

# **Joint Working Report, South Somerset District Council and Sedgemoor District Council**

*Executive Portfolio Holder:* Ric Pallister, Leader, Strategy & Policy  
*Strategic Directors:* Vega Sturgess, Interim Chief Executive & Strategic Director  
Rina Singh, Interim Chief Executive & Strategic Director  
*Contact Details:* Vega.sturgess@southsomerset.gov.uk, 01935 462200  
Rina.singh@southsomerset.gov.uk, 01935 462010

## **1. Purpose of the Report**

- 1.1 Over the last few months, South Somerset has been on a journey of exploration, looking at a wide range of options to ensure that the council continues to be sustainable in the face of continuing cuts in funding.
- 1.2 As part of this work, Sedgemoor and South Somerset District Councils have been exploring how they might increase service delivery resilience, increase national and regional influence and make savings by closer working together. A joint business case is now available for consideration by both authorities. Solo business cases for both authorities have also been produced for comparative purposes.
- 1.3 The purpose of this report is to present Full Council with the joint and solo business cases as requested by Council in October 2015.

## **2. Recommendations**

That Full Council:

1. Does not create a Joint Authority at this time.
2. Requests that the Working Group investigates a Strategic Alliance between the two authorities and bring forward proposals for the scope of such an alliance to Full Council in May 2016.
3. To retain the Joint Leaders Advisory Group to drive and monitor progress on the creation and implementation of a Strategic Alliance.
4. Review the proposals again against the emerging regional situation in December 2016.
5. Agree that initial priorities for inclusion in any strategic alliance are:
  - A Joint Income Generation Board to generate ideas and seek potential joint initiatives.
  - To continue monitoring of opportunities across the two authorities so that, where possible, vacant posts are filled in either council without the need for external recruitment.
  - A review of potential opportunities for alternative means of service delivery that would be unaffected by the scope of transformation.

### **3. Executive Summary**

- 3.1 A Joint Leaders Advisory Group (JLAG) was set up with four elected members of each authority. It has now developed a headline business case for a Joint Authority (where staff are fully integrated from senior management down, delivering services for both authorities) alongside a headline Solo Business Case in each authority. As the research to develop these headline business cases continued JLAG has also considered whether other options are possible.
- 3.2 Councillors from both authorities are now being asked to make a decision on which direction to take using the underpinning evidence within the headline business cases. Depending on the option chosen, more work is needed to develop full business cases, action plans and timelines.
- 3.3 The following points should be noted as a summary of the decision-making process of the working group:
- (a) The savings required by South Somerset District Council by 2020 are £4.1m.
  - (b) The total savings for SSDC from a Joint Authority are in the region of £1.2m out of a shared pot of £2.5m over a period of 5 years.
  - (c) Therefore the savings from a joint authority are insufficient to meet the budget gap without transformation as well.
  - (d) The savings within the Solo Business Case show a total that could be achieved of £4.2m over a period of 4 years.
  - (e) SSDC believes that transformation needs to be started without delay in order to meet the total savings required.
  - (f) Sedgemoor DC are currently not ready for the transformation model that SSDC will bring to District Executive in March 2016.
  - (g) It has been extremely useful working closely together with Sedgemoor DC over the past few months. Positive work has generated many ideas and we can see the potential for a significant amount of partnership working to be possible in the future.
  - (h) The logical next step is to investigate a strategic alliance, focusing at the beginning at resilience and how best to increase sub regional influence, seeking income generation and exploring other savings opportunities.

### **4. Approach taken**

- 4.1 Members will recall that both South Somerset and Sedgemoor District Councils agreed to explore the opportunities that could be achieved by closer joint working. The rationale behind pursuing joint working was threefold:
- To contribute to the savings targets required by both authorities.
  - To increase resilience in service delivery.
  - To increase influence on the national and regional stage at this vital moment of significant change in local government.

- 4.2 Both the Joint and Solo headline business cases have been developed within the original timescales agreed by Full Council. It is important to note that these headline business cases are designed to give sufficient information to make a decision on which route to follow. More work would be undertaken, depending on the decision taken by both Full Councils, on developing more detailed business cases, action plans and timetables for implementation.
- 4.3 The headline business cases are attached to this report. *Appendix One – Joint Business Case and Appendix Two – Solo Business Case.*
- 4.4 The joint work of the JLAG and of the officers has been positive and has come up with some interesting results. At the same time there have been some significant changes in the national and regional context for local government.
- 4.5 We can see good opportunities for future which offer a sensible route forward, retaining the ability to act quickly and flexibly as the national context changes.
- 4.6 At the same time a Scrutiny “Journey of Exploration” task and finish group has been established with 14 councillors to increase member engagement and look at the process. *Their report is attached at Appendix Three.*

