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**BRECKLAND AND SOUTH NORFOLK COUNCILS**

**At a Meeting of the**

**JOINT OVERVIEW & SCRUTINY COMMITTEE - SHARED SERVICES**

**Held on Tuesday, 18 May 2010 at 2.00 pm in  
The Town Hall, Queens Square, Attleborough**

**PRESENT**

**Breckland Council**

Mr S.G. Bambridge  
Mr J.P. Cowen  
Mrs D.K.R. Irving  
Mr J.P. Labouchere  
Mr J.D. Rogers

**South Norfolk Council**

Mr L.G.P. Dale  
Mr D. Goldson  
Mr J.R. Herbert  
Dr C.J. Kemp  
Dr J.M. Gray (Substitute for Mr T Lewis)

**Also Present**

**Breckland Council**

Lady Fisher  
Mr R.F. Goreham  
Mr A.P. Joel  
Mr C. R. Jordan  
Mr R.G. Kybird  
Mr K. Martin  
Mrs S.M. Matthews  
Mr J.W. Nunn  
Mr A.C. Stasiak

**South Norfolk Council**

Mr D.J. Blake  
Mrs M. Dewsbury  
Mr J.M. Mooney  
Mr B.H.A. Spratt  
Mr K.E. Weeks  
Mrs J.M. Wilby  
Mr M.J. Wilby

**In Attendance**

Jim Brooks  
Mark Broughton  
Sandra Dineen  
Diana Dring  
Mark Finch  
Trevor Holden  
Robert Leigh

Helen McAleer  
Ken McNeil  
Emma Nangle  
David Peel  
Andy Radford

Kevin J Taylor  
Tanya Bandekar

- Sector Solace Consultants
- Scrutiny Officer, Breckland
- Chief Executive, South Norfolk
- Committee Officer, Breckland
- Head of Finance, Breckland
- Chief Executive, Breckland
- Marketing and Communications Manager, Breckland
- Senior Committee Officer, Breckland
- Sector Solace Consultants
- Scrutiny Officer, South Norfolk
- Communications Manager, South Norfolk
- Director of Governance and Finance, Breckland and South Norfolk
- Head of ICT, Breckland
- Shared Services Project Lead, South Norfolk

**6/10 MINUTES**

The minutes of the meeting held on 17 March 2010 were confirmed as a correct record and signed by the Chairman.

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**7/10 APOLOGIES**

Apologies for absence were received from Mr T Lewis (South Norfolk).

**8/10 URGENT BUSINESS**

There was none.

**9/10 DECLARATION OF INTEREST**

Dr C.J. Kemp (South Norfolk) declared a personal interest in Agenda Item 6 (Business Case) by virtue of his son working for Capita.

**10/10 SHARED SERVICES**

South Norfolk's Chief Executive presented the report and explained that it had been adopted by both Councils.

The report had been presented to South Norfolk Full Council meeting first, together with some tabled amendments. The report subsequently presented to Breckland Council had included those amendments and they had made some further changes. It was confirmed that these changes had been due to constitutional anomalies and were not material differences and that Breckland had excluded the recommendation relating to payments due to those differences.

A South Norfolk Member said that it was important to record that although there were differences in terminology there was no difference in the substance of the reports.

The Breckland Chief Executive concurred and explained that the tabled amendments at Breckland had been to bring the recommendations in line with South Norfolk's. The only other area of change concerned the recommendation for sharing of costs. The Chief Executive costs would be a separate contract, all others would be a 50/50 sharing of salary costs.

**11/10 EXCLUSION OF PRESS AND PUBLIC**

It had been agreed that the following item would be discussed in open session therefore no resolution to exclude the Press and the Public was moved.

**12/10 BRECKLAND AND SOUTH NORFOLK COUNCILS SHARED SERVICES BUSINESS CASE**

The Chairman introduced this item. He said that there was a lot of detail in the report and suggested that the Committee went through the Executive Summary page by page with the Consultants initially, followed by a more in depth examination of issues arising.

