



Coastal West Sussex district councils target £4.5 million in savings through a ground-breaking joint services initiative

Summary

Local councils across the country are faced with the constant dilemma of how to reconcile reductions in central government funding with the need to maintain local services at an appropriate level and at an acceptable cost to local tax payers.

For district authorities like Adur District Council and Worthing Borough Council in West Sussex, this reconciliation is made harder by their relatively small size which weakens their procurement capability, and places greater pressure on their services provision in the wake of the 2007 comprehensive spending review (CSR07).

In the first such arrangement between two local authorities in the country, the Adur and Worthing response has been to build upon their close geographic proximity and prior experience of working together, and enter into a partnership which will use a single workforce and senior officer structure to deliver local services jointly.

Not only is the initiative set to safeguard local services, it will deliver substantial savings in operational and manpower costs and stimulate actual improvements as smarter working procedures are introduced.

Ian Lowrie, Joint Chief Executive, Adur District Council and Worthing Borough Council:

***“Establishing any successful partnership is, in essence, a people management exercise in which everyone has to work collectively as a team and to the same goals. Building relationships and dialogue at all levels is fundamental. Openness and honesty are essential.*”**

“Because there are many hurdles and technicalities to negotiate, the process can’t be hurried. Ultimately, though, they are all jumpable and a strong strategic commitment to the big picture from the top will help to make it happen.”



Project background

Two neighbouring West Sussex councils, Adur District Council and Worthing Borough Council, are the first in the country to enter into joint services partnerships which will see services such as refuse and recycling, planning and building control delivered by a single workforce and a single senior officer structure.

This fundamental step change in local government management has been driven by the need for two relatively small councils to meet the efficiency demands of CSR07 and is the culmination of an evolutionary process whose roots lie in two local circumstances which, quite separately, made the initiative possible.

The first goes back to 2000 when budget pressures alerted members to the advantages of combining the two councils' recycling and refuse collection services. It became obvious that merging two neighbouring depots which were just half a mile apart, together with their vehicle maintenance operations, would result in substantial cost savings.

The opening of the joint depot in November 2004 led to a review of the ageing vehicle fleet and, following extensive public consultation, to the launch of the first single Adur and Worthing council service for recycling and refuse collection in September 2007.

It was the engagement of 30,000 local people in this exercise that decided on a high frequency service (a weekly refuse and alternate weekly recycling collection using wheeled bins) rather than one offering the biggest savings. Significantly, the introduction of 100,000 new wheeled bins was effectively paid for through the single service's savings in vehicles and crews.

"What merging the recycling and refuse service also achieved was to build confidence among members and officers that working together was in fact possible," recalled Adur and Worthing Joint Chief Executive Ian Lowrie, "and that there was wide support among the electorate for service improvements."

Ian Lowrie's appointment as joint chief executive for Adur and Worthing was the other catalyst behind the move to partnership working. While Ian was in post at Adur, Worthing had been without a chief executive from 2003-05, a factor which led members to review the possibilities for a complete merger of the two authorities.

In fact, following a feasibility study, a report from the strategic directors recommended this step but the projected time to implement it (up to seven years), the implications of boundary reviews and the potential for public hostility to the idea were enough to shelve it. Instead, as part of members' preference to protect local services against loss of funding from central government, a partnership management board was set up to prepare the business case for a joint workforce and single officer structure.

The business case was presented to simultaneous executive meetings (SEMs) of both councils, which, as a forum for taking common issues forward, were themselves a strong contributor in bringing the two authorities' services together.

Technically, SEMs represented two separate executive meetings taking place at the same time and location, and overcame the problem of managing debate between Adur's committee system and Worthing's cabinet-based structure. This had the major advantage of involving the leading members of both councils directly in the partnership debate and decisions, rather than having them delegated to less influential members. It also helped to develop the working relationship between members of both authorities at strategic level.

It was SEMs that recommended the single officer structure and services integration proposals to both councils, together with a delivery plan, which were formally given the go-ahead by members in July 2007.

The project then moved into its implementation phase with the confirmation of Ian Lowrie as joint chief executive and the appointment of a new management structure ready to begin a two-year services integration review on 1 April 2008.

Objectives

At the heart of Adur and Worthing's move to partnership working are the efficiency demands of CSR07 which has tasked local government nationally to realise savings of three percent per year over the next three years (2009-11).

