

Committee(s): Audit & Scrutiny	Date: 5 July 2022
Subject: #OneTeam Transformation Programme	Wards Affected: all
Report of: Jonathan Stephenson	Public
Report Author/s: Name: Steve Summers Telephone: 01277 312500 E-mail: steve.summers@brentwood.gov.uk	For Decision

Summary

The purpose of this report is to provide an update to the Committee on the progress of the #OneTeam Transformation Programme.

The Committee is invited to pre-scrutinise the s113 Agreement and propose recommendations to Policy, Resources & Economic Development Committee (PRED) before its formal execution. The purpose of pre-scrutiny is to provide robust and constructive challenge and make any comment or suggestion which will improve the quality of the s113 Agreement before it is executed.

Recommendation(s)

Members are asked to:

R1. Note the progress of the #OneTeam Transformation Programme.

R2. Consider the draft s113 Agreement and to provide robust and constructive challenge and make recommendations to Policy, Resources & Economic Development Committee as it sees fit.

R3. To recommend that Policy, Resources & Economic Development Committee, subject to recommendation 2, approves the draft s113 Agreement.

Main Report

Introduction and Background

1. On 26 January 2022 (the “January Meeting”) the Council resolved to agree the Strategic Partnership between the Council and Rochford District Council (RDC) and appointed Jonathan Stephenson as the Joint Chief Executive for both councils. In addition, Council delegated authority to the Joint Chief Executive to undertake a restructure of Tiers 2 and 3 of the councils in consultation with the Leader of each council.

2. At the January Meeting, the Council further approved the Heads of Terms which underpin the Strategic Partnership and delegated authority to the Joint Chief Executive and the Monitoring Officer in consultation with the Leader to enter into a Memorandum of Understanding (“MOU”) and s113 Agreement to give effect to the Strategic Partnership. The Committee will recall that the Heads of Terms set out the key points and principles which underpin the Strategic Partnership. From these the two councils have agreed the MOU which will set out in more detail how the partnership will work going forward. The MOU is not a contractual document but the obligations contained within it set a precedent for how the two councils intend to work together and so it is dependent on the trust and confidence which has been built through the process. The s113 Agreement is a more formal legal agreement created pursuant to s113 Local Government Act 1972 to make the councils’ respective workforces available to one another and to adopt harmonised terms and conditions; in the first instance for Tiers 1, 2 and 3 but going forward, subject to Business Cases, for the rest of the workforce.
3. Following pre-scrutiny of the arrangements by the overview and scrutiny committees of both councils prior to the January Meeting, the Council accepted their recommendations and at the January Meeting, the Council further resolved as follows:
 - that the MOU and s113 Agreement should make provision for robust Exit Arrangements and a Member-led Conflict Resolution Process
 - that the s113 Agreement comes to this committee for scrutiny before it is executed
 - that feedback from residents as to the impact of the partnership on services is regularly sought and reported upon.
 - That there be an early review of technology in Phase 2 of the Transformation Programme to identify threats and/or opportunities.
 - That the MOU and/or other document that underpins the Strategic Partnership makes clear that whilst the division of the savings achieved as part of the transformation process is to be agreed between the two councils, that the starting point for that discussion should be 50/50.
4. Since the January Meeting, there has been a significant amount of work to bring the vision of the Strategic Partnership to life. Creation of a single unified officer team as #OneTeam is at the heart of that vision and so the project has been titled the #OneTeam Transformation Programme.
5. It was noted at the January Meeting that the #OneTeam Transformation Programme will report annually to each council and to the Policy, Resources and Economic Development Committee (“PRED”) for the Council and

quarterly to the Executive for RDC. In advance of these meetings, reports will be presented to each council's Scrutiny Committee in order that questions can be asked and performance scrutinised and recommendations made. This report is the first of those planned reports.

Issue, Options and Analysis of Options

PROGRESS TO DATE

Pay structure harmonisation

6. The creation of a single unified officer team requires both councils' pay policies to align and accordingly, a report was brought to a meeting of the Council on 22 June 2022 where a new Pay Policy Statement was adopted. A report in near identical terms was taken to RDC on 15 June 2022 and the same resolution was made.