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Mr J Brooks, of Sector Solace Consultants, presented the Executive Summary. He said there were clear similarities and important differences between the two Councils. The Consultants had looked for the capacity to form a more sustainable and more powerful operation. He was proud of the analysis which had used a complex model and which gave both Councils the means to make informed decisions. He said the key question was "Do you want to be Partners?"

The Chairman asked why the Consultants believed that the figures quoted in the report were achievable and Mr K McNeil explained that a lot of detailed work had been carried out and the figures were a robust and conservative estimate of savings from shared services. They had looked at the characteristics of each authority, at the resource levels and the demands on services. It had not been an easy exercise. They had also looked at benchmarks and comparisons with other authorities. Some savings had been obvious: one Chief Executive, one Head of Paid Services and one law library for example. They were confident about their projected figures for the Management Team and believed that economies of scale would be found in the back office services. In other areas savings would be much more limited.

Speed was important, but too much speed could lead to increased redundancy costs, therefore these had been spread over the first two to three years. The projected savings would be dependant on having a single integrated Management Team and achieving the critical mass to move forward. It was a powerful financial case.

There was discussion about the savings and how they would be split between the two authorities. A South Norfolk Member suggested that the split was not the main concern, what mattered was the fact that there were overall savings to be had for the residents of both authorities.

A Member asked if the savings assumed a similar level of service and Mr McNeil confirmed that it had been assumed that services would be maintained and improved.

During discussions two areas of concern that were raised were the lack of a framework agreement and the need to agree governance arrangements. A Member also raised the potential problem of the partnership being a servant to two masters.

The Breckland Chief Executive said that governance meant different things to different people and he suggested that the CIPfA Guidance was a useful model. He also felt that each authority already successfully worked for more than one master. He said that work was underway to develop a framework and he suggested that Members should test the Business Case.

Mr J Mooney (South Norfolk Member) speaking from the floor, said that he hoped the project succeeded because it would be good for the Council and for residents. He said that apart from a framework and the Business Case a shared vision was needed.

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He asked the Leaders of both Councils to confirm that they were fully committed to the partnership.

William Nunn, Leader of Breckland Council, confirmed that he was completely behind the proposal. The savings would allow the continued delivery of quality services at a time when the public sector was expecting more and more cuts.

Mr M Wilby, Deputy Leader of South Norfolk, also confirmed that they were committed to shared services and to putting residents first, but when pressed would not confirm that he was behind the shared service with Breckland.

A South Norfolk Member then questioned the proposed savings in relation to Revenues and Benefits. He said that South Norfolk had a benefits unit rated as best in the country and he asked if the savings would be found by reducing the quality of the service.

The Consultants confirmed that Revenues and Benefits was an area where they had looked closely at costs and staffing levels and had taken a conservative approach to the proposed savings.

The Chairman asked Members if, having heard the context they were happy with the concept of the Senior Management Team and this was agreed.

A Member asked who would be the employing authority in relation to the Senior Management Team and the shared back-office service. The Consultants advised that each member of staff should have a contract with one or other Council. It would need careful management and staff Terms and Conditions would need to be preserved.

A South Norfolk Member suggested that if a Joint Venture was formed it would give the opportunity to provide additional savings through a review of salaries and pensions. It was pointed out that this was not an issue that arose at this stage of the process but was an option for the future.

The Chairman then moved discussion on to back office services. The Consultants had suggested that there would be future potential to reduce costs providing the two authorities had alignment.

There was further discussion about the differences between the two Council's Revenues and Benefits services. The Chief Executive of South Norfolk suggested that a need might arise to standardise service levels.

Economic Development was also an area dealt with differently by both Councils. The Consultants had seen this as an area where benefits would come from the sharing of expertise. A joint strategy could benefit both authorities and provide savings.

