

The Council's Vision:

To enable people to live, work and prosper in West Somerset

WEST SOMERSET DISTRICT COUNCIL

Special Meeting to be held on Tuesday 12 November 2013 at 2.00 pm

Council Chamber, Williton

AGENDA

1. Apologies for Absence

2. Declarations of Interest

To receive and record any declarations of interest in respect of any matters included on the agenda for consideration at this meeting.

3. Public Participation

The Chairman to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public wishing to speak at this meeting there are a few points you might like to note.

A three-minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue. There will be no further opportunity for comment at a later stage. Your comments should be addressed to the Chairman and any ruling made by the Chair is not open to discussion. If a response is needed it will be given either orally at the meeting or a written reply made within five working days of the meeting.

4. Joint Management & Shared Services Business Case

This report presents the Business Case for Joint Management and Shared Services for West Somerset District Council and Taunton Deane Borough Council – **SEE ATTACHED.**

5. Proposed Governance Arrangements – Inter Authority Agreement

The report outlines the proposed inter authority agreement setting out the governance arrangements to be put in place in the event of the West Somerset and Taunton Deane Borough Councils agreeing to approve the Business Case for Joint Management and Shared Services – **SEE ATTACHED.**

6. Creating a Shared Workforce

This report outlines the proposals for the creation of a shared workforce for the West Somerset Council and Taunton Deane Borough Council – **SEE ATTACHED.**

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7. Joint Management Structure Proposal

This report proposes the creation of a joint management team that will serve both West Somerset Council and Taunton Deane Borough Council – **SEE ATTACHED.**

8. Exclusion of the Press and Public

To consider excluding the press and public during consideration of Item 11 on the grounds that, if the press and public were present during that item, there would be likely to be a disclosure to them of exempt information of the class specified in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended as follows:

Item 11 contains information that could release confidential information relating to the financial or business affairs of any particular person (including the authority holding that information). It is therefore proposed that after consideration of all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

9. Appendix 7 Confidential Financial Implications

COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS

The Council's Corporate Priorities:

- Local Democracy:
Securing local democracy and accountability in West Somerset, based in West Somerset, elected by the people of West Somerset and responsible to the people of West Somerset.
- New Nuclear Development at Hinkley Point
Maximising opportunities for West Somerset communities and businesses to benefit from the development whilst protecting local communities and the environment.

The Council's Core Values:

- Integrity
- Respect
- Fairness
- Trust

RISK SCORING MATRIX

Report writers score risks in reports uses the scoring matrix below

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

- Mitigating actions for high ('High' or above) scoring risks are to be reflected in Service Plans, managed by the Group Manager and implemented by Service Lead Officers;
- Lower scoring risks will either be accepted with no mitigating actions or included in work plans with appropriate mitigating actions that are managed by Service Lead Officers.



West Somerset and Taunton Deane 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. Background and Context

- 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 24th 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 This report sets out the detailed Business Case for Joint Management and Shared Services (see Appendix A). The headlines 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 12th 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 24th 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.

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Background Papers

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

Taunton Deane Borough Council West Somerset Council

Business Case - Joint Management & Shared Services



V1.2

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FOREWORD

"We are delighted to present this Business Case to you.

As community leaders, we have a responsibility to the people we serve to do what is right for them. We cannot protect the status quo when the world has changed and we have significant challenges to our financial future and sustainability.

We must find new ways to continue to invest in the future, supporting economic prosperity while protecting the services that are important to our customers and communities, and keeping council tax down.

We are absolutely determined to achieve this and we believe that we will be stronger together in facing the challenges that could derail our ambitions.

Our residents must be able to continue to hold us accountable as two separate democratic organisations for the delivery of the priorities they have set us. Nothing in this Business Case will undermine this fundamental principle. Members are at the heart of this proposal; we simply seek to derive benefits that will enable the Councils to continue to serve your communities and business well in the future.

This will be achieved by creating one officer team, which will support both Councils. We have already agreed to share a Chief Executive, saving both Councils money. We already share some services and the time is right to extend this across the Councils. This will save us money, increase our resilience and overall capacity to face our challenges.

We need to deliver savings and increase our income because of the financial pressure facing both Councils. These pressures will only grow so we are clear we have a duty to act now and to ask you to support us in delivering this Business Case as part of the solution, a solution that protects democratic representation, our ambitions and our services.

We cannot afford to stop simply at driving out efficiency savings from joining up our management and services – we must go on to challenge how we deliver services in the future as well. This is a fantastic opportunity for all members to influence what this looks like in the future, ensuring we protect what is really important to our residents and businesses while opening ourselves up to new ideas and new ways of delivery.

The opportunity to work together on our mutual challenges cannot be wasted. Let us grab it, let us protect what is important but let us work together to deliver this Business Case and the savings it offers, savings that will enable us, not simply sink to a place where all we can deliver is statutory services, but continue to do great things for our areas".

Cllr John Williams
Leader TDBC

Cllr Tim Taylor
Leader WSC



1. Executive Summary

- 1.1 This project can deliver significant annual savings to each Council, as illustrated below:

		Annual Savings				
		Total £	TDBC £	WSC £		
Business Case	Joint Management (Phase 1)	=	Staff	1.389m	1.182m	0.207m
	Shared Services (Phase 2)		Non-Staff	0.50m	0.400m	0.100m
				1.889m	1.582m	0.307m
	Transformation (Phase 3)		+£Additional	+£Additional	+£Additional	

- 1.2 Confidence in the ability to deliver Phase 1 and 2 is such that both Section 151 Officers are able to include this level of savings into the Councils' MTFP, therefore reducing the ongoing budget gaps at both Councils.
- 1.3 No savings target has been set for the Transformation stage (Phase 3) of the implementation programme. We have the same level of confidence in our ability to deliver savings in Phase 3 as we do for the earlier phases but we do not have the same level of certainty over the exact level of savings that can be achieved. It would not be prudent to predict and include these in the MTFPs at this stage. Needless to say, they will only improve the Business Case position.
- 1.4 By **2015/16**, the project will start making **annual net savings** of over **£300k for WSC** and almost **£1.6m for TDBC**.
- 1.5 These savings are critical given the significant and immediate pressures facing our Councils. If we take no action, the predicted General Fund (GF) budget gaps shown below indicate that **neither Council** has a sustainable future:

	2014/15	2015/16	2016/17
TDBC			
Cumulative Budget Gap	£1.51m	£3.08m	£4.50m
WSC			
Cumulative Budget Gap	£79.3k	£561.6k	£729.7k

1.6 In late February / early March 2013, both Councils approved a project mandate, Appendix A, to explore joint management and shared service structures across both Councils as a way of helping to narrow our budget gaps.

1.7 This Business Case is the product of that mandate.

1.8 The changes proposed within the Business Case fall into three areas:-

- 1) Forming a single joint senior management team for the two Councils;
- 2) Joining our services together, under single joint service managers;
- 3) Transforming services - implementing the most appropriate long-term service delivery options.

1.9 The Project Mandate recognised that this project alone would not solve the financial difficulties we face. Each Council will need to look at a combination of initiatives to close the budget gap.



1.10 However, sharing a joint senior management team and sharing services between our Councils can be a significant part of the solution and means pressure to consider some of the more unpalatable options, such as cuts to services and rises in Council Tax, are lessened.

1.11 The proposed savings stated within the Business case are deliverable since the joint senior management team and shared services will, at the outset, be designed to fit within a reduced 'cost envelope', thereby making a cost reduction certain.

1.12

Difficult choices will need to be made in order to balance budgets going forward. These proposals enable significant savings to be made, largely through removal of duplication within the management and officer structures of the Councils, without an adverse impact on service delivery and will, therefore, largely be 'invisible' to the electorate and businesses.

1.13 In order to achieve these savings, there is a need for one-off investment. Primarily this will cover staff termination costs, additional Information Technology to support collaborative working, and programme costs associated with ensuring change is managed and delivered safely.

1.14 The indicative one-off transition costs required, on an 'invest to save' basis, based on the financial model, are projected to be:

Total £	TDBC £	WSC £	£1.191m	Termination costs *
2.716m	2.002m	0.714m	£1.237m	ICT costs **
			£0.287m	Programme costs
			£2.716m	

* See assumptions set out at 7.4

** It is anticipated that around £1m of the ICT costs could be capitalised.

1.15 This Business Case offers both Councils significant savings. The payback period is within acceptable 'invest to save' parameters.

1.16 We have briefed External Audit on the methodology we intend to use to apportion costs and savings fairly and the framework that we will need to have in place for monitoring this moving forward. This framework draws on the practices of other authorities who are sharing management and services. The proposed framework will be reviewed by audit and checked annually. The purpose of this framework and annual reviews is to ensure that one Council does not subsidise the other.

1.17 We have adopted a deliberately cautious but realistic approach to the implementation timescales. The key milestones are:

- 12 Nov 2013 - Joint CEO position made permanent
- By 1 Jan 2014 - 2nd and 3rd Tier Managers in Place
- By 1 Jul 2014 - 4th Tier managers in post
- By 1 Aug 2014 - Leads / Supervisors in post
- By 31 Mar 2015 - All staff in place within shared service structure
- By 1 April 2015 - Terms and Conditions harmonisation complete
- 1 April 2015 - Service Transformation begins
- 1 April 2016 - Service Transformation complete

These are long-stop dates - the ambition is to deliver earlier and to look for 'quick wins'.

1.18 The Business case and the transformation that flows will deliver key benefits and outcomes:

Shared Chief Executive, Management Team and Services (Section 14 & 15)

Leading to the following outcomes:

- Greater resilience than either Council could have on their own;

- Greater critical mass and capacity;
- Access to a broader range of skills and experience ;
- A combined saving to the Council General Funds of approx £1.9m per annum;
- Sufficient leadership and senior operational capacity to deliver Members' priorities, the transformation agenda, a sustainable future for both Councils and “business as usual”;
- Greater leadership capacity for the HRA at TDBC and the ability to recruit for new skills and experience for delivery of the development programme;
- Provide the capacity to maximise the community and economic benefits of the proposed Hinkley Point development;
- Sustainable funding for the delivery of the regeneration of Taunton;
- Provides a model for further sharing with other Local Authorities / partners moving forward;
- Good fit with current government policy for local government;
- The shared Joint Management team will have greater influence at a County, regional and national level.

'One Team' With a Single Employer and Harmonised Terms and Conditions (Section 8 & 9)

Leading to the following outcomes:

- One employer safely managing the new organisation;
- Cost neutral harmonisation;
- Common values and culture.

Two Separate Democratic Councils Retaining Their Sovereignty Whilst Maximising Members' Opportunity to Work, Learn and Develop Together.

Leading to the following outcomes:

- More efficient and effective ways of working for Members;
- A renewed focus on Member development;
- Maximising opportunities for joint briefings and working also enabling officers to work efficiently;
- Sharing of good practice and work on policy development.

- 1.19 An early draft of this Business Case was subject to an independent Assurance Review in early September. The review was conducted by Local Partnerships (www.localpartnerships.org.uk), a company jointly owned by HM Treasury and the Local Government Association. The review report is provided at Appendix B.

The headline from this review is that the Business Case is 'safe' and is robust in its assumptions, and it is therefore safe to proceed for a Member decision.

2. Context - National and Local

- 2.1 The recent global financial crisis and subsequent contraction in public spending have placed great challenges on local government. As a consequence, there has been an increased demand (and necessity) for public sector innovation. The investigation and implementation of shared chief executives, senior management teams and services has become a growing trend in local government.
- 2.2 According to the Local Government Association, at March 2012 there were 34 Councils who shared a CEO and management team; that number will have certainly risen in the intervening months. The majority are across district Councils.
- 2.3 The need to consider shared CEOs and senior management is not however entirely a product of the recent financial crisis. The 2006 Local Government White Paper entitled 'Strong and Prosperous Communities' highlighted the potential for shared management to drive the efficient provision of public services and to get 'more for less.' However, it is true to say that Councils having to implement an average 28 per cent cut in central government grant as a result of the 2010 Comprehensive Spending Review has increased focus and momentum for this type of change. The more recent 2013 Spending Review has only heightened the need to review alternative solutions, at pace.
- 2.4 Local Government Minister Brandon Lewis, in addressing the Municipal Journal Forum in April 2013, quoted several examples of existing shared management and shared services arrangements and urged this type of collaboration to become the norm. It is clear that this is the direction which Government sees, and expects, district Councils in particular to move in the short to medium term.
- 2.5 Within Somerset, SCC Leader, Cllr John Osman, has recognised the opportunity that sharing services on a bigger platform could bring and has recently set up a Task & Finish Review group, made up of representative Councillors from the districts in Somerset and the county Council to progress this.
- 2.6 This review is due to conclude in December 2013. The outcome will clarify the ambition and appetite for change and collaboration on a bigger scale across the County. In the longer term, we would expect to see this programme broaden to include the wider public sector.
- 2.7 Our proposed approach is to deliver our joint arrangements safely yet speedily – making sure we build a solution that is flexible enough to grow and possibly become the foundation of a future county-wide arrangement. However, to be absolutely clear, this Business Case does not rest or fall on others joining with our two Councils or our two Councils joining with others.
- 2.8 Somerset County Council supports our approach and has a seat on our Project Board which helps ensure progress on the two projects is complementary. The County Council has also provided resources to our project team to support the delivery of our Business Case.

2.9

"I whole heartedly support the shared services agenda across Somerset and am working with all Somerset Councils to promote this work. I am so pleased that West Somerset Council and Taunton Deane Borough Council have agreed to explore sharing services in detail and will do all I can from a County perspective to support their work".

John Osman - Leader, Somerset County Council

2.10 The other Somerset District Councils also support our work and are watching with interest as the Business Case develops.

Specifically, Mendip District Council received political approval on 8 July to formally work with us on exploring options for shared service delivery models (not CEO or senior management however). Mendip recognises the potential of three districts joining forces for mutual benefit, and wants to help us shape the solution.

2.11 Other neighbouring authorities, particularly Exmoor National Park Authority and Sedgemoor District Council, are also represented on the Project Board and similarly support our ambitions.

2.12 Although we are confident that bigger plans will evolve, history tells us that more can be achieved by starting small and growing incrementally. Our experience in relation to the South West Audit Partnership (SWAP) very much supports this. TDBC were founding partners in the hugely successful Partnership, set up in April 2005 for the delivery of internal audit services. From small beginnings, many local authorities have now joined the partnership including all the Councils of Somerset, three Councils in Dorset (two districts and one county), one in Gloucestershire, one in Devon and most recently Wiltshire Unitary Council. The partnership has recently formed a Local Authority Company to allow it to further grow its partnership ambitions.

2.13

Our proposals should therefore be seen as a starting point for wider scale sharing services in Somerset, rather than the end game.

3. Context - The Financial Position the Councils

3.1 The following tables and charts highlight the current projections from the Medium Term Financial Plan of both Councils, as approved by Councillors in February 2013, and as adjusted in light of more recent funding announcements from central government. Both Councils are anticipating reductions of around 20-30% in their funding from Central Government over the next two years.

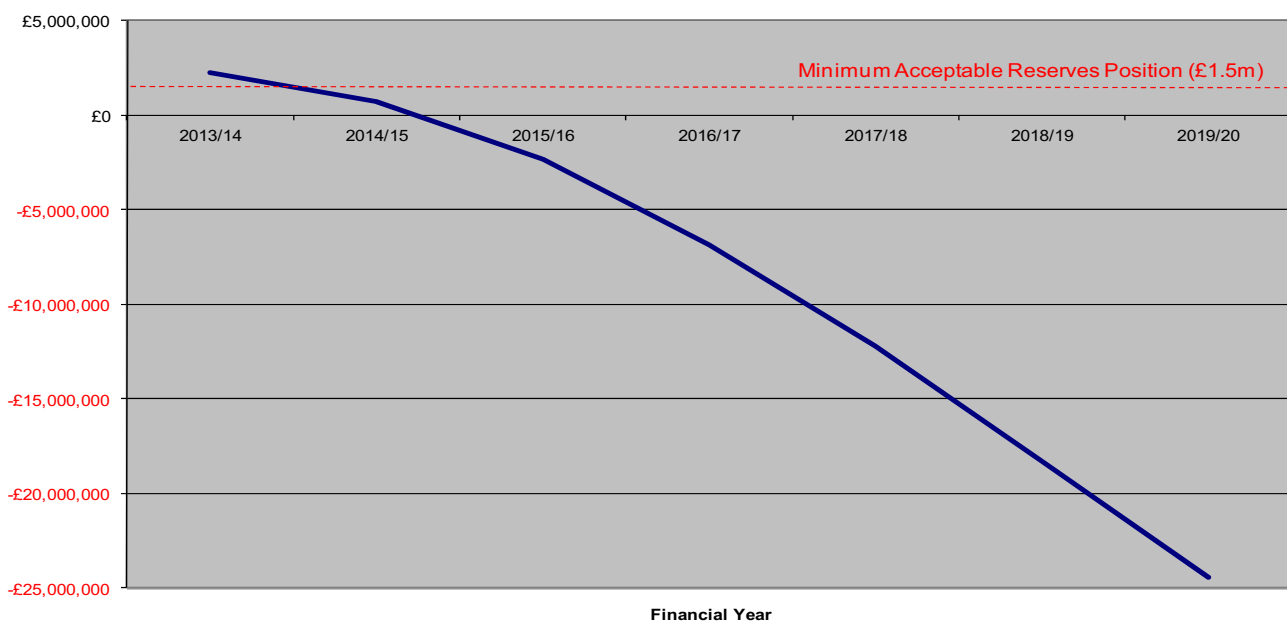
TDBC's Councillors have agreed in principle to ring-fence future New Homes Bonus for growth and regeneration projects within the Borough, whereas WSC are using the expected increase in New Homes Bonus to reduce the projected deficit in its Medium Term budget.

3.2 TDBC - MTFP

	2014/15	2015/16	2016/17
Budget Gap	£1.51m	£3.08m	£4.50m
Gen Reserves	£0.72m (is below min acceptable position)	-£2.36m	-£6.85m

3.3 The table below shows the projection for TDBC's general reserves in relation to its £1.5m minimum acceptable reserves position, based on retaining expenditure at current levels. (The net revenue budget (GF) is £13.47m). This of course assumes that no action is taken to progress savings and the Council relies on GF reserves to support existing spending levels - which clearly from this table is unaffordable and unsustainable.

Projected Level of TDBC's General Reserves

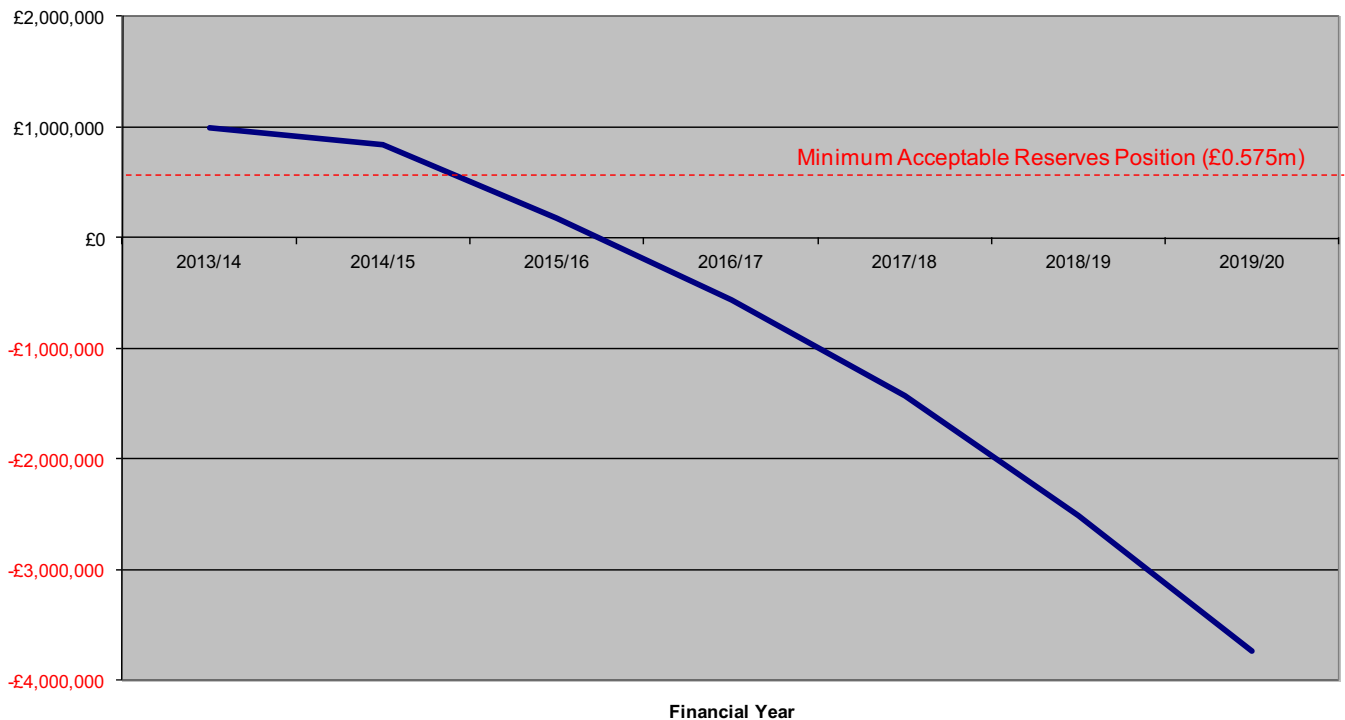


3.4 WSC - MTFP

	2014/15	2015/16	2016/17
Budget Gap	£79.3k	£561.6k	£729.7k
Gen Reserves	£836.3k	£174.7k <i>(is below min acceptable position)</i>	-£555.0k

3.5 The table below shows the projection for WSC's general reserves in relation to its £0.57m minimum acceptable reserves position, based on retaining expenditure at current levels. (The net revenue budget (GF) is £4.974m). As for the TDBC table, this assumes that no action is taken to progress savings and the Council relies on GF reserves to support existing spending levels - which clearly from this table is unaffordable and unsustainable.

Projected Level of WSC's General Reserves



4. Background to the Business Case

- 4.1 In July 2012, WSC invited the LGA to lead an independent review into West Somerset's current financial circumstances, and to make recommendations on realistic ways forward. The review also assessed what savings could be made by the Council working more closely with partners to reduce its expenditure.
- 4.2 Each year, WSC incurs additional, unavoidable cost pressures (e.g. inflation, contract and property costs) amounting to some £150,000, representing around 3% of costs, but a 2% Council Tax rise is only able to raise £35,000 a year. This structural problem generates an ongoing inherent increase in the Council's budget deficit of £115,000 each year on an annual net budget of £4.974m. This position is unsustainable without fundamental change.
- 4.3 For WSC, given the restricted supply of available development land and the disadvantage of being remote from railway and motorway networks, growth will be relatively limited and have less of an impact upon Council finances. Although the proposed Hinkley Point C nuclear power station development has the potential to generate significant extra income through business rate retention, this is unlikely to happen before 2020, and therefore won't address the present concerns regarding the financial viability of the Council.
- 4.4 Following the LGA review, WSC invited TDBC to explore the possibilities of working together to draft a Business Case for the commissioning or sharing of services, management and staff as a way of both Councils addressing budget pressures in their respective Medium Term Financial Plans.
- 4.5 Due to the reductions in government funding that local government has had to face, both TDBC and WSC are predicting that, based on current trends, they will run out of general reserves in the next few years.
- Even sooner, both Councils will breach their minimum acceptable reserves position if matters are not addressed.**
- If nothing changes, Taunton Deane's general reserves will fall under its minimum acceptable reserves position of £1.5m by the end of 2014/15 and will exhaust its general reserves at the end of the following year, with West Somerset breaching its minimum acceptable reserves position of £0.575m by 2015/16 and having no general reserves left by 2016/17.
- 4.6 In late February / early March 2013, both Councils approved a project mandate, Appendix A, to explore joint management and shared service structures across both Councils as a way of helping to narrow our budget gaps.

4.7 This Business Case is the product of that mandate.

4.8 The changes proposed within the Business Case fall into three areas:-

1. Forming a single joint senior management team for the two Councils;
2. Joining our services together, under single joint service managers;
3. Transforming services - implementing the most appropriate long-term service delivery options.

4.9 In practice there will be some overlap between 2) and 3) above, and these won't always be sequential steps. For some services, there are immediate opportunities for transformation, involving sharing with other partners, beyond just TDBC and WSC. In such circumstances it would be a wasted effort and cause delay, if we were simply to join our two services together only then to immediately deconstruct this arrangement to enable the service to fit within a wider model. Instead the opportunity to transform the service would be 'fast tracked'.

5. Approach to Developing the Business Case

- 5.1 In compiling the Business Case, learning from the experiences of other Councils that have or are implementing joint management and sharing services has been invaluable.
- 5.2 A desktop exercise was undertaken, focusing on District/ Borough Councils which were sharing management and / or services.
- 5.3 Visits to West Dorset and Weymouth & Portland Councils and the South Oxfordshire and Vale of White Horse Councils have been undertaken. Feedback was also provided by the Mid Suffolk and Babergh Partnership and Suffolk Coastal and Waveney Councils on their experiences of partnership working.
- 5.4 These Councils have been a rich source of practical advice in helping us to develop the Business Case and giving us confidence in the opportunities which sharing can deliver. They have also provided an insight into the reality of the partnerships, their lessons learnt including what worked and what didn't.
- 5.5 Together with learning from other Councils that have successfully implemented shared services, there are also lessons that can be learnt from Councils that have not been successful or have chosen to terminate their sharing agreements.
- 5.6 The practicalities of serving Councils not geographically close can cause issues, especially for senior management that need to provide a physical presence at two locations and has caused some sharing arrangements to fail. However, given TDBC and WSC share a boundary and have principal offices just 15 miles apart, this isn't considered an issue for our proposed arrangements.
- 5.7 The relationships, trust and respect between Leaders and Members from sharing Councils and between Leaders and Members and senior management is also key. If these relationships break down, this can be another cause of sharing arrangements to fail.
- 5.8 In early September an independent review of the draft Business Case was undertaken by Local Partnerships (see Appendix B). They reviewed the document and undertook interviews with the project team, CEO's and the Council Leaders. Amongst their observations, was the relationship between the TDBC and WSC Leaders appears positive and based on trust and a sense of common purpose. That trust extends to their confidence in the joint Chief Executive.

6. The Business Case - Scope

6.1 The scope of these proposals focuses on reducing ongoing revenue costs relating to employees and non-pay budget items (e.g. supplies and services costs) within the General Fund of both Councils.

6.2 TDBC Housing Revenue Account

Unlike WSC, TDBC retains its own housing stock and accounts for income and expenditure in connection with its role as a landlord through a Housing Revenue Account (HRA). These proposals do not seek to make any savings in relation to the HRA as this would have no impact upon the General Fund Medium Term Financial Plan (MTFP), which is where the present financial challenges lie. Officers working within the HRA would however be within the shared workforce and would therefore be affected by any changes to terms and conditions and job evaluation.

6.3 Members and Sovereignty

The proposals seek to preserve the democratic sovereignty of both Councils and enable the 84 elected Members of the two Councils to continue to fulfil their full representational and leadership roles on behalf of their respective communities. This Business Case does, however, propose joint Member governance arrangements to oversee the safe implementation of this Business Case and the progression of the change programme.

TDBC has been given notice that the Boundary Commission will be undertaking a review of electoral wards within Taunton Deane. This is a separate process, entirely unconnected with this Business Case and will take place irrespective of whether or not TDBC share management and services with West Somerset.

6.4 WSC Staff Funded by EDF

WSC has 11 posts which are funded by EDF linked to the proposed development of Hinkley Point C nuclear power station. These posts would need to be managed within the new proposed joint management structure.

6.5 Existing Partnerships

Several key partnerships are already in place affecting one or both of the Councils. Key amongst these are the Somerset Waste Partnership, South West Audit Partnership and Southwest One (TDBC only). These partnerships are outside of the scope of this Business Case and consequently this Business Case is not predicated on generating any savings from the present arrangements.

6.6 TDBC does, however, have ongoing separate reviews in relation to key partnerships which may identify alternative options for service delivery.

6.7 Principal Offices

This Business Case assumes that in the short to medium term both Councils retain their existing principal offices, in Taunton and Williton respectively, and no savings from consolidating premises or acquiring smaller premises are proposed nor have been included within the Business Case. TDBC has two separate projects, outside of the scope of this Business Case, which might have implications for accommodation and costs /savings relating to it. These are the Asset Management project and Customer Access project. It would be sensible for WSC's requirements to be included within the scope of this work to identify opportunities for both Councils.

6.8 A natural consequence of any reduction in staffing numbers may be the creation of surplus office space within the existing offices. This might lead to further opportunities in the short term to let out this surplus office space. However, this is not crucial to this Business Case and no income arising from such an arrangement has been included within this Business Case. Although, any such savings would only improve the Business Case.

7. Cost and Savings Sharing Principles

- 7.1 **For the purpose of drafting the Business Case**, a steer has been given by the Project Board and Joint Members Advisory Panel about the methodology for sharing costs and savings. These assumptions have been used in the Business Case of sharing moving forward unless more relevant data becomes available.
- 7.2 Joint Management –the working assumption has been that the top two tiers of the structure (Chief Executive and Directors) will be shared 50/50, and that the third tier (Assistant Directors) will be shared 80/20 (TDBC/WSC). However, these assumptions have been modified as more detail about the proposed joint management structure has become available.
- 7.3 Shared Services – Where no better information is known, the working assumption is that these savings and costs will be shared based on the ratio of total budget of each Council, which is 80% TDBC and 20% WSC. This will be refined as we join up each service where more appropriate methodology exists. For modelling purposes though and as a default, 80:20 is sound.
- 7.4 Staff Termination Costs – Staff termination (redundancy) costs for all tiers will be based on the ratios used for each tier, as set out in 7.1-7.3, above.

Without calculating the redundancy entitlement and pension obligation of every member of staff, nor knowing which staff may not retain their employment, it is not possible to provide an accurate figure for the termination costs arising from these proposals. Factors such as length of local government service, salary, age and the different redundancy policies of the two Councils will influence the termination payment for those staff affected. Therefore, for the purpose of this Business Case the following projected values have been used. The final figures may be higher or lower than these.

Employees	Projected Termination Cost (per employee)
Tier Two (Directors) and Tier Three (Theme Managers TDBC / Corporate Managers WSC)	75,000
Service Managers / Lead Officers	50,000
Remaining Staff	25,000

- 7.5 An assumption has been made about the likely numbers of officers leaving the Councils. Clearly, if more officers leave than anticipated, the total costs would be higher.
- 7.6 ICT and Programme Costs – These one-off costs will be treated on a case-by case basis, depending on the nature of the expenditure. For example, some ICT and Programme costs will be based on the number of staff in each organisation, and so will be split accordingly. However, some costs will be ‘fixed’ and will need to be incurred by each Council equally.

7.7

The cost and savings sharing formula which has been used in progressing the financial model in the business plan has been tested as part of the External Assurance Review and was found to be appropriate.

The project team have briefed the external auditor on our approach.

We will have an agreed framework in place that sets out how this broad formula will be tested and reviewed annually to ensure it is still fit for purpose and safe to use for the costs and savings allocation in the joint working arrangement. This framework draws on the practices of other authorities who are sharing management and services. The proposed framework will be reviewed by audit and checked annually.

The purpose of this framework and annual reviews is to ensure that one Council does not subsidise the other.

7.8

Savings made as a direct result of one of the Councils ceasing to deliver a service would accrue in full to the authority ceasing to provide that service (subject to the decision not increasing the costs of continuing to deliver the service by the other Council, above the original baseline). The same principle would apply to additional costs incurred due to one of the Councils requiring an additional service or an enhancement to an existing service. In such a case the Council requiring the additional service or enhanced service would have to finance in full the additional costs associated with the change.

8. Employment Models

- 8.1 The fundamental principle of the partnership is that all staff will be working together for the benefit of the two Councils and, over time, will not consider themselves particularly attached to a specific Council.
- 8.2 The detailed review in Appendix G examines the issue in some depth and sets out the 'pros' and 'cons' of the two main approaches available.
- 8.3 Members will see that the 'pros' and 'cons' are finely balanced and either option could work. On balance, however, it is the view of the Project Team that a cleaner and more permanent outcome will be provided by the 'host employer' model. The 'host employer' model is where one or other of the two partner Councils becomes the employer in law for the employees of both Councils. It is anticipated that this will require a transfer of staff to one or other of the partner Councils which could trigger the application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE').
- 8.4 For the reasons set out it is therefore recommended that the 'host employer' model should be adopted for inclusion within the overall Business Case and that discussions also take place with UNISON. It is further recommended that TDBC be the 'host employer'.
- 8.5 As appointments are made within differing levels of the workforce, postholders would be employed by TDBC.
- 8.6 It is envisaged that all officers will be employed by TDBC by 31 March 2015.
- 8.7 Further detail about how this change can be managed and achieved is set out within the 'Creating the Shared Workforce' report, which appears on the same agenda as this Business Case.

9. Terms and Conditions and Pay

- 9.1 In joining together to make a single workforce there is a need to harmonise terms and conditions of employment for staff. This will require early and on-going detailed consultation with UNISON and staff.
- 9.2 The outcome to which the Councils should be working anticipates:
- A single set of pay and conditions based on a local government model;
 - A single set of policies and work practices;
 - A single pay scheme;
 - A negotiated agreement for transition arrangements for staff (e.g. any pay or travel protection).
- 9.3 The creation of a shared management and service partnership will create a significant amount of concern for staff over an extended period. In harmonising the terms of conditions of all employees in the partnership it is vital that we agree a set of terms and conditions that reflect authorities operating in the current political and economic climate but also, and more importantly, reflect that it is through the workforce of the partnership that we will continue to deliver services to the public and they must see that this is reflected in how their employer treats them.
- 9.4 On this basis, it is recommended that the harmonisation of terms and conditions is conducted on the basis that the authorities support remaining within the framework of the national terms and conditions of employment but would look to agree variations to these conditions where it is beneficial for the delivery of services.
- 9.5 It is also recommended that the harmonisation of terms and conditions, which will need to be undertaken through consultation and negotiation, is carried out on the basis that it will, in the worst case scenario, be 'cost neutral' although opportunities for savings will be explored. As a starting point to these discussions, UNISON has undertaken a consultation survey with all staff at WSC and TDBC to gauge the relative importance of each of the current terms and conditions.
- 9.6 Further detail about how this change can be managed and achieved is set out within the 'Creating the Shared Workforce' report, which appears on the same agenda as this Business Case.
- 9.7 The outline implementation plan includes the aim to harmonise all terms and conditions, and employment policies and procedures, by 1 April 2015.

10. Assets

- 10.1 Each Council owns a number of assets including such things as offices, other operational property, investments, etc. **There will be no change in the ownership of those assets.**
- 10.2 As each Council will continue to be a separate legal entity and therefore required to complete its own Statement of Accounts there will be a requirement to “charge” each Council with its fair share for the use of those assets which the shared service will use.
- 10.3 Therefore for financial purposes a decision will need to be made for each individual asset to agree if that asset is to have a “shared” use or a specific use. Specific uses are those assets which have the exclusive benefit of one Council. For example, the crematorium in Taunton or marina at Watchet, etc.
- 10.4 There may be some assets that are purchased jointly e.g. new ICT systems, vehicles or equipment. These will still need to be recorded in each Council's individual set of accounts.
- 10.5 Other assets such as investment portfolios, property etc will remain the responsibility of each Council and recorded separately in the individuals Council's set of accounts.

11. Finances - Savings Summaries

11.1 The following table illustrates the likely spread of costs and savings by year which accrue from the proposals within this Business Case; specifically sharing managements (pay savings) and sharing services (pay savings) and transforming services (non-pay budget savings) discussed in sections 14, 15 and 16 of this Business Case.

11.2

TOTAL Costs and Savings - (£,000's)						
	2013/14	2014/15	2015/16	2016/17	2017/18	Cumulative Costs
Costs						
Staff termination costs	410	781	0	0	0	1,191
ICT costs	502	450	225	60	0	1,237
Programme costs	134	153	0	0	0	287
Total costs (rounded)	1,047	1,384	225	60	0	2,716
Savings						
Net staff savings	9	-400	-1,389	-1,389	-1,389	
Non-pay budget savings	0	0	-500	-500	-500	
Total savings	9	-400	-1,889	-1,889	-1,889	
Annual cost / -saving	1,055	984	-1,664	-1,829	-1,889	
Cumulative cost / -saving	1,055	2,040	376	-1,453	-3,342	

11.3 The table below shows the position for TDBC only.

TDBC Costs and Savings (£,000's)						
	2013/14	2014/15	2015/16	2016/17	2017/18	Cumulative Costs
Costs						
Staff termination costs	274	625	0	0	0	898
ICT costs	356	315	165	45	0	881
Programme costs	100	122	0	0	0	222
Total costs	730	1,063	165	45	0	2,002
Savings						
Net staff savings	7	-391	-1,182	-1,182	-1,182	
Non-pay budget savings	0	0	-400	-400	-400	
Total savings	7	-391	-1,582	-1,582	-1,582	
Annual cost / -saving	737	672	-1,417	-1,537	-1,582	
Cumulative cost / -saving	737	1,409	-8	-1,545	-3,127	

11.4 The table below shows the position for WSC only.

WSC Costs and Savings (£,000's)						
	2013/14	2014/15	2015/16	2016/17	2017/18	Cumulative Costs
Costs						
Staff termination costs	137	156	0	0	0	293
ICT costs	146	135	60	15	0	356
Programme costs	34	31	0	0	0	65
Total costs	317	321	60	15	0	714
Savings						
Net staff savings	2	-9	-207	-207	-207	
Non-pay budget savings	0	0	-100	-100	-100	
Total savings	2	-9	-307	-307	-307	
Annual cost / -saving	319	312	-247	-292	-307	
Cumulative cost / -saving	319	631	384	92	-215	

11.5

Taking account of this investment, the project payback period is March 2016 for TDBC and July 2017 for WSC.

However, were all of the one-off costs to be paid up-front, then by 2015/16 the project will start making annual net savings of over £300k for WSC and almost £1.6m for TDBC.

12. Finances - Transition Costs

12.1 In order to safely and successfully bring about the changes required within this Business Case and to realise the significant annual savings forecast, certain one-off costs will be necessary.

12.2 Our best estimate of the costs associated with the change programme is £2.716m (£1.191m Termination costs, £1.237m ICT, £0.287m Programme costs).

This will cover the following areas;

- Officer termination costs;
- ICT enhancements to support shared services (e.g. internal joined infrastructure, system consolidation, improving customer access) ;
- Programme costs (e.g. Benchmarking; Additional external advisory support for job evaluation; Additional HR support to handle staffing changes; Member and Management Leadership development).

12.3 It is impossible at this stage to accurately detail each element of expenditure that will be incurred as there will be many variables which will come into play. For example, with termination costs the age, salary and length of service of the individuals concerned will directly impact on the final cost; for ICT tenders and negotiations will determine the final cost. These two areas are, by far, where expenditure will be highest.

12.4 In the early part of the programme, simply due to timing differences, there will be likely deficits between savings delivered and expenditure incurred. A total of £2.716m is projected to be required in order to meet the one-off costs necessary to support this programme of change, on an 'invest to save' basis. This investment would be £2.002m from TDBC and £0.714m from WSC. If these costs are accounted for up-front, by 2015/16 the project will start making annual net savings of over £300k for WSC and almost £1.6m for TDBC.

12.5 For TDBC, the proposal is to use a mixture of General Fund Reserves, part of New Homes Bonus 2014/15 settlement and unallocated capital. In terms of General Fund Reserves, the current balance is £2.231m (September 2013). It is anticipated that this balance will be increased by £0.498m through the release of surplus earmarked reserves (subject to approval), increasing the balance to £2.729m. The recommended minimum balance for General Fund Reserves is £1.5m.

12.6 For WSC, the proposal is to use the Sustainability Fund that is forecast to have a balance of £500k at the end of 2013/14.

Any ICT costs that can be capitalised and be funded from capital receipts and the remainder will need to be funded from the General Fund.

13. Implementation

- 13.1 The changes proposed within the Business Case fall into three areas:-
- 1) Forming a single joint senior management team for the two Councils;
 - 2) Shared services - joining our services together, under a single structure;
 - 3) Transformation - implementing the most appropriate long-term service delivery options and bringing about organisational and cultural change.
- 13.2 In practice there will be significant overlap between 2) and 3) and these won't always be sequential steps. For some services, there may be immediate opportunities for transformation, involving delivering services collaboratively with other partners, beyond just TDBC and WSC. In such circumstances it would be a wasted effort and cause delay, if we were simply to join our two services together only then to immediately deconstruct this arrangement to enable the service to fit within a wider model. Instead, in such a case the opportunity to transform the service would be 'fast-tracked'.
- 13.3 The establishment of a new joint senior management team will be the driver for changes within services and create momentum for the change programme. 'Fast-track' opportunities give additional pace to sharing and transforming services between our Councils and others. These 'fast-tracked' services will influence the approach to sharing for other services.
- 13.4 Two services have already been identified where there is a current potential opportunity to deliver services in conjunction with other Councils, where we can 'fast-track' the transformation of services, subject to acceptable Business Cases being put forward, demonstrating acceptable cost reductions and assurance regarding future service performance. These are:
- Legal Services -where a shared service with TDBC, WSC and Mendip is being explored.
 - Building Control - where shared service options are being explored between the Somerset Districts.
- Additional 'fast track' opportunities may present themselves during the early part of the change programme and will be considered accordingly.
- 13.5 Work to progress these opportunities will run concurrently with the implementation of joint management and shared services.
- 13.6 If this Business Case is approved a detailed implementation plan will need to be developed and approved. This will require four distinct workstreams to support the process -
- HR
 - Technology
 - Corporate & Governance
 - Culture and Communications

- 13.7 These workstreams will lead cross-cutting initiatives that will be needed to support the joint management and the sharing of services and will also run concurrently with work on those areas;

HR

- Aligning Terms and Conditions through appropriate negotiation and consultation
- Supporting staff through change
- Harmonising policies
- Job Evaluation to align pay scales.

