

**Minutes of a Meeting of the
Joint East Devon and South Somerset Scrutiny Panel held
at East Devon Business Centre, Honiton
on 23 September 2010**

- Present:** Councillors:
Sue Steele (Chairman)
Ray Bloxham (Vice-Chairman)
- Bob Buxton
Roger Giles
- Peter Seib
Angie Singleton
Steve Wragg
- Also present:** Vivienne Ash
Marion Olive
Jo Roundall Green
Sylvia Seal
- Officers:
Lyn Lockyer – Member Development Officer
Emily McGuinness – Scrutiny Manager
Debbie Meakin – Democratic Services Officer
- Apologies:** Roger Giles
Helen Parr
Carol Goodall
Pat Martin
- Mark Williams – Chief Executive

The meeting started at 10.00am and ended at 12.00noon.

7 Chairman's Opening Remarks

Sue Steele welcomed everyone to the second meeting of the Panel. She advised Members that the previous meeting of the Panel for 12 August 2010 had been cancelled due to the cancellation of the Joint Integration Committee meeting in the same month.

8 Declarations of Interest

There were no declarations of interest made by Members for this meeting.

9 Shared Service Authority examples

Members considered the research findings, undertaken by officers and Members through contact with other authorities, including Vale of White Horse and South Oxfordshire District Councils; Adur and Worthing Borough Councils; and Bromsgrove and Redditch Borough Councils.

It was clear from the outset that there was no "one size fits all" solution and each transformation had taken a slightly different approach. There were some common issues and these were set out in the research findings.

Geographical location

No other authority consulted in this exercise had a geographical issue, as all were relatively close and of a smaller population. This meant that the Chief Executive could, in those cases, be quickly on site if required.

Members had concerns over the geographical split between East Devon and South Somerset for the future, including:

- A need for a senior local contact at each site, as evidenced by the research. It was not clear from the proposed management structure, currently in draft form, how cover would be provided for the shared Chief Executive in his absence;
- Consider the use of technology to enable video conferencing, looking specifically at its real time worth as opposed to face-to-face contact; and if the cost of implementing such technology would outweigh travel costs and savings required. This information could be obtained from existing international/multi-centre businesses and other Councils where video conferencing has been utilised to establish best practice;
- Rising cost of travel claims if many officers have to travel between sites; plus lost working time due to travel;
- Should a joint headquarters be considered as an option to help mitigate travel implications, whilst maintaining sovereignty of each authority?

Use of outside support and consultants

Members were mindful of a balance between the cost of consultancy and having an objective, independent consideration of the transitional period for both sharing management and services.

Recruitment Process

Members were sympathetic to the pressures that officers were under to work on the transformation agenda whilst having, potentially, to apply for new posts under a new structure. Research had raised common issues around the fear of high redundancies and the loss of quality officers. Advice offered from this research was that appointments should be made on merit and not 'best fit' from existing employees, as the key was to have the right people in place to drive the sharing agenda forward.

Members considered the approach by Bromsgrove and Redditch, in offering support through experiencing assessment centres and interview practice, to be a valuable one.

Members were also concerned about the loss of good officers and the national shortages in trained personnel in some roles, such as Planning.

The value of an independent person, either a paid consultant or secondment, was debated by Members as to the cost balanced against the merit. On balance, Members felt that an independent element in the recruitment process would help demonstrate a fair process and help protect both Councils against appeals or challenges.

Shared Management Structure

No clear template of a structure had become clear from the research undertaken. Common messages received from those consulted included:

- Essential to maintain enough in-house capacity whilst transition is taking place;
- Keeping separate HR, legal and payroll systems until the final stage of sharing services, in order to avoid paying for costly external advice and to cope with the workload;
- Appoint senior management team first before looking at other potential shared services, as those appointed to senior posts will want to shape the services they cover.

Members agreed that the huge workload for officers, in both keeping day-to-day operations, and developing a shared service, would cause problems unless the roles were properly resourced. Members asked, if senior management were taking a purely strategic role in their service delivery to core objectives and its future development with the shared agenda, would management or officers further down in the organisation be expected to take up additional operational work?. This could lead to officers leaving their posts because of excessive workload or job evaluation triggers.