Senior Leadership Restructure – Tier 2

7. The first activity for the #OneTeam Transformation Programme has been the review of the senior leadership structure at Tier 2 (Strategic Director) and Tier 3 (Assistant Director/Corporate Director) levels. East of England Local Government Association (EELGA) has been supporting the Joint Chief Executive and both Leaders in this process.
8. The new Tier 2 structure has been in place since 28 March 2022. This was a reduction in FTE from 4 posts to 3 posts across both councils. Advice from EELGA was that although the roles had increased in volume (i.e. working across 2 councils) the job descriptions had not substantially changed and so were capable of assimilation without the requirement for a further appointment process. Accordingly, the working arrangements were achieved via a secondment arrangement in the short term as formal appointment could only be made once the new unified pay policy had been agreed by both councils.
9. The intention behind the new Tier 2 roles is that each Strategic Director will have a lead responsibility for a designated place/locality across both geographies. They will be the key point of contact for all strategic issues affecting that locality to ensure a customer focussed and inclusive community response. This will build strong, effective networks at local, county, regional and national levels to ensure that both councils' voices are heard, and views represented on matters that are important to the community. Each Strategic Director will also have responsibility for overarching programmes of work and will lead, champion and ensure delivery identifying and managing resources and stakeholders to ensure

success. All Strategic Directors will deputise for the Joint Chief Executive as directed. This may mean on key functional activity, consultations, or representing the councils at key events. A Strategic Director will be the designated Deputy Chief Executive to be the first point of call for strategic issues in the absence of the Joint Chief Executive.

10. The new Tier 2 roles are as follows:
 - Strategic Director (Deputy CEO) with particular corporate strategic responsibility for the customer experience, external partnerships, HR and governance and is the SRO (Senior Responsible Owner) for #OneTeam Transformation Programme who is the place lead for Rochford town and Shenfield. The role is out to recruitment following the resignation of the incumbent.
 - Strategic Director with particular corporate strategic responsibility for housing and development, assets, communities and health who is the place lead for Rayleigh and Ingatestone. The appointee to this role is Ian Winslet.
 - Strategic Director- with particular corporate strategic responsibility for finance, environment, planning and economic development who is the place lead for Hockley and Brentwood. The appointee to this role is Steve Summers.
11. It is proposed that the Council will formally appoint these Chief Officers in due course.
12. As set out at the January Meeting, it is proposed that a further saving of 1 post at Tier 2 will be created after the #OneTeam Transformation Programme is completed

Senior Leadership Restructure – Tier 3

13. A restructure of Tier 3, which is the Council's Assistant Director tier (Corporate Director tier at BBC) began on 11 April 2022. Following consultation, there is a reduction from the current 12 posts to 9. A structure chart is attached as Appendix A.
14. These new Tier 3 roles are intended to work across both councils but represent a step change in responsibility and skills from the current roles as well as a reduction in number. Accordingly, it is necessary to run a formal HR appointment process. EELGA has been supporting the Joint Chief Executive and both Leaders in this process.
15. As part of that formal appointment process the RDC Chief Officer Appointments Committee of the Council and the BBC Staff Appointments Committee were convened to participate in the selection process. On 1 June

2022 both committees met and resolved to each create a sub-committee to operate as a member interview panel.

16. Training for members of each sub-committee was provided on 13 and 14 June 2022.
17. On 15 and 16 June 2022 both sub-committees comprised the member interview panel and participated in the selection process for the Tier 3 roles. Both sub-committees were required to agree on the proposed candidate which they believed should be appointed. Each sub-committee then recommended that candidate to their originating committee. The RDC Chief Officer Appointments Committee and the BBC Staff Appointments Committee each met on 16 June 2022 to formally appoint the relevant candidates.