## **5. Conclusions of the Joint Leaders Advisory Group**

- 5.1 From the work of the Joint Leaders Advisory Group (JLAG) and political discussions between the senior leadership teams of both authorities there is a clear recognition that both authorities will benefit from creating a strong alliance, delivering some quick wins and building confidence.
- 5.2 As work has progressed on both the solo and joint business cases on the consideration of creating a Joint Authority, other external factors have come into play to which will require significant capacity within the senior management teams over the short term. These include:
  - (a) A need to concentrate on the current Devolution discussions, which if approved and implemented, will have a considerable impact on both authorities. Both authorities want to focus on their input into discussions with Government ministers in the spring followed by more detailed work to develop implementation plans with the potential for a Combined Authority being created later in the year.
  - (b) Both authorities want to ensure the best outcome arising from the uncertainty over Government intentions over Joint Authorities and Combined Authorities and the use of Secretary of State powers to “direct” Local Authorities into partnerships, regardless of the wishes of any authority.
  - (c) The probability of a final ‘Sign off’ on Hinkley C and the speed with which this decision could impact on Sedgemoor District Council (SDC).
  - (d) The desire of South Somerset District Council (SSDC) to commence the early implementation of a transformation programme to improve the service to the customer while making savings.

- 5.3 The Joint Business Case does bring savings, however the JLAG has concluded that despite the savings that can be achieved in later years, the initial savings for both authorities would not be as great as first thought and the once off costs, including redundancy, are significant.
- 5.4 Additionally, the Solo Business Plan shows that SSDC can meet the currently identified savings targets necessary over the next 4 years without significantly impacting on front line Council services.
- 5.5 The Joint Leaders Advisory Group (JLAG) now believes that both authorities will be better placed at this juncture by moving forward with a Strategic Alliance rather than an initial merger starting at senior management level. This alliance would capitalise on the opportunities articulated in both the joint and the solo business cases. JLAG confirmed that they have commitment to developing a closer working relationship
- 5.6 Given the Government's clear plans to create a new Local Government landscape it is evident that in a very short period of time, Somerset may not look the same. For both Authorities the need for a strong presence at any negotiating table is paramount and we intend to capitalise on the increased influence that would come from a Strategic Alliance. In the past few years we have shown that we are undoubtedly stronger together than we are individually.
- 5.7 JLAG has concluded that the timing is not quite right to create a Joint Authority along the conventional lines of starting with a joint senior management team. Should Full Council agree that this, the next step is to clearly articulate what a Strategic Alliance means and how it can deliver enhanced resilience and influence for both South Somerset and Sedgemoor.

## **6. Underpinning principles of a Strategic Alliance**

- 6.1 A Strategic Alliance (SA) can be interpreted differently by individuals so it is important to have a broad common understanding. A simple definition of 'strategic alliance' is that it is an agreement or understanding between two sovereign organisations that provides for both the sharing of skills and other resources and also provides for them working together collaboratively in pursuit of a mutually beneficial goal.
- 6.2 Time and again in recent years, SSDC and SDC have found themselves in the same place on major issues. The Flooding response is the most recent. The Leaders have always enjoyed a strong and positive relationship and there is a common desire to work closer together to increase influence and resilience. There is also the desire of both authorities to accelerate a major thrust on Income Generation.
- 6.3 However, even now there are indications that there are a number of areas that could bring quick wins in the early stages of an alliance action plan:
- (i) A joint approach to recruiting to vacant posts. A protocol has already been developed that would enable staff from both authorities to have preferential opportunities to apply for vacant posts in the other authority before advertising went externally. This approach is outlined in Appendix Four. This allows a flexible approach to minimise the risk of compulsory redundancies.
  - (ii) Savings are not the only option to balance budgets. There is a clear need for both authorities to think even more commercially and use our capital or borrowing power to generate income streams. Income generation is but one ingredient to a future business model. By sharing resource and working

together on Income Generation and Procurement, possibly through the creation of an external trading company, we will be able to provide a stronger team to progress this initiative.

## **7. Conclusion**

- 7.1 The option of moving towards a Strategic Alliance is recommended. It offers quick wins and a chance to build joint confidence. Working together will also stand us in good stead as work proceeds on the changing national and regional local government picture.

## **8. Financial Implications**

None directly arising from this report.

## **9. Council Plan Implications**

None directly arising from this report.

## **10. Carbon Emissions and Climate Change Implications**

None directly arising from this report.

## **11. Equality and Diversity Implications**

An Equalities Impact Assessment has been carried out and is attached to the appendices

## **12. Privacy Impact Assessment**

None arising from this report

## **13. Background Papers**

Report to Full Council, 22 October 2015

---