



# Cabinet

**To the Cabinet on Friday, 25 November 2022**

**Date of meeting: Monday, 05 December 2022**

**Time: 17:30 Please note start time.**

**Venue: The Council Chamber**

**The Symington Building, Adam and Eve Street, LE16 7AG**

**Members of the public can access a live broadcast of the meeting from the [Council website](#), and the meeting webpage. The meeting will also be open to the public.**

- Information Exchange from Portfolio Holder
- Topical Issues
  - Questions
  - Petitions
  - Notices of Motion

## **Agenda**

- |          |   |                 |
|----------|---|-----------------|
| <b>1</b> | <b>Apologies for Absence</b>  |                 |
| <b>2</b> | <b>Declarations of Members' Interests</b>   |                 |
| <b>3</b> | <b>Draft Cabinet Minutes - 14th November 2022</b>   | <b>3 - 6</b>    |
| <b>4</b> | <b>2022.23 Q2 Outturn Financial Performance</b>   | <b>7 - 20</b>   |
| <b>5</b> | <b>Quarter 2 2022-23 Performance Report</b>   | <b>21 - 44</b>  |
| <b>6</b> | <b>Quarter 2 2022-23 Risk and Opportunity Management</b>                                    | <b>45 - 66</b>  |
| <b>7</b> | <b>Budget Principles &amp; Reserves Strategy</b>  | <b>67 - 98</b>  |
| <b>8</b> | <b>Strategic Partnership between Harborough District Council and Melton Borough Council</b> | <b>99 - 340</b> |



- |           |   |                    |          |
|-----------|---|--------------------|----------|
| <b>9</b>  | <b>Extension of PSPO for Alcohol related ASB &amp; Dog Control</b>              | <b>341<br/>372</b> | <b>-</b> |
| <br>      |   |                    |          |
| <b>10</b> | <b>To consider any matters of special urgency (to be decided by the Leader)</b> |                    |          |

LIZ ELLIOTT  
INTERIM CHIEF EXECUTIVE AND HEAD OF PAID SERVICE  
HARBOROUGH DISTRICT COUNCIL

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Circulate to: Jonathan Bateman - Deputy Leader, Paul Dann - Member, James Hallam - Member,  
Phillip King - Leader, Simon Whelband - Member



## **HARBOROUGH DISTRICT COUNCIL**

### **MINUTES OF THE CABINET MEETING**

held at  
Council Chamber, The Symington Building, Adam and Eve Street,  
Market Harborough, LE16 7AG

14<sup>th</sup> November 2022

commencing at 5.30pm

Present:

Councillors: Bateman, Dann, Hallam, King (Chair) and Whelband

Officers: E. Bird, L Elliott, S. Hamilton, V. Jessop, C Mason & C. Pattinson

#### **INFORMATION EXCHANGE FROM PORTFOLIO HOLDERS**

##### Finance

Councillor Hallam reported that work had commenced on the Council assets at 4 Roman Way and for the extension of the Market Harborough Cemetery. The ten week programme of works of the garage conversion at Ploughman's Yard, Market Harborough had commenced and will hopefully be available for accommodation in early 2023. The Frank Whittle aeroplane has been comprehensively cleaned and redecorated. Following a recent Cabinet Grants Sub-Committee meeting, Glen Parish has been awarded £70k as part of the Queen's Platinum Jubilee Grants for new play equipment for all ages, which also accommodates disabled users.

##### Corporate & Regulatory Services

Councillor Dann reported that the new Customer Service contract went live on the 26<sup>th</sup> October 2022 which was on time and on cost. Customers are now able to be helped either via face to face, pre-booked appointments on the phone, text, email or live chat.

##### Planning, Environment & Waste

Councillor Bateman expressed his congratulations to Tugby and Keythorpe, and East Langton Parishes in relation to their recent successful referendums for their Neighbourhood Plans. £235k of investment is being used to refurbish the toilets in Welland Park, Market Harborough in order to make them accessible to all and which will include a changing places facility, which should be completed in early 2023. As part of the Queen's Platinum Jubilee Grants, Gilmorton Church was awarded a grant of £70k for their project.



Councillor Bateman also reported that he recently attended a meeting at East Midlands airport looking at the future review of the flight paths envelope, which is part of an ongoing process.

#### Wellbeing, Communities & Housing

Councillor Whelband reported that at the recent Cabinet Sub-Committee Grants meeting, almost £630,000 was awarded in grants as part of the Queen's Platinum Jubilee Grants Fund to nine of good causes and projects across the District, including a Queen's Jubilee walk in the Kibworth ward. He also reported that he had recently visited the Harborough Leisure Centre as part of the 'jog-on' campaign, to re-cycle unwanted running shoes, which is also being run at Lutterworth Leisure Centre and the aim nationally is to save 1 million running shoes from going into landfill by sending these to developing countries.

#### Strategy

Councillor King reported that 18 individuals attended the Growing Enterprise programme, run by MBV, providing professional advice to assist people to grow and run a successful business and hosted by the Harborough Innovation Centre, which took place on the 31<sup>st</sup> October, 1<sup>st</sup> and 7<sup>th</sup> November.

The Market Harborough Jobs Fair took place on the 27th October with over 150 job seekers attending, and 83 job applications on the day received by employers.

#### **TOPICAL ISSUES**

Councillor King reported that Joules, a locally based clothing group, with headquarters in Market Harborough, had announced that morning that it was going into administration. Council Officers had contacted the company this morning to offer support.

#### **APOLOGIES FOR ABSENCE**

There were none.

#### **DECLARATION OF MEMBERS' INTERESTS**

Councillor King declared an interest in report 1 - Air Quality Update – Annual Status Report 2022 as he is a Member of Leicestershire County Council.

#### **MINUTES**

**RESOLVED that the minutes of the meeting of the Cabinet held on the 10<sup>th</sup> October 2022 be approved as a correct record.**



## **AIR QUALITY UPDATE – ANNUAL STATUS REPORT 2022**

The Portfolio Holder introduced the report which updated Members on the outcome of the annual review of local air quality across the district and confirmed the 2021 Annual Status Report (ASR) to be submitted to Department for Environment, Food and Rural Affairs (DEFRA), attached as Appendix A to the report.

It was noted that generally the air quality throughout the district is good. However, there are known issues in both Lutterworth and areas of Kibworth Beauchamp and Kibworth Harcourt along the A6 highway which cuts both villages, where exceedances of the annual average objective level for Nitrogen Dioxide have been identified. In 2020 the Council purchased a portable indicative air quality monitor called a Zephyr. During 2021 the Zephyr was installed in The Kibworths to monitor Nitrogen Dioxide and Particulate Matter (PM2.5 and PM10). The monitor did not record any exceedance of the air quality objectives for NO<sub>2</sub>, PM2.5 or PM10 during the year.

Following a request regarding the location of the two diffusion tubes in Broughton Astley, it was AGREED that a diffusion tube would be re-located back to the Main Street in Broughton Astley.

The Regulatory Services Manager confirmed that despite the unusual previous two years and the associated effects on air quality, there would be no intention of reducing the level of monitoring undertaken within the District.

In response to a question relating to improvements to three junctions within the Air Quality Management Areas, the Regulatory Services Manager advised that information from the County Highways team has indicated that the improvements are dependent on detailed plans being drawn up and associated funding, which hasn't yet taken place.

**RESOLVED that the 2022 Air Quality Annual Status Report (ASR) to be submitted to DEFRA as set out in Appendix A to the report be NOTED.**

### **Reasons for Recommendations**

The Local Authority has a statutory duty to submit an Air Quality Annual Status report to DEFRA and publish it in accordance with Part IV of the Environment Act 1995.

### **BAD DEBT WRITE OFFS (REVENUES AND BENEFITS)**

The Portfolio Holder introduced the report which detailed the amounts that have been written off this financial year for the revenues and benefits service area in respect of National Non-Domestic Rates (Business Rates).

**RESOLVED that the total amounts for National Non-Domestic Rates (Business Rates) £10,612.27 as listed in Appendix A to the report be written off.**



**Reasons for Recommendation**

All reasonable steps to recover the debt have been taken, and therefore where write off is recommended it is the only course of action that is left available.

**TO CONSIDER ANY MATTERS OF SPECIAL URGENCY**

There were none.

The meeting ended at 5.54pm



# Harborough District Council

## Report to the Cabinet Meeting of 5th December 2022



<b>Title:</b>	<b>2022/23 Financial Performance Report – Outturn Quarter 2 (Year ending 31 March 2023)</b>
<b>Status:</b>	Public
<b>Key Decision:</b>	No
<b>Report Author:</b>	Carolyn Bland, Financial Services Manager
<b>Portfolio Holder:</b>	Cllr James Hallam, Finance
<b>Appendices:</b>	<p><b>Appendix 1:</b> Summary Revenue Budgets and Capital Programme for 2022/23 Budget and MTFS (2023/24 to 2026/27).</p> <p><b>Appendix 2:</b> 2022/23 Revenue Forecast Outturn and Variance Analysis by Portfolio &amp; Director Service Categorisation.</p> <p><b>Appendix 3:</b> Commentary on 2022/23 Budget Variances Greater than £25,000, by Director Service Categorisation.</p> <p><b>Appendix 4:</b> General Fund Reserves 31.03.2022.</p> <p><b>Appendix 5:</b> Potential Compounding of Cost/Inflation Pressures.</p> <p><b>Appendix 6:</b> 2022/23 Capital Forecast Outturn and Variance Analysis.</p>

### Executive Summary

This report sets out the financial position (outturn) for the year ending 31 March 2023, based on information at the end of September for revenue and capital. Based on the financial position as at 30 September 2022, based on known income and expenditure commitments and working assumptions, the forecast:

- Revenue is forecasting an overspend of £810k (quarter 1 £1,041k), a variance of 6.7% to the approved budget.
- Capital is forecasting an underspend of £70k.

### Recommendations

- **That Cabinet considers the financial performance report and comments on the Forecast Outturn (31<sup>st</sup> March 2023) as detailed within the report and associated appendices.**

### Reasons for Recommendations

Good financial governance requires the Cabinet to consider and comment on the forecast financial outturn for 2022/23. Such commentary demonstrates to customers, partners, and stakeholders that the Council is actively considering the financial environment within which the Council is operating.



## 1. Purpose of Report

To update Cabinet in respect of the Quarter 2 forecast outturn for 2022/23 for both revenue, capital and reserves.

## 2. Background

The Council approved the 2022/23 Budget and Medium-Term Financial Strategy (2023/24 to 2026/27) (MTFS); which included the Capital Programme in February 2022. In respect of:

- the **Revenue budget**, the 2022/23 net service expenditure is £11.1m and after capital financing (£506k), the net expenditure for the delivery of services is £11.6m; over the MTFS period, this increases to £13.6m. This is summarised in **Appendix 1**.
- the **Capital Programme**, the 2022/23 programme totals £11.8m, of which £4.3m was brought forward from previous years and £7.5m is in respect of new initiatives for 2022/23 and is financed by £8.1m of external grants and capital receipts, £1.3m of direct revenue funding and £2.4m of unsupported borrowing (minimum revenue provision). Over the MTFS period the capital programme decreases to £860k.
- **Reserves**, Council approved a net contribution to reserves of £1.4m.

## 3. Details

### Revenue Headlines

- 3.1 Providing an accurate forecast outturn based on the financial performance at Quarter 2 can still be challenging as many things can occur between the end of September and the end of the financial year; as the potential impact of the new proposed pay rise has clearly shown. Finance have been working closely with services, acting as a critical friend to value check their forecast outturns, however it must be remembered that the forecast outturns are the responsibility of respective services.
- 3.2 The forecast outturn for the current financial year and the impact over the MTFS is summarised below.
- 3.3 **2022/23**; the original budget of £11.6m has been revised to include the revenue carry forwards from 2021/22 agreed by Cabinet 04 July 2022 [Document.ashx \(harborough.gov.uk\)](https://www.harborough.gov.uk/Document.ashx?documentid=1285&documenttype=1) of £285k and £175k of grants carried forward through the grants reserve (following required accounting practice to carry forward grants). In respect of this updated net expenditure budget of £12m, the forecast outturn is £12.8m, which represents an overspend of the budget by £810k. A “financial” variance analysis based on both Portfolio and Director service categorisation is summarised in **Table 1** below. An accompanying Reserve analysis is shown at **Appendix 2** and the reasons for variances greater than £25k are shown in **Appendix 3**.



Summary of 2022/23 Revenue Budget Variances, by Director Service Categorisation				Table 1
Service	Updated Budget £000	Forecast Outturn £000	Variance £000	Commentary
Interim Chief Executive	2,304	2,076	(228)	Agreed and one off savings
Interim Deputy Chief Executive (Finance, ICT & Assets)	2,610	3,299	689	Additional proposed pay increase £279k and savings not achieved less agreed savings of £370k
Communities	5,915	6,165	250	Carparking income down
Planning	695	877	182	Savings from shared service proposal not achieved, income down
<b>Net Direct Cost of Services</b>	<b>11,524</b>	<b>12,417</b>	<b>893</b>	
Finance & Assets: Capital Financing (*)	506	423	(83)	Savings
<b>Net Expenditure</b>	<b>12,030</b>	<b>12,840</b>	<b>810</b>	
NB. * Finance & Assets are allocated to this item, but this item (Minimum Revenue Provision) is dependent on other services actioning the capital programme.				

- 3.4 It should be noted that the categorisation of services by Director is based on the structure used for setting the 2022/23 budget, some responsibilities have temporarily changed, Legal and Democratic Services are currently reporting to the Interim Deputy Chief Executive not the Interim Chief Executive.

### Inflationary and Non-Inflationary Costs

- 3.5 Of the £810k pressures noted in 3.3, some are directly related to inflationary (cost-of-living impacts) whereas others are due to underachievement of savings or variances related to normal operational delivery. A summary of these is shown below and detailed in **Appendix 5**.

- Inflationary variances £385k
- Underachievement of savings £560k less
- Normal operational delivery (net saving) (£135k)

### Inflationary Costs

- 3.6 **Pay Award** It should be noted that included within the 2022/23 forecast estimate is a corporate increase in respect of employees pay. The Council was notified in July that a pay offer of £1,925 on all pay points had been made. Members will recall that as part of the budget they approved the following employee pay indices for 2022/23 and for each year of the MTFS.

- 2022/23: 1.75%
- 2023/24: 2.0%
- 2024/25: 2.0%
- 2025/26: 2.5%
- 2026/27 2.5%

This has now been agreed and will be included in the November pay run. It is estimated this will be an overspend over the budgeted increase of £317k, reduced to £279k after allowing for the cut in NI of 1.25% announced in the “mini budget”.



- 3.7 **Inflation** A review of the impact of inflation on the Council's expenditure has concluded that there will be no impact during 2022/23 on the Council's major revenue contracts, except for energy costs. Because of the increase in energy costs, from a Value for Money point of view the Council had little choice but to withdraw from the Green Electricity Tariff from October (by way of example, for The Symington Building the Council would have seen an increase in cost of £207k). The impact of the Energy Bill Relief Scheme is being modelled and will be reported on in the Quarter 3 monitoring report. Wider impact of the cost-of-living crisis could lead to non-collection of rates and other debts.

### **Underachievement of Savings**

- 3.8 **Senior Management review** The review of the "target operating model" (the way the Council operates) has been delayed because of the Council decision to investigate the sharing of senior management. Savings of £353k were identified in the budget but now only £49k are forecast to be achieved during 2022/23.
- 3.9 **Development Management** At the time the budget was being set the Council was exploring the potential to share services with another Leicestershire District Council which would have generated a saving of £94k; unfortunately, this proposition is no longer being taken forward. However, alternative sharing arrangements are being discussed but it is considered that if this alternative proposition was taken forward it is unlikely any savings would be achieved this financial year.

### **Potential Mitigations**

- 3.10 The Council currently holds considerable capital receipts. In 2021/22 the council used revenue and capital receipts in financing its capital programme in place of internal borrowing. This saved the Council £58k in 2022/23 due to reduced capital financing (minimum revenue provision). Currently it looks likely that capital receipts can be used for financing, in place of borrowing, for 2023/24. It is currently considering applying those receipts to mitigate some of the current revenue capital financing costs. If this is the case, it will save the Council approximately £441k over the remaining period of the current MTFS (2023/24 to 2026/27).
- 3.11 As part of budget preparation for 2023/24 (and subsequent years) and to mitigate the current in-year budget pressures additional ongoing savings have been offered by Service Managers which reduce the £1.041m forecast overspend at Quarter 1 to a forecast of £810k overspent at Quarter 2. This has been achieved by considering both savings and income generation opportunities.

### **Reserves**

- 3.12 Inevitably as the Council progresses through any year its use of reserves will flex depending on:
- the macro and micro economic climate that the Council finds itself, and
  - along with its need to meet its corporate priorities and statutory obligations.
- 3.13 As required by the Reserves Strategy, considering the 2022/23 forecast overspend of the revenue budget, Cabinet is asked to note that through the active management of reserves



that the General Fund (Unallocated) Reserve is maintained at 20%, the approved minimum level of reserves.

- 3.14 Further, members will recall that when the budget was set in February, no contribution from reserves was needed. With the various budget changes noted within this report, including the additional pay award, there is now a “budget gap” of £810k (**Appendix 3**). At the 31<sup>st</sup> March 2022, the Council had revenue reserves totalling £15.7m; however not all these reserves are useable and these are shown in **Appendix 4**. Of these reserves, £6.1m are potentially useable and sufficient to meet the in-year pressure.
- 3.15 However, in an absolute “worst-case scenario” i.e. the Council took no action to address the current £810k budget pressure; it is currently estimated that the pressure would exceed £8m over the medium-term financial strategy (**Appendix 5**). If this is adjusted through reserves, this shows that the Council will have totally depleted its usable reserves during 2026/27 and thus would not meet the budget principle agreed by Cabinet (November 2021):

***To ensure that over the medium term, financial sustainability can be achieved.***

### Capital Programme

- 3.16 The Capital Programme for **2022/23** totals £11.8m, of which £4.3m was brought forward from previous years and £7.5m is in respect of new initiatives for 2022/23. The forecast outturn is an underspend of £70k and proposed slippage of £2,491k to future years. A summary variance analysis is shown in **Table 2**, and a detailed analysis, with associated commentary, is shown in **Appendix 6**.

Summary of 2022/23 Capital Budget Variance Greater than £25,000					Table 2
Service	Updated Budget £000	Forecast Outturn £000	Variance		Commentary
			£000	%	
Capital Projects	9,447	9,377	(70)	-1%	Jubilee grants



#### **4. Implications of Decisions**

##### **4.1. Corporate Priorities**

The contents of this report are evidence of how the Council monitors issues that may affect the delivery of its Corporate Priorities.

##### **4.2. Financial**

This report gives the outturn position for the Council's 2022/23 revenue and capital budgets.

##### **4.3. Legal**

The Council is legally required to set and manage a balanced budget.

##### **4.4. Policy**

No policy issues arise directly from this report.

##### **4.5. Environmental Implications including contributions to achieving a net zero carbon Council by 2030**

No environmental issues arise directly from this report.

##### **4.6. Risk Management**

It is important to monitor the position against budget in order to ensure any issues can be addressed appropriately and in a timely manner.

##### **4.7. Equalities Impact**

No equalities issues arise directly from this report.

##### **4.8. Data Protection**

No data protection issues arise directly from this report.

#### **5. Summary of Consultation and Outcome**

Consultation has been undertaken with the Portfolio Holder.

#### **6. Alternative Options Considered**

Not applicable.

#### **7. Background papers**

None.



## Summary Revenue Budgets and Capital Programme for 2022/23 Budget and MTFS (2023/24 to 2026/27)

<b>REVENUE</b>					
<b>Approved 2022/23 Budget &amp; Medium-Term Financial Strategy (2023/24 to 2026/27)</b>					
	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>
<b>Net Direct Cost of Services</b>	<b>11,064</b>	<b>10,942</b>	<b>11,094</b>	<b>11,896</b>	<b>12,708</b>
Capital Financing	506	541	741	819	907
<b>Net Expenditure</b>	<b>11,570</b>	<b>11,483</b>	<b>11,835</b>	<b>12,715</b>	<b>13,615</b>
Contributions to/(from) Reserves					
- General Reserves	0	0	0	(551)	(1,962)
- Earmarked Reserves	1,428	(1,451)	(725)	(804)	(31)
	<b>1,428</b>	<b>(1,451)</b>	<b>(725)</b>	<b>(1,355)</b>	<b>(1,993)</b>
<b>Budget Requirement</b>	<b>12,998</b>	<b>10,032</b>	<b>11,110</b>	<b>11,360</b>	<b>11,622</b>
Total Grants	(6,344)	(3,020)	(3,749)	(3,675)	(3,601)
<b>Council Tax Requirement</b>	<b>6,654</b>	<b>7,012</b>	<b>7,361</b>	<b>7,685</b>	<b>8,021</b>

<b>CAPITAL PROGRAMME</b>					
<b>Approved 2022/23 Budget &amp; Medium-Term Financial Strategy (2023/24 to 2026/27)</b>					
	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
<b>Capital Projects</b>					
CCTV	20	20	20	20	20
Harborough Innovation Centre	20	20	20	20	20
Housing & Homelessness Schemes	650	0	0	0	0
Lightbulb (Disabled Facilities Grants) & Other Social Services	420	420	420	420	420
Leisure, Open Spaces & Play	3,586	3,600	3,100	1,000	150
Corporate Buildings	222	375	1,000	5,000	0
Car Parks & Similar Facilities	90	400	400	0	0
Economic Development	0	0	0	0	0
Capital Works-S.106	250	250	250	250	250
ICT & Transformation	2,205	175	0	0	0
<b>Total</b>	<b>7,463</b>	<b>5,260</b>	<b>5,210</b>	<b>6,710</b>	<b>860</b>
<b>Sources of Finance</b>					
External Funding & Grants	1,626	1,820	3,328	1,270	720
Capital Receipts	3,926	500	450	50	50
Service Charges	6	6	6	6	6
Direct Revenue Financing	1,330	100	0	0	0
Unsupported Borrowing (MRP)	575	2,834	1,426	5,384	84
<b>Total</b>	<b>7,463</b>	<b>5,260</b>	<b>5,210</b>	<b>6,710</b>	<b>860</b>



2021/22 Outturn	<b>Service Analysis - BY PORTFOLIO</b>	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
3,007	Finance	2,353	0	136	2,489	2,331	(158)	-6%
4,218	Planning, Environment & Waste	4,986	0	65	5,051	5,280	229	4.5%
890	Wellbeing, Communities & Housing	1,270	0	(9)	1,261	1,218	(43)	-3.4%
588	Strategy (aka Planning & Regeneration)	670	0	157	827	741	(86)	-10.4%
2,652	Corporate & Regulatory Services	1,785	0	111	1,896	2,847	951	50.2%
<b>11,355</b>	<b>Net Direct Cost of Services</b>	<b>11,064</b>	<b>0</b>	<b>460</b>	<b>11,524</b>	<b>12,417</b>	<b>893</b>	<b>7.7%</b>
452	Capital Financing	506	0	0	506	423	(83)	-16.4%
<b>11,807</b>	<b>Net Expenditure</b>	<b>11,570</b>	<b>0</b>	<b>460</b>	<b>12,030</b>	<b>12,840</b>	<b>810</b>	<b>6.7%</b>

2021/22 Outturn	<b>Service Analysis - BY DIRECTOR</b>	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
1,532	Interim Chief Executive	2,196	0	108	2,304	2,076	(228)	-10%
3,104	Interim Deputy Chief Executive (Finance, ICT & Assets)	2,439	0	171	2,610	3,299	689	26.4%
1,275	Governance	0	0	0	0	0	0	0.0%
5,433	Communities	5,924	0	(9)	5,915	6,165	250	4.2%
11	Planning	505	0	190	695	877	182	26.2%
<b>11,355</b>	<b>Net Direct Cost of Services</b>	<b>11,064</b>	<b>0</b>	<b>460</b>	<b>11,524</b>	<b>12,417</b>	<b>893</b>	<b>7.7%</b>
452	Capital Financing	506	0	0	506	423	(83)	-16.4%
<b>11,807</b>	<b>Net Expenditure</b>	<b>11,570</b>	<b>0</b>	<b>460</b>	<b>12,030</b>	<b>12,840</b>	<b>810</b>	<b>6.7%</b>

2021/22 Outturn	<b>Reconciliation to Council Tax Requirement</b>	Original Budget	Approved Budget Increases	Virements & Reserve Movements	Updated Budget	Forecast Outturn	Variance	
£000		£000	£000	£000	£000	£000	£000	
<b>11,807</b>	<b>Net Expenditure</b>	<b>11,570</b>	<b>0</b>	<b>460</b>	<b>12,030</b>	<b>12,840</b>	<b>810</b>	<b>6.7%</b>
	Contributions to/(from) Reserves							
(1,636)	- General Reserves	0	0	0	0	(810)	(810)	0.0%
3,577	- Earmarked Reserves	1,428	0	(460)	968	968	0	0.0%
<b>1,941</b>		<b>1,428</b>	<b>0</b>	<b>(460)</b>	<b>968</b>	<b>158</b>	<b>(810)</b>	<b>-83.7%</b>
<b>13,748</b>	<b>Budget Requirement</b>	<b>12,998</b>	<b>0</b>	<b>0</b>	<b>12,998</b>	<b>12,998</b>	<b>0</b>	<b>0.0%</b>
(7,459)	Corporate Funding & Grants	(6,344)	0	0	(6,344)	(6,344)	0	0.0%
<b>6,289</b>	<b>Council Tax Requirement</b>	<b>6,654</b>	<b>0</b>	<b>0</b>	<b>6,654</b>	<b>6,654</b>	<b>0</b>	<b>0.0%</b>



Original Budget £000	2022/23 Reserve Movements		Appendix 2 (continued)			
		Updated Actuals 31.03.22 £000		Updated Budget £000		Forecast Outturn £000
	<b>&gt; General Fund (Unallocated) Reserve</b>					
2,741	<b>b/f</b>	2,361		2,361		2,361
0	Cont from/(to) Services	0		0		(810)
(450)	Cont from/(to) Budget Surplus Reserve	(70)		(70)		1,017
2,291	<b>c/f</b>	2,291		2,291		2,568
11,570	Net Expenditure	11,570		11,570		12,840
(117)	- CV19 adjustment 1 - Earmarked Res	(117)		(117)		
11,453	Min Level Reserves	11,453		11,453		
2,291		2,291		2,291		2,568
Yes		Yes		Yes		Yes
	<b>Are Reserves maintained at 20% of Net Expenditure</b>					
	<b>&gt; Earmarked Reserves</b>					
	<b>Budget Surplus Reserve</b>					
0	<b>b/f</b>	0		0		0
450	Cont from/(to) General Fund	70		70		(1,017)
(450)	Cont from/(to) Earmarked Reserves	(70)	381	(70)		1,017
0	<b>c/f</b>	0		0		0
	<b>CV19 Internal Recovery Reserve</b>					
7,825	<b>b/f</b>	4,171		4,171		4,171
(4,935)	Cont from/(to) Services	(4,935)		(4,935)		(4,935)
(733)	Cont from/(to) Corp Funding & Grants	(733)		(733)		(733)
0	Cont from/(to) Earmarked Reserves	0		0		0
2,157	<b>c/f</b>	(1,497)		(1,497)		(1,497)
	<b>Projects, Risk &amp; Smoothing Reserve</b>					
691	<b>b/f</b>	1,051		1,051		1,051
300	Cont from/(to) Services	300		300		300
2,278	Cont from/(to) Corp Funding & Grants	2,278		2,278		2,278
450	Cont from/(to) Budget Surplus Earmarked Reserve	70	(381)	70		(1,017)
75	Cont from/(to) Earmarked Reserves	75		75		75
3,794	<b>c/f</b>	3,774		3,774		2,687
	<b>Capital &amp; Contract Reserve</b>					
748	<b>b/f</b>	1,888		1,888		1,888
0	Cont from/(to) Budget Surplus Earmarked Reserve	0		0		0
0	Cont from/(to) Services	0	(460)	(460)	(460)	(460)
748	<b>c/f</b>	1,888		1,428		1,428
	<b>Transformation Reserve</b>					
2,067	<b>b/f</b>	1,837		1,837		1,837
(1,000)	Cont from/(to) Earmarked Reserves	(1,000)		(1,000)		(1,000)
1,067	<b>c/f</b>	837		837		837
	<b>Community, Economic &amp; Infrastructure Reserve</b>					
1,447	<b>b/f</b>	1,447		1,447		1,447
425	Cont from/(to) Earmarked Reserves	425		425		425
1,872	<b>c/f</b>	1,872		1,872		1,872
	<b>Commercial Investment Reserve</b>					
2,357	<b>b/f</b>	2,934		2,934		2,934
500	Cont from/(to) Earmarked Reserves	500		500		500
2,857	<b>c/f</b>	3,434		3,434		3,434



Commentary on 2022/23 Budget Variances Greater than £25,000, by Director Service Categorisation					Appendix 3
Service	Directorate Variance £000	Savings £000	Pressures £000	Total £000	Detailed Service Variance
					Commentary
<b>Interim Chief Executive</b>	(228)				
Corporate Administration		(37)		(37)	E30k agreed saving on salaries plus £7k other savings.
Land Charges		(46)		(46)	E48k payment from HM Land Registry for moving land charges register.
Committee Servicing		(22)	35	13	E22k agreed saving on salaries less cost of agency staff to provide additional support.
Deputy Chief Executive		(33)		(33)	Nearly 3 months of salary savings until interim appointment of Director: Finance, ICT & Assets to post until end of December 2022, assuming Deputy returns to post from January 2023.
Harborough Innovation Centre		(114)		(114)	Additional income from hire of facilities £82k and recharges £31k.
Provision for Utilities inflation			41	41	Market Hall and Harborough Innovation Centre.
Cumulative variances less than £25k			(52)	(52)	
<b>Interim Deputy Chief Executive (Finance, ICT &amp; Assets)</b>	689				
Finance Services			79	79	Initial delays in new financial system project had a knock on effect on the planned restructure savings of £118k, now only anticipating savings for 4 months from December 2022.
IT Services		(34)	54	20	E34k agreed saving on salaries less unbudgeted cost of Microsoft licences less other smaller savings.
Interest & Investment Income		(300)		(300)	Agreed saving - increased interest rates.
Quick Response Team			72	72	Unbudgeted cost of team.
Director: Finance, ICT & Assets)		(29)		(29)	Saving generated as post holder acting as Deputy Chief Executive until end of December 2022.
Corporate Savings - pay increase			279	279	Original budget for pay increase of 1.75% increased in line with current request of £1,925 per scale point.
Corporate Savings - other savings			471	471	E304k target operating model savings will not be achieved in 2022/23, plus £77.5k of cross cutting savings. £90k of vacancy savings matched by vacancy savings in individual cost centres.
Major Emergencies		(63)		(63)	ERDF funding received relating to 2020/21 Covid expenditure.
The Symington Building		(7)	51	44	E20k soft services, £25k income over accrued for in 2021/22.
Provision for Utilities inflation			45	45	Mostly the Symington Building.
Cumulative variances less than £25k		(57)	128	71	
<b>Communities</b>	250				
Customer Services			97	97	E60k Netcall System, £35k additional call centre staff.
Communication		(28)		(28)	E12k agreed saving on salaries plus £16k saving on vacant post.
Carparking			250	250	E220k down on car park fee income, £13k down on permits plus increase in direct costs mainly Parking by Phone costs.
Housing Services		(32)		(32)	E10k agreed saving on salaries plus additional saving on vacant Manager post now filled.
Cumulative variances less than £25k		(15)	(22)	(37)	
<b>Planning</b>	182				
Development Control			203	203	Additional £54k down in fees and £15k down on advice this quarter on top of £141k highlighted in quarter 1 (£94k shared service not proceeded with, £39k down on fee income and other smaller variances).
Cumulative variances less than £25k		(8)	(13)	(21)	
<b>Finance &amp; Assets: Capital Financing</b>	(83)				
IT Services		(25)		(25)	Agreed saving - capitalisation of IT time on capital projects.
Minimum Revenue Provision		(58)		(58)	Agreed saving - recalculation of MRP.
Cumulative variances less than £25k		0	0	0	
<b>Net Expenditure</b>	<b>810</b>	<b>(908)</b>	<b>1,718</b>	<b>810</b>	



General Fund Reserves, 31 <sup>st</sup> March 2022				Appendix 4
Reserve	Balance (£m)		Purpose	Useable / Unusable
General Fund (Unallocated Reserve)	2.4		Emergency funding (20% of net expenditure)	Unusable
<b>Earmarked Reserves</b>	<b>13.3</b>			
CV19	4.2		To meet known costs relating to the Coronavirus Pandemic.	Unusable, as it is mainly TIG grant to meet current and next year Collection Fund deficits.
Projects, Risks & Smoothing	1.1		To meet known future pressures, primarily the Local Plan.	Unusable, as this is funding set-aside to meet known future costs.
Capital & Contracts	1.9		To meet known capital and revenue contract costs.	Unusable, as this is funding set-aside to meet known future costs.
Transformation	1.8		To meet costs relating to the current transformation programme.	Usable, but this would not be available to meet costs of transformation.
Community, Economic & Infrastructure	1.4		To meet potential costs relating to community etc development.	Usable, but this would not be available to meet the costs of community development.
Commercial Investment	2.9		To meet potential costs where investments will generate a return; £900k of this is potentially committed to co-fund the Levelling-Up Fund Bid.	Usable, but this would not be available to support the costs of commercial investment.
<b>Total</b>	<b>15.7</b>			



Potential Medium-Term Impact of Cost/Inflationary Pressures								Appendix 5	
	In-Year Pressures			Potential Impact if No Mitigation				Cumulative Impact over MTFS	Reasoning
	2022/23			2023/24	2024/25	2025/26	2026/27		
	Saving £000	Cost £000	Net £000						
				£000	£000	£000	£000		
Inflation									
Pay	0	279	279	558	837	1,116	1,395		Assume increase year-on-year
Utility Bills	0	106	106	42	21	0	0		Assume 20% 2023/24, 10% 2024/25
	0	385	385	600	858	1,116	1,395	4,777	
Underachievement of Savings									
Senior Management Review (TOM)	0	304	304	228	0	0	0		Saving achieved after 9 months in 2023/24.
Cross Cutting Savings	0	77	77	58	0	0	0		Saving achieved after 9 months in 2023/24.
Vacancy Savings	(90)	90	0	0	0	0	0		Saving achieved
Quick Response Team	0	72	72	72	72	72	72		Cost will need meeting in future years
Committee Servicing	(22)	35	13	0	0	0	0		Impact only 2022/23
Development Management Shared Service	0	94	94	128	64	0	0		Saving achieved after 6 months in 2024/25.
	(112)	672	560	486	136	72	72	1,771	
Normal Operational Delivery									
Corporate Administration	(37)	0	(37)	0	0	0	0		Impact only 2022/23
Land Charges	(46)	0	(46)	0	0	0	0		Cost will need meeting in future years
Deputy Chief Executive	(33)	0	(33)	0	0	0	0		
Finance	0	79	79	0	0	0	0		
IT Services	(34)	54	20	54	54	54	54		
Interest & Investment Income	(300)	0	(300)	0	0	0	0		Impact only 2022/23
Director: Finance etc	(29)		(29)	0	0	0	0		Impact only 2022/23
Carparking (lost income)	0	250	250	250	250	250	250		Anticipating permanent reduction in demand
Development Management (underachievement of income)	0	109	109	0	0	0	0		Impact only 2022/23
Harborough Innovation Centre	(114)	0	(114)	0	0	0	0		
ERDF funding	(63)	0	(63)	0	0	0	0		
The Symington Building	(7)	51	44	0	0	0	0		Impact only 2022/23
Customer Services	0	97	97	60	60	60	60		Netcall cost will need meeting in future years
Communication	(28)	0	(28)	0	0	0	0		
Housing Services	(32)	0	(32)	0	0	0	0		
MRP saving	(58)	0	(58)	0	0	0	0		
IT Services - capitalisation	(25)	0	(25)	0	0	0	0		
Variances less than £25k	10	21	31	0	0	0	0		Impact only 2022/23
	(796)	661	(135)	364	364	364	364	1,494	
Total	(908)	1,718	810	1,450	1,358	1,552	1,831	8,042	



2022/23 Capital Forecast Outturn and Variance Analysis								Appendix 6
Capital Projects	Original Budget	Virements & Reserve Movements	Proposed Slippage to 2023/24	Proposed Updated Budget	Actual to Quarter 2	Forecast Outturn	Variance	Commentary
	£000	£000	£000	£000	£000	£000	£000	
<b>Capital Projects Approved in previous years (either</b>								
CCTV	20	0	0	20	46	20	0 0%	CCTV schemes underway
Harborough Innovation Centre	20	0	0	20	5	20	0 0%	
Housing & Homelessness Schemes	927	0	0	927	20	927	0 0%	Roman Way in planning phase. Plowmans Yard development out to tender
Lightbulb (Disabled Facilities Grants) & Other Social Services	732	0	0	732	127	732	0 0%	Delivered through Lightbulb partnership and on track
Leisure, Open Spaces & Play	4,449	0	(2,343)	2,106	26	2,036	(70) -3%	New Leisure provision procurement was moved out to 2024 due to contract extension. Spend on leisure dependent on new leisure provider so slipped to future years. Jubilee grants under allocated by £70k.
Corporate Buildings	513	125	(148)	490	11	490	0 0%	Symington Building ventilation scheme put on hold awaiting outcome of review of TSB future usage. New depot project underway - pull budget forward from future years allocations. Works to Frank Whittle monument commenced early - bring budget forward from 23/24
Car Parks & Similar Facilities	619	0	0	619	0	619	0 0%	Covers EV points at car parks plus budget b/f for the coach park
Economic Development	528	0	0	528	0	528	0 0%	Lutterworth TC Heritage Zone plan
Capital Works-S.106	1,623	0	0	1,623	761	1,623	0 0%	Community grants funded through s106 contributions
ICT & Transformation	2,382	0	0	2,382	410	2,382	0 0%	All principle projects underway (new finance and assets system, ICT transformation programme, customer call centre in-sourcing).
<b>Total</b>	<b>11,813</b>	<b>125</b>	<b>(2,491)</b>	<b>9,447</b>	<b>1,406</b>	<b>9,377</b>	<b>(70) 0%</b>	
<b>Sources of Finance</b>								
External Funding & Grants	4,000			4,000	908	4,000	0 0%	
Capital Receipts	4,054	0		4,054	410	4,054	0 0%	
Service Charges	6	0		6	5	6	0 0%	
Direct Revenue Financing	1,330	0		1,330		1,260	(70) -5%	
Unsupported Borrowing (MRP)	2,423	125	(2,491)	57	83	57	0 0%	
<b>Total</b>	<b>11,813</b>	<b>125</b>	<b>(2,491)</b>	<b>9,447</b>	<b>1,406</b>	<b>9,377</b>	<b>(70) -1%</b>	







# Harborough District Council

## Report to the Cabinet 5<sup>th</sup> December 2022.



<b>Title:</b>	Performance: Quarter 2 , 2022/23 Year
<b>Status:</b>	Public
<b>Key Decision:</b>	No
<b>Report Author:</b>	L. Elliott, Interim Chief Executive
<b>Portfolio Holder:</b>	Councillor Paul Dann, Corporate & Regulatory Services
<b>Appendices:</b>	A. Key Activities in Detail, End of Quarter 2 B. Strategic Performance Dashboard, End of Quarter

### Executive Summary

- Status of all 32 Key Activities at the end of Quarter 2 of the 2022/23 year (see Appendix A for full details): 28 (87.5%) Key Activities had a status of Green. 4 (12.5%) Key Activities had Amber status. 0 (0.0%) Key Activities were classed as Red status.
- Status of all 21 Key Performance Indicators at the end of Quarter 2, of the year 2022/23 (see Appendix B for Full details): 13 (62%) of these have a status of Green , 3 (14%) have an Amber status and 5 (24%) have a Red status.