Technology

- Introducing common corporate platforms e.g. Email account/calendars etc enabling staff and Members to work more effectively
- Integrated phone system/printing/flexible office space
- Customer Access options – website/drop in hubs/mobile working

Corporate & Governance

- Aligning policies where necessary
- Developing service standards/measures
- Baselining and benchmarking service performance
- Financial monitoring - costs and savings and sharing
- Performance management

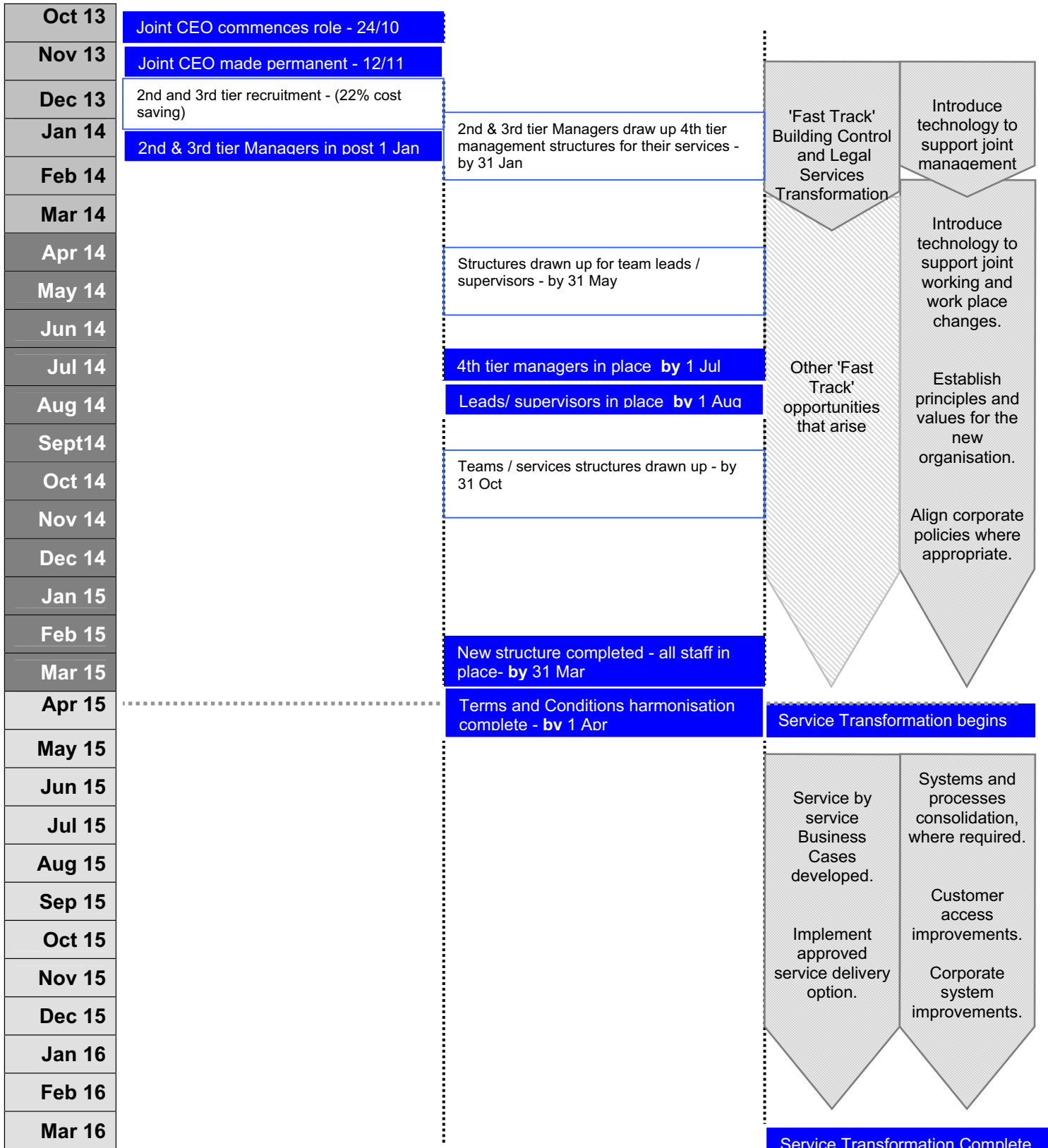
Culture and Communications - This area will be lead by the CEO and supported by the new senior management team

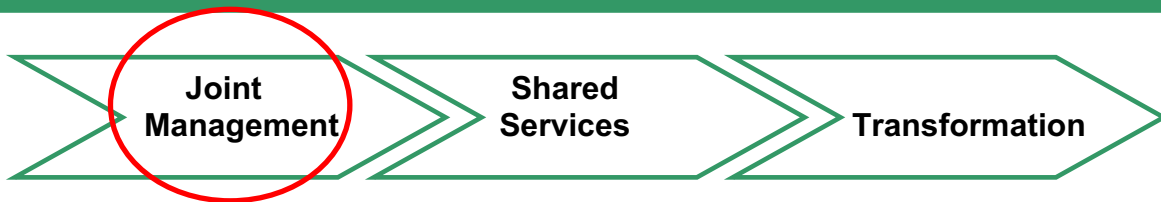
- Defining 'The way we work'
- Internal Communications
- Producing a clear set of organisation-wide principles for those tasked with service reviews and transformation to adhere, and ensure a consistent and corporate approach to change.

- 13.8 The illustration in the following page provides an indicative overview of the key elements and milestones for the project.

13.9

Indicative Implementation Timeline





14. Joint Management

- 14.1 Members will be aware that at meetings of the respective Councils on 22 and 23 July WSC and TDBC agreed to an interim arrangement whereby Penny James was appointed to the role of joint CEO (Head of Paid Service role) under Section 113 of the Local Government Act 1972.
- 14.2 If this Business Case for joint management and shared services is approved by both Councils in November 2013, this interim arrangement for a shared CEO would be made immediately permanent. If the Business Case is not supported, the joint role would be reviewed in May 2015, following district Council elections.
- 14.3 To ensure a safe transition, from two separate CEOs to one joint CEO, WSC's outgoing CEO will be retained in the capacity of Executive Director until 31st March 2014. Similarly, it is anticipated that any outgoing members of the existing senior management teams, will remain until end March 2014, to provide a period of knowledge transfer and safe handover to the new Joint Management Team.
- 14.4 Although delivering worthwhile savings, sharing a CEO alone leads to a relatively small positive impact on the MTFP but places a significant burden on the individual - as set out in the July papers to both Councils.
- 14.5 There will be an overall additional time commitment falling on the joint CEO as a result of working in two Councils. This is manageable but will be challenging and the post holder will need the support of Members and staff to make the arrangement a success.
- 14.6 A joint CEO will work more effectively where they are supported by a single integrated senior management team with a strategic and delegated structure that allows the CEO more freedom to act as a place shaping advocate for both authorities and to become more strategic and disengage from some matters of detail. The integrated team can allow the CEO to lead cultural and service reform with a single and consistent voice across the two Councils.

Having said that, the arrangement can work standing alone and be separate to other changes, albeit that the personal challenges to the joint CEO to perform to the highest level will be greater and the potential to make significant further savings from management and service integration would be lost.

- 14.7 There will be an impact on Corporate Management Team (CMT) colleagues; it is likely that they may be required to do additional work, take on new challenges or take on extra responsibility as a consequence of this proposal. This is supported from the experiences shared by the Chief Executive South Oxfordshire and Vale of White Horse when the project team visited in June 2013.
- 14.8 It is pleasing to report that the proposal, to progress to a joint management structure, has the "in principle" support of both management teams.
- 14.9 A new single, coherent senior management structure will deliver:
- significant financial savings to the General Fund of both Councils;
 - greater critical mass and capacity;
 - access to a broader range of skills and experience;
 - sufficient leadership and senior operational capacity to deliver Member priorities, the transformation agenda, a sustainable future or both Councils and 'business as usual';
 - capacity to maximise the community and economic benefits of the proposed Hinkley Point development;
 - greater influence for the Councils at a County, regional and national level.
- 14.10 There is no formula available to determine the ideal level of management overhead a specific organisation should have. There are however some guiding principles. These include:
- Comparison with arrangements elsewhere;
 - The ongoing good practice of seeking continuously to improve the ratio of frontline resourcing to strategic decision-making;
 - Judgements about sustainability and resilience. These include assessments of the sustainability of a management model in terms of its short-term impact on services: would a radical reduction in the management overhead lead to problems at the frontline? These assessments then need to be balanced against a resourcing judgement: is the management model ultimately affordable in the medium to longer term?
- 14.11 When considering what has happened elsewhere, in Adur and Worthing, the Councils have reduced their Strategic Directors from four to two and their Heads of Service from 17 to 7. Elsewhere, In South Oxfordshire and Vale of White Horse District Councils, the Chief Executive is shared; Strategic Directors have been reduced from five to three and Heads of Service from 14 to seven.
- 14.12 Obviously the above would be too crude a basis on which to base what would be right for TDBC and WSC, as factors such as rurality, the extent to which service outsourcing had taken place, population size whether either, neither or both authorities have retained their housing stock and Direct Labour Organisation (DLO) and the ambitions of both Councils would all be important factors in determining the optimum senior management provision. Nevertheless it illustrates the scale of the reductions which can be, and have been, achieved.

14.13 The advantages of bringing senior management together before joining services are:

- the senior management will be made up of those committed to transforming services,
- it will demonstrate leadership from the top,
- it will give the Chief Executive and management team the exciting opportunity to shape the structure of the organisation beneath them rather than having a structure imposed upon them.

14.14 The cost of two CEO and the two senior management teams cost the General Fund of the two authorities a combined total of **£1.052m** per annum (a further £158k of the TDBC senior management salaries is charged to the HRA in recognition of the responsibilities which these officers have for that part of the Council's business).

14.15 The current separate senior management teams, below the interim joint CEO, are illustrated in the diagram below:



14.16 To ensure further savings are realised, beyond that achieved by sharing a single joint CEO, and so the joint CEO has influence in the management structure below her, it is proposed that the joint CEO would be given a reduced 'cost envelope' within which to design the management team.

14.17 In determining the appropriate size for the 'cost envelope', the project team have researched the shared structures adopted elsewhere. This has demonstrated reductions in senior management costs through sharing of broadly 25% to 30%. It is felt that a 22% reduction would be safe and deliverable for our Councils.

14.18 The size of the General Fund 'envelope' proposed is therefore **£825k**. This represents a **£227k (22%)** saving on the previous General Fund costs of employing two CEOs and two senior management teams.

14.19 There is projected to be a one-off cost associated with this reduction in management in the order of **£326k** (£407k when including the CEO tier) to cover termination costs. However, for the reasons set out in para 7.4 it is not possible to provide a precise cost (other than for the CEO tier) in advance of the recruitment process having concluded.

Should the proposed slot-in and internal recruitment processes not prove entirely successful, the one-off costs associated with this reduction in management could be as high as almost £890k (over £970k when including the CEO tier).

14.20 The management structure proposed, and the rationale behind, is provided as a separate agenda item for consideration, should this Business Case be approved.

14.21 The intention is for the new senior management team to be in post **by 1 January 2014**.



15. Shared Services

- 15.1 The appointment of a single joint CEO and establishment of a joint senior management team across both organisations provides the foundation and impetus for the shared service agenda to develop and progress. In effect it 'opens the door' to the greater savings which can be achieved through sharing services, than would be possible were senior management alone to be shared.
- 15.2 Shared services will deliver the new model of local government for TDBC and WSC and will also provide a platform for wider sharing of services across Somerset.
- 15.3 The senior management (Tiers 2 and 3), once in place, will be required to draw up the 4th tier management structures for the services under their control.
- 15.4 They will be provided with a requirement of overall savings to be achieved and will have to design 4th tier and subsequent posts within this reduced 'cost envelope'.
- 15.5 4th tier managers would be in post **by 1 Jul 2014**.
- 15.6 3rd and 4th tier managers will then be required to draw up structures for team leaders/supervisors; again within the overall 'cost envelope' available.
- 15.7 It is anticipated that Assistant Directors and 4th tier managers, with input of their respective team leaders and supervisors, where appropriate, will design the remainder of the service structure within the balance of the available 'cost envelope'.
- 15.8 By adopting this cascading approach to team design, it ensures that those who have responsibilities for service delivery have a direct input to the way in which their services are resourced. It also ensures that savings are certain and delivered quickly, since services are required to be designed at the outset with a reduced overall cost.
- 15.9 This merger of service teams will start to deliver savings to the Councils during 2014/15 and will be completed **by 31 March 2015**.
- 15.10 Preparatory work has already commenced on the shared services phase. A workshop was held in May 2013, and a further one in September 2013 attended by service leads from both TDBC and WSC. These were opportunities to facilitate dialogue between managers about the opportunities to share services and has been the catalyst for building relationships that will be key to the development of shared services and service transformation going forward.

- 15.11 Service profiles have been drafted capturing details about each service, including staffing structure, performance, IT systems, existing contracts and customer contact. Following this, meetings have been held with key services attended by the respective service leads at TDBC and WSC and these will continue for all services during the coming months.
- 15.12 This information will be vital in setting a cost baseline against which savings requirements can be calculated, and performance in reducing costs measured.
- 15.13 The pay and on-cost General Fund budget for the 367.31fte employees **outside of the senior management tier** is £11.620m. £9.189m (287.32fte) of this relates to TDBC, and £2.431m (79.99fte) to WSC.

15.14

Having taken into account other Councils who have undertaken similar arrangements, it is anticipated that a 10% saving is credible and deliverable for this staff cohort. This is at the lower range of savings generated by others (for example South Oxfordshire and Vale of White Horse achieved a 28% reduction in staffing numbers), but reflects the modest staffing numbers at WSC compared to other districts which have shared services.

This alone would result in a reduction of around 37 FTE posts and a further on-going saving of £1.162m pa.

These post reductions will be made through a combination of deleting vacant posts (where applicable), voluntary redundancies, voluntary turnover and, as a last resort, compulsory redundancies.

- 15.15 Of the 10% reduction in staff costs, it is anticipated that 'natural wastage/churn/voluntary turnover' will account for 2.5%. This figure is less than the Councils' normal voluntary turnover figures (just over 4% per annum) as some of these posts will not be suitable for redeployment and will need to be recruited externally.
- 15.16 Taking account of the 2.5% figure, above, and average termination figures for staff at these levels, it is estimated that the total termination cost could be around £780k.
- 15.17 Both Councils are clear that we do not want to wait until full service transformation has been undertaken and new systems and processes adopted in each service line before joining teams together. Such an approach would delay realising savings and would dilute the sense of momentum which we want to achieve.

15.18

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.

We believe there is the potential for further savings of £500k through sharing services - which represents 5% of the non-pay discretionary General Fund budgets for the services within the scope of this project.


15.19 Some examples of areas where non-pay savings could potentially be realised include:

- Consolidated and renegotiated third-party contracts;
- Reduced ICT costs through rationalising applications and third party suppliers;
- Reduced costs of internal audit from South West Audit Partnership;
- Reduced costs of annual external audit exercise;
- Shared use of specialist supplies and equipment;
- Shared use of professional advice (e.g. Treasury, Legal and HR);
- Reduced requirement for, and more cost effective access to, a wide range of training needs;
- Reduced cost of attending national or regional conferences or events, through single officer attendance for the two authorities.



16. Service Transformation

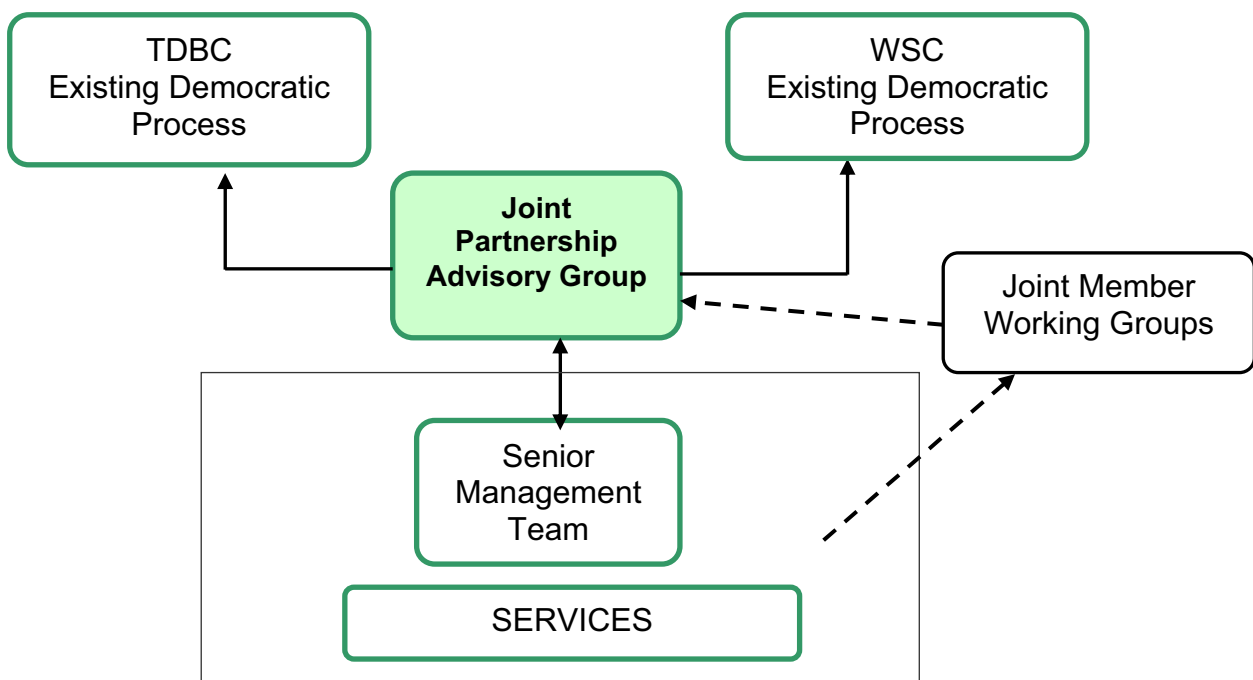
- 16.1 For most services, Transformation will follow on from service convergence, (joining together separate TDBC and WSC teams under single joint service managers). This stage will focus on driving out further efficiencies and savings by using current best practice, which may be from either authority or others, doing things differently and exploring alternative service delivery models.
- 16.2 As referenced in 13.4, there will be some services where Transformation is 'fast-tracked' and would happen before, and instead of, service convergence between TDBC and WSC. This would be, for example, where opportunities currently were available or arose at an early stage, for delivering services using a new more efficient and cost-effective way.
- 16.3 Reviewing how and why services are delivered, aligned with a renewed approach to customer experience and access, will play a vital role in how the shared teams deliver services in the future.
- 16.4 Sharing services will provide the opportunity for both organisations to learn and adopt the best practice, not only from each other but to learn from others and take the opportunity to implement changes and improvements to the service. The services will be using comparative information available (e.g. Rural Services Network – SPARSE data) and CIPFA information to benchmark against 'best of breed' for both performance and cost. This will help set the benchmark for modelling the shared service and the ability to set appropriate service budgets and performance targets. The ability to vary levels of performance across the two organisations is important to sovereignty although we need to acknowledge that this is not easy to achieve, particularly in organisations of different sizes.
- 16.5 No service delivery option is to be ruled in or out at this stage – the project will seek to identify the best option for the Councils, our residents, businesses and any other interested parties. This will involve reviewing existing contacts as part of the overall service transformation process when opportunities arise.
- 16.6 The localism agenda also provides opportunities to look at options for delivering services in a different way. It provides the ability to work collaboratively with a broad range of organisations to deliver effective local services for customers.
- 16.7 Service reviews to transform services will be prioritised to ensure that resource is available to support the work, minimise risk and minimise disruption to service delivery.

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- 16.8 It is important that all Members have the opportunity to get involved in the review projects that will be undertaken. Members will need to be involved at an early stage if this process is to work effectively. The proposals in section 17 on governance set out our suggestion for ensuring members help drive this important Transformation phase of the project.
- 16.9 To determine the order in which services are reviewed, a priority matrix will be used, where the following criteria will used:-
- Greatest potential for savings (These will typically be the larger service teams, often with a high transactional element to the workload);
 - Opportunities to increase service resilience;
 - Potential to generate additional income.
- 16.10 We believe that savings can be achieved through the transformation of services. However, this Business Case does not provide a financial estimate at this stage. Any savings generated would only improve this Business Case.

17. Governance

- 17.1 The Councils will remain as separate entities; as will their existing democratic processes.
- 17.2 However, to supplement the existing democratic structures, the Inter Authority Agreement, which is the subject of a separate report on the agenda, proposes a Joint Partnership Advisory Group (JPAG) be formed and provides the detail around this.
- 17.3 It is proposed that the JPAG be a non decision making body whose membership is drawn from the Authorities, comprising ten (10) members, comprising the Leader from each Authority plus four other members from each council to be appointed annually.
- 17.4 The main role of the Group is to monitor that the approved business plan is being delivered and to report back on any matters/concerns to the two authorities. The Group will also make any necessary comments on joint policy work to each Authority (to executive/cabinet or Council) on any new shared services proposals with other partners. **It would not replace the respective roles of the existing scrutiny committees**, but would as Joint Members Advisory Panel (JMAP) does currently, add value and challenge to the proposals that emerge.
- 17.5 As required, it is envisaged that joint Member Working Groups will be formed between officers and Members to discuss and help shape Transformation plans for consideration.

Proposed governance structure



18. The Performance of Each Council

- 18.1 Similar service performance can be an aid to sharing. However, where performance converges at a low or middling level, the sharing itself should be seen as an opportunity to reinvent service approaches and improve performance.
- 18.2 Learning from the experience of other Councils that share services, performance measures should not be used for direct comparison between the sharing Councils.
- 18.3 Instead, performance measures should initially be used to ensure standards of service for each Council are maintained during a time of change and are valuable indicators of the impact and success of sharing services.
- 18.4 Performance of the Councils has historically differed and may continue to do so. It is an important point to make that simply sharing services will not result in identical performance. Similar processes and policies will help to make the services efficient but the relative demand, demographics; affluence etc between the two Council populations will all have a bearing on performance which will not be negated simply through adopting a shared workforce.
- 18.5 Using nationally-comparative performance information from other best practice Councils that are achieving value for money services, reflected in the cost of the services, the performance being achieved and customer satisfaction is also valuable in gauging the opportunity for improvement in the standards of service delivered.
- 18.6 There are various sources of comparative data that enables both cost and performance comparison to be undertaken. CIPFA (Chartered Institute of Public Finance and Accountancy) run a number of benchmarking services, SPARSE (Rural Services Network) provide a comparison of service costs for sparsely populated local authorities. This comparative information will be especially useful when services are converged and then transformed in the later stages of implementation.
- 18.7 As an overview of each organisation's performance at this stage, we will be utilising the LG Inform performance metrics. These incorporate key measures using service data collected for submission for Central Government's returns. The information and reporting functionality provides access to performance information locally, regionally and nationally across all areas of England and Wales and provides the opportunity to benchmark against other Councils.
- 18.8 The LG Inform headline reports are attached as Appendix C and provide performance comparison against all English district Council authorities.
- 18.9 In addition to these national indicators, we will also use local indicators important to Members, to ensure that the impact of change can be tracked.

19. Equality Impact

- 19.1 Shared service arrangements must deliver the equality objectives of the Councils both in delivery of services, which meet the needs of their different communities, and in promoting equality and diversity in the workforce.
- 19.2 The main stakeholders possibly impacted by the proposed changes within this Business Case are:
- Residents – want accessible services that are delivered with clarity and provide good value for money;
 - Members – as for residents, with a central focus on saving money without compromising the quality of service delivery and retaining appropriate access to officers;
 - Employees – want to deliver services to the public, job security, clarity of role, rates of pay and terms and conditions in line with colleagues, time to adjust to change and flexibility;
 - Business communities - want consistent processes, value for money and prompt response times, recognising that for businesses time is money.
- 19.3 An Equality Impact Assessment (EIA) for the Business Case for joint management and services arrangements between TDBC and WSC has been carried out and is attached at Appendix D.
- 19.4 Further detailed EIAs will be completed on a service by service basis when detailed plans for joining and transforming particular services are developed.

20. Communications and Consultation

- 20.1 There has been a need for effective and on-going communications throughout the project.

It is important to provide regular, honest and timely information, in an appropriate format, to all staff, Members and key partners setting out the key messages throughout the process

- 20.2 A Communications Strategy has been developed and implemented, covering the period up to the presentation of the Business Case for approval. Should the Business Case be approved there will be further communication requirements relevant to implementation and the strategy will need to be refreshed at this time.

- 20.3 The governance framework established to oversee the project also provides a key role in communicating the key messages and progress of the project as well as providing a forum to review proposals made.

The Project Board, held monthly, is attended by the project team and senior management from both Councils. Representatives from neighbouring Councils are also invited to attend, enabling them to contribute to the process and keep up-to-date on progress.

- 20.4 The Joint Members Advisory Panel (JMAP) made up of Member representatives from each Council meets on a monthly basis. The Member representatives provide advice, challenge and guidance to the project team. It is also a key communication channel for both JMAP Members and to their wider Member colleagues.

- 20.5 Key events have also been held throughout the process to keep all Members and staff informed of progress at key stages.

- 20.6 All Member briefings have been held respectively at WSC and TDBC at important stages of the project.

- 20.7 For staff, all staff briefings at WSC and team lead briefings at both WSC and TDBC, have been held, providing an opportunity for key messages to be relayed to staff as well as providing an opportunity for staff to raise questions regarding the project. Additionally staff drop-in sessions have been held at both WSC and TDBC offices.

- 20.8 Monthly project newsletters are circulated to both staff and Members and have been an effective mechanism to ensure everyone is kept informed.

- 20.9 Service lead workshops have also been held, bringing officers together from both Councils. These are opportunities to update staff at key stages of the project as well as involving them in work that has informed the Business Case and future service developments.

- 20.10 Key partners and organisations of both Councils have been notified of project progress.
- 20.11 WSC's Community Matters and TDBC's Weekly Bulletin have been used to keep Parish/Town Councils and community groups informed.
- 20.12 The press and media are kept up to date at key stages of the project via media briefings and press releases.
- 20.13 Agreement has been reached with UNISON to hold joint branch meetings to discuss this project. Regular monthly meetings have been held which, if the Business Case is approved, will lead to a continuation of meetings with UNISON to commence a process of formal consultation and negotiation.

20.14

An early draft of the Business Case was subject to an independent assurance review by Local Partnerships (www.localpartnerships.org.uk); a company that is jointly owned by HM Treasury and the Local Government Association, providing trusted, professional support and advice to local authorities, public bodies and Government departments.

The report of their observations is provided at Appendix B.

- 20.15 As we move closer to sharing services, the importance of keeping customers and partners informed of progress will take on even greater prominence. Our Councils touch the lives of thousands of people every day and, during an economic downturn, Councils, and the services they provide, become more important to people as change can cause concern or uncertainty.
- 20.16 When people feel well informed by their Council, they are likely to be more satisfied with their Council and feel more engaged in the Councils decision making.
- 20.17 As we communicate about change, a shared media protocol, a shared communications plan and a single joint CEO and management team will all play important roles in ensuring consistent and accurate messages are given, whilst ensuring the independence and sovereignty and accountability of the two Councils is maintained.
- 20.18 We will consider several different communication channels to meet the needs of our residents and stakeholders. These will include:

Printed Media:

- Press releases, statements and briefings;
- Annual Council Tax booklets;
- Corporate publications - Tenants Talk (for TDBC housing tenants), Deane Dispatch (monthly paid-for section of the County Gazette)

Electronic Media:

- Weekly Bulletin (TDBC) and Community Matters (WSC -emailed to Members, Parishes and Community Groups);
- E-newsletters for key partners;
- News articles on our websites;
- Agenda and minutes published on our websites.

Broadcast Media:

- Arranging television and radio interviews where necessary

- 20.19 For Members and officers, the project newsletter has been effective and we propose to continue with a newsletter. However, as change will affect different services at different times, and in many cases will have HR implications, team briefings will play a more prominent role as a simple 'one size fits all' approach to communication is unlikely to be adequate.
- 20.20 Additionally, it is hoped that it will be possible to provide staff with a common Intranet, where project / change related information can be stored and accessed easily by staff as change can often bring uncertainty and worry so it will be vital that all staff are aware of what is planned, when and why.
- 20.21 All-Members briefings will continue to be used to keep members informed of progress. Members will also be fully involved in the change programme, through Corporate Scrutiny, the Joint Partnership Advisory Group and the Joint Member Working Groups highlighted in Section 17.

21. Risk Management

- 21.1 Identifying and managing risk is an important element to securing the success of these proposals. In order to take an informed decision about proceeding with the proposals, Members need to be aware of the risks associated with the creation and implementation of the joint management and shared service arrangements and how these can be effectively managed to ensure achievement of the stated objectives and deliver the benefits.
- 21.2 Risks have been reviewed regularly by the project team and both JMAP and the Project Board have reviewed these. Reviewing risk is an iterative process and risks will need to be continually reviewed and actively managed if the project is to succeed. It is envisaged that the proposed Joint Partnership Advisory Group (referred to within the Governance chapter of this Business Case) will have responsibility for overseeing the risk management process for the implementation phase.
- 21.3 The current implementation risk register is attached at Appendix H.

22. Outcomes and Measures

- 22.1 At its fundamental level, everything contained within this Business Case can be summarised as seeking to achieve Value for Money.
- 22.2 Value for Money can be readily measured in terms of **customer satisfaction, cost and performance**.
- 22.3 The following measures will be used to gauge the success of the changes proposed:

Customer Satisfaction Outcomes and Measures		
	Outcome	Measure
1	Overall customer satisfaction is at least maintained.	Monitoring the overall customer satisfaction is vital, especially when services are undertaking transformation. To ensure an effective baseline, a customer satisfaction survey will be undertaken at the time of annual Council Tax billing in Feb / Mar 2014 and annually thereafter. Current service-specific customer satisfaction surveys will continue and will also be a valuable baseline and measure going forward.

Cost Outcomes and Measures		
	Outcome	Measure
1	Sustainable senior management structure in place that reduces the General Fund management overhead for both councils and can drive forward service integration and transformation.	Appointment of Senior Managers (top 3 tiers) has been completed by 1 Jan 2014 The 2014/15 overhead (General Fund) for the top 3 tiers of management will have reduced by approx £227k compared to 2013/14.
2	Single workforce in place reducing the General Fund pay overhead.	Staff costs for the remainder of the organisation (e.g. excluding senior management – 3 tiers) will, in 2014/2015 be approx £1.162m lower than the 2013/14 base.

Cost Outcomes and Measures cont'd		
	Outcome	Measure
3	Further significant savings made from non-pay budgets.	From 2015/16 a potential further £500k will have been saved from non-pay budgets, by comparison to 2013/14, as a result of service efficiencies made / new ways of working.

Performance Outcomes and Measures		
	Outcome	Measure
1	Service quality improved or maintained during a period of financial restraint	<p>Service Performance is (at least) maintained at 2012/13 figures during 2013-15 by reference to data collected from Central Government returns.</p> <p>Service-specific customer satisfaction for both Councils is maintained at 2013/14 levels during 2014-16</p>
2	Greater consistency and 'joined-up' service delivery across the 2 areas (and increased as roll-out develops)	<p>Single service teams operating across both authorities by 1 April 2015 lead by a joint manager.</p> <p>Consistency of application form designs and aligned processes in place by 1 April 2015.</p>
3	Services important to our local communities, are providing value for money.	SPARSE/CIPFA benchmarking information

22.4 The project outcomes for Members would include:

- More efficient and effective ways of working;
- A renewed focus on Member development;
- Maximising opportunities for joint briefings and working also enabling officers to work efficiently;
- Sharing of good practice and work on policy development.

23. Conclusion

- 23.1 It is widely accepted that the status quo is not an option. Cuts in our funding mean that we won't have a future without change.
- 23.2 This is a fresh approach to helping deal with the difficult challenges we face.
- 23.3 The proposals within this business are affordable, credible and deliverable and this has been verified by the Assurance Review process.
- 23.4 Sharing a single management team and sharing services will enable significant financial savings to accrue to both Taunton Deane and West Somerset Councils, helping protect the services which our communities value.

PROJECT MANDATE

**JOINT WORKING BETWEEN
TAUNTON DEANE BOROUGH COUNCIL
AND
WEST SOMERSET COUNCIL
FEBRUARY 2013**

1. INTRODUCTION

- 1.1 This document sets out the high level issues that Members need to consider in deciding whether to progress this project. It shares early thoughts on the following:

Section 2 Aims & Objectives (and Show-Stoppers)

Section 3 Project Scope & Duration

Section 4 Governance Arrangements for the Project

Section 5 Project Resourcing

Section 6 Critical Success Factors

This Project Mandate will, if approved, be used to develop a Project Initiation Document and can be used as a “base” to assess Project progress against.

Background

- 1.2 This Project is being developed against a background of increasing changes in both local and central government where pressure to maintain services is set against an increasingly difficult financial position.
- 1.3 West Somerset Council’s financial position has been well publicised and is summarised well in the report to their Full Council on 12th December 2012. The report also shares an independent assessment on the Councils financial viability and sets out a strategy for protecting their future position. Members at West Somerset will be considering this Project Mandate (as a way of moving their strategy forward) at their Full Council meeting on 27th February 2013.
- 1.4 Taunton Deane’s financial position is also well understood and Members have started to develop a Corporate Business Plan to assist with the challenge of working in an environment of shrinking resources. The challenges currently faced by West Somerset will be a familiar picture to many more authorities – including TDBC - in the next couple of years as the funding available for local government services continues to reduce. Fundamental change is required if this Council is remain financially viable for the medium term.

- 1.5 As set out in the covering report of the Chief Executive this Project fits with the strategic objectives of Taunton Deane.
- 1.6 The difficult financial challenges facing both Councils will not be met entirely through joint working. Both Councils will still need to decide separately on the balance they wish to make between levels of tax, their appetite for investment and risk, their views on priorities and service standards, and so on.
- 1.7 This Project will bring forward options for Members to consider in driving forward joint management and joint / shared services (with no option ruled in or out at this stage) in Taunton Deane and West Somerset.

2. AIMS & OBJECTIVES / SHOW STOPPERS

- 2.1 The Strategic Business Case will explore whether joint working will help both Councils achieve:-
 - A sustainable future for both democratically independent organisations.
 - Reduced net costs – major financial savings (reduced staff numbers, reduced duplication of systems and processes).
 - Improved resilience – protecting each Council further against the risk of service failure.
 - Effective, efficient and affordable service delivery (developing a flexible approach to service delivery).
- 2.2 The Strategic Business Case will be developed to support the vision of:-
 - A single, fully merged affordable Officer structure serving two separate, sovereign Councils.
 - Each responsible for the government of their own area, acting independently of each other much of the time.
 - The ability for Members to make local decisions on the quality and level of service will be preserved.
- 2.3 In addition, it is hoped that the joint working arrangements could progress some other ambitions for the Councils such as retaining local employment, and promoting high quality customer access (retaining face to face presence in both localities). Until the Strategic Business Case is developed it will not be clear whether these are deliverable, or simply unaffordable.
- 2.4 There are two identified “show stoppers” for both Councils:-

- The Councils will retain their democratic independence as two sovereign local authorities with separately elected Members.
- There must be no detriment to the local taxpayers of either Council in the delivery of joint management and services.

3. PROJECT SCOPE AND DURATION

- 3.1 This project will produce a Strategic Business Case to explore a single Officer management and staffing structure to provide services to the communities of Taunton Deane Borough Council, and West Somerset Council.
- 3.2 The project will consider how this will fit with existing Partnerships and wider collaboration ambitions with neighbouring authorities and other public sector providers. The aim will be to ensure that nothing prejudices further wider collaboration in the medium to long term.
- 3.3 No service delivery option is to be ruled in or out at this stage – the project will seek to identify the best option for both Councils and any interested parties.
- 3.4 The project, if approved will start in early March 2013 and will aim to produce the Strategic Business Case for approval in October 2013. Should this be approved, then the implementation of joint management could be in place for April 2014, with the implementation of service delivery options, including shared services in place for April 2015.

Project Outline

- 3.5 This section outlines the staging and phasing of the project. The project will be managed using the principles of PRINCE2 standards and associated controls (including risk management).
- 3.6 The project will consist of a number of stages as follows:

Stage 0	Mandate To Proceed With Project
March 13	MEMBER DECISION TO PROCEED
Stage 1	Preparation of Project Initiation Document Project Governance Put In Place Protocols for Joint Working Developed Research / Best Practice

Stage 2	Preparation of Strategic Business Case Setting Out: <ul style="list-style-type: none"> • Detailed Joint Management Proposals • High Level Joint Service Arrangements (all services)
Oct 13	MEMBER DECISION TO PROCEED
Stage 3	Implementation of Joint Management
April 14	Ongoing Development of Detailed Business Case For Joint Services
Stage 4	Business Case For Joint Services
Oct 14	MEMBER DECISION TO PROCEED
Stage 5	Implementation of Joint Services
Apr 15	

3.7 The timing above ensures alignment with budget setting, and for Taunton Deane, the finalising of the Corporate Business Plan.

4. PROJECT GOVERNANCE

4.1 Each Council will need to take key decisions as this project progresses, and this will involve Scrutiny, Executive, and Full Council. It may be appropriate, at key stages of the project, to hold Joint Member Briefings.

4.2 To further support this Project, and recognising its importance to the future of both organisations, it is proposed to create a Joint Members Advisory Panel (consisting of 4 Members from each Council). This group will work closely with the project team and ensure democratic involvement in the project direction (in addition to the existing arrangements in both Councils to brief Members). Draft Terms of Reference is included at Appendix 1

4.3 The Project Board will initially consist of the two Chief Executives, the 3 TDBC Directors, and 3 WSC Corporate Directors / Managers. In addition to the core membership, a senior representative from SCC and SDC will be invited to attend. The LGA and CLG will be offered updates following each of the Project Board meetings. The core membership may change should other partners wish to formally engage in the Project. The role of the Project Board is to provide leadership on the project and to ensure it is delivering against objectives. Draft Terms of Reference is included at Appendix 2.

4.4 The Business Development Director from Somerset County Council, reps from Sedgemoor, the Exmoor National Park Authority (ENPA), the Local

Government Association (LGA), and Government (CLG) will all be kept in the loop and may attend the Project Board meetings as appropriate.

- 4.5 The Project will engage with many existing Member and Officer and Union forums to ensure they are briefed at key stages (eg Group Leader Meetings, Leads Meetings, Unison Meetings). Details will be developed as part of the Communications Workstream.
- 4.6 In addition to the above, the Chief Executives will ensure that regular updates are provided at the Somerset CEO and Somerset Leaders meetings.

5. PROJECT RESOURCING

- 5.1 The Project will require resourcing appropriately. Members may choose to backfill any gaps created by this, or simply to decide that this Project is now a key priority and accept that other pieces of work will take longer to progress or will no longer be a priority and will not be delivered.
- 5.2 The Project will need the support in the following areas. Detailed Workstream Plans will be developed as part of the Project Initiation Document (next stage of the project). To provide a flavour of the likely resource requirement the following table gives some headlines against each Workstream.

5.3

PROJECT ROLE	WHO?	IMPACT
Project Manager	Shirlene Adam, TDBC	<ul style="list-style-type: none"> • Full-Time Secondment (but continuing s151 role for TDBC)
Project Lead WSC	Kim Batchelor, WSC	<ul style="list-style-type: none"> • 3 Days Per Week
Project Lead TDBC	Paul Harding, TDBC	<ul style="list-style-type: none"> • 3 Days Per Week (Existing Workload To Be Reallocated / Slowed Down)
Finance	Finance Managers + Additional SCC Support – Stephen Edmonds	<ul style="list-style-type: none"> • 2 Days Per Week From SCC to support finance work (funded by SCC). • TDBC Will Need Additional Time From SW1 Finance Team - Approx £10k

HR	Martin Griffin For Both Councils	<ul style="list-style-type: none"> This will become a priority project and external support procured when necessary.
Communications / PR	Debbie Rundle for Both Councils	<ul style="list-style-type: none"> This will become a priority project.
Legal	Monitoring Officers	<ul style="list-style-type: none"> This will become a priority project and external support procured when necessary.
Admin / Project Officer	Jo Comer, TDBC	<ul style="list-style-type: none"> 3 Days Per Week From existing support teams at TDBC (backfill to be funded by WSC).

5.3 There will be a need to resource specific packages of external advice at key points in the project (HR / Legal). These new additional joint costs are at to ensure the safe delivery of the Strategic Business Case in October 2013. We estimate £25k will be needed to get the project to that stage (to be shared between authorities – TDBC’s share being £20k and WSC’s share £5k).

5.4 Should this project be approved, both Councils will approach CLG and LGA requesting transitional grant funding to support the additional costs incurred by this project. Should this approach be unsuccessful then the additional costs will be shared between the Councils on an 80:20 (TDBC : WSC) basis. The Joint Member Advisory Panel will monitor the project budget. This investment supports the projects aim of unlocking ongoing savings for both organisations.

6. CRITICAL SUCCESS FACTORS

6.1 This project will require the following to succeed:-

- A clear and shared vision (aims and objectives) agreed by Members
- Strong political and managerial leadership to support the significant levels of change required.
- Continued focus on this project as a priority for both organisations to ensure this is progressed with pace.
- Continued focus on benefits realisation.
- Investment of Officer and Member time, and potential future investment to unlock fundamental change.

7. REQUEST TO PROCEED / NEXT STEPS

- 7.1 The next steps would be as set out in the table in section 3.7 of this mandate. There is a significant amount of work to be progressed swiftly to develop the project PID and associated joint working protocols (all to be signed off by the Joint Members Advisory Panel).
- 7.2 Members are requested to consider whether to support this project.

JOINT MANAGEMENT & SERVICES PROJECT

JOINT MEMBERS ADVISORY PANEL – TERMS OF REFERENCE

Who Attends

TDBC: Cllr Vivienne Stock-Williams (PFH) Cllr Jefferson Horsley Cllr Libby Lisgo Cllr Eddie Gaines	WSC: Cllr Kate Kravis (PFH) Cllr Doug Ross Cllr Karen Mills Cllr Anthony Trollope-Bellew
Project Team: Shirlene Adam (Project Manager) Paul Harding (Project Lead) Kim Batchelor (Project Lead) Jo Comer (Project Support)	

Due to the sensitive and confidential nature of the discussions at the meetings, ***no substitutes*** will be required if Councillors are unable to attend meetings.

Chairing Arrangements

The Chair will be the PFH for either Council, depending on the host venue.

Role of Advisory Panel

- Provides policy direction and advice to the project.
- Reviews Project process and approves any exceptions to the approved scope of the project.
- Ensures the process is properly aligned at all stages to the strategic outcomes required.
- Supports key communication processes across all key stakeholders.
- Ensures democratic engagement and accountability throughout the Project.

Frequency of Meetings

Meetings will be held monthly. Dates for 2013 are listed below.