Creation of the Transformation Unit

18. In order to run the #OneTeam Transformation Programme, a Transformation Unit has been created. The Transformation Unit comprises the following:
 - SRO (Tier 2 Strategic Director)
 - Programme Manager
 - Service Delivery lead (Tier 3 Director to be confirmed)
 - Workforce Development lead
 - Comms & Engagement Workstream lead
19. A robust programme management methodology which supports delivery, reporting and management of risk has been set up. An external Programme Manager has been appointed and they have created a suite of tools:
 - Project plan
 - Risk register along with issues log and mitigations
 - Accumulative benefits tracker
 - Highlight reports
 - Programme resource tracker
 - Business case template and user manual
20. A temporary external appointment was made to the role of workstream lead for the Comms & Engagement Workstream pending re-structure of both councils' communications teams. The appointment has now come to an end. The external adviser had subject matter expertise in communications in a joint council setting and has produced a business case for change which will be taken through the programme governance in due course. The workstream lead has also curated an internal communications newsletter for

staff which provides information for all employees as to the progress of the #OneTeam Transformation Programme.

21. The workstream lead for the Workforce Development Workstream is an internal secondment following the re-structure of both councils' HR teams (see below).

Creation of Programme Governance

22. As part of the Transformation Unit, a formal Project Team has been established, comprising the Programme Manager, the SRO, the Joint Chief Executive and the workstream leads for Workforce Development and Comms & Engagement. It is intended that the workstream lead for Service Delivery will be within a Tier 3 role once the Tier 3 restructure has been completed. The Project Team meets monthly and its Terms of Reference are set out in Appendix B.
23. A Programme Board has been established, comprising the SRO, the Joint Chief Executive and both Leaders. The Programme Board meets at least quarterly and its Terms of Reference are set out in Appendix C. Notes of the Programme Board will be made available to members.
24. The main purpose of the Project Team is to ensure that business cases for change to services ("Business Cases") are presented to the Programme Board for agreement as part of Phase 2 of the #OneTeam Transformation Programme. Phase 2 is the alignment of service delivery and creation of joint working opportunities and is scheduled to take place from September 2022 to September 2024. Phase 2 contemplates that services delivered by both Councils will be transformed to optimise opportunities for improved delivery across both councils in order to achieve the vision and ambitions of the Strategic Partnership. Proposals for transformation of services will be subject to a robust service review methodology and captured in Business Cases.
25. To date, the Programme Board has agreed a Business Case for a single unified HR service which will operate across both councils. As there is no additional corporate governance required to give effect to that restructure, the implementation of the new team is moving ahead. The new structure comprises the joint appointment of HR Partnership Manager who will work across both organisations and be the Workforce Development Workstream Lead for the #OneTeam Transformation Programme. They also have line management responsibilities for 4 officers undertaking operational HR delivery in both councils (2 in each council).

26. A Business Case has also been produced for a unified Communications service which will operate across both councils. Due to risks associated with early implementation of this Business Case, Project Team has been delayed implementation to Phase 2 of the #OneTeam Transformation Programme to align with the review of Tier 4 and associated service reviews which is due to take place from September 2022 onwards (see below).

Roadmap

27. Phase 2 of the #OneTeam Transformation Programme will be delivered via a series of service review projects the order of which will be finalised once the Tier 3 restructure is complete. The integration of back-office services – the business of doing the business - will be a priority. This is because it will be important to stabilise the core of the councils' business and the new single officer leadership team to preserve service delivery and continuity. It will also be a priority to focus on improvements to the customer experience so that the benefits of the Strategic Partnership can be demonstrated to residents as soon as possible.

Key Change Champions

28. Those members of staff who are the Key Change Champions have been defined and a training programme to help them prepare for the role has begun. Key Change Champions are a fundamental component of the change management of the #OneTeam Transformation Programme. Key Change Champions represent the voice of the workforce and bring with them first-hand experience of operational delivery, ideas for how the business can be improved and the changes needed to make that improvement happen. They have drive and ambition to bring that to fruition; they are respected by their peers, and they have the ability to bring a strong staff "voice" to the project. More than 20 Key Change Champions from across both councils have been appointed to the group.