### Recommendation

It is recommended that the Cabinet consider and comment on the contents of this report.

### Reasons for Recommendation

The Council's Performance Management Framework requires that both Scrutiny and the Cabinet have a role in monitoring the performance of the Council against its Corporate Delivery Plan.

## 1. Purpose of Report

To consider and comment on the contents of this report.

## 2. Background

Performance is monitored and reported on to Officers and Members on a quarterly basis as part of the Council's Performance Management Framework. Performance Reports are submitted to both Scrutiny and the Cabinet via quarterly reports.





### 3. Details

3.1 This report consists of:

- **Appendix A: Key Activities in Detail**

This appendix contains a performance summary of each of the Key Activities identified in the Corporate Delivery Plan for the 2022/23 year including a status, progress comment and next steps.

- **Appendix B: Strategic Performance Dashboard**

The Strategic Performance Dashboard consists of the Council's key performance indicators for each priority and is designed to provide an overview of how the Council is performing. The Council's Performance Management database contains information on a wider range of performance indicators including further indicators from the Corporate Delivery Plan and operational indicators. Exceptions are addressed through one-to-one Portfolio Holder meetings and the Performance Improvement Board. The status of these items is categorised as either 'Green' (on or better than the set target), 'Amber' (within a tolerance of 5% below the target) or 'Red' (5% or more below target). The Direction of Travel column indicates whether the indicator has changed status since the previous month. Direction of Travel is stated as either 'Better', 'Same' or 'Worse'.

3.2 Officers are required to provide a status of Complete, Green, Amber or Red for each Key Activity. Definitions of these are as follows:

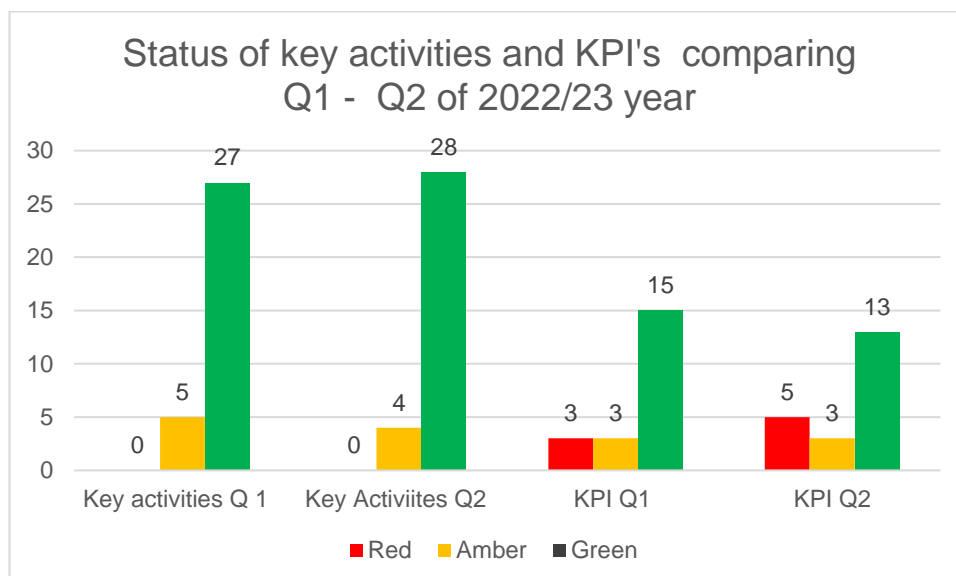
Status	Description
Red	Planned actions have not been achieved or have missed their target date. Issues are now impacting on delivery or expected outcomes.
Amber	Most actions completed. Some issues recognised which may impact on the delivery or expected outcomes.
Green	Planned actions completed, project on track. There are no known issues.
Complete	The project has been completed.

3.3 **Performance Summary**

Figure 1 shows the overall status of all Key activities and KPI's in both Quarter 1 and Quarter 2 for comparison.







### 3.3.1 Status of Key Activities

There are 32 Key Activities at the end of Quarter 2 of the 2022/23 year, and progress against them all is shown in Appendix A: 28 (87.5%) Key Activities had a status of Green. 4 (12.5%) Key Activities had Amber status. There were 0 (0.0%) Key Activities classed as Red status. Overall performance status's remains in line with Quarter 1 key activities status's.

### 3.3.2 Status of Strategic Performance Dashboard

There are 21KPI's on the Strategic Performance dashboard at the end of Quarter 2 of the 2022/23 year (see Appendix B for full details): 13 (62%) of these have a status of Green , 3 (14%) have an Amber status and 5 (24%) have a Red status. In quarter 1 only 3 KPI were at red status - these exceptions are listed below:

### 3.3.3 Number of new affordable housing completions during the year

End of Quarter 2 status = Red

#### Comments

This KPI has been Red in Quarter 1 & 2 -There is no update on this quarters data due to staff illness at the time of compiling this report. The target for the 2022/23 year is 179 units. It is still anticipated that completion of units will increase in subsequent Quarters and that the target for the year will be met.

### 3.3.4 60% of major planning applications determined within 13 weeks or other agreed time

End of Quarter 2 status = Red

#### Comments

During Quarter 1 & 2 of the 2022/23 year this KPI has been Red. In quarter 2, 7 out of 13 major applications have been determined within the 13 weeks or other agreed time. From November, it is expected that performance will improve. Performance will of course be closely monitored.





### 3.3.5 **Percentage of minor and other applications determined within 8 weeks or other agreed time.**

End of Quarter 2 status = Red

#### Comments

During quarter 2 the number of applications determined within agree time frame was 62.8% (7.2% below target, 150 out of 239 applications). It is again expected that performance will improve from November 2022.



### 3.3.6 **90% of payments to creditors within 30 days.**

End of Quarter 2 status = Red

#### Comments

An high volume of invoices were received in June and July. A report was circulated to service managers at the time.

### 3.3.7 **Number of Interventions carried out to encourage owners of empty properties to bring them back into use/ number of properties brought back into use.**

End of Quarter 2 status = Red

#### Comments

During Quarter 1 & 2 of the 2022/23 year no interventions were carried out. The target for the year is 35 interventions. Due to resource pressures within the team, it has been necessary to focus resources on the statutory services, the services is currently recruiting to 2 posts.

## **4. Implications of Decisions**

### **4.1. Corporate Priorities**

The contents of this report are evidence of how the Council has performed in meeting its Corporate Priorities.

### **4.2. Financial**

No financial issues arise directly from this report.

### **4.3. Legal**

No legal issues arise directly from this report.

### **4.4. Policy**

No policy issues arise directly from this report.

### **4.5. Environmental Implications including contributions to achieving a net zero carbon Council by 2030**

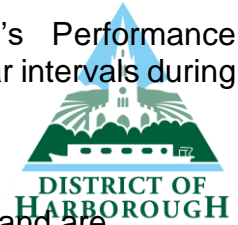
No environmental issues arise directly from this report.

### **4.6. Risk Management**





Risks are managed alongside performance through the Council's Performance Management database. Risk reports are provided to the Cabinet at regular intervals during each year.



#### **4.7. Equalities Impact**

Equality actions are identified as part of the Business Planning Process and are captured where relevant for each Key Activity.

#### **4.8. Data Protection**

No data protection issues arise directly from this report.

### **5. Alternative Options Considered**

Not applicable.

### **6. Background papers**

- Corporate Plan.
- Performance Management Framework.


















## Key Activity Quarterly Report (Quarter 2 of year 2022/2023)

Action Status Key	
	Red (Planned actions have not been achieved or have missed their target date. Issues now impacting on delivery or expected outcomes).
	Amber (Most actions completed. Some issues recognised which may impact on delivery or expected outcomes).
	Green (Planned actions completed, project on track. There are no known issues).
	Completed

### Priority one: Community Leadership to create a sense of pride and wellbeing

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.01 Improve and enhance the future delivery of Customer Services		Project on track for go-live	Complete final stages of implementation of the new contact centre. Undertake staff training.	Customer Services and Engagement	Corporate
KA.01.02 Increase the digitalisation of services		Initial scoping for Licensing online forms completed. Plan of works being prepared.	Initial working completed re the development of online licensing forms within Netcall. Ongoing monitoring and review of current/new online forms through customer feedback.  Continue with the re-engineering and redesign of the Council's website.	Customer Services and Engagement	Corporate



Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.03 To ensure effective Strategic Communications across the District to keep residents informed of Council services and Key Activities		This ongoing Key Activity is completed to date. Key news and updates are shared with stakeholders via the council's communication channels in a timely, accurate and engaging way and links with partners and local media continue to help us to widen our reach to residents across the Harborough district.	Continue to deliver high-quality communication activities for key projects and initiatives, and in support of service areas and corporate plan priorities, across the Council's communication channels to stakeholders.  Engagement Strategy draft completed and internal consultation is taking place.	Communications	Strategy
Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.04 Investment in community facilities through the Section 106 process		Cab sub cttee allocations from 27th Sept Meeting  135,091 - Manor Field Pavilion The Hub COMMUNITIY FACILITIES  £13,912.47 Lutterworth Cricket Club SPORTS  Grants up to 25K - £72,460 paid out in 2nd quarter	2023 contributions at risk. Balances not provided to Parishes.	Community Partnerships	Wellbeing
Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.05 To prevent crime, tackle antisocial behaviour and support vulnerable victims		Safer Summer campaign ran through July-August on Social Media and Radio.  Diversionary activities for young people ran during ASB Awareness Week and then weekly during August, Events ran in Market Harborough, Broughton Astley, Lutterworth, Kibworth & Thurnby	Vacant post of FT CS Officer ( 2 x 0.5 officers no longer in post) recruit of temporary post pending review.  Campaigns for next quarter - - Celebrate Safely Campaign /Christmas Presence	Community Partnerships	Wellbeing



## APPENDIX A

		<p>- included Skate board coaching, basketball coaching and a temporary skatepark at Kibworth: Outcomes included signposting to Brickwork studios, Speak-out and MH Basketball Club as well as Riders Coaches discussing the work of their Foundation.</p> <p>Work continues towards Domestic Abuse Housing Alliance Accreditation.</p> <p>School Newsletter for Summer Term</p> <p><b>Coffee Van – Medbourne-</b> During August officers from the Community Safety Team have been joined our Health and Well being team and colleagues from the Health Service at a weekly coffee van session arranged by the Rural Community Council giving advice on scams, domestic abuse services and anti-social behaviour.</p> <p>Work started on planning alcohol awareness campaign for staff and businesses, in partnership with Public health and Turning Point.</p>	<p>- County Lines Awareness - Hate Awareness Week. - Alcohol Awareness</p> <p>Continue work towards Domestic Abuse Housing Alliance (DAHA) accreditation.</p> <p>Continue to issue newsletters to schools each term.</p> <p>CSP Strategic Assessment and drafting of new Three Year Plan</p>		
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.06 Review and implement any emerging issues that come from government policies		There were no relevant emerging issues from government policies in Quarter 1 of the 2022/23 year.	Continue to proactively monitor any relevant emerging issues.	Legal and Democratic Services	Corporate


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.07 Implementation and		Continued support for implementation	2021-22 Housing and	Strategic Planning	Planning




## APPENDIX A

monitoring of the adopted Harborough Local Plan (2011-2031)		and ongoing monitoring of the adopted Local Plan.	employment monitoring. Preparation of the five-year housing land supply position.		
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.08 Planning decisions and planning enforcement are maintained in line with the adopted Harborough Local Plan (2011-2031)		During Quarter 2 of the 2022/23 year, 6 out of 11 (54.5%) major planning applications were determined on time.  Since the start of the year 2.5 FTE posts have become vacant; however, active recruitment is now underway and by November the service will only be 0.5 FTE short of full establishment. From November, it is expected that performance will improve. Performance will of course be closely monitored	Continue to monitor planning application performance. Recruit to vacant posts.	Development Management	Planning


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.09 Continue the preparation of the next Local Plan, ensuring that design codes are developed to shape the District in line with our place-shaping ambitions		Strategic Housing and Employment Land Availability Assessment published Sep 22.	Finalise scope and key issues for the next Local Plan	Strategic Planning	Planning


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.10 Planning Obligations Policy preparation and ongoing monitoring		Implementation of the Planning Obligations SPD and further round of recruitment undertaken	Support colleagues in the implementation of the Planning Obligation SPD and complete the further round of recruitment to seek to fill the current vacancy in order to further progress monitoring work.	Strategic Planning	Planning




## APPENDIX A

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.11 Continue the programme of review of the Council's conservation areas and preparation of the Local List of Heritage Assets		Bitteswell Conservation Area Appraisal completed.  Panel met and considered the next tranche of entries for the Local list of non-designated heritage assets.	Public consultation on the Bitteswell Conservation Area Review and second Tranche of the Local List.	Strategic Planning	Planning


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.12 Support the preparation of Neighbourhood Plans		East Langton Review Referendum 27 Oct  Tugby and Keythorpe Referendum 27 Oct  Dunton Bassett Exam ongoing  Kibworths Review Exam ongoing  Reviews commenced at Broughton Astley, Houghton on the Hill, Lubenham, Fleckney	East Langton Review Referendum date provisionally agreed as 27 October 2022.  Hold Dunton Bassett Referendum.  Hold Kibworth Review Referendum.  Hold Tugby and Keythorpe Referendum (provisional date: 27 October 2022).  Support Plans as they progress: Medbourne Review, Houghton Review, Lubenham Review, Lutterworth start (all dates TBC).	Strategic Planning	Planning

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.13 External maintenance works to The Symington Building		Sub-contractor company no longer able to carry out the work due to ill health.  Meeting arranged with another contractor to discuss the specialist work.	Meeting with new subcontractor arranged for 6 October 2022	Property Team	Finance





Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.01.14 Refurbishment of toilets in Welland Park, Market Harborough		<p>Layout plans all agreed with changing places</p> <p>Contract documents signed and sealed</p> <p>Start date to be confirmed prior to comms being issued.</p>	<p>Start date to be confirmed with the contractor.</p> <p>Communications to be issued.</p>	Property Team	Finance

### Priority Two: Promoting health and wellbeing and encouraging healthy life choices

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.01 Provide support for the most vulnerable in our communities, ensuring that they have suitable accommodation to safeguard them from harm and we provide high-quality help and advice on housing options		<p>Plowmans Yards fire safety audits have been completed and awaiting decision.</p> <p>Two new Housing Options officers are in role and the new Housing manager has taken up the post in quarter 2.</p> <p>Work continues on developing a more active and structured approach to increasing the accommodation locally for single person households.</p> <p>Recently attended a Resettlement Event hosted by the district to help Ukrainian refugees settle and find appropriate accommodation for those on the Homes for Ukraine scheme. Ongoing work with the H4U Officer to support families with move on and emergency accommodation.</p>	<p>Continue to Provide extensive training to the Housing Options Officer.</p> <p>Working with internal services and external housing providers to support residents with the costs of living crisis.</p> <p>Recruitment of an officer to focus on the resettlement of refugees.</p>	Community Partnerships	Wellbeing




Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.02 Agree and implement the Young Persons Strategy		<p>The Young Persons Opportunity Plan and Action Plan was competed and passed through Scrutiny.</p> <p>Young Persons Officer facilitated tour of jubilee art work banners in District.</p> <p>Young Person Officer helped facilitate diversionary activities for ASB Awareness week and through Summer.</p> <p>Young persons opportunity plan and action plan was presented to cabinet 10.10.22</p>	The Young Persons Opportunity Plan and Action Plan to be embedded across services areas of the council. Monitoring of these activities to be developed.	Community Partnerships	Wellbeing

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.03 Implement a Health and Wellbeing Strategy that will empower people to take action to improve health and wellbeing for themselves and others through providing effective, timely and appropriate support where it is needed		<p>The Health and wellbeing Strategy is being taken to Cabinet on 10th October 2022 with two recommendations</p> <p>1. To approve the Health and Wellbeing Strategy 2022-2027 which sets strategic objectives and an action plan to deliver on these objectives.</p> <p>2.To approve the Health and Wellbeing Action Plan 2022 – 2024.</p> <p>Approval of the Health and Wellbeing Strategy will ensure;</p> <p>The Council understands and works to improve the health and wellbeing of the residents in partnership with key stakeholders and alongside our communities.</p>	<p>Once approved by Cabinet on 10th October 2022 work will can begin on delivering on the six cross-cutting strategic priorities for Health and Wellbeing in Harborough District over the next 5 years. those priorities being:</p> <ul style="list-style-type: none"> <li>• Quality homes for all</li> <li>• Community infrastructure</li> <li>• Skills, jobs &amp; income</li> <li>• Stronger communities</li> <li>• Mental health</li> <li>• Physical health</li> </ul> <p>Staff will continue to work through the associated action plan in order to support delivery of the strategy</p>	Community Partnerships	Wellbeing





			<p>The plan will be reviewed on a regular basis to ensure the Council and partners are delivering on improving health and wellbeing for residents,</p> <p>The Health and Wellbeing Strategy and Action Plan will also support the Council to engage in the wider health agenda.</p>		
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.04 Review the current leisure services provisions and service delivery options for the future, including preparations for any new contractual arrangements		<p>In September 2021 Cabinet reviewed an outline business case to develop leisure facilities. they agreed to progress Option B – A major redevelopment of the existing sites to include additional facilities as this was the most affordable option and likely option to achieve at least a £zero cost to the Council whilst enabling significant investment in facilities. A key outcome of our MTFS</p> <p>The procurement strategy has now been drafted which sets the high-level strategic objectives for the future delivery of leisure services and seeks to establish a suitable balance between meeting the Council's requirements and ensuring the opportunity is attractive to the market.</p> <p>The procurement strategy is tabled to be considered at cabinet on the revised date of 10th October 2022 where we will recommend that</p>	<p>Between November 2022-March 2023 complete a tender process to produce a long list of bidders.</p> <p>Between March 2023-July 2023 determine a short list of bidders</p> <p>In July 2023 conduct a Gateway review .</p> <p>In October 2023 conduct a revised tender evaluation. In November 2023 Council approval will be sought for the preferred partner with a new contract commencing on 1 April 2024.</p>	Community Partnerships	Wellbeing




		<p>The Leisure Procurement Strategy which sets the strategic objectives for the future delivery of leisure services across the Harborough District is approved</p> <p>To un-ringfence the capital funding (Harborough Leisure Centre (£8.75m) and Lutterworth Sports Centre (£1m)) and make the total £9.75million available to operators to invest in Harborough and Lutterworth Centres in the best way to achieve objectives in the Procurement Strategy.</p> <p>To note that the results of market engagement and affordability test by our leisure consultants support the preferred redevelopment option as the best was to achieve at least a £zero cost to the next contract.</p> <p>Approval of the Procurement Strategy will enable documentation to be developed including a services specification before going out to initial tender at the end of 2022.</p>			
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.05 Implement measures to improve the living accommodation within the District		No new data available in Quarter 2 due to staff sickness	Continue monitoring affordable housing unit delivery and work closely partner organisations.	Strategic Planning	Wellbeing

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.06 Delivery of the agreed objectives of the Armed Forces Covenant		Current activity to sustain the Armed Forces Covenant is assessed as Green	The Armed Forces Officer (AFO) has reviewed the guidance and continues to	Legal and Democratic Services	Corporate







		<p>Q2 saw the publication of the Government's Armed Forces Covenant (AFC) Duty draft guidance in August but, due to the summer recess and subsequent death of HM the Queen, the Parliamentary debate and vote on the draft Regulations and Guidance has been delayed to Q3 (no date has been set). When approved they will be signed into law, and 2 weeks later they will come into legal force.</p> <p>A written briefing to update Members on the AFC Duty, and its potential implications for Harborough DC, has been produced and will be distributed in October.</p>	<p>engage and advise at desk level. For example, plans for Q3 include sharing applicable Housing Allocation Policy changes considered as best/good practice elsewhere.</p> <p>Ongoing plans to create a South Leicestershire Wellness Hub for veterans (in Lutterworth) have been delayed into Q3/4 due to a change in availability of the planned venue.</p> <p>Lead on compilation of a report to the Armed Forces Covenant Trust on progress with sustaining delivery of the Covenant across parts of Leicestershire, Rutland, and Lincolnshire (in partnership with other AFOs), by December.</p>		
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Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.02.07 Provision of a sustainable 24-hour Lifeline Service		Customer numbers recovering to pre-pandemic levels. Budget forecast to achieve targets.	Continue marketing of service.	Commissioning and Lifeline	Wellbeing



### Priority Three: Creating a sustainable environment to protect future generations


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.01 Reduce environmental crime through promoting a cleaner, greener environment using education and enforcement		We are set to be on track for a further reduction on fly tipping based on the data so far. This is down to the committed work we are doing on patrols, use of CCTV and following up on reports we receive. We are also continuing the work on litter reduction and county wide work.	-Continue the work on our successful campaigns.  Launch of a new radio advert on graffiti  Work with other districts on campaigns	Environmental Services and Health & Safety	Regulatory
Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.02 Prepare for re-procurement of the Environmental Services contract, ensuring that any new requirements from government are included in the specifications		TO start early 2023.	TBC.	Environmental Services and Health & Safety	Regulatory
Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.03 Produce a Welland Park Strategy and further develop a 10-year strategy for the use of all Council-owned parks and green spaces		All planting changes have been made, and the removal of the 1xFTE post on site making the BC25 saving.	Draft the Strategy, in line with consultation and engagement.	Environmental Services and Health & Safety	Regulatory
Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.04 Provide effective local air quality management		Work on the Particulate Matter Project with North West Leicestershire is progressing. The on line questionnaire has been complete and the site for the installation of the air quality monitor has been identified. It is anticipated that the monitoring and questionnaire will go live	Confirm the study location and send out initial questionnaires	Regulatory Services	Regulatory




		in the first week of October 2022			
Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.05 All Council activities will work towards being carbon neutral by 2030		Climate Officer Group continues to meet and have a series of actions underway, including sport centre refurbishment, LAD2 delivery. Officers supported Great Bug Green Week.	Draft report complete and going to officers for comment.	Regulatory Services	Regulatory
Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.06 Provide domestic energy efficiency advice and measures in partnership with external organisations and encourage households to participate in the Council's Collective Switching and Solar Together initiatives		<p>Collective switching has halted due to issues in the energy market. Solar together reached 1,500 registrants with 250 accepting offers. Residents who accepted are now having surveys and then will have an installation date agreed, subject to the roof being suitable. Installations will be completed during financial year.</p> <p>76 properties completed under LAD2. Close down process is now underway to sign off the project.</p> <p>SWC is progressing, tender process completed for contractors. 60 properties in Harborough to have energy efficiency</p>	<p>Close down of LAD2 by end of December.</p> <p>Installations of solar together start in October/November 2022.</p> <p>ECO4 flexible eligibility is in process of being signed off following final guidance.</p> <p>SWC surveys of households will start end of October.</p>	Regulatory Services	Regulatory
Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.03.07 Develop and implement a Rural Strategy for the District		The Rural strategy was considered at Cabinet on 10.10.22	Seek opportunities for funding alongside the Shared Prosperity fund. Embed the strategy across council services.	Community Partnerships	Wellbeing




### Priority Four: Supporting businesses and residents to deliver a prosperous local economy


Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.04.01 Ensure that Harborough District's towns, villages and rural areas remain attractive and vibrant places to live, work invest and visit		<p>Submitted a bid to the Government's Levelling Up Funding for Market Harborough Town Centre.</p> <p>Submitted plans to the Government's UK Shared Prosperity Fund to support the implementation of town centre Masterplans and the District's smaller towns.</p> <p>Supported a comprehensive shop front enhancement scheme for businesses in towns and villages across Harborough District.</p>	<p>Start rolling out a programme of investment through the UK Shared Prosperity Fund, including Active Travel and town centre improvements.</p> <p>Submit plans for the Government's Rural England Prosperity Funding to support Harborough District's rural areas.</p>	Economic Development	Finance

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.04.02 Ensure that we support new and existing businesses with Harborough District to be as successful as they can be		<p>Continued to attract more new and existing businesses to be based at the Harborough Innovation Centre, (up to 94% occupancy in September 2022, from 48% during the Covid pandemic).</p> <p>Continued to attract more businesses to be based at the Harborough Grow-on Centre, (up to 41% occupancy, or 7 rooms in September 2022, from only 3 rooms and 18% occupancy in September 2021).</p> <p>Supported 46 local businesses with free memberships for the Federation for</p>	<p>- Develop plans for the Rural England Prosperity Fund to support rural businesses and communities within Harborough District.</p> <p>Developing new business grants scheme and comprehensive business support offer, as part of our UK Shared Prosperity Fund programme.</p>	Economic Development	Finance



		Small Businesses and 18 local businesses to access the Zellar online sustainability platform.			
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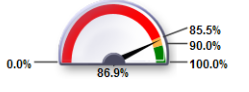





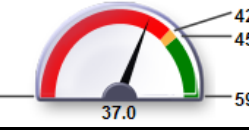


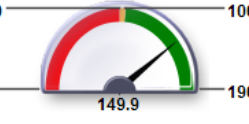

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.04.03 Ensure that Harborough District residents (particularly young people), can gain access to the education, training, and skills they require to obtain high-quality employment and careers to help them meet their potential and live a fulfilling life		Continued to co-ordinate Job Fairs in Market Harborough and Lutterworth, alongside key partners, which have been very well received, (Market Harborough Job Fair in June 2022 resulted in over 50 individuals receiving on the spot job offers).  Monthly Job Clubs in Lutterworth continue to grow, and are now attracting involvement from significant local employers.	Develop detailed plans for the UK Shared Prosperity Fund to support District residents gaining skills and employment, (ideally for implementation in 2023/24 and 2024/25).  Continue to support and develop Job Fairs in both towns and the Lutterworth Job Club, in conjunction with partners.  Continue to support school careers events and share good practice between schools.	Economic Development	Finance

Activities	Status	Progress	Next Steps	CMT Lead / Team	Portfolio
KA.04.04 Review and revise the Economic Development Strategy to ensure it is fit for purpose in the current climate		Work has been undertaken to assess the current position of Harborough District post-Covid and in the context of the Government's Levelling Up agenda, which is evolving in the light of changing economic circumstances and Government policy.	Detailed work to review and develop a new Economic Development Strategy for the District is planned for late 2022/ early 2023.	Economic Development	Finance



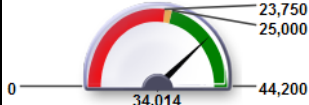

## Strategic Performance Dashboard Quarter 2 (2022/23)

### Priority 1: Community Leadership to create a sense of pride and wellbeing



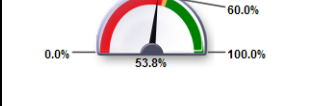
KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
CCS 05 Reducing avoidable contact		0%	8%	Average result for Q2 2022/23 as of August 2022 		During Quarter 2, (2022/23) an average of zero avoidable contacts was recorded
COR 01 Stage 1 and Stage 2 complaints responded to within 20 working days (%)		86.9%	90.0%	Cumulative result for Q2 2022/23 as of September 2022 		During Quarter 2 of the 2022/23 year, 86.9% (53 out of 61) of corporate complaints were responded to within the target time of 20 working days. Cumulative annual performance is 90.5% at the end of the quarter.
HS 07 Number of Repeat Homelessness Acceptances		0	0	Q2 2022/23 result 		During Quarter 2 (2022/23) there were zero instances of Repeat Homelessness
SP 01 Number of new affordable housing completions during the year		37.0	45.0	Q1 2022/23 result 		Data for Quarter 2 not available at time of producing report due to staff sickness.
SP 02 Supply of ready to develop housing sites in forthcoming five year period compared to requirement (achievement of five-year land supply)		148.6%	100.0	March 2021 result 		Data for this indicator was last calculated on 31 <sup>st</sup> October 2022, when 7.43 years was available.



## Priority 2: Promoting health and wellbeing and encouraging healthy life choices



















KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
CP 11 Number of attendances at sport and physical activities	✓	34,014	25,000	<p>Q4 2021/22 result</p> 	↑	Quarter 2 data will not be made available until the end of October 22
RS 16 Average number of weeks taken to complete Disabled Facilities adaptations	✓	17	20	<p>Q1 2022/23 result</p> 	↑	In quarter 2 (2022/23) the average number of weeks was below the target at 17 weeks.

## Priority 3: Creating a sustainable environment to protect future generations

KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
CON 10 Levels of Litter and Detritus (% of sites are Grade B or better)	✓	90.4%	88%	<p>Q2 2022/23 result</p> 	↑	In Quarter 2 (2022/23) there was 90.4% of Sites at Grade B or better. That was a total of 113 out of 125 sites.
CON 14 Average number of working days to respond to reports of fly-tipping (days)	✓	2.10	5.00	<p>Q2 2022/23 result</p> 	↑	In Quarter 2 (2022/23) on average it took 2.10 working days to respond to reports of fly-tipping.
DM 01 60% of major applications determined within 13 weeks or other agreed time	✗	53.8%	60.0%	<p>Cumulative result for Q2 2022/23 as of September 2022</p> 	↓	During Quarter 2 of the 2022/23 year, 6 out of 11 (54.5%) major planning applications were determined on time. Since the start of the year 2.5 FTE posts have become vacant; however, active recruitment is now underway and by November the service will only be 0.5 FTE








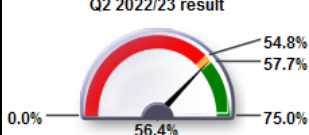


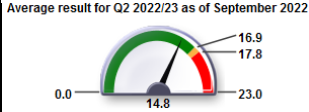


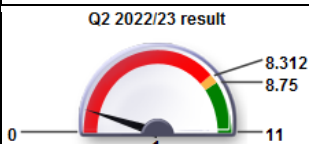



## APPENDIX B

KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
						short of full establishment. From November, it is expected that performance will improve. Performance will of course be closely monitored
DM 02 Percentage of minor and other applications determined within 8 weeks or other agreed time		62.8%	70.0%	Cumulative result for Q2 2022/23 as of September 2022 		During Quarter 2 of the 2022/23 year, 150 out of 239 (62.8%) minor planning applications were determined on time. Since the start of the year 2.5 FTE posts have become vacant; however, active recruitment is now underway and by November the service will only be 0.5 FTE short of full establishment. From November, it is expected that performance will improve. Performance will of course be closely monitored
DM 07 Less than 10% of major decisions allowed at appeal		0.0%	10.0%	Cumulative result for Q2 2022/23 as of September 2022 		In Quarter 2 (2022/23) zero planning application appeals had been allowed.
FS 02 Establishment and Agency costs are kept within agreed revised budget		£2,126,831.00	£2,286,582.00	Cumulative result for Q2 2022/23 as of September 2022 		In Quarter 2 (2022/23) total agency costs were 7% lower than the quarter target. The total budget for the year 2022/23 is 39,528,733.
FS 03 90% of payments to creditors within 30 days		80.9%	90.0%	Cumulative result for Q2 2022/23 as of August 2022 		In Quarter 2 (2022/23) the number of payments to creditors within 30 days was 9.1% below target with 526 out of 650 being paid within the 30 days.
HR 02 Percentage staff turnover (%)		2.5	4.0	Cumulative result for Q2 2022/23 as of September 2022 		In quarter 2 (2022/23) percentage staff turnover was 2.5% This equates to 14 out Leavers in the quarter.
HR 03.1 Working days lost due to Sickness Absence (short-term only)		0.3	1.7	Average result for Q2 2022/23 as of September 2022 		At the end of Quarter 2 (2022/23) 0.3 days per FTE were lost due to short term sickness.



## Priority 4: Supporting businesses and residents to deliver a prosperous local economy

KPI	Status	Value	Target	Gauge	Direction of Travel	Comments
ED 08.1 Market Harborough Footfall		1,828,186	480,000			At the end of Quarter 2 (2022/23) footfall had increased by a further 5% on the last quarter.
ED 08.2 Lutterworth Footfall		388,571	390,000			In Quarter 2 (2022/23) the total footfall was just 0.3% of reaching the target for the quarter (1,429)
RB 01 In-Year Council Tax Collection Rate of 98.4%		56.4%	57.7%			By the end of Quarter 2 of the 2022/23 year, 56.4% of Council Tax has been collected. This is 1.3% short of target for the quarter.
RB 02 Achieve an average time of 19 days to process new benefit claims		14.8	16.9			At the end of Quarter 2 /2022/23) new benefit claims were processed on average in 14.8 days. this is almost comparable to the previous period (14.9)
RS 14 Number of interventions carried out to encourage owners of empty properties to bring them back into use/ number of properties brought back into use		1	8.75			During Quarter 2 (2022/23) no interventions took place. The target for the period 2022/23 is 35. Recruitment to posts will take place in quarter 2 with outcomes in quarter3.



# Harborough District Council

## Report to the Cabinet Meeting of 5<sup>th</sup> December 2022



<b>Title:</b>	Corporate Risk and Opportunity Management: Quarter 2, 2022/23
<b>Status:</b>	Public
<b>Key Decision:</b>	N/A
<b>Report Author:</b>	L. Elliott, Interim Chief Executive
<b>Portfolio Holder:</b>	Councillor Paul Dann, Corporate & Regulatory Services
<b>Appendices:</b>	Appendix A Corporate Risk and Opportunity Register Appendix B Risk and Opportunity Movement Appendix C Risk and Opportunity Residual Scoring Distribution Appendix D Risk and Opportunity Scoring Criteria

### Executive Summary

At the end of Quarter 2 of the 2022/23 year there were 21 Corporate Risks and 6 Corporate Opportunities on the Corporate Risk and Opportunity Register. Full details of the Risks and Opportunities, including scores and mitigating actions, are attached at Appendix A.

### Recommendation

That the items contained within the Council's Corporate Risk and Opportunity Register (attached at Appendix A to this report) be noted.

### Reasons for Recommendation

The Council's Risk and Opportunity Management Framework provides that the Council's Risks and Opportunities will be reported on a regular basis.

## 1. Purpose of Report

To provide the Cabinet with information on the Council's Corporate Risks and Opportunities at the end of Quarter 2 of the 2022/23 year.

## 2. Background

- 2.1 The Corporate Risk and Opportunity Register (attached at Appendix A to this report) sets out the Council's Corporate Risks and Opportunities. Corporate Risks and Opportunities are defined as issues that may have a significant impact on the delivery of the Council's vision and priorities. They are identified, monitored and managed via the Council's Risk and Opportunity Strategy Board which meets on a quarterly basis.



- 2.2 The Board amends the Register to reflect progress on actions which have been identified to:
- (i) reduce the likelihood of a risk occurring, the impact the risk would have if it were to occur, or both.
  - (ii) monitor opportunities.
  - (iii) add and/or remove risks and opportunities.
- 2.3 At the end of Quarter 2 of the 2022/23 year there were 21 Corporate Risks and 6 Corporate Opportunities on the Corporate Risk and Opportunity Register. Full details of the Risks and Opportunities, including scores and mitigating actions, are attached at Appendix A.
- 2.4 The Council's Risk and Opportunity Management Framework uses a matrix which scores both impact and likelihood out of 4 (see Appendix D).
- 2.5 The Council's Risk and Opportunity Management Framework categorises Risks and Opportunities in the following way:







<b>Score</b>	<b>Risk Status</b>	<b>Opportunity Status</b>
9 or above	 (Red)	 (Green)
5-8	 (Amber)	 (Amber)
1-4	 (Green)	 (Red)

Table 1 Risk and Opportunity Score and Statuses

### 3. Details

- 3.1 A summary of the status of the Council's Corporate Risks and Opportunities at the end of Quarter 2 of the 2022/23 year can be seen at Figure 1 below:

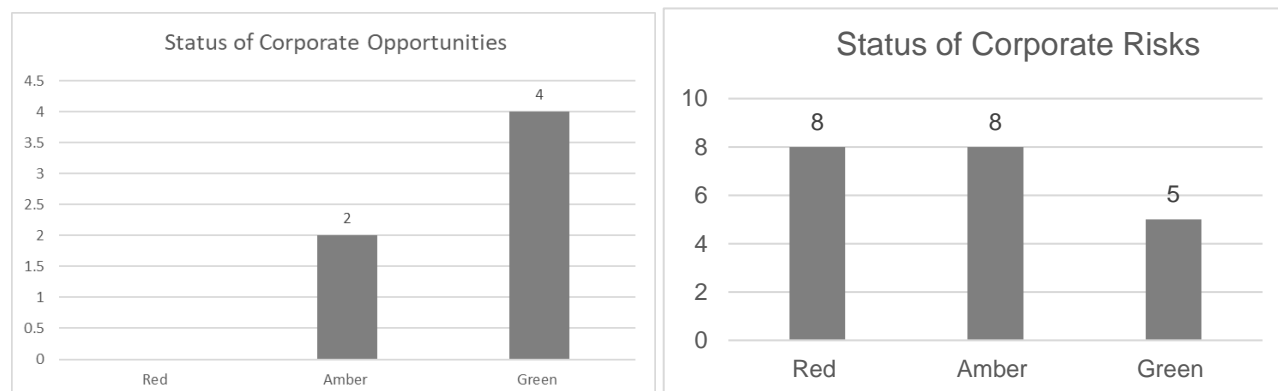


Figure 1 Summary of Risk and Opportunity Statuses



### **3.2 New Risks and Opportunities**

- 3.2.1 Three new Corporate Risks were added to the Corporate Risk and Opportunity Register during Quarter 2 of the 2022/23 year.
- 3.2.2 CR 43 The Council fails to put in place and up to date, sound and adoptable local plan, the updated local strategic planning framework for the district.
- 3.2.3 CR 44 Disruption and Uncertainty arising because of uncertainty in central Government
- 3.2.4 CR 45 Possibility of an unplanned General Election ahead of 2024.
- 3.2.5 No new Corporate Opportunities were added to the Corporate Risk and Opportunity Register during Quarter 2 of the 2022/23 year.

### **3.3 Risks and Opportunities Removed**

- 3.3.1 No Corporate Risks was removed from the Corporate Risk and Opportunity Register during Quarter 2 of the 2022/23 year.

### **3.4 Risks and Opportunity scores that have moved status during the quarter.**

- 3.4.1 Appendix B compares all risk scores to previous quarters and previous year.
- 3.4.2 4 risks have moved scores over the previous quarter these are:
- 3.4.3 CR 25 - The Council does not have sufficient funding to deliver its current services in the medium term. This is now at Amber status (Score 6). Further information about the financial settlement for local authorities has resulted in the likelihood changing.
- 3.4.4 CR 29 - Loss of ability to provide a comprehensive service due to cyber security attacks. This is now at Red status (Score 9), Due to a better understanding of the impact to other local authorities who have had cyber-attacks, the impact has moved to significant.
- 3.4.5 CR 32 - The Council does not meet its budgeted for Planning fee income targets, particularly in regard to major applications which could have a negative impact on the Council's financial position. This is now at Red Status (Score 12). The key reason for this is that the delivery of two major allocations from the sound, adopted district wide local plan have become delayed for reasons beyond the control the Council. Thus reducing the planning fee.
- 3.4.6 CR 34 The Council fails to meet its information governance and records management obligations under various enactments such as the Data Protection Act 2018 and UK GDPR. This is now at Red Status (Score 9). The council is about to embark on some work around document retention which may increase the likelihood of this risk.