Tuesday 23 April	Directors Meeting Room, TDBC Offices
Tuesday 14 May	Dunkery Meeting Room, WSC Offices
Tuesday 25 June	Directors Meeting Room, TDBC Offices
Tuesday 9 July	Council Chamber, WSC Offices
Tuesday 13 August	Directors Meeting Room, TDBC Offices
Tuesday 10 September	Dunkery Meeting Room, WSC Offices
Tuesday 8 October	Directors Meeting Room, TDBC Offices

JOINT MANAGEMENT & SERVICES PROJECT

JOINT PROJECT BOARD – TERMS OF REFERENCE

Who Attends

TDBC: Penny James (CEO) Brendan Cleere (Director) Joy Wishlade (Director) Shirlene Adam (Director)	WSC: Adrian Dyer (CEO) Bruce Lang (Director) Ian Timms (Manager) Steve Watts (Manager)
Project Team: Shirlene Adam (Project Manager) Paul Harding (Project Lead) Kim Batchelor (Project Lead) Jo Comer (Project Support)	
Project Observers: Richard Williams (Somerset County Council) Bob Brown (Sedgemoor District Council) Nigel Stone (Exmoor National Park)	

Due to the sensitive and confidential nature of the discussions at the meetings, **no substitutes** will be required if Officers are unable to attend meetings.

Chairing Arrangements

The Chair will be the CEO for either Council, depending on the host venue.

Role of Project Board

- Owns the strategic vision for the project
- Provides clear leadership and direction during the course of the project.
- Provides policy direction and advice to the project (alongside the Joint Members Advisory Panel).
- Secures the investment required to set up and run the project and fund the transition activities required.
- Receives regular reports on project progress
- Takes key project decisions and makes recommendations to Councils.

Frequency of Meetings

Meetings will be held monthly. Dates for 2013 are listed below

Monday 22 April	Directors Meeting Room, TDBC Offices
Monday 13 May	Committee Room 2, TDBC Offices
Monday 24 June	Committee Room 1, TDBC Offices
Monday 8 July	Council Chamber, WSC Offices
Monday 5 August	Directors Meeting Room, TDBC Offices
Monday 9 September	Dunkery Meeting Room, WSC Offices
Monday 7 October	Directors Meeting Room, TDBC Offices

Taunton Deane & West Somerset Councils

Local Partnerships' Assurance Review



Local Partnerships is jointly owned by



This report is an evidence-based snapshot of the project's status at the time of the review. It reflects the views of the independent review team, based on information evaluated over a two day period, and is delivered to the Project Owner immediately at the conclusion of the review.

Local Partnerships Assurance Review of the Draft Business Case for Joint Management and Shared Service arrangements between Taunton Deane & West Somerset Councils

1: Executive Summary

1.1: The Local Partnerships' Assurance Review Team, on the basis of our review, agree that the sharing of management and services as outlined in the Business Case will be a positive step for both Councils.

1.2: From a financial perspective:

- We believe the savings targets are soundly-based and achievable even without external support (e.g. from the DCLG Transformation Fund. However, dependent on the size of the award, support from this fund will help to deliver the benefits within a much more acceptable timescale, particularly for West Somerset).
- Achievement of the savings targets will make a significant contribution in enabling both Councils to meet their MTFP challenges.
- Appropriate implementation costs have been built into the Business Case on an Invest to save basis and funding sources identified.
- The principles for cost and benefits sharing are fair and have been developed following Member consultation.

1.3: From a political perspective:

- Both Leaders recognise the need for change and have a realistic view of the benefits, not simply financial, that could flow from shared arrangements.
- The relationship between the Leaders appears positive, based on trust and a sense of common purpose. That trust extends to their confidence in the soon-to-be Shared Chief Executive.

1.4: From an officer perspective:

- This sense of trust is mirrored in the relationship of the two current Chief Executives.
- An effective Project Team is in place with officers from both Councils and external support, including an officer from the County Council. They have a clear appreciation of the Implementation challenges and the experience of other Councils who have gone down the shared management route has been heeded.

1.5: On the basis of our evaluation of the Implementation timetable, and based on their own relevant experience, the Review Team do have some suggested recommendations –relating to sequence, pace and Member involvement- which are included in the main body of the report.

2: Introduction

2.1: Local Partnerships conducted an Assurance Review in early September of the draft Business Case for joint management and shared service arrangements.

The Review Team comprised:

- **Andrew Coleman** - Corporate Director, Local Partnerships.
- **William Nunn** - Leader of Breckland Council who share a Chief Executive with South Holland Council.
- **Ian Lowrie** - Local Partnerships Associate and formerly the Shared Chief Executive of Worthing and Adur Councils.
- **Richard Sheard** - the Shared Chief Executive of South Hams and West Devon Councils.

2.2: The prime focus of the review was the draft Business Case. In line with the brief given to the Project Team in February by both Councils it was outside our brief to evaluate different options to achieve the same ends. With this focus we set out to determine whether the Business Case:

- Presented a feasible and realistic way forward for both Councils.
- The financial projections (savings, costs, benefits sharing) “stacked up”.
- The Implementation timetable was achievable.
- Sound processes were in place to ensure effective Governance of the project, risks were identified and there were clear success measures/ outcomes to measure progress.

2.3: In addition, at a qualitative level, we were keen to hear the perspective of the Leaders and current Chief Executives on purpose and outcomes to satisfy ourselves that there was a common understanding.

2.4: The review itself was conducted on 5th - 6th September 2013, prefaced by Review Team members’ study of key documentation. In-depth interviews were held with the Project Team, and Leaders and Chief Executives of the two Councils.

2.5: A Review Team “initial impressions” feedback session with the two Chief Executives and the Project Manager was held at the end of the two days. At this session we also outlined some areas of the draft document which we believed could be strengthened without changing the main thrust of the Business Case itself.

2.6: The remainder of this report is:

- The Review Team’s evaluation of the Business Case.
- Areas which the Review Team suggests the Councils could consider if the Business Case is agreed in the Implementation phase.

3: Our evaluation of the Business Case.

3.1: Overall, we believe the draft Business Case is well thought-through and is a credible way forward for both Councils. Although much of what follows is focussed on the financial elements of the Business Case, there is a shared view at leadership levels within both Councils that the benefits to both Councils are not purely financial.

3.2: These benefits could include:

- A stronger voice within the County, regionally and even nationally.
- Particularly for West Somerset, access to enhanced management capacity and greater service resilience with the opportunity to do more for communities.
- Better critical mass for all activities, opening up greater opportunity for wider potential partnerships in the County.
- Through management savings a minimisation of the impact on front-line services.
- Through savings the opportunity for investment in achieving key political priorities

Whilst accepting the above are aspirational they seem to the Review Team credible outcomes of the shared arrangements.

3.3: Turning to financial considerations, the Business Case graphically portrays the financial challenges which both Councils face. We were made aware of the circuitous and protracted route which has resulted in the proposals which both Councils will decide upon. As we outline below, a “go-it-alone” decision will only result in both Councils being forced to make extremely difficult decisions on drastic cuts to front-line services.

3.4: Given this backdrop, much of the Team’s focus was on the more detailed financial elements of the Case. We believe the savings targets are eminently achievable but, echoing a comment made in one of our interviews, should be regarded as minimum levels to be achieved rather than set targets:

- The 23% projected saving from sharing Senior Management is realistic given the current pay differentials at this level in the two Councils.
- The 10% reduction in combined staff costs below Senior Management , although at the lower end of the spectrum, is sensible given that many areas of current staff cost are excluded from the calculation (viz: staff funded from HRA in Taunton Deane, EDF funded staff in West Somerset, and contractual arrangements such as the Waste Partnership or South West One) .
- The 5% saving from non-pay costs is also realistic as independent reviews by both Councils to close the MTFP funding gap will impact on this area of cost.
- No savings target has been set for the Transformation Phase of the Implementation programme, nor an award from the DCLG Transformation Fund. Their exclusion- and we believe that there are likely to be positive outcomes from both- only add to our view that the overall savings outlined in the Business Case can be achieved. However, it is important to recognise the positive impact that greater savings and a DCLG award will have on the pace of implementation and the payback period.

3.5: In the course of the Review we also examined the respective Councils' MTFPs to understand the broader financial context of the Councils. Whilst strictly speaking outside our Terms of Reference, we looked at both Plans and the actions identified to close the funding gap:

- To determine whether other savings initiatives appeared to be the right ones and would deliver savings.
- To understand the position within the MTFPs of savings from shared arrangements and to ensure there was not an over reliance on this area as the means by which the funding gap can be closed.

3.6: On the basis of our analysis we are satisfied, subject of course to Member agreement to the proposals from other elements of the MTFP reviews, that they will also result in savings, will not place an increased or undue burden on the savings from the Joint arrangements and will substantially bridge the financial gap for both Councils.

3.7: We also spent time in the Review assuring ourselves that the Cost and Benefit Sharing proposals are sound, understood and accepted by those we interviewed particularly as this has been a factor which has derailed other Councils' intended shared management arrangements. We noted that the proposals themselves were brought to the Joint Member Advisory Panel for discussion and agreement. We believe the proposals outlined in the Business Case are justifiable:

- A 50/50 split of savings from the first 2 tiers of senior management..
- An 80/20 split for the 3rd Tier of management costs.
- An 80/20 split for other shared service savings based on the budget ratio of each Council.

In addition, mechanisms will be put in place, including the possibility of external audit, to monitor out-turns and adjust the split where actual spending differs from the 80/20 formula.

3.8: The Business Case also identifies the likely costs of Implementation. We believe that the costs identified in the Business Case represent the likely elements in which cost will be incurred and that funding of these costs, on an Invest to Save basis, can be borne by both Councils. If the Review Team have a concern on this element of the Business Case it is on the Pay-Back period for this investment, particularly in the case of West Somerset.

3.9: The Business Case makes, in our view, bold statements about the cost neutrality of the Harmonisation of pay and conditions of staff including a proposed Job Evaluation of retained posts. Our note of caution is based on the current differences in terms and conditions, particularly redundancy terms, between staff in the two Councils and the impact of a Job Evaluation exercise which is rarely cost neutral unless other offsetting savings are identified.

3.10: The stated ambition to move towards a Host Employer solution is sensible and clearly the pragmatic solution would be for this to be Taunton Deane. Other Councils pursuing the same route have found that a practical way to do this is on an incremental basis as services are joined and transformed. A similar incremental

approach to the Harmonisation of staff conditions etc. could also be considered, subject to Trade Union consultation.

3.11: The proposals relating to how the respective Councils' assets should be treated are in line with the position of other Councils with shared arrangements and are workable

3.12: In relation to the section of the Business Case relating to Governance, the proposal for a Joint Member Committee to oversee the Implementation phase is, in our view, sound and follows good practice elsewhere. In the following section we emphasise the importance of the role of Members in this phase.

3.13: The Project Team have initiated a range of Communication activities outlined in the relevant section of the Business Case encompassing both internal (officers and Members) and external stakeholders. We have reviewed these materials and regard them to be of a high standard. This level of Communication activity will not diminish if the Business Case is approved.

4. Implementation Challenges and Recommendations

4.1: The Implementation timeframe outlined in the Business Case is achievable given the stated aim of ensuring services are maintained during this Phase and that customers are not adversely affected.

4.2: We understand this approach but believe that the pace of implementation, in favourable conditions, could be accelerated. From the direct experience of the Review Team, the appointment to the new top jobs will, in itself, generate additional momentum for change. A consequence of this could be that the current split between service convergence (Phase 2) and service transformation (Phase 3) may, in practice, prove artificial and could prolong implementation and the delivery of savings. In principle we accept the common sense of a service-by-service approach to Transformation. However, it could run the risk of resulting in a piece-meal and patch-work pattern of different delivery models which, on their own, make sense but may prove difficult to manage, and less than optimal in a corporate sense.

4.3: For that reason we suggest that one of the first tasks of the newly-appointed Joint Management team should be to look at the potential options for Service Transformation some of which, drawing on the experience of other Councils, may be more radical and ambitious than envisaged in the Business Case and could result in greater savings for both Councils. What should emerge is a transformation plan with a clear set of organisation-wide principles for those tasked with service redesign and transformation to adhere to.

4.4: If what emerges from this review is a more ambitious Transformation agenda this could encourage potential partners in other Councils in the County to participate - something that the Business Case envisages. The flip side is that it would add to the complexity of service redesign etc. and thereby potentially carry greater risks. The benefits and risks would, therefore, need to be carefully balanced.

4.5: In this suggested review, key Members will play a pivotal role. It will be for them to articulate their vision of the organisation(s) and to ensure they are happy with the transformation plan at corporate and service levels.

4.6: Based on direct experience from Review Team members, the role of Members who don't hold leadership positions is equally critical in making a success of the new arrangements. To do so they must, through regular briefing sessions, understand and shape the new arrangements so that they, as well as officers, can adjust their expectations and requirements.

4.7: Whilst the independent sovereignty of the two Councils remains of paramount importance, Members can also assist the Joint Management team through:

- Regular sessions involving both Leaders and their Cabinets to ensure there is joint ownership and understanding at each stage.
- Regular interaction between portfolio holders.
- Joint sessions on areas of common importance.

If these suggestions are accepted then an Implementation Timeframe incorporating Member involvement should be incorporated in the Business Case.

4.8: Before summarising we would add a word of caution. Based on the Review team's experience, shared management can become all-consuming for senior managers and Members. Both Taunton Deane and West Somerset Members need to focus urgently on the medium term budget gaps which will not be closed by shared services alone. Securing the right balance between implementing shared services and the vital decisions needed to bridge the gap will be a very significant challenge.

5: Summary

Our Implementation recommendations are for the two Councils to consider. Even if they find no favour, the Review Team believe the draft Business Case represents a credible and realistic way forward for both Councils.

Andrew Coleman

Ian Lowrie

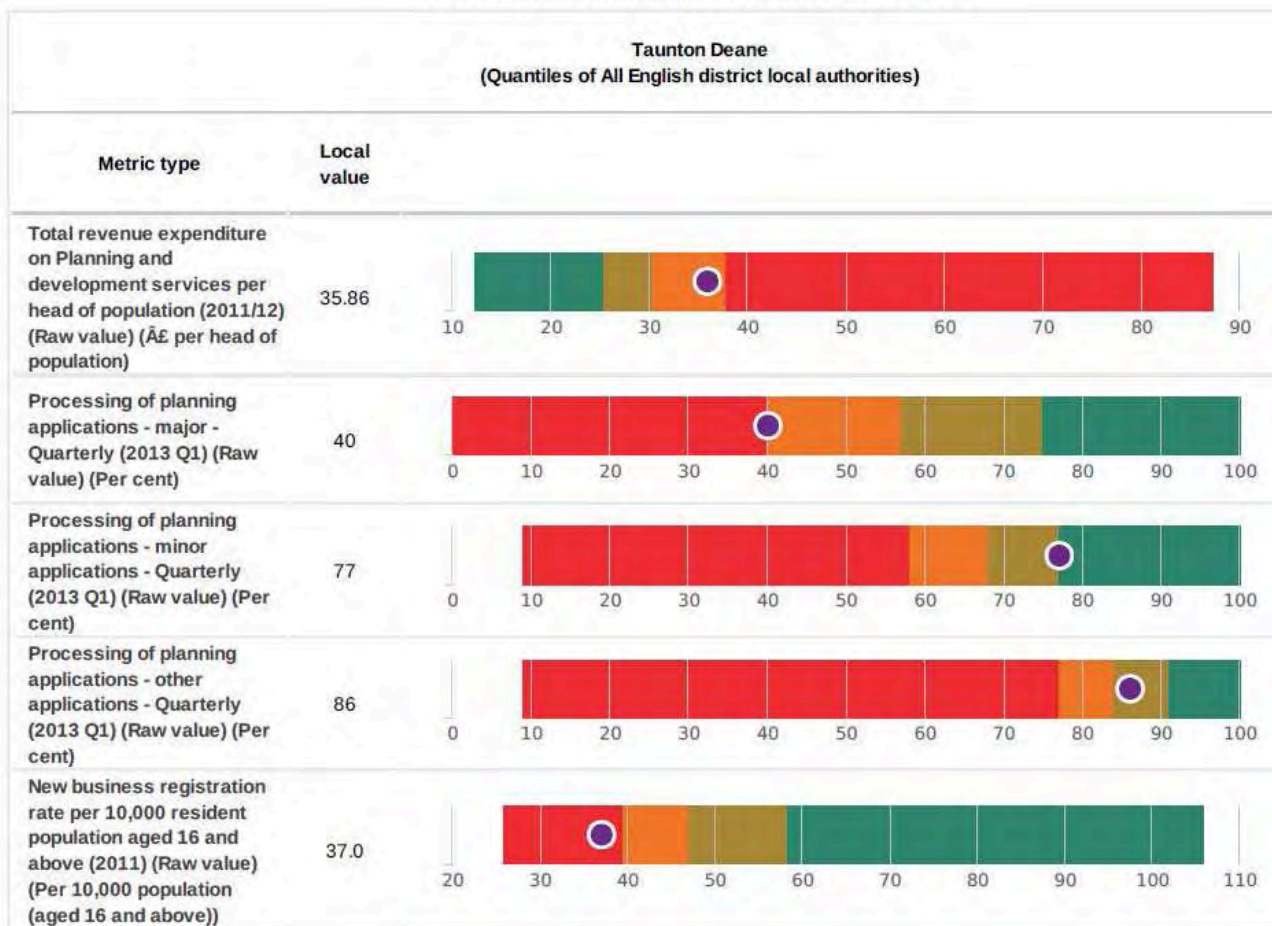
William Nunn

Richard Sheard

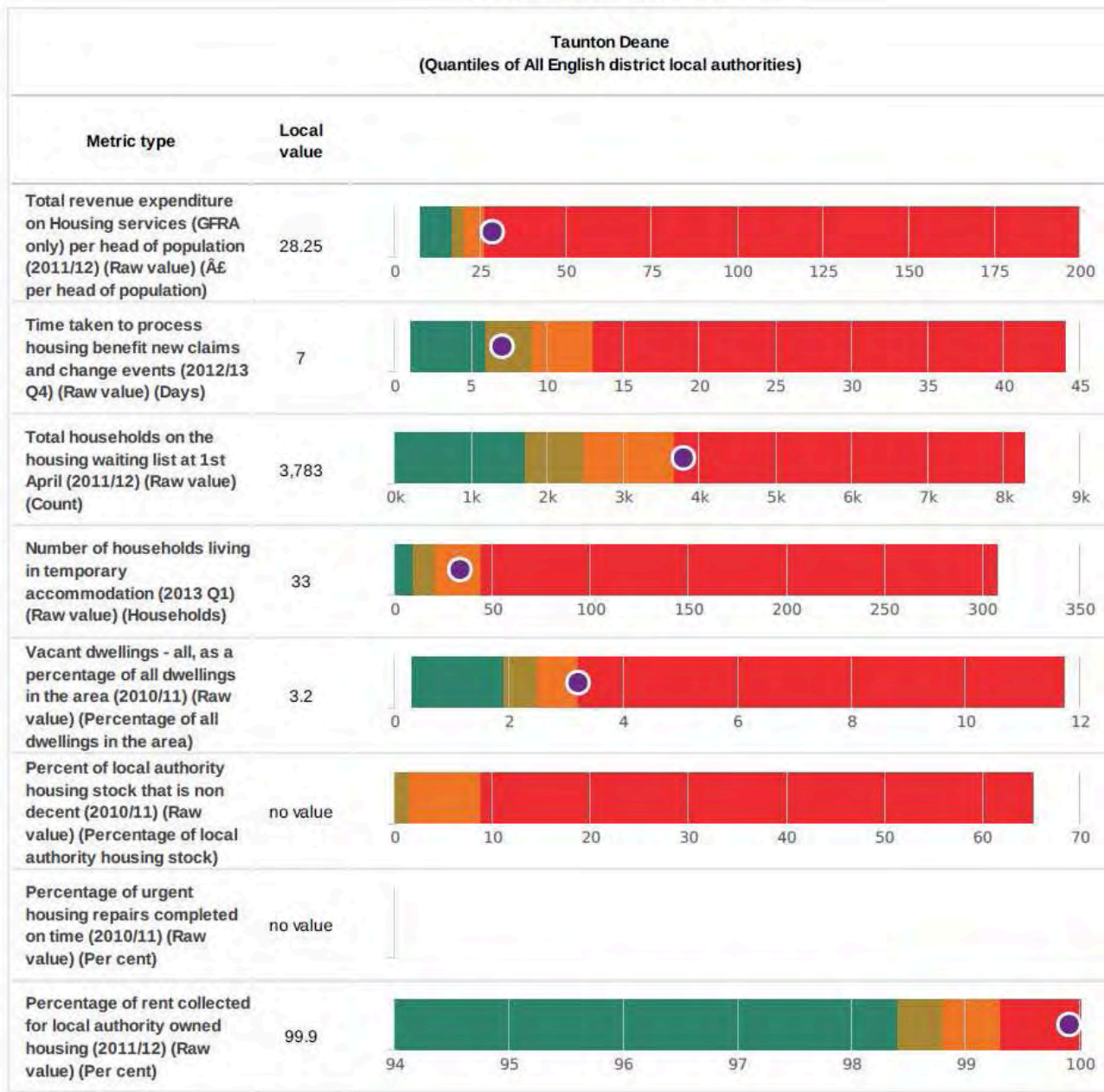
September 2013.

TDBC

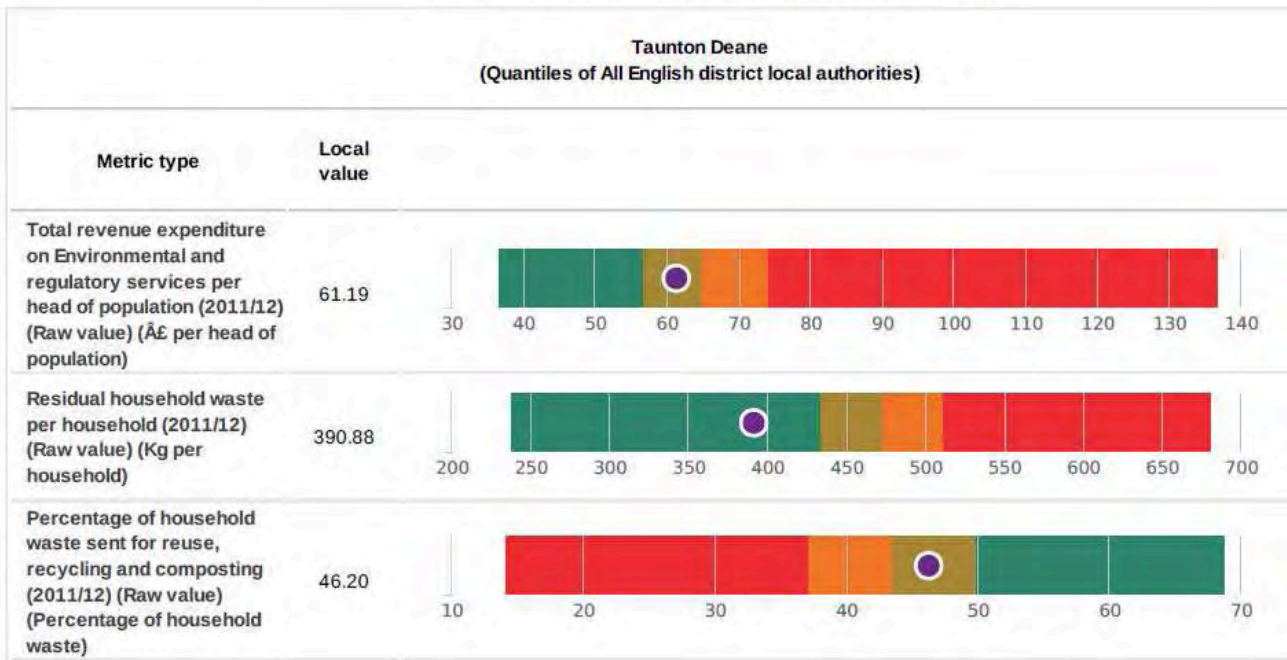
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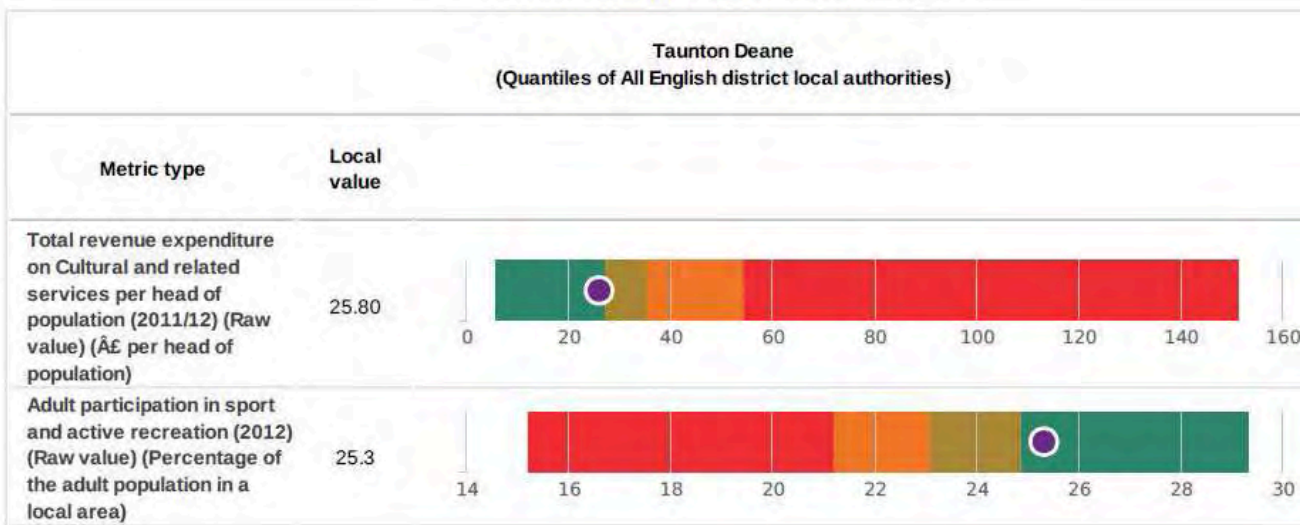
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Theme: Environmental and Regulatory Services



Theme: Cultural and Related Services



Theme: Central Services



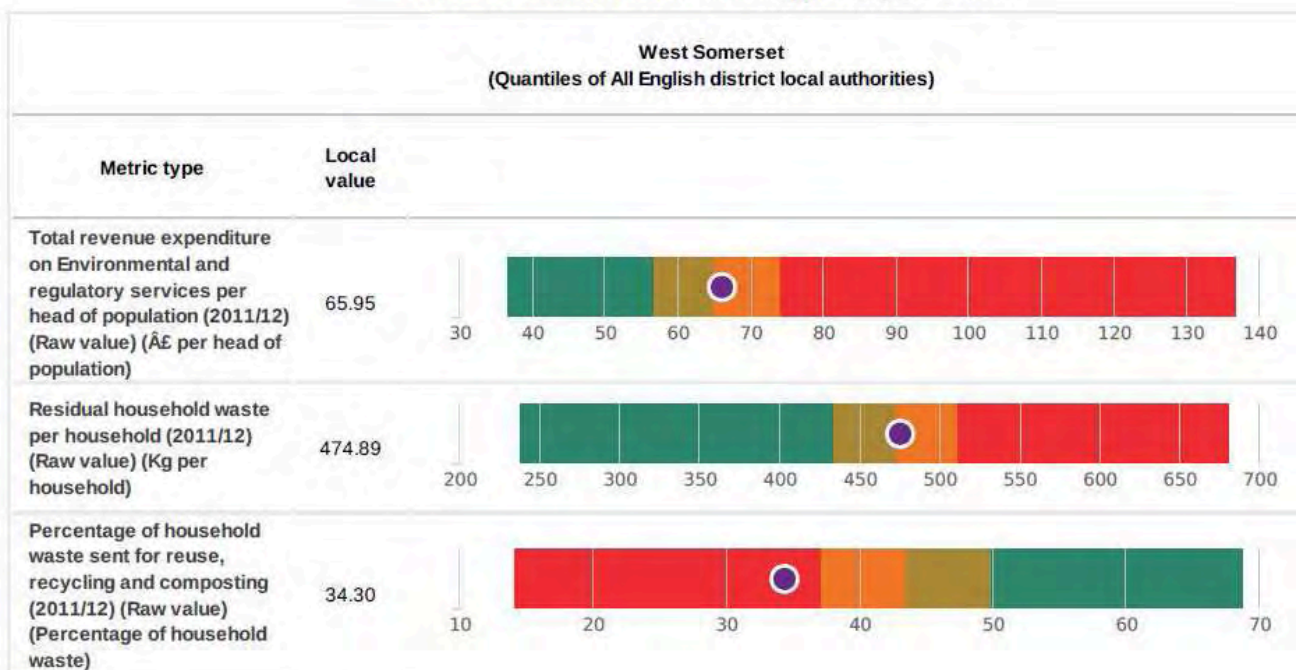
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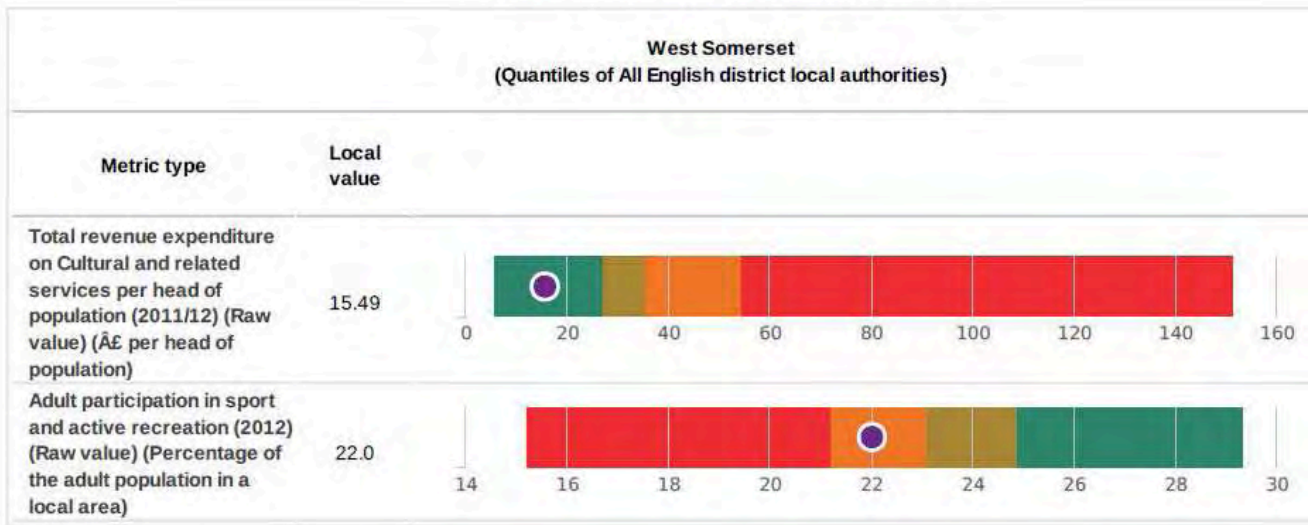
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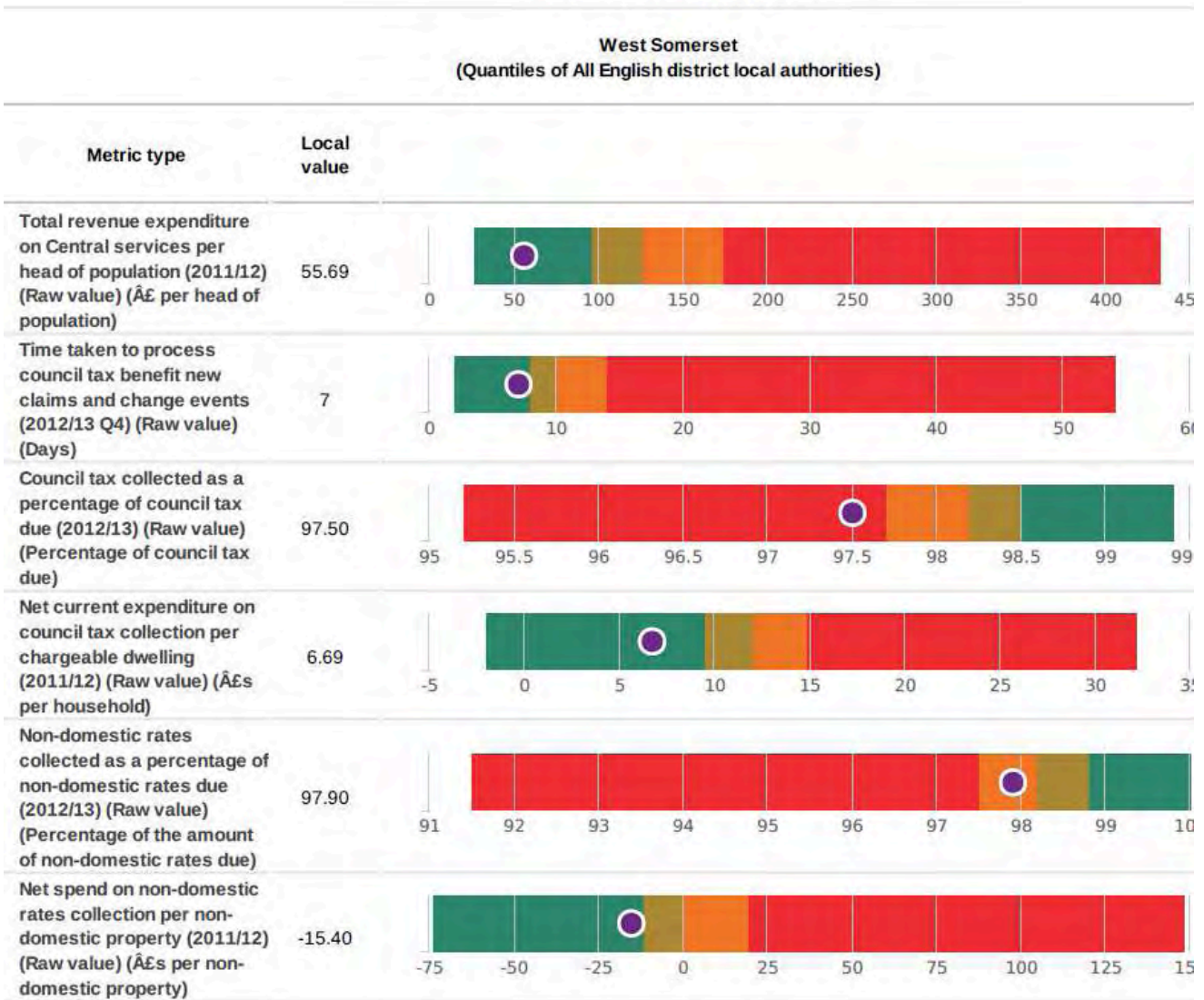
Theme: Environmental and Regulatory Services



Theme: Cultural and Related Services



Theme: Central Services



Equality Impact Assessment – pro-forma

Responsible person	Shirlene Adam	Job Title Project Manager
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy/service	
	Change to Policy/service	√
	Budget/Financial decision – MTFP	
	Part of timetable	
What are you completing the Equality Impact Assessment on (which, service, MTFP proposal)	<p>TDBC/WSC Joint Management & Shared Service Project This is an EIA for the business case for joint management & shared services arrangements between Taunton Deane BC and West Somerset Council. It will accompany the detailed business case for sharing senior management and the high level business case for sharing services between the two Councils, for full consideration in November 2013.</p> <p>Further detailed EIAs will be carried out on a service by service basis when plans for joining particular services are developed.</p>	
Section One – Scope of the assessment		
What are the main purposes/aims of the policy/decision/service?	<p>The project objectives are:</p> <p><u>Cost</u></p> <ul style="list-style-type: none"> To significantly reduce the management overhead in our two authorities by sharing a single Chief Executive and a single joint senior management team; 	

- Realise efficiency savings through sharing services between the two authorities, and others, to help achieve a financially viable future for both authorities.

Democracy

- To preserve the sovereignty of the two Councils and enable members to continue to play their full representational and leadership roles on behalf of their respective communities.

Citizens

- To protect key front line services, important to our communities.
- To reduce upward pressures on Council Tax

Outcomes

The Councils

- To help ensure the financial viability of both Councils;
- Through joint working we may benefit from a stronger Somerset presence and increase our influence both regionally and nationally;

Services

- Provide greater opportunities for staff through working in larger joint teams;
- Increased service resilience through reduced exposure to single points of failure;
- Greater access to knowledge sharing and specialist resources.

	<p><u>Citizens</u></p> <ul style="list-style-type: none"> ▪ To, as far as possible, reduce upward pressures in Council Tax through reduction in the management and staffing overheads; ▪ To protect key front-line services of importance to the local communities; ▪ To maintain or improve service performance through smarter working and increased resilience.
<p>Which protected groups are targeted by the policy?</p>	<p>The merged management structure proposals have a direct effect on the senior managers at both authorities. Senior managers will be competing for a smaller number of posts, with the potential for responsibilities and accountabilities to change significantly through the management of new teams.</p> <p>When the new management structure is implemented all staff in all service areas could be impacted in terms of the way that their Service area is managed.</p> <p>When services are joined some staff may be displaced if there are a smaller number of posts available.</p> <p>No protected groups are 'targeted' by this project. The proposal covers the full workforce of both Councils which will, by the nature of the two organisations, include individuals who are covered by one or more of the full range of protected characteristics, as defined within the Equalities Act 2010 and include:</p> <ul style="list-style-type: none"> • Age • Disability • Gender Reassignment • Marriage and Civil Partnership • Pregnancy and Maternity • Race • Religion and belief • Gender • Sexual orientation

<p>What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used</p>	<ul style="list-style-type: none"> ▪ Site visits and desktop research have been conducted by the Project Team into other Councils who have successfully implemented a merged management and services structure, including South Oxfordshire District Council and Vale of White Horse District Council, Weymouth & Portland, Suffolk Coastal & Waveney, Babergh & Mid Suffolk among others. ▪ Discussions have taken place with Unison branch reps from the respective Councils. Unison have had the opportunity to consider and comment on the impact assessment. <p>Taunton Deane</p> <ul style="list-style-type: none"> ▪ Gender profile of management ▪ Results of the last TDBC Staff Survey. ▪ Workforce equalities monitoring information is held by HR. This data is accurate as of 31st March 2012 (or 16th January 2013 where stated), and incorporates the total number of staff and relevant equality monitoring breakdown. Headline details are given below: <table border="1" data-bbox="792 1027 1240 1131"> <tr> <td>Total workforce</td> <td>2011/2012</td> </tr> <tr> <td>Female</td> <td>49%</td> </tr> <tr> <td>Male</td> <td>51%</td> </tr> </table> <table border="1" data-bbox="792 1166 1240 1270"> <tr> <td>Full time employees</td> <td>2011/2012</td> </tr> <tr> <td>Female</td> <td>36%</td> </tr> <tr> <td>Male</td> <td>63%</td> </tr> </table>	Total workforce	2011/2012	Female	49%	Male	51%	Full time employees	2011/2012	Female	36%	Male	63%
Total workforce	2011/2012												
Female	49%												
Male	51%												
Full time employees	2011/2012												
Female	36%												
Male	63%												

D

Part time employees	2011/2012
Female	78%
Male	22%

Age Profile	
2011/2012	
16-25	7%
26-35	15%
36-45	29%
46-55	29%
56-65	18%
66+	2%

Religion

	As at 16/01/13	
Christian	138	25%
Nil Data	316	57%
None	58	10%
Other	8	1%
Prefer not to say	38	7%

Disability

	As at 16/01/13	
Not stated	136	24%
Employees declaring no disability	383	69%
Prefer not to say	18	3%
Employees declaring a disability	21	4%

Sexual Orientation

	As at 16/01/13	
Bisexual	6	1%
Gay / Lesbian	4	1%
Heterosexual	308	55%
Nil Data	181	32%
Prefer not to say	59	11%

Senior Management Profile (top 3 tiers)

Total Managers	11
Men	7
Women	4

WSC

- Gender profile of management
- Workforce equalities monitoring information – data as at 31/3/2013

Total workforce	2012/13
Female	58%
Male	42%

Age Profile 30th September 2013 (updated 4th November 2013)

Age Profile	%
16 to 25	5.43%
26 to 35	14.13%
36 to 45	31.52%
46 to 55	29.35%
56 to 65	18.48%
Over 66	1.09%

At 31st March 2012 none of West Somerset's staff were from ethnic minority communities. The result is below the percentage of the district's population from ethnic minority communities, which is 1.3% (Census 2011).

At 31st March 2012 1.11% of West Somerset's staff consider themselves to be disabled. The % of working age population with disabilities was 12%. (Census 2011)

Senior Management Profile (top 3 tiers)

Total Managers	4
Men	4
Women	0

Section two – Conclusion drawn about the impact of policy change on different groups highlighting negative impact, unequal outcomes or missed opportunities

for promoting equality

Customers

For the purpose of this exercise we are assuming that both Councils offices will keep their existing customer access facilities.

Strand-specific issues for customers need to be considered on a service by service basis and will be included within EIAs on shared services at the appropriate stage.

There is unlikely to be any change for customers under any of the equality strand groups who visit the offices in person, or by telephone as provision for access is likely to be the same or better.

The fact that a customer, especially those living / working on the district boundaries, might be able to visit either office in person would improve access.

A larger, more diverse collective workforce could also bring benefits to customers in terms of proportionate representation.

Elected Members

Given the project seeks to preserve the democratic sovereignty of the two Councils there should be limited impact on members from an equalities perspective.

It is not, for example, envisaged that significant additional travel would be necessary, since meetings would generally continue to be held at the sovereign Council offices. However, it is proposed that a Joint Committee of some members of each authority will be created to monitor the service delivery organisation.. This would involve some members having to travel on occasions beyond the confines of their present district boundary. Consequently, were this to be proposed, special consideration would be needed regarding the impact this might have on members with disabilities, where travelling the extra distance may be difficult or who may require particular facilities at the meeting venue (although this matter point is likely to be addressed anyway by the DDA obligations already catered for by both organisations). Additionally, those members with caring responsibilities, who may not be able to be so distant from the location of those for whom they provide care or may find the timing of such meetings clashes with caring commitments would also need special consideration.

H

Employees

Race/Ethnicity:

No specific impacts identified at this stage that would not be covered as part of the TDBC's existing HR and Equal opportunities policies etc. Noted that there are higher numbers of ethnic minorities in TDBC's workforce than for WSC. Impacts on service users in terms of Race/Ethnicity will be assessed during EIAs on shared services.

Disability:

Consideration will need to be given to employees who are unable or less able, to travel for long periods of time due to illness or injury should their workplace change. However, it should be recognised that both Councils have employees who live in the other's district, so for some employees a change of workplace may be more convenient than now.

If a disabled employee is to move to a new work location, or operate from more than one location, any specially designed desk set-up or specialist equipment, needed because of a disability, will need to be transferred to/ replicated within the new location.

Staff who suffer from mental health issues may find a change of routine (and /or change of work location) disruptive and cause additional stress /anxiety. Staff should be offered supported throughout changes by Care First.

