoping that the same links could be developed in Taunton.</p> <p>The proposed structure indicates that it will not.</p> <p>The Strategic Housing Service operated by West Somerset Council and Taunton Deane has little in common with the landlord function of Taunton Deane. I feel it should be separate as West Somerset and Magna West Somerset are separate.</p> <p><b>RESPONSE</b></p> <p><b>Your thoughts are noted. There will continue to be the need for services to work together on policy development and service delivery, irrespective of where the services appear within the structure. Both council's already have experience of services working collaboratively across structures and this will be essential going forward.</b></p> |