### **3.5 Managing Operational Risks & Project Risks**

- 3.5.1 In addition to the Corporate Risks and Opportunities attached at Appendix A, the Council monitors and manages Operational Risks and Opportunities identified through the Corporate Delivery Plan and Team Plans.



- 3.5.2 Project Risks and Opportunities that are identified through corporate projects are monitored by an Officer-led Programme Board.
- 3.5.3 Operational Risks and Opportunities are updated on a quarterly basis alongside quarterly performance updates. Project Risks are updated on either a monthly or quarterly basis as part of their associated highlight reports.
- 3.5.4 Operational Risks are managed via an internal Performance Improvement Board on an exception basis i.e. Red Risks (those with a residual score of 9 or more) and those with a negative direction of travel.
- 3.5.5 Corporate Risks, Operational Risks and Project Risks are all included in the Risk and Opportunity Register which is held on the Council's Performance Management database.

#### **4. Implications of Decisions**

##### **4.1. Corporate Priorities**

The contents of this report are evidence of how the Council monitors issues that may affect the delivery of its Corporate Priorities.

##### **4.2. Financial**

No financial issues arise directly from this report.

##### **4.3. Legal**

No legal issues arise directly from this report.

##### **4.4. Policy**

No policy issues arise directly from this report.

##### **4.5. Environmental Implications including contributions to achieving a net zero carbon Council by 2030**

No environmental issues arise directly from this report.

##### **4.6. Risk Management**

The Corporate Risk and Opportunity Register is attached at Appendix A to this report.

##### **4.7. Equalities Impact**

No equalities issues arise directly from this report.

##### **4.8. Data Protection**

No data protection issues arise directly from this report.

#### **5. Summary of Consultation and Outcome**

None

#### **6. Alternative Options Considered**

Not applicable.

#### **7. Background papers**

Risk and Opportunity Management Framework









## Corporate Risk and Opportunity Register: Quarter 2 of 2022/23 year.

### D.O.T (direction of travel)



- ↑ = Increase in risk/ opportunity score compared to previous report
- = No change in risk/ opportunity score compared to previous report
- ↓ = Reduction in risk/ opportunity score compared to previous report



### Corporate Opportunities



Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
COR OP 02 Disposal of Assets for Capital Receipts or Acquisitions to meet expected or current demand.	2 Moderate	3 Likely	6	3 Significant	3 Likely	9		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
Both Naseby Close, Market Harborough and De Verdon Road, Lutterworth are now sold. Naseby Close was sold to Platform Housing (RSL) and De Verdon Road by open-market sale. The Council has acquired 4, Roman Way, Market Harborough to help mitigate the high cost of temporary housing need and is also redeveloping flats held at Ploughman's Yard, Market Harborough. Further, the Council now has in place an Asset Management Plan that records the condition of the Council's current strategic property holdings and highlights future property needs.								
Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
COR OP 04 Income maximisation/ Cost Reduction.	3 Significant	2 Unlikely	6	4 Major	3 Likely	12		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
Regular monitoring takes place alongside a monthly review by the relevant Portfolio Holder. Regular re-profiling of income targets takes place and is informed by current and future activity levels. Regular monitoring by the Corporate Management Team and quarterly reporting to the Cabinet monitors income trends and action plans. During the 2021/22 year, the BC25 programme came to a close. The savings and investment opportunities arising will be reported as part of the routine quarterly financial monitoring.								
Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
COR OP 05 To work with the other Leicestershire Authorities to explore different structures for delivering Council services for the benefit of residents.	4 Major	2 Unlikely	8	4 Major	3 Likely	12		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
The Leader of the Council has committed to working collaboratively for the potential benefit to the residents of Harborough District. Some preparatory work has been completed to identify the								



scope of the project. A scope has been agreed between several Leicestershire Authorities on further collaboration and work is continuing in this area.







Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
COR OP 06 To support communities during recovery from the Covid-19 pandemic via the County-coordinated Contain and COMF Funding.	4 Major	1 Very Unlikely	4	4 Major	4 Very Likely	16		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
Agreed funding for specific projects focused on Covid-19 recovery. £130K of funding was received during Quarter 4 of the 2020/21 year. Approval has been received to continue using this funding into the 2022/23 year, which eases the urgency on spending and allows us to prioritise spending to where it will have the greatest impact. This will not be available in forthcoming years.								

Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
COR OP 07 To ensure that Harborough District Council benefits from the ERDF Welcome Back funding to support the reopening of local town centres and tourism following the Covid-19 pandemic.	2 Moderate	3 Likely	6	2 Moderate	4 Very Likely	8		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
To develop and deliver a programme of activities to support the reopening of local town centres and tourism and respond to the medium-term impact of Covid-19. The initial deadline to submit proposals to Government by 30 May 2021 was achieved. Once approved, the delivery of these plans can run through until the end of March 2022. Plans have had to be modified slightly to take account of continuing restrictions and lack of capacity amongst the events industry. Final submission and evidence for was made in early May 2022 and Officers are awaiting confirmation of the funding, or any further clarification from government officials, with a view to receiving the £166K funding retrospectively within the next few months.								

Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
COR OP 08 To maximise the likelihood that Harborough District Council can benefit from Government Levelling Up Funding to support town centre regeneration, investment in local cultural facilities or upgrading local transport Infrastructure.	3 Significant	1 Very Unlikely	3	3 Significant	2 Unlikely	6		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
Whilst it is recognised that this is likely to be a very difficult case to make, given that Harborough District is classed as a Category 3 (the lowest) area, Council Officers are working with consultants to submit a credible application for to Round 2 of Levelling Up Funding in early July 2022, focussed on Market Harborough town centre. Whilst it is recognised that this is a very competitive process, every effort is being made to ensure that this is as strong an application as possible and experienced consultants have been commissioned to assist with this work, learning from the experiences of Round 1.								







## Corporate Risks

Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 07 Risk of the Council not helping to encourage conditions for new business growth results in the District not benefitting from the LLEP funding	2 Moderate	3 Likely	6	2 Moderate	2 Unlikely	4		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
The Council is represented on the LLEP Board through a nominated District Leader representation. The Council was successful in gaining funding for two projects from the Leicestershire Business Rates pooling fund for 2019/20, and whilst progress has been delayed on these due to the coronavirus pandemic, work is back on track and the LLEP is comfortable and assured by the progress being made. The Lutterworth Town Centre Masterplan was approved as Council policy on 27 September 2021, and work on the implementation is likely to commence during 2022. Funding towards the St. Mary's Quarter in Market Harborough is being progressed via a consultant-led feasibility study in mid to late-2022.								
Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 12 Lack of a co-ordinated approach to Emergency Planning could result in a failure to effectively respond to situations.	4 Major	2 Unlikely	8	3 Significant	1 Very Unlikely	3		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
As a member of the Local Resilience Forum (LRF) the Council receives support on responding to emergency situations from a number of partner organisations. Training undertaken by staff is under continual review to ensure compliance with the Local Resilience Forum's guidance and competencies. Severe Weather and Flood Contingency Plans are in place to ensure there is an effective response to any incident. There is a county-wide programme for testing plans which ensures that there is a consistent approach and that plans are tested at appropriate times. The Council is a member of the county-wide emergency planning partnership and this provides 24/7 support from an emergency planning professional. A protocol has been developed, and is in operation, to update Members, at the time of an incident. Emergency Plans have been developed and tested for the high-risk scenarios throughout the District. Joint working arrangements with LCC Highways enable a co-ordinated approach to situations that involve both organisations. Member and Officer training has been provided to ensure their roles are fully understood during an incident. We work with the LRF to ensure Harborough Emergency Planning procedures are robust, clear to Members, and are tested. A Corporate Management Team Emergency Planning rota is in place. An online training module on Emergency Planning for all staff was launched in Quarter 4 of the 2016/17 year. Corporate Management Team received training in May 2018 regarding management of emergency incidents. An Audit review, conducted in February 2018, made no recommendations. During Quarter 3 of the 2019/20 year, elected members received an emergency plan briefing. During Quarter 2 of the 2020/21 year, a multi-agency exercise was carried out remotely across Leicestershire. Throughout the pandemic the Council has stood up its own response structure and an internal audit on the Council's initial response to the pandemic, with a primary focus on management of the recovery stage, including re-establishing effective governance and internal control arrangements, was carried out. The audit concluded there was substantial assurance in the controls in place in the organisation. The Corporate Management Team and Service Managers are in continual liaison to ensure that there is an appropriate level of management cover in The Symington Building. During Quarter 1 of the 2022/23 year the Council's Emergency Planning Response Structure was changed to facilitate an agile response from both the Corporate Management Team and Service Managers. The council will continue to work with the LLR Local Resilience Forum to ensure compliance with the National Resilience Standards and will provide relevant representation on the training and exercise programme								
Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 15 Reduction in public sector funding by all partners leads to service gaps and reduced public sector offer to	3 Significant	4 Very Likely	12	2 Moderate	3 Likely	6		







residents.								
Mitigations (Risks) / Actions (Opportunities)								
<p>The Council actively engages with partners in shaping future public service provision and to maintain awareness of any further potential reductions (revenue and capital) in funding from all partners. However, the expected significant changes in future funding due to formulae adjustment are now not expected until at least 2024/25 at the earliest and in respect of business rates revaluation during 2023/24. This uncertainty continues to provide a lack of clarity over funding available to partners to support outcomes in the District. The Council partially mitigates this through representation on working groups, responses to public consultations and working with other local districts. In respect of the Council's own budget, the government issued a one-year financial settlement for 2022/23. In February 2022, Council approved a balanced budget for 2022/23 budget and the entire period of the MTFS.</p> <p>However, the 2022/23 Quarter 2 Financial Performance report is currently indicating a forecast deficit of circa £810k; primarily due to the impacts of inflation (October at 10.1%), reduced incomes and the underachievement of savings. The Council is exploring opportunities to help mitigate these costs. Similar inflationary impacts are being felt across all services within the public sector.</p> <p>Note: the inherent risk score increased from 9 to 12 during Quarter 1 of the 2022/23 year to reflect worsening national financial pressures.</p>								



Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 20 Business Continuity: loss of building(s) / service(s) through unforeseen events.	4 Major	4 Very Likely	16	4 Major	2 Unlikely	8		
Mitigations (Risks) / Actions (Opportunities)								
<p>Disaster recovery facilities are now in place for the hosting of key ICT systems in the event of a disaster recovery incident. Testing has been completed on bringing business applications, such as TLC (Land Charges) and elections, online. The Elections system has been tested by the service area. Next stage: service areas to test using the recovered systems. Other activities include testing individual business continuity plans with service areas and review priority services and accommodation, if necessary. All of the Business Continuity plans were updated during Quarter 1 of the 2020/21 year. A Business Continuity exercise on ICT Disaster Recovery is scheduled to take place during the 2022/23 year.</p>								



Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 25 The Council does not have sufficient funding to deliver its current services in the medium term.	4 Major	4 Very Likely	16	2 Moderate	3 Likely	6		
Mitigations (Risks) / Actions (Opportunities)								
<p>The budget (including income and expenditure) is monitored on a quarterly basis and corrective action taken as required. In respect of:</p> <ul style="list-style-type: none"> <li>• 2022/23 Approved Budget: Council approved a Budget of £11.6m and over the MTFS that is balanced for each year. This includes the conclusions of the Budget Challenge 2025 review that was conducted during 2020/21; this programme achieved annual savings of £3.1m by 2024/25. However, in 2025/26 the MTFS starts to show an unplanned budget gap, due to the compounding impacts of pay, increases in Environmental Services costs and the impacts of the governments Fair Funding Review but this pressure is met from reserves. Consequently, the Council must continue with its service transformation programme and deliver agreed savings to ensure that it can deliver sustainable services over the medium term. Over the MTFS period, all reserves far exceed the minimum 20% threshold.</li> <li>• 2022/23 Quarter 2: the Council is currently forecasting a net deficit of circa £810k; this is primarily due to the impacts of inflation (£385k); underachievement of savings (£560k) and net savings from normal operational delivery (£135k). The Council currently holds £15.7m in reserves, which includes a mix of usable and unusable reserves. In respect of usable reserves, the Council has more than £6m which should give it sufficient time to take appropriate action to address the currently known budgetary pressures.</li> </ul>								



Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 27 Risk of reduction of failing to deliver housing in a timely way could lead to reduction in receipts of new homes bonus (NHB).	3 Significant	2 Unlikely	6	2 Moderate	2 Unlikely	4		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
The government has undertaken a consultation on New Homes Bonus, but the results have not yet been disclosed. It is expected that there will be a further round of NHB for 2023/24 and potentially for 2024/25. The Council continues to have a good five-year housing supply so if the government does introduce a "new housing" based funding stream, it is anticipated that the Council should continue to be appropriately rewarded.								



Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 29 Loss of ability to provide a comprehensive service due to cyber security attacks.	4 Major	3 Likely	12	3 Significant	3 Likely	9		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
The Council's ICT infrastructure is secured to national standards. We have annual ITC health check testing. The Council now has ongoing security and benchmarking performed by Microsoft that provides additional recommendations and assurance. During Quarter 4 of the 2020/21 year, the potential for a global security issue occurred. The Council's swift implementation of its Emergency Patching Procedure meant that it was unaffected by the incident. A revised ICT Strategy was prepared during the 2021/22 year and approved by Council on 21 June 2021. A review of this risk has increased due to a better understanding of the impact as a better from local authority examples.								



Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 30 Risk of Loss of Planning decision-making powers on major applications to the Planning Inspectorate due to Special Measures designation as a result of triggering the Appeal threshold for Government Intervention.	3 Significant	3 Likely	9	3 Significant	1 Very Unlikely	3		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
The adopted District-wide Local Plan has the effect of reducing the number of planning applications made outside the strategy of the Local Plan. This has the effect of also reducing planning appeals outside of the Local Plan strategy thereby significantly reducing the risk of loss of decision-making powers, special measures and government intervention. The proactive growth team is working closely with applicants for allocated sites in the Local Plan and ensuring applications are submitted in a timely fashion to enable delivery in accordance with the Local Plan housing trajectory. The Council ensures that it meets Statutory deadlines for determination of applications through the use of agreed extensions of time with applicants. The Council uses software to manage deadlines and monitor performance.								

Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 32 The Council does not meet its budgeted-for Planning fee income targets, particularly in regard to major applications which could have a negative impact on the Council's financial position.	4 Major	3 Likely	12	4 Major	3 Likely	12		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								



The proactive growth team works closely with applicants on allocated sites in the Local Plan to ensure that applications are submitted in a timely fashion to enable delivery to take place in accordance with the Local Plan housing trajectory and also to ensure that planning application fee income levels are maintained. The Corporate Management Team monitors planning fee income on a regular basis particularly in regard to fees for major applications and this information is fed into an overview of the Council's financial status. The growth team and Director of Planning and Regeneration also proactively monitor and forecast planning fee income on a regular basis: this enables early awareness of increases or decreases in income levels to be highlighted. Strategic Planners and Officers in Development Management are also proactively monitoring the delivery of the housing trajectory in the Local Plan to establish the extent to which there is a likelihood of major planning applications coming forward. The robust monitoring framework in place has shown that the Council is not going to achieve the income expected from planning applications for the remainder of 2022/23. The key reason for this is that the delivery of two major allocations from the sound, adopted district wide local plan have become delayed for reasons beyond the control the Council. Due to these delays, planning applications to progress the delivery of these key sites have also become delayed, as have the associated fee income. Officers are working to minimise these delays to delivery and to get these major sites back on track as soon as possible. The robust planning income monitoring system continues to function well. For this reason, the residual risk score remains at 4. This system still provides the Council with real-time financial information about planning income and enables accurate financial forecasting. A recent Growth Projections Audit report provided Good Assurance for both the Control and Compliance Environments which provides further evidence around the robust nature of the Council's ability to forecast growth and the associated income arising.



Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 33 Cost of planning appeals and legal challenges significantly weaken the Council's financial position	4 Major	4 Very Likely	16	4 Major	4 Very Likely	16		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
Ensure all Members, especially Planning Committee Members, receive the necessary training to ensure they make robust planning decisions. Members receive refresher training on planning decision-making on a proportionate frequency. The Council is in receipt of a Judicial Review of the Planning Permission decision relating to the Lutterworth East SDA. This does not relate to the quality of the decision making on the planning application, but it is worth recording here as defending this action will be a cost to the Council. This does not give rise to a need reassess the risk status. A major planning appeal concerning the recent refusal to grant planning permission for an expansion to Gartree Prison will also contribute to weakening the Council's financial position as defending the appeal will be a significant cost. There is nothing to suggest this relates to quality of the Council's decision making on the planning application, but it needs to be recorded here because of the effect this appeal will have on the Council's financial position. This does not give rise to a need reassess the risk status.								



Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 34 The Council fails to meet its information governance and records management obligations under various enactments such as the Data Protection Act 2018 and UK GDPR.	4 Major	3 Likely	12	3 Significant	3 Likely	9		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
A series of measures have been put in place to ensure that the Council is compliant with the requirements of the Data Protection Act 2018: <ul style="list-style-type: none"> <li>• The appointment of Data Protection Officer (DPO)</li> <li>• Mandatory UK GDPR training for all staff;</li> <li>• training and guidance for elected members</li> <li>• all existing policies, procedures and working practices reviewed for compliance</li> <li>• introduction of Information Governance Board (Chaired by SIRO)</li> <li>• introduction of Data Protection Impact Assessments (DPIA)</li> <li>• and on-going programme of Information management inspections;</li> <li>• on-going training and review of systems, working practices and control mechanisms.</li> </ul>								



- UK GDPR has been added as a standard item to all report templates and Officers were trained on this.
- Compliance checking continues as a matter of course.
- Refresher training on UK GDPR and Freedom of Information (FOI) was rolled out in the 2020/21 year and will be a rolling programme year on year.
- New Records Management policy to be drafted and introduced, with reference to any impacts resulting from the ICT strategy and informed by future ICT infrastructural arrangements.
- New Records Management policy to be drafted and introduced, with reference to any impacts resulting from the ICT strategy and informed by future ICT infrastructural arrangements.
- Record of Processing Activities, Information Asset Register, Privacy Notices, Information Risk Register and Retention Management policies/documents all to be interfaced throughout 2023.



Currently there is a risk of informational retention beyond what is necessary. Where that information does not relate to personal data processing, the resulting risk is inherently lower. However, there are some risks where there is long stored personal data. This is being tended to by Service Managers because of CMT briefing 01/11/2022 and other work with regards MS TEAMS data migrations. This will ensure retention policy compliance in all services in preparation for the data migration. Though this will reduce the resulting risk, the current risk rating must be scored slightly higher until that work is completed.



Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 37 Increase in homeless presentations results in an increased demand in Council support for reactive temporary accommodation that exceeds the current budget and weakens the Council's financial position.	4 Major	4 Very Likely	16	3 Significant	4 Very Likely	12		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
<p>The majority of temporary accommodation is currently procured on the nightly spot purchase market i.e. hotels. The unit night cost fluctuates but is on an upward trend likely driven by wider economic inflationary costs i.e. increased overheads and staff costs. Cost increases can be mitigated through the Council providing the accommodation directly through purchase and new build – particularly where the Council can avail itself of low cost long-term borrowing from HM Treasury or similar. There are 10 additional units of accommodation being developed which will provide accommodation more cheaply than hotels.</p> <p>There are several potential external factors which may further drive demand for temporary accommodation including</p> <ul style="list-style-type: none"> <li>• The cost of living</li> <li>• domestic abuse,</li> <li>• the war in Ukraine,</li> <li>• Asylum seekers (receiving refugee status alongside the existing Afghan and Syrian resettlement schemes – over which the Council has negligible if any control)</li> </ul> <p>Preventing homelessness could reduce the use of temporary accommodation however options in the private sector are now largely unavailable for the majority of the households with which we work. We will continue to focus our work with registered providers to support their purchase of land to provide affordable homes and those through S106 planning agreements as a priority.</p>								



Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 38 Risk of Environmental Services contractor defaulting leads to an inability to fulfil the statutory	4 Major	2 Unlikely	8	4 Major	1 Very Unlikely	4		











obligation to collect waste.								
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
Regular engagement with contractor. The Council has had a healthy working relationship with the contractor over a number of years.								

Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 39 Risk of leisure contractor defaulting leads to an inability to deliver leisure services.	4 Major	3 Likely	12	4 Major	2 Unlikely	8		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
Oversight of the contract appears regularly on Council Committee agendas to ensure it continues to be discussed regularly at Scrutiny panel								
The contract with the current provider ends on 1 April 2024 and work is underway to procure this new contract. Utilities risks are mitigated by the current contractor and over recent months customer footfall has increased, allowing the contractor and the Council to be more confident in their ability to continue to deliver leisure services.								

Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 40 Service transformation propositions are not delivered resulting in underachievement of identified savings.	4 Major	2 Unlikely	8	3 Significant	2 Unlikely	6		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
The Council's savings and efficiency measures are being closely controlled and monitored and include a number of key attributes that aim to ensure that propositions are deliverable, realistic and achieve the expected savings/investment; including: independent project management, comparison data to similar councils; positive ownership of proposals as reviews developed by service managers; political sponsorship of service/delivery changes proposals; strategic 'critical' leadership review of service/delivery proposals. Subsequent service transformation is then embedded into the Council's Change Programme, which then has further strategic officer and political oversight. Implementation is led by service managers based on the Council project management methodology, including the development of detailed business cases and associated plans.								
The Council is undertaking a significant transformation programme e.g. ICT, Customer Services and key Financial Systems which will, when concluded generate significant savings and improved resilience and service delivery. However, as time progresses it is expected that the inflation may have a broad impact; so, as ever with such programmes costs are being closely monitored.								

Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 41 Disruption/ uncertainty arising from the war in Ukraine	4 Major	4 Very Likely	16	2 Moderate	3 Likely	6		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
Continue to monitor information provided by the Local Government Association. Maintain robust business continuity arrangements, including with partners and suppliers. Continue to work with the Leicestershire Resilience Forum (LRF) to coordinate plans and responses to operational or civil eventualities. The Council is represented on County-wide groups which are planning and preparing for potential implications.								





Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 42 Loss of income, as economic activity reduces, weakens the Council's cashflow and financial sustainability.	4 Major	3 Likely	12	4 Major	3 Likely	12		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
<p>When the Council set its 2022/23 Budget and MTFS, it recognised reductions in:</p> <p>1. Corporate income (business rates and council tax) through both the use of the new Tax Income Guarantee Scheme (TIG) and revisions to Collection Fund provisions. To help mitigate future impacts, the budget included the establishment of a "Covid-19 Internal Recovery Reserve".</p> <p>2. Some service budgets, as this was the first year that the full impact of the conclusions of BC25 were included. Some significant reductions were seen in car parking budgets to reflect expected reduction in demands following Covid-19. As the year has progressed the demand risk has continued. Both service expenditure and income budgets will be closely monitored as part of the routine quarterly monitoring process – as noted elsewhere, at Quarter 2 the Council is forecasting an outturn deficit of £810k. Where savings can be vired from other budgets, this will be actioned first but where significant shortfalls can only be met from the use of reserves, such reserves will be applied. The Council maintains its General Fund (Unallocated) Reserves at 20% of Net Expenditure, for 2022/23 this equates to £2.4m. The Council continues to monitor Coronavirus-related impacts and reports as required to government on such impacts. -</p>								
Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 43 The Council fails to put in place an up to date, sound and adoptable new Local Plan, the updated strategic planning framework for the district	4 Major	3 Likely	12	4 Major	3 Likely	12		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
<p>New risk added in Q2 – the Council has an up-to-date sound and adopted district wide local plan in place. A need to produce a new local plan will arise and this risk is associated with that important activity. The Council is working positively and proactively across council boundaries with partner Councils in the Leicester and Leicestershire Housing Market Area to ensure that the new local plan meets the requirements of the statutory Duty to Cooperate. Part of meeting that Duty is the need for the Council to approve and sign a Statement of Common Ground on the potential distribution of amounts of housing and employment need across the County, including in the Harborough District. Officers are using all means available to raise awareness of the importance of approving and signing this document with members of the Council. Officers are also working closely with colleagues at Leicestershire County Council around that Councils' capacity to support the district council in producing its local plan to the timetable needed to ensure planned development continues in the Harborough District.</p>								
Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 44 Disruption and uncertainty arising from the instability in central Government	3 Significant	3 Likely	9	3 Significant	3 Likely	9		
<b>Mitigations (Risks) / Actions (Opportunities)</b>								
<p>New Risk added Q2 - The Council will have a better understanding of the future impact of financial position following the Governments Fiscal plan November 2022. The Council will monitor to monitor information provided by the Local Government Association. Any impacts on financial will be reported upon under the Budget Risks are already monitored within the risk register. This is as of September further stability has in quarter 3 - this is likely to stabilize further -</p>								
Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CR 45 Possibility of an unplanned General Election prior to 2024	2 Moderate	3 Likely	6	2 Moderate	3 Likely	6		



Mitigations (Risks) / Actions (Opportunities)
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Elections team are running local elections in May 2023. Experience team running this service area. Ongoing monitoring of governments/public pressure for a general election ahead of 2024. Team will develop plans for local elections in case these become national elections.
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Risk ('CR' or 'CV') / Opportunity ('COR OP')	Impact (I)	Likelihood (I)	Score (I)	Impact (R)	Likelihood (R)	Score (R)	Status	D.O.T.
CV 02 Unforeseen, unfunded financial burdens as a result of responding to the ongoing situation weaken the Council's financial stability.	4 Major	3 Likely	12	2 Moderate	3 Likely	6		

Mitigations (Risks) / Actions (Opportunities)
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The Council is now meeting pandemic-related costs within its normal service budgets and is reporting accordingly. The government has now ceased reimbursing councils for losses of income or additional expenditure, although this does not include support to the local community in respect of business and community grant schemes. In setting the 2021/22 Budget and MTFS the Council set aside a specific ear-marked reserve in respect of Covid and has been prudent in setting its Council Tax base and its estimates for Council Tax and Business Rates income. In respect of 2022/23, the Draft Budget and MTFS approved by Cabinet continues to manage the financial risks relating to the pandemic, including reductions in Car Parking Income, Investment Income and the impacts on Council Tax and Business Rates collection and still maintains a CV19 related reserve for the entire period of the MTFS.
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**Risk and Opportunity Score Movement over the last five Quarters**

Residual score at the end of each Quarter is shown in brackets

Risk/ Opportunity	Quarter 2 2021/22	Quarter 3 2021/22	Quarter 4 2021/22	Quarter 1 2022/23	Quarter 2 2022/23
CR 07	Green (4)	Green (4)	Green (4)	Green (4)	Green (4)
CR 12	Green (4)	Green (4)	Green (4)	Green (4)	Green (3)
CR 15	Amber (6)	Amber (6)	Amber (6)	Amber (6)	Amber (6)
CR 20	Amber (8)	Amber (8)	Amber (8)	Amber (8)	Amber (8)
CR 25	Red (9)	Amber (6)	Green (4)	Green (4)	Amber (6)
CR 27	Amber (6)	Green (4)	Green (4)	Green (4)	Green (4)
CR 29	Amber (6)	Amber (6)	Amber (6)	Amber (6)	Red (9)
CR 30	Green (3)	Green (3)	Green (3)	Green (3)	Green (3)
CR 32	Amber (8)	Green (4)	Green (4)	Green (4)	Red (12)
CR 33	Red (12)	Red (12)	Red (12)	Red (16)	Red (16)
CR 34	Green (4)	Green (4)	Green (4)	Green (4)	Red (9)
CR 37	Red (12)	Red (12)	Red (12)	Red (12)	Red (12)
CR 38	Green (4)	Green (4)	Green (4)	Green (4)	Green (4)
CR 39	Amber (8)	Amber (8)	Amber (8)	Amber (8)	Amber (8)
CR 40	Amber (6)	Amber (6)	Amber (6)	Amber (6)	Amber (6)
CR 41	N/A Risk did not exist	N/A Risk did not exist	Amber (6)	Amber (6)	Amber (6)
CR 42	Red (12)	Red (12)	Red (12)	Red (12)	Red (12)
CR 43					Red (12)
CR 44					Red (9)
CR 45					Amber (6)
CV 02	Red (9)	Amber (6)	Amber (6)	Amber (6)	Amber (6)
Opportunities					
COR OP 02	Green (9)	Green (9)	Green (9)	Green (9)	Green (9)
COR OP 04	Green (12)	Green (12)	Green (12)	Green (12)	Green (12)
COR OP 05	Amber (8)	Amber (8)	Amber (8)	Green (12)	Green (12)
COR OP 06	Green (16)	Green (16)	Green (16)	Green (16)	Green (16)
COR OP 07	Amber (8)	Amber (8)	Amber (8)	Amber (8)	Amber (8)
COR OP 08	Amber (6)	Amber (6)	Amber (6)	Amber (6)	Amber (6)



**Risk and Opportunity Score Movement over the last five Quarters**

Residual score at the end of each Quarter is shown in brackets

N.B. 'N/A' indicates that a Risk or Opportunity did not exist in a particular Quarter i.e., it had not yet been noted on the Corporate Risk and Opportunity Register or had been removed.

N.B. Risks or Opportunities which were rescored, or removed, in the last Quarter are highlighted with a **black background**.



Distribution of Residual Corporate Risk Scores at the end of Quarter 1 of the 2022//23 year:

<b>Impact</b>	<b>Major (4)</b>	Green 3 Risks	Amber 2 Risk	Red 1 Risks	Red 1 Risk
	<b>Significant (3)</b>	Green 1 Risk	Amber 1 Risks	Red 0 Risks	Red 1 Risk
	<b>Moderate (2)</b>	Green 0 Risks	Green 4 Risks	Amber 4 Risks	Amber 0 Risks
	<b>Minor (1)</b>	Green 0 Risks	Green 0 Risks	Green 0 Risks	Green 0 Risks
		<b>Very Unlikely (1)</b>	<b>Unlikely (2)</b>	<b>Likely (3)</b>	<b>Very Likely (4)</b>
<b>Likelihood</b>					

Distribution of Residual Corporate Opportunity Scores at the end of Quarter 1 of the 2022/23 year:

<b>Impact</b>	<b>Major (4)</b>	Red 0 Opportunities	Amber 0 Opportunity	Green 2 Opportunities	Green 1 Opportunity
	<b>Significant (3)</b>	Red 0 Opportunities	Amber 0 Opportunity	Green 2 Opportunity	Green 0 Opportunities
	<b>Moderate (2)</b>	Red 0 Opportunities	Red 0 Opportunities	Amber 0 Opportunities	Amber 1 Opportunity
	<b>Minor (1)</b>	Red 0 Opportunities	Red 0 Opportunities	Red 0 Opportunities	Red 0 Opportunities
		<b>Very Unlikely (1)</b>	<b>Unlikely (2)</b>	<b>Likely (3)</b>	<b>Very Likely (4)</b>
<b>Likelihood</b>					







## Scoring Criteria

Below are the scoring criteria to assess the impact and likelihood of risk and opportunity. Remember that these are not meant to be entirely prescriptive:

### Likelihood

Score	Rating	Criteria
4	Very likely	Is expected to occur in most circumstances
3	Likely	Will probably occur in most circumstances
2	Unlikely	Could occur in some circumstances
1	Very Unlikely	Never likely to occur – only in exceptional circumstances



## Impact

Score	Rating	Risk Criteria	Opportunity Criteria
4	Major	<p>Major loss of service capability, or long-term service disruption</p> <p>Major impact on achievement of several objectives</p> <p>Potential to cause critical injury or death</p> <p>Adverse national publicity or central government response including potential removal of delegated powers</p> <p>Potential to cause financial loss of £100k+</p> <p>Failure or breakdown of key partnership</p> <p>Breaches of law punishable by large financial penalty or imprisonment</p> <p>Litigation almost certain and difficult to defend, officers and /or Members forced to resign</p>	<p>Major improvement to service(s) (e.g. through quality, level of service, speed, cost etc.)</p> <p>Major contribution to delivery of several objectives or priorities</p> <p>National or regional partnership initiative or arrangement</p> <p>Extensive positive coverage in national press</p> <p>Major improvement to local or national environment</p> <p>Income and/or savings of £100k</p> <p>Major resource savings (e.g. time / labour)</p>
3	Significant	<p>Loss of service, or medium term service disruption</p> <p>Serious impact on achievement of objectives</p> <p>Potential to cause serious injuries</p> <p>Major adverse local publicity or professional press items</p> <p>Financial loss of £50-100k or requires budget adjustment across service areas</p> <p>Significant impact on partnership or failure to achieve expected benefits</p> <p>Breaches of law, punishable by small financial penalty</p> <p>High level of complaints, possibly including Ombudsman complaints.</p> <p>Litigation to be expected</p>	<p>Significant improvement to service(s) (e.g. through quality, level of service, speed, cost etc.)</p> <p>Significant contribution to delivery of several objectives or priorities</p> <p>Regional partnership initiative or arrangement</p> <p>Significant positive coverage in national press</p> <p>Significant improvement to local environment</p> <p>Income and/or savings of between £50k and £100k</p> <p>Significant resource savings (e.g. time / labour)</p>
2	Moderate	<p>Short-term service disruption</p> <p>Moderate impact on achievement of objectives</p> <p>Potential to cause minor injuries</p> <p>Adverse local news or opinion</p> <p>Financial loss of £25k to £50k</p> <p>Adverse effect on partnership arrangements</p> <p>Breaches of regulations or standards</p> <p>May cause some formal complaints from individuals, groups or stakeholders, litigation possible</p>	<p>Moderate improvement to service(s) (e.g. through quality, level of service, speed, cost etc.)</p> <p>Moderate delivery of several objectives or priorities</p> <p>Countywide partnership initiative or arrangement</p> <p>Positive coverage in national press</p> <p>Some improvement to local environment</p> <p>Income and/or savings of between £25k and £50k</p> <p>Moderate resource savings (e.g. time / labour)</p>
1	Minor	<p>Brief or no service disruption</p> <p>Minor impact on achievement of objectives</p> <p>Not likely to cause any injuries beyond first aid level</p> <p>Unlikely to cause adverse publicity</p> <p>Financial loss below £25k</p> <p>Minimal impact on partnership</p> <p>Breaches of local procedures or standards</p> <p>May cause informal complaints from individuals or small groups, litigation unlikely</p>	<p>Minor improvement to service(s) (e.g. through quality, level of service, speed, cost etc.)</p> <p>Minor delivery of several objectives or priorities</p> <p>Local partnership initiative or arrangement</p> <p>Minor positive coverage in national press</p> <p>Minor improvement to local environment</p> <p>Income and/or savings of below £25k</p> <p>Minor resource savings (e.g. time / labour)</p>











## Harborough District Council

### Report to the Cabinet Meeting of 5th December 2022

<b>Title:</b>	<b>2023/24 Budget &amp; MTFS - Budget Principles &amp; Reserves Strategy</b>
<b>Status:</b>	Public
<b>Key Decision:</b>	No
<b>Report Author:</b>	Clive Mason – Interim Deputy Chief Executive (& s.151 officer)
<b>Portfolio Holder:</b>	Cllr James Hallam, Finance
<b>Appendices:</b>	<b>Appendix 1:</b> Financial Performance 2022/23 Q2: Potential Medium-Term Impact of Cost/Inflationary Pressures. <b>Appendix 2:</b> Discretionary Fees & Charges: exceptions to blanket increase <b>Appendix 3:</b> Inflation Graphs (Pay, CPI/RPI, DERV and Gas/Electricity <b>Appendix 4:</b> Budget Principles for the 2023/24 Budget and MTFS (2023/24 to 2026/27) <b>Appendix 5:</b> Reserves Strategy

#### Executive Summary

In February each year, the Council is required to approve the Council Tax for the forthcoming year. To achieve this, the Council has to:

- prepare an annual budget that has to comply with statutory regulations as well its own Constitution and local corporate priorities.
- a medium-term financial strategy (MTFS) that aids future decision making.

All budgets are organic in nature, in that they are a best estimate of resource allocation to meet the Councils corporate priorities; consequently, they can change over time; as the coronavirus pandemic and the current cost-of-living/inflationary economic climate is currently showing.

An essential part of the budget setting process is the agreement of a set of “budget principles”, which are detailed later in this report. These principles set the foundation upon which the budget will be built. Further, it is also opportune for the Cabinet to review and agree any updates to the Reserves Strategy.



<b>Recommendations</b>
<p>To approve the:</p> <ul style="list-style-type: none"> <li>• Delegations to the Director; Finance, ICT and Assets to agree, in consultation with the Portfolio Holder for Finance once known respective increases in Discretionary Fees &amp; Charges (3.2.4)</li> <li>• budget principles and definitions that are summarised in <b>Appendix 4.</b></li> <li>• Reserves Strategy in <b>Appendix 5.</b></li> </ul>
<b>Reasons for Recommendations</b>
To develop the foundation on which to support the development of the Budget and Medium-Term Financial Strategy.

## **1. Purpose of Report**

### **1.1 To:**

- highlight to members the budget setting process and get agreement on key principles to support the development of the Budget 2023/24 and Medium-Term financial Strategy (2024/25 to 2027/28), and
- confirm the principles of the Reserves Strategy.

## **2. Background**

### **Introduction; 2022/23 Budget and Medium-Term Financial Strategy**

2.1 In February 2022, the Council approved the 2022/23 Budget and Medium-Term Financial Strategy (MTFS) (2023/24 to 2026/27); the key aspects of the budget and MTFS are as follows

- i. for 2022/23:
  - a net expenditure budget of £11.6m,
  - a budget requirement of £13.0m,.
  - a net contribution to reserves of £1.4m,
  - an increase in Council Tax of £5 to £177.97.
- ii. for the MTFS, by 2026/27:
  - net expenditure increasing to £13.6m (+17.2%).
  - budget requirement decreasing to £11.6 (-10.8%).
  - a total contribution from reserves of £5.5m; of which £3.0m from Earmarked Reserves and £2.5m from General Reserves.
  - a notional increase in Council Tax of £5 per year to £197.97.

### **Current Forecast Budgetary Pressure**



2.2 Elsewhere on the agenda, Cabinet will receive the 2022/23 Quarter 2 report which forecast an “in-year” pressure of £810k; this being a new reduction in the budget gap of £231k when compared to Quarter 1.

	£
• Inflationary	385k
• Underachievement of Savings	560k
• Normal operational delivery	(135k)
<b>Total:</b>	<b>810k</b>

2.3 These pressures are a mix of causes; including:

- recent international impacts on the national economy i.e. higher utility costs as a consequence of the Ukraine war and the impact on wholesale gas prices, which then links to pay-inflation due to the higher cost of living,
- changes in local policy development i.e. exploring opportunities for strategic working, and optimistic savings targets, and
- changes in user demand i.e. car parking usage.