The number of disabled parking spaces at the Council offices may need to be reviewed to reflect changes in staff numbers working from a particular site.

Staff with disabilities may however, find it beneficial to work within a larger more diverse workforce as they might experience less isolation and benefit from a greater support network.

Gender: (male, female, transgender)

It was noted in the TDBC *Workforce Equalities Report 2011/2012* that 78% of all female employees work part time. The staff survey

carried out in 2010 revealed that 80% of lone parent employees are female and 87.5% of employees with caring responsibilities are female. Sharing services which result in employees having greater distances to travel could have a greater adverse affect on women. A school run, for example, might be disrupted and have cost and time implications for an employee if their place of work is changed. This might be a particular issue for frontline teams working hours are generally less flexible. The additional commute to work associated with a possible change of workplace may cause difficulties in maintaining existing working hours, and could have a greater financial impact on lone parents.

It should noted that the number of men working part time at TDBC has nearly doubled since 2010/2011 so this is an issue relevant to both genders. It should be recognised that both Councils have employees who live in the other's district, so for some employees a change of workplace may be more convenient than now.

However, a larger workforce could result in greater flexibility for staff as there would be greater resilience within teams.

Human resource policies should be in place to ensure part time/job share opportunities are available and that flexible working arrangements are maintained wherever possible, and home working wherever possible continues to be encouraged.

[Sexual Orientation:](#)

No impacts identified that would not be covered as part of existing HR and Equal Opportunities policies etc.

There may be benefits in working within a larger more diverse workforce as Gay, Lesbian and Bisexual staff might experience less isolation and benefit from a greater support network.

[Gender Reassignment:](#)

No impacts identified that would not be covered as part of existing HR and Equal Opportunities policies etc.

There may be benefits in working within a larger more diverse workforce as might experience less isolation and benefit from a greater support network.

[Pregnancy and Maternity:](#)

The commute from home to the workplace could be lengthened, which may be impractical for pregnant women, particularly those in the later stages of pregnancy. Risk assessments should form part of the support offered to pregnant women, if risks are identified arrangements should be made to enable the pregnant women to carry out her role whilst minimising risk.

If consultation or changes to the management structure take place during a time in which a member of staff affected by the changes is on maternity leave, the member of staff should be supported by HR to fully participate in and understand any changes.

[Marriage and Civil Partnership](#)

No impacts identified that would not be covered as part of existing HR and Equal opportunities policies etc.

[Age:](#)

Younger members of staff are perhaps less likely to have their own transport and more likely to be reliant on public transport. Brings timing and cost implications if the workplace changes. However, it should be recognised that both Councils have employees who live in the other's district, so for some employees a change of workplace may be more convenient than now.

Younger members of staff, who are often within the lower salary bands, may have concerns that they will be seen cheaper to be made redundant. However, existing HR policies should ensure equitable treatment of employees in cases of redundancies.

Older members of staff, who may have worked in the same office for many years, may find a change of routine and /or workplace stressful and unsettling.

Older members of staff, who are often on higher salaries due to length of service or seniority within the organisation may have concerns that they will be targeted for cost savings because of this. However, existing HR policies should ensure equitable treatment of employees in cases of redundancies.

[Religion and/or belief:](#)

No impacts identified that would not be covered as part of existing HR and Equal opportunities policies etc.

General (all employees)

Travel to work might be more expensive for some employees if their workplace is changed. However, it should be recognised that both Councils have employees who live in the other's district, so for some employees a change of workplace may be more convenient than now.

A larger organisation should open up more opportunity for advancement, could also expand knowledge and contacts at work and reduce pressure on some staff who are presently 'single points of failure' within services.

Some existing teams at each Council have been stable for many years with few changes in personnel and limited diversity within the team. As part of integrating into a larger workforce all staff may benefit from working within a more diverse team of people

Work will need to take place to ensure TDBC and WSC HR and wider council policies are aligned.

Joint management and services may be all or part of the solution to ensuring the long term viability of the two Councils, which is in the best interest of staff.

I have concluded that there is/should be:

No major change - no adverse equality impact identified	
Adjust the policy/decision/service	
Continue with the policy	√
Stop and remove the policy/decision/service	

Reasons and documentation to Support conclusions

There are some positive impacts on staff flowing from being part of a larger more diverse organisation, not least reducing the sense of isolation which some employees with protected characteristics might experience. Also, a possible change of working location might

mean less travel from home to work than at present., for example.

The potential negative impacts identified should all be able to be addressed either through existing policies or through local locally agreed protocols. Experience of other authorities who have joint management and services in place highlight that these challenges can be overcome and can give confidence to TDBC/WSC that we can do likewise.

Section four – Implementation – timescale for implementation

Timescale

Business case to be considered by both councils in November 2013. If approved:

- A permanent joint senior management team to be in place by 1 Jan 2014;
- Middle management structure in place by 1 July 2014;
- All staff working in shared service structure by 31 Mar 2015;
- Service transformation complete by 31 Mar 2016.

Section Five – Sign off

Responsible officer Paul Harding

Date 19 September 2013

About the Two Councils**APPENDIX E****1.1 Headline Facts**

	TDBC	WSC
Households	50,211	17,604
Businesses	3,829	1,855
Population	111,000	36,000
Area	178.8 sq miles	286.6 sq miles
Net Revenue Budget (General Fund)	£13.47m	£4.974m
Elected Members	56	28

1.2 Political Make-up**1.3 Priorities**

TDBC's priorities are:

- **Quality, sustainable growth and development;**
- **A vibrant economic environment;**
- **A vibrant social, cultural and leisure environment;**
- **A transformed Council.**

WSC's priorities are:

- **Local Democracy,**
- **New nuclear development at Hinkley Point.**

1.4 Range of Services

Both Councils have the same statutory responsibilities and therefore there are inherent areas of opportunity for joining resources within these services and sharing them between the Councils.

1.5 There are however some differences in the range of services and responsibilities of each Council. The key differences are summarised in the table below.

WSC only	TDBC only
Harbours & Coastal Protection	Housing Landlord & Housing Property Services (TDBC has retained housing stock)
	Direct Labour Organisation
	Crematorium
	Piper Lifeline Service
	Community Leisure Services
	Pest Control
	Mayoralty Support
	Client Services

1.6 **Existing Key Service Delivery Partnerships**

Both Councils are members of the following key partnerships:

- Southwest Audit Partnership (SWAP)
- Somerset Waste Partnership (SWP)
- Somerset West Private Sector Housing Partnership

TDBC is a founding Member of Southwest One - a strategic partnership with IBM, Avon and Somerset Constabulary and Somerset County Council providing back office services.

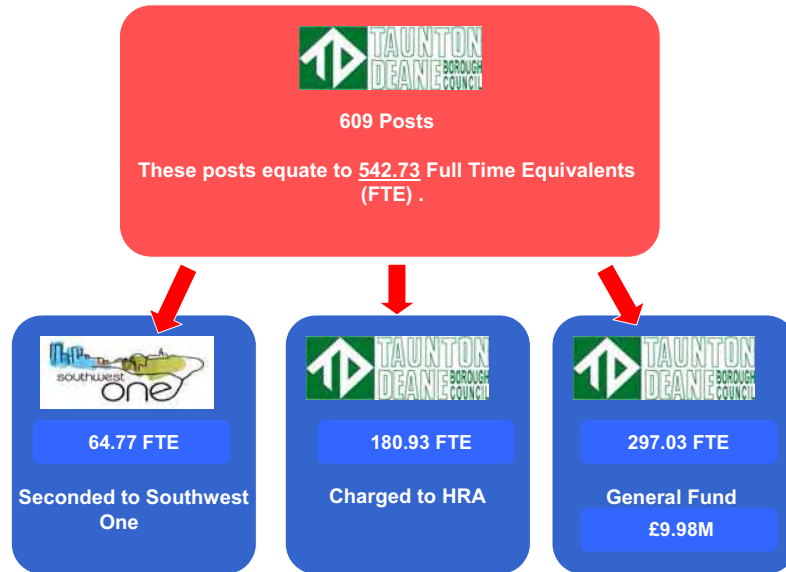
1.7

These partnerships are outside the scope of this Business Case and consequently this Business Case is not predicated on generating any savings from the present contractual arrangements. However, for clarity, any employees of either Council seconded to other organisations (including to Southwest One) would be affected by any changes to pay or terms and conditions, discussed later in this Business Case.

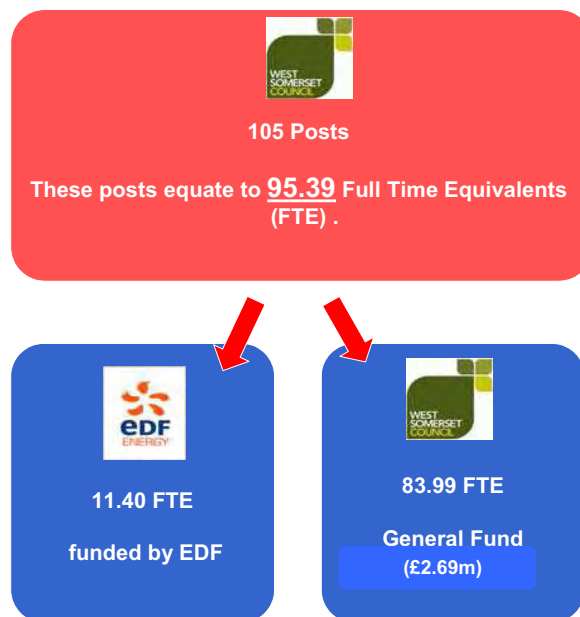
APPENDIX F

CURRENT STAFFING

- 1.1 The illustration below shows the total current staffing for TDBC and shows the split between those posts charged to the Housing Revenue Account, those currently seconded to Southwest One and the remainder, which are charged as revenue cost to the General Fund.



- 1.2 The illustration below shows the total current staffing for WSC and shows the split between those posts funded by EDF and the remainder, which are charged as a revenue cost to the General Fund.



APPENDIX G**1. Employment Model**

- 1.1 There are generally considered to be two main options with regard to the employment model although UNISON in their document 'Service Changes – Branch guidance on service changes in Local Government' also recognise that the secondment of employees from one authority to another is an option which could be utilised.
- 1.2 Both of the main options are designed to deliver a single management structure which will reduce overall management numbers but the two options present different challenges.
- 1.3 The first option is the 'host authority' model in which one or other of the two partner Councils becomes the employer in law for the employees of both Councils. It is anticipated that this will require a transfer of staff to one or other of the partner Councils which could trigger the application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE').
- 1.4 The second option identified is the 'current employer' model. This would see employees remain with their existing local authority employer but would be allowed to work for the partner authority under powers set out in section 113 of the Local Government Act 1972 as part of a merged officer structure.
- 1.5 There are possible variations of both options. For example, it could be possible to have a 'host authority' approach to the senior management team but a "current employer" model for the remainder of the employees. However, this would tend to work against the intention of working towards full merger of the terms and conditions of employment and also the intention of having employees working across both Councils.
- 1.6 Another option may be to use the 'host authority' model but not necessarily to have the same 'host' for each service area. An advantage of this would be that it mitigates against the risk of one Council being perceived as the dominant Council but there will inevitably be some "grey areas" in between services which could give rise to confusion as to who should be the employer for particular individuals.
- 1.7 Our research shows that both 'host employer' and 'current employer' and indeed combinations of both have been used in shared service partnerships.
- Weymouth and Portland BC and West Dorset – Host Employer
 - South Oxfordshire DC and Vale of White Horse BC – Host Employer but commenced with current employer model
 - Chiltern DC and South Bucks DC – mixture of current employer, secondment etc depending on each service business case.
 - West Oxfordshire DC and Cotswold DC – current employer.

1.8 Although any shared Chief Executive will require input into the wider process of concluding the structure (for example in determining the actual roles that will make up the senior management team going forward) the principle of which model to use does require clarification at an early stage.

1.9 Clarity on the proposed employment model helps with staff engagement and in particular engagement with existing senior management as these are the staff that will undoubtedly be affected in the first instance. Early discussion and consultation with UNISON will also bring benefits to the development of the Project.

2. TUPE

2.1 The extent and the impact of TUPE will be dependent on the model adopted going forward. In the event that a 'host authority' model (involving a change of employer for some or all of the employees) is adopted then TUPE will almost certainly apply and the consequential implications of TUPE will need to be considered. There is less likelihood of TUPE applying in the event of the 'current employer' approach being taken. However, the greater the degree of integration and cross-Council working by employees below senior management level, the requirements of the Regulations. At the time of writing this report the Government consultation on potential changes to the TUPE Regulations has not been finalised and this should be monitored.

2.2 Under TUPE Regulation 3(5) there is a specific exception with regard to where 'an administrative reorganisation of public administrative authorities or a transfer of administrative functions between public authorities' takes place but such an exemption of TUPE applying will be rare.

2.3 TUPE, as interpreted through case law, is an event on a given day rather than a process over time. It will therefore be necessary to agree a date upon which employees are to transfer under TUPE from one authority to another.

2.4 As the Business Case is developed further thought will need to be given as to when any TUPE transfer will take place. The collective consultation requirements under TUPE requires consultation to commence 'in good time' before the TUPE transfer and it will be necessary for the new shared Management Team to drive the TUPE process with an identified senior manager responsible for this

3. Secondment as an alternative to TUPE

3.1 As highlighted in paragraph 2.1 above secondment could be considered as an alternative to TUPE and indeed such an arrangement has been used by Taunton Deane BC and Somerset CC for the South West One Joint Venture with IBM. Put simply a secondment is a variation of contract agreed between employer and employee by which the changes are made in relation to the employee's contract, for example in relation to the his/her day to day duties, reporting lines, and place of work.

It is usually of a relatively short duration as it is understood that the longer a secondment continues, particularly if the employer ceases to have effective control over the employee, the easier it is to argue that the employment relationship between the secondee and the employer has come to an end.

- 3.2 There is always a risk for the organisations to which the individual is seconded that he/she may at some point allege and/or be held by a Court or Employment Tribunal to be, an employee of the recipient organisation. Case law shows that an Employment Tribunal is happy to look behind the labels which the parties place on a relationship and conclude that the legal reality is that the employment relationship has shifted from one organisation to another.
- 3.3 Taunton Deane have significant experience of this option which is known as the Retained Employment Model ("REM") and although TUPE applies in such situations and all staff would be expected to transfer the REM provides for an objection to be made by the employee under Regulation 4 of the TUPE Regulations, on the basis that they will be retained (rather than regarded as having resigned) and then seconded as described above.

4. Changes to Terms and Conditions

- 4.1 In circumstances where TUPE is not triggered and secondment is not used, senior managers would need to accept changes in their duties to the extent necessary to put the shared services arrangement into effect.
- 4.2 Assuming each Council has retained overall responsibility for delivery of its own services, each authority would retain the employment of its own employees. However, the extent to which a Council's staff are used to undertake services for the other Council may vary from the employees of each Council working only on delivering services for their employer on the one hand to the workforce of both Councils being totally merged and each employee may be employed to work and work for either Council irrespective of which Council is his/her employer.
- 4.3 As the two Councils are working towards the latter of the above and a fully merged workforce of both Councils, any changes to work practices which are necessary to achieve effective service delivery would need to be agreed with individual employees (and possibly trade unions) in advance. This would include matters such as a need to work in a different location, to a different shift pattern or to be managed in a different way.
- 4.4 The current employer option does require increased levels of day to day management when compared to employment by the same employer but provided that a framework is put in place at the outset then there is no reason in principle why this can not be an effective model and has been used by other shared services partnerships.
- 4.5 In most employment situations, terms and conditions can only be varied by agreement between employer and employees. Additionally, following a TUPE transfer a valid change can only be achieved where there is an ETO (Economic, Technical and Organisational) reason for doing so.

Strictly speaking this restriction applies even to harmonisation achieved by upgrading all terms to the highest level applicable to either staff group.

Although such harmonisation is unlikely to be challenged by either staff group, it is not normally affordable and so other routes have to be considered. It has been confirmed that given that one of the key drivers to the shared services arrangement is cost savings, then it will not be economically viable to harmonise by upgrading.

- 4.6 The scope for proposing harmonisation for an ETO reason will vary depending on the exact circumstances of the transfer. It may indeed be possible to argue that any proposed harmonisation is for a non TUPE reason given that the harmonisation will apply to all employees across both Councils and not only those employees that transfer from one Council to the host Council. There should therefore be a sound basis for implementing changes to terms and conditions of employment. It may well be that there is sufficient need for change in duties, line management or patterns of working to be able to regard the changes as being reorganisation or restructure without being a redundancy. Again however, different considerations may apply at different levels of both Councils and the Councils will need to be prepared to deal with individual situations, particularly in the event that certain employees seek to assert that changes are such that they amount to a redundancy situation in law.
- 4.7 In dealing with terms and conditions of employment it is essential that the Council continue to use its agreed collective consultation and negotiating machinery which will include early and open consultation with UNISON.
- 4.8 It will also be necessary to agree with UNISON the key issues they wish to address and be consulted on ensuring that regard is also had to issues such as equal pay, job evaluation, the handling of redundancies etc

5. Current Employer Model

- 5.1 This approach has the following advantages:-
- 5.2 Less disruption to employees as the vast majority will remain with their current employers.
- 5.3 The only employees materially affected will be those at senior management level (albeit that there could be implications around changes in line management etc for more junior employees).
- 5.4 There will be two distinct employers for the vast majority of employees and this will mitigate risks around changes to terms and conditions and equal pay. However, the greater the level of integration and harmonisation between the terms and conditions of employment of both Councils this could increase equal pay risks in particular. The equal pay risks would arise in that there

would be a stronger argument that a single entity was responsible for the terms and conditions of employment of all the employees which could potentially allow employees of both Councils to identify comparators for equal pay purposes from the other Council.

- 5.5 This approach avoids the application of TUPE and consequent implications including pensions which also in turn will also simplify any harmonisation issues in the future as TUPE restricts the ability to harmonise terms and conditions of employment.
- 5.6 Neither Council gives up ultimate control of its own employees.
- 5.7 In the event that the shared service arrangement ends, any secondments will come to an end and staff will return to their home Council. However, the greater the degree of integration which has taken place, the more difficult this would be.
- 5.8 It will be easy to account for service efficiencies/savings for each individual Council.
- 5.9 The disadvantages of the current employer approach can be summarised as follows:-
- 5.10 Although employees would not be employed by the same Council, the greater the degree of integration in working practices the greater the risk of tensions and equal pay claims flowing from a comparison of terms and conditions.
- 5.11 At some level of the staffing structure, particularly just below senior management level, individual employees could be managed by an employee of the other Council seconded to that other Council and it will be essential to have absolute clarity by such practical issues as to how performance management issues are to be handled any employment law issues and liabilities are to be determined.
- 5.12 In the event that the secondment route is chosen in the situation where TUPE might otherwise apply, it will be necessary to go through the formal REM objection process.
- 5.13 It will be necessary to apportion liabilities for the senior management team between the two Councils.
- 5.14 The fact that there will be two employing Councils other than one may mitigate against the benefits of shared services.

Host Employer Model

- 6.1 The advantages of the host employer model are as follows:-
- 6.2 One employer gives more clarity on employment law issues including accountability and liability for employees.

- 6.3 There is likely to be less administrative work in managing employees of one employer as opposed to employees of two employers.
- 6.4 Although the scope for harmonisation of terms and conditions is limited, all employees will be employed by a single organisation which makes it easier to identify and implement “harmonisation” changes to terms and conditions.
- 6.5 The fact of a TUPE transfer may provide a “genuine material factor” defence to some equal pay claims in the short term.
- 6.6 Reporting lines may be clearer as employment rights/obligations and the ability to manage individual members of staff sit within the same organisation.
- 6.7 Although members, staff and trade unions may initially be concerned about the concept of staff being transferred from one Council to another, concerns may well be allayed on the basis that they will continue to be Local Government employees and will have continued membership of the LGPS.
- 6.8 The disadvantages of the host employer approach can be summarised as follows:-
- 6.9 A TUPE transfer will be triggered including a statutory need to inform and consult with all staff in advance and the implications of the TUPE transfer.
- 6.10 This may well cause disruption, uncertainty as well as raise legal implications. Some employees may look elsewhere for employment in view of the uncertainty, although this will be mitigated by the current economic climate.
- 6.11 The Code of Practice will apply (subject to any review by Central Government) and it will be necessary to agree between the Councils which set of terms and conditions should be offered to all employees including any new joiners.
- 6.12 A greater degree of integration in working practice without full harmonisation of terms and conditions may foster resentment and create potential employment law liabilities as employees working side by side will be on different terms and conditions, at least in the short to medium term.
- 6.13 There may be a perception that one Council is seen as the “dominant” Council and other being the “subordinate” Council for employees that have been employed by the one Council.

APPENDIX H**Risk Register - Implementation**

Risk	Cause	Consequence	Post Mitigation		Score	Risk Mitigation
			Probability	Impact		
Breakdown in relationships between Leaders	Loss of trust	Negative publicity. Strategic focus is lost. Partnership arrangement could become unworkable.	Feasible(3)	Critical(5)	R 15	Ensure transparent processes (re cost and savings sharing). Regular meetings between CEO and Leaders and between both Leaders. Ensure both Leaders are part of Joint Advisory Committee so they are fully involved and informed on issues involving partnership development / progress.
Breakdown in relationships between Leaders and CEO	Loss of trust	Working relationships become untenable.	Feasible(3)	Major(4)	A 12	Regular meetings between CEO and Leaders. Leaders involved in formal and joint appraisal of CEO.
Loss of local political support for shared services.	Political changes lead to changes in elected member priorities at either or both Councils	Sharing no longer supported - significant costs incurred in returning to the 'status quo' - further pressure on MTFP	Feasible(3)	Critical(5)	R 15	Engagement of Members through Joint Advisory Committee, the Democratic process and member communications eg. Member briefings. Joint work with Joint Management Team to understand at an early point the potential for change priorities and plan accordingly.
Not meeting member's expectations	Combined senior management numbers reduced	Senior managers unable to work in the way they do today	Feasible(3)	Significant(3)	A 9	Clear articulation of the need for members to adjust their expectations to reflect the level of management resource available and to accept new ways of

						working themselves.
Existing projects and priorities impacted by shared services implementation	Lack of alignment and limited managements and officer capacity	Transformation has an adverse impact on existing projects and priorities for both councils.	Feasible(3)	Major(4)	A 12	Implementation plan will control the resource requirements and impact on other projects. Introduce Programme Management function to manage links and resources effectively. Leadership of Programme from Joint Management Team.
Possible WSC resistance to Southwest One involvement in implementation / transformation	Negative opinion of Southwest One	Possible additional cost to TDBC - Workarounds have to be put in place - efficiency cost	Feasible(3)	Significant(3)	A 9	Clarify the extent to which Southwest One would be involved in the project - what this might mean for WSC and TDBC in terms of the options available .
Transformation changes delayed	Lack of ICT capacity within Southwest One and / or delays in implementing new technology to support shared services	Opportunity cost - delay in realising savings from transformation. Reduces ability of service and management to operate efficiently as a single organisation.	Feasible(3)	Significant(3)	A 9	Use external suppliers where contractually permissible. Keep key ICT contractors informed of our proposals and requirements at early stage
Lack of flexibility in existing key contracts and arrangements	Binding long-term contracts in place	Limits scope of savings and potentially the pace of change.	Likely(4)	Major(4)	R 16	Keep suppliers informed of progress. Seek their input as to how they can support the change process. Identify work-arounds where necessary.
Business Case/Forecast savings not delivered	Inadequate project governance.	The councils do not achieve the savings on which the business case is based.	Slight(2)	Major(4)	G 8	Joint Committee to be formed to oversee the transformation. Management and services to be designed within a 'cost envelope' to ensure early savings are made

Lack of cost control-implementation.	Poor project management. Lack of scrutiny	Overspend - impacting upon net delivery of savings.	Slight(2)	Significant(3)	G 6	Joint Management Team focus on project costs. Joint Committee to oversee project progress. Scrutiny committees can review implementation.
This project takes focus away from other actions / projects needed to resolve MTFP	Lack of clarity and profile of other projects/actions required to deliver remainder MTFP	MTFP remains unresolved	Slight(2)	Major(4)	G 8	Introduce Programme Management function to manage links and progress of all major corporate projects.
Double counting of savings and costs across projects	Lack of coordination between concurrent projects	Actual savings delivered through this project are lower than forecast / expected	Feasible(3)	Significant(3)	A 9	Introduce Programme Management function to ensure financial coordination of all projects linked to MTFP savings.
Change not safely managed	Pace of change too ambitious	De-motivated workforce, unlawful practices, negative publicity, loss of staff goodwill	Slight(2)	Major(4)	G 8	Implementation plan with realistic timescales based on available resources (financial/ Human / technological) as part of a broader Programme Management approach.
Negative impact of change on our customers	Failure to consider customer impact in change process. Poor outward communication to stakeholders. Poor implementation delivery.	Service standards dip. Complaints rise.	Slight(2)	Major(4)	G 8	Monitor impact of customer satisfaction throughout service transformation. Robust performance management process in place. Impact assessments to be used at key decision points in service transformation . Robust and realistic communications plan.
Loss of customer confidence in commercial services due to uncertainty	Review of service delivery options	Loss of income to councils from commercial trading activities that could then become unviable	Slight(2)	Significant(3)	G 6	Engage with communities via parish councils, tenants board etc. and via community newsletters (Community Matters/WSC & Weekly Bulletin/TDBC)

Failure to embed a flexible 'can do' culture/Lack of common culture between both councils	Staff wedded to their current employer and ways of working	Effectiveness of shared services compromised	Slight(2)	Major(4)	G 8	Joint CEO in place and Joint Management Team in place swiftly to identify, promote and implement common values across both organisations - introduce early changes to build 'one team' environment.
Reputation damage/negative publicity	Increased media scrutiny increases the likelihood and impact of reputation damage	Poor / inadequate communications.	Slight(2)	Significant(3)	G 6	Leaders and joint CEO to drive the development of a robust communications plan.
Different T&C's and pay between the two councils. Harmonisation cannot be agreed in a timely manner	Ineffective union negotiations and communications with staff Lack of HR resource	Results in equal pay claims, damages relations with staff	Feasible(3)	Major(4)	A 12	Build on the positive relationship with UNISON established during the project process. Ensure Comms plan is robust. Introduce Programme Management function to manage pinch points for specialist resources. Bring in additional resource where necessary.
Services cannot operate at optimum efficiency	The separate Councils have different policies and processes	Opportunity cost to the councils - additional pressure on officers / complexity in designing shared services	Feasible(3)	Significant(3)	A 9	Wherever possible and acceptable during the change programme, align processes and policies.
Loss of Knowledge/ key personnel/staff Personnel change	Loss of key staff, skills and knowledge lost during joint management and sharing of services as staff numbers are reduced. The strain and uncertainty of the transformation means key staff leave.	Impact on service delivery Inadequate skills and experience to provide support to the service, other staff and members.	Feasible(3)	Major(4)	A 12	Implement effective Redundancy and Redeployment Policy & Interim Recruitment Policy Retain WSC CEO, and any outgoing members of the existing senior management teams, until end March 2014, to provide a period of knowledge transfer and safe handover to the new Joint

						Management Team.
Failure to adequately address equalities issues during the change process	Inadequate EIAs	Do not fulfil equality duties	Slight(2)	Significant(3)	G 6	Undertake Equality impact assessments as service transformations are undertaken. To be reviewed by Joint Committee as part of transformation process.
Individuals workload increases	Reductions in overall staffing numbers	Impact on service delivery Increased staff sickness	Feasible(3)	Major(4)	A 12	Redesign and align service processes, align systems and policies across both councils wherever possible. Increase customer self-service.
Partnership expansion does not happen	Perception of failure by other potential partners Poor reputation Political differences	Further potential savings not achieved	Slight(2)	Significant(3)	G 6	Develop relationship/quick wins/opportunities with other Somerset Councils and key organisations Promote/Publicise partnership successes

APPENDIX I**Indicative ICT Transformation investment by year**

ICT IMPLEMENTATION	Start	2013/14		2014/15		2015/16		2016/17	
Comms between sites	Qtr 2	£5,000							
Consolidated security domains	Qtr 2	£35,000							
Desktop services alignment	Qtr 2	£100,000							
WiFi	Qtr 2	£12,000							
Single IP telephony	Qtr 2	£75,000							
Video conferencing	Qtr 2	£40,000							
Email/calendaring	Qtr 3	£10,000							
Single intranet	Qtr 3	£10,000							
members portal	Qtr 3	£5,000							
follow me printing etc	Qtr 4	£25,000							
Web portal	Qtr 4	£30,000							
remote/home working	Qtr 4	£25,000							
Dm/Workflow		£75,000	Qtr 1						
Channel shift			Qtr 1>	£60,000	>	£60,000	>	£30,000	
drop in services		£5,000	Qtr 1						
collaboration tools			Qtr 2	£25,000					
centralised print/dispatch			Qtr 2	£10,000					
Mobile/field working			Qtr 2	£75,000					
Enterprise architecture			Qtr 2	£50,000					
Business consolidation		£60,000	Qtr 2>	£120,000	>	£100,000	>	£40,000	
Enhance members technology			Qtr 2	£40,000					
centralised post scanning/distribution			Qtr 4	£25,000					
Property gazetteer consolidation			Qtr 4	£25,000					
Self service access points					Qtr 1	£50,000			
Open data					Qtr 4	£15,000			
		£512,000		£430,000		£225,000		£70,000	

All subject to negotiation - therefore indicative pricing only at present.

Final pricing will be dependant upon detailed scoping and statement of works.

**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>RESPONSE</p> <p>The comments about number of elected members are noted – the Project Mandate did not include a review of democratic arrangements.</p> <p>The Business Case will be looking at sharing services widely and this could include sharing with the other Somerset districts where appropriate.</p>
<p>2</p>	<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>RESPONSE</p> <p>The comments are noted – it should however be noted that the Project Mandate did not include a review of democratic arrangements.</p>
<p>3</p>	<p>According to the Corporate Scrutiny Report September 2013 Medium Term Financial Plan Update & 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>

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.

Perhaps Elected Members should be reminded of this aim when considering the Business Case for Joint Management & Shared Services?

RESPONSE

The comments are noted and will be provided to elected members.

4 **General**

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; ***not only fair but, seen to be fair.*** Not only to the staff of both Local Authorities but to anyone coming to the new administration and those observing on 'the outside'.

Para. 1.14

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)

RESPONSE

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.

Para. 4.3

1st 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).¹ Also, an important characteristic of the area and its workforce/business-structure is the

¹ 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%²) compared with its neighbour Taunton Deane (16.12%³) and nationally (15.71%⁴)

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 4th 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

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.

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

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

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

Paras. 15.6 & 15.7

These refer to Assistant Directors and 4th 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 21st 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 4th 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 4th 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 4th 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 – 1st 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 – 2nd 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-Time⁵ (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.

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

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

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 & 8) are considered the best option available for reliable, consistent and comparative performance information

Elected Members have been given the opportunity to review the background data.

- 5 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 *'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.'*

These potential savings are to come from areas such as *renegotiated third-party contracts and reduced ICT costs through rationalising applications and third party suppliers.*

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.

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 *renegotiated third-party contracts and reduced ICT costs through rationalising applications and third party suppliers.* There should be detailed information on these contractual arrangements to ensure maximum savings can be made from non-pay, as opposed to staff budgets.

RESPONSE

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.

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.

6	<p>Why keep 100+ Councillors for population of approx 30,000 when North Somerset, a larger pop, have only approx 60 elected members?</p> <p>RESPONSE</p> <p>The comments are noted – it should however be noted that the Project Mandate did not include a review of democratic arrangements.</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>RESPONSE</p> <p>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.</p>



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Report to a Meeting of: *SPECIAL COUNCIL MEETINGS*

To be Held on: *12th November, 2013*

TAUNTON DEANE BOROUGH COUNCIL AND WEST SOMERSET COUNCIL PROPOSED GOVERNANCE ARRANGEMENTS – INTER AUTHORITY AGREEMENT

1. PURPOSE OF REPORT

- 1.1 The report outlines the proposed inter authority agreement setting out the governance arrangements to be put in place in the event of the Taunton Deane Borough and West Somerset Councils agreeing to approve the Business Case for Joint Management and Shared Services.

2 CONTRIBUTION TO CORPORATE PRIORITIES

- 2.1 The report proposes governance arrangements for a Joint Management and Shared Services Project to help deliver the ambition of both councils to secure financially sustainable futures whilst maintaining democratic independence.

3. RECOMMENDATIONS

- 3.1 That, subject to both Councils agreeing to approve the Business Case for Joint Management and Shared Services, the Inter Authority Agreement - attached as Appendix A to this report - be adopted by both authorities to provide the governance framework for implementing the joint arrangements between the Taunton Deane Borough and West Somerset Councils.
- 3.2 That, subject to 3.1 above, each Council to nominate its four members to serve on the Joint Partnership Advisory Group with the two Leaders of Council.

4. **RISK ASSESSMENT (IF APPLICABLE)**

Risk Matrix

Description	Likelihood	Impact	Overall
The project does not maintain momentum and focus in the event of the business case being approved	3	5	15
<i>Clear governance arrangements are put in place ensuring close member engagement in driving the project forward into the implementation and delivery stage</i>	2	5	10

The scoring of the risks identified in the above table has been based on the scoring matrix. Each risk has been assessed and scored both before the mitigation measures have been actioned and after they have.

5. **BACKGROUND INFORMATION**

- 5.1 As part of the project mandate agreed by the West Somerset and Taunton Deane Borough Councils in early 2013 it was agreed to establish a Joint Members Advisory Panel (JMAP) consisting of four members from each council to ensure close democratic involvement in the project development.
- 5.2 The Business Case for shared Management and Services is predicated on the two councils remaining as separate entities and retaining their existing democratic structures and processes. Nevertheless experience from elsewhere demonstrates that clear governance is vital to maintain the momentum, focus and commitment to delivering the improvements sought by the councils involved. The recent Local Partnerships Assurance Review stated that the establishment of a joint member vehicle to oversee the implementation phase is 'sound and follows good practice elsewhere'.
- 5.3 The Business Case therefore makes reference to governance in Section 17 and this paper sets out detailed proposals to take this aspect of the project forward.
- 5.4 If the Business Case is approved, it will represent a significant step forward in the joint working relationship between the two councils and it is recommended that this is reflected by the adoption of an Inter Authority Agreement that will be the overarching document that enshrines the principles under which the joint arrangements will operate for the councils going forward. A draft of the document that is submitted to the councils for discussion and adoption is attached at Appendix A to this report.
- 5.5 The document makes reference to the legal basis for any joint arrangements including the Section 113 Agreement relating to the sharing of a Chief Executive. It sets out the context for the joint arrangements including the key principles that will underpin implementation and delivery of the joint arrangements between the two councils – set out in section 3 of the document.
- 5.6 The key element in terms of on-going member engagement is covered in section 4 relating to governance. In recognition of the vital role that JMAP has provided to date it is proposed that a Joint Partnership Advisory Group (JPAG) be established to supplement to the existing democratic structures. Its main roles would be to:-
- Oversee the delivery of the approved Business Case ensuring that all members of both councils are kept informed of progress;
 - Make comments on detailed business cases for joint services and/or proposals for the involvement of other councils in the shared joint arrangements; and

- Attempt to resolve any issues/concerns raised by either council or in respect of the joint arrangements.
- 5.7 The appendix to the draft agreement sets out the proposed responsibilities for the proposed JPAG in more detail.
- 5.8 As suggested by the name, the JPAG is 'advisory' and so is a non decision making body which would report to both councils ensuring that the wider membership of the councils retain ultimate decision making power. The diagram on page 37 of the Business Case makes it clear that the JPAG is additional to the existing democratic processes and does not, for example, replace the respective roles of the current Scrutiny Committees. Whilst one of the key actions of the group would be to broker resolutions to any issues/concerns that may arise from the implementation of the joint arrangements, if the process operates effectively then the group should be key to ironing out any potential difficulties at an early stage. In essence the group would act as an early 'sounding board' to provide a member perspective and be able to cover both potential cross party and cross boundary issues and, if necessary, help to broker solutions should there be any disagreements between the parties.
- 5.9 One of the strengths of the existing JMAP process is the ability to discuss issues frankly in private and the proposal as drafted will enable this level of discretion to be maintained. Nevertheless, any key notes and comments/suggestions emerging from the JPAG would be made available to all members of both authorities to ensure transparency internally. If adopted the Agreement would be a 'living document' and could be amended/adapted in the future should both authorities agree to, for example, establish a more formal 'joint committee' process.
- 5.10 For the implementation phase to be successfully delivered it is considered essential that the two Leaders are central to the process and so it proposed that the composition of the group should specify that both Leaders should be core members of the JPAG plus four additional members from each council to be appointed annually. This then provides each council with the freedom to appoint its representatives on the basis that it wishes without it necessarily needing to be politically proportional. The intention is that the venue for meetings of the JPAG will alternate between the authorities' offices with the Leader of the host authority chairing each meeting (if the host Leader cannot attend then the Leader will appoint one of the host members of the JPAG to Chair the meeting in his/her absence).
- 5.11 JPAG meetings will be considered quorate if at least three elected members from each authority are present including at least one of the two Leaders, with substitutes being permitted by clear prior arrangement.
- 5.12 The Scrutiny and Corporate Scrutiny Committees of the two Councils considered these draft proposals at their respective meetings on 24th October, 2013.
- 5.13 At the Taunton Deane Corporate Scrutiny Committee one specific amendment was suggested to the effect of deleting the words 'politically and' from the final line of 3.2.5 so that the key requirement of any proposal was to be economically viable and this change has been provisionally included in Appendix A. Overall the Committee welcomed the clarity and brevity of the document.
- 5.14 The West Somerset Scrutiny Committee suggested the insertion of the word 'proposed' before 'transformation' in 2.1 to reflect that there were no specific proposals in regard to the transformation of services phase at present and this amendment has been provisionally incorporated in Appendix A. The Committee also asked that the wording of Clause 13 relating to Insurance was checked to ensure that it applied to the situation where eventually all staff would be employed by one of the authorities and so the latest draft has the word 'each' deleted from the first sentence to clarify that the respective 'authorities' will provide

the necessary insurance cover as and when it is appropriate. The Committee welcomed the establishment of the proposed JPAG in principle, were happy that the membership should be left to the politicians of each authority to establish and requested that all elected members be kept fully informed of progress which is listed as one of the key objectives of the Group in Appendix One of the Inter Authority Agreement.

- 5.15 During the debate at the West Somerset Scrutiny Committee, there was a request for clarity on when matters would be referred back to the two councils on the partnership working going forward. In essence, if the Business Case is agreed, then the two Councils have sanctioned the necessary actions being undertaken to deliver the savings set out in the Business Case to implement the Joint Management and Shared Workforce phases of the project without any further reference back. The JPAG process will ensure that such actions are undertaken in accordance with the Business Case and report back on progress. It is at the transformation of services phase of the project where both Councils will have further decisions to take following referrals from the JPAG before the implementation of any detailed proposals to transform particular services.
- 5.16 The respective Councils are requested to consider adopting the Inter Authority Agreement as set out in Appendix A with or without amendments and, if so, to also appoint its four members to represent their Authority on the JPAG together with the two Leaders. To proceed on this basis, both Councils will need to agree these proposals and the outcome of the West Somerset Council debate on this item can be reported orally at the Taunton Deane meeting. In the event of any significant deviation between the two Councils on this matter, then it is suggested that the Monitoring Officers prepare a further paper for consideration by the two Councils via the existing JMAP process.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 None in respect of this report.

7. SECTION 151 OFFICER COMMENTS

- 7.1 The proposal to have clear and transparent governance arrangements for the implementation and delivery phase of the Business Case, should it be approved, is to be welcomed.

8. EQUALITY & DIVERSITY IMPLICATIONS

Members need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process.

The three aims the authority **must** have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 None in respect of this report.

10. CONSULTATION IMPLICATIONS

- 10.1 The Project Board, Joint Members Advisory Panel and Joint Unison Branch Meetings were all consulted and briefed on the proposal. The Scrutiny and Corporate Scrutiny Committees

of both Councils considered these proposals at their meetings held on 24th October, 2013 and the views expressed have been taken into account when finalising this report.

11. ASSET MANAGEMENT IMPLICATIONS

11.1 None in respect of this report.

12. ENVIRONMENTAL IMPACT IMPLICATIONS

12.1 None in respect of this report.

13. LEGAL IMPLICATIONS

13.1 The legal basis for the proposed inter authority agreement is set out in the draft Agreement.

APPENDIX A

Version 9 28/10/13

DRAFT**INTER AUTHORITY AGREEMENT**

Between

- (1) **TAUNTON DEANE BOROUGH COUNCIL** of The Deane House, Belvedere Road, Taunton, TA1 1HE (“Taunton Deane”)
- (2) **WEST SOMERSET COUNCIL** of West Somerset House, Killick Way, Williton, Taunton, TA4 4QA (“West Somerset”)

together called “the Authorities”

BACKGROUND

- (A) The Taunton Deane and West Somerset Councils have agreed to establish Joint Arrangements to work together to share a Joint Chief Executive and a Joint Senior Team and then to examine the opportunities for further savings by the joining together of services, assets, officer posts and officer teams .
- (B) The Taunton Deane and West Somerset Councils agreed on the 23rd July 2013 to share a Joint Chief Executive as set out in the Agreement dated 23rd September 2013. .
- (C) The parties have agreed a joint Statement of Intent, a set of aims and a set of general principles and values to underpin the implementation of the Joint Arrangements under this Inter Authority Agreement (“the Agreement”).
- (D) The legal basis for the Inter Authority Agreement is
- a. Section 101 of the Local Government Act 1972 (Arrangements for the discharge of functions by a local authority);
 - b. Section 102 of the Local Government Act 1972 (Appointment of Committees);
 - c. Section 112 of the Local Government Act 1972 (duty to appoint officers);
 - d. Section 113 of the Local Government Act 1972 which enables each Authority to place staff at the disposal of another Authority;
 - e. Section 3 of the Local Government Act 1999 (duty to secure best value);
 - f. Section 2 of the Local Government Act 2000 and The Local Authorities (Arrangements for the Discharge of functions) (England) Regulations 2000/2851 (joint arrangements for the exercise of executive functions).
 - g. and all other enabling powers.

IT IS AGREED AS FOLLOWS**1 DEFINITIONS AND INTERPRETATION**

- 1.1 In the Agreement the following words and phrases shall have the following meanings:

“Agreed Costs Split” has the meaning set out at Clause 8.1.