Outsourced services were then discussed. A South Norfolk

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Member asked how the Breckland contracts were monitored and it was explained that there were regular reports to the Overview and Scrutiny Commission and satisfaction surveys sent to residents.

In response to a question about changes to contracts the Leader of Breckland Council confirmed that he would be willing to look at performance and productivity and if there was a better way to provide a service they would consider change to provide best value for residents.

The Chairman drew Members' attention to page 54 of the Agenda (page 27 of the Report) which addressed areas of difference. He felt that ICT was crucial in understanding how the authorities could work together. He was also concerned about resilience and the risks of failures.

The Breckland Head of ICT confirmed that the different systems used by the Councils were compatible and could be integrated.

A South Norfolk Member was concerned about transition costs and asked what impact the reduction in REIP funding would have. It was confirmed that the Business Case was not dependant on REIP funding.

The impact of the Business Case on staff was discussed. The Chief Executive of South Norfolk said there was a degree of concern and worry from staff. There were also problems caused by vacancies which remained unfilled whilst discussions progressed.

The Chairman moved discussions on to page 65 of the Agenda (page 38 of the Report). He felt that there was a large piece of work regarding Risk which the Audit Committee should undertake. A South Norfolk Member suggested that the whole Business Case should be considered by both Audit Committees.

Further concerns were raised by South Norfolk Councillors about the pace of change and one Member reminded JOSOC that although they were 'in principle' in favour of shared services and working with Breckland, it was on the basis of a non-exclusive preferred partner arrangement.

It was pointed out that the reports adopted by both Councils on 10 and 13 May 2010 respectively had perhaps moved beyond this point, at which the Leader of Breckland Council clarified that this position allowed for the continuation of ARP and CNC for example.

A Breckland Councillor suggested that the first layer of detail had been identified and the focus could now turn to Governance and Risk which needed to be sorted out before they could move forward.

The Chairman suggested that the figures in Section 5 of the Report should be deferred for consideration by the Audit

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Committees of both Councils. He then referred Members to the Implementation Plan.

A South Norfolk Member was concerned that there was insufficient capacity to get the programme through on schedule. The Chairman pointed out that costs were included in the plan to pay consultants if necessary.

The Chief Executive of South Norfolk noted that more resources were being spent on working through individual issues due to the lack of a framework and once that was in place, things would move forward more quickly.

Finally, Members considered the recommendations.

A Breckland Member said that it was necessary to record what the Audit and Scrutiny Committees of both Authorities would do. A South Norfolk Member reminded JOSCS that in South Norfolk governance was not a matter for the Audit Committee but came under the Scrutiny Committee's standing remit in relation to democratic structures. It was agreed that the relevant Committees would consider the detailed financial information and risks as outlined in the Business Case. It was also agreed that the Governance arrangements, once written, would be considered by the relevant Committees of both Councils. It was also suggested that the recommendation to align the governance arrangements should be moved up the order and should precede the establishment of the back office service provision.

Members agreed to delegate the exact wording of the recommendation to Mr Cowen (Breckland) and Dr Kemp (South Norfolk).

Councillors Kemp and Cowen thanked the consultants from Sector and Solace for their report that was clearly the result of positive collaboration with the respective officer corps of Breckland and South Norfolk. The JOSCS had accepted that the recommendations were based upon sound evidence and whilst the actual quantum of the cost savings over the period were forecasts and subject to review, it was clear that pursuing a joint shared service arrangement could produce tangible and worthwhile savings and therefore benefit the residents of both Breckland and South Norfolk. The JOSCS therefore commended the Report and its recommendations to the respective Cabinets of Breckland Council and South Norfolk Council.

The JOSCS nevertheless expressed concern at the lack of progress with regard to governance arrangements and asked that priority be given to the preparation of the draft Framework Agreement.

**13/10 NEXT MEETING**

It was agreed that the next meeting would be held on Friday 11 June 2010 at 2pm at Ketts Park Centre, Wymondham.

**Action By**

The meeting closed at 5.02 pm

CHAIRMAN