2.4 Some aspects of the 2022/23 pressure are expected to extend into future years. The exact future financial impacts are difficult to quantify, but in respect of 2023/24 the pressure is currently expected to be circa £1.45m (see **Appendix 1**, this is also reported in the Q2 financial performance report elsewhere on the agenda). This is the best proxy at this time before the application of the budget principles discussed elsewhere in this report and any budget propositions that will be reported in the 2023/24 Draft Budget & MTFS report to Cabinet in January 2023.

2.5 Primarily, the budget pressure can be mitigated in three ways

- Corporate Resources**, if the pressure is short-term and due to changes in member/corporate priority or transformation, then reserves can be used or corporate grants can be applied.
- All-Services**, if the pressure is something that is applicable to all services, then all-services should contribute to meeting the pressure.
- Service Specific**, if the pressure is due to a service not delivering on an intended action, a non-statutory policy change, a change in service priority or a service specific demand pressure; then the specific service should make every endeavour to meet the pressure from within their own resources. Of course, service related pressures can be mitigated by



either direct or in-direct service savings or income generation opportunities.

### 3. Details

#### **Strategic Budget Principles, and longer-term budget setting.**

- 3.1 For the forthcoming 2023/24 budget/MTFS setting round, it is proposed that the Strategic Budget Principles noted in (A) to (B) below are adopted; both of which were adopted last year.

#### ***Strategic Budget Principles:***

- A. To maintain, within expected service constraints, service expenditure within the approved net expenditure envelope.***
- B. To ensure that over the medium term, financial sustainability can be achieved.***
- C. The Council will only support the consequential cost-shunting transfer from other areas of the public sector where there is either a statutory obligation or a significant impact on the Harborough residential and business community.***

- 3.2 In respect of:

- A. the approved net expenditure envelope will be the “Updated Budget” that was reported to Cabinet in September as part of the Quarter 1 Financial Performance Monitoring (i.e. approved budget + approved carry-forward)
- B. it is fair to acknowledge that this principle was a challenge when setting the 2022/23 budget & MTFS because there were pressures that came to the fore in the latter years of the MTFS (namely, compounding of pay awards and the potential impact of changes to Waste Services). With the more recent pressures due to inflation along with changes in service delivery and demand (1.5) the pressures over the MTFS are expected to remain.
- C. the purpose of this principle is to avoid the Council having to meet the consequential cost increases of services that other public service bodies have decided to reduce or cease providing.

- 3.3 As a consequence of the review of Code of Financial Management that was reported to [Audit & Standards Committee in June 2022](#), next year’s budget, as well as including an MTFS through 2027/28, will also include a Long-Term Financial Strategy; thereby giving members a full 8 year financial planning horizon (i.e. a further 3 years).



## **Budget Inflation & Growth**

- 3.4 In any budget setting process, it is necessary to set-out the inflation principles within which certain aspects of the budget will be set. Considering the financial challenge that the Council continues to face the inflation principles that will be applied for 2023/24, and over the MTFS period, will remain similarly “tight” as they were for this year. This “tighter” approach is necessary to help mitigate cost inflation and ensure that the limited financial resources available to the Council are used in the most effective way possible.

## **Income**

### **3.5 General Service Income;**

- 3.5.1 **Statutory Fees & Charges;** it is recommended that where the Council has to set a level of fees by law, then those fees are increased at the earliest time possible.
- 3.5.2 Some internal services are statutory consultees to other services and where this occurs the consultee services have had to carry the cost of this additional burden. For some services this burden has been increasing and therefore the service has had to ration its scarce resources away from its other, potentially chargeable services. It is therefore considered equitable that from April 2023 detailed “full absorption” costing will be undertaken to ensure that “consultee services” receive fair proportion of funding to support the delivery of their statutory consultee services, thereby minimising the impact on their discretionary fee-paying services.
- 3.6.3 **Discretionary Fees & Charges;** it is recommended that all service income lines applicable to discretionary services are reviewed on a 3-year cyclical basis to ensure that they achieve cost-neutrality; for the 2 intervening years the prevailing CPI rate that was published in the preceding October is applied. The rate to be applied for the 2023/24, based on the CPI rate announced in October 2022 is 10.1% (subject to the exemptions noted in **Appendix 2**). For the 2022/23 budget, the equivalent rate was 1.1%.

### ***Budget Principle (1)***

#### ***General Service Income;***

##### ***i. Statutory Fees & Charges, where:***

- the Council has to set a level of fees by law, then those fees are increased at the earliest time possible.
- a service is required to “consult” with other internal services, that an appropriate recharge of the income is made to the



consultee service. This avoids individual services carrying an unfair burden to meet statutory requirements. This will be determined and implemented during 2023/24.

*ii. Discretionary Fees & Charges, subject to the exceptions noted in (i) below:*

- all service income lines applicable to discretionary services and are reviewed on a 3-year cyclical basis,
- for the 2 intervening years then the prevailing CPI rate for the October of the preceding year is applied. *The CPI rate to be agreed by the Director; Finance, ICT and Assets in consultation with the Portfolio Holder for Finance.*

There are some exceptions to the aforementioned approach for discretionary fees and charges, these are addressed at Appendix 2.

## Costs

### Inflation

- 3.7 Our Treasury Advisors have provided graphical forecasts in respect of the Strategic Inflation Indices (Retail Prices Index & Consumer Prices Index) and Energy Indices (Gas/Electricity) for the period through to December 2024 at **Appendix 3**. Although these graphs show a reduction in all inflation indices through 2023 and until mid-2024, what needs to be recognised is that the cost of goods and services will be at a “new” higher base – so the cost of delivering services will be significantly higher than at present.
- 3.8 **Pay Inflation;** the Council is part of the national local government pay-bargaining process and following union negotiation, the agreed 2022/23 increase is a flat rate of £1,925 to all grades. A flat rate increase of £1,925 is significantly above the 1.75% that the Council had budgeted for and based on the current establishment the forecast additional cost is £317k, the pay inflation per grade is shown in **Table 1** below:



2022/23 Grade Inflation Increase over 2021/22 Salary After Application of Flat Rate of £1,925		Table 1
Grade	Lowest Spinal Point	Highest Spinal Point
2	10.0%	9.6%
3	9.4%	9.1%
4	8.7%	8.0%
5	7.7%	7.0%
6	6.8%	6.2%
7	6.0%	5.6%
8	5.4%	5.0%
9	4.9%	4.5%
10	4.3%	4.0%
11	3.7%	3.5%
12	3.2%	3.1%
13	2.6%	2.5%
14	2.4%	2.2%
Chief Executive	1.8%	1.6%

- 3.8.1 Shown below are the pay inflation rates included within the current MTFS. In respect of 2023/24, Councils across Leicestershire are modelling various increases, ranging from 3% to 6%. It is therefore proposed that for 2023/24 the Council includes an increase of 4%, decreasing to 3% by 2027/28:

	Current MTFS	Next MTFS
• 2023/24:	2%	4.0%; £375k
• 2024/25	2%	3.5%; £341k
• 2025/26	2.5%	3.0%; £302k
• 2026/27	2.5%	3.0%; £312k
• 2027/28	N/a	3.0%; £321k

***Budget Principle (2)***

***Pay Inflation: to be increased to 4% for 2023/24, decreasing to 3.5% for 2024/25 and then decreasing to 3% for the following 3 years of the MTFS.***

- 3.9 **Pay Oncosts**; as an employer the Council is required to charge oncosts for National Insurance and Pension. In respect of 2023/24 the rate for:

- **National Insurance** will be 13.8%. This is lower than that applied for 2022/23 as the government proposed in its mini-budget in September



2022 to remove the 1.25% NIC Levy in respect of Social Care. This lower amount will be charged for each year of the MTFS.

*In respect of the NIC Levy, for 2022/23 local authorities received a grant uplift to compensate for this additional burden; however it is expected that this grant will be removed for 2023/24 and onwards.*

- **Pensions** will be 32.4%, an estimated increase of 1% over the 2022/23 rate and will be applied for each year of the MTFS. The Council is part of the Leicestershire Local Government Pension Scheme and 2023/24 will be the first year of a new triennial valuation period.

***Budget Principle (3)***

***Pay Oncosts: National Insurance and Pensions Oncosts to be 13.8% and 32.4% respectively for 2023/24. For subsequent years of the MTFS Pension to be increased by 1% per annum from 32.4% (2023/24 rate), the NI rate to remain as 2023/24.***

- 3.10 **Vacancy Factor**; the Council includes a Vacancy Factor (VF) within its budget; such factors are a proxy that reflects salary savings that are likely to accrue between a “Leaver” leaving and a “New Starter” starting. For 2023/24 the VF was increased to £180k reflecting the preceding two years where the VF gap exceeded that previously set. For 2023/24 and each year of the MTFS, it is proposed to keep the VF at the 2023/24 rate.

***Budget Principle (4)***

***Vacancy Factor: for 2023/24 and each year of the MTFS to maintain the VF at £180k (as applied in 2022/23).***

- 3.11 **General Service Inflation**; for the second time, 2022/23 the Council set a general service inflation rate of 0%. A 0% rate introduces direct cost-control within the Councils service budgets which effectively means that services have to meet service-related contractual inflation from within their approved budgets. Following some initial budget discussions with services, this principle still holds for many service related costs. It is therefore proposed that this principle is maintained except for the items shown in paragraph 3.12 (i and ii) below.

- 3.12 In respect of:

- i. **utility costs**, as noted in the 2022/23 Quarter 2 Financial Performance report elsewhere on this agenda, from a Value for Money point of view the Council had little choice but to withdraw from the Green Electricity Tariff from October (by way of example, for The Symington Building the Council would have seen an increase in cost of 700%; £207k). Reflecting on:



- a. the fact that the government has introduced a domestic and business price cap for the winter of 2022/23 and for the following 12 months, and
- b. the energy indices shown in **Appendix 3**, the Council is now anticipating higher energy costs lasting for the whole of 2023/24 and 2024/25, with a gradual reduction through 2025/26.

It is therefore proposed that the following inflation indices are applied for:

- 2023/24 +20%
- 2024/25 +10%
- 2025/26 budgets to remain at 2024/25 levels.

ii. **larger contractor costs**; namely FCC for Environment/Waste and Grounds and SLT for Leisure.

- **FCC**, this contract is financially significant to the Council; for 2022/23 the cost is £5.1m which represents 41.8% of the Councils gross expenditure. It is therefore essential that the cost of the contract remains structurally integral to the Councils overall budget. The efficiency of the contract is continually under review but even under such scrutiny, other than 2021/22 (as shown below) the inflationary costs associated with the contract have been increasing year-on-year:

- 2018/19 3.79%
- 2019/20 4.02%
- 2020/21 2.63%
- 2021/22 -1.06%
- 2022/23 6.67%

The Council does not receive “confirmed” inflation increases from FCC until the January/February preceding the new financial year. However, the Council has to include something in respect of its Draft Budget in January. Initial indications are showing a significant increase in costs for 2023/24 (14%, £467k) but then a more modest increase for each year thereafter (4.9%, £67k). these will be applied in the preparation of the draft budget but may be adjusted for the final budget in February.

- **SLM**, on a gross cost basis, the gross cost of the current contract is £2.6m with a net cost of £Nil. However, members will recall that prior to the Coronavirus pandemic, the Council was earning an



income of around £384k per annum from its Leisure contract. During the pandemic, as common with all local authority contracted leisure providers, the contract was operating via an “Open Book Process” (i.e. no profit/cost recovery only) and has continued since. For next year and the MTFS, no additional cost or income generation is to be included (i.e. remain as per 2022/23).

### **New Larger Contracts:**

#### **3.13 Implications of the Environmental Act and New Depot**

3.13.1 From 2025/26 the Council will be required to let a new environmental contract. In respect of the revenue budget, it is recommended that for the new contract:

- i) the current environment contract estimate, as at 2024/25 is inflated by the average of the inflation increases over the duration of the current FCC for each year of the MTFS.
- ii) A 5% cost escalator is added to the evaluated annual cost to reflect the potential costs associated with the government’s potential changes to future waste collection (environmental act).

3.13.2 At this time the Council does not have its own depot from which any relet service can be based. This could potentially pose a significant “cost risk” to the Council if a depot is not acquired in time for the contract relet. When the 2022/23 budget was approved by [Council in February 2022 \(Table 6\)](#), this included a £5m capital allocation for the development of a new depot in 2025/26. As well as the capital programme allocation, the associated revenue financing costs; Minimum Revenue Provision (MRP) were also included in the revenue budget. The inclusion of the annual revenue “MRP” amount will not only recognise the cost of capital for any new depot but it will also mitigate against the potential cost risk if the Council is not able to acquire a new depot and has to include additional revenue resources within its own budget to meet any such liability of a new provider. Over the past months the Council has been working with both public and private sector partners to determine possible locations and indicative costs of development; in respect of the latter it is now considered that the current capital allocation of £5m is too low, a similar project undertaken by Leicestershire County Council came in at £8.5m. Considering current inflation it is considered prudent to increase the estimated capital cost to £10m.

#### **3.14 Leisure Contract**



- 3.14.1 From 2024 the Council will have a new leisure contract. Current expectations are showing that the new contract is likely to achieve a £Nil net cost per annum, this will be included for 2024/25 and each year thereafter.
- 3.14.2 In respect of utility costs, the current contract includes within its terms and conditions that SLM will meet all utility costs and there is no indication that SLM will be seeking to recover such costs from the Council for the remainder of the contract. However, current soft market testing is indicating that any future contract will not include utility costs i.e. the Council will have to bear this cost. The current estimated annual utility cost for leisure is £312k (83% of the total premises costs) and it is estimated that from the start of the new contract the additional utility cost will be circa £188k per annum based on the Council current utility contract; this will be included within the budget (please note that this information was taken in July 2022 and may not include any subsequent expected cost of living crisis increases)

***Budget Principle (5)***

***General Service Inflation to be set at 0%, except for:***

- i) ***Utility costs; an inflationary increase of 20% for 2023/24, 10% for 2024/25 and then remain at 2024/25 thereafter.***
- ii) ***the FCC Contract; an inflationary increase of 14% for 2023/24 and a more modest increase of 4.9% for each remaining year of the contract.***
- iii) ***the current SLM Contract, no inflationary increase for all years of the remaining period of the contract..***
- iv) ***the implications of the new environmental act and new depot from 2025/26 onwards:***
  - ***The annual cost to be based on the current 2024/25 environmental contract cost; inflated annually by the average inflation rate of the current contract (4.9%).***
  - ***An additional 5% cost escalator to reflect the potential cost of the government's changes to waste collection.***
  - ***A higher capital allocation of £10m be included in the capital programme.***
- v) ***the new leisure contract from 2025/26 onwards, annual contract costs not to recognise any additional income but recognise an additional utility cost of £188k per annum.***

- 3.15 **General Service Growth;** the assumption is that there will not be any general service growth over the medium term. The only permitted growth will be:

- i) budget corrections, or growth approved via previous budget approvals,
- ii) any subsequent transformation programme,
- iii) statutory or regulatory changes, and



- iv) items approved separately by Council.

*Where posts are regraded that result in a higher grade, then savings elsewhere need to be made to finance the wage growth.*

**Budget Principle (6)**

**General Service Growth; there will not be any general service growth, except where:**

- i) *there are required budget corrections, growth that has been permitted via previous budget approvals, statutory/regulatory changes, and any subsequent transformation programme or that which has been approved separately by Council.***
- ii) *where costs must increase (i.e. due to post regrading's), savings elsewhere will be required to neutralise the additional cost.***

**Non-Service Funding & Related Indices**

- 3.16 **Non-Domestic Rates** (NDR, or Business Rates); the Council is currently part of the Leicestershire Business Rates Pool (LBRP) and up to March 2021, the total contributions to the LBRP are £43.2m; of which £41.2m has been allocated for investment across Leicestershire. Of this, approximately:
- £10m (23%) relates to receipts from the Harborough area that would otherwise have been paid over to the government (this is based on the pooling arrangement since 2015/16).
  - £1.6m (21%) of the District allocations has been allocated to the Harborough area for investment (*NB. £1.6m represents 7% of total contributions, but the LBRP would not exist if Leicester City and Leicestershire County Councils, as "Top-Up" authorities were not part of the LBRP.*)
- 3.17 Currently, the Rates Pool allocation arrangement is being reviewed and receipts from 2020/21 onwards are yet to be distributed. At this time no estimate of future receipts will be included in the budget, MTFS or capital programme.
- 3.18 However, in respect of the Councils own NDR, it is recommended that the Council continues with its prudent approach of budgeting for NDR receipts at previous year's budget levels, with any increases only based on:
- known commercial developments that will deliver "certain" NDR growth within the MTFS period, and
  - the governments annually set NDR multiplier (this will not be known until the provisional financial settlement is announced later in the year).



*The reason for this prudent approach is so that it provides a more stable stream of funding from which the Council can deliver services sustainably over the medium-term.*

**Budget Principle (7)**

**Non-Domestic Rates:**

- i) future receipts from the Leicestershire Rates Pool will not be included in the budget, MTFS or capital programme.**
- ii) only known commercial developments that will deliver “certain” NDR growth (increase in NDR).**
- iii) the NDR income stream will be inflated by the government’s stipulated multiplier.**

3.19 **New Homes Bonus (NHB)**; for 2021/22 the Council committed to start to remove NHB from its base budget, and for 2022/23 the Council committed to use the NHB receipts to meet future known Collection Fund deficits.

3.20 In respect of NHB it is understood that NHB will:

- remain for 2023/24 and likely for 2024/25; thereby supporting the government’s commitment to giving local government a two-year settlement.
- be single year allocations (i.e. no legacy payments).

3.21 With regard to application of future NHB receipts; NHB is to be applied to support specific net spend commitments, known budget risks, collection fund deficits or other inflationary pressure, with any residual NHB is to be allocated 33% to Community, Economic & Infrastructure, 67% to Commercial Investment.

**Budget Principle (8)**

***New Homes Bonus; to be applied to meet specific net spend commitments, known budget risks, collection fund deficits or inflationary pressure, with any residual NHB to be allocated to earmarked reserves; 33% to Community, Economic & Infrastructure, 67% to Commercial Investment.***

**Fair Funding**

3.22 Fair Funding (FF) is a government led initiative to develop a new funding formula. Its intention is to rebase local government funding to enable a more equitable distribution of centrally allocated funds; primarily via the business rates system. It is anticipated that FF will have a negative impact on the



southern and midlands councils and current modelling is showing a worsening funding settlement over the medium-term. In addition, it is expected that the government will “reset” the NDR baseline; this will remove some of the “growth” currently within the Councils NDR receipts. However, because of the coronavirus pandemic the government had originally planned to delay FF until 2022/23; but with the recent change in Prime Minister and the current cost-of-living crisis; current intelligence is indicating that the FF may be some years off. In anticipation of a potential negative FF impact, it is recommended to again include a prudent “negative funding adjustment” as in previous years. However, considering that the government has committed to a two-year settlement the likelihood of FF being introduced before 2025/26 is considered unlikely. The current negative FF adjustments are shown below along with the proposed adjustments over the MTFS period:

	<b>Current MTFS</b>	<b>Next MTFS</b>
• 2022/23	£ 99k	N/a
• 2023/24	£198k	£0
• 2024/25	£297k	£0
• 2025/26	£396k	£ 99k
• 2026/27	£495k	£198k
• 2027/28	N/a	£297k

***Budget Principle (9)***

***Fair Funding: To help mitigate the future impact of Fair Funding (& the NDR “reset”), to include a negative funding stream of £0k for 2023/24 and 2024/25; £99k, 2025/26; £198k, 2026/27; £297k, 2027/28.***

**Collection Fund (Surplus)/Deficit**

- 3.23 In January each year the Council is required to calculate its estimated share of the Collection Fund as at the forthcoming 31st March. If it is a surplus, this increases the funding available to the Council, but if it is a deficit this is an additional funding pressure.
- 3.24 As a consequence of Covid-19, the Council is currently modelling a Collection Fund deficit of £804k for the next 2 years; partially financed from government support of £503k per annum. However, a definitive surplus or deficit cannot be calculated until January due to the inbuilt volatility within the Collection Fund account (i.e. an individual or business’s ability to pay).



***Budget Principle (10)***

***Collection Fund (Surplus)/Deficit:***

***The Council will spread any forecast 31<sup>st</sup> March 2021 Collection Fund Deficit in line with legislation.***

**Council Tax Base**

- 3.25 The Local Government Finance Act 1992, as amended, requires the Council to fix the Council Tax base for 2023/24 between 1 December 2022 and 31 January 2023. The calculation will be prepared in accordance with the Regulations 'Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI: 2012/2914)' which came into force on 30 November 2012, to enable local authorities to calculate the tax base for the financial year 2023/24. The Council Tax Base is defined as the number of Band D equivalent properties in a local authority's area. An authority's tax base is considered when it calculates its council tax. It is calculated by adding together the "relevant amounts" (the number of dwellings) for each valuation band then multiplying the result by the Council's estimate of its collection rate for the year (this collection rate will reflect past rates and an estimate of bad debt). For 2022/23 there was an overall increase in the council tax base, although some individual parishes tax bases did decrease. Because of the Coronavirus Pandemic, for 2021/22 and 2022/23 the Council significantly increased its irrecoverable rate (increased from 1% to 2%). With Coronavirus restrictions no longer being in place there is a fair argument for the irrecoverable rate being returned back to pre-pandemic levels (1%). However, with the ongoing cost-of-living crisis and the potential for recession, it would be prudent to continue the higher (2%) rate for 2023/24 as Council Tax debt performance remains marginally below pre-pandemic levels and there is also a risk of a slow-down in housing development if there is a deep recession.

***Budget Principle (11)***

***Council Tax Base:***

***Subject to modelling, an irrecoverable rate of 2% is applied when the Council Tax Base is calculated prior to budget setting.***

**Reserves Strategy**



- 3.26 In [November 2020, Cabinet](#) approved a Reserves Strategy, this was then agreed by [Council the following February](#); it is now opportune to review the Strategy.
- 3.27 In essence, the Reserves Strategy introduced a new approach to reserves management that included:
- a minimum level of General Fund (Unallocated) Reserves (15% of net expenditure),
  - a series of new Earmarked Reserves, and
  - new governance arrangements in respect of the management of reserves.
- 3.28 The freedoms permitted by the Reserves Strategy has:
- given the Council a locally agreed minimum level of reserves that it must make every effort not to breach to ensure that it can continue to deliver its immediate services.
  - provided a clear set of Earmarked Reserves that have a clear purpose.
  - allowed proactive and pragmatic management of reserves to support the ongoing delivery of services.
- 3.29 **Updating of Reserves Strategy**; the strategy approved by Council in 2021 included a 15% minimum level of General Fund (Unallocated) Reserves (GFUR) (para 5.1.1/5.1.2 of the strategy). However, at each budget setting the Council has maintained its GFUR at 20% of net expenditure. This higher level was considered prudent considering the higher risks faced by the Council in respect of the Pandemic and it is considered prudent that this higher level should remain as the Council faces the current inflationary/cost-of-living crisis. Other than the change in the GFUR, there are no other changes to the strategy; the updated strategy is attached at **Appendix 5**.

### **General Budget Definitions**

- 3.30 Having prepared the budget last year, some “definitions” of aspects of the budget is necessary to aid understanding and its operation:
- 1) The **Budget** is for the year that the Council Tax is set and a commitment of resource allocation. It includes the following revenue items:
    - net service expenditure,
    - capital financing (otherwise known as minimum revenue provision; MRP),



- reserve contributions,
  - grants,
  - collection fund surplus, and
  - council tax – but for only the year that the Council Tax is being set.
- 2) The **Medium-Term Financial Strategy (MTFS)** shows an intention to future years resource allocations. The duration of the MTFS is for the 4-years following the Budget year.
  - 3) The **Capital Programme** includes the gross capital expenditure and sources of finance and covers both the budget year and the duration of the MTFS. Movements within the Capital Programme are permitted providing the overall resourcing envelope is not exceeded; including changes in fundings sources providing budgeted revenue commitments are not exceeded.
  - 4) The Budget, MTFS and Capital Programme are **‘organic’ plans** for spending and can flex to reflect current and future financial commitments. However, there is the statutory requirement to deliver a balanced budget. Where during the year it is established that there will be an increase in service net expenditure and/or reductions in grant, NDR or Council Tax; this “net excess budget position” (underachievement of budget) can only be financed by a higher than planned increase in the General Fund (Unallocated) reserve allocation (the opposite is true where there is a “net reduction in the budget position” i.e. overachievement of budget). Such allocations will be reported to Cabinet and Scrutiny as part of the routine quarterly financial performance monitoring process. The use of Earmarked Reserves is as per the agreed process within the Reserves Strategy.

#### 4. **Implications of Decisions**

##### 4.1. **Corporate Priorities**

The contents of this report supports the Council in the development of next year’s budget and medium-term financial strategy; which then provides the resource allocations to delivery its Corporate Priorities.

##### 4.2. **Financial**

These budget principles will set the foundation for the setting of the 2023/24 budget and the MTFS. These principles are similar in nature to those applied for the 2022/23 budget (& MTFS). Further they are complementary to the Councils service transformation programme. The Reserves Strategy determines how reserves are to operate, there is only one change to what has previously been agreed.

##### 4.3. **Legal**



This report supports the Chief Financial Officer in meeting his statutory responsibilities in respect of the proper administration of the Councils financial affairs [s.151 of the Local Government Act 1972].

4.4. **Policy**

No policy issues arise directly from this report.

4.5. **Environmental Implications including contributions to achieving a net zero carbon Council by 2030**

There are no direct environment implications arising from this report.

4.6. **Risk Management**

The budget principles and reserves strategy will help to mitigate the risks associated with budget setting, manage expectations, and permit the Council to delivery its services as efficiently and effectively as possible.

4.7. **Equalities Impact**

There are no direct equality implications arising from this report..

4.8. **Data Protection**

There are no direct data protection implications arising from this report.

5. **Summary of Consultation and Outcome**

Consultation has been undertaken with the Portfolio Holder.

6. **Alternative Options Considered**

Not applicable.

7. **Background papers**

None.



Potential Medium-Term Impact of Cost/Inflationary Pressures								Appendix 1	
	In-Year Pressures			Potential Impact if No Mitigation				Cumulative Impact over MTFS	Reasoning
	2022/23			2023/24	2024/25	2025/26	2026/27		
	Saving £000	Cost £000	Net £000						
Inflation				£000	£000	£000	£000		
Pay	0	279	279	558	837	1,116	1,395		Assume increase year-on-year
Utility Bills	0	106	106	42	21	0	0		Assume 20% 2023/24, 10% 2024/25
	0	385	385	600	858	1,116	1,395	4,777	
Underachievement of Savings									
Senior Management Review (TOM)	0	304	304	228	0	0	0		Saving achieved after 9 months in 2023/24.
Cross Cutting Savings	0	77	77	58	0	0	0		Saving achieved after 9 months in 2023/24.
Vacancy Savings	(90)	90	0	0	0	0	0		Saving achieved
Quick Response Team	0	72	72	72	72	72	72		Cost will need meeting in future years
Committee Servicing	(22)	35	13	0	0	0	0		Impact only 2022/23
Development Management Shared Service	0	94	94	128	64	0	0		Saving achieved after 6 months in 2024/25.
	(112)	672	560	486	136	72	72	1,771	
Normal Operational Delivery									
Corporate Administration	(37)	0	(37)	0	0	0	0		Impact only 2022/23
Land Charges	(46)	0	(46)	0	0	0	0		Cost will need meeting in future years
Deputy Chief Executive	(33)	0	(33)	0	0	0	0		
Finance	0	79	79	0	0	0	0		
IT Services	(34)	54	20	54	54	54	54		
Interest & Investment Income	(300)	0	(300)	0	0	0	0		
Director: Finance etc	(29)		(29)	0	0	0	0		Impact only 2022/23
Carparking (lost income)	0	250	250	250	250	250	250		Anticipating permanent reduction in demand
Development Management (underachievement of income)	0	109	109	0	0	0	0		Impact only 2022/23
Harborough Innovation Centre	(114)	0	(114)	0	0	0	0		
ERDF funding	(63)	0	(63)	0	0	0	0		
The Symington Building	(7)	51	44	0	0	0	0		Impact only 2022/23
Customer Services	0	97	97	60	60	60	60		Netcall cost will need meeting in future years
Communication	(28)	0	(28)	0	0	0	0		
Housing Services	(32)	0	(32)	0	0	0	0		
MRP saving	(58)	0	(58)	0	0	0	0		
IT Services - capitalisation	(25)	0	(25)	0	0	0	0		
Variances less than £25k	10	21	31	0	0	0	0		Impact only 2022/23
	(796)	661	(135)	364	364	364	364	1,494	
Total	(908)	1,718	810	1,450	1,358	1,552	1,831	8,042	



**Discretionary Fees & Charges: exceptions to blanket increase**

The exceptions to a blanket increased in fees and charges by RPI are shown below:

**1. Regulatory (Environmental Health Services) Fees & Charges**

These are calculated based on the “actual” hourly rate and time spent on activity.

**2. Car Parking pay & display tariffs and permits**

These are reviewed on a 2-year cycle based on CPI (rounded to nearest 10p), the last review having been undertaken in 2020/21, with the new charging structure taking effect in September 2021, or when there is a strategic parking review which may delay this cycle (this would reflect the prevailing commercial and political considerations at that time).

**3. Garden Waste service**

The charges for this service were increased for 2021/22. However, it is essential that the principle of cost-neutrality is maintained; especially to ensure that there is equitable treatment between participating and non-participating residents. To achieve “equitability”, it will be necessary for an annual review of charges to be undertaken to ensure cost-neutrality is maintained. If it is chosen not to increase, then that decision will be recorded when the draft budget is agreed.

**4. CCTV**

In respect of CCTV, charges to increase by CPI:

- service fees & charges; these will be reviewed on an annual basis; this will ensure that there is no disproportionate “catch-up” due to previous years inflation.
- new installation/set-up fees, these will be based on actual costs at the time of installation/set-up.

**5. Asset Lease Agreements**

The Council has a number of lease agreements with third parties who use our land or buildings. These agreements will include lease obligations that reflect the prevailing and the type of land, building or expected use. Some agreements will be based on commercial terms and others on more discretionary terms that will be compliant with agreed policies. Where applicable, these agreements will include respective inflationary indices.



**6. Charges for Street Naming and Numbering**

The Council sets its charges based on comparisons with other local authorities in the area as well as ensuring that such charges achieve full cost recovery.

**7. EV Charging**

To be charged on a cost plus basis; actual cost + an agreed prevailing overhead charge.

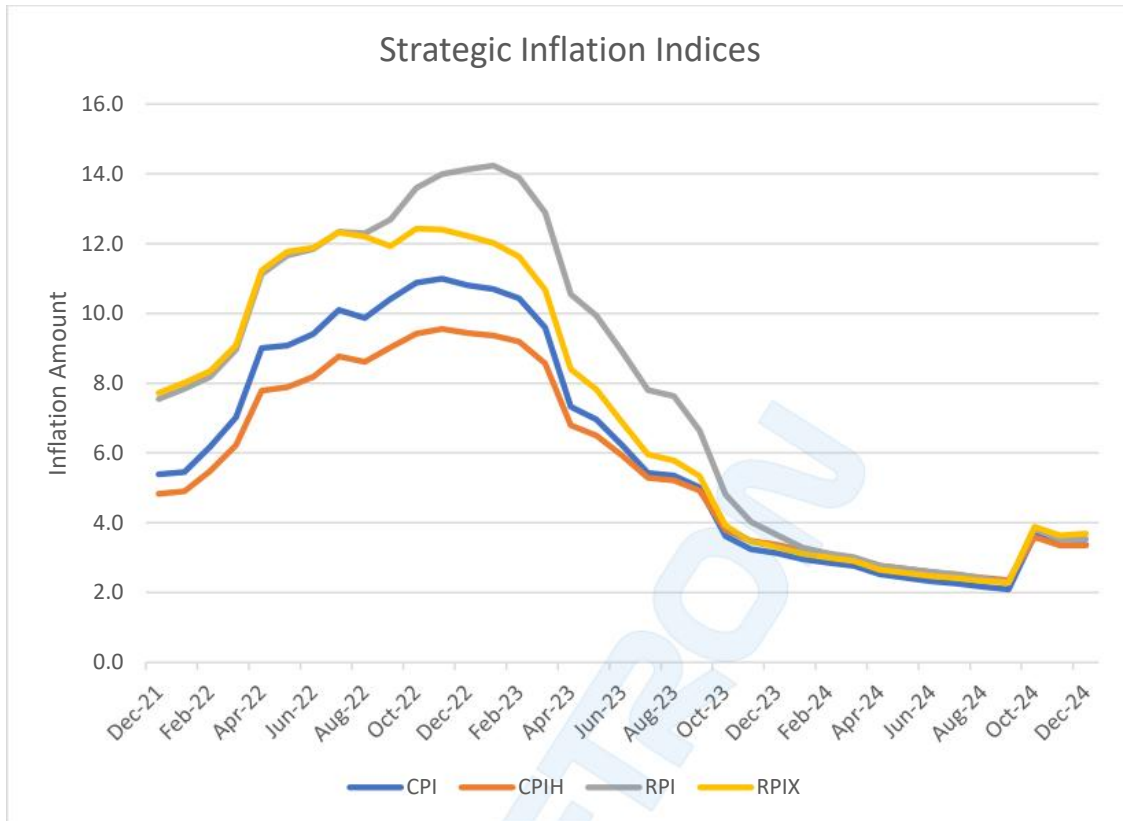


## Inflation Graphs

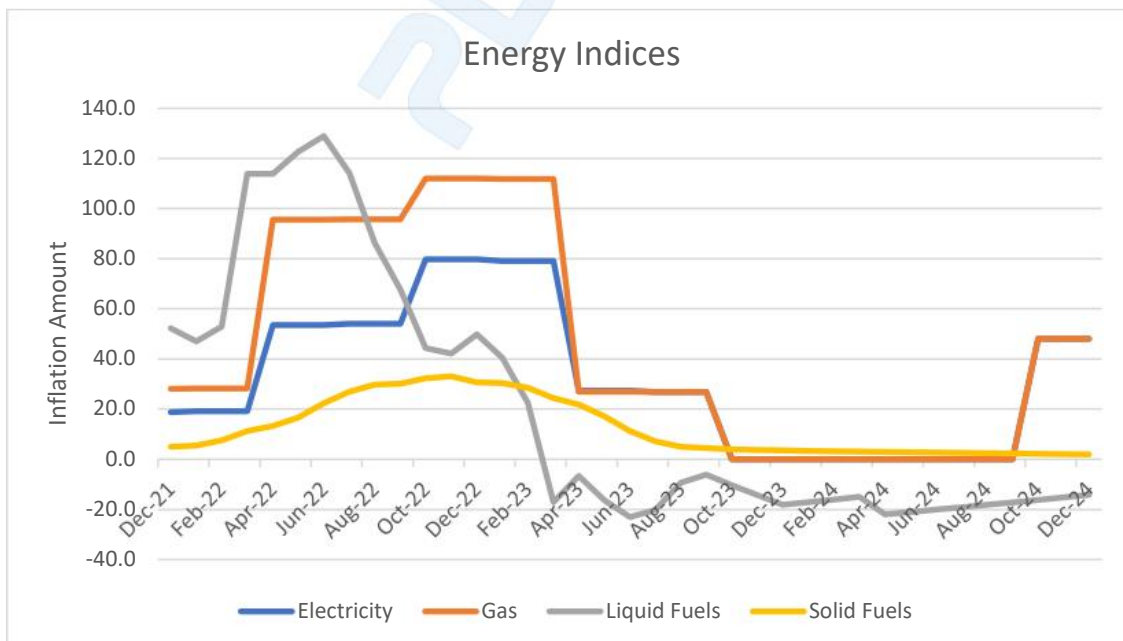
## Appendix 3

(source; Link Treasury Services)

### RPI/CPI



### Gas/Electricity costs





## Appendix 4

### Budget Principles for the 2023/24 Budget and MTFS (2024/25 to 2027/28)

Report Paragraph Reference	Budget Principles and Definition	
<b>Strategic Budget Principles:</b>		
3.1	A	To maintain, within expected service constraints, service expenditure within the approved net expenditure envelope.
	B	To ensure that over the medium term, financial sustainability can be achieved.
	C	The Council will only support the consequential cost-shunting transfer from other areas of the public sector where there is either a statutory obligation or a significant impact on the Harborough residential and business community.
<b>Service and Corporate Budget Principles:</b>		
3.6.3	1	<b>General Service Income;</b> i. <b>Statutory Fees &amp; Charges</b> , where <ul style="list-style-type: none"><li>the Council has to set a level of fees by law, then those fees are increased at the earliest time possible.</li><li>a service is required to “consult” with other internal services, that an appropriate recharge of the income is made to the consultee service. This avoids individual services carrying an unfair burden to meet statutory requirements. This will be determined and implemented during 2023/24.</li></ul> ii. <b>Discretionary Fees &amp; Charges</b> , subject to the exceptions noted in (i) below: <ul style="list-style-type: none"><li>all service income lines applicable to discretionary services and are reviewed on a 3-year cyclical basis,</li><li>for the 2 intervening years then the prevailing CPI rate for the October of the preceding year is applied. The CPI rate to be agreed by the Director; Finance, ICT and Assets in consultation with the Portfolio Holder for Finance.</li></ul>



		There are some exceptions to the aforementioned approach for discretionary fees and charges, these are addressed at <b>Appendix 2</b> .
3.8.1	2	<b>Pay Inflation:</b> to be increased to 4% for 2023/24, decreasing to 3.5% for 2024/25 and then decreasing to 3% for the following 3 years of the MTFS
3.9	3	<b>Pay Oncosts:</b> National Insurance and Pensions Oncosts to be 13.8% and 32.4% respectively for 2023/24. For subsequent years of the MTFS Pension to be increased by 1% per annum from 32.4% (2023/24 rate), the NI rate to remain as 2023/24.
3.10	4	<b>Vacancy Factor:</b> for 2023/24 and each year of the MTFS to maintain the VF at £180k (as applied in 2022/23).
3.14.2	5	<p><b>General Service Inflation:</b> to be set at 0%, except for:</p> <ol style="list-style-type: none"> <li>Utility costs; an inflationary increase of 20% for 2023/24, 10% for 2024/25 and then remain at 2024/25 thereafter.</li> <li>the FCC Contract; an inflationary increase of 14% for 2023/24 and a more modest increase of 4.9% for each remaining year of the contract.</li> <li>the current SLM Contract, no inflationary increase for all years of the remaining period of the contract.</li> <li>the implications of the new environmental act and new depot from 2025/26 onwards: <ul style="list-style-type: none"> <li>The annual cost to be based on the current 2024/25 environmental contract cost; inflated annually by the average inflation rate of the current contract (4.9%).</li> <li>An additional 5% cost escalator to reflect the potential cost of the government's changes to waste collection.</li> <li>A higher capital allocation of £10m be included in the capital programme.</li> </ul> </li> <li>the new leisure contract from 2025/26 onwards, annual contract costs not to recognise any additional income but recognise an additional utility cost of £188k per annum.</li> </ol>
3.15	6	<p><b>General Service Growth;</b> there will not be any general service growth, except where:</p> <ol style="list-style-type: none"> <li>there are required budget corrections, growth that has been permitted via previous budget approvals, statutory/regulatory changes, and any subsequent transformation programme or that which has been approved separately by Council.</li> <li>where costs must increase (i.e. due to post regrading's), savings elsewhere will be required to neutralise the additional cost.</li> </ol>



3.18	7	<b>Non-Domestic Rates:</b> <ol style="list-style-type: none"> <li>future receipts from the Leicestershire Rates Pool will not be included in the budget, MTFS or capital programme.</li> <li>only known commercial developments that will deliver “certain” NDR growth (increases in NDR).</li> <li>the NDR income stream will be inflated by the government’s stipulated multiplier.</li> </ol>
3.21	8	<b>New Homes Bonus:</b> to be applied to meet specific net spend commitments, known budget risks, collection fund deficits or inflationary pressure, with any residual NHB to be allocated to earmarked reserves; 33% to Community, Economic & Infrastructure, 67% to Commercial Investment.
3.22	9	<b>Fair Funding:</b> to help mitigate the future impact of Fair Funding (& the NDR “reset”), to include a negative funding stream of £0k for 2023/24 and 2024/25; £99k, 2025/26; £198k, 2026/27; £297k, 2027
3.24	10	<b>Collection Fund (Surplus)/Deficit....</b> The Council will spread any forecast 31 <sup>st</sup> March 2021 Collection Fund Deficit in line with legislation.
3.25	11	<b>Council Tax Base:</b> subject to modelling, an irrecoverable rate of 2% is applied when the Council Tax Base is calculated prior to budget setting.
<b>General Budget Definitions</b>		
N/a	1	The <b>Budget</b> is for the year that the Council Tax is set and a commitment of resource allocation. It includes the following revenue items: <ul style="list-style-type: none"> <li>net service expenditure,</li> <li>capital financing (otherwise known as minimum revenue provision; MRP),</li> <li>reserve contributions,</li> <li>grants,</li> <li>collection fund surplus, and</li> <li>council tax – but for only the year that the Council Tax is being set.</li> </ul>
N/a	2	The <b>Medium-Term Financial Strategy (MTFS)</b> shows an intention to future years resource allocations. The duration of the MTFS is for the 4-years following the Budget year.
N/a	3	The <b>Capital Programme</b> includes the gross capital expenditure and sources of finance and covers both the budget year and duration of the MTFS.