“Authority” means Taunton Deane, or West Somerset and “Authorities” means Taunton Deane, and West Somerset ;

“Business Case” means the business case approved by the Authorities on the 12th November 2013

“Confidential Information” has the meaning set out at Clause 10.2;

“Conflict of Interest” means a significant conflict of interest between the Authorities which is of such a nature or scale that it is not tenable for the Joint Chief Executive to continue to advise and support both parties in dealing with the issue;

“Exit Strategy” means a strategy and details to facilitate an exit from this Agreement and an end to some or all Joint Arrangements;

“Joint Arrangements” means the arrangements for joint working set out in Background paragraph (A) and (D) of this Agreement;

“Joint Chief Executive” means the post established as the senior officer and Head of Paid Service for Taunton Deane and West Somerset;

“Joint Partnership Advisory Group” (“JPAG”) means the Joint Partnership Advisory Group established by the Authorities as set out in clause 4.1 and Appendix One.

“Joint Decision” has the meaning set out at Appendix One;

“Joint Posts” means the Joint Chief Executive and the Joint Senior Management Team;

“Joint Senior Team” means the officer posts to be established as the senior management team for Taunton Deane and West Somerset;

“Joint Service Proposal” means a proposal put forward by the Authorities to share a service with each other and/or with other authorities.

“Loss” means any loss and liability directly suffered by the Authorities together or by either Authority arising as a result of the Joint Arrangement with any damage, expense, liability or costs reasonably incurred in contesting any claim to liability and quantifying such loss and liability;

“Member Working Group” (“MWG”) means an advisory working group created by the Joint Partnership Advisory Group to carry out certain responsibilities as set out in clause 4.2;

“Monitoring Officer” means the officer(s) designated by the Authorities as their monitoring officer pursuant to section 5 of the Local Government and Housing Act 1989

“New Arrangement” has the meaning set out at Clause 2.3;

“Personal Data” has the meaning set out at Clause 11.3

“Receiving Party” has the meaning set out at Clause 10.2

“Section 151 Officer” means the officer(s) having responsibility, for the purposes of section 151 of the Local Government Act 1972, for the administration of an Authority's financial affairs;

“Shared Service” means a service provided for Taunton Deane, and West Somerset by a single team of officers employed by one of the Authorities;

“Start Date” has the meaning set out at clause 5.1

“Statement of Intent” means the commitment between the Authorities to work closely together to establish Joint Arrangements across both Authorities.

“Working Day” means any day on which the Authorities' offices are normally open for business

- 1.2 Words importing the singular number shall include the plural and vice versa.
- 1.3 Titles and headings to clauses are for convenience only and shall not affect the construction or interpretation of the Agreement.
- 1.4 Notwithstanding any breach of this Agreement by any Authority, and without prejudice to any other rights which the other Authority may have in relation to it, the other Authority may elect to continue to treat this Agreement as being in full force and effect and to enforce its or their rights under this Agreement. The failure of either Authority to exercise any right under this Agreement, including any right to terminate this Agreement and any right to claim damages, shall not be deemed a waiver of such right for any continuing or subsequent breach.

2 SCOPE OF JOINT ARRANGEMENTS

- 2.1 Establishment of a Joint Senior Team, a shared workforce and the proposed transformation of services to provide joint service arrangements for the two councils.
- 2.2 The Joint Partnership Advisory Group shall be responsible for the monitoring of the implementation of the joint arrangements with the Business Case.
- 2.3 There shall be no restriction on the Authorities continuing, or entering, new shared services or outsourcing arrangements with any other Authority, public body or private sector provider (“a New Arrangement”) subject to 2.4 and 2.5 below.
- 2.4 If either of the Authorities is considering entering into a New Arrangement which is of sufficient scale and significance to affect potential future options for Joint Arrangements, that Authority shall notify the other Authority in writing about the new Arrangements sufficiently in advance of its proposed implementation to enable it to be discussed at the JPAG.
- 2.5 The JPAG shall consider the proposal for a New Arrangement as soon as practical following the notification in order to review whether there are different or revised options which the Authorities could take forward which would better achieve the overall aims of the Joint Arrangements

3 PRINCIPLES

- 3.1 The Authorities will work together to seek to achieve the vision of the Statement of Intent which is that the Authorities intend, under the management of the Joint Chief Executive, to identify and establish Joint Arrangements in a number of areas and a shared approach to the delivery of certain agreed services.
- 3.2 The following key principles will underpin the operation of this Agreement:
 - 3.2.1 the sovereignty and identity of all Authorities will be preserved
 - 3.2.2 councillor independence and leadership in all Authorities will be retained
 - 3.2.3 all Authorities will retain clear accountability to the councillors and residents of each Authority with no detriment to the local taxpayers of either Authority in the delivery of the Joint Arrangements
 - 3.2.4 no one Authority will take an overall lead – all Authorities are of equal status and have equality of influence in the Joint Arrangements (although the Authorities recognise that there may be a requirement for one Authority to take a role as “employing Authority” or “contracting Authority” to facilitate the delivery of the Joint Arrangements)
 - 3.2.5 services and assets will be considered for sharing where there is a robust Business Case for doing so and where the proposed shared arrangements are ~~politically and~~ economically viable
 - 3.2.6 accountability for services delivered through the Joint Arrangements remains with the Authority with whom the statutory responsibility lies.
- 3.3 The Authorities will work together to develop and implement the Business Case under which the following aims of the Statement of Intent will be delivered:
 - 3.3.1 to save money for local taxpayers
 - 3.3.2 to improve service resilience
- 3.4 The Authorities will work together in accordance with the following general values underlying this Agreement:
 - 3.4.1 acting reasonably and in good faith at all times
 - 3.4.2 providing information to each other as and when required to achieve the aims of the Joint Arrangements
 - 3.4.3 identifying issues and problems early and working constructively to achieve solutions
 - 3.4.4 actively seeking to resolve any political difficulties

- 3.4.5 actively co-operating to ensure the smooth running of the Joint Arrangements, for example, in payment of inter Authority invoices and recharges
- 3.4.6 keeping all councillors, residents, staff and other stakeholders informed about the arrangements
- 3.5 The Authorities recognise that the commitment to the Joint Arrangements is long term and that the development of shared services will take place in an incremental way as outlined in the Business Case .

4 GOVERNANCE

4.1 The Joint Partnership Advisory Group

- 4.1.1 The Authorities have established the Joint Partnership Advisory Group (“JPAG”) and the terms of reference of the JPAG are set out in Appendix One of this Agreement.
- 4.1.2 The JPAG shall be responsible for overseeing and driving forward the Joint Arrangements and associated transformation of the services.
- 4.1.3 The primary functions of the JPAG are as follows:
 - 4.1.3.1 to hear and resolve any disputes which have not already been resolved by the Joint Chief Executive;
 - 4.1.3.2 oversee and monitor the progress and achievement of the Joint Arrangements;
 - 4.1.3.3 make any necessary comments on joint policy work to each Authority;
 - 4.1.3.4 receive reports from the Joint Chief Executive and Joint Senior Management Team on the implementation of the Business Case ; and
 - 4.1.3.5 review the Business Cases for Joint Service Proposals.
- 4.1.4 The JPAG shall meet a minimum of 4 times per year unless otherwise unanimously agreed.
- 4.1.5 The Authorities may amend the terms of reference of the JPAG from time to time as the Agreement develops. Any such amendment shall be agreed in writing by each Authority, taking into account any comments from the JPAG and could include the establishment of a Joint Committee in accordance with the provisions of Section 102 of the Local Government Act, 1972.

4.2 Member Working Groups

- 4.2.1 The JPAG may from time to time create time limited task and finish groups of Members from each Authority ("Member Working Groups") to advise the JPAG on specific issues. The JPAG shall determine the

membership of each Member Working Group and the terms on which each Member Working Group carries out its responsibilities.

- 4.2.2 The arrangements for the proposed Member Working Groups are set out in Appendix Two of this Agreement.

5 TERM

- 5.1 This Agreement shall commence on 13th November 2013 (“the Start Date”) and shall continue until terminated by either Authority in accordance with the provisions of Clause 16 of this Agreement or by mutual consent.
- 5.2 The Authorities confirm their commitment to the long term nature of the Joint Arrangements and recognise that withdrawal by one Authority will therefore create significant implications for service delivery and for staff.

6 REVIEW AND EXPANSION OF JOINT ARRANGEMENTS

- 6.1 The Authorities shall keep the terms of this Agreement and the operation of the Joint Arrangements under review and the JPAG shall receive an annual report on the progress and performance of the Joint Arrangements no later than 1st October in each calendar year.
- 6.2 The Authorities will consider requests from other local authorities to join the Joint Arrangements.
- 6.3 Any local authorities wishing to join the Joint Arrangements shall submit a proposal to the JPAG. The JPAG shall consider the request and shall make comments to the Authorities as to whether, and if so on what terms, the request should be considered.

7 STAFFING ARRANGEMENTS

- 7.1 The authorities shall consider and agree arrangements for the purposes of carrying out the Joint Arrangements relating to staffing and employment arrangements including:
- 7.1.1 the transfer of employment of any officer;
 - 7.1.2 the making available to the Authorities of any officer employed by another Authority;
 - 7.1.3 the terms and conditions of any officer involved in the Joint Arrangements;
 - 7.1.4 the creation or dissolution of any posts;
 - 7.1.5 arrangements for the creation of, recruitment to and employment of the Joint Posts
- 7.2 The Authorities shall apply the following principles to such Joint Arrangements:

- 7.2.1 Each Authority will comply with all relevant employment legislation and requirements in considering and consulting on potential shared services;
- 7.2.2 The Authorities will comply with all relevant HR policies and protocols and constitutional delegations when implementing staffing arrangements of the Joint Arrangements.

8 COST OF JOINT ARRANGEMENTS AND SAVINGS

- 8.1 The Cost of the Joint Arrangements will be shared as set out in the agreed Business Case.

9 INTELLECTUAL PROPERTY

- 9.1 All intellectual property and material created by or on behalf of any Joint Arrangements shall be owned jointly by the Authorities and shall be available equally to each Authority subject to any terms with third parties under which the intellectual property and material was commissioned. The Authorities shall use their best endeavours to reflect the intention of the Authorities to jointly own these items in any terms used when commissioning third party work on the Joint Arrangements.
- 9.2 Each Authority warrants that any intellectual property created by its officers for the purposes of the Joint Arrangements will not infringe any third party's intellectual property rights.
- 9.3 Each Authority shall indemnify the other Authority against any Loss arising out of any dispute or proceedings brought by a third party alleging infringement of its intellectual property rights by use of the first Authority's intellectual property for the purpose of the Joint Arrangements.
- 9.4 Each Authority hereby authorises the other Authority to use its logo on documents and signage relating to the Joint Arrangements for such period as this Agreement remains in force save that this provision shall not apply after an Authority has withdrawn from this Agreement.

10 CONFIDENTIAL INFORMATION AND PUBLICITY

- 10.1 The Authorities shall at all times use their reasonable endeavours to keep confidential (and to procure that their respective employees agents consultants and sub-contractors shall keep confidential) all Confidential Information concerning the Joint Arrangements or the business and affairs of the other Authority which may now or at any time be in its possession and shall not disclose it except with the consent of the other Authority, such consent not to be unreasonably withheld.
- 10.2 For the purpose of this Agreement "Confidential Information" means any information imparted to any Authority or their employees agents consultants or sub-contractors ("the Receiving Party") which was imparted to the Receiving Party on the basis that it is to be kept confidential or would by its nature normally be regarded as being confidential or which to the knowledge of the Receiving Party was obtained by the other Authority on the basis that it was to be kept

confidential or is of commercial value in relation to the Joint Arrangements but shall not include any information which is for the time being in the public domain otherwise than by reason of its wrongful disclosure by the Receiving Party.

- 10.3 This Clause 10 shall continue without limit of time and shall survive the termination of this Agreement.
- 10.4 This Clause 10 shall not prevent the disclosure of any Confidential Information relating to the Joint Arrangements which is reasonably disclosed for the furtherance of the Joint Arrangements or the promotion of the Joint Arrangements; provided that the Authority or person disclosing the information takes all steps that are commercially practicable to preserve the confidentiality of the information and shall not prevent the disclosure of any Confidential Information where required by law.
- 10.5 No Authority shall issue any media release publicity concerning or affecting the Joint Arrangements unless previously agreed with the other Authority.
- 10.6 Any formal statements or communications to staff and/or members concerning the Joint Arrangements shall be agreed between the Authorities in advance.

11 COMPLIANCE WITH LAWS

- 11.1 The Authorities shall at all times comply with all laws including but not limited to the Data Protection Act 1998 and will, where appropriate maintain a valid and up to date registration or notification under such Laws.
- 11.2 Each Authority shall indemnify and keep indemnified the other Authority against all Losses, claims, damages, liabilities, costs and expense (including reasonable legal costs) incurred by the other Authority in respect of any breach of this Clause 11 by the Authority and/or any act or omission of any sub-contractor.
- 11.3 Each Authority shall grant to the other Authority the right of reasonable access to all records of Personal Data relevant to the Joint Arrangement, as defined and as permitted in the Data Protection Act 1998, and shall provide reasonable assistance at all times during the currency of this Agreement to ensure the quality and security of Data collected.

12 FREEDOM OF INFORMATION

- 12.1 Each Authority acknowledges that the other Authority is subject to the requirements of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 and each Authority shall, where reasonable, assist and co-operate with the other Authority (at its own expense) to enable the other Authority to comply with these information disclosure obligations.
- 12.2 Where an Authority receives a request for information under either the Freedom of Information Act 2000 ("FOIA") or the Environmental Information Regulations 2004 ("EIR") in relation to information which it is holding on behalf of the other Authority in relation to the Joint Arrangements, it shall:
 - 12.2.1 transfer the request for information to the other Authority as soon as practicable after receipt and in any event within two Working Days of receiving a request for information;

12.2.2 provide the other Authority with a copy of all information in its possession or power in the form that the Authority requires within ten Working Days (or such longer period as the Authority may specify) of the Authority requesting that information; and

12.2.3 provide all necessary assistance as reasonably requested by the other Authority to enable that Authority to respond to a request for information within the time for compliance set out in the FOIA or the EIR.

12.3 Where an Authority receives a request under FOIA or EIR which relates to the Joint Arrangements, it shall notify the other Authority and afford it an opportunity to make any comments or representations in respect of the disclosure of the information sought. The other Authority shall respond within five Working Days of receipt of this notification. The Authority responding to the request shall take into account any such comments or representations in so doing and shall not respond to the request until the 5 day response period referred to above has passed.

13 INSURANCE

The Authorities will **each** take out and maintain in full force with a reputable insurance company adequate employee liability insurance cover in respect of officers employed by the Authority and those seconded to it in accordance with this Agreement.

14 CONFLICTS

14.1 If any situation arises where there is a potential or actual conflict of interest or a perceived conflict of interest between TDBC and WSC, the Joint Chief Executive shall:

14.1.1 Draw such conflict to the notice of the monitoring officer(s) of the Authorities;

14.1.2 Remove himself/herself from all aspects of the decision-making process in relation to the situation;

14.1.3 Nominate a senior officer or officers in the Authorities or from the Joint Senior Team to deal with the issue on behalf of the Authorities;

14.1.4 Provide the nominated senior officer(s) with such resources as they require to ensure that the interests of each Authority are appropriately represented including taking independent professional advice or seeking independent third party support if appropriate.

14.2 The Authorities shall ensure that procedures and safeguards are in place to identify such conflicts at an early stage.

14.3 The Authorities shall keep a written record of any such conflicts which have been identified and how such conflicts have been resolved.

15 DISPUTE RESOLUTION

- 15.1 If the Authorities are unable to agree a matter arising under the terms of this Agreement or any other concerns arising over any aspect of the Joint Arrangements, the Authorities shall adopt the following procedure in respect of each matter:
 - 15.1.1 the matter shall be referred to the Joint Chief Executive for discussion and resolution.
 - 15.1.2 If the matter remains unresolved, it shall be referred to the JPAG for discussion and resolution.
 - 15.1.3 In the event that a matter in dispute cannot be resolved under 15.1.1 or 15.1.2 above the matter may be referred to an arbitrator under clause 15.1.4
 - 15.1.4 The arbitrator shall be appointed with the agreement of the Authorities or in the event that agreement cannot be reached by the president or other chief officer of The Chartered Institute of Arbitrators or such other professional body appropriate to the matter in dispute.
 - 15.1.5 If the matter still remains unresolved, the Joint Arrangements shall come to an end by mutual consent and this Agreement will terminate in accordance with clause 16.

16 WITHDRAWAL, TERMINATION AND EXIT STRATEGY

- 16.1 If any Authority wishes to consider withdrawal from the Joint Arrangements in whole or in part, it shall first raise the matter with the JPAG for discussion.
- 16.2 If any Authority then wishes to continue with withdrawal from the Joint Arrangements in whole or in part, it shall give at least one year's notice of such withdrawal in writing to the other Authority and to the JPAG, such notice to expire on 31st May in any year. (For the avoidance of doubt this means that the earliest date an Authority is able to give one year's notice of withdrawal shall be 31st May 2014 and the earliest date any such notice shall take effect is 31st May 2015).
- 16.3 On withdrawal of one Authority from the Agreement, that Authority shall be liable to pay to the other Authority a sum to recompense them for the costs it will incur consequent on cessation of the Joint Arrangements. Such costs shall not exceed the estimated annual cost to the withdrawing Authority of their share of the Joint Arrangements.
- 16.4 Upon termination of this Agreement whether by mutual consent or withdrawal of one Authority in accordance with clause 16.22 or otherwise the Authorities shall agree an Exit Strategy to include determination of issues relating to:
 - 16.4.1 employment and redundancy;
 - 16.4.2 asset management;
 - 16.4.3 IT;
 - 16.4.4 documents and information compiled or acquired by the parties during the Term of the Agreement.

16.5 If the Authorities are unable to agree an Exit Strategy the Authorities shall agree to appoint an independent arbitrator who shall prepare an Exit Strategy on behalf of the Authorities and which the Authorities shall implement.

16.6 The Authorities agree that the key principles in the preparation and implementation of any Exit Strategy shall be continuity of service delivery and fair treatment of staff.

17 VARIATION AND WAIVER

The Inter Authority Agreement may be varied at any time by the written agreement of the Authorities.

18 THIRD PARTIES

It is agreed for the purposes of the Contract (Rights of Third Parties) Act 1999 that this Agreement is not intended to and does not give to any person who is not a party to this Agreement any rights to enforce any provisions contained in this Agreement.

19 GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the law of England and Wales.

IN WITNESS hereof the parties hereto have executed this Agreement as a Deed the day and year first written

The Common Seal of **Taunton Deane Borough Council**
was affixed hereto in the presence of

The Common Seal of **West Somerset Council**
was affixed hereto in the presence of

APPENDIX ONE

Joint Partnership Advisory Group “JPAG”

MEMBERSHIP AND ADMINISTRATION

- The JPAG is a non decision making body whose membership is drawn from the Authorities, comprising ten (10) members, including the Leader from each Authority and four other members to be appointed annually by each council.
- The venue for meetings of the JPAG will alternate between the Authorities’ offices and the Leader of the host Authority will chair each meeting; if the host leader cannot attend then that leader will appoint one of the host members of the JPAG to chair the meeting in his/her absence.
- The JPAG meetings will be considered quorate if at least three elected members from each Authority are present including at least one of the two leaders; substitutes will be permitted by clear prior arrangement.

RESPONSIBILITIES

The specific responsibilities of the JPAG are

- To review frequently (and at least on an annual basis as required by this Agreement) the operation of the Inter Authority Agreement between the Authorities and the overall delivery of the Joint Arrangements by the Authorities;
- To oversee the implementation of the approved business case for the provision of shared services between the Authorities;
- To note, and if necessary, make comments to each Authority in respect of Business cases setting out the detail of a Joint Service Proposal ;
- To make comments to each Authority in respect of Joint Decisions and on the overall way forward for the Joint Arrangements;
- To consider and address by brokering between the parties any concerns about the Inter Authority Agreement or about the Joint Arrangements in general raised by each Authority;
- To ensure that members of each Authority are regularly updated on the operation and progress of the Joint Arrangements including arranging for all members of both authorities to be kept informed of the nature of discussions at JPAG meetings.
- To consider any new arrangements as appropriate under clause 2.4 and 2.5.

OBJECTIVES

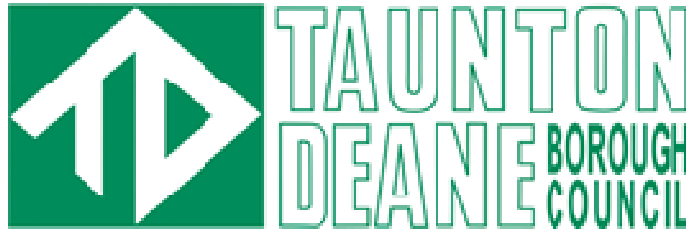
The prime purpose of the JPAG is to drive forward and oversee the Joint Arrangements between Taunton Deane, and West Somerset. To achieve this overall aim, the JPAG shall (as part of its responsibilities):

- Oversee the delivery of the approved business case for the joint management and shared services to serve the districts of Taunton Deane and West Somerset and present conclusions and comments to the Authorities both initially and on an ongoing basis.
- Understand the benefits gained and lessons learned from other similar successful and also failed attempts to integrate District Councils and present the findings to the Authorities.
- Detail the risks, dependencies and resource and policy implications to the Authorities of taking this step and suggest any mitigating actions.
- Propose a communications plan to inform elected members, staff and managers in the Authorities, the media and (where and when appropriate) to residents in the relevant Districts.
- Subsequently, consider the next stages of delivering efficiencies through service integration, make any necessary suggestions on the future governance of that process and if requested identify suitable services and a timetable for integration and report accordingly.

APPENDIX TWO

Member Working Groups (“MWGs”)

- The Joint Partnership Advisory Group (“JPAG”) may create and disband specific Member Working Groups (“MWGs”) to advise the JPAG on specific issues.
- The JPAG shall decide the terms on which each of the MWGs are created and disbanded.
- The MWGs will operate as task and finish groups with a clear set of terms of reference and a target date for reporting to the JPAG and disbandment.
- Each MWG shall consist of the same number of members from each Authority.
- The MWGs shall not have decision making powers. Each MWG shall report to the JPAG with clear comments/suggestions which the JPAG shall consider and deliberate on, or shall refer to each Authority for consideration.
- Each MWG has no power to commit any of the Authorities financially but may be allocated a budget to facilitate efficient and timely working.
- Each MWG must update the JPAG after every MWG meeting and at other times as required.
- The venue for meetings of the MWGs will alternate between the Authorities’ offices and will be chaired by a member of the host authority as agreed by the MWG.



Taunton Deane Borough Council and West Somerset Council

Full Council – 12 November 2013

Creating a Shared Workforce and Transition Redundancy Policy

Report of the Retained HR Manager

(This report is the responsibility of the Leader of Council, Cllr Taylor and Lead Member Cllr Kravis for West Somerset and the Leader of Council Cllr Williams and Executive Member Cllr Stock-Williams for Taunton Deane)

1 Executive Summary

This report outlines the proposals for the creation of a shared workforce for the West Somerset and Taunton Deane Shared Services Project and a Transition Redundancy Policy to be adopted during the creation of this shared workforce.

The proposal has been developed following the Local Partnerships comments on job evaluation in the Assurance Review, negotiation and consultation with UNISON Branches in West Somerset and Taunton Deane and the need for the proposal to deliver the 'one team' ethos as well as the other aspirations as set out in the Business Case.

The report is supported by a Collective Agreement that has been agreed as part of the consultation and negotiation with UNISON subject to the necessary approvals from elected members.

Scrutiny Committees in both Councils considered the report at their meetings of 24 October 2013.

2 Background

- 2.1 As part of the TDBC and WSC shared services project, there is a proposal put forward in the Business Case to use the 'host employer' model and create 'one team' delivering services for the benefits of customers in both Councils. The 'host employer' model has been previously considered by the Joint Project Board, Joint Member Advisory Panel and the Joint UNISON Board.
- 2.2 This was considered and supported by Local Partnerships in their Assurance Review and the proposal has been further developed following the comments they made in relation to job evaluation and the consultation responses received from UNISON from, and on behalf of, staff.
- 2.3 The responses from UNISON have included:
- i) the need for staff to have clarity on pay scales at the appropriate time so that they can make informed decisions;
 - ii) the need to avoid significant upheaval for staff with a new job evaluation scheme;
 - iii) the need for changes to be made within a reasonable timescale without this taking too long;
- 2.4 The proposals have also been influenced by the need to maintain control over affordability, and negotiations with UNISON on the Transition Redundancy Policy on matters such as pay protection and 'trickle down'.
- 2.5 Attached at Appendix A is a copy of a negotiated Collective Agreement developed in consultation with UNISON which covers the creation of the shared workforce, the Transition Redundancy Policy and the review of terms and conditions of employment.

3 Summary of Proposals

- 3.1 The proposal being put forward provides clarity on how the structure of the shared services will be implemented and has been developed in consultation with UNISON and after negotiations to ensure that staff views are taken into account.
- 3.2 As stated above feedback from UNISON and staff is one of concern relating to clarity on timings, clarity on salary levels and pay protection. This proposal addresses these concerns and also the concern about a Job Evaluation review and the impacts this might have on the shared services project and achieving the level of savings identified.

- 3.3 A summary of advantages and disadvantages is set out after the proposal.
- 3.4 It should be noted that the process set out would run alongside the review of terms and conditions of employment and staff would need to be made fully aware of this. UNISON have already agreed to engage positively with this process and it is expected that this would be completed by 1 April 2015.
- 3.5 In addition to this, consultation and negotiation has been taking place on a Transition Redundancy Policy that would be applied throughout this process and is now contained within the overarching collective agreement as a final version for member consideration.
- 3.6 It should be noted that the full detail of each stage in the processes has not been set out e.g. there will be the need for recruitment processes or redundancy selection processes to be defined and there will be the need to make some variations to the timeline in services where circumstances dictate.**
- 3.7 Phase 1 – from 1 January 2014**
- 3.7.1 Directors and Assistant Directors in post.
- 3.7.2 Requirement for Directors and Assistant Directors to draw up 4th tier management structures for their services.
- 3.7.3 Requirements for overall affordability envelope to be mapped for Assistant Director service areas with identification of posts included in each Council
- 3.7.4 Requirement for Job Descriptions, Person Specifications and Job Evaluation forms to be done where required and where the jobs are not substantially the same as posts already evaluated under the Taunton Deane Borough Council Job Evaluation Scheme.
- 3.7.5 All posts within this phase to be 'sore thumbed' (checked for consistency) across the organisation before being finalised and released. This stage to be completed by 31 January 2014
- 3.7.6 'At risk' and consultation with affected staff during February 2014
- 3.7.7 Appointments/slot-ins confirmed by 31 March 2014.
- 3.7.8 New posts in place by 1 April 2014 and all posts to be employed by TDBC as the 'host employer'.

3.7.9 This means that the Taunton Deane Job Evaluation Scheme will be used alongside the Taunton Deane pay scales (with amendments for Grades A and B)

3.8 Phase 2 – from 1 April 2014

3.8.1 Assistant Directors and 4th Tier Managers required to draw up structures for Lead, Supervisors etc by 31 May 2014.

3.8.2 Requirements for overall affordability envelope to be mapped for Assistant Director service areas with identification of posts included in each Council

3.8.3 Requirement for Job Descriptions, Person Specifications and Job Evaluation forms to be done where required and where the jobs are not substantially the same as posts already evaluated under the Taunton Deane Borough Council Job Evaluation Scheme.

3.8.4 All posts within this phase to be sore thumbbed across the organisation before being finalised and released. This stage to be completed by 31 May 2014

3.8.5 'At risk' and consultation with affected staff during June 2014.

3.8.6 Appointments/slot-ins confirmed by 31 July 2014.

3.8.7 New posts in place by 1 August 2014 and all posts to be employed by TDBC as the 'host employer'.

3.9 Phase 3 – from 1 August 2014

3.9.1 Assistant Directors, 4th Tier Managers and Leads/Supervisors required to draw up structures for teams/services by 31 October 2014.

3.9.2 Requirements for overall affordability envelope to be mapped for Assistant Director service areas with identification of posts included in each Council

3.9.3 Requirement for Job Descriptions, Person Specifications and Job Evaluation forms to be done where required and where the jobs are not substantially the same as posts already evaluated under the Taunton Deane Borough Council Job Evaluation Scheme.

3.9.4 All posts within this phase to be sore thumbbed across the organisation before being finalised and released. This stage to be completed by 31 October 2014

3.9.5 'At risk' and consultation with affected staff during November 2014

- 3.9.6 Appointments/slot-ins and any final TUPE transfers* from WSC to be confirmed by 31 January 2015.
- 3.9.7 Complete structure, all new posts and final TUPE transfers in place by 1 February 2015 with all staff employed by TDBC as the 'host employer'.
- 3.9.8 *Where job has not changed in joint structure and there is no TDBC comparison, ring fence etc there would be no option to take redundancy as it is a TUPE transfer but we would seek to offer TDBC terms at point of transfer.

3.10 Phase 4 – from 1 April 2014 until 31 March 2015

- 3.10.1 Terms and Conditions review completed and implemented on 1 April 2015.

4 Advantages and Disadvantages of the Proposal

4.1 Advantages

- 4.1.1 Delivers complete service restructures and creation of 'one team' by 1 February 2015.
- 4.1.2 Maintains the emphasis on creating one team ethos and 'host' employer model which will bring the staff together into an effective new organisation.
- 4.1.3 Provides certainty on grades up front for staff competing for posts or being slotted in.
- 4.1.4 Same process as senior management review.
- 4.1.5 Uses the TDBC Job Evaluation Scheme (with amendments etc) and therefore removes the need for a Job Evaluation Scheme Review.
- 4.1.6 Ensures that posts in the new structure are paid on the correct rate for the job.
- 4.1.7 Provides more control on costs through the use of 'affordability envelope' for each stage.
- 4.1.8 As the Greater London Provincial Council Job Evaluation Scheme is used by both Councils there are trained staff that can be used (with others being trained to ensure capacity) to deliver the job evaluation requirements. This will continue to involve local UNISON trained employees in the evaluation and other stages of the process.
- 4.1.9 Provides for the 'Living Wage' at the bottom of the TDBC pay scales.

4.1.10 Negotiations with UNISON have helped resolve the issue of 'pay protection' as staff will have a full understanding of applicable grades and posts within the new structures.

4.1.11 This proposal also brings the conclusion of the two major HR workstreams to a conclusion a year earlier than originally anticipated.

4.2 Disadvantages

4.2.1 Potential perceived unfairness of WSC staff being required to take TDBC terms on appointment.

4.2.1 Finance led, not service led, although overall savings from an area can still be directed by Directors and Assistant Directors towards elected members aspirations.

5. Changes to Pay Scales

5.1 As part of the proposal Grade A of the TDBC pay scales would be deleted as well as the first three increments of Grade B would also be deleted.

5.2 What is now the fourth point of Grade B would be recalculated to match the 'living wage' of £14,420pa and this first grade would have only two points.

5.3 There would be no change to the maximum salary level on the TDBC pay scales.

5.4 Across both authorities there is one employee that would be affected by these proposed changes to Grades and therefore the additional cost, when weighed up against the benefits is manageable.

6 Financial Implications & Comments

6.1 The proposals included in this report will deliver the joint staff structure sooner than anticipated within the business case for Joint Management and Shared Services. This may have cost implications in terms of resources required to implement an earlier timescale, but, as a result, will allow the Councils to realise savings earlier than previously planned; proving beneficial from a financial perspective.

6.2 Job Evaluation could have a positive or negative effect on the affordability of the proposals as they are developed but as these will be taken into account when delivering to the affordability envelope for each phase of implementation this has been mitigated against.

6.3 As part of the overall negotiations with UNISON on the creation of the shared workforce and the Transition Redundancy Policy agreement has been reached that no pay protection and no trickle down will apply.

These agreements ensure that the financial risk that could delay the realisation of savings in the shorter term that the Councils will need to take into account in their respective financial plans, have been mitigated against.

- 6.4 An important consideration with a host employer model is the liability for existing and future pension liabilities. In essence it would be recommended that
- accrued liabilities at the agreed transfer point would remain with each home authority i.e. the current employer
 - new accrued liabilities following from an agreed transfer point would be shared on the agreed service cost-sharing basis between the Councils
- 6.5 The Collective Agreement and Transition Redundancy and Redeployment Policy are based on the use of existing redundancy payments but these issues are included within the review of terms and conditions of service, benefits and main HR policies which is scheduled for completion by 31 March 2015.

7 Comments from Scrutiny and Corporate Scrutiny Committees

- 7.1 The following is a summary of the comments made by the Scrutiny Committee at West Somerset at their meeting on 24 October 2013.

An explanation was given as to why the host employer model was being recommended and confirmation was given that other models had been considered

A **request** that members need clarity as to how the two authorities would be branded from a customer perspective should the project go ahead.

Confirmation that the Joint UNISON committee had agreed to the proposals

Detailed concern about TUPE and a recognition that this would not be a straightforward process. A **suggestion** to further explore the timing of any arrangements

Confirmation given by officers that the apportionment of recruitment and redundancy costs would be as set out in the Business Case

The proposal to become a 'Living Wage' authority(ies) was welcomed by members.

7.2 The following is a summary of the comments made by the Corporate Scrutiny Committee at Taunton Deane Borough Council at their meeting on 24 October 2013.

- Difference of living wage and minimum wage explained – it was requested that TDBC should be pursuing/achieving the living wage irrespective of the Business Case.
- Increased pay for those staff left with a larger workload following shared workforce proposals was questioned and concerns were raised on the impacts on staff and the support being provided. The Employee assistance programme was explained to demonstrate one of the ways support is given to those employees affected
- More information was requested in relation to the Host Employer model (all staff employed by TDBC working across both councils)
- Assurance was sought so that posts in the new structure are sufficiently graded to assure no loss of quality.
- The pension costs of West Somerset were questioned and whether TDBC would as the ‘host employer’ incur any West Somerset pension deficit. Members were reassured that historical pension deficit costs would remain with the respective Council.
- EDF funded posts were discussed in relation to the employment status of those postholders.
- Confirmation of when redundancy payments were to be reviewed and this was confirmed as part of the Collective Agreement covering the review of terms and conditions of employment, benefits and main HR policies.

8 Links to Corporate Aims and the Health and Wellbeing Strategy

8.1 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.

9 Risk Management

Risk	Consequence	Probability	Impact	Treatment
That the proposals contained within this report, which have been negotiated with UNISON, are varied by Council.	Further negotiations would need to take place with UNISON delaying the savings from shared services.	Possible	High	These proposals have previously been considered by JPB, JMAP and JUB and revised timescales would need to be drawn up.

10 Equalities Issues

- 10.1 During negotiations with UNISON information has been shared on a range of issues such as the demographics of temporary staff within the organisation and consideration given to the need to review arrangements and outcomes on a regular basis with UNISON.

11 Partnership Implications and Consultation

- 11.1 During negotiations with UNISON information has been shared on a range of issues such as the demographics of temporary staff within the organisation and consideration given to the need to review arrangements and outcomes on a regular basis with UNISON.

12 UNISON Comments

- 12.1 There are no specific comments from UNISON as the overarching collective agreement covers the issues which members are being asked to comment on.

13 Recommendations

- 13.1 That Council note the negotiated overarching Collective Agreement with UNISON which is set out as Appendix A
- 13.2 That Council approve the Redundancy and Redeployment (transition) Policy as set out in Appendix 3 of the Collective Agreement.
- 13.3 That Council approve the process and methodology for the creation of the shared workforce and in particular;
- approve that Taunton Deane BC will be the host employer;
 - approve that the Taunton Deane BC Job Evaluation Scheme will be used to assess grades of any revised or new posts;
 - approve that Grade A and the first three points of Grade B of the current Taunton Deane pay structure will be deleted and that the fourth point of Grade B will be increased to £14,420 per annum to provide for the 'Living Wage'.

14 Appendices

Appendix A Collective Agreement

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APPENDIX A

**TAUNTON DEANE BOROUGH COUNCIL
AND
WEST SOMERSET COUNCIL**

COLLECTIVE AGREEMENT

**TERMS AND CONDITIONS OF EMPLOYMENT, TRANSITION
REDUNDANCY POLICY AND CREATING THE SHARED WORKFORCE**

13 November 2013

PURPOSE

- 1 This is a Collective Agreement between Taunton Deane Borough Council (TDBC) and West Somerset Council (WSC) and the recognised Trade Union, UNISON, in respect of the implementation of:
 - the creation of a shared workforce;
 - a transition redundancy policy;
 - new terms and conditions of employment for all employees employed by both councils under a joint management and shared services partnership.

BACKGROUND

- 2 TDBC and WSC are seeking to enter into a joint management and shared service partnership for the delivery of services across the two councils. This will seek to create a reorganised shared workforce with TDBC acting as the host employer as well as new terms and conditions of employment to meet the business needs of the partnership.

SCOPE AND OPERATION OF THIS AGREEMENT

3. This collective agreement is the product of negotiations between Taunton Deane BC, West Somerset and UNISON on the development of the shared services Business Case and is based on the proposals that will be considered by elected members at both Councils on 12 November 2013.
4. Should the proposals be altered materially by either Council then this Collective Agreement would be subject to renegotiation.
5. In respect of terms and conditions of employment it is a condition of employment for all the Councils' Local Government Service employees, as expressly stated in their Contracts of Employment, that their terms and conditions of employment will be in accordance with collective agreements negotiated from time to time by the National Joint Council for Local Government Services (commonly known as the "Green Book") (or other relevant recognised national negotiating group), as supplemented by local collective agreements reached with the Trades Unions recognised by the Councils.

6. The principles around which the negotiation on terms and conditions will take place are set out in Appendix 1.

ITEMS COVERED BY THIS AGREEMENT

7. In respect of the creation of the shared workforce and agreed proposal is contained as Appendix 2.
8. In respect of the Transition Redundancy Policy the agreed policy is attached as Appendix 3.
9. The terms and conditions of employment covered by this agreement are set out in Appendix 4.
10. Some elements of the terms and conditions package are subject to further detailed operational guidance and implementation arrangements. These detailed arrangements will be subject to further agreement by all parties.

IMPLEMENTATION DATES

11. The terms of this collective agreement will take effect from 13 November 2013 unless either Council materially alter the proposals for the creation of the shared workforce or the Transition Redundancy Policy. Such a material change will see the need for the Agreement to be renegotiated.
12. The implementation date for the Transition Redundancy Policy will be 13 November 2013.
13. The implementation dates for the commencement of the creation of the shared services proposal will be 13 November 2013 and detailed dates for the three identified phases are set out in Appendix 2.
14. The implementation date for each component part of the terms and conditions package will be subject to agreement by all parties.

FUTURE ARRANGEMENTS

15. All agreements covered will be jointly monitored and will be subject to a formal review in April 2015.

INTENTION OF THE PARTIES

16. It is the intention of the parties to this agreement to create a legally binding agreement which enables the two councils to introduce new terms and conditions of employment, thereby incorporating these terms and conditions of employment into the contracts of employment of all employees within its scope.
17. It is the intention of the parties to this agreement to work in partnership to deliver the shared workforce ensuring all legal obligations are met.

FAILURE TO AGREE

- 18. In respect of terms and conditions of employment where agreement is not possible, either party may refer the failure to agree to the provincial joint secretaries (or other mutually agreed persons) for conciliation. If the provincial conciliation is unsuccessful, the provincial secretaries may recommend further procedures for resolution of the difference, including external conciliation, mediation or binding ACAS arbitration.
- 19. The only exception to this is Part 3.2 Working Arrangements of the Green Book, if no agreement is reached the premium rates will be as set out in Part 3, paragraphs 2.6 and 2.7.

Signed: _____ **Date:** _____ **2013**
Joint Chief Executive on behalf of Taunton Deane Borough Council and West Somerset Council

Signed: _____ **Date:** _____ **2013**
On behalf of UNISON

Appendix 1

Principles of negotiation on terms and conditions of employment for employees of Taunton Deane Borough Council and West Somerset Council ('the Councils') and UNISON

1. The purpose of the negotiation of the Councils' terms and conditions is to have a single set of terms and conditions that apply to all employees with no derivations for specific services.
2. The aim is not to make a budget saving therefore the basis of the negotiation is for the overall change of terms and conditions to be cost neutral.
3. The Councils will remain within the National Framework for terms and conditions as set out by the National Joint Council for Local Government Services ('the Green Book').
 - 3.1 The terms and conditions set out in Part 2, Key National Provisions of the Green Book are out of scope for negotiation, namely;
 - i) Sickness Scheme and entitlements to sick pay
 - ii) Maternity Scheme
 - iii) Minimum periods of notice from employee and employer
 - iv) Minimum entitlements to annual leave
 - 3.2 The terms and conditions set out in Part 3, Other National Provisions of the Green Book may be locally determined and therefore are in scope for negotiation, namely;
 - i) Training and Development provisions
 - ii) Job Evaluation
 - iii) Timing of statutory days, e.g. fixed or added to annual leave
 - iv) Car Allowances
 - v) Reimbursement of expenditure
 - vi) Trade Union Facilities
 - vii) Premium rates
4. Certain benefits are excluded from this review:
 - Care First/Westfield
 - Occupational Health
 - Eye tests relating to the use of Display Screen Equipment
5. Appendix 2 outlines
 - Part 1: Terms and Conditions** as set out in the National Provisions.
 - Part 2: Benefits** that are not in the National Provisions and may or may not be contractual
 - Part 3: Policies** that set out an entitlement to an allowance or time off

Part 4: Miscellaneous items that may or may not be contractual

Appendix 2

Creating a Shared Workforce

The following proposal is being put forward to provide clarity on how the structure of the shared services will be implemented.

As stated above initial feedback from UNISON and staff is one of concern relating to clarity on timings, clarity on salary levels and pay protection. This approach attempts to address these concerns and also some of the concern about JE and the impacts this might have on the shared services project.

A summary of strengths and weaknesses is set out after the proposal.

It should be noted that this process would run alongside the review of terms and conditions of employment and staff would need to be made fully aware of this. UNISON have already agreed to engage positively with this process and it is expected that this would be completed by 1 April 2015.

Subject to the agreement of the Transition Redundancy Policy with UNISON and then elected members at Council that Policy would be applied throughout this process.

It should be noted that the full detail of each stage in the processes has not been set out in detail eg there will be the need for recruitment processes or redundancy selection processes to be defined.

Phase 1

1 January 2014

Directors and Assistant Directors in post.
Requirement for Directors and Assistant Directors to draw up 4th tier management structures for their services.

Requirements for overall savings to be mapped for Assistant Director area with comparisons of posts to be included.

Requirement for Job Descriptions, Person Specifications and Job Evaluation forms to be done where required and where the jobs are not substantially the same as posts already evaluated under the Taunton Deane Borough Council Job Evaluation Scheme.

