

Appendix 1

Over-view of the report received by Cabinet to their meeting on 20 July 2010.

1. Background

- 1.1 South Holland District Council is situated in the neighbouring county of Lincolnshire sharing a boundary with Kings Lynn and West Norfolk DC. Their administrative headquarters are in the town of Spalding. Like us, they are a successful, well run local authority. Through contact with their Leader we were able to identify them as having the same ambition to find a suitable partner with whom to share chief executive and senior management structures. We have both had recent experiences which lead us to conclude that compatibility and a common purpose are more important in making these arrangements work than having a shared boundary. *[N.B. There is already a shared arrangement in the south west which operates in this way.]* Jointly we requested their chief executive to suggest how a joint arrangement might work, and he has presented proposals to us which give confidence that we can achieve our aims through working with South Holland.
- 1.2 The Leader of South Holland has informally shared our discussions with his elected members and these have been positively received. They have a meeting of their Cabinet today which is receiving a similar report to this. They will have a Council meeting on 11th August to formally agree to offer their chief executive on a contract basis to Breckland DC for the shared arrangement. This will enable our Council meeting on 12th August to appoint him.
- 1.3 The appointment of a joint chief executive is only the beginning of the arrangement. He will be charged with bringing forward proposals for an integrated management structure and a Memorandum of Understanding for joint working for the two Councils to approve. These will be required to be subject to consultation and scrutiny before final adoption and implementation.
- 1.4 The Memorandum of Understanding will include the agreement for sharing in investments and savings and joint governance arrangements. It is confidently expected that the integrated shared management will deliver significant savings in 2011/12 through shared services.

2. Key Issues

- 2.1 The senior management structure of a District Council represents a considerable investment. Forward thinking local authorities have been moving to arrangements whereby this resource is used more efficiently through servicing more than one local authority. There are a small but growing number of these arrangements operating successfully.
- 2.2 Whilst we are waiting for the detail of the Government's Comprehensive Spending Review (CSR), which will be published in October, it is already clear that we will be facing a reduction in funding from government in the order of 30% to 40% over the next four years. The Secretary of State for Communities and Local Government has made it very clear that he expects local authorities to find savings through better ways of working and not by service cuts, and that he would encourage more local authorities to share chief executives. Aside from this encouragement this is an efficiency which we had already recognised for ourselves but have not yet been able to implement.

3. Joint Management Structure

- 3.1 The Cabinet have agreed to release officer resources to work alongside South Holland to develop an integrated shared management structure and Memorandum of Understanding covering joint working. The timescale for this work will be for the initial proposals to be presented to Council and then subjected to consultation for final approval before the calendar year end. This will allow for implementation before the commencement of the next financial year.