N/a	4	<p>The Budget, MTFS and Capital Programme are <b>‘organic’ plans</b> for spending and can flex to reflect current and future financial commitments. However, there is the statutory requirement to deliver a balanced budget. Where during the year it is established that there will be an increase in service net expenditure and/or reductions in grant, NDR or Council Tax; this “net excess budget position” (underachievement of budget) can only be financed by a higher than planned increase in the General Fund (Unallocated) reserve allocation (the opposite is true where there is a “net reduction in the budget position” i.e. overachievement of budget). Such allocations will be reported to Cabinet and Scrutiny as part of the routine quarterly financial performance monitoring process.</p>
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# **Harborough District Council**

## **RESERVES STRATEGY**

### **Version control**

Title: Reserves Strategy

Date agreed: XX December 2022

Last date amended: December 2022

Review date: 31 December 2024



## **Contents**

- 1. Background**
- 2. Definition of Reserves**
- 3. Principles for Maintaining Reserve**
- 4. Level of Reserves**
- 5. Governance of Reserves**



## 1. Background

- 1.1 The Council's reserves are the corner stone of its financial sustainability; they are the foundation upon which the Council delivers its broad range of services and delivers its significant capital investment.
- 1.2 Reserves should be actively used to ensure effective financial management; this includes the establishment of a minimum level of reserves, and a number of specific earmarked reserves that will directly support the delivery of corporate priorities.

## 2. Definition of Reserves

- 2.1 Reserves within local government are split between: Useable and Unusable
- 2.2 **Usable Reserves** are those that represent “real” cash and can be used to directly support services or the development of assets.

- **General Fund Balance**

The General Fund is the statutory fund into which all receipts of a Council are required to be paid and all liabilities are to be met (subject to statutory override).

The General Fund Balance is therefore the net surplus of the Council's general resources at the end of any financial year

- **Earmarked Reserves**

These are reserves held for a defined purpose. However, they do represent immediately available resources and are therefore considered as part of the wider General Fund Balance

- **Capital Receipts Reserve**

This reserve holds the proceeds from the disposal of land or other (capital) assets which are restricted by statute from being used other than to fund new capital expenditure (or to be set aside to finance historical capital expenditure).

- **Capital Grants Unapplied Reserve**

This reserve holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure.

- 2.3 **Unusable Reserves** are “technical accounting” reserves that support the Council's balance sheet. These reserves can involve contributions of real cash, but this is



mainly to support capital related income or expenditure. As contributions to /from these reserves are strictly controlled by statutory regulation they will not be addressed within this strategy.

### **3. Principles for Maintaining Reserves**

#### **3.1 Risk Management**

Reserves will be maintained based upon the risks that the Council faces and its plans for the medium-term. They will be viewed as an effective means by which the Council can address one-off costs of transformation, future local and national funding & policy, environmental impacts, and unforeseen service pressures.

#### **3.2 Prudential Financial Management**

Reserves are to be an essential part of the Councils prudential financial management framework, including its ongoing ability to meet the statutory requirement for a balanced budget.

#### **3.3 Medium-Term Financial Planning**

Reserves are built up over the long term and their level and use will be a key part of effective medium-term financial planning.

#### **3.4 Funding Source of Last Resort**

Although reserves can be viewed as an effective means by which to support the contraction in public expenditure. The Council will view its use of Reserves as the “funding source of last resort” by which the Council will deliver the progressive reductions in government support over the medium term.

### **4 Level of Reserves**

#### **4.1 General Fund Balance**

The General Fund Balance includes all revenue reserves, both the General Fund Unallocated Reserve and Earmarked Reserve.

#### **4.2 General Fund Unallocated Reserve**

There is no statutory minimum level of reserves that the Council must have available in the General Fund Unallocated Reserve

If this Reserves Strategy is approved, the Cabinet will approve a minimum level of General Fund Unallocated Reserves of 15% of Net Expenditure (Net Expenditure being defined as service expenditure + revenue costs of capital financing).

#### **4.3 Earmarked Reserves**

There is no minimum or maximum level for Earmarked Reserves, what will be held is based on prudent estimates of future need. Earmarked Reserves will also include the Budget Surplus Reserve.



#### **4.4 Capital Receipts Reserve/Capital Grants Unapplied Reserve**

These reserves will be reactive to what capital receipts or grants have been received in the year and remain uncommitted at the year-end.

### **5. Governance of Reserves**

#### **5.1 the General Fund (Unallocated) Reserve**

- 5.1.1 At budget setting and throughout the year the General Fund (Unallocated) Reserve will be actively managed to ensure that it is maintained at 20% of Net Expenditure. This will ensure that the Council has enough reserves to delivery its core services in the event of an emergency.
- 5.1.2 Variations in service spend throughout the year will have either a positive or negative impact on the forecast outturn which will require either a contribution to or from Earmarked Reserves to ensure that the General Fund (Unallocated) Balance is maintained at 20%. This will be actively monitored as part of the Councils routine budget monitoring process with appropriate reporting to members to demonstrate:
- The maintenance of the General Fund (Unallocated) Reserve at 20% of Net Expenditure.
  - The use of a Budget Surplus Reserve (BSR) that will act as a “holding” reserve between the General Fund (Unallocated) Reserve and Earmarked Reserves. Its purpose is to:
    - Either hold onto surplus funds (underspends) before they are allocated to Earmarked Reserves, or
    - Where a contribution is required to support Service Expenditure, then the BSR will be used to demonstrate to members as part of the budget monitoring reporting process the net deficit that needs to be funded by the application of Earmarked Reserves.

Consequently, where specific contributions to/from the General Fund Balance outside of routine service spend are required, these will only be made when approved by Cabinet.

#### **5.2 Earmarked Reserves**

- 5.2.1 New earmarked reserves will be established, and old reserves deleted in line with the principles noted above. The Section 151 officer will be able to create reserves, following consultation with the Portfolio Holder for Resources. However, Earmarked Reserves will only be able to be removed with the agreement of Cabinet.
- 5.2.2 Contributions to/from Earmarked Reserves will:



- either be in line with statutory requirements or service need
- only be made when agreed with the Section 151 officer.

### **5.3 Capital Receipts Reserve**

- 5.3.1 The Council will primarily receive capital receipts because of the sale of capital assets that support general service activity; these receipts will only be applied for similar such activity.
- 5.3.2 The first call for the application of such receipts will be to finance in-year capital expenditure, this will have the effect of minimising the Councils statutory obligations in respect of Minimum Revenue Provision.

### **5.4 Capital Grants Unapplied Reserve**

- 5.4.1 This reserve will only hold capital grants that will have been acquired by the Council for a specific purpose. The use of this reserve will be in line with prescribed guidelines/conditions.



## Harborough District Council

### Report to Cabinet 5 December 2022



<b>Title:</b>	<b>Strategic Partnership between Harborough District Council and Melton Borough Council</b>
<b>Status:</b>	Public
<b>Key Decision:</b>	No
<b>Report Author:</b>	Liz Elliott Interim Chief Executive l.elliott@harborough.gov.uk
<b>Portfolio Holder:</b>	Leader of the Council and Portfolio Holder for Strategy – Cllr P King
<b>Appendices:</b>	Appendix A: Draft Business Case Appendix B: Draft Memorandum of Agreement Appendix C: Comments from Scrutiny Committee and Audit and Standards Committee (to Follow)

### Executive Summary

- i. Collaboration is commonplace within Local Government. Within Leicestershire there is a strong track record of joint working by District Councils and their partners.
- ii. On 10 October 2022 Cabinet confirmed its interest in exploring the establishment of a Strategic Partnership with Melton Borough Council. Cabinet approved the development of a full Business Case with Melton Borough Council within certain parameters.
- iii. The purpose of this report is to present the resultant Business Case and memorandum of agreement to Cabinet for consideration and to seek its views on proceeding to the formation of a Strategic Partnership by making recommendations to Council.
- iv. The Business Case attached as Appendix A sets out the design principles for the Strategic Partnership, the intended benefits, and an initial proposition to share a small number of senior officer roles. It also sets out potential service delivery opportunities that could be explored over time if the Strategic Partnership is successfully established.
- v. The Memorandum of Agreement, attached as Appendix B, provides the proposed legal framework which could underpin the Strategic Partnership if it is approved.
- vi. The draft Business Case was reviewed by the Council's Scrutiny Commission on 21 November 2022. The Scrutiny Commissioner has been invited to attend Cabinet and provide comments on the proposed business case.
- vii. The Council's Audit and Standards Committee considered the draft Memorandum of Agreement on 23 November 2022. The Chair of the Audit and Standards



Committee has been invited to attend Cabinet and provide comments on the proposed Memorandum of Agreement.

- viii. The Business Case set out at Appendix A is the version that was considered through the Scrutiny arrangements and remains unamended at this point.
- ix. The document at Appendix B (Memorandum of Agreement) contains slight amendments to that considered by the Audit & Standards Committee and also take into account their feedback. The amendments are tracked in the document.
- x. Cabinet is asked to consider the information contained within this report, together with any additional submissions received at the meeting, and determine what, if any refinements and/or changes they would like to see incorporated into the versions for consideration by Council.

## Recommendations

That Cabinet:

1. Note the Business Case and Memorandum of Agreement.
2. Receive and reflect on the written and oral feedback from the Scrutiny Commission and the Audit and Standards Committee, agreeing any amendments required.
3. Determine whether to endorse the Business Case and Memorandum of Agreement.
4. If cabinet endorse the business case, then to recommend to Council that it:
  - a. Endorse the Business Case in (Appendix A) and authorise Harborough District Council to enter into a strategic partnership with Melton Borough Council, with effect from 1 January 2023;
  - b. Approve the terms of the Memorandum of Agreement (Appendix B) and delegate authority to the Monitoring Officer, in consultation with the Leader, to finalise, approve and execute the Memorandum of Agreement;
  - c. Appoint Edd de Coverly, to the role of Shared Chief Executive and Head of Paid Service, to be placed at the disposal of Harborough District Council, under Section 113 of the Local Government Act 1972, with effect from 1 January 2023 in accordance with the Memorandum of Agreement and proposed pay structure due to be considered at Council;
  - d. Appoint Liz Elliott, the current Deputy Chief Executive, to the role of Shared Deputy Chief Executive and place her at the disposal of Melton Borough Council, under Section 113 of the Local Government Act 1972, with effect from 1 January 2023 in accordance with the Memorandum of Agreement and proposed pay structure due to be considered by Council;
  - e. Note that Melton Borough Council will appoint their Director of Housing & Communities (Deputy Chief Executive), Michelle Howard, to the role of Shared Deputy Chief Executive and place at the disposal of Harborough District Council under Section 113 of the Local Government Act 1972, with effect from 1 January 2023 in accordance with the Memorandum of Agreement and proposed pay structure due to be considered at Council;
  - f. Authorise, Michelle Howard to be placed at the disposal of Harborough District Council in the role of Shared Deputy Chief Executive under Section 113 of the Local Government Act 1972 with effect from 1 January 2023 in accordance with



the Memorandum of Agreement and proposed pay structure due to be considered by Council.

- g. Authorise the Monitoring Officer to make such changes to the constitution as are required to give effect to the Memorandum of Agreement;
- h. The Strategic Partnership be reviewed after 12 months of operation and thereafter on an annual basis, with the outcome of the reviews being reported to Council;
- i. Note that, if a recommendation to Council is made as set out above, and if Council resolves to enter into a Strategic Partnership with Melton Borough Council, Council will also be required to consider and approve any associated Human Resource implications of the proposals which will be reflected in the recommendations to Council.
- j. Appoint the Councils Deputy Chief Executive, Liz Elliott, as the permanent Returning Officer and Electoral Registration Officer for Harborough District Council

### Reasons for Recommendations

- i. This report relates to the decisions taken by Cabinet on 10 October 2022 to authorise the Council to work with Melton Borough Council to develop a full Business Case in respect of creating and operating a strategic partnership between Harborough District Council and Melton Borough Council.
- ii. Development of both the Business Case and Memorandum of Agreement has been a robust and inclusive process supported by independent experts appointed to assist the two Councils. It has involved scrutiny commission considering the Business Case and Audit and Standards Committee reviewing the proposed Memorandum of Agreement. The inclusion of feedback from both committees to Cabinet will enable them to consider and agree any amendments prior to consideration by Council.
- iii. The potential benefits that could be realised through a Strategic Partnership, and which the business case seeks to test, are as follows:
  - a. **Strategic Place Leadership:** increasing influence regionally and nationally, by speaking with a stronger and more united voice across a larger geographic area;
  - b. **Communities and businesses:** working together to respond to, and address, shared challenges which in turn will help improve impact and deliver better outcomes for our residents, communities and businesses e. g cost of living, health and wellbeing, housing affordability. Maximising external investment
  - a. **Organisational effectiveness:** opportunity to share learning and good practice and through collaboration whilst increasing service resilience, stability and effectiveness.
  - b. **Workforce:** increase opportunities for job enrichment, growth and development and improve recruitment and retention.
  - c. **Financial resilience:** realising efficiencies through joint working, reducing duplication, increasing purchasing power and achieving greater value for money.



## ***Purpose of Report***

1. To present to Cabinet the Business Case and memorandum of agreement commissioned on behalf of the Councils in October 2022 in relation to the proposal to enter a Shared Partnership with Melton Borough Council Background.

## ***Background***

2. Harborough District Council's Chief Executive retired in February 2022, prompting the Council to review options available to it too maximise efficiency in the officer structure, particularly given that two of the three statutory senior posts (that of Monitoring Officer and Section 151 officer) were temporary appointments.
3. The Leader of the Council and the interim Chief Executive were instructed, in June 2022, to undertake an options appraisal of potential management solutions and report back to Cabinet.
4. Following an appraisal of various options, the preferred solution identified was to enter into a partnership with Melton Borough Council. Accordingly, in early September 2022, the Council approached Melton Borough Council to explore the potential opportunity with them. As a result of positive discussions, on 10 October 2022, Harborough District Council's Cabinet resolved to:
  - a. Note the progress on the strategic partnership review which has identified Melton Borough Council as the preferred partner;
  - b. Note the outcome of the review and authorise working with Melton Borough Council to develop a full business case, and the potential approach for operating such a partnership, which will be presented to council at a later date.
5. At its meeting on the 12 October 2022, Melton Borough Council's Cabinet resolved to:
  - a. Note that through a strategic partnership review, Harborough District Council has identified Melton Borough Council as a preferred strategic partner and has formally approached the Council to explore this further;
  - b. Acknowledge the outcome of the review carried out by Harborough District Council and authorise working with them to develop a full business case and approach to operating such a partnership, to be considered by Council in December 2022.
6. The key drivers for exploring a strategic partnership between the Councils were identified as:
  - a. **Limitations on strategic influence:** Due to their scale, both councils experience challenges associated with their ability to influence decisions at a sub-regional, regional and national level. For example, the Councils are two of seven second tier authorities 'trying to get a seat at the Integrated Care Board table'. Individually, Harborough District Council and Melton Borough Council are ranked 259th and 311th respectively (out of 314 councils) in terms of population size, but by joining strategic forces, the Councils would speak Combining populations would mean that the councils would speak on behalf of 149,000 residents, making it the 147th most populated area in the country and 92nd in terms of geographical area. By working together both councils could increase their impact, reach and influence, while still remaining connected locally.
  - b. **Limited 'place leadership' without a single voice:** Both councils experience similar challenges (e.g. an ageing population, pockets of deprivation, inequality and



isolation, lack of digital and transport connectivity etc.) which they currently address individually. They do not currently share strategies and approaches to address these challenges. Further, the respective Chief Executive Officers of both councils currently spend approximately 30% of their time managing external relations: they both attend many of the same meetings and engage with the same stakeholders separately. The opportunity exists to address shared challenges together, doing things more effectively, once rather than twice.

- c. **Challenges to financial resilience and sustainability** - Both councils are, as with most other local authorities, currently experiencing financial challenges. There is uncertainty regarding future levels of government funding, while inflation is having a significant impact on council finances. Both councils have limited further opportunities for achieving savings and efficiencies individually. Sharing services, resources, expertise and approaches to common challenges represents a different route to potentially realising new efficiencies and savings while minimising adverse impact upon service delivery and maximising the scope of the opportunity to protect and even improve the scope and quality of services delivered to communities and businesses.
  - d. **Improving organisational resilience** - Both councils have experienced challenges in terms of recruitment and retention of officers, particularly amongst specialist teams and roles, including Monitoring Officers and director roles. Single points of failure currently exist in both organisations with individual officers assuming responsibility for statutory roles such as safeguarding, health and safety advice, conservation, equalities and land charges. The establishment of a Strategic Partnership would unlock opportunities to address these issues and allow more to be done with the same level of resource.
  - e. **Improving service resilience** - Challenges relating to recruitment and retention are particularly prevalent in some individual services, such as planning and housing services. Recent experience demonstrates that these services are particularly susceptible to disruption due to the small size of the respective teams (i.e., annual leave, sickness, resignations etc.). Sharing and maximising limited staff resources across two organisations should result in a more robust and consistent service which can evolve over time to secure improved outcomes for councils, their communities, businesses and partners.
- 7. Following the decision by Cabinet to undertake a comprehensive and robust assessment of the benefits and challenges of progressing to a Shared Partnership, officers secured the service of independent experts to assist in the preparation of the Business Case and a memorandum of agreement, and to advise and support the Councils through the process.
  - 8. This report summarises the key components of the two documents Cabinet are invited to consider, alongside the feedback from the recent Scrutiny and Audit and Standards Committees in each organisation.

## **Details**

- 9. The Business Case, prepared by the independent experts retained by the Councils, is attached as Appendix A to this report. It was published on 18 November 2022 and provided to all Members of both Councils. It comprises a summary (section 1), followed by a number of detailed chapters and analysis, including an analysis of both councils and their places and learning from other public sector shared partnerships (through success and failure). It also



analyses potential future opportunities for the Strategic Partnership in the event that the collaboration thrives. All aspects of the Business Case have been evaluated from an economic, financial, commercial, management and strategic perspective.

10. If the Strategic Partnership is formed, the Councils will each retain sovereignty of decision-making processes and democratic accountability to their communities.
11. The Business Case includes two main components:
  - a. **an initial proposition / proposal** – i.e., what both Councils would be asked to consider and approve in December 2022 in forming any strategic partnership – the sharing of three senior officers;
  - b. **Future opportunities** – a summary of future opportunities which could be explored *if the partnership is formed – subject to further business cases being accepted.*

### ***The Initial Proposition/ Proposal***

12. The Business Case provides an independent assessment of the implications of entering into a Strategic Partnership for the Councils. In the event that Cabinet accepts the findings of the Business Case, it is proposed that both Councils consider at a meeting in December 2022 whether they wish to enter into the Strategic Partnership. Entry into a Strategic Partnership with Melton Borough Council would entail:
  - a. Committing to exploring potential future opportunities for sharing to determine whether or not the opportunity is suitable to be progressed as part of the Shared Partnership;
  - b. Approving the Memorandum of Agreement to create the legal framework for entering, managing and withdrawing from the partnership, including informal partnership governance arrangements;
  - c. Establishing the senior leadership of the partnership by sharing 3 senior officer roles, thereby creating a stable platform to explore further opportunities., specifically:
    - i. Shared Chief Executive and Head of Paid Service;
    - ii. Shared Deputy Chief Executives (x2) with professional responsibilities across both Councils.
13. The anticipated roles and responsibilities of the three shared roles can be found on pages 106 and 107 of the business case.
14. The independent expert advisers informed the Councils that to create the right conditions for the Strategic Partnership to thrive, it was advisable to adopt some common principles to underpin the Strategic Partnership. Members discussed their priorities for the Strategic Partnership and identified eight fundamental principles which would form the foundation of the Strategic Partnership:
  - a. Design Principle 1 (DP1): Enhance each councils' ability to address common issues and challenges for the benefit of residents, communities, and businesses, through a common purpose, whilst maintaining democratic accountability;
  - b. Design Principle 2 (DP2): Enable both councils to maximise influence, reach and impact; locally, regionally and nationally, particularly on shared opportunities and challenges;



- c. Design Principle 3 (DP3): Enable greater financial sustainability, deliver resilience and maximise opportunities to secure external funding;
  - d. Design Principle 4 (DP4): Attract and retain workforce talent through the opportunities for shared learning, job enrichment new experiences and progression;
  - e. Design Principle 5 (DP5): Create a mechanism that allows the effective and equitable deployment of resources;
  - f. Design Principle 6 (DP6): The ability to consider future collaboration options and to review and evaluate existing arrangements;
  - g. Design Principle 7 (DP7): Ensure that council sovereignty and clear lines of accountability are maintained;
  - h. Design Principle 8 (DP8): Create a mechanism that ensures a fair, equitable and proportionate allocation of costs.
15. These principles have been incorporated into the draft Memorandum of Agreement and will also act as the guiding principles for any future business case put forward to be included in the Strategic Partnership.

### **Partnership Governance**

16. The Strategic Partnership will have no impact on the sovereignty, decision making and independence of either council.
17. To facilitate the effective running of the partnership, a number of informal meeting structures would be created. These would be advisory only with formal decision making remaining with both councils. The following informal structures are proposed:
- a. **Shared Chief Officer Employment Panel** – an advisory panel to provide feedback on employment matters associated with Chief Officers (see further Schedule 1 to the agreement);
  - b. **Shared Stakeholder Group** – an advisory body comprising Leaders, Deputy Leaders and shared senior officers responsible for overseeing the strategic direction of the partnership; (see further Schedule 2 to the agreement);
  - c. **Shared Strategy Board** – an advisory body comprising both Cabinets and shared senior officers responsible for monitoring the arrangements of the Strategic Partnership (see further Schedule 3 to the agreement);.
18. The Councils have chosen to work together through a Strategic Partnership model rather than through a joint committee or other alternative delivery model. As a result, the above entities are advisory in nature only and do not have the power to make decisions. They are a forum for receipt of information and discussions about the operation and opportunities of the Strategic Partnership with the representatives on each responsible for reporting back to their respective Council. This ensures that the Councils retain the rights to make decisions impacting the operation of the Strategic Partnership.
19. It is anticipated that the terms of reference set out in Schedules 1 to 3 of the Memorandum of Agreement will evolve over time as the Strategic Partnership matures, with the terms of reference being updated as required following the conclusion of a review of the operation of the Strategic Partnership.



20. The Shared Stakeholder Group is likely to be the body charged with responsibility for devising and applying objective performance management of the Strategic Partnership. This will allow the Councils to track, monitor, challenge and understand the effectiveness of the Strategic Partnership's performance.

### **Apportionment of Costs**

21. The independent advisors retained by the Councils have recommended that there should be a mechanism to allow the effective and equitable deployment of resources and the fair, equitable and proportionate allocation of costs. This is reflected within the Business Case and the draft Memorandum of Agreement.
22. The initial proposal is that the Councils each meet 50% of the employee related costs of the Shared Chief Executive and 2 Shared Deputy Chief Executives after the commencement of any partnership. The rationale for this is that balanced and equalised strategic leadership is required across both authorities at the commencement of the Strategic Partnership.
23. Shared senior officers will not be doing two jobs but would do their job for (and be accountable to) two Councils. For example, senior managers attend a number of external meetings where all districts are represented - one person in a shared role could represent both Councils. There are also common corporate and strategic workstreams e.g., responding to covid, developing cost of living action plans, supporting Homes for Ukraine, and dealing with the climate emergency, which are currently done separately by the two Councils. Given many of the issues being addressed are similar, these can be done once, for both councils. Collaborating in this way and developing joint work streams is more efficient and ensures any shared roles have sufficient capacity to succeed. There are a number of partnerships operating with shared roles successfully across the country.
24. The Economic Case (Section 8 of the Business Case) provides further detail on the options available to determine cost apportionment for any future arrangements. These options include:
- a. Population rationale;
  - b. Council Tax rationale
  - c. Geographical area rationale
  - d. Service specific rationale
25. It is a legal requirement that one council cannot fund or subsidise another. Therefore, any variation to the above shared costs must be agreed between the parties and formally recognised as a variation to the Memorandum of Agreement. Any shared arrangements subsequently agreed by both councils will be based on a pro-rata basis as set out in the Agreement. The Section 151 Officer(s) may, with the prior written agreement of the Shared Chief Executive and the Leaders of the Councils, adjust the apportionment of any on-going costs attributable to the Strategic Partnership, provided that the adjusted apportionment is approved by the Councils as appropriate.

### **Termination and Review**

26. There is a provision for either Council to withdraw from the Agreement wholly or in relation to part of the shared services in accordance with the Memorandum of Agreement, which sets out the procedure to be adopted. In summary:
- a. The decision to withdraw must be approved by the withdrawing Council;



- b. Not less than twelve months written notice of termination must be given save for termination in the first year of operation, the first year of operation of the agreement, which will
- c. The Shared Chief Executive will be required to submit to the Shared Strategy Board following consultation with the withdrawing Council's deputy chief executive a report setting out the implications of the withdrawal;
- d. The Shared Chief Executive has liaised with the withdrawing council to plan for an orderly withdrawal;
- e. The Shared Chief Executive has liaised with the remaining council to advise of any financial consequences, potential service implications, reputational implications and to update on the preparation of an exit plan detailing the allocation of resources, assets and staff.;
- f. Each employee will revert to their substantive posts unless otherwise agreed. This will be included within the specific terms and conditions relating to the employment of shared posts which will be considered as part of the recommendations to the Council.;
- g. There will also be a provision for either Council to terminate the agreement in full or in part within the first 7 months which provides a mechanism for any changes in administration. The schedule for these arrangements details the practical steps to be taken to effect a decision of this kind.

### ***The Future Opportunities***

27. Both Councils have identified a number of potential opportunities for alignment and collaboration in the future. The Business Case (pages 108 to 121) provides an initial analysis of the potential future opportunities that could be explored if the partnership thrives and is able to expand. It represents an indicative assessment of opportunities that would require further investigation. For each opportunity, the following initial considerations have been made:

- a. The nature of the collaboration being proposed;
- b. The potential for financial savings, from the perspectives of both councils;
- c. The potential for efficiencies and increased productivity, from the perspectives of both councils;
- d. The potential for service improvement and resilience, from the perspectives of both councils;
- e. The potential for service growth, from the perspectives of both councils

28. To develop an initial assessment of potential future service collaboration options, a service diagnostic has been undertaken. The future potential opportunities proposed include potential scope for harmonisation, alignment and / or future collaboration and linked to that, potential opportunities for savings, service / resilience improvements, efficiencies and improved productivity.

29. The Business Case is clear that any future changes must be carefully thought through and properly planned and assessed. To ensure this is the case, business cases would be



required in each case, and considered within the proposed governance structures, prior to decisions made separately at each council.

30. The opportunities and proposed phasing for consideration are set out below. Further details can be found at pages 108-121 of the Business Case.

### **Phase 1: Areas to be investigated January – April 2023.**

31. Should the partnership be established, the following would be investigated before April 2023. This does not mean they will be implemented, but the aim will be for them to be considered by both councils within the timescale set out above. A decision about whether to proceed with changes to any of these areas would be taken by both councils individually, in line with each Councils decision making processes:

- a. Initial review of senior leadership structures and potential to share a Monitoring Officer;
- b. Executive support and transformation programme support;
- c. Waste and environmental services – shared leadership and enviro-crime campaigns;
- d. Environmental Health and Licensing – shared leadership, building on interim arrangements
- e. A shared approach to developing a Parking Strategy Assessment
- f. Leisure operator procurement – alignment of elements of the procurement process
- g. CCTV – monitoring / maintenance of MBC systems by HDC (in progress)
- h. Procurement – exploration of a collaborative approach with Welland Procurement
- i. Legal Services – shared capacity, expertise, building resilience and retention
- j. Member induction and development - sharing good practice, induction procedures, joint training, peer support and scrutiny development
- k. Initial workforce and leadership development and cultural alignment

### **Phase 2: Areas to be investigated May – December 2023**

32. Should the partnership be established, the following would be investigated before December 2023. This does not mean they will be implemented, but the aim will be for them to be considered by both councils within the timescale set out above. A decision about whether to proceed with changes to any of these areas would be taken by both councils individually, in line with each Councils decision making processes:

- a. Planning – explore potential for shared leadership and wider service delivery, joint procurement of evidence base documents for planning policy and expert advice for development management;
- b. Business support / economic development – such as alignment of systems and forms, coordination of UKSPF / REPF delivery;
- c. Strategic Housing, Housing Needs, Homelessness – consider opportunities for shared expertise on thematic areas (such as Homes for Ukraine, Cost of Living, Domestic Abuse);



- d. Temporary Accommodation – opportunity for knowledge transfer to support HDC’s aspirations to develop more temporary accommodation in the district;
- e. Housing development – for example, jointly resourcing to enable and support housing development;
- f. Lifeline – joint approach to digital switchover and commercial expansion;
- g. Community safety – joint bids for funding;
- h. Communications – shared campaigns / plans;
- i. Explore with our teams, future customer services needs and options;
- j. Property and assets – explore potential for joint development opportunities and sharing key operational activities

### **Phase 3: Future Opportunities**

33. Other potential areas for consideration of future harmonisation, alignment and / or collaboration have also been identified (p121 of the business case). For example:
- a. Development Management;
  - b. Strategic Planning;
  - c. Alignment of service contracts;
  - d. Land charges;
  - e. Health and wellbeing, ageing well, supporting young people;
  - f. Corporate functions
34. In summary, the proposition before Council at this stage is to enter a strategic partnership and share 3 senior roles as set out above. Phases 1,2 and 3 set out the future opportunities that could be subsequently explored through any collaboration.

## ***Implications of Decisions***

### **Corporate Priorities**

35. The collaborative working with a strategic partner will impact on all aspects of the corporate plan and the delivery of its objectives. Both councils have very similar ambitions and goals and the increased capacity, skills and knowledge from a partnership will enable both organisations to deliver on these.

### **Financial**

36. In exploring a strategic partnership there was a clear ambition for both Councils to become more financially efficient and resilient in the way they operate through greater collaboration.
37. If the Strategic Partnership is adopted, exploring wider service integration where it makes sense to do so will reduce pressure on the Councils’ budgets in the years ahead whilst also creating capacity to invest in local priorities to achieve better outcomes for communities whilst retaining local sovereignty.
38. In addition, the strengths of each Council provide opportunities for further joint exploration and development looking forward.



39. Significantly, the Councils as a partnership would collectively have a stronger voice locally, regionally and nationally, when seeking resources to further their priorities.
40. The Business Case includes a focus on finance, commercial and economic opportunities. The Business Case sets out a proposal for changes to a small number of senior roles as an initial step whilst looking forward to the indicative savings that could be made from further sharing opportunities over the next five years. Any service delivery changes will be subject to a full business case before any financial implications and opportunities can be confirmed.
41. The Memorandum of Agreement includes a number of financial principles relating to the strategic partnership and its operation. This includes the equal sharing of costs relating to shared senior leadership officers unless otherwise agreed, as well as including further rationale for how costs could be shared should other services be considered for sharing in the future. Also included is provision for the accounting, reporting and review of the finances relating to the partnership. Provision is also made relating to the liability and apportionment of costs in the event of termination or the withdrawal of a partner from the partnership.
42. The initial proposition (i.e. sharing of senior leadership )is based on the sharing of the Chief Executive and Deputy Chief Executive roles. The sharing of these three posts is based on a 50:50 apportionment between the two councils. For HDC there is also the potential further saving of the Director of Communities role, this saving will be wholly applicable to HDC (it should be noted that some element of this saving may be withheld if it is determined that some additional resource is needed to support operational delivery). Councils. Based on 2021/22 salaries a summary of the savings is shown below

	Excluding Oncosts	Including Oncosts
Chief Executive + Deputy Chief Executive:	£23k	£44k
Director Communities:	£79k	£117k
<b>Total</b>	<b>£102k</b>	<b>£161k</b>

Members will recall that they included a senior management saving (Target Operating Model) of £354k into the 2022/23 budget and medium-term financial strategy. If Council approve entry into the partnership, alongside the associated HR and pay policy considerations, these savings will be incorporated into the budget setting process for 2023/24 (i.e., netted off the £354k).

43. Based on the service diagnostic work carried out to inform the Business Case indicative savings for phase 1 and 2 are £120k in 2023/24, increasing to £147k in 2024/25 It should be recognised these are indicative only; when each service is reviewed as part of the programme of change all service change decisions will be based on a service specific business case. The largest saving of £30,000 included in phase 1 is for a shared Monitoring Officer and is based on benchmarking of the salary costs of shared roles elsewhere. There is no allowance for the costs of supporting the underlying structure and this would need to be considered as part of any review which supports the role and is also factored into phase 1. The remaining indicative savings are based on senior officer identification of collaboration opportunities which have then been subject to an assessment of whether savings have a high, medium or low likelihood of achievement for each service area. Depending on this assessment a savings percentage has been applied to the current service costs to arrive at indicative financial savings that might be achieved.



## **Legal**

44. The Business Case for the strategic partnership between the Councils sets out:
- a. the design principles for the partnership, the intended benefits, and the initial proposition which is to share a small number of senior roles.
  - b. The service delivery opportunities that could be explored if the partnership is established.
45. The legal implications for these opportunities will be considered on a case-by-case basis as individual business cases are developed. The Business Case is clear that each Council will retain its sovereignty and democratic accountability
46. The Memorandum of Agreement sets out the approach to operating the strategic partnership. It provides a legal framework which would underpin the strategic partnership. It includes arrangements for monitoring progress and performance and a twelve-month review. External legal opinion will be sought by each council independently prior to Council consideration.
47. A risk register is in place and will be maintained by the Strategic Partnership. Details are shown in the risk section below.
48. The Council is under a duty pursuant to s.3(1) of the Local Government Act 1999, to: “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”.
49. Section 113 of the Local Government Act 1972 enables a local authority to enter into an agreement with another local authority to place an officer of one at the disposal of the other for the purposes of discharging the latter’s functions. Any officer placed at the disposal of a Council other than his/her employer must first be consulted on the proposal. Once placed at the disposal of the non-employing authority, the officer is classed in law as an officer of that authority and is able to exercise powers delegated to them.
50. Any decision taken in respect of shared officer roles within the Strategic Partnership will not impact on the appointment to the role of Returning Officer, which shall remain a statutory role appointed by each Council.

## **Human Resource Implications:**

51. It will be important to ensure officers are supported and kept informed, engaged and consulted on developments, and any change processes. Where there is a potential for impact on or changes to any roles, normal HR processes must be followed.
52. As part of the development of the proposition, initial proposed shared senior officer structures have been created. The development of job descriptions and proposed remuneration arrangements has been carried out by HR professionals with the support of the Council’s strategic advisor and East Midlands Councils to ensure due diligence, independence and objectivity when benchmarking.
53. Consultation with affected postholders has commenced, in line with required HR policies and procedures. Contractual changes would not be made unless the associated recommendations (including pay policy statement) are approved by both Councils in December. This would need to include an in-year change to the pay policy being required if the Strategic Partnership is approved.



54. The initial proposition clarifies initial reporting lines for the new shared roles. The Business Case is clear that further realignment would be required should the partnership be established. It would be necessary for those occupying shared roles to have the opportunity to review structures and resources to enable both councils to deliver robust and effective services. Whilst the establishment of a Shared Deputy Chief Executive (Housing and Communities) would result in the deletion of the Director for Communities role at HDC, the interim resource will be retained to support the transition and enable a review of future service needs to be undertaken.

## Policy

55. The proposal to enter a Strategic Partnership supports the Council's corporate priorities for the district.

## Environmental Implications including contributions to achieving a net zero carbon Council by 2030

56. New technologies and ways of working provide the opportunity to reduce travel-based carbon emissions across the proposed partnership where appropriate.

57. The proposed partnership has the potential to deliver greater climate change and environmental outcomes for the Councils and the communities they serve. This would be an opportunity which could be explored further if the partnership is approved.