All posts within this phase to be sore thumbed (checked for consistency) across the organisation before being finalised and released. This stage to be completed by 31 January 2014

At risk and consultation with affected staff during February 2014

Appointments/slot-ins confirmed by 31 March 2014.

New posts in place by 1 April 2014 and all posts to be employed by TDBC as the 'host employer'.

This means that the Taunton Deane Job Evaluation Scheme will be used alongside the Taunton Deane pay scales (with amendments for Grades A and B)

Phase 2

Assistant Directors and 4th Tier Managers required to draw up structures for team leaders, supervisors etc by 31 May 2014.

Requirements for overall savings to be mapped for Assistant Director area with comparisons of posts to be included.

Requirement for Job Descriptions, Person Specifications and Job Evaluation forms to be done where required and where the jobs are not substantially the same as posts already evaluated under the Taunton Deane Borough Council Job Evaluation Scheme.

All posts within this phase to be sore thumbed across the organisation before being finalised and released. This stage to be completed by 31 May 2014

At risk and consultation with affected staff during June 2014.

Appointments/slot-ins confirmed by 31 July 2014.

New posts in place by 1 August 2014 and all posts to be employed by TDBC as the 'host employer'.

Phase 3

Assistant Directors, 4th Tier Managers and Leads/Supervisors required to draw up structures for teams/services by 31 October 2014.

Requirements for overall savings to be mapped for Assistant Director area with comparisons of posts to be included.

Requirement for Job Descriptions, Person Specifications and Job Evaluation forms to be done where required and where the jobs are not substantially the same as posts already evaluated under the Taunton Deane Borough Council Job Evaluation Scheme.

All posts within this phase to be sore thumbed across the organisation before being finalised and released. This stage to be completed by 31 October 2014

At risk and consultation with affected staff during November 2014

Appointments/slot-ins and any final TUPE transfers* from WSC to be confirmed by 31 January 2015.

Complete structure, all new posts and final TUPE transfers in place by 1 February 2015 with all staff employed by TDBC as the 'host employer'.

*Where job has not changed in joint structure and there is no TDBC comparison, ring fence etc there would be no option to take redundancy as it is a TUPE transfer but we would seek to offer TDBC terms at point of transfer.

Phase 4

Terms and Conditions review completed and implemented on 1 April 2015.



Implementation date of policy	
Review date	

Redundancy and Redeployment (transition) Policy

Introduction

This policy covers any redundancy situations that may arise following the approval of the business case for joint management and shared services between Taunton Deane Borough Council and West Somerset Council (the Councils).

The Councils recognise a responsibility to safeguard the job security and prospects of their employees as far as possible. They also recognise that they must adapt to change and that this process of combining two sets of employees will inevitably affect the structure and size of the workforce.

Scope

The policy applies to the employees of both of the Councils and will cover the period following the approval at Full Council of the business case for joint management and shared services between the Councils.

The policy will be reviewed in April 2015 with UNISON to ensure its continued relevance and effectiveness. An extension may be applied with agreement of UNISON.

Aims

The aim of this policy is to set out one procedure that will be followed by both Councils throughout the transition period. In doing so, it ensures employees,

managers and UNISON are clear of the procedure that is being followed through any redundancy process.

As far as possible, the Councils will seek to avoid or minimise the need for compulsory redundancies, this policy sets out the ways in which the Councils will do this.

Redundancy Procedure

Consultation

Where the possibility of redundancies is identified the Councils will inform and consult with the relevant trade union representatives as early as possible and before any formal decisions have been made. As part of the consultation the Council will provide the following information:

- the reasons for the proposed redundancies;
- the numbers and descriptions of employees it proposes to make redundant;
- the total number of employees of those descriptions employed at the establishment in question;
- the proposed method of selecting those who may be dismissed;
- the proposed method of carrying out the dismissals, including the period over which the dismissals are to take effect;
- the proposed method of calculating any redundancy payments;
- the number of agency workers working temporarily for, and under the supervision and direction of, the employer;
- the parts of the employer's business in which the agency workers work; and
- the type of work that the agency workers carry out.

Formal consultation shall be deemed to commence on the date when these details are given in a letter to the Branch Secretaries of both Branches.

Consultation timescales will depend upon the scale of potential redundancies and will be as follows:

- A minimum of 30 days before the first dismissal takes effect, where up to 99 employees are to be made redundant over a period of 90 days or less, or,
- A minimum of 45 days before the first dismissal takes effect, where more than 100 employees are to be made redundant over a period of 90 days or less

Any consultation responses received in time will be included in any committee reports to be considered by the appropriate Committee.

Measures to avoid or minimise compulsory redundancies

The Councils will, in consultation with the appropriate trade union representatives explore any options to avoid or minimise the need for compulsory redundancies. Alternatives may include (not in order of priority):

- Reductions through natural staff turnover (i.e. not automatically replacing employees who leave)
- Seeking volunteers for redundancy
- Redeployment, including retraining where appropriate
- Stopping or reducing overtime other than contractual or emergency overtime
- Restrictions on permanent and/or external recruitment
- Termination of casual or agency worker arrangements
- Flexible retirements/voluntary reduction in hours

Employees 'at risk' of redundancy

Notification of 'at risk' status

As soon as practicable after the unions have been informed of the potential for redundancies, any individuals affected will be informed that they are 'at risk' of redundancy and that consultation has commenced. An individual will be identified as being 'at risk' of redundancy if their current post does not exist in a new structure or there will be a reduction in the number of the same post in a new structure. This will be confirmed in writing with an estimate of any redundancy payment and if applicable, pension payment due.

Throughout the consultation period, further meetings (usually mid consultation and at the end of the consultation period) will be arranged with individuals 'at risk' of redundancy to discuss any concerns, redeployment opportunities, any selection processes etc. Records of any discussions will be kept on the employee's personal file.

Rights of employees 'at risk'

Employees 'at risk' of redundancy have certain rights. The Councils will make every effort to redeploy the individuals within the Councils services.

Employees are entitled to reasonable paid time off to look for alternative employment. This may include time off to attend interviews or attend relevant training courses. A reasonable amount of time is considered to be up to two days per week (pro rata for part-time employees). Such time off must be arranged in advance with the line manager.

A central register of employees 'at risk' of redundancy will be held in HR and those employees put 'at risk' will be informed by HR of all relevant vacancies arising within the Councils. Efforts will be made to redeploy employees within the Councils to retain skills, knowledge and experience and reasonable training will be provided if necessary.

The Councils will make every effort to facilitate employees search for new employment, either through in-house support or, on occasions, outplacement specialists. Support may include; advice on writing application forms or preparing CVs, interview tips, coaching etc.

Selection for redundancy

Once a proposal for a restructure or reduction in headcount is approved and where compulsory redundancies are unavoidable, the ring fence arrangements and process of selection for redundancy will be agreed with UNISON. It may include some or all of the following criteria:

- Attendance records (other than absences covered by the Equality Act 2010)
- Disciplinary records ('live' warnings only)
- Skills and experience
- Past performance records
- A selection interview

If a function or service is to be discontinued all employees directly related to the provision of that function will automatically be selected for redundancy.

If there is to be a reduction in the number of posts but the job descriptions remain largely unchanged, (i.e. duties are more than 80% the same). Selection will be based on agreed criteria and made by a selection panel that comprises of a higher level of management, at least 1 member of CMT and a representative from HR.

If a restructure involves the creation of new roles, selection for redundancy will be dependant on success at interview for those new roles. A new role is one where the duties are more than 20% different. A ring fence of employees that can apply for the new posts will be agreed with UNISON and will be based on job type, grade and/or salary levels. The appointment panel should consist of managers from a higher level of management, at least 1 member of CMT and a representative from HR.

This appointment process does not apply to posts named as Scheduled Posts on the constitution, (i.e. Joint Chief Executive, Strategic Directors, Corporate Directors, Theme Managers and Corporate Managers). as these appointments require an Appointments Committee, comprising of at least one member of each of the Councils Executive/Cabinet Committees.

The employee/s selected for redundancy will receive written notification of the reasons for their selection as well as their proper contractual notice in accordance with their contract of employment or statutory notice whichever is greater.

NB – The cost of redundancy is not a factor that will be taken into account when selection for redundancy is made.

Calculation of redundancy payments

Employees will be notified personally about their redundancy entitlements as soon as possible after they have been notified that they are 'at risk' of redundancy, including the compensation/severance payment in writing and details of any pension due where applicable.

The qualifying service in respect of redundancy payments is two years continuous local government service (in accordance with the Redundancy Payments (Local Government) Modification Order. Reckonable service is limited to the last 20 years before redundancy.

Statutory redundancy payments are made according to the following scale:

- (a) one and a half week's pay* for each year of employment during which the employee was aged 41 and over;
- (b) one week's pay* for each year of employment during which the employee was aged 22 to 40 inclusive;
- (c) half a week's pay* for each year of employment in which the employee was aged 21 and under.

* A week's pay is based on contractual pay and does not include occasional overtime or additional payments.

Appendix one includes a table with the number of statutory weeks entitlement according to age and continuous service.

If prior to the expiry of the employee's notice of dismissal an individual receives an offer of employment with a related employer (in accordance with the Redundancy Payments Continuity of Employment in Local Government Modification Order 1999) to start immediately or within four weeks of the end of the previous employment, a redundancy payment cannot be made by the Council.

Compensation/severance payments

The Councils operate a discretionary enhanced redundancy payment scheme under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, as compensation for the loss of employment on redundancy grounds. Details of the Council's schemes are available from the HR representatives.

Employees will be entitled to the discretionary compensation/severance payments in accordance with the existing policy of their employing Council.

Redundancy and compensation/severance payments will be made to employees within 4 weeks of the date of leaving employment.

Local Government Pension Scheme Payments

Employees that have been members of the LGPS for 3 month's or more and are aged 55 or over, are entitled to the immediate unreduced payment of their LGPS benefits if dismissed on the grounds of redundancy.

Redeployment Procedure

Wherever possible employees will be redeployed to avoid compulsory redundancy.

The Councils reserve the right in agreement with UNISON to apply a ring fence to new roles that are created as a result of any proposed restructures and offer them in the first instance to those employees at a similar job type grade/salary level within the existing structure and who have the relevant skills and experience that match the job description or person specification.

Where there is only one individual matched with the new position they will be slotted in.

Where there is more than one employee that matches the role or a group of employees to more than one role, a selection procedure panel will take place that involves a formal interview and other recruitment selection procedures.

All other vacancies arising within the Council where a suitable ring fence is not identified will be offered to employees 'at risk' of redundancy in the first instance. Such vacancies will be sent initially to the HR Team who will check them against the 'at risk' register for any suitable candidates. Employees will be matched according to the essential criteria on the person specification, salary levels and preferred hours of work. Consideration must also be given to any reasonable appropriate training that will enable them to perform the duties of the role.

Any employees that meet the essential criteria will be made an offer of redeployment. Where more than one employee is matched to a vacancy a selection process will apply.

Any offer of redeployment will be made in writing and will include reference to a trial period, any training available, terms and conditions and protection arrangements if applicable.

Any employees that are redeployed into a new role will be given a 4 week trial period. This period may be extended by mutual agreement.

If the trial period is successful the employee will be sent written confirmation of any changes to terms and conditions. If the trial period is deemed unsuccessful by the manager, contractual notice will be reduced by the length of the trial period.

If an offer of redeployment is made by the Councils and the employee decides during the trial period that they wish to reject the offer, they must advise HR in writing within the trial period.

An employee who believes that a job offer is not suitable alternative employment may claim a redundancy payment. However, this will only be paid where the Councils agree that the job is unsuitable. The decision will be made by a Member of CMT, taking account of any changes to terms and conditions and the level of seniority.

Pay Protection and Trickle Down

As part of this policy there will be no protection for employees who are redeployed into another post.

Once agreed, ringfences will operate distinctly from one another without the ability to trickle down or across.

Appeals

If an employee is aggrieved about their selection for redundancy they have the right of appeal. The appeal must be received in writing by HR within 10 working days of the decision being made. Refer to Council Appeal Procedure.

If the selection for redundancy was made by the Joint Chief Executive the employee will have the right of appeal to be heard by an Appeal Committee comprising of at least one member of each of the Councils Executive/Cabinet Committee.

If the selection for redundancy was made by a Member of CMT other than the Joint Chief Executive the employee will have a right of appeal to be heard by the Joint Chief Executive.

All decisions made by the appeal panel are final.

Appendix one – Table to show entitlement to statutory weeks redundancy based on age and continuous service

		Years Service																		
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Age	18																			
	19																			
	20	1	1	1	1															
	21	1	1.5	1.5	1.5	1.5														
	22	1	1.5	2	2	2	2													
	23	1.5	2	2.5	3	3	3	3												
	24	2	2.5	3	3.5	4	4	4	4											
	25	2	3	3.5	4	4.5	5	5	5	5										
	26	2	3	4	4.5	5	5.5	6	6	6	6									
	27	2	3	4	5	5.5	6	6.5	7	7	7	7								
	28	2	3	4	5	6	6.5	7	7.5	8	8	8	8							
	29	2	3	4	5	6	7	7.5	8	8.5	9	9	9	9						
	30	2	3	4	5	6	7	8	8.5	9	9.5	10	10	10	10					
	31	2	3	4	5	6	7	8	9	9.5	10	10.5	11	11	11	11				
	32	2	3	4	5	6	7	8	9	10	10.5	11	11.5	12	12	12	12			
	33	2	3	4	5	6	7	8	9	10	11	11.5	12	12.5	13	13	13	13		
	34	2	3	4	5	6	7	8	9	10	11	12	12.5	13	13.5	14	14	14	14	
	35	2	3	4	5	6	7	8	9	10	11	12	13	13.5	14	14.5	15	15	15	15
	36	2	3	4	5	6	7	8	9	10	11	12	13	14	14.5	15	15.5	16	16	16
	37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15.5	16	16.5	17	17
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16.5	17	17.5	18	
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17.5	18	18.5	
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17.0	18.0	18.5	19.0	
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17.0	18.0	19.0	19.5	
42	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17.0	18.0	19.0	20.0	21.0	

		Years Service																		
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
AGE	44	3.0	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5
	45	3.0	4.5	6.0	7	8	9	10	11	12	13	14	15	16	17.0	18.0	19.0	20.0	21.0	22.0
	46	3.0	4.5	6.0	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5
	47	3.0	4.5	6.0	7.5	9.0	10	11	12	13	14	15	16	17.0	18.0	19.0	20.0	21.0	22.0	23.0
	48	3.0	4.5	6.0	7.5	9.0	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5
	49	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.0	14.0	15	16	17.0	18.0	19.0	20.0	21.0	22.0	23.0	24.0
	50	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5
	51	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15	16	17.0	18.0	19.0	20.0	21.0	22.0	23.0	24.0	25.0
	52	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5
	53	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.0	20.0	21.0	22.0	23.0	24.0	25.0	26.0
	54	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5
	55	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.0	23.0	24.0	25.0	26.0	27.0
	56	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	23.5	24.5	25.5	26.5	27.5
	57	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.0	26.0	27.0	28.0
	58	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	26.5	27.5	28.5
	59	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.0	29.0
	60	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	29.5
61	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0	
62	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0	
63	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0	
64	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0	

Part 1: Terms and Conditions				
Type	WSC	TDBC		
Annual leave	23 days increasing to 27 days after 5 years' continuous service plus statutory holidays Chief Officers (CEO and Corporate Directors) 30 days Leave year runs from 1 October to 30 September Carry Over - 5 days and must be taken within first calendar month Leave for part timers is pro rata into hours and includes BH/Stat days	Grades	Under 5 years continuous service	5 years continuous service
		Up to SCP 28	22 (+1)	26 (+1)
		SCP 29-32	23 (+1)	26 (+1)
		SCP 33+	25 (+1)	28 (+1)
		CE, Directors and Theme Managers	33 (+1)	33 (+1)
		<p>The leave year runs from the month within which the employee's birthday falls. One extra statutory day is not included in the leave entitlement and is fixed at Christmas time (+1).</p> <p>Additional entitlement to bank holidays, pro rata for part timers.</p> <p>In exceptional circumstances, a Theme Manager may exercise discretion to allow a limited number of days to be carried over.</p>		
Annual leave - Christmas Closedown	2013 - The offices will be closed from 1pm on Tuesday 24th December and reopen on Thursday 2nd January. The two extra statutory days will be Friday 27th December and Monday 30th December. It was agreed by CMT that staff would be given Tuesday 31st December as an extra day off.	The offices will be closed from 1pm on 24 th December or if this is on a weekend then the nearest Friday and reopens on 2 nd January or nearest Monday. One of the statutory days is fixed between Christmas and New Year staff are expected to take annual leave or flexi leave for the other work days.		
Change of work base	Standard statement of particulars state: "Your main place of work will be at West Somerset House, Williton. However, you may be required to work at any of the Council's establishments. If West Somerset Council requires	Standard statement of particular states: "Place of work XXX or in any post appropriate to your scale point at such other place of employment in the Council's service as may be required"		

	you to transfer from your current place of work on a permanent basis full consultation will take place with you and the relevant trade unions.”																	
JE/Pay protection	GLPC scheme based on NJC SCPs. Pay protection is currently 3 years	GLPC scheme based on NJC SCPs. Pay protection as a result of down grading associated with re-grading of the same post is 2 years.																
Maternity	National scheme used for maternity leave and pay.	National scheme used for maternity leave and pay.																
Notice periods	<p>From the Employer</p> <table border="1"> <thead> <tr> <th>Period of Continuous Employment</th> <th>Minimum Notice</th> </tr> </thead> <tbody> <tr> <td>One month or more but less than two years.</td> <td>One week.</td> </tr> <tr> <td>Two years or more, but less than 12 years.</td> <td>One additional week for each year of continuous employment.</td> </tr> <tr> <td>12 years or more.</td> <td>Not less than 12 weeks notice.</td> </tr> </tbody> </table> <p>From the Employee 1 month for grades WS 1 to WS 6 (SCP 28) and 2 months for everyone above WS 7 (SCP 29)</p>	Period of Continuous Employment	Minimum Notice	One month or more but less than two years.	One week.	Two years or more, but less than 12 years.	One additional week for each year of continuous employment.	12 years or more.	Not less than 12 weeks notice.	<p>From the Employer</p> <table border="1"> <thead> <tr> <th>Period of Continuous Employment</th> <th>Minimum Notice</th> </tr> </thead> <tbody> <tr> <td>One month or more but less than two years.</td> <td>One week.</td> </tr> <tr> <td>Two years or more, but less than 12 years.</td> <td>One additional week for each year of continuous employment.</td> </tr> <tr> <td>12 years or more.</td> <td>Not less than 12 weeks notice.</td> </tr> </tbody> </table> <p>From the Employee Below SCP 33 – One calendar month. SCP 33 and above – Three months notice calendar.</p> <p>New Employees (Posts from Dec 2010) SCP 4 – 36 – One calendar month SCP 37 and above – Three calendar months</p>	Period of Continuous Employment	Minimum Notice	One month or more but less than two years.	One week.	Two years or more, but less than 12 years.	One additional week for each year of continuous employment.	12 years or more.	Not less than 12 weeks notice.
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Paternity	2 weeks full pay offered for paternity leave.	2 weeks at SPP. Or 1 week at SPP and 5 days full pay (called Maternity Support Leave).																
Premium rates:	As Green Book:	From Tartan Book, other than DLO:																
Occasional overtime and TOIL	Monday to Saturday Time and a half Sundays and Public and Extra Statutory holidays - Double time (minimum two hours) (Part-time employees are entitled to these enhancements only at times and in circumstances in which full-time employees in the establishment would qualify. Otherwise a	Monday to Saturday – Time and a half. Sundays and Public and Extra Statutory Holidays – Double time (minimum two hours). (A full working week for full-time employees shall be worked by a part-time employee before these enhancements apply).																

	full working week for full-time employees shall be worked by a part-time employee before these enhancements apply).	<p>Employees paid at scale point 29 and above will not qualify for these enhancements. Time off with pay on a time for time basis will be allowed.</p> <p>Deane DLO: Monday to Saturday – Time and a half Sunday and Bank Holiday – Double time</p> <p>Callouts between 12.00 am and 4.00 am are paid at double time regardless of the day. You are required to participate in a call-out rota to provide emergency out-of-hours cover for responsive repairs as directed by your line managers. You will usually receive adequate notice of this requirement but there may be occasions when short notice will have to be given.</p>
Premium rates – Shift Allowances	No Scheme	As Tartan Handbook
Premium rates - Standby	No Scheme	Payments apply to Emergency Response Officers
Premium rates - Unsocial Hours Payments	<p>As Green Book:</p> <p>Saturday and Sunday: Saturday Time and a half Sunday Time and a half - basic pay above point 11 Double time - basic pay at or below point 11</p> <p>Night Work: Employees who work at night as part of their normal working week are entitled to receive an enhancement of time and one third for all hours worked between 8.00 pm and 6.00 am.</p> <p>Public holidays Employees required to work on a public or extra statutory holiday shall, in addition to the normal pay for that day, be paid at plain time rate for all hours worked within their</p>	<p>Tartan Book, other than DLO:</p> <p>Saturday and Sunday: Saturday - time and a half Sunday – time and a half SCP 11 and above. Double time basic pay below SCP 11</p> <p>Night Work: Employees, other than those employed by Deane DLO who work at night as part of their normal working week are entitled to receive an enhancement of time and one third for all hours worked between 8.00 pm and 6.00 am.</p> <p>Public holidays Employees required to work on a public and extra statutory holiday as part of their normal working week shall, in addition to the normal pay for that day, be paid at plain time rate for all hours worked within their normal</p>

	<p>normal working hours for that day. In addition, at a later date, time off with pay shall be allowed as follows: Time worked less than half the normal working hours on that day Half Day</p> <p>Time worked more than half the normal working hours on that day Full Day</p>	<p>working hours for that day. Other than for Deane DLO employees , in addition, at a later date, time off with pay shall be allowed as follows: Time worked less than half the normal working hours on that day Half Day</p> <p>Time worked more than half the normal working hours on that day Full Day</p> <p>Work on that day outside of normal working hours shall be paid for at double time in complete recompense</p> <p>Deane DLO: Work completed between 8.00 pm and 6.00 am is subject to an additional 20% of the standard (not enhanced) hourly rate.</p>
Probationary periods	6 months for all employees	6 months. Tartan book: Employees transferring from another authority will not be required to undertake a probationary period, though their performance will be evaluated during the first six months of their appointment.
Sickness Absence Scheme	<p>National scheme used for pay.</p> <p>Self cert for 7 days, Fit note from 8th day onwards.</p> <p>Trigger Point – 4 episodes or a total of 10 days short term sickness absence within 12 months.</p> <p>Long term sick trigger is normally 20 working days (FT), however this is on a case by case basis – OH referral at this point.</p>	<p>National scheme used for pay.</p> <p>Self cert for 7 days, Fit note from 8th day onwards.</p> <p>Trigger points – 3 episodes or total of 10 days sickness absence in 3 months or a pattern of sickness absence.</p> <p>Long term sickness after 28 calendar days, OH referral at this point</p>
Subsistence	<p>Agreed locally:</p> <p>Breakfast - £5.93 Lunch - £8.61 Tea =- £3.26 Dinner - £10.76.</p> <p>Not payable out on site/normal business.</p>	<p>Agreed locally:</p> <p>Breakfast £6.72 Tea £3.64 Lunch £9.24 Evening meal £11.44</p> <p>Out of Pocket Allowances (Residential Training Courses)</p>

		£5.00 per night £20.46 per week																																				
Trade Union agreements	Reasonable time off granted	Facilities agreement in place																																				
Training – External Qualifications	<p>Employees who are approved to undertake external qualification training are granted: Paid leave to attend the approved course Paid leave to sit examinations Paid leave to prepare for examinations (normally to a maximum of the amount granted for attendance at examinations but with a minimum of one half day per examination)</p> <p>Course fees paid and other agreed expenses.</p>	<p>Employees who attend approved training have paid leave to attend the course.</p> <p>Employees are entitled to paid leave to sit approved exams and leave may be granted for the purpose of final revision. One day per exam up to a maximum of 3 days.</p> <p>Approved correspondence courses with no day release or evening classes, employees may take one half day per week for studying in the office.</p>																																				
Travel claims	<p>As per HMRC rates – 0.45p per mile</p> <p>Essential users allowance £950 per annum paid monthly</p>	<table border="1"> <thead> <tr> <th colspan="4">Car Allowances as at April 2013</th> </tr> <tr> <th colspan="4">Essential Users</th> </tr> <tr> <th></th> <th>451-999 Cc</th> <th>1000-1199 cc</th> <th>1200-1450 cc</th> </tr> </thead> <tbody> <tr> <td>Lump sum per annum</td> <td>£846</td> <td>£963</td> <td>£1,239</td> </tr> <tr> <td>Per mile first 8,500</td> <td>36.9p</td> <td>40.9p</td> <td>50.5p</td> </tr> <tr> <td>Per mile after 8,500</td> <td>13.7p</td> <td>14.4p</td> <td>16.4p</td> </tr> <tr> <th colspan="4">Casual Users</th> </tr> <tr> <th></th> <th>451-999 Cc</th> <th>1000-1199 cc</th> <th>1200-1450 cc</th> </tr> <tr> <td>Per mile first 8,500</td> <td>46.9p</td> <td>52.2pp</td> <td>65.0p</td> </tr> </tbody> </table>	Car Allowances as at April 2013				Essential Users					451-999 Cc	1000-1199 cc	1200-1450 cc	Lump sum per annum	£846	£963	£1,239	Per mile first 8,500	36.9p	40.9p	50.5p	Per mile after 8,500	13.7p	14.4p	16.4p	Casual Users					451-999 Cc	1000-1199 cc	1200-1450 cc	Per mile first 8,500	46.9p	52.2pp	65.0p
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		The out of district mileage rate is 33.6p				
		The car lease rate is 14.8p per mile				
		Bicycle rate 20p per mile				

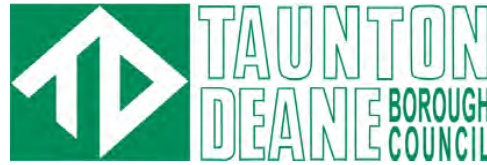
Part 2: Benefits		
Type	WSC	TDBC
Car loans	For Essential Car Users, if emissions are equal to or below 120g/km CO ₂ is interest free. Over 120g/km CO ₂ emissions interest rate is Bank of England base rate at start of loan. The maximum loan will not exceed 90% of the cost of the new vehicle. The maximum loan figure, which the Chief Executive is empowered to approve is £15,000 and any application exceeding this amount is a CMT decision. Maximum period of the loan - five years.	The Council may provide a loan to purchase either a second hand or new car at beneficial rates of interest 4.5% to employees who occupy a post designated "Essential User", up to the value of £7,000.
Car Parking	Free for all staff as part of the WSC Travel Plan. System administered by a smart card, one day of the week car park cannot be used. Not available to employees living in Williton. Staff are encouraged to car share, walk, cycle, public transport etc. There are spaces dedicated for car sharers.	Staff pay £1 per day and can park four days a week in the Deane House Car Park. Staff must have a car free day per week. There are free car share spaces. Onsite parking at Deane House protected for current users and only eligible for new staff designated as essential users.
Childcare vouchers	Edenred Scheme administered by WSC Finance	Administered by SWOne, Vouchers scheme is through Edenred
Cycle Saver Scheme	Available on request	In line with Government Bike to Work Scheme, employees who use their bicycle to commute to work, can obtain a bicycle through this scheme and pay back a percentage of the cost over 18 months. At the end of the payback period employees may purchase the bicycle based on a professional valuation.
Employee Assistance Programme	Care First and counselling through Westfield	Care First:- includes counselling, information and advice.
Eyeteests – VDU users only	Eyesight test paid via Westfield if a member, if not, test paid for by the authority. If glasses required specifically for VDU use only will pay for the cost of a BASIC pair of corrective glasses.	Eyesight tests reimbursed up to the value of £25. If glasses are required specifically for VDU use TDBC refund up to £50.
First Aid	Training paid for either 4 days or 1 day. 3 fully qualified, plus 10 others. No allowance paid to staff.	£11.75 per month for named First Aiders, training paid plus refresher training

Flexitime	In any 4-week period a credit/debit balance of 10 hours will be allowed for full-time employees. For employees who work part-time the credit/debit balance will be pro-rata. In any 4-week period a maximum of 1 day or 2 half days may be taken as flexi leave. Flexitime hours can only be credited for work undertaken between 7.30am and 6.30pm or where the manager has given prior approval with core hours of 10am – 12pm and 2pm – 4pm.	Can be accrued from 7:30am – 7:00pm. Maximum deficit is four hours a month and maximum carry over is 20 hours a month pro rata for part timers. Maximum of two days flexi leave in a month pro rata for part timers. Flexi time is operated on a local basis depending on the service requirements of the department. Not all departments operate the flexi system.
Flexible working	As per legislation	As per legislation
Health Scheme Cash Plan	Westfield Health Scheme Foresight Level 1 for all employees after 6 months service. Paid for by WSC.	No scheme
Home working	Scheme in place across the authority. Agreed by Corporate/Line Managers. Council provide basic equipment (not chairs). A Designated Home worker allowance is £25 per month and the Ad-Hoc Home worker allowance is £10 per month.	Policy in place. Agreed by Theme Managers. The Council provides essential equipment for use at home.
Leisure	N/A	Corporate rate for Tone Leisure Buzz card Get Active Scheme – employees can take one hour paid leave (pro rata for part timers) to swim, attend a gym or an exercise class with Tone Leisure. Or other agreed activities TDBC running or cycling club.
Long service	£250 for a gift of employees choice for 25 years service	Gift up to the value of £100 after 25 years and gift up to the value of £200 after 40 years continuous service.
Occupational Health contract	Contract with Serco, pay as you go	Contract with Serco
Pool cars	N/A	Available to all employees
Professional Subs	One sub paid if required on job spec.	TDBC will reimburse employees the cost of membership of one professional institute, where their performance in the job would be enhanced by membership of an appropriate professional body.

Refreshments	Employee can opt to pay into scheme, £2.50 a month for full time.	Employees provide own.
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Part 3: Main Policies		
Type	WSC	TDBC
Adoption leave	As Maternity Scheme	As legislation
Appraisal system	PDR – Performance Development Review	PRED – Performance Review and Employee Development
Market Supplements	Policy in place with joint annual review (UNISON/Management)	Protected Market Supplements plus new policy with annual review
Parental leave	Parental Leave and Time off for Dependants as per legislation	Parental leave as per legislation
Redeployment / Pay protection	As contained within the redundancy policy. Pay protection will be considered	No salary protection if employee agrees to redeployment as a result of redundancy, locally agreed. Note – redundancy policy contains different terms.
Redundancy (Pay)	2 x actual weekly pay	3 x actual weekly pay
Relocation for new recruits	Policy in place can claim up to £5,500 for cost of relocating	Up to £5,000 inclusive of VAT for SCP 24 and above if they live more than 30 miles away from their workplace (to encourage new recruits to move to the area).
Retirement in the interests of efficiency	Number of statutory weeks as redundancy calculation x actual weeks pay	2 x actual weekly pay
Retirement	No upper age limit Early retirements is at employer discretion	No set retirement date, employees choose when they want to retire. Early retirement under age 60 is at employer discretion
Flexible Retirement	Policy in place for employees aged over 55s – case by case basis	Policy in place for employees aged over 55s. Employer discretion to agree,
Special leave	Bereavement Leave – 5 days paid leave Voluntary/Charitable Work – 1 day per quarter	Compassionate leave – 10 days in a rolling 12 month period

Part 4: Miscellaneous items		
Type	WSC	TDBC
Attendance at evening meetings	Meetings start at 4:30pm Employees can take TOIL/Flexi	Many Member meetings take place in the evening. There is an expectation that employees will attend evening meetings as required. Senior employees can take TOIL/Flexi
Car Leasing and cash alternatives	N/A	Frozen scheme. Employees who are in scheme receive a car with less than 120 g/km CO ₂ emissions or a £112 per month cash alternative
Duty Officer rota	Staff volunteer to go on rota and receive training and £150 per week	CMT plus Civil Contingencies Manager, no payment. Also, Duty Officer in Housing
Pay date	15th of each month or Friday before if 15th falls on a weekend.	22nd of each month, unless 22nd falls on a weekend then paid on Friday before



West Somerset and Taunton Deane Borough Council

Full Council – Tuesday 12 November 2013

West Somerset and Taunton Deane Joint Management Proposal

Report of the Chief Executive, Penny James

(This matter is the responsibility of the Leaders of the Council – Cllr Tim Taylor and Cllr John Williams)

A Executive Summary

This report builds on the original report on Joint Management Structure for West Somerset Council (WSC) and Taunton Deane Borough Council (TDBC) presented to both Councils' Scrutiny meetings on 24 October 2013. The Scrutiny report is appended for ease of reference (Appendix B).

This report reflects feedback from Scrutiny, UNISON and staff. As a consequence the following amendments are being proposed to the original report.

- The inclusion of a new post of New Nuclear Programme Manager for WSC. An amended structure chart is appended (Appendix A).
- All posts originally recommended for external advertisement will be made available to all "at risk" employees, and, if no expression of interest is received will be advertised internally in the first instance.

All of the other aspects of the original Joint Management proposal – as set out in the report to Scrutiny - are recommended to Full Council for approval.

B Background

1. Both Councils approved a mandate to explore joint management and shared services in March 2013. The resultant Business Case for the

overarching project has been completed and will be considered immediately before this report. If the Business Case is not approved this report will not be considered.

2. The Business Case requires the creation of a Joint Management Team and structure for both Councils. This final report builds on the report presented to both Councils Scrutiny meetings on the 24th October 2013. It has been amended to take account of the debates at these meetings – and – consultation feedback from UNISON and individual members of staff.

B Feedback from West Somerset Council Scrutiny Meeting

1. The principal concern recorded during the discussion related to the need to secure a permanent, dedicated post with the appropriate expertise and experience to manage the proposed Hinkley Point C Development.
2. This debate led to the following specific recommendation:

‘Some recognition is allowed in the structure that recognises that Hinkley Point A,B,C,D and everything to do with it past, present and future is the expertise of West Somerset and needs to remain the responsibility of somebody who has 100% West Somerset responsibility’
3. The strong view was held that this post – whilst accepting it had to work closely with the Director - Growth and Development, should report directly to the Chief Executive. This post would effectively undertake the functions of ‘Programme Management – Hinkley Point’ as set out in Section 1(b)3 3.12 – 3/14, and Section 2(c) 3.7 – 3.11 of the original report.
4. A suggestion that members should have involvement in “slot ins” of staff just as if there had been a recruitment process was also made.

C Feedback from Taunton Deane Borough Council’s Corporate Scrutiny Meeting

1. No formal recommendations were made. However, there was significant debate over the principle of “slot-ins” and whether all posts should be externally advertised.
2. Alternative options were discussed on whether the Assistant Director – Planning and Environment – needed to be a planner and whether or not the most senior planner position could sit at a lower level in the structure.

D UNISON Consultation Response

1. UNISON have been consulted on the proposed management structure and “slot-in” arrangements and made no adverse comments or suggestions.
2. They have questioned whether the post of Assistant Director – Resources, should be advertised internally in the first instance, giving internal staff who meet the job requirements/specification the opportunity to apply and be interviewed.

E Staff Consultation Response

1. A Taunton Deane Borough Council employee from the senior management ring-fence has challenged the fact they have not been “slotted-in” to the position of Assistant Director – Business Development.
2. A Taunton Deane Borough Council employee from the senior management ring-fence has challenged the fact they have not been “slotted-in” to the position of Assistant Director – Property and Development.
3. A full copy of the staff consultation responses received with comments is appended at Appendix C.

F Response to Feedback and Consultation

1. I have reflected on the recommendation from the West Somerset Council Scrutiny meeting.
2. I am now proposing that a new post of “New Nuclear Programme Manager” be created. This post will not be a part of the Joint Management Team and will, therefore, not have corporate responsibilities. It is, however, a very important role and will report directly to the Chief Executive. On a day-to-day basis the post will need to integrate with the work planning of the Director - Growth and Development and their other teams.
3. I have amended the proposed structure chart (Appendix A) to show how this post would fit into the structure. As this is a new post it will need to be job evaluated and made available to internal applicants who meet the essential criteria. The post will be funded by WSC from the Tier 4 affordability envelope and/or specific Hinkley Point or National Grid funding and will, therefore, not impact on the financial implications of the original Scrutiny report.
4. I have reflected on the discussions at Taunton Deane Borough Council Corporate Scrutiny on the principle of slot-ins.

5. I have taken formal written advice from the Retained HR Manager and Legal Services Manager. This sets out clearly the risks involved in departing from the “slot-in” recommendations in the original report to Scrutiny. In summary these are:-
 - Failure to follow agreed policies and procedures would give rise to a significant risk of legal challenge.
 - Failure to follow agreed policies and procedure would damage UNISON and staff confidence in the project.
 - Material changes made to the original proposals would give rise to a significant risk of legal challenge unless further consultation takes place on these changes with UNISON and affected staff.
 - Failure to adopt the proposals may increase the costs assumed within the Business Case.
 - Impact on the timetable for the delivery of the shared service project.
 - The process impact – it is impossible to ever get to a situation where the postholders recommended for “slot-in” are not treated as “at risk” and, therefore, given a priority interview. If they prove they are competent (against the agreed job description and person specification) and they are not appointed the Councils are at significant risk of breaching their own policy and of legal challenge.
6. In addition HR staff at WSC and TDBC have reviewed all of the slot-ins against the job criteria and competencies and confirmed that the original “slot-in” recommendations are sound.
7. A “match” of 80% or above between the existing post and the new post is the figure required for a “slot in” match in the Councils’ redundancy policy. The proposed slot-ins range from a 89% to 97% match.
8. On the basis of paragraph 5 to 7 above I do not intend to make any changes to my original proposal with respect to the 4 “slot ins” that were included for Member consideration.
9. I believe that the Councils need to have a qualified planner as part of the Joint Management Team, especially given the size of the growth agenda at Taunton Deane Borough Council and the importance of infrastructure delivery at both Councils. I do not, therefore, intend to make any changes to my original proposal.
10. The original proposals suggested that three posts – including the Assistant Director – Resources specifically mentioned by UNISON – go immediately to external recruitment.

11. The original proposals were based on an assessment of existing posts and postholders covered by the ringfences . This assessment has been reviewed by HR staff at WSC/TDBC.
12. Based on these assessments I remain confident in our ability to propose that certain posts can be advertised externally as these are new posts and the experience and skill set is not completely available within the ring fence or the wider Council.
13. However, it is accepted that there may be staff within the ring fence who possess some of the skills and experience to do parts of each job. They may also be some staff outside of the ring fences who have the relevant qualifications to apply for posts where there is no one qualified within the ring fence to apply or where no one in the ring fence chooses to apply.
14. On this basis – and – in response to Scrutiny, UNISON and the staff consultation feedback I am now recommending that all of the non slot-in posts be offered as internal appointments in the first instance.
15. Where there is no expression of interest from “at risk” employees it would then be possible to ask WSC or TDBC employees to express an interest in these jobs. This may also assist in reducing any future severance costs as the Shared Services are developed. If no expression of interest or internal appointment is made the post(s) would then be advertised externally.
16. Finally, HR staff at WSC and TDBC have reviewed the post of Assistant Director – Property and Development – and Assistant Director – Business Development. Based on this assessment I continue to be satisfied that there is not a suitable existing postholder in the ringfence for “slot-in” to either roles. The “match” for both posts is under 65% with the requirement for a “slot in” match being 80%.
17. However, given the revised proposal set out in Paragraph 14 above the two individual postholders who have challenged the fact that they have not been “slotted –in” to posts originally proposed for external recruitment will now be able to apply for these roles in the first instance as they are all “at risk” of redundancy.

G Conclusion

1. The original proposals are recommended to Full Council with the following changes:-
 - a) Inclusion of a post of “New Nuclear Programme Manager” for West Somerset Council.
 - b) All non slot-in posts to be offered internally in the first instance. This will be to those “at risk” in the ring fence first – and – if no expression of interest is received, or appointment made, any

WSC or TDBC employee could then express an interest in these jobs. If no appointment is made at this stage the jobs will be advertised externally.

2. The financial impacts remain the same as the “New Nuclear Programme Manager” role will be funded from the Tier 4 affordability envelope / dedicated WSC resources.
3. The cost of the new Joint Management Team comfortably fits within the affordability envelope for the combined General Funds of the Councils. There is an additional cost to the TDBC HRA for the strengthened housing management structure. The financial implications are as set out in section J of the Scrutiny report appended. Financial approvals for the transition costs are included in the main Business Case report, whilst this report includes a recommendation to increase the HRA Budget for enhanced housing management included in this structure.
4. All other aspects of the report to Scrutiny remain unchanged.

H Recommendations

1. It is recommended that:-
 - a) The original JMT proposal – as amended in paragraph G.1 of this report to be approved.
 - b) That the Chief Executive be authorised to implement the proposals
 - c) That Group Leaders nominate representatives to attend the South West Councils Recruitment and Selection training to allow them to then be available for the Member Appointments Panels.
 - d) That the Pay Policy Statement of each Council be amended to reflect the recommendations of South West Council as set out in this report.
 - e) That the TDBC HRA budget is increased by £77,600 to fund the enhanced management capacity in the Housing Service.