Creation of MOU and s113 Agreement

29. The draft s113 Agreement is set out at Appendix D. It has been drafted by external lawyers. In accordance with the recommendations of the January Meeting, the s113 Agreement comes to this committee for pre-scrutiny before it is executed. The draft is in the late stages of development but will require further amendments before it is ready for execution.
30. The recommendations of both councils' scrutiny committees have been captured within the draft:
- Exit Arrangements – this is set out in clause 24;
 - Member-led Conflict Resolution Process – this is set out in clause 23; and

- Whilst the division of the savings achieved as part of the transformation process is to be agreed between the two councils, that the starting point for that discussion should be 50/50 – this is set out in the Financial Protocol.
31. The main features of the draft s113 Agreement are set out below
- Background - This sets out the Parties aspirations to realise economies and efficiencies by working closely together through the strategic partnerships and by each authority placing staff at the disposal of the other.
 - Clause 1 and 2 – Definitions and Interpretation - Sets out the definitions used in the agreement and shall interpreted in accordance with the MOU contained in Schedule 1.
 - Clause 3 – Duration of the Agreement - The agreement shall remain in force until terminated under the terminations provision.
 - Clause 4 – Collaborative Working - This, together with the MOU contained in Schedule 1, establishes the aims, benefits and intended outcomes of the agreement and the high-level principles which underpin it.
 - Clause 5 - Delegation of Functions - This makes it clear that the arrangements do not transfer statutory functions from one Council to another and that shared officers discharge the functions of the authority they are acting for at the time as an officer of that authority. Should the Councils wish to delegate any functions to one another in the future then this must be accomplished through a separate agreement
 - Clause 6 – Sharing Employees - This, together with Schedule 5, establishes the arrangements for sharing staff by listing the posts being integrated and combined. It also provides a framework for the management, appraisal and supervision of the shared executive director together with a mechanism for the parties to raise any concerns in relation to their performance.
 - Clause 7 – Transformation Programmes and Projects - This establishes the principles and collaboration between the Parties for the #OneTeam Transformation programme and projects.
 - Clause 8 - Accountability - This sets out the accountability of post holders and requires the development of detailed arrangements as to the responsibility of post holders
 - Clause 9 – Governance - This makes clear that each Party has its own governance and decision-making structures independent of this Agreement and the Parties agree the Sovereignty Principles. The joint Chief Executive and the Programme Board shall administer the operation of this Agreement. There is a requirement for the Chief Executive, Monitoring Officer and the Section 151 officer to carry out an annual review of the arrangements to evaluate performance, effectiveness and outcomes and recommendations be referred to the Programme Board and Overview and Scrutiny Committee.
 - Clause 10 – Financial arrangements for Postholders - This makes the employing authority solely responsible for payments due under contracts of

employment. The non-employing council is responsible for expenses incurred in carrying out duties for them provided they are of a nature payable under the employer's expenses policy. The non-employing councils are also responsible for any training they require a postholder to undertake in relation to s.113 duties carried out for that council. The sharing of savings is dealt with below.