Some Members also felt that the draft structure prepared by the Chief Executive was still of a silo nature and needed to be based more around place (for example planning and housing should be a closer link); and that the fixed term role of Organisational Development was too large a role for one individual whilst the transformation was taking place.

There was also concern that the draft structure did not immediately or obviously relate to the core objectives of each Council; these agreed objectives still had to be delivered.

Terms and Conditions of employees

Research had highlighted a number of difficulties faced in harmonising terms and conditions of employees for two authorities, with research revealing that some areas were still resolving issues. Imbalance in terms had the potential for costs in claims. A special purpose vehicle (SPV) as a third sector for handling the terms, conditions and pay could be another option.

Project Management

Research had confirmed Members' initial thoughts on the importance of treating the sharing of services as a project, with good management tools and techniques needed from the outset. Members also felt that the presence of a Project Manager gave an assurance to both Members and officers that there was clear oversight of the project as a whole without the distraction of day-to-day operational duties. It was clear that the JIC itself did not act as a project manager, purely to consider each stage and its progress as it evolved.

Joint Decision Process

Other sharing councils had a similar approach to the JIC to start, but had found that a faster decision making process was needed. Adur and Worthing in particular stressed the benefits of holding simultaneous Executive meetings on shared services issues, allowing common issues to be addressed as they are identified for both authorities. Other authorities had designated their JIC equivalents as decision making bodies by delegating appropriate Executive functions and amending constitutions.

Some Members held concern of devolving powers down to the JIC as they felt that their views may not be taken into account. Other Members stressed that effort had to be made to attend Executive meetings and make their views heard; generally the concept of simultaneous Executive meetings was well received.

Generally

Members were not clear how the JIC was proceeding, when research showed that the new management structure needed to be put in place before tangible business cases for shared services could be fleshed out. It would be helpful for Members to see a definitive timeline and process of work, mapping out each step of the shared agenda.

Many Members felt that it was key to appoint the top tier of management first, before deciding on the levels below – this was a role for the newly appointed directors to undertake.

A joint meeting of the respective Audit Committees to closely monitor the financial issues as transition took place should also be considered.

Some questions arose which Members would have liked to refer directly to the Chief Executive, who had given his apologies for the meeting as he was attending an Audit Committee at SSDC:

- Who had he consulted with in discussing their experience with drawing up a shared management structure?
- Are the management roles in the draft structure purely strategic roles, or is an operational level included? How would this impact on the demands on roles further down the structure?

RECOMMENDED

1. that consideration be given to having an independent element for the recruitment process for populating the revised management structure, in the interests of providing objective advice and perspective;
2. that a timeframe and process for harmonising terms and conditions across the two authorities be provided, as this has not been clearly identified in documentation to date;
3. that evidence be produced to prove that sufficient in-house capacity to support both authorities through the transition stage will be in place;
4. that evidence of clear project management for the implementation of a shared management structure (if approved) and the implementation of shared services be provided;
5. that the appointment of the Shared Strategic Directors be carried out as a first step to allow them to help form the Assistant Director tier as they deem appropriate for the emerging shared service; and that clarity be provided on the Assistant Director tier to establish what their role involves in terms of strategic and operational level; and what capacity those roles hold to manage the change, as well as continue delivering day-to-day services.
6. that each Executive of the respective District Councils consider holding simultaneous Executive meetings when considering recommendations from the JIC, in the interests of expediency and allowing members to discuss issues collectively;

10 **Business Plans**

Although some comment had been made on the plans during the previous item, the Panel felt that further debate should take place after the next meeting of the JIC.

11 **Date of Next Meeting**

The next meeting of the JIC was scheduled for 28 October 2010; the next Joint Scrutiny Panel set for 29 October 2010 at 10.00am at the Stringfellow Room, Chard. Some Members did complain about the suitability of the Stringfellow Room in regard to hearing and seeing other Councillors during debate. Officers would look into other venues and associated costs.

Chairman Date.....