## Risk & Mitigation

58. Key strategic risks are included within the business case document (section 1.17). Additionally, a corporate risk register, shown below, is in place and will continue to be updated and maintained. There are a number of categories within which risks have been considered to date. These include:

- a. Leadership and Governance
- b. Capacity, Resource and Resilience
- c. Financial
- d. Workforce, culture and communication
- e. External factors

Risk No	Risk Description	Mitigation
<b>Leadership and Governance</b>		
<b>1</b>	Failure to identify clear shared objectives, goals, and focus which lead to ineffective working, misunderstandings, and disagreements	Build shared understanding and vision through close working between Cabinets and senior leadership teams. Formalise through MoA which sets out clear parameters for collaborative working, including shared success measures and expectations
<b>2</b>	Perceived imbalance or unfairness from one party about what they get or will get from any collaboration. Perception that one council's	Important to communicate well and set clear expectations as a framework for the partnership. MOA will provide clarity for both councils. Ensure consistency in language used to describe the partnership to ensure clarity on what a strategic partnership is and is not. Clarity on how



	priorities, size or influence are dominating	resources and costs will be split. Clear expectation management
3	Risk that the partnership would impact on sovereignty and identity leading to councillor mistrust of the partnership	<p>Ensure clear and agreed governance principles and processes and how Councillors will be engaged in decision making and scrutiny arrangements.</p> <p>Regular, ongoing communication with councillors, parish councils, stakeholders and the public. Ensure sovereignty is a key design principle and feature of the business case. Provide opportunity for learning from other council partnerships (officers and members)</p>
4	Risk that officers are perceived to be less available, leading to delays and dissatisfaction from councillors who feel less able to perform their roles	<p>Clear expectations to be agreed, acknowledging that shared staff serving both councils may sometimes not be available. Clarity of difference of role of a shared chief executive / shared chief officers to be communicated clearly and effectively. Requirements to ensure build resilience across officer tiers so critical that portfolio holder and where relevant, ward member roles are prioritised and that those in shared roles are effectively supported. Harness digital capabilities to ensure agile or remote working does not impact on service delivery or connection with members, staff, stakeholders or communities. Retain a chief in officer in MBC and HDC with an organisational focus alongside their wider thematic leadership role, to ensure that members have a main and trusted point of contact within the senior team</p>
5	Future changes in political leadership may impact on relationships and desire to continue with any shared arrangements	<p>Ensure all councillors are engaged through the development and transition process, with openness and inclusive approach. Recognise the potential impact of the local elections in May 2023 and undertake a review of the shared arrangements after the election to enable new administrations to confirm their position, priorities and expectations. Ensure strategic partnership is a key focus of member induction process after May 2023 elections, particularly if a number of new councillors elected (Resourcing the development of the member induction process important)</p>
6	Operational progress and staff buy in may be impacted by different HR and Governance policies and processes	<p>The changes and opportunities to align and harmonise policies and processes will depend on the specific matter being considered (i.e not one size fits all). It will be important to harmonise where possible, but not in such a way that staff are burdened and tied up with the extra administrative burden this will create, i.e the right balance needs to be struck</p> <p>The development of a transition / transformation plan and phasing approach will be valuable</p>
<b>Capacity, Resources and Resilience</b>		
7	Instability created within both organisations due to uncertainty, and knowledgeable and experienced officers leave as a consequence	<p>Ensure strategic purpose for the change is clear, positive and aspirational. Maintain explicit commitment to staff growth, development and retention opportunities. Openness of communication and dialogue with staff teams and create a range of opportunities for staff to ask questions, raise concerns and make suggestions as part of development of business case, transition and implementation. Focus on quick wins to build confidence – officer and service level. Celebrate what works well, build continued credibility, trust and assurance. Where</p>



		officers do leave, ensure there are effective hand-over processes in place
8	Failure to resource effectively any transitional and transformational arrangements, with officers over-stretched leading to impacts on service delivery, and organisational effectiveness	The resources required to manage the change should not be under-estimated and investment should be built into earlier phases to ensure sufficient capacity. Timetable and pace of delivery should be agreed by both councils. Create a shared change programme management / transformation programme from the outset – a key initial task for the shared chief executive. Failure to invest in transition and transformation will hinder progress and opportunity
9	Existing projects and programmes may be delayed due to diversion of capacity to support the development, implementation, and delivery of the strategic partnership	During business case development – procure additional capacity through suitably experienced experts to provide strategic advice and lead on developing the business case and associated documents and arrangements. Ensure relevant officers are engaged (ownership from the council's important). Some impact on BAU should be expected during this period. Resource the transition and transformation programme effectively, with investment in the partnership to avoid current work programmes being impacted. Maintain regular programme management updates to manage expectations and advise of any issues at the earliest opportunity. Through longer term delivery plan, ensure that opportunity to align, harmonise and grow enable the councils to reduce unnecessary duplication
10	Working across two councils increases travel time and reduces productivity and impacts on the environment	Adoption of hybrid working, video conferencing and remote working by both councils will help mitigate this. Explore the potential for some shared office space. Expectation management to enable agile / remote working to ease productivity, visibility and connectedness challenges. Early review of each councils meeting calendars / schedule to reduce direct meeting clashes and ensure key officer (particularly chief officer) are able to be in attendance. Retain option for other officers to attend member meetings remotely
11	Different IT systems and infrastructure hinder alignment and collaboration and shared approach to communication with staff.	This is something that the councils will need to work around initially, whilst considering opportunities for alignment in the longer term. Immediate opportunities include shared teams channels, re-routing if email addresses (if shared roles) and potentially a microsite for shared staff communications. Both council shave different ICT arrangements currently, and a solution that enables some alignment between the two arrangements will be needed
<b>Financial</b>		
12	Savings cannot be made or realised and/or transition costs are prohibitively high, which undermines confidence in the partnership	Expectation management from the outset is key. Financial savings not a key driver however the financial case is an important strand of the business case, alongside opportunities for service improvement, efficiency, resilience and service growth. Must not achieve savings at the cost of robust, effective and manageable service delivery – the partnership must be adequately resourced to deliver. Effective and regular communication, open and honest discussions (officer and member level). Service diagnostic to determine potential for collaboration or aligned / shared services or leadership arrangements will provide an indication of the potential for financial savings / efficiencies. Each council will determine how it chooses to



		<p>manage any associated savings (i.e whether these are reinvested). Quick wins such as those achieved through joint bidding for external funding or ability to grow services / generate income should be widely communicated.</p> <p>Establish a clear mechanism for including transition costs in any business cases and be clear on the potential rates of return which may accrue. Focus on those areas seen as quick wins, which can deliver early benefits</p>
13	A risk that costs and savings are not apportioned fairly leading to breakdown in relationships and loss of trust	<p>Need to establish a transparent and shared mechanism for apportionment of costs and savings. Key decision principle. Cost / savings apportionment may depend on the specific circumstances – for example, the approach to cost apportionment for chief officers may be different to services / other officers. A framework / clear approach to determine cost apportionment will need to be included the MoA</p>
<b>Workforce, Culture and Communication with Staff</b>		
14	Potential differences in workforce and organisational culture across both organisations may hinder collaboration, leading to lack of motivation or prioritisation for the changes required, resulting in delays and inefficiency	<p>Clear direction from senior political and officer leadership. Investment in engagement, communication and joint working would need to be sustained. Communication throughout should seek to reassure, enthuse and motivate teams to strove for collaboration opportunities. Recognition and celebration of achievements and successes between teams. Empowerment of managers and tams to identify and be involved in progressing opportunities for harmonising / collaboration but also to be trusted to advise when this may not be appropriate or is the wrong time. Development of shared workforce development strategy which embeds the principles of recruitment, retention, growth, development, alongside values and behaviours</p>
15	The resulting structure with a blend of shared and single authority posts is seen as fragmented and thereby impacts on progress, success and negatively impacts staff and peers	<p>Continue to recognise that leadership is both a privilege and responsibility, especially during times change and that how senior colleagues work together will set the tone for the partnership. Critical that senior leaders continue to trust each other, work well together and that this is evident to staff teams. Build shared understanding of how each colleague works and create time and space for open dialogue / approach. Clarity on SLT arrangements, roles and responsibilities needed</p>
16	Wider stakeholders (including other councils) do not understand the new arrangements or are not supportive	<p>Proactive engagement with partners, and key stakeholders including MPs. Communication during business case development phase and upon implementation. Commitment to communication and increased visibility of partnership achievements. Robustness of business case and operating arrangements important – must be able to withstand scrutiny and challenge. All staff must be clear on what the partnership is and is not, to ensure clear and consistent messaging and information</p>
<b>External</b>		
17	Existing partnerships may feel threatened and be undermined by the strategic partnership	<p>Each council's commitment to existing partnerships should be clear to those respective partners (such as Revenues and Benefits Partnership) to avoid perception that existing partnership arrangements will be</p>



		undermined. Each council must commit to seek to avoid destabilising existing partnerships. Design principle on ability to review partnership arrangements is also key
18	Residents or businesses become confused between the two councils' services	The approach being taken means that this can be managed on a case by case / service by service basis and should be a consideration for any alignment or harmonisation completed. Clear information will be required to reflect the Councils' agreed priorities and approach. Importance of supporting ward councillors in their role and being alert to any confusion, queries or concerns that emerge. Continued communication and engagement with stakeholders required.
19	Unexpected major events lead to diversion of attention which delays transition to any new arrangements	Business Continuity Plans will need to be in place and where appropriate these can be harmonised. Where events occur, clear communication will be required to manage expectations if delivery objectives need to be reset. Clarity of leadership of major events will be required and existing separate council arrangements should be retained until such a time a collaboration or shared approach to a specific event is agreed. Liaison with LRF on any changes will be needed to ensure no gaps in communication, resilience or response
20	Government restarts discussions about local government reorganisation which could impact on the partnership arrangements	This remains a possibility irrespective of any partnership, however the existence of the partnership would strengthen the councils' ability to influence such a debate in future. Regular communication on the partnership and its impact with MPs and DHLUC would be required

## Equalities Impact

59. The law requires that as public authorities, we can demonstrate that we have paid 'due regard' to the aims of the Public Sector Equality Duty at a formative stage of our decision-making process. Both Councils have considered equality impacts and believe that the proposed decision to enter a Strategic Partnership, with a shared officer structure, will not have any adverse effects on, or disadvantages to, anyone with a protected characteristic. The Strategic Partnership is designed to have a positive impact on employees, residents and businesses and the proposition refers to individual roles within the Council only. As part of the implementation of any proposed change, monitoring will be undertaken, and equality impacts will be considered where necessary.
60. Any further opportunities for service alignment proposals would be subject to a separate business case and, as part of that, Equality Impact Assessments will be undertaken where appropriate. It is proposed that a subgroup of relevant representatives from both Councils will work collaboratively to monitor and review equality implications for any service realignment proposals. This would ensure each Council is able to demonstrate sufficient check and challenge and evidence it has paid 'due regard' to equality as part of the process.

## Data Protection

61. There are no implications for the data protection act from this report.



## **Summary of Consultation and Outcome**

62. Communication, consultation and engagement has been wide ranging and has been carried out on an ongoing basis. Some key examples relevant to Harborough District Council are:

- a. Chief Executive and Leader emails to all members and staff on 21st September 2022
- b. All staff briefing on 26 September 2022
- c. Emails to the Chair of Audit and Standards and Scrutiny on 14 October 2022
- d. Report to Cabinet 10 October 2022
- e. All staff emails on 7 and 14 October 2022
- f. All member briefing 31 October and 28 November 2022
- g. All staff briefing and opportunity for feedback and questions 11 November 2022
- h. Scrutiny Committee consideration of the business case on 21 November 2022
- i. Audit and Standards Committee consideration of the Memorandum of Agreement on 23 November 2022
- j. Ongoing opportunity for members to provide comments prior to Council agenda release on 9 December 2022
- k. Cabinet to consider business case and MoA on 5 December 2022
- l. Council to consider recommendations from Cabinet on 19 December 2022

63. Communication with stakeholders has also been carried out. This includes:

- a. Letters to key stakeholders on 6<sup>th</sup> October with a further letter to stakeholders on 9 November 2022.
- b. Parish Council liaison session held on 24 November 2022.
- c. Updates to the MP and Police and Crime Commissioner

64. A summary of feedback received from stakeholders will be incorporated into the Council reports

65. Feedback from the Scrutiny Commission on the business case

- a. On 21 November 2022, the Council's Scrutiny Commission considered the business case. Feedback from the committee will be shared with the Cabinet in advance of the meeting for consideration at the Cabinet meeting. The chair of the Committee will be invited to present the committee's feedback to Cabinet.
- b. The comments from the Scrutiny Commission are available at appendix D (to follow)
- c. Comments from Melton Borough Council's Scrutiny Committee will also be shared with Cabinet in advance of the meeting.
- d. Cabinet are requested to provide a further view and steer on any further changes or emphasis required before the matter is considered by Council on 19 December 2022.



## 66. Feedback from Audit and Standards Committee on the Memorandum of Agreement

- a. On 23 November 2022, the Council's Audit and Standards Committee considered the Memorandum of Agreement. Feedback from the committee will be shared with the Cabinet in advance of the meeting for consideration at the Cabinet meeting. The chair of the Committee will be invited to present the committee's feedback to Cabinet.
- b. The comments from the Audit and Standards Committee are available at appendix D (to follow)
- c. Comments from Melton Borough Council's Audit and Standards Committee will also be shared with Cabinet in advance of the meeting.
- d. Cabinet are requested to provide a further view and steer on any further changes or emphasise required before the matter is considered by Council on 19 December 2022

## Alternative Options Considered

67. Should the Council choose not to progress the Strategic Partnership, the proposed changes will not be progressed. This will impact each Council in different ways and both Council's ability to realise the identified benefits set out in the business case.
68. Harborough District Council will be required to determine what actions to take in relation to the interim arrangements in place for the Chief Executive of the Council and the Monitoring Officer. This is likely to include extending the contract of the Interim Chief Executive to cover the period of recruitment of a Chief Executive.

## Next Steps – Implementation and Communication

69. Subject to the decision of Cabinet Members, any changes or refinements to the Business Case and Memorandum of Agreement will be made, leading to the finalisation of both documents.
70. External legal opinion on the Memorandum of Agreement will be sought independently by each council.
71. Final Business Case and Memorandum of Agreement will be considered by Council on 19 December 2022.
72. If the recommendations are approved by both Councils, the Strategic Partnership would take effect on 1 January 2023.
73. A mobilisation, communication and engagement plan to support implementation will be developed should a decision to proceed be taken.

## Background papers

- Council report on Senior officer structure options 20 June 2022
- Cabinet Report of 10 October 2022
- Scrutiny Commission Report of 21 November 2022 and minutes when available
- Audit and Standards Report of 23 November 2022 and minutes when available



- Melton Borough Council Cabinet Report 12 October 2022 – Opportunity to explore establishment of a strategic partnership with Harborough District Council
- Melton Borough Council Scrutiny committee report of 22 November 2022 and minutes when available
- Melton Borough Council Audit and Standards committee report of 23<sup>rd</sup> November and minutes when available
- Melton Borough Councils Cabinet report for 6<sup>th</sup> December 2022 when available
- Strategic Partnership – Common Questions







# Strategic Partnership Business Case

November 2022  
Version 3





## **Introduction, approach and timeline**

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- 1.04 Design principles
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- 1.06 The strategic partnership proposition
- 1.07 Investigating opportunities for collaboration
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### **12 - Findings and conclusions** (pages 186 to 188)



# Introduction



At the request of the Leaders from both councils, this business case has been commissioned by Harborough District Council ('HDC') and Melton Borough Council ('MBC') to appraise the desirability, viability and feasibility of establishing a strategic partnership between the two councils.

This business case is designed to appraise whether the creation of a formalised strategic partnership would provide an appropriate platform that enables both councils to improve outcomes for their communities and businesses by increasing service quality, resilience and efficiency, as well as increasing the collective influence of both councils.

The proposed creation of the strategic partnership would involve the current Chief Executive Officer of MBC assuming the role of Shared Chief Executive Officer and Head of Paid Services ('the Shared CEO') for both councils. The Shared CEO would remain employed by MBC, with a Section 113 agreement (which allows a local authority to enter into an agreement with another local authority to place an officer of one at the disposal of the other for the purposes of discharging the latter's functions) in place between both councils.

Additionally, the creation of the strategic partnership would involve two Shared Deputy Chief Executive Officers ('Shared DCEOs') - (one employed by each council) assuming thematic responsibilities across both councils. The MBC Deputy Chief Executive would assume thematic responsibility for communities and housing, while the HDC Deputy Chief Executive would assume responsibility for corporate and transformation.

The sovereignty and independence of both councils would remain unchanged should the strategic partnership be established. Additional informal governance arrangements would be implemented to assist in the development of the strategic partnership; the initial creation of the strategic partnership is considered to be a platform that can enable and catalyse future collaboration across both councils.

The creation of a Shared Strategy Board would allow Cabinet Members from each council to meet regularly to consider the overall strategy and direction of the partnership, while identifying matters of shared interest and opportunities for joint working.

A Shared Stakeholder Group, consisting of the Leaders and Deputy Leaders of both councils, would meet regularly with the Shared CEO to provide regular liaison and direction.

To support the operational implementation of collaborative approaches that are formally agreed by both councils (Full Council), an officer led Strategic Partnership Board would be established to ensure sufficient capacity and capabilities are available to implement the decisions of both councils (following recommendations from the Shared Strategy Board).

Collaboration is commonplace across local government and within Leicestershire there is a strong track record of joint working by district councils and their partners. Since 2020 both councils have increased their focus on joint working and collaboration, recognising they have a number of shared challenges including the pandemic response, cost of living crisis, and Homes for Ukraine.

Additionally, both councils have discussed collaboration in response to central government funding programmes, including the UK Shared Prosperity Fund, Rural England Prosperity Fund and Levelling Up Fund. These examples of joint strategic planning have demonstrated the value and potential of a strategic partnership approach to place leadership and the potential benefits of a collective voice representing communities and businesses across South and East Leicestershire. Both councils are currently exploring a range of opportunities for shared operational arrangements. These discussions have highlighted the common challenges faced by both councils, their communities and local businesses. It has also become clear that both councils have areas of specialism that would benefit the other council.



# Approach



This business case has been developed over a 5-week period (12th October to 18th November 2022). The councils jointly appointed Mutual Ventures Ltd to lead the development of the business case, in addition to the appointment of Nathan Elvery as a strategic advisor to both councils, with responsibility for the development of the Memorandum of Agreement ('MoA') that would govern the relationship between the councils should the strategic partnership be established.

Prior to the development of the business case, both councils have undertaken several critical stages of development and engagement. These are summarised below, with a timeline on the next page providing an overview of the journey so far:

- Following the retirement of the previous HDC Chief Executive in **February 2022**, HDC undertook an options appraisal in relation to resourcing senior management positions going forward.
- In **June 2022** an options appraisal that considered and appraised a longlist of senior management structure options was presented to HDC's council. Based on this assessment, it was agreed that the council should explore the potential of establishing a strategic partnership with a neighbouring council. The council agreed a delegation for the Leader and Interim Chief Executive to select a strategic partner, based on the criteria set out in the report, and to progress negotiations with that partner and report back to Council on the suggested way forward at a later date.
- The HDC Leader and Interim Chief Executive have since undertaken an analysis of the strategic fit criteria and an evaluation of the other criteria in the June report to finalise the selection of the preferred strategic partner.
- Following further analysis and discussions with various councils, HDC identified MBC as a preferred strategic partner and formally approached the Council to explore this further.

- In **October 2022** the Cabinets at both councils confirmed their intention to explore this further and authorised the development of a business case and approach to operating a strategic partnership.

This business case and accompanying MoA have been developed in partnership with officers and elected members from both councils. The following meetings have provided the basis for engagement with staff and members from both councils:

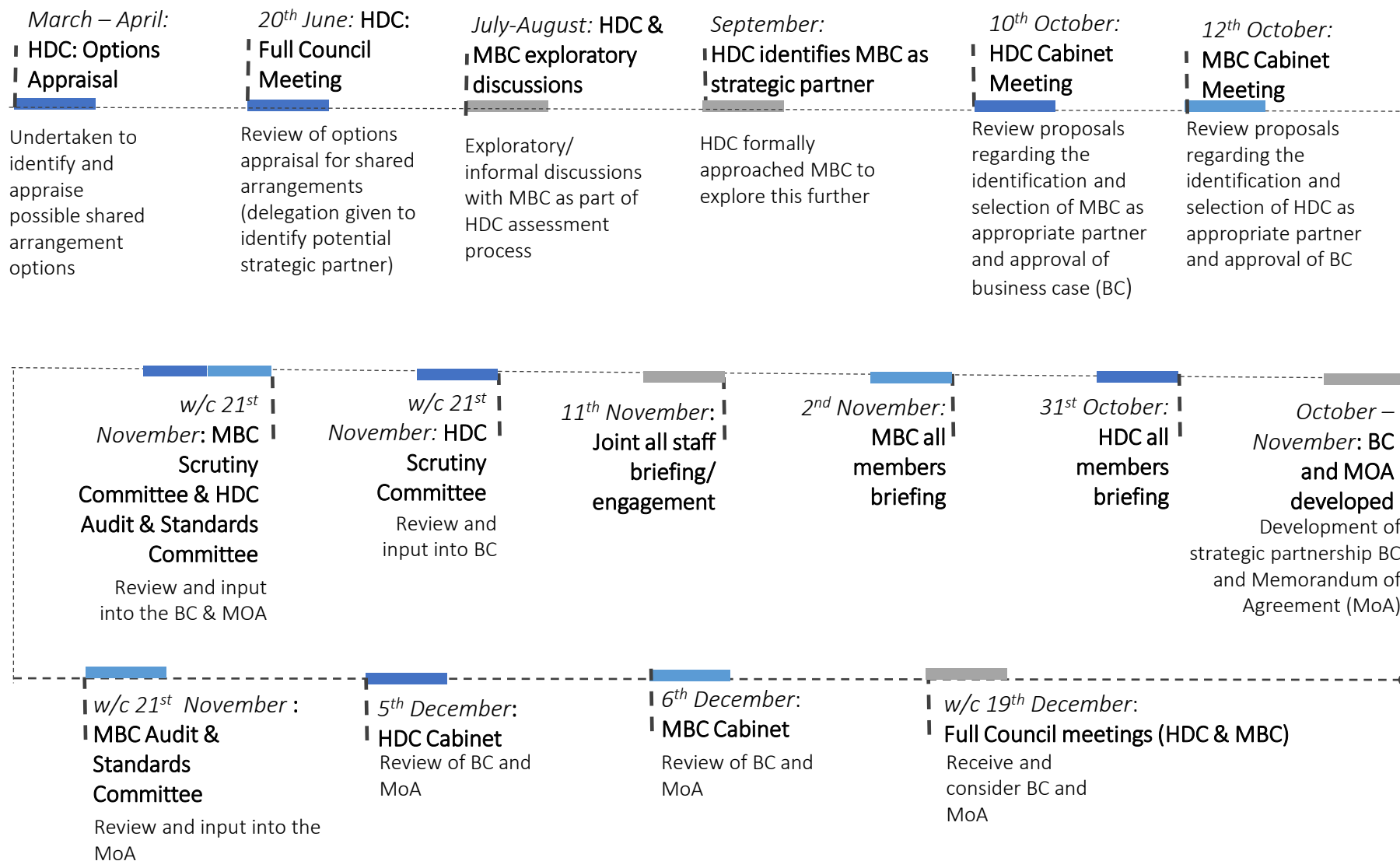
- Weekly strategic working groups - consisting of the Chief Executives and Deputy Chief Executives from both councils, in addition to the appointed external support.
- Weekly working groups - attended by the members of the strategic working group, in addition to senior officers from both councils.
- Regular member engagement sessions - including Leader and Deputy Leaders from each council (both separate and jointly), all member briefing sessions.
- Joint Leaders & Deputy Leaders collaboration meetings - attended by the Leaders and Deputy Leaders from both councils, in addition to Shared/Joint CEOs from other councils operating various types of collaboration and shared arrangements (Rochford District Council and Brentwood Borough Council, East Lindsey District Council etc.)

In addition to the above, both councils have led on engagement with their own staff and external stakeholders.

The decision-making process associated with the oversight and scrutiny of the business case, MoA and council recommendations are outlined on the next page.



# Timeline 2022







# 01 Business case summary



# 1.01 - The case for change



**Limited strategic influence** - Due to their scale, both councils experience challenges associated with their ability to influence decisions at a sub-regional, regional and national level. For example, HDC and MBC are two of seven second tier authorities 'trying to get a seat at the Integrated Care Board table'. Individually, HDC and MBC are ranked 259<sup>th</sup> and 311<sup>th</sup> respectively (out of 314 councils) in terms of population size. Operating across both areas would mean that the councils would speak on behalf of 146,000 residents, making it the 147<sup>th</sup> most populated area in the country and 92<sup>nd</sup> in terms of geographical area. Working together could increase the influence and impact of both councils, whilst still remaining locally connected.



**Limited 'place leadership' without a single voice** - Both councils are experiencing similar challenges (an ageing population, pockets of deprivation, inequality and isolation, lack of digital and transport connectivity etc.) but currently do not share strategies and approaches to address these challenges. The CEOs of both councils currently spend 30% of their time managing external relations; they both attend the same meetings and engage with the same stakeholders separately. The opportunity exists to address shared challenges together, *doing things once rather than twice*.



**Challenges to financial resilience and sustainability** - Both councils are currently experiencing financial challenges, with both forecasting significant MTFS deficits over the next 3-4 years. There is uncertainty regarding future levels of government funding, while inflation is already having a significant impact on council finances. Both councils have exhausted the opportunities for achieving savings and efficiencies by themselves without impacting services delivered to customers. Sharing services, resources, expertise and approaches to common challenges represents a new route to realising new efficiencies and savings, while also representing a significant opportunity to improving the scope and quality of services delivered to communities and businesses. Additionally, HDC's base budget for 2022/23 and MTFS already includes savings associated with the sharing of senior leadership team posts.



**Organisational resilience** - Both councils have experienced challenges in terms of recruitment and retention, particularly amongst specialist teams and roles, including Monitoring Officers and director roles. While MBC currently has a stable leadership team, several senior HDC roles are vacant or subject to interim appointments/cover arrangements. Additionally, single points of failure currently exist in some areas across both organisations, as single individuals assume responsibility for statutory functions (safeguarding, health and safety advice, Conservation Officer (planning), equalities and land charges etc.). There are other areas where internal specialist skills are currently limited and cannot be remunerated at the required market.



**Service resilience** - Challenges relating to recruitment and retention extend to individual service areas, including planning and housing services. Recent experience demonstrates that these services are particularly susceptible to disruption given the small size of the respective teams (i.e. annual leave, sickness, resignations etc.). As an example, this has been particularly felt in the MBC housing team over the last 18 months and has required significant risk management. Loss of key staff has a significant impact on institutional knowledge, leadership continuity and places both service progress and improvement at risk, as well as basic service effectiveness.



## 1.02 - Evidence from elsewhere



*We are treated as a bigger player nationally now. We have better conversations with Government and we are seen to be more influential.*

Chief Executive of a shared council, 'Stronger together - shared management in local government' report



*With a population of 170,000, we are big enough to make things happen but small enough that partners respect our understanding of our place and communities.*

Alex Bailey, Joint Chief Executive,  
Adur District Council and Worthing Borough Council



*Shared management is about driving efficiencies but more importantly it is about sharing skills, capacity and capability.*

Deborah Cadman, Chief Executive,  
Suffolk County Council and Interim  
Shared Chief Executive Babergh and  
Mid Suffolk Councils (2016)



*We are taking control of our future rather than waiting for a solution to be imposed. Our residents will still receive the services they rely on. If we had done nothing, the future of those services were at risk. We are putting people, rather than politics, first.*

Councillor Anthony Trollope-Bellew,  
Leader, West Somerset Council



Source: Local Government Association 'Stronger together - shared management in local government', 2016 report



# 1.03 - Overview - design principles, intended benefits and proposition



To inform the development of the business case, elected members, senior officers and other staff from across both councils were engaged to develop the design principles, intended benefits and proposed structure ('the proposition') of a strategic partnership.

Separately, the councils have engaged local external stakeholders inviting feedback which has and will continue to be considered through the process.

## Design principles

- ▼ The 'what?'
- ▼ Characteristics and qualities that any proposed change is required to demonstrate
- ▼ Provides a blueprint that informs the proposition options to be appraised within the business case
- ▼ Be both desirable and realistic (viable and feasible)
- ▼ Develop with officers and members

01

## Intended benefits

- ▼ The 'why?'
- ▼ What do we want to achieve?'
- ▼ What is a strategic partnership required to achieve?
- ▼ From the perspectives of the councils, residents, communities and businesses etc.
- ▼ Develop with officers and members

02

## Proposition

- ▼ The 'how?'
- ▼ A tangible demonstration of the transformational change being proposed
- ▼ Considers risks and dependencies
- ▼ Implementation plan
- ▼ Financial costs/benefits
- ▼ Developed with officers and members

03



## 1.04 - Design principles

### Design principles *Form follows function*

Design principles should:

Determine the characteristic and qualities that any proposed change is required to demonstrate

Provide a blueprint that informs the proposition options to be appraised within the business case

Be both desirable and realistic (viable and feasible)



DP1 - Enhance each councils' ability to address common issues and challenges for the benefit of residents, communities and businesses, through a common purpose, whilst maintaining democratic accountability



DP3 - Enable greater financial sustainability, delivery resilience and maximise opportunities to secure external funding



DP5 - Create a mechanism that allows the effective and equitable deployment of resources



DP7 - Ensure that council sovereignty and clear lines of accountability are maintained



DP2 - Enable both councils to maximise influence, reach and impact; locally, regionally and nationally, particularly on shared opportunities and challenges



DP4 - Attract and retain workforce talent through the opportunities for shared learning, job enrichment, new experiences and progression



DP6 - The ability to consider future collaboration options and to review and evaluate existing arrangements



DP8 - Create a mechanism that ensures a fair, equitable and proportionate allocation of costs



## 1.05 - Intended benefits (1)



### Strategic place leadership

01

Maximising our influence - speaking on behalf of South and East Leicestershire, increasing our collective influence regionally and nationally through a stronger, louder and more united voice.

02

Maximising our collective strengths - working together to respond to and address shared and common challenges and opportunities at a local, corporate and sub-regional level.

03

Futureproofing both councils and shaping the future collaboration agenda; cementing a solid and flexible foundation for long term partnership working.

### Communities and businesses

01

Increased levels of inclusive growth, reduced deprivation and improved outcomes - doing more for our local communities and businesses.

02

Maximising external investment; enabling the future prosperity for our communities and businesses.

03

Maximising impact by jointly addressing shared challenges, including net zero, cost of living, health and wellbeing, digital connectivity, housing affordability etc.

04

Increased impact realised through collective campaigns and public awareness initiatives



## 1.05 - Intended benefits (2)



### Organisational effectiveness

01

Increasing service resilience sharing resources, learning and good practice.

02

Improving organisational effectiveness - a joint approach that reduces duplication, increases service quality and improves outcomes.

03

Accelerating the pace of progress/improvement and increasing the impact realised by both councils – a joint approach that reflects the best of both councils.

### Workforce

01

Increased opportunities for job enrichment, development and progression.

02

Improved recruitment and retention rates.

03

Both councils being viewed as 'employers of choice'.

### Financial resilience

01

Improved financial sustainability - through growth, efficiency/ removal of duplication and the realisation of savings.

02

Improved value for money - through sharing capabilities, resources and working practices.

03

Increased purchasing power – improved value for money and the ability to shape, influence and support local/regional markets.

04

A net financial benefit to the councils – ongoing savings, efficiencies and added value outweigh the costs of change.



## 1.06 - The strategic partnership proposition

The creation of a formalised strategic partnership between both councils is designed to provide an appropriate platform that enables both councils to improve service quality, resilience and efficiency, while also increasing the collective influence of both councils and their ability to improve outcomes for their communities and businesses.

To establish the required platform, only the following changes are being proposed to establish a stable initial leadership platform for the new partnership. These changes will enable the exploration of further collaboration, however these changes have no direct impact on the sovereignty, decision making and independence of either council. These changes have been designed to adhere to the required characteristic, qualities and safeguards identified within the design principles:

### 01. Shared CEO and Head of Paid Services

- Single postholder who is accountable for the internal operations and performance of the council, in addition to leading on external relations for both councils.
- Shared CEO equally accountable to elected members from both councils.
- Shared CEO to remain employed by MBC, with section 113 arrangement in place.
- Cost of post to be shared 50/50 by both councils.

### 02. Shared Deputy Chief Executives (x2) with thematic responsibilities

- Two Shared DCEO posts, one post allocated to each council, held by a single person.
- HDC DCEO - operational lead for HDC, in addition to leading the corporate, governance and partnership development and transformation agenda across HDC and MBC.
- MBC DCEO - operational lead for MBC, in addition to leading the housing and communities agenda across MBC and HDC.
- Cost of posts shared 50/50 by both councils.

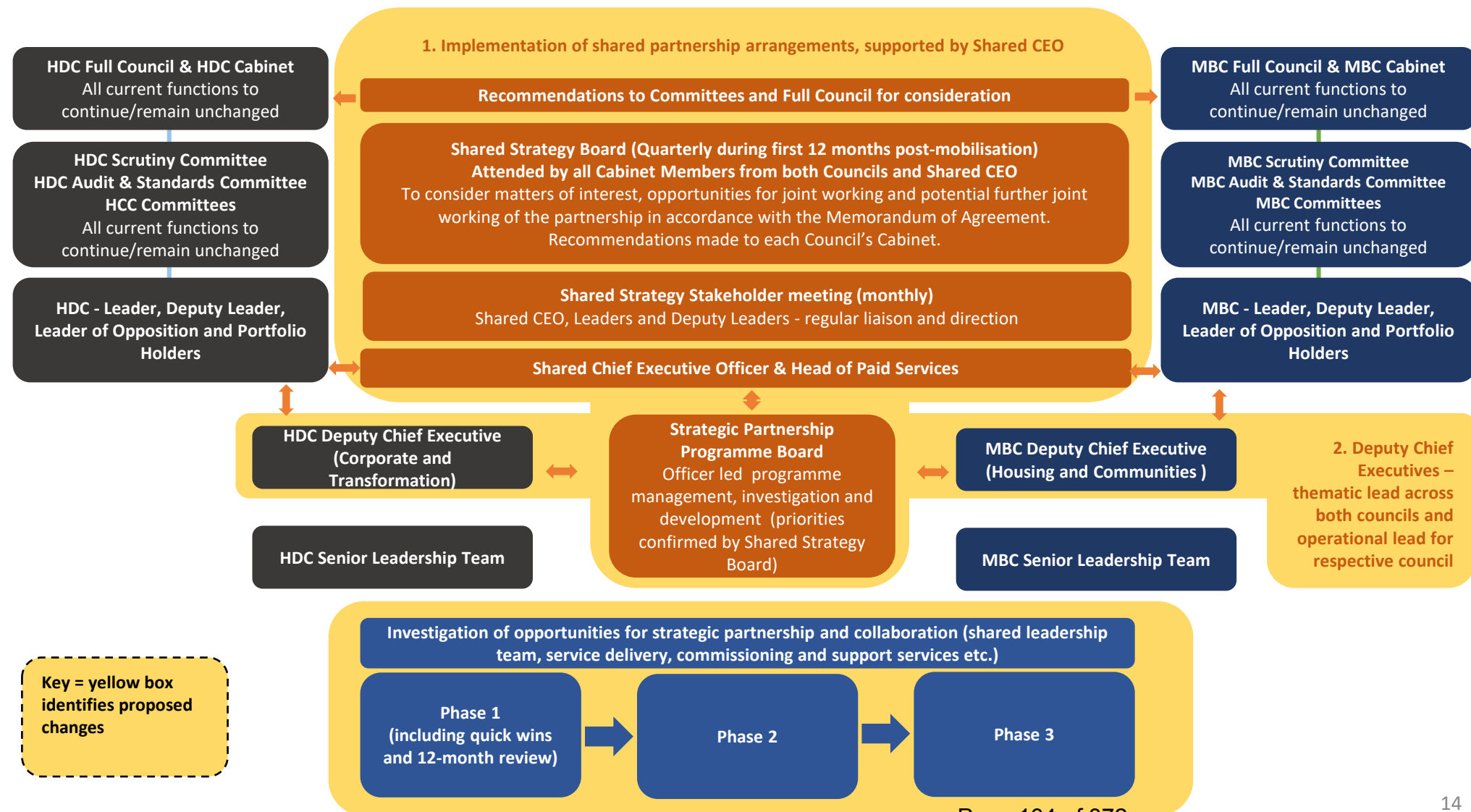
### 03. Partnership governance

- Shared Strategy Board, attended by Cabinet members from both councils and Shared CEO, to provide overall strategy and direction. To provide both councils appropriate decision-making structures with recommendations as required.
- Shared Stakeholder Group, attended by Leaders and Deputies and Shared CEO.
- Strategic Partnership Programme Board - to provide programme capacity.
- Memorandum of Agreement in place to govern sharing of resources and costs. Formal decision making retained by both councils separately.



# 1.06 - The strategic partnership proposition

The diagram below demonstrates how the strategic partnership will respect and maintain the sovereignty of both councils.





## 1.06 - What is/Isn't being proposed



### What IS being proposed?

- ✓ An arrangement that ensures council sovereignty and independence are maintained and respected
- ✓ Establishing a framework for exploring future opportunities to collaborate that will benefit communities and businesses
- ✓ Enabling both councils to develop joint strategies/approaches on issues where an at scale or collaborative 'place leadership' response could potentially be more effective
- ✓ Establishing arrangements where elected members will have the final say on whether to collaborate across services, policies or strategies
- ✓ Enable both councils to operate with a stronger voice on local, regional and national issues where appropriate
- ✓ A clear process for managing local variance (need and demography, demand for services etc.).
- ✓ An arrangement that can be reversed without creating significant disruption to services and each council's corporate functions

### What IS NOT being proposed?

- ✗ A merging of the two councils, or takeover of one by the other
- ✗ Establishing a mechanism for investigation that will solely focus on reducing costs and realising financial savings
- ✗ A mandatory requirement for councils to adopt a regional approach on all place based issues
- ✗ Taking decision making powers away from elected members
- ✗ Councils and elected members being unable to speak to or on behalf of their communities
- ✗ A one size fits all approach to delivering services and meeting need across both councils
- ✗ An arrangement with no exit strategy



# 1.07 - Investigating opportunities for collaboration



A phased approach to investigation is designed to identify and implement collaboration that is best placed to realise the intended benefits identified within section 5. The following lines of investigation are likely to be the main focus of the phased approach:

- **Identifying long term strategic opportunities to shape policy / plans** and inform regional and national thinking in areas of commonality (for example housing fit for the future, tackling fuel poverty in rural areas etc.).
- **Reduced duplication and the ability to develop thematic leadership** and share expertise across the partnership (for example joint responses to domestic abuse, Homes for Ukraine, cost of living).
- **Shared leadership arrangements** where appropriate (for example waste and environmental services, regulatory services).
- **A joint approach to identifying, securing and investing external funding**, including a default position that considers sub-regional working if appropriate (for example safer streets, homelessness).
- **A creative and strategic partnership approach to service growth**, rather than viewing services as 'a contract' (for example Lifeline digital transition / assistive technology growth').
- **The ability for one council to provide the other with expertise to drive forward service improvement and growth** (for example in relation to housing regulation, engaging with registered providers, housing development).
- **A joint approach to commissioning and procurement** (for example aligned approach to developing a leisure procurement strategy, shared leadership, knowledge and expertise transfer, peer review and critical friend functions).
- **Shared / aligned procurement arrangements** (for example the aligned approach to developing a leisure procurement strategy, MBC's Welland procurement service providing services to HDC, the potential to develop a joint car parking needs assessment).

## Adopting a business case approach to investigation

The Strategic Partnership Programme Board would be responsible for identifying opportunities for collaboration. A longlist of opportunities would be forwarded and discussed at the Shared Strategy Board. The Shared Strategy Board (consisting of all Cabinet members from both councils and the Shared CEO) would instruct the Strategic Partnership Programme Board to develop business cases for opportunities that it felt would be most likely to achieve the intended benefits of the strategic partnership.

The process of developing business cases would focus on the following:

- A clear identification of the in-scope services, resources and/or posts.
- Clear proposals in terms of the nature of the collaboration being proposed.
- A setting out of the proposed financial, HR and legal arrangements.
- A costed implementation plan.
- An identification of the benefits, risks, costs and dependencies associated with proposals.