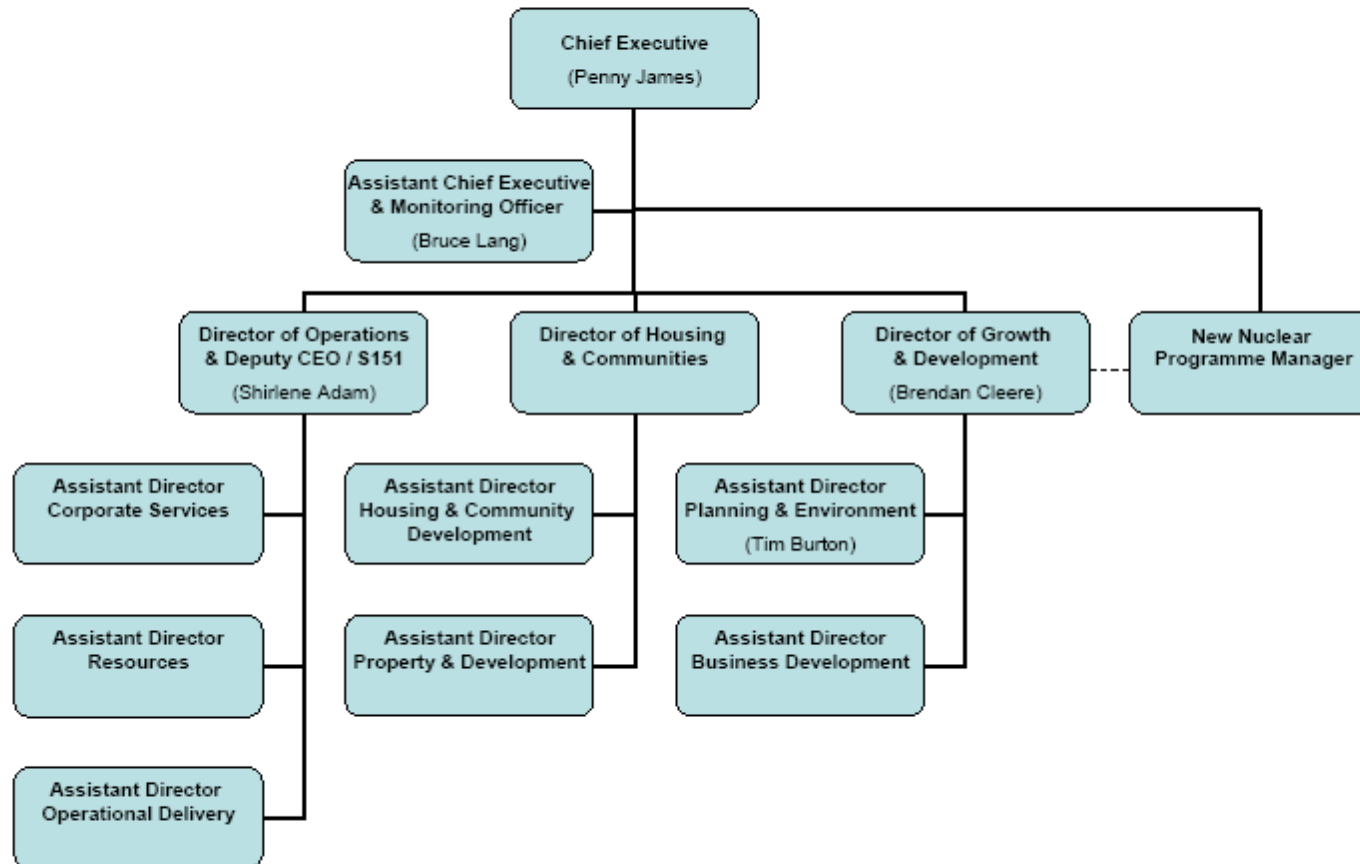
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**APPENDIX A – Revised Proposed Joint Structure
(Taunton Deane Borough Council & West Somerset District Council)**



APPENDIX B : Original proposal as set out in the report to Scrutiny

West Somerset Council and Taunton Deane Borough Council

Corporate Scrutiny Meeting – 24 October 2013

Joint Management Structure for West Somerset Council and Taunton Deane Borough Council

Report of the Chief Executive, Penny James

(This matter is the responsibility of the Leaders of the Council – Cllr Tim Taylor and Cllr John Williams)

A. Executive Summary

This report proposes the creation of a joint management team that will serve both TDBC and WSC.

This proposal is predicated on the Joint Business Case for joint management and shared services being approved along the same time line. If this does not happen then the final report will be withdrawn at Full Council.

The report proposes a joint management structure and a way forward in terms of implementing and recruiting to the structure. A mixture of slot-ins, internal and external recruitment is proposed.

The proposal (if approved) will generate a joint ongoing saving to the General Funds of the Councils of £267.2k. The ongoing saving to TDBC is £277.8k and the annual cost to WSC is £10.6k.

As well as generating an overall saving the proposal brings:-

- greater resilience, critical mass, access to a broader range of skills and experience, and greater ability to drive forward the shared services project whilst protecting 'business as usual' and the focus needed on other initiatives to achieve financial sustainability
- greater ability to drive forward the ambitious agenda of both Councils in relation to the proposed development at Hinkley Point and Taunton's growth agenda
- greater ability to drive forward both Councils' other corporate and community priorities

In addition the proposal seeks to build leadership capacity for the Housing service to maximize the opportunities (and manage the financial risks) that the HRA Business Plan has given TDBC. The additional on-going cost to the HRA is £77.6k per annum.

Based on an average cost of redundancy at this level, the estimated total redundancy figures are projected to be £357k, which would likely be incurred £93k WSC, £233k TDBC GF and £31k TDBC HRA. However, in the worse case scenario, where everyone 'at risk' was made redundant the total one-off costs associated with this proposal would be around £1m, including external recruitment costs.

The views of scrutiny are sought.

The Leaders, together with the Joint CE will take these, together with the individual staff and UNISON consultation responses into account before a final proposal is put to Full Council at both Councils on 12 November 2013

B. Background

- 1 Both Councils approved a mandate to commence a joint project to explore joint management and shared services at their respective Full Councils in February and March 2013.
- 2 The Business Case for the overarching project has been completed and is reported to this meeting as a separate agenda item for Members to consider.
- 3 The Joint CE has already been appointed and formally commences her role from the 24 October 2013. The CE was required to bring forward a proposal for the creation of a Joint Management Team (JMT) as part of the overarching Business Case.
- 4 If the Business Case is not approved this proposal will not be progressed. Both Councils will then have to consider their own arrangements going forward.

C. Current position

- 1 Both Councils have Corporate Management Teams (CMT) – and – a joint Chief Executive (CE) has been appointed.
- 2 The current WSC CE will act from 24 October 2013 as an interim Executive Director until the end of March 2014. The Executive Director post is funded by WSC with a view to focusing on work around Hinkley and the sale of assets and in ensuring a safe transition and handover to the new members of the Joint Management Team (JMT).
- 3 The CMT at WSC consists of the CE, a Corporate Director and two Corporate Managers.
- 4 The CMT at TDBC consists of the CE, three Strategic Directors (2.6FTE) and six Theme Managers and two Regeneration Managers who are graded at Theme Manager level, and, are therefore part of this proposal. These two posts are currently funded from TDBC growth reserves until May 2015. One of these posts – the post focused on the commercial aspects of the work - is a temporary post with the current post holder on a contract that finishes in July 2014. The other Regeneration post is a permanent post.
- 5 WSC currently enjoys support from SCC in the provision of a Section 151 Officer / Chief Finance Officer. WSC have a budget of £20K to provide these services on an

ongoing basis and this has been included in the affordability envelope for the JMT. A Strategic Director currently holds the Section 151 role at Taunton Deane Borough Council.

6 The WSC and TDBC Monitoring Officer function are held at a senior level. At WSC the role is held by the Corporate Director and at TDBC by the Theme Manager – Legal and Democratic Services Manager.

7 A range of PA and support teams provide services to each CMT. At this stage it is not intended to suggest any changes to these arrangements. They will be reviewed as part of the shared services phase of the Business Case implementation.

8 The current structure at TDBC is set out in Appendix 1.

9 The current structure at WSC is set out in Appendix 2.

D. Key challenges and issues considered in developing the proposal

1 Reflecting Members' Priorities

1.1 The first challenge is to ensure that the structure is Member-led. By this I mean that the structure must reflect the Member priorities for both Councils. I have taken guidance on this from both Councils' Corporate/Business Plans and stated priorities and from conversations with JMAP and other leading Members. I have reflected these conversations in both the structure and the key roles and competencies of each post.

1.2 The new JMT also has to be robust and capable of delivering Member priorities and day-to-day services to a standard that is acceptable to both Councils. It is also recognized by Members that whilst the savings from the Business Case are significant they are not the sole answer to the MTFP challenges at both Councils. The JMT needs to drive and implement other Member solutions to the on-going budget gaps.

1.3 The JMT must be able to operate across both Councils whilst also recognising that they are serving two separate democratic entities who may continue in the future to have different priorities and different services and service standards.

1.4 The team must also collectively drive the transformation or change agenda of both Councils including the implementation of the Business Case, continuing also to seek further opportunities to maximize income and control costs whilst delivering priorities and protecting services that are important to the Councils and their communities.

1.5 It is important that Members approve both the structure and the appointment of post holders.

1.6 I have recommended 'slot-ins' to some posts to Members where there is either only one member of staff with the relevant qualification and skills within the existing teams or where there is only one applicant following other potential applicants declaring their intention not to apply for a new post in the proposed joint structure.

2 The Affordability Envelope

2.1 The second challenge is to ensure that the structure is deliverable within the affordability envelope set in the business case for Joint Management and Shared Services considered earlier in the agenda.

- 2.2 The overarching Business Case requires, for joint management proposals, a saving of 22% against current General Fund costs. This equates to an envelope of £825k per annum of GF resources being available to fund the new JMT giving an effective savings target of £227k.

3 Existing issues to be taken into account and resolved in this proposal

- 3.1 The third challenge is to be sure I have critically evaluated the existing arrangements to ensure that any current issues and gaps at either Council are also addressed. There are four key issues I have considered:-

(a) The temporary nature of the TDBC regeneration staff funding

- 3.1.1 TDBC needs to ensure this funding is sustainable going forward by properly integrating these posts into the affordability envelope so the funding and the posts all become permanent reflecting Members growth and regeneration ambitions.

(b) Hinkley Point (HP)

- 3.1.2 WSC needs to ensure it has the capacity to truly maximise the economic and community benefits of the proposed Hinkley Point development whilst mitigating adverse impacts, particularly during the construction period.

- 3.1.3 There is currently a temporary arrangement in place where the WSC Planning Manager is taking on significant additional responsibilities as the effective Programme Manager for the HP project. He advises Members and the CE on all Hinkley matters. He also engages regularly, at a senior level, with Central Government, other key stakeholders and EDF.

- 3.1.4 This additional role should to be recognised – even if on a temporary basis - and properly remunerated going forward.

(c) The HRA Business Plan and TDBC's landlord function

- 3.1.5 TDBC currently lacks sufficient Officer resources to effectively and safely deliver the HRA Business Plan and TDBC members clear ambitions to develop new HRA properties in the future.

- 3.1.6 TDBC has taken on circa £90 million of debt to enable the HRA to become self-financing and to deliver significant head room to fund a development programme. It would be possible for TDBC to take on further debt in the future should it choose too. This is an exciting opportunity for the Council and the community which needs to be progressed at pace. With every opportunity comes risk that must also be managed, as the debt needs to be serviced through rent collection. It is therefore critical that TDBC has sufficient leadership capacity to safely and creatively drive the HRA Business Plan and deliver the ambitious development programme.

(d) Financial risk

- 3.1.7 Both Councils face greater financial risk going forward from the new local government funding streams. We are increasingly reliant on Business Rates in particular and New Homes Bonus. Not only do we need to do all we can to develop these income streams; critically we need to protect and collect what we both currently have. The same can be said of the HRA and the reliance on sustaining, collecting

and growing the rent base. Welfare reform and the general economic pressures hitting our communities and businesses are also a risk to our own financial position.

4 Conclusion

4.1 Overall the proposal has to meet the Members ambitions, be affordable and be robust and fit for the future. Not only does it deliver overall savings; it will also deliver other benefits. These benefits will need to justify additional costs where they fall to either Council or to the HRA.

4.2 The key benefits are: -

- Greater resilience than either Council could have on their own
- Greater critical mass and capacity
- Access to a broader range of skills and experience
- A combined saving to the Council General Funds of £287.6k per annum
- Sufficient leadership and senior operational capacity to deliver Members priorities, the transformation agenda, a sustainable future for both Councils and “business as usual”
- Greater leadership capacity for the HRA at TDBC and the ability to recruit for new skills and experience for delivery of the development programme
- Provide the capacity to maximize the community and economic benefits of the proposed Hinkley Point development.
- Sustainable funding for the delivery of the regeneration of Taunton
- Provides a model for further sharing with other Local Authorities / partners moving forward
- Good fit with current government policy for local government
- The shared JMT will have greater influence at a County, regional and national level

E. The proposed structure

1 The overall approach

1.1 The proposed Joint Management Structure is set out in Appendix 3.

1.2 The overall approach is to replicate the current structure of Tier 1 (joint CE), Tier 2 (currently the Directors and proposed to remain Directors with the addition of the Assistant CE and MO) and Tier 3 (currently the Theme Managers and Corporate Managers and proposed to become the Assistant Directors).

1.3 All of the proposed posts will be part of the Joint Management arrangement for both Councils and all of the posts and post holders will serve both Councils.

1.4 The proposed Director posts will deliver the strategic leadership and will support key Members and partners / stakeholders in the delivery of Members’ priorities.

1.5 The Assistant Directors will make a contribution to collective leadership and will support PFH’s / Cabinet Leads and their Shadows in service development and delivery.

1.6 The Business Case suggests that the cost of Tier 2 posts should be shared 50:50 and the Tier 3 posts should be shared 80:20 (TDBC:WSC).

- 1.7 The current s151 officers have validated this modelling. It has been discussed with both Councils' External Audit Manager. It has also been independently endorsed by the Assurance Review conducted by Local Partnerships (an organisation jointly funded by the LGA and the Treasury).
- 1.8 This proposal broadly takes this approach – but – does depart from it where there is a strong and justified case to do so.
- 1.9 For TDBC the costs are also defrayed across the two funds – General Fund and Housing Revenue Account. The apportioning of costs across TDBC's funds has also been validated by the s151 officer at Taunton Deane Borough Council.
- 1.10 The proposed Joint Management posts have been independently evaluated by South West Councils using relevant market data. These posts will all sit within the JNC for Chief Officers and the post holders will be appointed on spot salaries. The report from SWC is attached at Appendix 4.
- 1.11 The retained HR Manager for both Councils supports the recommendations in the report and these are therefore featuring as part of the proposal and any increases will be funded within the approved affordability envelope.
- 1.12 As set out in the Business Plan TDBC will be the host employer on behalf of both Councils.

2 The detailed proposal for the Joint Management Team

(a) Proposed Director and Tier 2 roles

- 2.1 The proposed Director roles will all have some generic corporate roles. Collectively with the CE they will be responsible for the strategic leadership of the Councils.
- 2.2 These roles include: -
- The strategic leadership of the Councils as part of the wider JMT and specifically as part of the Senior Leadership Team (SLT).
 - Supporting Members in developing policy and strategy relating to Directors' key responsibilities.
 - Promoting the Councils externally to enhance their image, reputation and status.
 - Engaging with key partners and stakeholders to progress the key policies and priorities of the Councils.
 - Leading and driving change and results focussed culture that maximises performance against the Councils priorities.
 - To provide specific leadership to - and - contribute to any specific corporate project allocated to them by the CE.
 - To represent the Councils at sub-regional, regional and national level, negotiating on their behalf and making appropriate strategic decisions.
 - To ensure the Councils fulfil their statutory duties.
 - Holding the Assistant Directors to account for responsibilities they have been allocated and have accepted.
 - To support the Assistant Directors to deliver results
 - To promote equality of opportunity in service provision and employment practices.

- To champion all of the Councils' approved governance arrangements and ensure they are adhered to.
- Responsibility for own personal performance development and learning.
- Promote the democratic values and priorities of both Councils and support respective Councillors in fulfilling their leadership and representational role. Work with Councillors to find solutions and options.
- To contribute to the process of organisational change required to bring together the new shared service arrangement whilst maintaining the distinctiveness, quality and constitutional sovereignty of each partner council.
- To be fully committed to maintaining the success and enhancing the strength of the shared services arrangements moving forward.
- To manage performance through coaching and to ensure Assistant Directors develop a coaching culture within services.
- To act as the Councils representative from time to time in relation to civic functions.
- The post holder will make themselves available out of hours should this be required to lead and manage a response to an emergency situation, major civil contingencies or internal Business Continuity issue.

2.3 They will then also have some specific roles as set out below:

(b) Director - Operations

2.4 The key strategic role for this post is to act effectively as the 'Finance Director' for both Councils' and formally as the S 151 Officer for both Councils'. The post will also direct the key corporate, business, and support services as well as the direct front line services with the exception of those relating to housing, planning and economic development. In addition the postholder will have the role of Deputy Head of Paid Service carrying out this statutory function in the absence of the Chief Executive.

2.5 The key responsibilities of this post are: -

- Section 151 Officer for both Councils
- Leadership of Corporate, Resource and Direct Services
- Deputise for Joint Chief Executive in the Head of Paid Services role

2.6 This post has been evaluated at a salary of £85k. This will be allocated on an 80:20 basis and the TDBC proportion will be split 65:35 to the GF and HRA. The Business Case model is 50:50, but recognising the scale of the WSC business and my later proposal for the AD – Resources to be 50:50 ensuring more resource is dedicated to WSC underneath the Director I believe 80:20 offers both Councils the cover they need at this level.

(c) Director - Housing and Communities

2.7 This post will principally deliver the extra capacity needed to provide strategic leadership to the landlord function at TDBC. The post also takes a wider view on housing and community issues taking responsibility for the strategic housing functions and community development. Similarly with the Asset Management strategy and property this post will provide leadership for all assets across both the HRA and GF ensuring both funds maximise the use of return from our asset base.

2.8 The key responsibilities of this post are: -

- Leadership of HRA Business Plan
- Leadership of Strategic Housing, private sector housing, community development and Community Partnerships
- Leadership of all housing and community development based services
- Working with the Director of Growth and Development to ensure that the community impact of Hinkley Point is managed

2.9 This post has been evaluated at a salary of £80k. As this role has a primary focus on the HRA at TDBC it will not be funded 50:50 but will be allocated on a 90:10 basis and the TDBC proportion will be split 80:20 to the HRA and GF, respectively.

(d) Director - Growth and Development

2.10 This post is an externally focussed post providing strategic leadership and direction to the growth and development functions. The post will balance the need to ensure that the Councils and their areas are providing the planning framework and right environment for growth and development which will required close work with a range of partners – and – the need to be externally focussed seeking new investment into the Council areas and maintaining the relationships needed to support and retain existing businesses.

2.11 The key responsibilities of this post are: -

- Leadership of overarching growth and economic prosperity agenda for both Councils, including the proposed Hinkley Point development and the regeneration of Taunton
- Maximising inward investment and business retention
- Maximising planned housing delivery
- Protecting quality and sustainability of development

2.12 This post has been evaluated at a salary of £80k. This will be allocated on an 80:20 basis and the TDBC proportion will be wholly funded by the GF. This reflects the scale of the WSC and TDBC growth and regeneration ambitions.

(e) Assistant CE and Monitoring Officer

2.13 It is proposed to have a role at Tier 2 that is not a Directors role (which will reflect in the remuneration and therefore does not share the Directors generic corporate roles) – but – is a key Tier 2 role in terms of providing on-going support to Members and the CE and importantly is the Monitoring Officer for both Councils. It is my view that having the two other statutory officers reporting directly to the CE/Head of Paid Service is the best arrangement for the effective governance of both Councils.

2.14 The key responsibilities of this post are: -

- Monitoring Officer for both Councils
- Member / Democratic development and support
- Scrutiny development and support
- Leadership of Corporate Governance agenda
- Development and delivery of sound constitutions
- Support to Town and Parish Councils
- Support to WSC Area Panels and Taunton Deane LSP
- Support to CE in Head of Paid Service role
- Legal Services
- Communications and PR

- Elections

2.15 This post has been evaluated at a salary of £63.5k. This will be allocated on a 50:50 basis and the TDBC proportion will be split 65:35 to the GF and HRA. The Business Case model for Tier 2 posts is 50:50 and this is replicated in my proposal. The Monitoring Officer role split reflects the same thinking as the cost sharing of the CE. They both exist to serve both democratic bodies and each deserves and will need similar support. Each Council – regardless of the number of Members – has to fulfil obligations, and will have Full Council and Cabinet/Executive meetings taking key decisions. This all needs support and reflects the Members desire to remain as separate democratic bodies.

(f) Proposed Assistant Director / Tier 3 posts

2.16 The proposed Assistant Directors roles and Assistant Chief Executive role will all have same generic corporate roles as follows: -

- Individual and collective responsibility for the corporate management of the Councils as part of the wider JMT and specifically the Senior Management Team (SMT).
- Delivery of a results focussed culture which maximises performance in allocated service areas.
- To hold service leads and any contractors/partners delivering services to the Council to account for the responsibility they have been allocated and have accepted
- To support the service leads to deliver results
- To deliver equality of opportunity in service provision and employment practices
- To deliver all of the Councils' approved governance arrangements and ensure they are adhered to
- Resource management and delivery of financial targets
- To lead and contribute to any specific corporate project allocated to them by the CE or Directors
- To support the joint management and shared services arrangements through effective management of the political relationships with Members across the Councils, supporting all aspects of the democratic process
- To lead on ensuring all PFH's/Cabinet Members and their Shadows are briefed and involved in service issues, as appropriate
- To actively participate and promote a "one team" culture, promoting and supporting the Councils' values and achievements to staff, partners and the wider community
- Identify and implement new practices and technologies to continuously develop services also ensuring good value for money
- To work collaboratively, flexibly and with any services of the Councils
- To be responsible for own personal performance, development and learning
- Supporting and contributing to Council meetings and good governance
- To manage performance through coaching and to assist Service Heads/Leads to develop a coaching culture within their teams/services
- To act as the Councils representative from time to time in relation to civic functions
- The post holder will make themselves available out of hours should this be required to lead and manage a response to an emergency situation, major civil contingencies or internal Business Continuity issue

2.17 These Assistant Director posts have all been evaluated at a salary of £60k and are allocated and proportioned according to their functions.

2.18 They will then also have some specific roles as set out below: -

(g) Assistant Director (AD) – Corporate Services

2.19 This post will be responsible for all of the traditional corporate support and business services irrespective of how the Councils' currently deliver them. Specifically the post will be responsible for the following functions and the staff delivering them:-

- Senior Responsible Officer (SRO) for the SWOne partnership
- Client for SWOne Partnership
- HR and Payroll
- Customer Services
- ICT and information/data management
- Complaints and FOI
- Performance and Risk Management
- Audit
- Corporate Strategy and Business Planning
- Facilities Management
- Programme Management

2.20 This post has been evaluated at a salary of £60k. This will be allocated on an 80:20 basis and the TDBC proportion will be split 65:35 to the GF and HRA.

(h) Assistant Director (AD) – Operational Delivery

2.21 This post will be responsible for all of the front line operational services (with the exception of housing, planning and economic development) irrespective of how the Councils' currently deliver them. Specifically the post will be responsible for the following functions and the staff delivering them:-

- Environmental Health
- Community Protection & Community Safety (including Corporate Health & Safety function)
- DLO including
 - Building services
 - Parks and open spaces
 - Highways
 - Street cleansing, litter collection and public convenience cleaning including Vieola client
- Building Control
- Community Leisure, including Tone Leisure Client
- Waste, including Somerset Waste Partnership Client
- Car Parking, including Somerset County Council Client
- Business Continuity and Civil contingencies
- Harbours, beaches and coast protection
- Crematorium
- Cemeteries
- Deane Helpline

2.22 This post has been evaluated at a salary of £60k. This will be allocated on an 80:20 basis and the TDBC proportion will be split 80:20 to the GF and HRA as there are less HRA funded services in this area.

(i) Assistant Director (AD) – Resources

2.23 This post will be responsible for the services important to the financial health of the Councils. Strategically the post will help manage the new and on going financial risks the Councils' face.

- Deputy s151 Officer
- Accounting
- Budgeting and forecasting
- Treasury Management
- Exchequer Services (creditors and debtors)
- Insurance
- Procurement
- Benefits
- Revenues
- Fraud Prevention & Detection

2.24 This post has been evaluated at a salary of £60k. This will be allocated on a 50:50 basis as explained in Para 2.5 and the TDBC proportion will be split 65:35 to the GF and HRA.

(j) Assistant Director (AD) – Housing & Community Development

2.25 This post will be responsible for all strategic housing; the people based landlord housing services and community development within our key estates and within other geographical areas where we are not the major landlord. Specifically the post will be responsible for the following functions and the staff delivering them:-

- Homelessness
- Housing Advice
- Private Sector Housing
- Housing strategy
- Community Strategy (including Priority Area Strategy, HRA and GF)
- Community Development (HRA & GF)
- Health and well being
- Family Focus
- Climate Change (HRA & GF)
- Housing Management (HRA)
 - Estates
 - Supported Housing
 - Lettings
 - Income
 - Tenants' Empowerment

2.26 This post has been evaluated at a salary of £60k. This will be allocated on an 80:20 basis and the TDBC proportion will be split 20:80 to the GF and HRA.

(k) Assistant Director (AD) – Property and Development

2.27 This post will be responsible for all of the property and the asset management functions, both for the HRA and for the GF. This means this post, whilst sitting in the

“housing area” needs to operate corporately in terms of asset management, also contributing to our broader regeneration ambitions. In addition it will also be responsible for the affordable / social housing development the Councils’ deliver directly through the HRA or in conjunction with RSL partners. Specifically the post will be responsible for the following functions and the staff delivering them:-

- Property Services (HRA and GF)
- Asset Management (HRA & GF)
- Development (HRA & GF)
- Housing Enabling

2.28 This post has been evaluated at a salary of £60k. This will be allocated on a 90:10 basis reflecting the greater HRA focus in this role compared to the others, and the TDBC proportion will be split 20:80 to the GF and HRA.

(l) Assistant Director (AD) – Planning & Environment

2.29 This post will be responsible for creating an environment necessary for growth and prosperity leading on all of the planning strategy and functions and the infrastructure delivery needed to ensure our ‘places’ are ready to attract and embrace growth. The post will also be responsible for ensuring that growth and development is sustainable and the nature and quality of our environment is protected. Specifically the post will be responsible for the following functions and the staff delivering them:-

- Development Management
- Planning Policy
- Master planning
- Major regeneration schemes
- Major urban extensions
- Planning obligations including CiL and Section 106
- Infrastructure
 - Strategy
 - Delivery
- Heritage and Landscape

2.30 This post has been evaluated at a salary of £60k. This will be allocated on an 80:20 basis and the TDBC proportion will be wholly funded by the GF.

(m) Assistant Director (AD) – Business Development

2.31 This post will be a strong business advocate who is outward focussed, creative and commercial. They will be responsible for attracting, sustaining and developing business and inward investment. This post will be externally focussed and will bring wider commercial skills to the Councils. Specifically the post will be responsible for the following functions and the staff delivering them:-

- Inward Investment
- Business support and retention
- Tourism
- Marketing and Events
- Economic development
- Cultural development
- Providing commercial input across both Councils
- Economic Partnerships
 - Into Somerset

- Town Centre Company
- Chambers of Commerce

2.32 This post has been evaluated at a salary of £60k. This will be allocated on an 80:20 basis and the TDBC proportion will be wholly funded by the GF.

3 Other structural issues

(a) Business / Corporate Support

3.1 Each “director area” should be supported by robust Business Support functions. This will be a priority for the Directors to progress as an early phase of the shared service proposals. They will be reviewed as part of the shared services phase of the Business Case implementation.

(b) Programme Management - Transformation

3.2 Whilst the on going transformation and project work will be led by the CE and the new JMT the work also needs to be supported at both Councils by robust programme and project management arrangements.

3.3 I believe a permanent programme management function will be required to not only support the delivery of the Business Case implementation but also the other projects currently important to both Councils now and in the future.

3.4 This function would report to the AD – Corporate Services.

3.5 This function should be shaped and delivered as an early part of the Tier 4 element of the shared services proposal once the AD – Corporate Services is in post. The funding will come from the affordability envelope allocated to this area.

3.6 As this function is needed immediately to ensure continuity of support for the Business Case implementation sufficient funding was included in the “transition” costs to allow this role to be carried out on a temporary basis until April 2014.

(c) Programme Management – Hinkley Point

3.7 The proposed Hinkley Point C development is one of the biggest construction projects in Western Europe.

3.8 WSC is also involved in work of the National Grid to connect up to the Bristol area. For WSC they have the sole responsibility for being the Planning Authority and a shared responsibility with Central Government and other Local Authority partners in securing much wider economic and community benefits. Whilst collaborative working is vital, it is equally important that WSC punches above its weight in terms of securing what is right and fair for its local community.

3.9 To date WSC have been successful in engaging with the different tiers of government, EDF, other stakeholders and its local communities. This has been to the credit of Members and staff and, in particular, the CE, the Planning Manager and staff that have been funded by EDF.

3.10 At this point in time there is a hiatus in progress on site as Central Government and EDF continue to negotiate on the “strike price” which is essentially the price the

government will “guarantee” for the electricity generated. There are in addition a number of other issues that will require a resolution prior to the Board of EDF making a ‘Final Investment Decision (FID)’. However, I believe it is important that WSC continue to ensure they are best positioned to take up the challenges should Hinkley Point C progress to full construction.

- 3.11 As part of this proposal the Director of Growth and Development will be the senior lead on Hinkley Point. Supporting roles will be needed similar in nature to those currently deployed by WSC. In the interim whilst we await the FID I would recommend that WSC extend their current arrangements for programme management and recognise the role that their Planning Manager has had and will continue to have in this regard.

F. Implementation of the proposal

- 1 In HR terms all of the current post holders, from both Councils CMTs, apart from those recommended as direct slot-ins, are effectively “at risk” and are therefore within the “pool” or “ring fence” for any of the new roles in the proposed JMT. The ring fence effectively has two levels – those post holders currently occupying the Tier 2 posts and those occupying the Tier 3 posts.

- 2 The implementation proposal set out below deals with Tier 2 posts first, the Monitoring Officer posts that effectively straddle the tiers and the Tier 3 posts.

3 Tier 2 posts and the Monitoring Officer role

- 3.1 As stated earlier in this report, the appointments to the new JMT are ultimately Member appointments and any direct recommendations for appointment that I make in this report via the “slot in” mechanism will require formal approval by both Full Councils. This is effectively the mechanism used to appoint the current Joint Chief Executive.

- 3.2 In recommending “slot ins” to Members it is essential to ensure that the individuals involved meet the required competencies.

- 3.3 In some circumstances the ability to propose a “slot-in” arises because there is only one suitable candidate in the pool. This may occur through accepting at this early point any declaration from another member of staff at risk that they do not intend apply for a new role in the JMT.

- 3.4 In these circumstances I have ensured that neither Council is in effect accepting a declaration that would leave the Council needing to recruit externally for the skills and competencies these people have.

- 3.5 I am proposing for consideration by Scrutiny - before final recommendation to Full Council - the following “slot ins” and internal recruitment: –

(a) Director - Operations

- 3.6 This post will need to have an approved professional financial qualification to take up the role of s151 Officer.

- 3.7 There is only one suitably qualified officer in the ring-fence and this is Shirlene Adam. I also believe that she meets the full requirements of the Job Description and Person Specification (which includes the key competencies).

3.8 I am therefore proposing to recommend to Full Council on the 12 November 2013 that Shirlene Adam be “slotted in” and appointed to this role. She would commence this new role from the 1 January 2014.

(b) Director - Growth and Development

3.9 During the course of informal consultation on the creation of a new JMT two of the current post holders in the ring fence for a new Director role, (Joy Wishlade and Bruce Lang) have made it clear that they do not wish to take up a new post at this level, or at all.

3.10 As a consequence Brendan Cleere is the only candidate in the ring fence for this new post.

3.11 He is currently the Strategic Director at TDBC responsible for the Growth & Development area. The new joint role is also focused on this business area. I believe that he meets the requirements of both the new Job Description and the Person Specification.

3.12 I am therefore proposing to recommend to Full Council on the 12 November 2013 that Brendan Cleere be “slotted in” and appointed to this role. He would commence this new role from the 1 January 2014.

(c) Director - Housing and Communities

3.13 There are no candidates in the Tier 2 element of the ring fence that meet the requirements of this post.

3.14 I believe that the required skills and experience does exist in the wider JMT ring fence and therefore I am proposing that Members approve an internal recruitment process ring fenced to the Officers at Tier 3 in the first instance.

3.15 If a successful internal recruitment from the ring fence pool were not to be made I would recommend the post then be advertised externally.

(d) Assistant CE and Monitoring Officer (MO)

3.16 It is essential this post holder has experience of the Monitoring Officer role and of supporting Members and the CE.

3.17 There are two Officers in the ring fence who meet this requirement and the requirements of the Job Description and Person Specification.

3.18 During the course of informal consultation on the creation of a new JMT one of the Monitoring Officers, in the ring fence, Tonya Meers, has made it clear that she does not wish to take up a new post in the new JMT.

3.19 As a consequence Bruce Lang is the only candidate in the ring fence for this new post.

3.20 He is currently the MO at WSC responsible for the range of services the new joint post will also have under their control. I believe that he meets the requirements of both the new Job Description and the Person Specification.

3.21 In addition, in terms of blend of experience and knowledge, this slot in enables Members at WSC and the Joint CE to have some guaranteed 'continuity' at a senior level within the JMT from the existing Tier 2 level of the WSC CMT.

3.22 I am therefore proposing to recommend to Full Council on the 12 November 2013 that Bruce Lang be "slotted in" and appointed to this role. He would commence this new role from the 1 January 2014.

3.23 The role of Solicitor to the Council for West Somerset Council will continue to be delivered as part of their current Legal Services partnership with Mendip District Council pending the consideration of a wider Business Case for shared legal services. For Taunton Deane Borough Council this role will be carried out in the interim by the current Legal Services Manager, again pending the consideration with Mendip and West Somerset Council of a wider legal shared service.

4 Tier 3 Assistant Director posts

4.1 I am proposing that these posts are recruited internally from the ring fence of those Officers remaining at risk within the JMT pool with the exception of the following four posts: -

(a) AD – Planning and Environment

4.2 This post will need to have an approved professional planning qualification.

4.3 There is only one suitably qualified Officer in the ring-fence and this is Tim Burton. I also believe that he meets the full requirements of the new Job Description and Person Specification (which includes the key competencies).

4.4 I am therefore proposing to recommend to Full Council on the 12 November 2013 that Tim Burton be "slotted in" and appointed to this role. He would commence this new role from the 1 January 2014.

(b) AD – Business Development

4.5 I am proposing that this post should go straight to external recruitment.

4.6 The closest match to this role is the current TDBC Regeneration Manager role that focuses on the commercial aspects of the TDBC regeneration programmed. This is a temporary post due to end in July 2014.

4.7 The new role also has a wider brief than any existing post in either organisation.

(c) AD – Resources

4.8 I am proposing that this post should go straight to external recruitment.

4.9 The post holder must have a suitable financial qualification to take up the proposed Deputy s151 role – and – none of the post holders at risk at Tier 3 level are suitably qualified.

(d) AD – Property and Development

4.10 I am proposing that this post should go straight to external recruitment.

- 4.11 This is a role and post new to both Councils and none of the post holders currently at risk have the full range of skills and experience required for the new role.

G. Appointment process

- 1 Members will be involved in all appointments either by approving all or some of the proposed slot ins at Full Council – and – through involvement in all internal and external recruitments.
- 2 Appendix 5 sets out the procedure for the implementation of these proposals.

H Consultation and support arrangements

- 1 The joint CE supported by the WSC CE has carried out informal consultation with all individuals affected by the proposal. I have also consulted with JMAP members and with the Leaders and relevant PFH's.
- 2 Formal consultation took place at the Joint UNISON Board of the 6 September 2013 on the implementation arrangements – and – on the 9 October 2013 on the substantive proposals. Branch Secretaries were formally notified in writing of the proposals, procedures to be followed etc on the 1 October 2013.
- 3 Formal consultation has also commenced with all affected staff based on the detail in this proposal. As a consequence a number of staff are formally at risk of redundancy on 1 October 2013.
- 4 Formal consultation will close on the 31 October 2013 and will be used to inform the final proposal going to Full Council at both Authorities. Any interim responses received will be verbally reported to the scrutiny meetings.
- 5 Support is being given to all staff affected by the proposal.

I HR consequences of the proposal

- 1 The slot-ins proposed arise in some circumstances due to other at risk individuals expressing their intent not to apply for certain posts or any post in the new JMT.
- 2 Current policy encourages the Councils to actively consider these expressions, some of which are essentially requests for voluntary redundancy. It is however important that the Councils are certain they can safely accept these requests in terms of the skills no longer being needed or being able to be found elsewhere in the establishment without incurring additional on going or one off termination costs than is strictly necessary.
- 3 In developing this proposal I have taken the policies and requests into account. The consequence is that should this proposal ultimately go forward intact to Full Council with a recommendation for approval the following members of staff will be made redundant on a voluntary basis: -
- Strategic Director TDBC – Joy Wishlade
 - Theme Manager TDBC – Legal & Democratic Services and MO – Tonya Meers
 - Corporate Manager, WSC – Steve Watts
- 4 These requests have facilitated the proposed slot ins to the Director of Growth & Development and Assistant CE and MO posts.

- 5 The post holders named above will be made redundant, Joy Wislade and Tonya Meers will leave the authority on the 31 March 2014. Steve Watts will leave on the 31 December 2013. In the interim they will facilitate hand-overs, completion of projects due before they leave and the development of the shared services proposals.
- 6 The one off cost of this proposal is therefore £213k, to be borne £64k by WSC, £131k by TDBC's GF and £18k by TDBC's HRA. The details are set out in the confidential appendix 7.
- 7 If the slot-ins are not approved then external recruitment will be required and the four post holders where slot ins are proposed will then be at risk of redundancy and formal consultation with them will begin.
- 8 The potential additional one off cost should Members not approve any of the slot ins and the current post holders be made compulsory redundant would be approximately £419k, which would be borne £186k by WSC, £202k by TDBC's GF and £31k by TDBC's HRA.
- 9 Should the slot ins not be approved and the internal recruitment process not be successful, the maximum one-off cost for redundancy and external recruitment could be almost £1m.
- 10 However, based on an average cost of redundancy at this level, the estimated total redundancy figures are projected to be £357k, which would likely be incurred £93k WSC, £233k TDBC GF and £31k TDBC HRA.
- 11 Provision would also need to be made for the cost of external recruitment. As the proposal stands there are three posts recommended for external appointment and the costs of the process can probably be found from existing budgets. Should this number rise to six then Members may be requested to approve a one off supplementary estimate to fund the costs. As an indicator this would cost circa £18k for a set of appropriate national advertisements.
- 12 Increasing the scale of external recruitment beyond the implementation proposal set out here could also delay the implementation of the entire JMT as it would make sense to complete the recruitment to Tier 2 posts before recruiting to Tier 3 posts. This could mean the entire team would not be in place until July 2014, which would have a knock on effect on the pace of implementation of the Business Case and shared services.

J Finance Comments

- 1 The cost of the new Joint Management Team comfortably fits within the affordability envelope that was recommended by the Joint Project Board and approved by the Joint Members Advisory Panel. This affordability envelope of £825k gives the combined General Funds of TDBC and WSC a saving of £227k from the current total GF cost of senior management of £1.052m.
- 2 The proposals contained within this report would cost the combined GFs £784.7k, producing a total saving of £267.2k. Although there is a total saving to the combined GFs of this amount, WSC will actually incur an additional cost of £10.6k under this proposal, due to the current relatively low level of remuneration for their senior management and the small size of the management team. TDBC's GF, on the other hand, will save £277.8k.

- 3 The impact on TDBC's HRA of this proposal will be an additional cost of £77.6k. This additional on-going cost to the HRA will provide greater resilience to the Housing Revenue Account at a time when both its size and its importance to TDBC are growing.
- 4 If the proposed slot-ins and redundancies contained within this report are approved, there will be a one-off cost of £213k, to be borne £64k by WSC, £131k by TDBC's GF and £18k by TDBC's HRA. The potential additional one-off cost should Members not approve any of the slot-ins and the current four post holders were to be made compulsorily redundant would be approximately £419k, which would be borne £186k by WSC, £202k by TDBC's GF and £31k by TDBC's HRA.
- 5 Should the slot-ins not be approved and the internal recruitment process not be successful, the maximum one-off cost for redundancy and external recruitment could be almost £1m. However, based on an average cost of redundancy at this level, the estimated total redundancy figures are projected to be £357k, which would likely be incurred £93k WSC, £233k TDBC GF and £31k TDBC HRA.
- 6 The financial assumptions made – and – impacts of this proposal have all been signed off by the s151 Officer at each Council.

K Engagement with Members

- 1 Members will play a pivotal role in the success of the new JMT.
- 2 The proposed structure and posts together with their accompanying job descriptions and competency based person specifications have been based around Member priorities.
- 3 It is important leading Members support the CE in ensuring that annual appraisals and resultant delivery plans for each member of JMT set clear strategic direction and targets based on Members aspirations, priorities and requirements.
- 4 All Members hold an important role in helping the new JMT to be a success and in supporting all of the new arrangements that will be driven by the Business Case. This ranges from keeping abreast of the changes, influencing where they can, through briefings and other communications. There will be specific work streams notably connected to the broader transformation agenda and future of service provision that it is critical all Members steer and become fully involved in.
- 5 There is a renewed opportunity to put effort and emphasis into Member development across, within and at an individual level at each Council.
- 6 The independent sovereignty of the two Councils must absolutely be respected and maintained.
- 7 This does not mean however that there is no need for Members to also change the way they interact with each other and Officers.
- 8 There is more capacity in the JMT than there would be in two separate CMTs of the future – but – there is inevitably less capacity than there is now. Members can assist the JMT in particular by accepting that accessibility does not always mean face – to – face visibility – and – in accepting that joint work / briefings on common areas of importance are sensible

L Conclusion

- 1 I believe that this proposal delivers against the objectives and challenges I have been given.
- 2 They deliver a robust and effective JMT within the General Fund affordability envelope.
- 3 It also delivers resilience, capacity and an ability to deliver both Councils' wider ambitions whilst also ensuring there is sufficient capacity to manage both "business as usual" and the further transformation that will be required to ensure a sustainable future for both Councils'.
- 4 It also addresses the issue of lack of capacity in the HRA function at TDBC albeit at an additional cost to the HRA. This is appropriate in view of the ambitions of Members to further progress development.
- 5 The ability to recommend what I believe to be excellent slot in proposals would allow the new JMT to get off to a flying start given that the majority of Tier 2 posts would be able to be filled quickly enabling the Business Case implementation and recruitment to the remaining posts to go forward quickly. This also minimises the key risk to business continuity. It also minimises compulsory redundancies and recruitment costs.
- 6 The majority of posts will require the establishment of Member recruitment panels and we have an agreed process for establishing these quickly.
- 7 I believe that it is possible to have the vast majority of the proposed JMT up and running by the 1 January 2014. The external recruitment proposed will take longer and it is probable that these posts will not be able to be in place until March/April 2014. If any external recruitment becomes required as a result of internal recruitment not being successful or slot ins not being approved these posts may not be in place till July 2014.

M Legal Comments

- 1 There are no direct legal implications arising from this report.
- 2 The report deals with all of the statutory roles the Councils' need to have on the establishment.

N Links to Corporate Aims

- 1 This report proposes a structure which reflects the current corporate priorities of both Councils.

O Environmental Implications

- 1 There are no direct environmental implications arising from this report.

P Community Safety Implications (if appropriate, such as measures to combat anti-social behaviour)

- 1 There are no direct community safety implications arising from this report.