- Clause 11 – Financial Protocol - This provides for the financial protocol at Schedule 3 which sets out the financial relationship between the parties and includes provisions relating to financial planning, management, reporting, risk management, audit and the sharing of savings. The financial protocol will ensure that the authorities discharge their fiduciary duties to their Council Tax payers as far as the arrangements are concerned.
- Clause 12 - Human Resources Protocol - This sets out, in schedule 3 the protocol for dealing with HR issues. It is not a substitute for the parties' existing HR policies and procedures.
- Clause 13 – Indemnities and Liabilities - Each party indemnifies the other against damage caused by that party's negligence, (excluding the contributory negligence of the other parties). As far as post-holders are concerned the non-employing party is responsible for the acts/omissions of a postholder when performing s.113 duties for that party and the employing party is responsible when they are performing duties for the employer. This puts the parties in the same position as if they were not sharing officers. TUPE is not expected to apply but if it is subsequently found to apply (TUPE is a question of fact and law rather than intention) then the transferor indemnifies the transferee in respect of liabilities which arise due to their act or omissions and the transferee indemnifies the transferor in respect of those which arise due to their acts or omissions. Liabilities incurred as a result of the acts or omissions of more than one party shall be apportioned reasonably. Parties are under a duty to mitigate losses.
- Clause 14 – Insurance - The parties shall maintain insurance in respect of potential liabilities arising from the arrangements. Where they do so they must ensure that they cover liabilities incurred through their own staff performing employee duties and the staff of other parties performing s.113 duties.
- Clause 15 – Standards of Conduct - This requires the parties to ensure that the arrangements comply with statutory requirements and guidance in respect of conduct, probity and good corporate governance. The parties will review and where appropriate amend their constitutions as necessary to comply with the agreement and enable the arrangements to run as smoothly as possible. This does not require a party to make alterations which it reasonably considers would be inconsistent with the Sovereignty Principles.
- Clause 16 – Conflict of Interest - This sets out the procedure for dealing with conflicts of interest arising from the arrangements. It identifies two types,

private interest conflicts and combined working conflicts. The former may arise where an employee discharging s.113 duties has a private conflict with the non-employing party. In such circumstances the conflict is notified to and recorded by the employing party in accordance with their own procedures.

- Clause 17 - Complaints - Third party complaints are dealt with using the complaints procedure of the appropriate party. The parties may agree a combined complaints procedure in writing.
- Clause 18 – Ombudsman and Proceedings - The parties shall co-operate with one another as required in relation to Ombudsman investigations.
- Clause 19 - Intellectual Property - The parties grant one another a licence/rights to use each other's intellectual property rights for the purposes of the agreement. The parties shall agree their respective rights in relation to any IPR jointly created through the arrangements.
- Clause 20 - Confidentiality & Data Protection - This requires the parties to treat confidential information appropriately and sets out limited circumstances in which it may be disclosed. It provides, in Schedule 7, a Data Sharing Protocol which must be complied with and requires the parties to comply with the Data Protection Act 1998.
- Clause 21 - Freedom of Information - The parties shall co-operate with one another to enable them to fulfil their obligations under FOIA and shall consult one another before disclosing information relating to the arrangements.
- Clause 22 – Default - This provides a mechanism to deal with breaches of the agreement which are capable of remedy. The parties shall meet and agree a remedial action plan giving the defaulting party a reasonable period to remedy the breach. If a party is not satisfied that the defaulting party has complied with the plan it may initiate the dispute resolution procedure (clause 23) or terminate the agreement (clause 24).
- Clause - 23 Disputes - This provides a tiered mechanism for the resolution of disputes. The first stage is a meeting between the parties' representatives who will endeavour to resolve the dispute. Escalation is to the Leaders of each council.
- Clause 24 - Termination - This sets out the circumstances in which the agreement may be terminated. It may be terminated at any time by agreement and upon 12 months' notice by any party. Individual post holders are removed from the agreement if they cease to be employed by an employing party. The agreement may be terminated on 20 working days' notice by an innocent party where another party commits a material breach incapable of remedy or one which is capable of remedy but has not been remedied in accordance with Clause 23. The agreement may also be terminated after a reasonable period where it is no longer possible to fulfil it due to a change in law or guidance from the Secretary of State and the

parties are unable to agree a suitable variation to enable the obligations to be fulfilled. In the event of termination, the parties shall use all reasonable endeavours to minimise disruption to the continued delivery of services and staff and agree an Exit Plan in accordance with Schedule 9.

- Clause 25 - Changes and Variations - This allows the parties to propose and agree variations to the agreement.
- Clauses 26-33 - These are standard provisions relating to the service of notices, waiver, severance and transfer etc.

Reasons for Recommendation

32. The s113 Agreement is legally required to give effect to the Strategic Partnership between the Council and RDC and is necessary to underpin the appointments at Tiers 1, 2 and 3 plus other workforce alignment as progressed pursuant to Business Cases.

Consultation

33. There has been no public consultation required to date. Statutory employee consultation has been undertaken as required by HR processes.

