

CABINET

19 March 2013

Title: Proposals for Further Shared Central Services	
Report of the Chief Executive	
Open Report	For Decision
Wards Affected: None	Key Decision: Yes
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Accountable Divisional Director: n/a	
Accountable Corporate Director: Graham Farrant, Chief Executive	
Summary: This report sets out progress on reviewing the opportunity of shared central services with Thurrock Council.	
Recommendation(s) The Cabinet is recommended to agree: (i) That consultation begins with staff on proposals for shared communications and policy, performance and strategy functions with Thurrock Council. (ii) To delegate to the Chief Executive, acting in consultation with the Leader of the Council, authority to agree and implement the proposed joint structure following the completion of formal consultation, to provide a shared service with Thurrock Council for communications and for policy, performance and strategy.	
Reason(s) To assist the Council in achieving its Policy House theme "A Well Run Organisation".	

1. Introduction and Background

- 1.1 In July 2012 it was agreed that the Chief Executive of Thurrock Council would act as Chief Executive of Barking and Dagenham Council on an interim basis and that further opportunities for joint management would be explored. This was intended to demonstrate the possibilities and options of building on the existing shared Legal Services and Monitoring Officer between the two Councils.

- 1.2 In October 2012 the Assembly agreed the detailed arrangements to operate a Joint Appointments Panel, with four Thurrock Members nominated to sit on the Panel. Thurrock Council's Cabinet in January agreed to the sharing of insurance functions between Thurrock Council and LB Barking & Dagenham.
- 1.3 In exploring these options, the Chief Executive has had conversations with the Chief Executives of Basildon, Medway, Southend and Havering councils. There has been no specific interest in pursuing arrangements to share these services and most have alternative sharing arrangements already in place for at least some of these functions.

2. Proposal and Issues

2.1 Communications

- 2.1.1 A full options analysis has been undertaken and a business case has been prepared exploring the opportunities for a shared communications service with another local authority. The analysis concluded that a shared service would achieve better outcomes both in terms of service provision and savings than retaining the current independent service in the Council.
- 2.1.2 Discussions have taken place with a range of local authorities, exploring the options. After discussions with Havering, Medway and Southend Councils, the overwhelming conclusion was that a shared communications service with Thurrock Council is the best solution at this time.
- 2.1.3 Work has subsequently been done to define a 'core minimum' shared communications service across both Councils which would result in a financial saving to each authority.

2.2 Policy, performance and strategy

- 2.2.1 A similar options analysis and business case has been carried out for a shared policy, performance and strategy service. The Barking and Dagenham service includes strategy and policy; corporate planning; performance; equalities and diversity (from April 2013); and community development (from April 2013).
- 2.2.2 There is commonality in the work carried out across local government in terms of data collection and analysis; performance management systems and reporting; in discharging statutory responsibilities for equalities and diversity; and in the methods and mechanisms for working with the voluntary sector and local communities. Sharing these services with another local authority would bring service delivery benefits, for example, sharing best practice, the shared procurement of support systems and key data; the transfer of key specialisms and expertise. It also brings greater efficiencies.
- 2.2.3 Work has subsequently been carried out to define a 'core minimum' shared strategy service with Thurrock Council. The service would secure the benefits outlined above and result in significant financial savings for the council.

2.3 Next Steps

- 2.3.1 It is proposed that staff in the policy, performance and strategy and communications teams of both Councils are now formally consulted on the proposals for a shared service and on structures that represent a 'core minimum' service.

3. Options Appraisal

- 3.1 Consideration of the options is referred to above.

4. Consultation

- 4.1 Consultation on the concept of sharing communications and strategy services has taken place with neighbouring authorities.
- 4.2 The Leaders of both councils have been consulted on the principle of sharing these services and on the proposals put forward. The Chief Executive and Directors of both councils have also been consulted.
- 4.3 Ongoing and specific consultation will now take place with the staff of each section affected by the proposals in this report.

5. Financial Implications

Implications completed by Jonathan Bunt, Divisional Director of Finance.

- 5.1 The financial implications of the proposed changes have been checked and, based on those proposals, the savings target of £350,000 across both councils will be delivered.
- 5.2 The expected saving for Barking & Dagenham is at least £200,000 and this has been taken into account within the Council's MTFS as it forms part of a wider saving approved by Assembly in February 2013.
- 5.3 In addition to these proposals, there are further savings relating to these services approved in the 2013/14 and 2014/15 budget approved by Assembly, e.g. the cessation of the News.

6. Legal Implications

Implications completed by: Fiona Taylor, Head of Legal and Democratic Services

- 6.1 There is a legal requirement to keep residents informed of council services, within the Local government Act and Local government Code of Publicity. The legal implications, especially employment law, for the proposals have been considered and processes put in place.

7. Other Implications

- 7.1 **Risk Management** - the consultation with staff will happen concurrently in both Councils to avoid the risk of inconsistent messages and the final decision will be made jointly by both authorities.

By creating a shared function, which has greater capacity than in each individual organisation currently, a greater resilience will exist to deal with the risk of losing of key staff and fluctuations in the volumes of work.

To ensure an effective and efficient shared service, the processes for each function will need to be reviewed to ensure they can be scaled to achieve the expected savings.

7.2 **Contractual Issues** - None

7.3 **Staffing Issues** – Consultation will now start with all staff from both teams in both Councils.

7.4 **Customer Impact** - The equality and diversity implications of changes to the communications service have been integrated into the approach. Issues of accessibility, reach and impact for all residents underpin the approach that will be taken. Equal opportunities law will guide the HR recruitment process to ensure a fair process for every member of staff affected by the proposals.

7.5 **Property / Asset Issues** – None.

Background Papers Used in the Preparation of the Report: None

List of appendices: None