Once completed, the full business case will be considered by the Shared Partnership Board. Should the Joint Partnership Board consider the proposal to be desirable, viable and feasible, it would recommend to and seek approval from both councils.

Each council would seek approval through each council's own decision-making governance arrangements. Proposals would only be implemented should both councils agree with the recommendations.



# 1.08 - Phased approach to further review and investigation



The following areas of potential collaboration would be considered during the phased approach to investigation:

## Implementation of strategic partnership (pending decision by councils)

Signing and implementation of Memorandum of Agreement.

Establishment of Shared CEO and Head of Paid Services and Shared Deputy CEO posts.

Establish Shared Strategy Board.

Shared Strategy Stakeholder meeting.

Establish Shared Partnership Programme Board.



## Phase 1 (Jan-April 2023)

Develop and appraise proposed arrangements for:

- Undertake initial review of senior leadership structures in particular Monitoring Officer.
- Executive support and transformation programme support.
- Waste & Environmental services - shared leadership & enviro-crime campaigns.
- Environmental Health and licensing – shared leadership, building on interim arrangements.
- Parking strategy - Potential to align approach re developing car parking strategy / needs assessments relevant to each locality.
- Leisure operator procurement - align elements of procurement process.
- CCTV - Monitoring / maintenance of MBC systems by HDC (in progress)
- Improved Procurement service - HDC exploring collaborative approach with Welland Procurement - hosted by MBC.
- Legal services - shared capacity, expertise, building resilience and retention.
- Member development - sharing good practice, induction procedures, joint training, peer support and scrutiny development
- Initial workforce & leadership development and cultural alignment.



## Phase 2 (May-Dec 2023)

Develop and appraise options for:

- Planning - explore potential for shared leadership and wider service delivery, joint procurement of evidence base documents for planning policy and expert advice for development management.
- Business support/economic development –such as aligning of systems and forms, coordination of UKSPF/ REPF delivery.
- Strategic Housing/Homelessness/Housing Needs – consider opportunities for shared expertise on thematic areas- e.g. - Homes for Ukraine, domestic abuse. Cost of Living.
- Temporary Accommodation - opportunity for knowledge transfer to support HDC's aspirations to develop more temporary accommodation in the District.
- Housing development – for example jointly resourcing to enable and support housing development.
- Lifeline - joint approach to digital switchover & commercial expansion.
- Community safety - joint bids for funding.
- Communications - shared campaigns /plans
- Explore with our teams, future customer services needs and options.
- Property and assets- explore potential for joint development opportunities and sharing key operational activities.



## 1.09 - Place leadership across South and East Leicestershire



The proposal to establish a strategic partnership would enable both councils to consider how best to deploy shared resources for the benefit of communities and businesses across both geographical areas:

	HDC	MBC	HDC & MBC combined <i>'South and East Leicestershire'</i>
Population	97,600	51,800	149,400
Geographic area	228 sq miles	186 sq miles	414 sq miles
Staff employed	189 headcount , 164 FTE (31 <sup>st</sup> March 2022)	193 headcount, 170 FTE (31 <sup>st</sup> March 2022)	382 headcount, 334 FTE
Elected members	34	28	62
Spend per annum	£13.3m	£4.8m (+ HRA £7.2m)	£18.1m (+ MBC HRA £25.3m)



# 1.09 - Place leadership across South and East Leicestershire



A strategic partnership between both councils would create a platform for both councils to collectively represent the residents and businesses or South and East Leicestershire.

Across Leicestershire, the strategic partnership would represent the third largest population and largest geographical area.

	Population	Area	Elected Members
Harborough	97,600	228 sq miles	34
Melton	51,800	186 sq miles	28
Hinckley and Bosworth	113,600	114 sq miles	34
North West Leicestershire	104,700	108 sq miles	38
Charnwood	183,900	109s q miles	52
Blaby	102,900	50 sq miles	39
Oadby and Wigston	57,700	9 sq miles	26
Leicester City	368,600	28 sq miles	55
Rutland	41,000	147 sq miles	27
<b>Strategic partnership - combined</b>	<b>149,400</b>	<b>414 sq miles</b>	<b>62</b>
<b>Rank - Leicestershire</b>	<b>3<sup>rd</sup></b>	<b>1<sup>st</sup></b>	<b>1<sup>st</sup></b>
<b>Rank - national</b>	<b>147<sup>th</sup></b>	<b>27<sup>th</sup></b>	<b>-</b>



# 1.09 - Place leadership across South and East Leicestershire



Informed by the analysis of councils (see section 3), a joint approach to place leadership would support both councils to address numerous shared challenges. For example, both councils are experiencing challenges associated with ageing populations, housing availability and affordability, and connectivity (digital and access to public transport). A co-ordinated approach to place leadership would allow both councils to speak with a louder voice, undertake shared campaigns, resources, capabilities and corporate expertise could be deployed on a sustained basis to ensure maximum impact is realised for communities and businesses. Key areas for the development of shared approaches include:

## **Regeneration and inclusive growth**

- Rural prosperity and investment
- Market town regeneration
- Cost of living support
- UK Shared Prosperity Fund - delivery
- Rural England Prosperity Fund - delivery
- Tourism and the visitor economy
- Digital connectivity
- Transport connectivity
- Sustainability of village life
- Social mobility (higher skill and wage jobs, attracting and retaining more young people)
- Skills - access to and influence over FE provision

## **Health and wellbeing**

- Health and Wellbeing / Ageing Well
- Young People Strategy
- Access to Services
- Poverty/inequality

## **Funding and investment**

- Attracting inward investment
- Attracting grant funding

## **Infrastructure**

- Development and utilisation of council assets
- Development and delivery of local plans and related infrastructure

## **Safer communities**

- Community cohesion - tolerance and inclusivity
- Rural crime
- Safer streets
- Provision for young people
- Environmental crime (fly tipping)

## **Climate change**

- A path to net zero (council estate and services)
- A path to net zero (communities and businesses)

## **Housing**

- Housing development
- Housing affordability

In addition to joint strategic planning and co-ordinated delivery, being represented by a Shared CEO will provide both councils with additional influence and leverage when engaging with external partners. As an example, the strategic partnership will strengthen both council's ability to engage with the Integrated Care Board; currently district councils experience limited influence and engagement due to the number of individual councils operating across Leicestershire (seven district councils). Additionally, the councils will be in a stronger position to engage and influence the Rural Services Network, given the collective geographic area and rural population being represented by the strategic partnership.



## 1.10 - Managing local variance



The strategic partnership between both councils is designed to provide an appropriate platform that enables both councils to improve service quality, resilience and efficiency, while also increasing the collective influence of both councils and their ability to improve outcomes for their communities and businesses.

The opportunities for collaboration identified within this business case can be categorised as follows:

- The development of shared strategies to address joint challenges, as part of a place-based approach across South and East Leicestershire.
- The sharing of some senior management roles (Shared CEO, DCEOs).
- The alignment of approach and / or sharing of services, staff, skills, capacity, expertise, systems and intelligence across the councils (subject to approval from both councils - phases 1, 2 and 3).

Through the above, the intention is not to establish a 'one size fits all' approach to service delivery. The following steps and safeguards will ensure that the specific needs of communities and businesses are reflected within the services they receive:

- Elected members will remain accountable to their local constituents. In determining any service model, elected members will ensure that local priorities and local needs are reflected in proposals. Each council remains sovereign, so elected members will only approve proposals (to be implemented by the strategic partnership) that are reflective of the needs of their communities.

- Each council will remain responsible for assessing need across their respective council areas.
- Proposals for shared services will (through the phased approach to investigation) be required to demonstrate how local challenges and variance will be met. Should the proposal for a shared service be based on the need to access additional capacity, expertise or improved systems, communities and businesses should experience an improvement in the quality of services delivered once the shared service is established.
- The Shared DCEOs for each council will assume operational responsibility and accountability for the services delivered to communities and businesses across their respective council.

Once implemented, collaborative approaches will be the subject of annual service reviews and service planning arrangements, in addition to being included within the 12-month review process (for all services delivered by the strategic partnership).

Should services not meet the needs of specific communities, the service review and planning process will identify such areas of performance and be required to implement arrangements that address the gaps in services.



# 1.11 - Improved organisational and service resilience



## Organisational resilience

By authorising the appointment of MBC's current Chief Executive to the role of Shared CEO for the strategic partnership, HDC would be benefiting from an experienced and established Chief Executive with a strong working knowledge of the challenges facing Harborough's communities and businesses. In addition, the current MBC Chief Executive holds strong relationships and connections with local, sub-regional and regional stakeholders.

The appointment of MBC's current Chief Executive to the role of Shared CEO would avoid a recruitment process with anticipated lead times of c3-6 months, while the appointment would also enable HDC's current interim Chief Executive to return to her substantive role as Deputy. This will increase HDC's ability to achieve financial savings for 22/23 and 23/24, which are embedded within council budgets. The costs of recruitment would also be avoided.

The strategic partnership would provide a framework that will benefit elected members from both councils; peer support could be provided by portfolio holders with similar briefs and for chairs of committees at both councils. The opportunity for joint training and mentoring would also support increased organisational resilience.

The resilience of each council to ensure the delivery of statutory roles continues would also be increased through a strategic partnership. Currently single points of failure exist across both organisations in relation to statutory roles (safeguarding, health and safety advice, Conservation Officer (planning), equalities and land charges etc.).

Additionally, phase 1 of the investigation process will investigate the sharing of the Monitoring Officer post (MBC currently has a permanent appointment in place, HDC an interim until end of March 2023).

The intention is for both councils to have a permanent and qualified Monitoring Officer in place; sharing the role is likely to ensure the necessary capacity and capabilities are held across both councils.

## Service resilience

Both councils have experienced challenges in terms of recruitment and retention (particularly amongst specialist teams and roles (including planning and housing services. In addition to a range of other service areas).

Phase 1 investigations will also assess the ability of opportunities to share leadership in waste and environment, and regulatory services, building on work already undertaken. In planning there are opportunities to explore shared leadership and planning policy there are opportunities to work together to address skills gaps and expertise, reducing potential disruption to progress. It may also be possible for both councils to reduce reliance on external expertise, by establishing in-house expertise together. Equally, a review of housing services during phase 1 would assess opportunities for taking a thematic leadership approach to key subject areas impacting on housing and homelessness services (such as cost of living).

A strengths-based approach to the phased investigation will be assumed, which has the potential to identify areas of service growth by maximising the collective skills, expertise and systems in place across both councils. Such growth, in addition to any efficiencies identified, has the potential to lead to either financial savings or additional funds being available to invest in services (at the discretion of the councils).

Additionally, a more aligned leadership structure (proposed for investigation during phase 1) will enable both councils to reduce duplication, realise efficiencies adopt a more place based approach and fill vacancies or interim arrangements currently in place within HDC, alongside the recent senior planning vacancy at MBC.



# 1.12 - Strategic case - summary



## A strong case for change - why 'doing nothing is not an option'

- Limited strategic influence - Due to their scale, both councils experience challenges associated with their ability to influence decisions at a sub-regional, regional and national level.
- Limited impact of 'place leadership' without a single voice - Both councils are experiencing similar challenges (an ageing population, pockets of deprivation, inequality and isolation, lack of digital and transport connectivity etc.) but currently do not share strategies or approaches to address these common challenges.
- Ongoing challenges to financial resilience and sustainability - Both councils are currently experiencing financial challenges, with both forecasting significant deficits over the next 3-4 years.
- A requirement to improve organisational resilience - Both councils have experienced challenges in terms of retention, particularly amongst specialist teams and senior roles.
- Improving service resilience - Challenges relating to recruitment and retention extend to individual service areas, including planning and housing services. Recent experience demonstrates that these services are particularly susceptible to disruption given the small size of the respective teams (i.e. annual leave, sickness, resignations etc.).

## Alignment with national policy and legislation

- The proposed strategic partnership between HDC and MBC would create a shared management arrangement based on Section 113 of the Local Government Act 1972. All employees will remain contracted to their sovereign councils. There are a number of other provisions in law, which could provide a future opportunities for the partnership.

\* = ONS classification, rural = rural town and fringe and rural village and dispersed

## Strong alignment between council strategic priorities

- Both councils' priorities are strongly aligned in 5 of 7 priority areas (economy, climate, planning, Council Tax and health and wellbeing).
- Priorities across the remaining 2 areas (housing and support services) reflect the differences in service delivery models (i.e. HDC has no housing stock/HRA).

## Alignment of organisational values

- Although different in places, both councils share common value in relation to serving and putting their respective residents, businesses and communities first.
- Both councils value care, fairness and voice, and champion innovation in the services they provide.

## One council benefiting from the others expertise and capacity

- Significant scope exists for mutually beneficial arrangements across a range of service areas, including CCTV (MBC accessing HDC's monitoring and maintenance functions) and housing (MBC housing management expertise presenting an opportunity for knowledge transfer and supporting HDC aspirations for temporary accommodation).

## A commitment to respecting local variance

- Both councils recognise that a 'one size fits all' approach would fail to meet the needs of communities and businesses. For example, Harborough has a comparatively higher rural population (66%), while the majority of Melton's population is urban (64%) – (ONS classifications\*).
- Safeguards will be in place to ensure that local variance is understood and respected; both councils (via Full Council) are required to agree joint approaches. Each DCEO will retain operational responsibility and accountability for the services delivered by their respective council.



# 1.12 - Strategic case - performance against intended benefits



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
		Rationale		Rationale
Maximising our influence - speaking on behalf of South and East Leicestershire, increasing our collective influence regionally and nationally through a stronger, louder and more united voice.		Combined voice across two councils, collectively representing the 147th most populated area and 27th largest area in terms of geographical area. Single representation at local partnerships and forums and single line of contact to Integrated Care Boards, Rural Partnership.		Continuation of current challenges and barriers that impede influence. Duplication of CEO roles on external relations, with both councils experiencing similar challenges but not speaking with a single voice. Some potential for collective representation, but not formalised and unlikely to be co-ordinated effectively on an ongoing basis.
Maximising our collective strengths - working together to respond to and address shared and common challenges and opportunities at a local, corporate and sub-regional level.		Significant potential for a single place leadership function to respond to shared challenges. Shared CEO would play a pivotal role in co-ordinating a joint response and adopting a long term strategic approach to place shaping.		Continuation of current arrangements which demonstrate some joint working to address common challenges. As partnership arrangements are not formalised, potential for joint working to be ad-hoc and not part of a long place shaping strategy that would realise greater and more sustained benefits.
Futureproofing both councils and shaping the future collaboration agenda; cementing a solid and flexible foundation for long term partnership working.		Establishing a formalised strategic partnership would establish a new relationship and joint working culture across both councils. Phased approach to investigation and reform demonstrates the ability to implement significant shared arrangements over a 3 year period, increasing the pace of progress and improvement.		Continuation of current arrangements has the potential to result in specific areas of joint working, but would not create an equitable platform to investigate and implement reforms. Without such formalised structures in place, future possible local government reform is unlikely to recognise service level innovation over more formalised structures that lead to improved outcomes, value for money and efficient public services.



# 1.12 - Strategic case - performance against intended benefits



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
		Rationale		Rationale
Increasing service resilience - sharing resources, learning and good practice.		A phased approach to investigation has/will identify a range of service areas and management structure that could be reformed to improve sharing of resources, learning and good practice. Assuming the commitment of both councils to the strategic partnership, both organisations will be committed (politically and at officer level) to objective investigation and effective implementation of reforms that increase the resilience of services.		Phased approach to investigation identifies a range of service areas and management structures that would be implemented outside of a strategic partnership. However, given no formal commitment by both councils to the sharing of arrangements, the pace and effectiveness of reforms is likely to be slower and less comprehensive (given the lack of a political and officer led mandate for reform).
Improving organisational effectiveness - a joint approach that reduces duplication, increases service quality and improves outcomes.		<p>The phased approach to investigation identified a range of services and management structures that could be reformed through a joint approach to reduce duplication and increase service quality.</p> <p>The investigation process will require the development of business cases that demonstrate how the reforms will benefit residents and communities.</p>		<p>The phased approach could be implemented without a strategic partnership, however the pace and effectiveness of these reforms without an agreed and formalised joint approach is unlikely to realise the same levels of pace and impact as would be achieved via a strategic partnership. A joint approach would need to be agreed for each area of reform, however this is likely to be less efficient and cost effective.</p>
Accelerating the pace of progress/improvement and increasing the impact realised by both councils – a joint approach that reflects the best of both councils.		The phased approach identifies opportunities to protect, maximise and share the assets of each council (expertise, best practice, systems and intelligence). A corporate commitment to moving at pace and realising the required level of impact would ensure the pace of reform is a priority, with appropriate monitoring and oversight arrangements in place to enable sound programme management, scrutiny and oversight.		



# 1.13 - Economic case - summary



## Clear demonstration of options considered

- Clear rationale for exploring the strategic partnership option, following options appraisal (by HDC) exploring a longlist of leadership, senior management and government arrangements.
- Clear justification on why HDC identified MBC as their preferred strategic partner.

## Cost apportionment proposals align with design principles

- Following the exploration of a range of options, the joint position of both councils is that the cost of the Shared CEO and DCEOs will be shared 50/50 between both councils.
- This aligns with the design principle agreed with elected members from both councils: ***Design principle 5 - Create a mechanism that allows the effective and equitable deployment of resources***  
*A clear, transparent and agreed mechanism exists to ensure that the time of shared officers are fairly allocated to each council.*

## Economic value realised through the Shared CEO role

- The Shared CEO will do things once, rather than separate CEOs doing things twice in (potentially) a less co-ordinated manner.
- The Shared CEO having a single conversation with external stakeholders and partners, as opposed to two Chief Executives having two conversations with the same stakeholder (currently c30% of Chief Executive time is spent on external issues).
- The ability for the Shared CEO to provide a single, louder voice on issues impacting on the councils, communities and businesses.
- The ability for the Shared CEO to promote a single vision and narrative on behalf of both councils; there is therefore less scope for ambiguity and greater clarity as a result of both councils adopting a single position on shared challenges.
- A single officer (the Shared CEO) being well positioned to flexibly allocate resources, skills, capabilities and systems to address emerging place based challenges.

## Significant potential for efficiencies and increased productivity

- Planning policy - shared procurement of key advice, aligning processes and systems. Reciprocal S106 monitoring, AMR (Annual Monitoring Report).
- Leisure centres - align elements of leisure operator procurement arrangements.
- Environmental services - opportunity to work together to prepare for and implement requirements of Leicestershire waste strategy.
- Business support / Economic Development - shared management of activities for business support and skills using UKSPF.

## Significant potential for service improvement and resilience

- Waste and Environmental services - shared leadership approach across both councils. Potential to share administrative resource. Work together to prepare for and implement requirements of Leicestershire waste strategy.
- Strategic Housing / Homelessness / Housing Needs - thematic leadership in key areas - e.g. - homes for Ukraine, domestic abuse etc.
- Increased resilience through a shared approach to legal services.

## Potential economic value realised as a result of effective and successful joint approaches to place based issues

- Increased GVA per hour worked
- Increase in employment rate (skilled / unskilled)
- Increased average wage
- Increased number of apprenticeships
- Increased number of young people remaining in HDC and MBC
- Reduction in relative indices of deprivation ('IMD') position, particularly in LSOAs identified as experiencing inequality and deprivation
- Higher life expectancy
- Improved quality of life
- Reduced levels of isolation



## 1.13 - Economic case - performance against intended benefits



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
		Rationale		Rationale
Increased levels of inclusive growth, reduced deprivation and improved outcomes - doing more for our local communities and businesses.		A joint approach to the causes of deprivation and inequality is likely to realise increased benefits (compared to a single council response) – a combined council response will have access to collective expertise and resources, greater levels of strategic influence and the potential to attract greater levels of public and private investment.		Single council responses to the causes of deprivation can address the causes of deprivation and inequality, however such a response could potentially be more costly and less effective; the councils may collaborate on single causes of deprivation, however this is likely to realise less impact than a combined and holistic place based approach to addressing the identified causes.
Maximising external investment; enabling the future prosperity for our communities and businesses		The strategic partnership provides a platform for joint bids for public and private funding. Given that both councils will have shared place strategies, bid applications will be able to demonstrate a collaborative approach to addressing shared issues, while bids will focus on the needs of combined populations, which will likely represent a stronger value for money case for investment. Additionally, the potential to demonstrate match funding is greater across two councils than one.		A single council approach to attracting external investment may be successful, but will lack the scope, scale and collective ambition of a joint council approach.  The value for money case for investment is likely to be less compelling, while each council will be limited in relation to the availability of match funding/assets to attract investment or secure grant funding. Without a shared place based approach, the proposition may be well appealing to investors and funders.



## 1.13 - Economic case - performance against intended benefits



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
		Rationale		Rationale
Maximising impact by jointly addressing shared challenges, including net zero, cost of living, health and wellbeing, digital connectivity, housing affordability etc.		<p>Joint place-based approaches to addressing shared challenges, informed by shared strategies, has the potential that maximise impact; shared resources, expertise and leadership across both councils will be focussed on securing partner buy-in, attracting investment and securing improvements. A joint approach is likely to realise greater levels of strategic influence and the potential to attract greater levels of public and private investment.</p> <p>Additionally, the strategic partnership can establish the required conditions for increased service efficiencies, productivity, resilience and growth.</p>		<p>Single council responses to place based challenge may be effective, however such a response could potentially be more costly and less effective; the councils may collaborate on single issues, however this is likely to realise less impact and demonstrate a weaker value for money/cost benefit position.</p> <p>The current arrangement between council can drive increased service efficiencies, productivity, growth etc., however this is likely to be achieved on a service by service basis, rather than being part of a wider programme of transformation.</p>
Increased impact realised through collective campaigns and public awareness initiatives		<p>Shared strategies and joint approaches to campaigns, using the expertise and reach of both councils, is likely to realise a higher degree of effectiveness than a single council approach. MBC have already highlighted HDC's success re: fly tipping.</p>		<p>Single council campaigns can be effective (i.e. HDC's fly tipping campaign), however they will likely have less impact than shared campaigns.</p>



## 1.14 - Financial case - overview of approach

The financial case focusses on the financial implications of the strategic partnership proposition:

- Creation of the Shared CEO post across both councils.
- The creation of two Shared DCEO posts, with each postholder being employed by one of the councils and assuming thematic responsibilities spanning both councils.
- The investigation and implementation (subject to the approval of both councils) of the phase 1 and 2 opportunities identified within section 6.

For each of the above, a separate analysis has been undertaken to assess the financial impact of the transformation from the perspective of each councils. Current benchmarked costings are used to provide a cost baseline for existing posts, while market information from other councils employing shared Chief Executive Officers and Deputy Chief Executives has been used to identify the appropriate salary point for the new roles.

All assumptions that inform the calculations are identified, including the underlying assumption that cost apportionment across the councils for the senior roles detailed above is based on a 50/50 split. This approach would ensure a balanced and equalised strategic leadership approach across both organisations within the partnership. Additionally, the costs of change incurred (business case, MoA and associated transitional and mobilisation advice) have been identified and included within the analysis.

It is important to note that a 50/50 split will not always be the starting point. Where business cases are developed which consider the sharing of other officers or services the Section 151 Officer(s) shall determine the appropriate rationale to be utilised which means that a different approach to apportionment may be applied. Examples are included within the MoA.

The analysis provided within the financial case focusses solely on potential financial (cashable) considerations. Other financial (non-cashable) benefits, such as increased productivity and service resilience are considered within the economic case.



*Shared services have delivered savings for both councils, but more importantly it has provided a larger, more resilient base from which to transform.*

Kevin Dicks, Chief Executive,  
Bromsgrove District Council and  
Redditch Borough Council





# 1.14 - Financial case - summary (HDC)



## Overview of identified savings

	2023/24 Non-cumulative	2024/25 Non-cumulative	2025/26 Non-cumulative	Total cumulative over 3- year period
Savings - Shared CEO*	-£41,184			-£123,552
Shared DCEO*	£18,512			£55,536
Savings - Director of Communities*	-£79,289			-£237,867
Savings - phase 1 and 2 collaboration	-£120,469	-£26,146	TBC	-£413,699
Cost of change	£32,200	-		£32,200
<b>Total saving</b>	<b>-£190,230</b>	<b>-£26,146</b>	<b>-</b>	<b>-£687,382</b>

\* = Note: salary costs shown above do not include on-costs so actual savings would be higher.

## Savings offsetting identified deficit

	2023/24	2024/25	2025/26	Total cumulative over 3- year period
Deficit identified (MTPS)	£1,377,000	£1,367,000	£1,620,000	<b>£4,364,000</b>
New savings identified (cumulative)				<b>-£687,382</b>
<b>Cumulative savings as % of cumulative deficit</b>				<b>15.6%</b>



## 1.14 - Financial case - summary (MBC)



### Overview of identified savings

	2023/24	2024/25	2025/26	Total cumulative over 3-year period
Savings - Shared CEO*	-£43,930			-£131,790
Shared DCEO*	£18,547			£55,641
Savings - phase 1 and 2 collaboration (including one off savings)	-£49,597	-£22,144	TBC	-£187,579
Cost of change	£32,200			£32,200
<b>Total saving</b>	<b>-£42,780</b>	<b>-£22,144</b>	<b>-</b>	<b>-£231,528</b>

\* = Note: salary costs shown above do not include on-costs so actual savings would be higher.

### Current gap identified within MTFS

	2023/24	2024/25	2025/26	Total cumulative over 3-year period
Deficit identified (MTPS)	£140,000	£378,000	£218,000	<b>£736,000</b>
New savings identified (cumulative)				<b>-£231,528</b>
<b>Cumulative savings as % of cumulative deficit</b>				<b>31.5%</b>



## 1.14 Financial case



### HDC

The proposed establishment of the strategic partnership is forecasted to realise the council a cumulative saving of £687,382 over the 3 year period 2023/24 to 2025/26.

The council will realise an annual saving of c£41k in relation to the Shared CEO post, although an additional cost of employing a Shared DCEO with thematic responsibilities across two councils will be incurred (c£18.5k per annum).

The deletion of the Director of Communities realises an annual saving of c£79k, with this saving made possible by the MBC DCEO assuming thematic responsibility for communities.

The council is forecasted to realise a saving of c£120k in 2023/24 as a result of the implementation of service transformation identified within phase 1, including the establishment of a shared MO post across both councils. A further c£26k will be saved each year from 2024/25 as a result of phase 2 transformation.

The council currently has a cumulative unfunded deficit of £4,364k over the same period; the savings forecasted through the implementation of the strategic partnership arrangement represent 15.6% of this deficit.

As outlined within section 8, the implementation of the strategic partnership is anticipated to realise the council, communities and businesses a range of non-cashable economic benefits (improved service resilience, increased efficiency and productivity etc.) that are not reflected within the above financial forecasts.

### MBC

The proposed establishment of the strategic partnership is forecasted to realise the council a cumulative saving of £231,528 over the 3 year period 2023/24 to 2025/26.

The council will realise an annual saving of c£44k in relation to the Shared CEO post, although an additional cost of employing a Shared DCEO with thematic responsibilities across two councils will be incurred (c£18.5k per annum).

The council is forecasted to realise a saving of c£49k in 2023/24 as a result of the implementation of service transformation identified within phase 1, including the sharing of a MO. With the exception of a single one-off £2,750 (parking strategy), all other savings represent a reduction to the cost base for future years. A further c£22k will be saved in 2024/25 as a result of phase 2 transformation.

The council currently has an indicative cumulative unfunded deficit of £736k over the same period; the savings forecasted through the implementation of the strategic partnership arrangement represent 31.5% of this deficit.

As outlined within section 8, the implementation of the strategic partnership is anticipated to realise the council, communities and businesses a range of non-cashable economic benefits (improved service resilience, increased efficiency and productivity etc.) that are not reflected within the above financial forecasts.

**Although HDC is forecasted to realise a greater value of financial savings over the 3 years, HDC has a higher unfunded deficit to address. While HDC would realise a forecasted £637k of savings, this equates to 15.6% of the identified deficit. MBC is forecasted to realise savings of £231k over the same period, representing 31.5% of their unfunded deficit.**



# 1.14 - Financial case - performance against intended benefits



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
		Rationale		Rationale
Improved financial sustainability - through growth, efficiency/removal of duplication and the realisation of savings.		<p>Each council is forecasted to realise savings over a 3 year period, representing an improvement in their respective financial positions. However, the value of savings forecasted by both councils is insufficient to offset the full unfunded deficit being forecast by both councils.</p> <p>In the context of the significant financial pressures facing Local Government, both Councils will need to continue to plan ahead to achieve a pipeline of savings and efficiencies.</p>		<p>The 'do nothing' scenario would not realise either council the level of savings that have been identified within the strategic partnership financial case.</p> <p>In relation to HDC specifically, savings associated with joint posts are currently assumed within the 22/23 budget, in addition to savings being assumed in future years. Should the strategic partnership not be implemented, these savings would not be realised until alternative plans are agreed and implemented.</p>
Improved value for money - through sharing capabilities, resources and working practices.		<p>In addition to the financial savings forecasted, additional non-monetised economic benefits would be realised, enabling each council to do 'more with the same' or 'more with more', as duplication is removed, additional skills and capacity made available and shared etc.</p>		<p>While certain elements of phase 1 could be implemented outside of the strategic partnership, this is likely to be on a service by service basis; it is therefore unlikely that the full benefits of a programme wide approach to transformation would be realised. Benefits would instead be specific to services or individual posts and would not benefit from the partnership infrastructure and leadership.</p>
A net financial benefit to the councils – ongoing savings, efficiencies and added value outweigh the costs of change.		<p>Each council is forecasted to realise a net benefit as a result of establishing the strategic partnership:</p> <p>HDC - a cumulative financial saving of £687,382 over the period 2023/24 to 2025/26.</p> <p>MBC - a cumulative financial saving of £231,528 over the period 2023/24 to 2025/26.</p>		<p>The opportunity cost of the councils not implementing the strategic partnership equates to the forecasted cumulative saving for each council that would be realised through the implementation of the strategic partnership.</p> <p>Additionally, the councils have already incurred the costs of change identified within this financial analysis.</p>



# 1.15 - Commercial case - summary



## **Bespoke governance to support the implementation and ongoing management/leadership of the strategic partnership**

- Governance arrangements will ensure the sovereignty of both councils, with the respective Full Councils required to approve all proposals for collaborative working.
- The MoA defines and determines the nature of the partnership; it is based on design principles agreed by both councils and sets out the desire for the arrangement to be a 'cost sharing, rather than savings sharing' partnership.

## **A clearly defined approach to cost apportionment**

- The agreement of a Section 113 arrangement to establish the Shared CEO role.
- Following the exploration of a range of options, the joint position of both councils is that the cost of the Shared CEO and DCEOs will be shared 50/50 between both councils.
- The above arrangement mitigates the risk of cross subsidisation between councils. Alternative apportionment arrangements (outside of the funding of Shared CEO and DCEO posts) are identified, including rationale relating to population, Council Tax base, geographical area or other service specific rationale. The Section 151 officers from both councils will be required to determine the most appropriate for each proposal outside of the Shared CEO and DCEO posts.

## **Sovereign safeguards**

- Both councils remain sovereign and retain current decision-making powers in relation to council budgets and investments.
- Additionally, the 12 month review process will assess the effectiveness of the strategic partnership.
- Given that HDC does not hold housing stock or operate a HRA, financial controls are in place to ensure separation between MBC's HRA, General Fund and HDC's General Fund account.

## **Defined process for agreeing shared priorities and approaches**

- The councils would undertake a phased approach to the investigation of opportunities for collaboration.
- The Strategic Partnership Programme Board would be responsible for identifying opportunities for collaboration.
- The Shared Strategy Board (consisting of all Cabinet members from both councils and the Shared CEO) would instruct the Strategic Partnership Programme Board to develop businesses cases for opportunities that it felt would be most likely to achieve the intended benefits of the strategic partnership.
- Should the Shared Partnership Board consider the proposal to be desirable, viable and feasible, it would recommend to and seek approval from both councils.

## **Workforce considerations**

- Given that both councils' current pay policies and structures do not cater for joint roles, benchmarking has been undertaken to identify the appropriate pay scale for each role.
- Both councils will be required to develop and agree new pay policy statements and pay structures to ensure the shared roles fall within the pay structures of both councils.
- The strategic partnership would prioritise a joint workforce strategy that creates the conditions for improved recruitment and retention. The identified opportunities for service collaboration demonstrate the potential for councils to share staff, skills and resources. Additionally, the opportunities for service growth will create development opportunities for staff.

## **Increased purchasing power**

- A joint approach to commissioning (i.e. the implementation of shared place based strategies) and procurement will increase the purchasing power and improve the negotiating position of both councils.



## 1.15 - Commercial case - summary



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
		Rationale		Rationale
Increased purchasing power – improved value for money and the ability to shape, influence and support local/regional markets.		<p>Significant potential for increased purchasing power through joint commissioning and procurement exercises, as demonstrated by the leisure operator example.</p> <p>The strategic partnership would create the framework and conditions for planned and sustained joint commissioning and procurement activity, with the developed of shared place based strategies providing the basis for joint commissioning across a range of service/outcome areas.</p>		<p>Both councils would be in a position to undertake joint commissioning and procurement. This would however not be on a structured and scheduled basis.</p> <p>The ability of both councils to collectively shape and influence local markets would be limited when compared to a joint approach under a strategic partnership.</p>
Increased opportunities for job enrichment, development and progression.		Through the sharing of services, staff and skills, in addition to the service growth identified, significant opportunities exist for both councils to offer job enrichment, development and progression.		Current arrangements and opportunities have resulted in services suffering from a lack of resilience; recent examples demonstrate how whole teams can be left severely understaffed should employees be recruited by neighbouring councils offering higher salaries and improved progression opportunities.



## 1.15 - Commercial case - summary



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
		Rationale		Rationale
Improved recruitment and retention rates.		<p>Retention - Proposals demonstrate increased opportunities for development and progression across a range of service areas, driven by sharing of services and expertise, service growth and increased productivity.</p> <p>Recruitment - By sharing a workforce strategy, both councils will be actively working together (and not competing against each other) across recruitment markets. The level of shared services being proposed indicate that both councils will be sharing the risk and cost of recruitment.</p>		<p>Retention - Both councils currently experience challenges associated with staff retention. Currently a large proposition of HDC's leadership team is appointed on an interim basis, while MBC has experienced significant challenges associated with retaining staff appointed to specialised posts (housing, planning etc.).</p> <p>Recruitment – Without meaningful collaboration, both councils are likely to be in competition for high quality staff. While both councils are able to demonstrate development and progression routes, these are below those that would be available via a strategic partnership.</p>
Both councils being viewed as 'employers of choice'.		<p>Clear potential to increase opportunities for job enrichment, development and progression.</p> <p>Significant opportunities to improve recruitment and retention rates.</p>		<p>Potential to increase opportunities for job enrichment, development and progression, however fewer opportunities will exist due to the lack of a shared workforce strategy and joint approach to recruitment and retention.</p>



# 1.16 - Management case - summary



## Senior leadership structure

- The proposed structure creates a Shared CEO and two Shared DCEOs and determines the specific roles and responsibilities for each shared post, providing clarity and assurance for individual sovereign councils.
- The proposed structure is the initial stage of structural change to support initial establishment of the strategic partnership, further structural changes are likely but will form part of the business case proposals to be considered by the Shared Stakeholder Group and the Shared Strategy Board. All further changes will require the approval of both sovereign councils as set out in the MoA.

## Workforce considerations

- The statutory role of Electoral Registration Officer ('ERO') and Returning Officer ('RO') will remain separate for both councils; the Chief Executive of MBC (the Shared CEO of the strategic partnership) would remain the ERO and Returning Officer for Melton, and the substantive Deputy Chief Executive of HDC would remain the ERO and Returning Officer for Harborough.
- The current Director of Communities (HDC) has been appointed on an interim basis, with the term due to end in March 2023. Given that the Shared DCEO for MBC will hold thematic responsibility for communities (and housing), the intention is to delete the current Director of Communities role on 1st April 2023, with the budget retained in reserve pending a further review.

## Phased approach to investigation and implementation

- Should the strategic partnership be established, the councils would undertake a phased approach to the investigation of opportunities for collaboration. Both councils have identified examples of where service collaboration is being actively considered currently; these opportunities (see pages 110 to 120) would be the first to be investigated through the phased approach.

## Transformation capacity and capabilities

- The Strategic Partnership Programme Board (chaired by the Shared CEO) would oversee the mobilisation of the strategic partnership and phased investigations.
- Shared transformation capacity and expertise is required to ensure a smooth transition to the new arrangements, in addition to an ongoing requirement for transformational capacity as the partnership moves into the 'business as usual' stage. The intention is for both councils to assess current capacity/capabilities and future requirements as part of phase 1 investigations.

## 12 month review cycle

- Should the strategic partnership be established, both councils would commit to an ongoing 12-month review of arrangements.
- Following local elections in May 2023, both councils would present elected members with an initial update on the strategic partnership, in terms of progress made, issues to be addressed and potential quick wins that could be implemented.
- From January 2024 onwards, both councils would undertake an annual 12-month review of the strategic partnership, with both councils (Full Councils) being updated on progress, priorities, risks and dependencies.

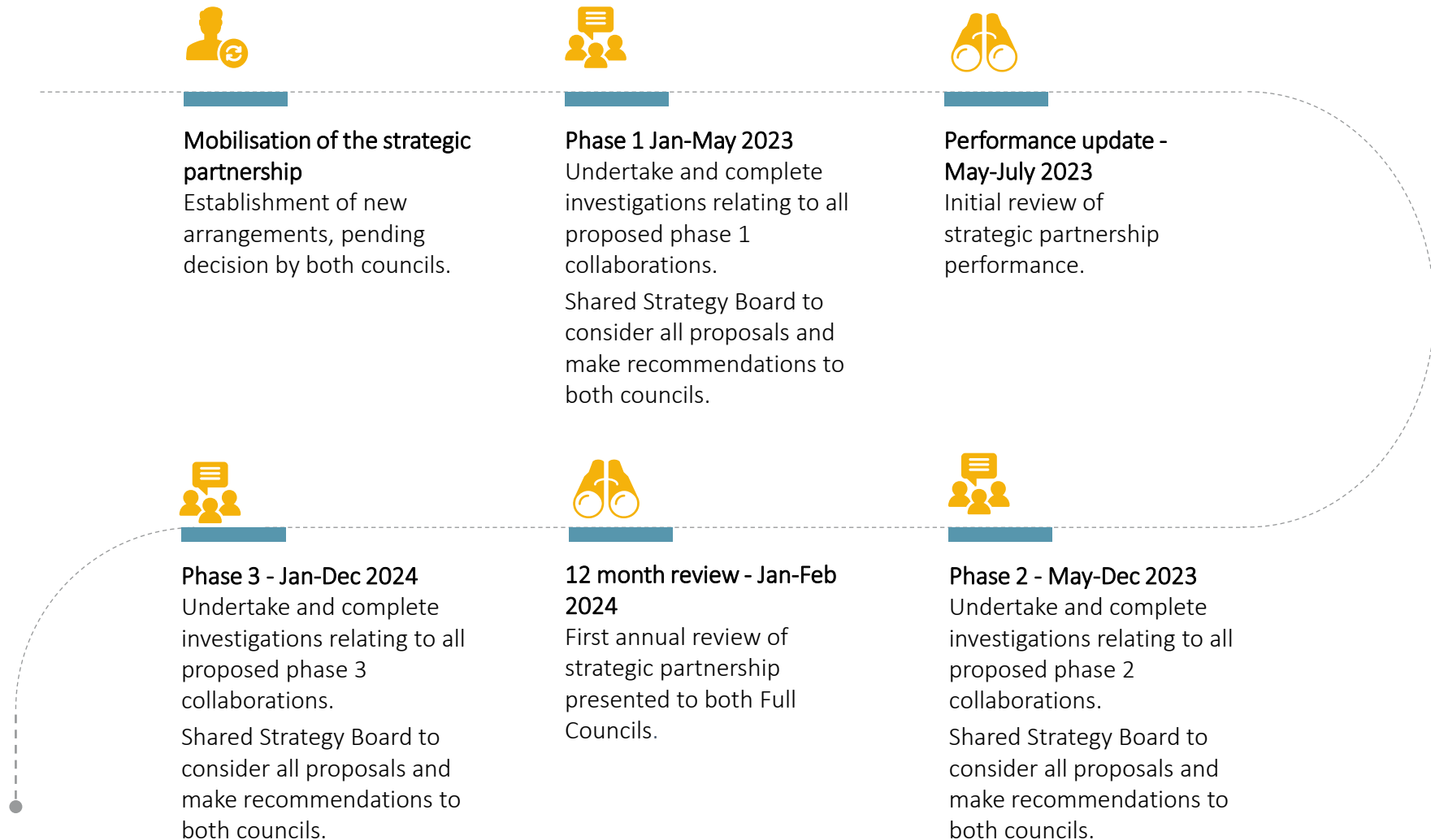
## Exit arrangements

- The MoA outlines the necessary steps and processes that would be required should either council wish to terminate the strategic partnership, or a particular shared arrangement (i.e. a shared service).
- In the event that staff in joint roles are required to return to their employing council, each employee will revert to their substantive post in the employing council as per the Section 113 arrangements, unless otherwise agreed.