Given that Adur and Worthing are, separately, two of the smaller councils in the country, neither could see how such savings could be made without cutting or reducing services unless partnership working was adopted. This would make the two councils bigger together by serving a combined population of 160,000 people.

With the same south coast location, and common issues of social deprivation and the need for physical and economic regeneration, both councils are therefore resolved to transfer the success of joint recycling and refuse collection into similar savings, efficiencies and service improvements in other areas.

Procurement generally is seen as one which will benefit from a partnership approach, as Keith Mercer, Leader of Worthing Council commented.

“We’ve already had the experience of securing £700,000 worth of wheeled bins from joint savings on the refuse fleet. Joining more services together as Adur and Worthing would give us greater buying power in other areas too, especially as we’d effectively be transformed into the seventh largest district council in the country.”

Also fundamental to the partnership process is a move towards business transformation in which both councils rethink the way they do things, in particular how to maximise service improvements through new ways of working.

To achieve this, the separate approaches of both Worthing and Adur will be considered to review their individual advantages, and whether a totally new approach that improves on both is called for.

Benefits

Adur and Worthing councils are set to deliver provisional savings of £4.5 million between 2006/07 and 2010/11 through the full implementation of the single officer structure, the combined recycling and refuse service and other shared services, and partnership working more generally.

The new single officer structure will save £1.8 million over this period (less departure costs in 2008/09). There is now a single chief executive and one less strategic director (three in all), while ten executive heads of services have replaced 17 assistant directors/divisional managers.

Partnership working, in combination with other efficiencies, is expected to deliver the required CSR07 efficiency savings of three percent a year between 2009 and 2011, amounting to £2.4 million. Operating savings to the tune of £267,000 from the combined recycling and refuse service will make up the balance.

In addition, it is also clear that greater resilience will be built into service provision with a combined workforce better able to man key posts and services consistently irrespective of holidays or sickness.

Critical successes and lessons learned

After four years of investigation, debate and preparation, Adur and Worthing’s single officer structure is in place for a 1 April 2008 start tasked with formulating a business plan for each service as a prelude to full integration.

In reaching this point, officers and members highlight a number of crucial factors that have made a relatively safe arrival possible.

First there were the six years in working together on the recycling and refuse collection service.

“This was fundamental to the two councils getting to know each other and building the trust that’s vital in considering partnership extensions,” said Mike Bleakley, Assistant Director for Strategy and Improvement at Worthing who, with Adur Executive Office Manager Carol Stephenson, worked on the high level business case for partnership working and a single officer structure.

The simultaneous executive meetings, or SEMs, were crucial in getting collective decisions taken at the top level and contributed hugely to the openness with which all discussions on the way forward were undertaken. SEMs also resolved the interim dilemma of Adur operating a committee-based council system and Worthing a leader/cabinet structure. To simplify longer term political working arrangements, though, Adur will move to a leader/cabinet structure as joint working takes effect.

Ongoing governance issues have been successfully negotiated through a joint committee agreement between the two councils (valid until 2028). This has set up four committees made up of members drawn from both councils with individual responsibility for strategy, delivery, overview and scrutiny, and staff (the appointment of the chief executive, strategic directors and heads of services).

Meanwhile the thorny legal issue of having a partnership dealt with by a section 151 officer (or chief finance officer) from each council has been resolved by Adur making a 151 appointment and Worthing then seconding the appointee as their 151 officer. Two 151 deputies have since been recruited, one with an overseeing role for Adur and the other for Worthing.

But key finance issues remain outstanding – for instance, how to meet the Audit Commission’s requirement for a third set of accounts covering joint services. In addition to each council’s individual audit, this could erode the potential for savings so active discussions are ongoing to mitigate this requirement, perhaps by off-setting the audit work on joint services against that required for each council. Encouragingly, the district auditor has already stated that she will be seeking to minimise any impact of this notice.

“Because what both councils are doing is so totally new, there’s been no previous experience or knowledge to tap into,” said Alan Smith, Director of Resources at Worthing. “Coming up against procedural hurdles has required a leap of faith and a clear picture of the long term vision to arrive at a way forward.”

Carol Stephenson agreed, emphasising the need to drive timetables and “keep the pressure on” to maintain momentum – also the value in seeking external validation of the partnership proposals though consultants in the absence of any practical experience elsewhere.

Regarding the speed of implementation, Carol had this advice: “Adur and Worthing opted for a six month phase of project planning (September 2007 – March 2008) to get the single officer structure in place and ready to begin the joint service reviews. Obviously, this retained costs in the system but, importantly, it also provided time for a sensible handover and a clean break from what had gone before.”