References to Corporate Plan

34. The Partnership will identify further opportunities for beneficial shared service arrangements with other local authorities. In addition, the Partnership's strategic priorities of:
 - Deliver financially sustainable, high-quality services that are valued by our community;
 - Lead the way to improve our environment by acting locally, contributing globally;
 - Provide high quality, sustainable housing to meet the needs of our community;
 - Improve the quality of life, health and wellbeing of our residents; and
 - Create opportunities for economic growth and improved connectivity in which businesses can flourish;

broadly reflect the Council's priorities of :

- Growing the economy;
- Protecting the environment;
- Developing communities;
- Improving housing; and
- Delivering an effective and efficient council.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources)

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35. A total project budget of £600k was agreed for the duration of the #OneTeam Transformation Programme, to be split equally between RDC and BBC. Of this it was anticipated £230k would be spent in the first year of the programme. To date £119k has been spent or committed against this budget, leaving £111k available for the remainder of the year.
36. The anticipated profile of the programme savings was set out in detail in the report agreed by Council at the January Meeting. This showed a joint total savings ambition across both RDC and BBC of between £595k and £853k per annum by the end of the programme in 2025/26. This was broken down into three phases; with Phase 1 being based on the creation of a single unified leadership team by September 2022.
37. Estimated savings were shown as a range, following indicative benchmarked salary forecasts at the early stage of analysis. The lower number of the range was based on proposed headcount appointed at the mid-point of a revised salary scale (as per the EELGA Benchmarking Report) and the higher number of the range was based on proposed headcount appointed at the bottom of that scale. A new Pay Policy Statement for Tiers 1-3 was subsequently approved by Council on 22 June 2022 (15 June for RDC) and the anticipated savings will be updated to reflect that decision, and the outcome of the Tier 3 appointment process.
38. Displacement of employees following the Tier 3 appointments process may give rise to redundancy and/or pay protection which will have further financial implications.
39. Phase 2 savings are more difficult to quantify with accuracy at this stage as the changes required to deliver a unified workforce at Tiers 4 and below will be inherently linked to the service re-design process. Re-designed services will be agreed via individual Business Cases which will be subject to internal programme governance before formal approval by each council if required in line with corporate governance.
40. The financial position of the programme will continue to be closely monitored as it progresses, and will be regularly reported to Audit & Scrutiny Committee and PRED as well as Ordinary Council.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer

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41. At the January Meeting, the Monitoring Officer was given delegated authority in consultation with the Constitution Working Group to make any required changes to the Constitution to give effect to the recommendations agreed.
42. Failure to adopt a s113 Agreement will prevent sharing of staff between the two councils and frustrate the #OneTeam Transformation Programme and the ambitions of the Strategic Partnership.
43. Further work will continue to be undertaken to complete the drafting for the s113 Agreement before it is executed.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning and Economy)

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44. The establishment of a Strategic Partnership between Rochford District Council and Brentwood Borough Council enables two relatively small district councils to gain a stronger and more influential regional voice. This will assist in securing additional opportunities for public and commercial sector inward investment into both council geographic areas.

Equality and Diversity Implications

Name/Title: Kim Anderson, Partnerships, Leisure & Funding Manager

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45. None.

Other Implications

46. Project risk management is the process of identifying, assessing and responding to any risk that arises over the lifecycle of a project, to ensure the project remains on track and meet its objectives. As part of the central #OneTeam Transformation Programme central documentation, a risk register has been created.
47. In line with the agreed Terms of Reference, this register is reviewed and discussed at the #OneTeam Project Team meetings and shared with the #OneTeam Programme Board by way of exception reporting. At the time of writing this report, the top initial programme risks are outlined in Appendix E also showing the adjusted rating on taking mitigating actions.

Background Papers

None.

Appendices to this report

Appendix A: Structure chart

Appendix B: Project Team - Terms of Reference

Appendix C: Programme Board – Terms of Reference

Appendix D: Draft s113 Agreement

Appendix E: Initial programme risks