Q Equalities Impact

- 1 Under the Public Sector Equality Duty, there is a requirement to carry out an analysis of the effects on equality of existing and new policies and practices. This includes the effect on employees as well as the community.
- 2 An Equality Analysis has been carried out and is reproduced at Appendix 6.

R Risk Management

- 1 The risks associated with the creation and implementation of the overarching Business Case are set out in the proceeding report and at Appendix H to the Business Case document. Many also relate to the creation of the Joint Management Structure. Members should take these into consideration as part of this proposal as well.
- 2 The key risks I would highlight are:-
 - Breakdown in relationships between Leaders – and Leaders and the Chief Executive.
 - Loss of local political support for shared services
 - Not meeting Member’s expectations
 - Existing projects and priorities impacted by Shared Services (and joint management) implementation
 - The project takes focus away from other actions/projects needed to resolve the MTFP
 - Loss of knowledge/key personnel
 - Individuals workload increases
- 3 These risks will need to be continually reviewed and actively managed with respect to the overarching Business Case and the implementation of the Joint Management proposals.

S Recommendations

- 1 The views of Corporate Scrutiny are requested on the overall proposal.

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APPENDIX C: Staff Consultation Response with Comments

Ref	TDBC / WSC	Comments	Management response
MSA1	TDBC	<p>The AD Direct Services post appears to have a considerable amount of services and whilst I can see the links that connect these services I could equally see that the client arrangements for Car Parking and the Waste Partnership could be managed by the AD for Corporate Services.</p> <p>The title of AD Direct Services does not really explain what the role does; perhaps AD Operations Delivery might be more appropriate.</p> <p>I think that the statement at 4.11 could be reworded as it seems harsh when people will be able to identify who that relates to.</p>	<p>Although there is a client car parking function for TDBC, car parking services for WSC are still delivered 'in-house' therefore, it makes sense to keep the two together under the AD – Operational Delivery. The Waste partnership is seen as part of operational service delivery therefore will stay with the AD – Operational Delivery.</p> <p>Your comment on the job title is noted and this has been changed.</p> <p>This is not a statement on the capabilities of any of the employees within the ring fence but refers to the wider corporate role that the post holder would need to undertake.</p>
MSA2	TDBC	<p>I am writing to confirm that I am of the firm opinion that my role could and should be "slotted in" to the one above. I have read the job description and other material time and time again and am struggling to see where this differs from what I do on a day to day</p>	<p>The new role of Assistant Director - Business Development is fundamentally different to any of the current posts within the Councils. This post will form part of the Joint Management Team and as such will have a number of corporate roles to fulfil which are</p>

		<p>basis to any significant extent at all. The role incorporates most of the issues I feel have been lacking in the past, some of which I have tried to fulfil, and seems to be a very robust one. As you are aware, my current role is a diverse one and as well as being in place to deliver the major regeneration schemes and to handle the major and complicated negotiations that these entail, I have involvement with all manner of other council issues and more particularly the commercial aspects.</p>	<p>significant in addition to the functions that are specific to the role.</p> <p>Having taken consultation feedback into consideration, these posts will not go straight to external recruitment but employees at risk of redundancy will be given an opportunity to apply for the positions in the first instance.</p>
MSA2	TDBC	<p>As far as suggested new Structure as a whole is concerned I am concerned that the delivery of the major and mid range regeneration projects is not really allowed for. These projects, Firepool, Orchard, TYCC, The Market House, Brewhouse “restaurant” and probably the Rethink need a really concentrated and focussed effort if they are to be delivered satisfactorily or at all. Delivery of schemes such as these is a job role on its own. The values are high, the legal agreements and the development process are complicated, the national “marketing” is vital, and our partners are usually going to be significant organisations represented at a senior or very senior level. It is also my view that, though this hasn’t worked well to date, there should be a close tie between this role with the ED function which in its turn, and as acknowledged in the draft, needs to put more emphasis on Inward Investment rather than concentrate so much on local and minor issues. This is all a matter of effective leadership.</p>	<p>Management believe that the proposed structure does give adequate capacity at a senior leadership level for the delivery of important regeneration projects. Growth is a priority area for TDBC and WSC, and has been reflected in the proposals.</p>

MSA3	TDBC	<p>On the whole I think the structure is right and is robust to deliver the services in the future.</p> <p>Just a couple of points which I'm not sure may be covered in individual job descriptions but just in case they've been missed.</p> <p>AD for Corporate Services. I noted that there was no mention of the Data Protection Officer and the Link officer for the Ombudsman and I'm assuming that these roles will also be incorporated with this role but perhaps should be made clear as there is personal responsibility attached to the role of the Data Protection Officer.</p> <p>AD Operational Delivery. I'm assuming the Land Charges is being incorporated with Building Control but as it's a statutory function perhaps should have a specific mention.</p> <p>Otherwise I hope the structure is approved as set out.</p>	Your comments are noted and changes made where appropriate
MSA4	TDBC	<p><u>General</u></p> <p>The need for restructuring at all levels in the organisation is clear and unarguable; whether as part of any joint working arrangements with WSC or otherwise. I argued the case for this as long ago as 2005/6 when Steve Hughes was first tasked with looking at organisational issues and the case is much more compelling now than then....</p> <p>I support the general arrangements proposed at Tier</p>	Management believe that the proposed structure does give adequate capacity at a senior leadership level for the delivery of important regeneration projects. Growth is a priority area for TDBC and WSC, and has been reflected in the proposals.

	<p>2 level with regard to the suggested number of posts and their broad range of responsibilities.</p> <p>I do not support the suggested slot in for the post of Director of Growth and Development. This is the most important 'outward facing' role in the entire council and is the post responsible for improving the council's currently poor (in my view) relationship with and perception by the business community and other key external partners. This is not a simple and 'generic' management role and requires someone with particular understanding of the wider business environment, together with broad commercial and entrepreneurial skills and the ability to present a credible 'face' to all of the wide range of the council's external business partners involved in the delivery of growth and development. The postholder also needs to be able to manage and drive forward the delivery of and maximise the benefit from ambitious and very complex growth and regeneration proposals; particularly in Taunton town centre. This requires a detailed understanding of practical delivery and viability issues; something which only comes with considerable real and practical experience of working in these areas.</p> <p>In addition, the postholder needs to ensure that both councils maximise the benefits from the delivery of Hinckley 'C'. This requires experience of major inward investment and development proposals and an ability to co-ordinate partner engagement with key external stakeholders.</p>	
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	<p>In my view, this post should be advertised externally for competition to ensure that a full range of candidates with a variety of relevant skills and backgrounds can be properly and objectively considered and evaluated.</p> <p>At tier 2 level, I have a number of general concerns:</p> <ul style="list-style-type: none"> • Positioning the Assistant Director Property and Development under 'housing' may appear to make sense in that (for instance) a small majority of the day to day work undertaken by the SW1 property services team is currently for the HRA (52% HRA vs. 48% GF). This, however, ignores the fact that most of the council's most valuable assets are in the GF and that the team currently have relatively little involvement in the major town centre regeneration schemes. If that were to change as a result of the planned restructuring then this balance/split would change fundamentally and any logic of positioning that post and the supporting team within 'housing' would, in my view, be very significantly weakened • Positioning responsibility for major regeneration schemes under the post of Assistant Director Planning and Environment makes absolutely no sense at all in my view. Presumably, and amongst many other things, this includes all of the major regeneration projects currently delivered under the banner of 'Project Taunton', together with all of the 	<p>This post will be required to manage the ambitious Housing Development Programme for TDBC, this is a major project and therefore it is logical that this post reports to the Director of Housing and Communities.</p> <p>Your comments on the conflict between landowner and LPA are noted. We know of examples in other local authorities where this does work, however, we do need to be mindful of the potential for conflict.</p>
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		<p>various further projects which may arise from the currently ongoing town centre 'rethink'. Not only does the relevant experience and expertise not exist either in post or in the wider existing team structure, the CAPACITY to deliver (or manage the delivery of) a wide range of very complex schemes most certainly does not exist within the proposed structure. Moreover, many of the town centre regeneration sites are owned by TDBC and this presents an immediate potential 'conflict' between the council in its role as landowner and in its role as LPA. Avoiding that conflict should be a matter of real concern for the council and is something which these proposals seem to ignore completely.</p> <ul style="list-style-type: none"> • From studying the proposed job descriptions for the posts of Assistant Directors Property and Development, Planning and Environment and Business Development; there is absolutely no clarity whatsoever about which role will be responsible for the practical and/or detailed delivery of anything! All of the very large and complex regeneration projects seem to fall completely between the cracks with no suggestion that it will be anyone's particular responsibility to either deliver or manage the delivery of specific projects such as Firepool, the High Street retail scheme, the strategic flood project ,the delivery of strategic employment sites, etc, etc, etc. When achieving many of these project contributes so 	<p>Much of the detail of who will take ownership for specific projects will be decided as the Joint Management Team is implemented. It is not always possible or feasible to list all workstreams and projects in job descriptions as these will change over time.</p>
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	<p>significantly to the delivery of the highest priorities within the council's Corporate Business Plan AND offers the potential to transform the council's financial and business position, that seems a very startling and peculiar omission.</p> <p>My overriding concern is to ensure the ongoing availability of adequate capacity at an appropriate level and with sufficient experience and expertise to deliver all of the regeneration and property work; both currently underway AND that which is likely to arise as a result of the shortly to conclude town centre 'rethink'. I am genuinely concerned that the proposals completely fail to recognise the quantity, range and complexity of work currently being undertaken by the two existing posts of Regeneration and Delivery Manager.</p> <p>I can see no suggestion that this capacity, experience or expertise is either retained or recreated within the proposed structure. As a result, I see little or no realistic prospect of the structure being fit for purpose and able to maintain the successful delivery of complex regeneration and growth projects achieved to date. Certainly, it may be possible to buy in that capacity, experience and expertise; but at a very considerable price and one which is very unlikely to represent good value for money compared with existing arrangements.</p> <p>Clearly, I fully accept the need to ensure that structures are fit for purpose and delivery both good</p>	<p>Your comments are noted.</p>
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	<p>value for money and the delivery of corporate priorities. I would suggest that, as currently proposed, this structure does neither.</p> <p>Maybe, an alternative model where delivery of key growth and regeneration schemes is achieved through the retention of dedicated resources on temporary contracts largely or wholly funded from the proceeds of delivering that growth (land sale receipts, growth in business rates achieved, etc) might be another model worthy of further consideration.</p> <p><u>Personally</u></p> <p>I find the suggestion that there is no-one internally capable of fulfilling the role of Assistant Director Property and Development very strange. As the council's current corporate/GF property client and with my experience and expertise in this area of activity (including in HRA elsewhere), I am quite certain that I adequately fulfil all of the requirements of the JD/person specification.</p> <p>I find the suggestion that there is no-one internally capable of fulfilling the role of Assistant Director Business Development equally strange. Ignoring the fact that the role seems to mirror almost exactly that of the current post of Economic Development</p>	<p>The new role of Assistant Director – Property and Development is different to any of the current posts within the Councils. This post will form part of the Joint Management Team and as such will have a number of corporate roles to fulfil which are significant in addition to the functions that are specific to the role.</p> <p>Having taken consultation feedback into consideration, these posts will not go straight to external recruitment but employees at risk of redundancy will be given an opportunity to apply for the positions in the first instance.</p> <p>The role of Economic Development Manager is outside of the ring fence for the Joint Management Team. Again it is considered that this new role of Assistant Director – Property and Development is different to any of the current posts within the Councils. This post will form part of the Joint Management Team and as such will have a number of corporate roles to fulfil which are</p>
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		<p>Manager, it would appear to be a lesser role (scope, managerial responsibility, etc) than the one to which I was appointed at TDBC in 2003. In the circumstances, I find the assertion that there is no-one in house possessing the relevant experience and expertise entirely wrong.</p>	<p>significant in addition to the functions that are specific to the role.</p> <p>However, if the post is still vacant after 'at risk' employees have had the opportunity to apply the position will be advertised to all internal employees of WSC/TDBC.</p>
MSNA1	TDBC	<p>Under the proposed structure, the Revenues and Benefits Service (that currently includes Fraud Prevention and Detection) would report through the Assistant Director for Resources. I have concerns the "positioning" of the Revenues and Service in the proposal would not be appropriate. I hold this concern because the service (including Fraud) is not just a "transactional" or financially led but is strongly "customer focussed". To separate Customer Services (which is to be managed within the Corporate Services Assistant Directorship) from Revenues and Benefits is in my opinion, creating barriers. My understanding is that in WSC, some of the customer interaction for Revenues and Benefits is currently delivered through their Customer Contact Service, so splitting leadership for this function in future may well hamper opportunities for economies of scale and potential savings when the Councils come together.</p> <p>While I accept the Revenues and Benefits Service has an enormous impact on the finances of the respective Councils, engagement with our customers</p>	<p>The comments are noted and as the member of staff has pointed out the importance of Revenues and Benefits to both customer services and the financial position of the Council is accepted.</p> <p>All posts within the Joint Management Structure will be required to operate corporately and fully embrace the needs for customer service and cross service working to be a high priority.</p>

	<p>hugely influences that performance. In former managerial relationships, a focus purely on the finance had a detrimental effect. The new Assistant Director leadership needs to have a deep understanding of customer behaviour and how services are delivered to maximise return. This is especially important as the service will be increasingly affected by future Welfare Reform, e.g. Universal Credit.</p> <p>The Revenues & Benefits Service needs to be led by an Assistant Director to ease co-ordination across other similarly affected services. It is unfortunate there is no proposal to create a structure whereby “front-line” service delivery is a consideration. In addition, due to the nature of the HRA, there can be no coming together of Housing Services with Revs & Bens, ICT, Customer Services and Facilities. At the very least, even if Housing cannot be part of a combined structure, splitting off Revs and Bens from similar services within the Corporate Services structure, would in my opinion be a huge step backwards.</p>	
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MSNA2	WSC	<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>Your comments are noted, the new Joint Management Team will be strongly encouraged to embrace cross service working so that links between services under the direction of different managers are maintained.</p>
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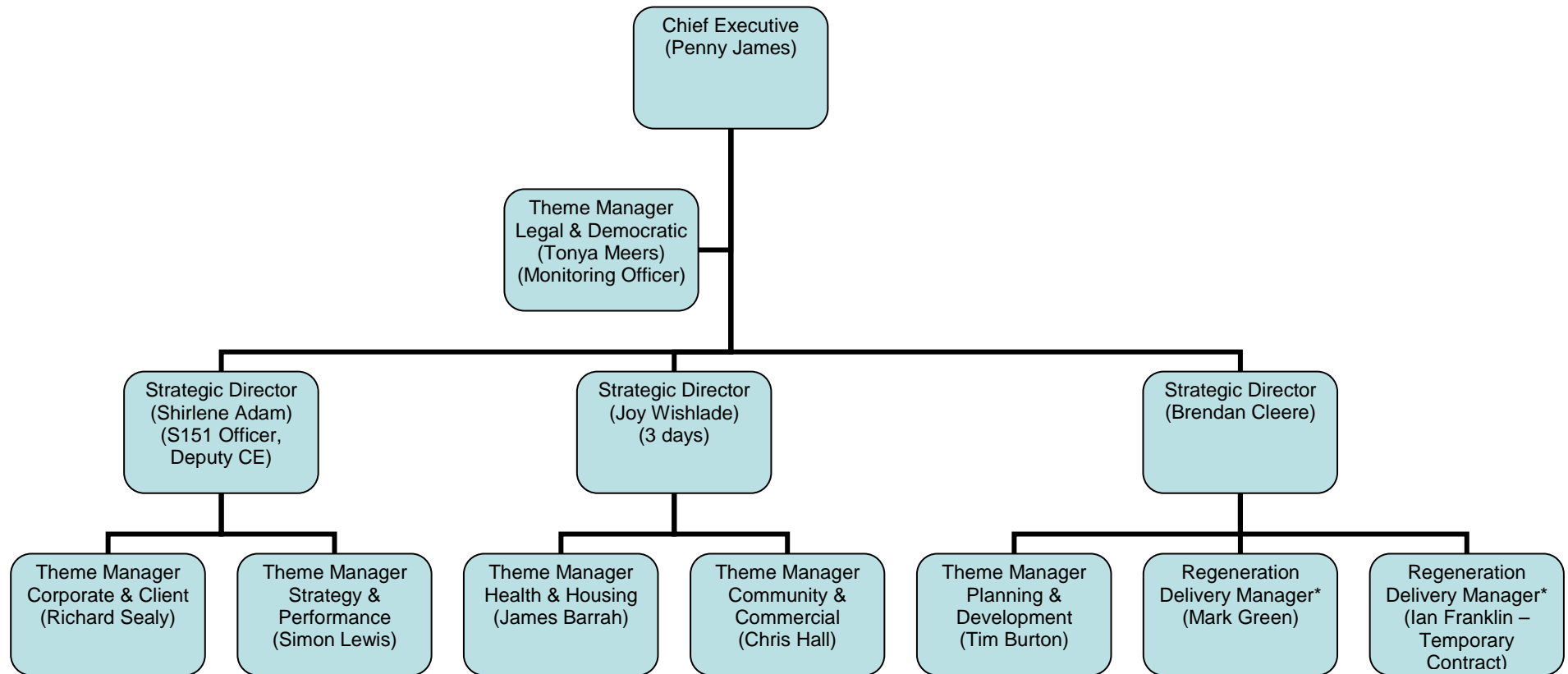
U1	TDBC/ WSC	<p>UNISON Branches and the Regional Officer have been consulted on the development of the Business Case for Shared Services and the Joint Management proposals.</p> <p>Regular meetings have taken place during the year with representatives from West Somerset, Taunton Deane and the Regional Officer which have culminated in the collective agreement.</p> <p>UNISON has conducted a survey of staff (members and non members) to gain their views on a range of issues.</p> <p>In respect of the Joint Management proposals these have been shared with UNISON along with the proposals for gradings and implementation.</p> <p>Although there are recommended salary increases for these new posts UNISON note that these have been evaluated against the market through South West Councils. From a UNISON perspective it is important that such an evaluation has taken place and that going forward new posts below the joint management structure will be evaluated against the agreed TDBC Job Evaluation Scheme.</p> <p>UNISON has also noted the implementation plans for these posts and have no comments to make nor have we received any representations from affected staff.</p> <p>There are three posts that are recommended to go 'straight to external recruitment'.</p>	<p>UNISON comments are noted and having taken these and other comments into account all posts (not subject to slot in) will be advertised internally (to 'at risk' employees in the first instance) then if not filled to all WSC/TDBC employees.</p>
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		<p>The agreement in the past at West Somerset Council has been that jobs are advertised internally in the first instance, giving existing staff who meet the job requirements/specification the opportunity to apply and be interviewed and the post would only then be advertised externally if the internal candidates are unsuccessful.</p> <p>In Tier 3 for instance there is an Assistant Director – Resources post which potentially has at least three internal candidates from within Taunton Deane and West Somerset who are not ring-fenced as they are currently in a lower tier.</p> <p>If the job goes to an external applicant potentially one or more current members of staff from West Somerset and/or Taunton Deane could be made compulsory redundant if there aren't sufficient posts at the lower tier for those employees. Therefore increasing the severance costs for the Councils.</p>	
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APPENDICES

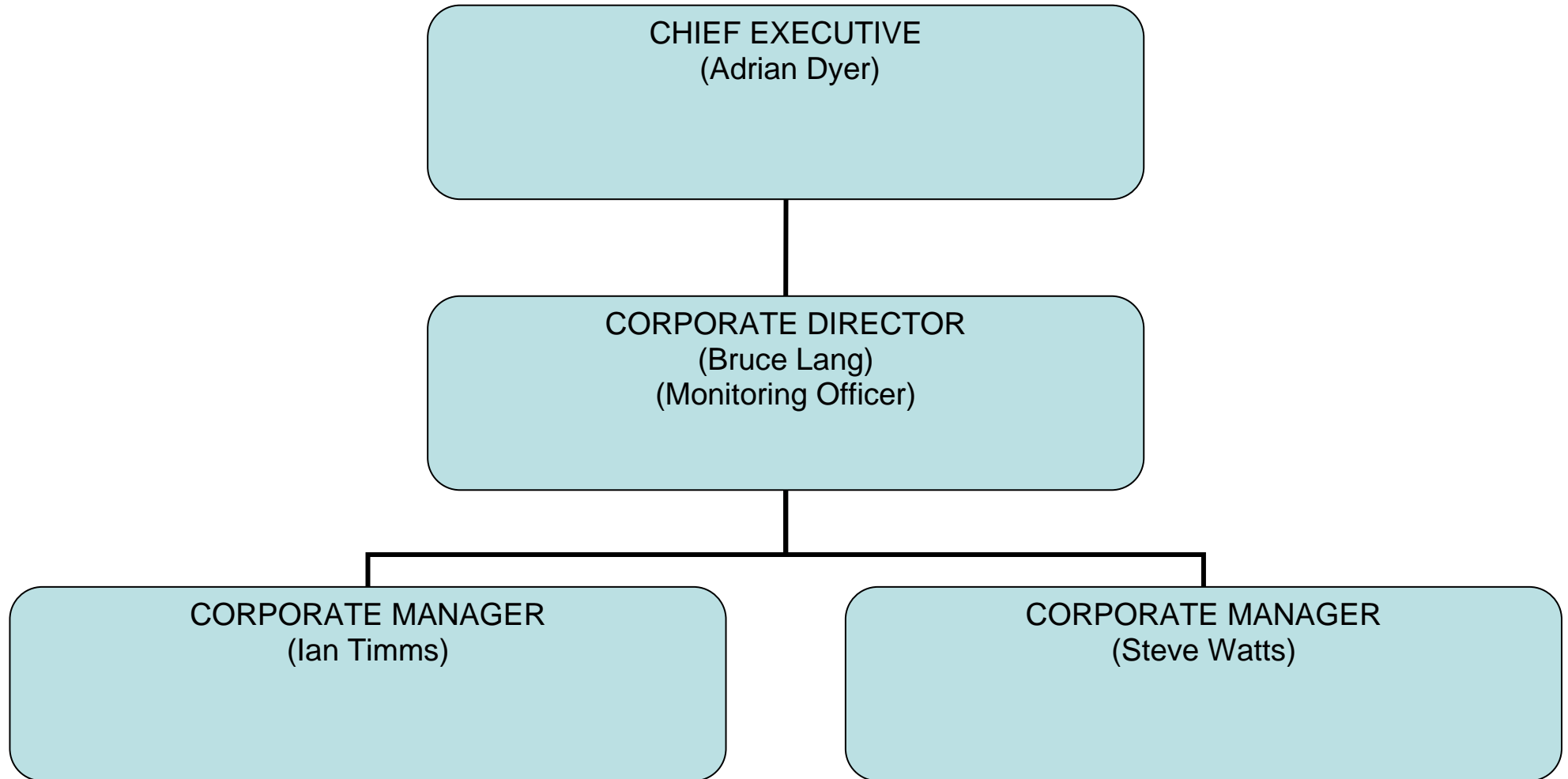
APPENDIX	TITLE
1	Current Structure (Taunton Deane Borough Council)
2	Current Structure (West Somerset Council)
3	Proposed Joint Structure (Taunton Deane Borough Council & West Somerset Council)
4	SWC report on Remuneration of Shared Management Team
5	Detailed Implementation Plan
6	EIA
7	Separate to Main Report - Confidential Financial Implications

APPENDIX 1 – CURRENT STRUCTURE (TAUNTON DEANE BOROUGH COUNCIL)

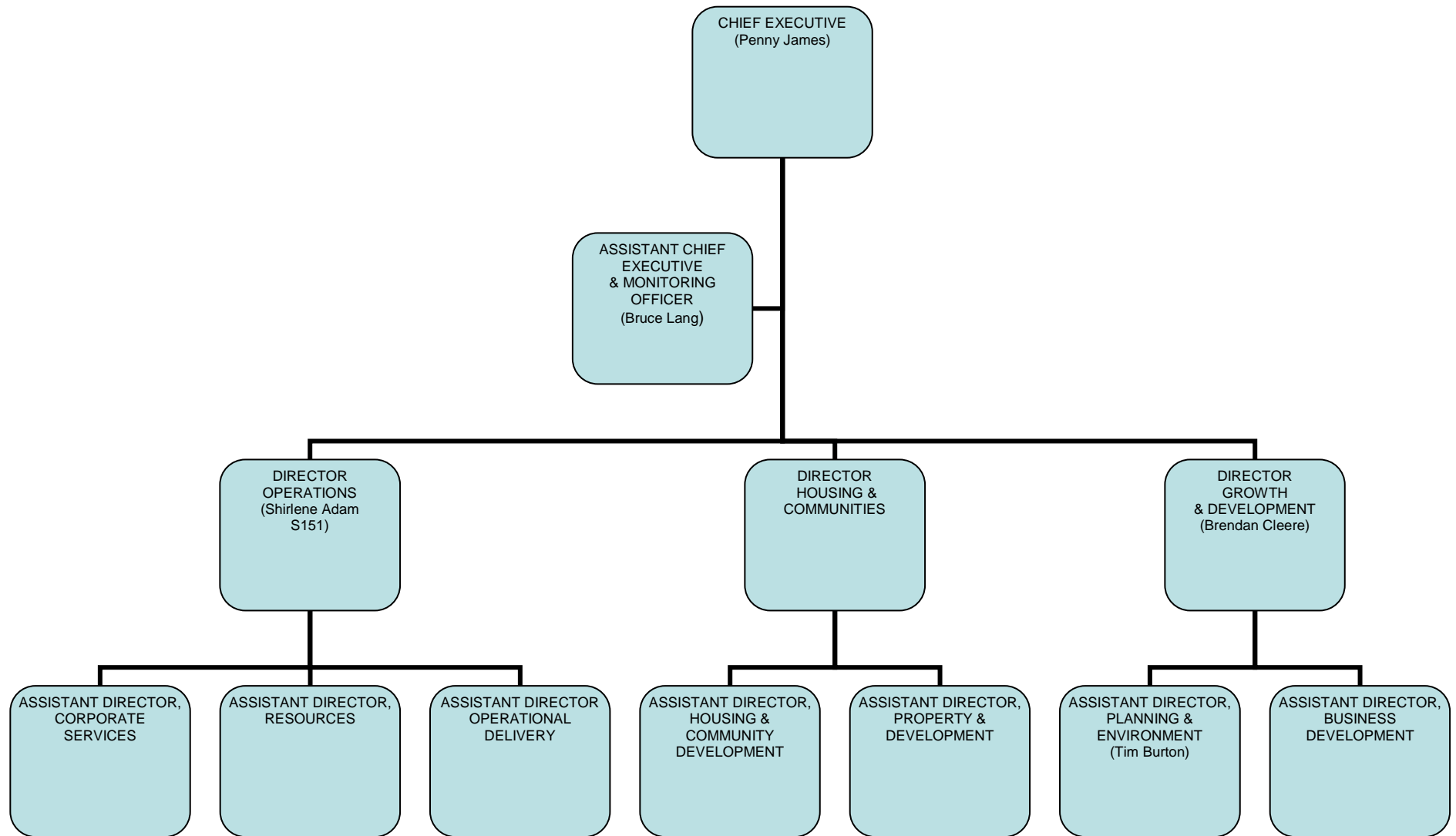


* Posts currently funded from Taunton Deane Borough Council Growth Reserves

APPENDIX 2 – CURRENT STRUCTURE (WEST SOMERSET COUNCIL)



APPENDIX 3 – PROPOSED JOINT STRUCTURE (TAUNTON DEANE BOROUGH COUNCIL & WEST SOMERSET COUNCIL)



APPENDIX 4



**TAUNTON DEANE BOROUGH COUNCIL & WEST
SOMERSET COUNCIL**

Remuneration of Shared Management Team

1. Introduction

- 1.1 South West Councils was commissioned to produce a report for the Joint Member Advisory Panel outlining options regarding the remuneration of the management structure following the recent decision of both Taunton Deane Borough Council and West Somerset Council to share a Chief Executive and Management Team.

2. Methodology

- 2.1 The following potential joint management structure has been provided:

Chief Executive
Deputy Chief Executive & S151 Officer
Strategic Director (x3)
Assistant Chief Executive & Monitoring Officer (reporting directly to the CE)
Assistant Directors (x8 including the Transformation Manager and Head of Finance)

- 2.2 In 1997 the Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities agreed a framework for determining the pay and grading of Chief Executives. The relevant components are:-

- (a) The relationship of the Chief Executive's current salary to the National Benchmark salaries.

- (b) Consideration of any special market forces.
 - (c) Comparisons with other relevant authorities.
 - (d) Special local factors not common to authorities of similar size and type.
 - (e) Special adjustments to reflect contractual terms such as a fixed term contract, or performance considerations.
 - (f) Consideration of special payments, such as election fees.
- 2.3 In recent years it had been found more informative to utilise the data from the LGA's annual 'Salaries and Numbers Survey of Chief Executives and Chief Officers' when considering the remuneration for the JNC for Chief Executives and the JNC for Chief Officers. However, this data is no longer formally collected in light of the Government's transparency agenda which requires all public sector employers to publish the salaries of its top earning employees. In essence this means that individual employers need to undertake their own data collection exercise. Clearly with over 350 local authorities it is difficult for any single organisation to resource data collection across this group, however, the regional employers' organisations of which South West Councils is one, have worked collaboratively to develop an online pay benchmarking system (Epaycheck) to enable local authorities to upload their own data and in return they gain access to data within the system through a series of standard or customised reports. This data will be used to inform this review.

3. Chief Executive

Dealing with each of the above components in turn:-

- 3.1 Taunton Deane Borough Council has a population of approximately 109,000 and West Somerset District Council has a population of approximately 36,000, and the Joint Chief Executive's existing salary of £100,786.
- 3.2 The relevant national and regional data available through Epaycheck is as follows:

Average salary of Local Authority Chief Executives: **£134,031**
(83 authorities)

Average salary of SW Local Authority Chief Executives: **£122,058**
(15 authorities)

Average salary of District Authority Chief Executives: **£106,857**
(36 authorities)

Average salary of SW District Authority Chief Executives: **£100,171**
(7 authorities)

Average salary of SW District Authority Joint Chief Executives:
£111,400 (5 joint arrangements)
(excluding PRP)

Average salary of SW District Authority Joint Chief Executives:
£113,400 (5 joint arrangements)
(including PRP)

- 3.3 Members will be acutely aware of the significant financial pressures currently affecting Local Authorities. Inevitably these pressures and public perception at a time where services are often being affected by cuts have a considerable influence on decisions made around the region in relation to senior salaries. I believe it is important that Members gain an appreciation of the current context within the region. The resignation/retirement of a Chief Executive gives an authority the opportunity to review the remuneration attached to the post and gives us an indication of market trends. There have been a few Chief Executive appointments within the last year, as follows:

Bournemouth Borough Council (July 2012)

Incoming Chief Executive' salary the same as outgoing £125,000

Torbay Council (August 2012)

Outgoing Chief Executive's salary £150,000

Appointed an interim Head of Paid Service – a part time appointment added to an existing Strategic Director role

£125,000 pro rata

Dorset County Council (November 2012)

Outgoing Chief Executive's salary £145,235 - £164,306

Incoming Chief Executive's salary £140,000 - £155,000

North Somerset Council (July 2013)

Incoming Chief Executive's salary the same as outgoing £145,000

Bath & North East Somerset Council (July 2013)

Outgoing Chief Executive's salary	£171,000
Incoming Chief Executive's salary	£150,000

- 3.4 Based on this information it would appear that the previous trend for a general upward drift of Chief Executive salaries has ceased and the reverse is currently being experienced in a number of authorities.
- 3.5 Members will be aware of a number of authorities within the region that operate shared arrangements at Chief Executive and Management Team levels. It is suggested that salary data relating to these arrangements are likely to have most relevance, as follows:

West Devon Borough Council/South Hams District Council
£115,000 (combined population approximately 136,000)

South Somerset District Council/East Devon District Council
£121,000 (combined population approximately 291,000)

East Dorset District Council/Christchurch Borough Council (combined population approximately 132,000) PRP	£110,000 + £5000
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West Dorset District Council/Weymouth & Portland Borough Council (combined population approximately 132,000) PRP	£110,000 + £5000
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Cotswold District Council/West Oxfordshire District Council £94,000 -(combined population approximately 189,000) £101,000	
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- 3.6 The next component is that which invites members to take into account local factors not common to authorities of similar type and size. In this respect I am sure that Members will be well aware of the Hinkley project and the Council's growth ambitions as set out in the Core Strategy.
- 3.7 So far as the component relating to special contractual terms is concerned, I do not regard the contractual arrangements between the Councils and the Joint Chief Executive as being worthy of any attention in this regard. The Chief Executive is not employed under a fixed term

contract, nor as I understand it are there any current pay related performance considerations.

- 3.8 So far as the special payments such as election fees are concerned, I am unaware of any particular reason to suggest that you should vary the existing practice of paying such fees as and when they become payable following elections.

4. Conclusion Regarding Chief Executive

- 4.1 Taking all the above data into account, when compared to other existing joint arrangements in place within the region in a market which is experiencing a slight contraction in salaries it is recommended that a salary of £110,000 should be used.
- 4.2 It is also recommended that the Joint Chief Executive remains on the terms and conditions as determined by the JNC for Chief Executives.

5. Other Senior Management Posts

- 5.1 Determining appropriate remuneration levels for senior management posts beneath the level of Chief Executive is notoriously difficult as it is harder to make any direct comparison with other authorities due to the variations in structure resulting from an individual authority's requirement to address local considerations. Furthermore it is difficult to ascertain whether posts at this level have been formally job evaluated when the appropriate level of remuneration is determined, when comparing market data.
- 5.2 A preferred approach is to consider the pay differentials between the senior management posts and the Chief Executive's salary. Therefore if existing differentials (using averages where there are a range of salaries at each level) between senior management posts within Taunton Deane Borough Council's current structure and the Chief Executive were applied to the new salary for the Joint Chief Executive as recommended in paragraph 4.1, the result would be as follows:

Strategic Director	£80,500
Assistant Chief Executive & Monitoring Officer	£63,500
Assistant Directors	£59,800

- 5.3 There is currently no post equivalent to the proposed Deputy Chief Executive & S151 Officer in the existing structure, however, it is suggested that a salary of £85,000 would compare with the arrangement at Tewkesbury Borough Council (Chief Executive £110,000 and Deputy Chief Executive £78,000 - £85,000) and fit with the salaries for the other posts as outlined above.

- 5.4 As previously referenced in paragraph 3.4 there are a number of authorities within the region that operate shared arrangements at Chief Executive and Management Team levels. It is suggested that consideration should be given to salary data relating to these arrangements, as follows:

West Devon Borough Council/South Hams District Council

Chief Executive	£115,000
Directors (x2)	£72,000
Heads of Service (x7)	£62,000

West Dorset District Council/Weymouth & Portland Borough Council

Chief Executive	£110,000 (+£5000 PRP)
Directors (x3)	£85,000 - £90,000
Heads of Service (x10)	£64,000

East Dorset District Council/Christchurch Borough Council

Chief Executive	£110,000 (+£5000 PRP)
Directors (x2)	£74,000 - £82,000
Heads of Service (x6)	£60,000 -£66,000 (most are at £62K)

Cotswold District Council/West Oxfordshire District Council

Chief Executive	£100,000 - £105,000
Directors (x3 but 2 are shared)	£70,000 - £75,000
Heads of Service (x6 but 2 are shared)	£50,000 - £55,000
(x1)	£45,000 -£50,400

6. Conclusion Regarding Other Senior Management Posts

- 6.1 Taking all the above data into account, when compared to other existing joint arrangements in place within the region and the existing relativities between these posts and the Chief Executive it is recommended that the following salaries should be used:

Deputy Chief Executive & S151 Officer	£85,000
Strategic Director	£80,000
Assistant Chief Executive & Monitoring Officer	£63,500
Assistant Directors	£60,000

- 6.2 It is also recommended that these posts are placed on the terms and conditions as determined by the JNC for Chief Officers.

7. Other Considerations

- 7.1 Members will have noticed that both the joint arrangements between East Dorset District Council and Christchurch Borough Councils and West Dorset District Council and Weymouth & Portland Borough Council include a performance related pay (PRP) element relating to the Chief Executive's pay.
- 7.2 Anecdotally I can report that both partnerships have found it difficult to implement the PRP element satisfactorily by virtue of the fact that it is difficult to identify appropriate objectives against which performance can be robustly measured. Furthermore it is suggested with the benefit of hindsight such arrangements are unlikely to have been recommended had the authorities been aware of this difficulty when originally establishing the arrangements.
- 7.3 Members should also note that there is unfortunately little evidence of other more flexible approaches to remuneration packages for senior managers being operated in the region which could be used to inform arrangements for Taunton Deane Borough Council and West Somerset Council.

8. Recommendations

- 8.1 That Members consider implementing the following remuneration levels:

Chief Executive	£110,000
Deputy Chief Executive & S151 Officer	£85,000
Strategic Director	£80,000
Assistant Chief Executive & Monitoring Officer	£63,500
Assistant Directors	£60,000

- 8.2 That the Joint Chief Executive remains on terms and conditions as determined by the JNC for Chief Executives and the other posts listed above receive terms and conditions as determined by the JNC for Chief Officers.

Ian Morgan
Head of HR Services
South West Councils
17th September 2013

APPENDIX 5

JOINT MANAGEMENT IMPLEMENTATION ARRANGEMENTS

APPOINTMENTS SUB COMMITTEE

It is recommended that Group Leaders have the opportunity to nominate members to be part of the Appointment Sub-Committees and that the respective Monitoring Officers ensure that the Sub-Committee is representative.

All nominated Members will be required to attend training prior to sitting on the Appointments Sub-Committee.

For the majority of shared management posts it is proposed that the Appointments Sub Committee is comprised as follows:

Three Members from TDBC at least one from the Executive;

- 1 Conservative
- 1 Liberal Democrat
- 1 Labour/Independent

Three Members from WSC at least one from Cabinet

- 2 Conservative
- 1 Democratic Alliance

Chief Executive and/or Director if previously appointed plus a representative from HR.

However the Appointments Sub Committee may be comprised as follows where the particular post is predominantly funded by the Taunton Deane HRA.

Five Members from TDBC at least one from the Executive;

- 2 Conservative
- 2 Liberal Democrat
- 1 Labour/Independent

Two Members from WSC at least one from Cabinet

- 1 Conservative
- 1 SDemocratic Alliance

Chief Executive and/or Director if previously appointed plus a representative from HR.

Selection Process

Recommend using the following selection methods:

Face-to-face interview
Occupational Personality Questionnaires
Management Scenarios
Written Report
Presentation

Where only one suitably qualified applicant has applied for a ring fenced post the Chief Executive/Director will discuss with Appointments Sub Committee Panel Members whether all of the above selection process elements will be used.

Support through the Process

Professional support for senior managers will be made available which may include 1:1 coaching, a workshop to prepare individuals for interview and selection or other approved actions.

The final arrangements for this to be delegated to the Chief Executive.

Finance

Budgetary provision of £10,000 to be made available from existing Project and training resources at WSC and TDBC, respectively.

This expenditure to be split on an 80/20 basis based on assumed numbers of affected staff.

APPENDIX 6

Equality Impact Assessment –Joint Management Proposals

Responsible person	Martin Griffin	Job Title	Retained HR Manager/HR Consultant
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy or service		
	Change to Policy or Service		
	Budget/Financial decision - MTFP		✓
	Part of timetable		
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)	Joint Management Proposals - WSC and Taunton Deane Borough Council		
Section One – Scope of the assessment			
What are the main purposes/aims of the proposal?	<p>The aim is to</p> <ol style="list-style-type: none"> 1. Create a Joint Management Team to serve both WSC and TDBC 2. Reduce the cost of senior management within the guidelines set out in the Business Case (23% financial reduction). 3. Bring greater resilience and critical mass for WSC in particular and capacity to drive forward the shared services project and the separate and ambitious agenda of both Councils in relation to Hinkley Point, Taunton’s growth agenda and both Council’s corporate and community priorities. 		
Which protected groups are targeted by the proposal?	None		

<p>What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....</p>	<p>Data – what does this tell you</p> <ol style="list-style-type: none"> 1. Characteristics of the affected staff group – clear numbers involved for each category <p>Engagement undertaken that has been used to support data and identify impacts:</p> <ol style="list-style-type: none"> 1. Consultation with UNISON on development of proposals and plans for implementation 2. Consultation with affected staff group <p>Data available within HR systems and with Project Team</p>	
<p>Section two – Conclusion drawn about the impact of proposal on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality</p>		
<p>The proposals reduction may have the following impact:</p> <ul style="list-style-type: none"> • Women <ol style="list-style-type: none"> 1. Based on the known volunteers for redundancy there may be a reduction in the number of female senior managers within the top three tiers of the organisation (TDBC) albeit there will be an increase in the number of female senior managers within the top three tiers at WSC. 2. The final percentages will not be known until after recruitment to vacant posts which includes some external advertisements. 		
<p>I have concluded that there is/should be:</p>	<p>No major change - no adverse equality impact identified</p>	
	<p>Adjust the proposal</p>	
	<p>Continue with the proposal</p>	<p>But ensure that final outcomes are monitored and that external adverts are placed in media which will ensure that female, ethnic minority and candidates with a disability are reached. Ensure HR policies and procedures are adhered to.</p>

	Stop and remove the proposal	
Reasons and documentation to support conclusions	The negative impacts will be mitigated by the actions set out above whilst ensuring HR policies are adhered to.	
Section four – Implementation – timescale for implementation		
<ul style="list-style-type: none"> • Consultation with affected staff group and UNISON during the period 1 to 31 October 2013 • Corporate Scrutiny meetings in WSC and TDBC on 24 October 2013 • Full Council meetings in WSC and TDBC on 12 November 2013 • Subject to Full Council decisions to approve the Shared Services Business Case the Joint Management proposals will be implemented by 1 January 2014 except for external appointments. 		
Section Five – Sign off		
Responsible officer: Martin Griffin Date: 24/09/2013	Management Team Date	
Section six – Publication and monitoring		
Published on		
Next review date	Date logged on Covalent	

Action Planning - The table should be completed with all actions identified to mitigate the effects concluded.

Actions table					
Service area	Joint Management Proposals		Date	24 September 2013	
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions
Impacts on reduction on females within senior management	Ensure recruitment follows approved procedures and external advertisements encourage applicants from under represented groups.	Retained HR Manager	Before external recruitment and during all internal processes	Monitoring of final outcomes and ongoing consultation with UNISON	Unknown
Need to ensure HR Policies are adhered to.	SW1 HR to implement against agreed policies.	SW1 HR Manager	During implementation phase 13 November to 31 December 2013 (and beyond for external advertisements)	Monitoring by Retained HR Manager and ongoing consultation with UNISON	Compliance with policy and free from challenge.