There are, too, matters concerning the impact on staff. Inevitably the move to joint partnership working has been unsettling for many people and moving their respective workers on to a common pay scale, ironing out redundancy payments and standardising conditions of service has not been without its difficulties for both councils.

A proactive staff communications programme, in which joint chief executive Ian Lowrie and directors have been very visible, has gone some way in allaying fears, without pulling any punches about the possibility of staff cuts. Monthly e-briefs have supplemented regular staff meetings and there have been two joint management conferences.

“All our staff are valuable to us,” added Ian. “So much so that members have agreed with a proposal to create a ‘holding pool’ for a short period to help those whose jobs disappear or are relocated. That way, we can match their skills against any gaps that may arise elsewhere.”

Overall, Neil Parkin, Leader of Adur council was forthright about what has been involved in getting the two councils this far.

“Is moving to joint services easy? No. Can it be achieved quickly? No.

“But if you keep a clear end objective in view and give officers the authority to work out the changes, then the pain of transformation will be well worth it.”

Risks

For Adur and Worthing, the principal risks of a joint officer structure stem from this being the first such initiative in UK local government. No-one has done it before – therefore there are no precedents to draw upon.

From an internal management point of view, the question remains whether there are enough pairs of hands to plot the business cases for, and deliver, the creation of joint services. Although the planned phasing of the work should allow for a controlled approach, the loss of experienced personnel as a fall-out from the changes may cause a shortage of resource below heads of services level (although £300,000 in funding has been secured from the South East Centre of Excellence to ‘back fill’ this area during the period of change).

External forces, beyond either council’s control, also have the potential to impact the initiative through their effect on staff morale and attitude. The pay and grading review, for example, which is designed to equalise pay between men and women, will create different outcomes for each of the authorities as their pay scales are different.

Then there is the financial impact of local contributions to the Government’s nation-wide concessionary bus fares scheme. All councils will have to meet the cost of free bus travel for the over-60s and the disabled from April 2008, not just for local people but for those travelling into the area from outside as well. This is going to be an especially heavy burden in Worthing given the area’s attractions for holiday-makers and day trippers.

As both Peter Latham and Tim Everett, Directors of Services for Adur and Worthing respectively, agree, there is no magic wand that will harmonise joint services instantly.

“There’s always a risk of jeopardising the high levels of customer service to which both councils are committed, especially during the phasing in of the joint services,” said Tim.

“During this time, local people may be confused as to the provider or about who to speak to. Teething troubles could lead to disenchantment. However the success of the joint refuse and recycling service is a real boost to confidence.”

One risk to the principle of shared services and single officer working is already receding though – that of local political change.

“Now that the joint management structure is in place, there is no business case for going back,” added Ian Lowrie. “It is increasingly being recognised that any change in power, or political heart, would not reverse the process. Actual budget increases would be needed to unravel what has been done and to appoint a second management team.

“That’s unlikely to be either acceptable or popular to the electorate. All it could do is freeze the arrangement at the point it had reached.”

Role of the Regional Centre of Excellence

The South East Centre of Excellence (SECE) awarded £300,000 in funding in recognition of Adur and Worthing’s pioneering work in advancing local government best practice, and the willingness of staff and members to share their experience of partnership working, and the lessons learned, at many events and meetings.

Along with the Improvement and Development Agency for local government (IDeA), which provided some initial funding, SECE also contributed knowledge and skills to help the partnership evolve, acting as a critical friend and providing extra resource to support the executive heads of services.

As the partnership has developed its needs have changed so, while IDeA has continued with ad hoc support as required, SECE assigned an on-site partnership support manager with a mandate to:

- help senior management adhere to tight timetables
- provide an independent challenge to what had been done and what was proposed
- provide an independent input into discussions and open up areas which those more closely involved found difficult to do
- pose questions from perspectives that were not obvious to council officers
- support the incoming executive heads of service and improve their understanding of the business case and service reviews functions

Looking forward, South East Improvement and Efficiency Partnership – the outcome of a merger between SECE and the South East Improvement Partnership – will support the services integration review and continued partnership development. With a structured framework utilising the templates and tools created from other partnerships, its role will facilitate the continued transfer of learning across the south-east region.

This pragmatic assistance aims to maximise the opportunities provided by Adur and Worthing’s innovative approach to partnership working

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