## 1.16 - Management case - Summary roadmap

An operational implementation plan has been developed as part of the design of the strategic partnership proposition. A summary of the plan is provided below.





# 1.17 - Risk register



A summary risk register is provided below, detailing the strategic risks and mitigations associated with the establishment of the strategic partnership. Both councils will hold and maintain a full risk register which will be managed as part of ongoing risk management arrangements.

Theme	Risk	Mitigation
Leadership and Governance	The failure to identify a clear shared vision, objectives, goals, and focus for the strategic partnership which lead to ineffective working, misunderstandings and disagreements.	To establish a shared vision for the strategic partnership through close working between Cabinets and senior leadership teams. To support this vision in the design principles of the business case and formalise through the Memorandum of Agreement. To ensure that the business case and Memorandum of Agreement are appropriately and effectively scrutinised and comments are considered by the Cabinet and Council.
	The perceived imbalance or unfairness from one party about what they get or will get from any partnership collaboration. Perception that one council's priorities, size or influence are dominating to the others.	To communicate well and set clear expectations as a framework for the partnership. To ensure the Memorandum of Agreement defines a clear mechanism for the apportionment of costs and established a regular basis for reporting the progress of the strategic partnership to Council. To ensure the decisions associated with the strategic partnership remain the responsibility and authority of the individual sovereign councils and that this principle is embedded in the business case and the Memorandum of Agreement.
	The strategic partnership would impact on sovereignty and identity leading to councillor mistrust of the partnership.	To ensure clear and agreed governance principles and processes for sovereign council decision making and scrutiny arrangements are embedded in the design principles of the business case and the governance arrangements within the Memorandum of Agreement. To ensure regular communication with councillors, parish councils, stakeholders and the public. To provide opportunity for learning from other council partnerships (officers and members).
	The perception that staff are not 'local' enough or connected to the community / that staff will be unable to understand the distinct needs of places (and places within places).	To ensure visibility with members and the community in both places, relevant to role. To understanding the distinct nature of place and provide for political led sovereign council decisions to support local outcomes. To identify areas of commonality and shared approaches to 'place'. To harness digital capabilities to ensure agile or remote working does not impact on service delivery or connection with members, staff, stakeholders or local communities.



## 1.17 - Risk register



Theme	Risk	Mitigation
<b>Capacity, Resources and Resilience</b>	The failure to resource effectively any transitional and transformational arrangements, with officers over-stretched leading to impacts on service delivery, and organisational effectiveness.	<p>To resource the transitional and transformational programme in the same way that existing Council programmes are led, supported and delivered ensuring that the resourcing requirements is identified as part of the business case being recommended to the Shared Strategy Board and Shared Stakeholder Board as set out in the Memorandum of Agreement.</p> <p>Undertake review of existing capacity and capability and assess future requirements, as part of phase 1 investigations (transformation support and executive support).</p>
	That existing projects and programmes may be delayed due to diversion of capacity to support the development, implementation and delivery of the strategic partnership.	<p>The implementation and delivery of the strategic partnership will enable benefits to be achieved in a more effective and efficient way. Each sovereign council will be able to determine via their decision-making the appropriate timing for any new projects and programmes alongside their existing commitments, objectives and deliverables. The Shared Chief Executive and Shared Deputy Chief Executives will be responsible for ensuring the delivery of new opportunities, as identified in the business case, alongside the existing projects and programmes of each sovereign council.</p>



# 1.17 - Risk register










































Theme	Risk	Mitigation
<b>Financial</b>	That savings cannot be made or realised, which undermines confidence in the partnership.	A robust mechanism for establishing the business cases will be established as part of the governance arrangements contained within the Memorandum of Agreement. The Shared Stakeholder Group will have oversight of the benefits programme of the strategic partnership, the Shared Strategy Board will ensure the strategic benefits of the partnership are being achieved. Individual sovereign councils will make the decisions on each opportunity which will be subject to the normal scrutiny processes. The Memorandum of Agreement establishes the basis of reporting the progress and success on the strategic partnership on an annual basis.
	That costs and savings are not apportioned fairly leading to breakdown in relationships and loss of trust.	The Memorandum of Agreement establishes a clear basis of costs apportionment for the strategic partnership which will form part of the recommendations to each sovereign council.
<b>Workforce, Culture and Communication with Staff</b>	That poor or ineffective communication to staff leads to mistrust and demotivates staff.	Regular staff engagement sessions have been established across both sovereign councils. This will continue and include regular briefings, emails, and written updates. Joint staff working groups and staff champion groups will be established and staff engagement and communication will be built into the business case development timeline and implementation plans as part of the recommendations. Senior team (particularly those moving into shared roles) will introduce themselves to staff and be known to staff in both councils. A shared celebration of successes and achievements will be established with an aim to build shared sense of pride in the strategic partnership for all staff.
<b>External</b>	That wider stakeholders (including other councils) do not understand the new arrangements or are not supportive.	A proactive engagement with partners is in place, and with key stakeholders including MPs. This includes communication during business case development phase and upon implementation. There is a commitment to communication and increased visibility of partnership achievements.
	That existing partnerships may feel threatened and be undermined by the strategic partnership.	Each sovereign council's commitment to existing partnerships will be clear to those respective partners (such as Revenues and Benefits Partnership) to avoid perception that existing partnership arrangements will be undermined. Each sovereign council will commit to seek to avoid destabilising existing partnerships.



# 1.18 - Summary of findings

The business case has appraised the strategic partnership proposition and 'do nothing' alternative against the intended benefits identified by both councils. A summary of the performance of both options against the intended benefits is provided below:

	<div> Strategic place leadership</div>	<div> Communities and businesses</div>	<div> Organisational effectiveness</div>	<div> Workforce</div>	<div> Financial resilience</div>												
	Maximising our influence	Maximising our collective strengths	Futureproofing both councils’.	Inclusive growth, reduced deprivation & improved outcomes	Maximising external investment.	Maximising impact by jointly addressing shared challenges	Increased impact realised through collective campaigns	Increasing service resilience.	Improving organisational effectiveness	Accelerating the pace of progress & improvement	Job enrichment, development and progression	Improved recruitment and retention rates.	Both councils being viewed as ‘employers of choice’.	Improved financial sustainability	Improved value for money	Increased purchasing power	A net financial benefit to the councils
Strategic partnership																	
Do nothing																	



## 1.18 - Summary of findings



The analysis of the strategic partnership proposition has identified the following benefits that would be realised should the option be implemented. A summary of the benefits that would be realised by the strategic partnership (as opposed to remaining with current arrangements) is provided below:

### **Strategic place leadership**

- A combined and louder voice that results in increased strategic influence, with the strategic partnership representing the 147<sup>th</sup> most populated and 27<sup>th</sup> largest geographical area.
- Single representation at local partnerships and forums and a single line of contact to Integrated Care Boards, Rural Partnership etc.
- Significant potential for a single place leadership function to respond to shared challenges.
- A new relationship and joint working culture across both councils that enables the ongoing investigation and implementation of shared arrangements.

### **Communities and businesses**

- A joint approach to addressing the causes of deprivation and inequality, involving the sharing of expertise and resources, while possessing greater levels of strategic influence and the potential to attract greater levels of public and private investment.
- Shared strategies and joint approaches to campaigns, using the expertise and reach of both councils, is likely to realise a higher degree of effectiveness than a single council approach.

### **Organisational effectiveness**

- A phased approach to investigation will facilitate the investigation of a range of service areas and management structures that improve sharing of resources, learning and good practice

- The investigation process will require the development of business cases that demonstrate how reforms will benefit residents and communities, demonstrating an attractive benefit cost ratio.
- The investigation process will identify opportunities to protect, maximise and share the assets of each council (expertise, best practice, systems and intelligence). A corporate commitment to moving at pace and realising the required level of impact would ensure the pace of reform is a priority, with appropriate monitoring and oversight arrangements in place to enable sound programme management, scrutiny and oversight.

### **Workforce**

- Through the sharing of services, staff and skills, in addition to the service growth identified, significant opportunities exist for both councils to offer job enrichment, development and progression opportunities.
- By sharing a workforce strategy, both councils will be actively working together (rather than competing against one another) to recruit the best applicants.

### **Financial resilience**

- Each council is forecasted to realise savings over a 3 year period, representing an improvement in their respective financial positions.
- However the value of savings forecasted by both councils is insufficient to offset the full unfunded deficit being forecast by both councils.
- In addition to the financial savings forecasted, additional non-monetised economic benefits would be realised (increased productivity, service improvement and resilience, potential for service growth).





## 02

# Learning from elsewhere and our own experiences



# Examples and evidence from elsewhere



A significant number of councils have established some form of collaborative arrangements, ranging from shared Chief Executives and management teams, through to shared services and operational resources. A number of examples of such arrangements are provided below:

**Brentwood Borough Council and Rochford District Council** - Following an initial six-month trial period involving the creation of a Joint Chief Executive, RDC and BBC formalised their **strategic partnership** in January 2022. The trial period allowed both councils to gather and implement learning from other similar arrangements elsewhere, in addition to undertaking work to assess whether the full implementation of a strategic partnership would realise practical and tangible benefits. The relationship between both councils has now been formalised through a formal collaborative partnership agreement; both councils retain their sovereignty and independent governance.

*“Working closer together offers both councils increased capacity, opportunities and resilience, together with greater financial stability. We are starting with the sharing of a Joint Chief Executive which offers both councils an immediate financial saving and assists in the creation of this strong strategic partnership between our two councils. It is a challenging time for local government but through our strategic partnership we are now able to explore possibilities that will offer the potential to strengthen and improve services for both councils and our residents.”* Rochford District Council Leader.

**Adur District Council & Worthing Borough Council** - In 2007, ADC and WBC took the decision to work in **partnership**. The original goal was to create a single, senior officer structure and shared services across the two councils and to deliver savings and efficiencies for both councils. The single senior officer team was created in April 2008 and since then all services (except Adur Homes, Worthing Leisure and Worthing revenues and benefits) have become joint teams, providing joint services to the people of Adur and Worthing.

Significant savings and efficiencies have been found by the reduction in senior management posts and subsequent restructures as teams have been bought together. Some came about through voluntary redundancies and some from job evaluation as the new teams have been constructed. Important savings and efficiencies have come from joint procurement initiatives, service reviews and service re-designs, etc.



*With a population of 170,000, we are big enough to make things happen but small enough that partners respect our understanding of our place and communities.*

Alex Bailey, Joint Chief Executive,  
Adur District Council and Worthing  
Borough Council





# Examples and evidence from elsewhere



**Staffordshire Moorlands District Council & High Peak Borough Council** - The two councils formed a **strategic alliance** in 2008 to establish joint working arrangements and create a shared approach to delivering key services. The councils share management structure while maintaining council sovereignty. In the first ten years of the partnership (2008-2018) savings of £12.2m were realised as a result of a shared staffing structures and joint procurement. Transforming how services are delivered to ensure that value for money is achieved whilst protecting the services people rely on has realised SMDC £6.6m since 2008, while establishing a new waste and operational services company will save the council £1.2m. Additionally, council tax charges were frozen for 7 years in succession.

*"The Alliance has enabled both Councils to protect essential services and to share best practice from both areas whilst maintaining the independence and distinctive characteristics of each of our areas which are so important to our residents".* Leader of High Peak Borough Council

**Vale of White Horse District Council & South Oxfordshire District Council** - The two councils formalised their **joint senior management team** structure in June 2021, having already operated an interim senior management structure for two years to aid the delivery of shared corporate priorities. The joint management team includes a Joint Chief Executive, three Deputy Chief Executives and a Head of Legal and Democratic Services.

*"Our continued partnership with the Vale is a fantastic strength to draw on, sharing our expertise and leadership approach to support communities across the districts through what has been a very challenging time. Looking ahead, this formalisation will further strengthen our leadership foundation and will benefit residents by enabling us to plan our services to support evolving future needs."* Leader of South Oxfordshire District Council

**Bromsgrove District Council & Redditch Borough Council** - Since 2008 BDC has been **sharing its services** with neighbouring RBC to improve and protect local services to residents. At the same time, an ongoing root-and-branch transformation of everything the council does is moving the customer to the heart of every decision, in a bid to improve efficiency and bring the best out of local services.

BDC and RBC share their services and management team. Additionally, there are various sharing arrangements across councils in Worcestershire, e.g. Worcestershire Regulatory Services, for all councils in Worcestershire, hosted by Bromsgrove District Council, and North Worcestershire Economic Development and Regeneration, for BDC, RBC, and Wyre Forest District Council, hosted by Wyre Forest District Council.

**Broadland District Council and South Norfolk Council** - The two councils have a long history of working in partnership. In July 2018 the councils decided to start the journey towards forming a **collaboration**. Working together, they deliver key services that residents, communities and businesses value the most. The two councils operate as independent councils with their own constitutions, elected members and committees, who are supported by one joint officer team.



# Collaboration - the potential benefits



The Local Government Group ('LGG') published their '*Stronger together – shared management in local government*' report in 2016. The report identified numerous potential benefits associated with shared management structures:

- Cost savings and efficiencies - the potential to get 'more for less' - making cost savings while improving services through transformation and shared resources. Cost savings can come directly from fewer management or staff posts or from economies of scale, reduced duplication, greater procurement power, sharing resources such as IT or accommodation and more efficient service delivery.
- Wider transformation - shared management provides an opportunity to look at things from a fresh perspective and is often used to drive major transformation programmes to improve efficiency and effectiveness across a council's services. Ambitions can often be achieved more easily if the work and resources are spread across a wider area. This can be underpinned by shared strategic plans, financial strategies, procurement strategies and joint infrastructure projects.
- Resilience and greater collective capacity - At its most effective, cross-council collaboration is used to bring the best of both (or all) the councils together. By combining their strengths, councils can deliver more efficient and effective public services while simultaneously increasing their sustainability and resilience.

One advantage is the resilience provided by the ability to share officer capability and access a broader range of expertise, even if only on a part-time basis. Ensuring that managerial expertise is kept in-house provides a longer-term advantage beyond the initial cost savings and plays a key role in service improvement. It can also help with retention of managerial talent.

Other key findings from the report include:

- Shared management can act as a springboard for transformation, improve efficiency and service delivery and enhance the resilience and capacity of individual councils.
- The most successful partnerships are those that consider which approach might work best and adopt elements of it in one, both or all councils. This hybrid approach allows the best of each council to flow into the new partnership.
- Should the councils involved adopt a hybrid working model for staff, travelling time can be reduced through the use of technology such as video meetings.



*Shared management is about driving efficiencies but more importantly it is about sharing skills, capacity and capability.*

Deborah Cadman, Chief Executive,  
Suffolk County Council and Interim  
Shared Chief Executive Babergh and  
Mid Suffolk Councils (2016)





# Collaboration - the potential benefits



CIPFA's 'Sharing the gain' report identifies a number of non-financial benefits that come from shared arrangements:

- Easier recruitment and retention of skilled staff - by creating organisational arrangements that offer new career routes and job opportunities.
- Improved investment and innovation opportunities - by pooling investment resource across partners (which might include private sector bodies).
- Having the scale needed to access best of- breed technologies, business processes and management techniques
- Improvements in service quality - by using the above to transform the way services are delivered.
- Providing service users with access to specialist staff and state of the art information systems.



*Both sides will have to make compromises but the end goal is to enable both councils to be stronger together.*

Councillor William Nunn,  
Leader, Breckland Council



*We are treated as a bigger player nationally now. We have better conversations with Government and we are seen to be more influential.*

Chief Executive, 'Stronger together - shared management in local government' report



The LGG's 'Shared services and management – a guide for councils' identifies various ways sharing can realise financial savings:

- Avoiding duplication
- Securing economies of scale from greater utilisation of fixed assets
- Increasing purchasing power that results in procurement savings.
- Increased investment, for example, in more advanced IT systems, as partners' resources are pooled
- Adoption of best practices across service delivery partnerships
- Opportunities to redesign services to better meet the needs of users
- Improvements in service performance, for example, improved response times
- Opportunities to implement new ways of working and management arrangements
- More interesting, varied, or specialised work for staff – aiding recruitment and retention.



# Learning from our own past experiences

## Shared Legal Services HDC/MBC



In 2008 MBC and HDC agreed to appoint a shared Head of Legal Services. HDC were the employer for the purpose of this arrangement and recharged MBC for the 2 days of work agreed as part of this arrangement. In 2010 the councils took the next steps by delegating its legal services to HDC. The catalyst for this was that the service was performing poorly with services not receiving timely legal advice.

A delegation agreement was entered into to underpin the arrangement. The existing staff were TUPE'd to HDC. It was felt that the Head of Legal post employed by HDC would be better placed to manage the issues within the team under the same employer. The MO role was initially passed to a Director at Melton then later to a Head of Service (managing Democratic Services). Neither postholder had a legal background. This was considered manageable as the Chief Executive at Melton, at the time, had a legal background. The Deputy MO for Melton was the Head of Legal Services at HDC.

Resources were allocated to each Council based on a number of days per week. Neither HDC nor MBC were satisfied with the service received. Capacity was a continual issue with neither Council feeling they were getting their allocation of time.

In 2014 there was a review of Legal services to ensure the team had the appropriate specialist knowledge and expertise to provide the level and type of legal service needed. The review was undertaken in

response to concerns over the responsiveness from the legal team to officers and members. In addition, the workloads for HDC had increased during the previous 12/18 months particularly around the refurbishment of the council's offices, and there were high priority projects coming up (notably environmental service contracts) that would need a high level of legal input.

The Head of Legal Services at HDC also fulfilled a corporate role and a part of the Corporate Management Team and MO, that impacted on the capacity to provide a legal service. At a later point MBC contributed to a shared administrative post as the view was that the Head of Legal Services needed organisational support. This new post was employed by HDC but this did not resolve the issues to any noticeable degree.

The service continued until 2018 at which time HDC approached the new Chief Executive at MBC with a view to ending the arrangement. In light of the need for MBC to significantly strengthen its own legal, democratic and governance processes at the time, it was agreed that both councils would revert to their own dedicated arrangements.



# Learning from our own past experiences

## Shared Legal Services HDC/MBC



### Lessons learnt from shared legal service experience

Informed by the experiences of the shared legal service, the following transferable learning and solutions have been identified, to inform future service level collaborations:

- The absence of a shared understanding and expectations for the roles within both organisations.
  - Development of a strategic framework with clear design principles setting out how the partnership would work and the basis upon which any shared arrangements would be entered.
- There was insufficient capacity to have a presence at all officer and member meetings, resulting in poor support in core meetings.
  - Resource requirements needs to be adequately assessed and allocated in line with expectations.
- Different cultures and attitudes to issues such as pricing for services, resulting in income not being maximised at MBC.
  - Alignment of policies and practices that meet the needs of both councils will be required in any strategic partnership agreement.
- Different governance structures resulting in the inability to align processes / procedures
  - Both councils to operate the same Leader and Cabinet model

### Examples where lessons have been learnt and implemented

The learning from the shared legal services experience have been embedded within arrangements that underpin several examples of service collaboration between HDC and MBC; some of these also involve other (additional) councils:

- Leicestershire Building Control Partnership (across 6 councils)
  - Shared arrangements in place, including appropriately resourced and well led delivery teams and a sufficient focus on partnership management. The partnership has already led to a demonstrable improvement in service resilience.
- Leicestershire Waste Partnership
  - Partnership contains numerous councils as members, including Leicestershire County Council, Blaby District Council, Charnwood Borough Council, HDC, Hinckley and Bosworth Borough Council, MBC, North West Leicestershire District Council and Oadby and Wigston Borough Council.
  - As a member of the partnership, HDC has recently won an award for fly tipping reduction.
- Out of hours support (partnership between HDC and MBC)
  - High performing service delivered collaboratively across both councils. A joint approach to debriefing and shared learning is a cornerstone of the partnership.
- Internal audit (both HDC and MBC are members of the North Northants partnership, via a delegation agreement)
  - This partnership is resourced with appropriate levels of audit expertise and has demonstrated service improvement since its inception.





## 03

# Analysis of councils and council areas



# Analysis of councils and council areas



This section presents information relating to each council and the characteristics of the communities and businesses based within both geographical areas. The information presented in this section is used to inform the assumptions that underpin this business case, while the analysis provided within the strategic case identifies the similarities and alignment of both councils, in addition to identified points of difference.

## Council and strategic partnership characteristics

The proposal to establish a strategic partnership would enable both councils to consider how best to deploy shared resources for the benefit of communities and businesses across both geographical areas:

	Harborough	Melton	Harborough & Melton combined <i>'South and East Leicestershire'</i>
Population	97,600	51,800	149,400
Geographic area	228 sq miles	186 sq miles	414 sq miles
Staff employed	189 headcount , 164 FTE (31 <sup>st</sup> March 2022)	193 headcount, 170 FTE (31 <sup>st</sup> March 2022)	382 headcount, 334 FTE
Elected members	34	28	62
Spend per annum	£13.3m	£4.8m (+ HRA £7.2m)	£18.1m exclusive of MBC HRA  £25.3m inclusive of MBC HRA



## PEOPLE AND COMMUNITIES

- 38,000 households across the district (2018)
- 66% of the district's population is rural (ONS definition, see \*)
- The district has an **ageing population**: between 2011 and 2021 there has been an increase of 38.5% in people aged 65 years and over, an increase of 10.1% in people aged 15 to 64 years, and an increase of 5.2% in children aged under 15 years
- The district's **population has increased** at a higher rate (14.3%) than England (6.6%) between 2011 and 2021
- Pockets of **deprivation and inequality** across an otherwise prosperous population
- **Rural isolation** experienced as a result of a lack of digital and transport connectivity

### Population size



97,600

2021 census data

### Life expectancy

**M:** 81.7yr

**F:** 84.3yr

Both above England average

### Very low deprivation

Ranked

**308<sup>th</sup>**

Out of 317  
LA areas

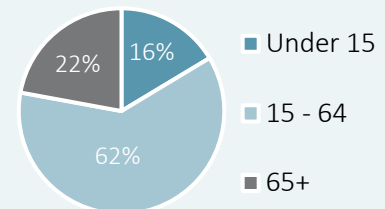
### Very high prosperity

Ranked

**28<sup>th</sup>**

Out of 379  
LA areas

### Age distribution





## PEOPLE AND COMMUNITIES

- 22,000 households across the borough (2018)
- 46% of the borough’s population is rural (ONS definition, see \*)
- Melton **population has increased** at a lower rate (2.8%) than England (6.6%) between 2011 and 2021
- The borough has an **ageing population**: between 2011 and 2021 there has been an increase of 29.6% in people aged 65 years and over, a decrease of 4.0% in people aged 15 to 64 years, and a decrease of 3.6% in children aged under 15 years
- Pockets of **deprivation and inequality** exist across an otherwise prosperous population
- **Rural isolation** experienced as a result of a lack of digital and transport connectivity

### Population size



51,800

### Life expectancy

**M:** 80.5yr

**F:** 84.2yr

Both above England average

### Very low deprivation

Ranked

**248<sup>th</sup>**

Out of 317  
LA areas  
(where lower  
= more  
deprived)

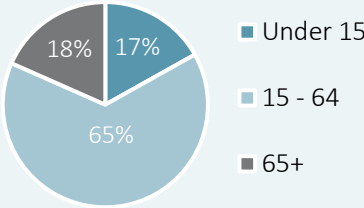
### Very high prosperity

Ranked

**82<sup>th</sup>**

Out of 379  
LA areas

### Age distribution



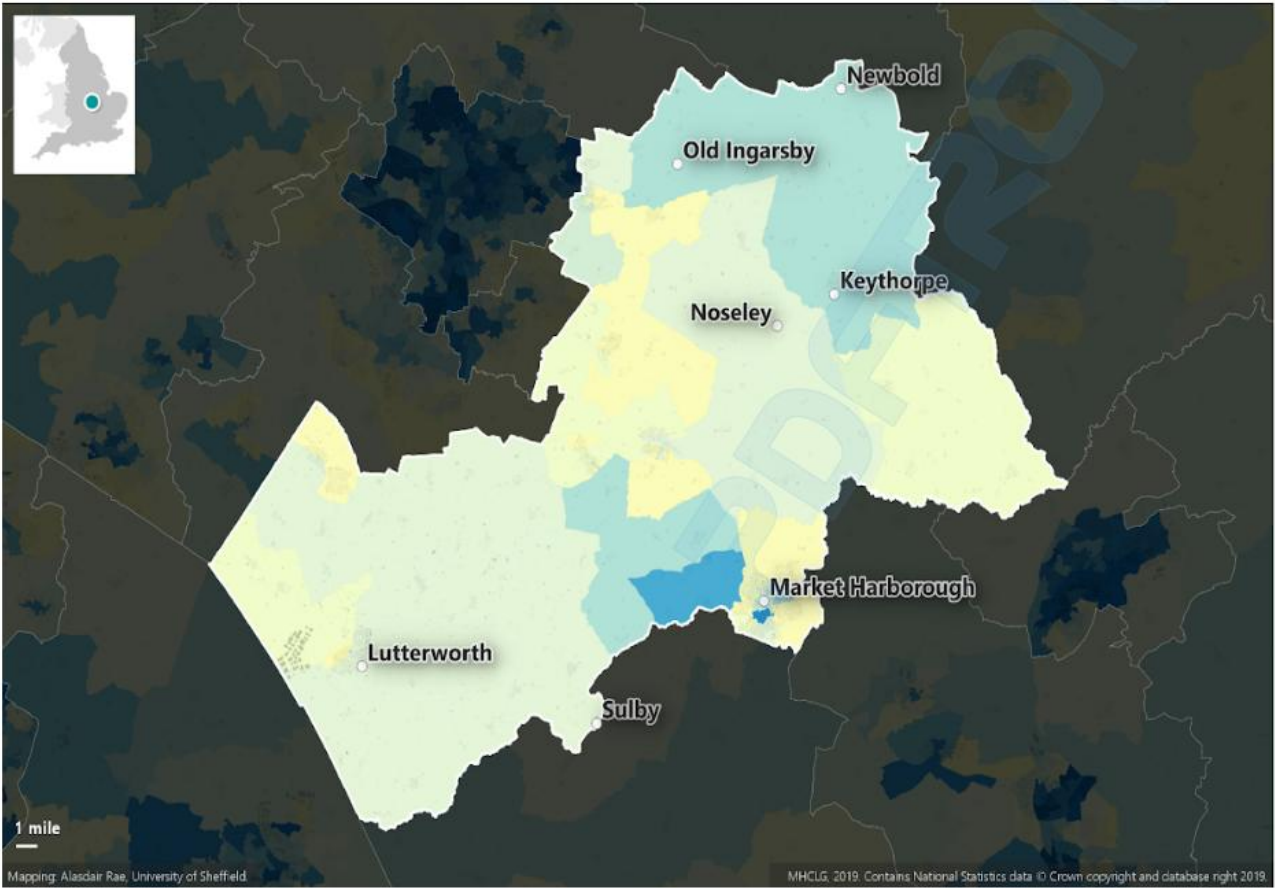
\* = ONS classification, rural = rural town and fringe and rural village and dispersed



# English Indices of Deprivation 2019

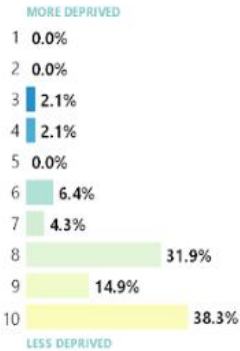
Ministry of Housing,  
Communities &  
Local Government

## HARBOROUGH



### Local deprivation profile

% of LSOAs in each national deprivation decile



### What this map shows

This is a map of Indices of Deprivation 2019 data for **Harborough**. The colours on the map indicate the deprivation decile of each Lower Layer Super Output Area (LSOA) for England as a whole, and the coloured bars above indicate the proportion of LSOAs in each national deprivation decile. The most deprived areas (decile 1) are shown in blue. It is important to keep in mind that the Indices of Deprivation relate to small areas and do not tell us how deprived, or wealthy, individual people are. LSOAs have an average population of just under 1,700 (as of 2017).





# Deprivation - Harborough



Ministry of Housing,  
Communities &  
Local Government

## Local Authority Look-up

Harborough

Hover over each summary  
measure below for a  
description and further detail

## IoD2019 Interactive Dashboard - Local Authority Focus

The **IoD2019** dashboard allows users to explore the 2019 English Indices of Deprivation data at both local authority district level and neighbourhood (LSOA) level. Users can select a local authority from the **Local Authority Look-up** box. Working clockwise, the **maps** will display where the local authority is located at different scales. The **larger map** will update with the locations of each neighbourhood within the local authority. This map has also been colour coded to display which decile the neighbourhood falls into nationally (dark blue indicating relatively more deprived and pale green indicating relatively less deprived). The **Table** beside provides more detail on each neighbourhood within the local authority, presenting its LSOA code, name, overall IMD2019 rank and decile, which has also been colour coded to correspond to the map. The **Deprivation Domains** box displays where the local authority **rank**s on each of the seven domains and supplementary indices. The **IMD2019 Rank**, **Score** and **Rank of proportion of LSOAs in most deprived 10% nationally** is displayed in each of the three gauges.

More guidance on the IoD2019 is available online [here](#)

If you have any questions or feedback please email [indices.deprivation@communities.gov.uk](mailto:indices.deprivation@communities.gov.uk)

Local Authority Rank



Local Authority Score



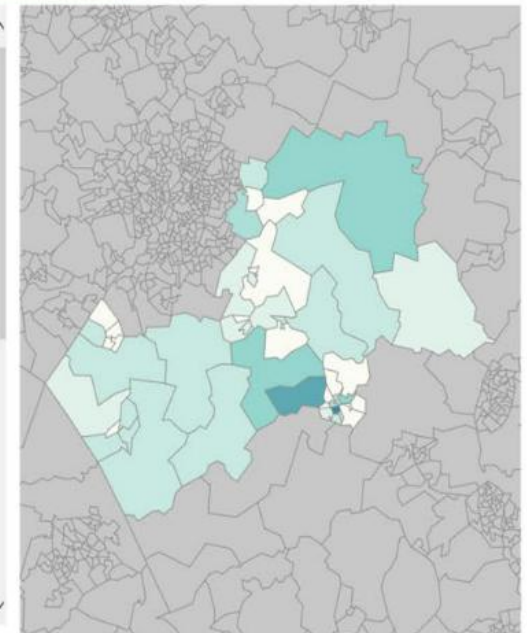
LSOA proportion in first decile (rank)



## Deprivation Domains

- 304 Income Rank
- 302 Employment Rank
- 265 Education, Skills & Training Rank
- 303 Health & Disability Rank
- 266 Crime Rank
- 289 Living Environment Rank
- 234 Barriers to Housing & Services
- 304 IDACI Rank
- 294 IDAOPi Rank

LSOA Code	LSOA Name	IMD Rank	IMD Decile
E01025770	Harborough 002A	25376	8
E01025809	Harborough 002B	26322	9
E01025815	Harborough 002C	18275	6
E01025781	Harborough 003A	27999	9
E01025782	Harborough 003B	29866	10
E01025783	Harborough 003C	30733	10
E01025785	Harborough 003D	28178	9
E01025786	Harborough 003E	25390	8
E01025787	Harborough 003F	32161	10
E01025772	Harborough 004A	32141	10
E01025773	Harborough 004B	32650	10
E01025774	Harborough 004C	32580	10
E01025775	Harborough 004D	25418	8
E01025776	Harborough 004E	30509	10
E01025771	Harborough 005A	23775	8
E01025778	Harborough 005B	28794	9
E01025779	Harborough 005C	28767	9
E01025780	Harborough 005D	31649	10
E01025784	Harborough 005E	25208	8
E01025788	Harborough 005F	19558	6
E01025777	Harborough 006A	26216	8
E01025808	Harborough 006B	23093	8
E01025810	Harborough 006C	24248	8
E01025816	Harborough 006D	28561	9
E01025789	Harborough 007A	10733	5
E01025794	Harborough 007B	32342	10

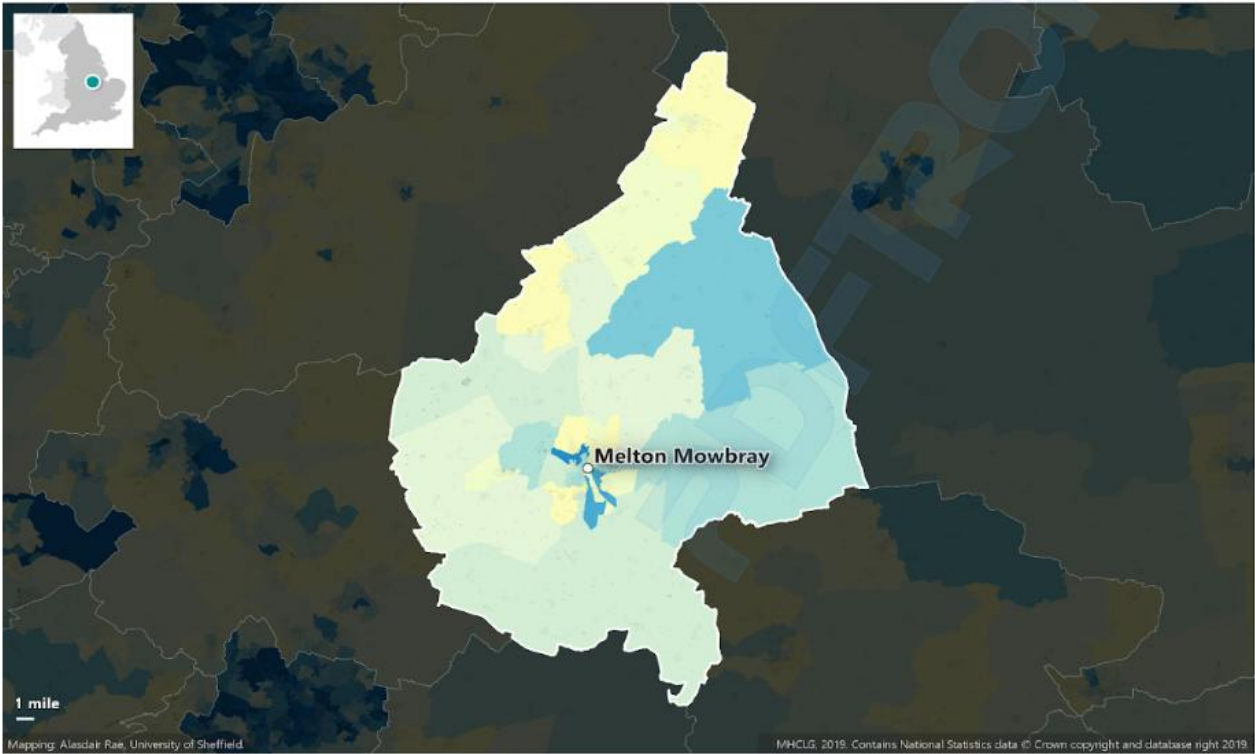




# English Indices of Deprivation 2019

Ministry of Housing,  
Communities &  
Local Government

## MELTON



### Local deprivation profile

% of LSOAs in each national deprivation decile

MORE DEPRIVED	
1	0.0%
2	0.0%
3	6.7%
4	6.7%
5	3.3%
6	16.7%
7	16.7%
8	10.0%
9	20.0%
10	20.0%
LESS DEPRIVED	

### What this map shows

This is a map of Indices of Deprivation 2019 data for **Melton**. The colours on the map indicate the deprivation decile of each Lower Layer Super Output Area (LSOA) for England as a whole, and the coloured bars above indicate the proportion of LSOAs in each national deprivation decile. The most deprived areas (decile 1) are shown in blue. It is important to keep in mind that the Indices of Deprivation relate to small areas and do not tell us how deprived, or wealthy, individual people are. LSOAs have an average population of just under 1,700 (as of 2017).





# Deprivation - Melton



Ministry of Housing,  
Communities &  
Local Government

## Local Authority Look-up

Melton

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Local Authority Rank



Local Authority Score



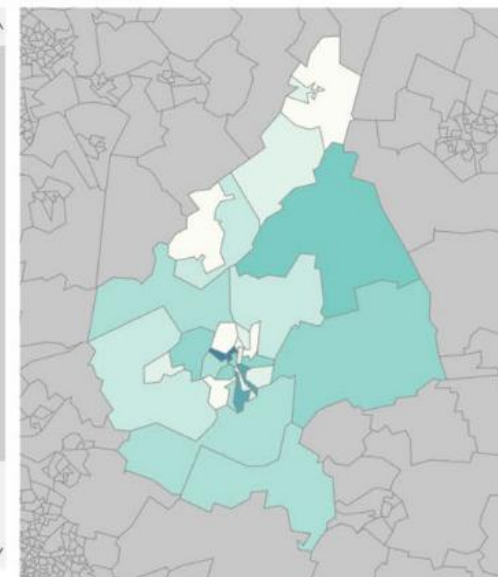
LSOA proportion in first decile (rank)



## Deprivation Domains

- 262 Income Rank
- 261 Employment Rank
- 227 Education, Skills & Training Rank
- 230 Health & Disability Rank
- 242 Crime Rank
- 177 Living Environment Rank
- 125 Barriers to Housing & Services
- 236 IDACI Rank
- 283 IDAOPI Rank

LSOA Code	LSOA Name	IMD Rank	IMD Decile
E01025885	Melton 001A	32143	10
E01025886	Melton 001B	28454	9
E01025887	Melton 001C	13282	5
E01025890	Melton 001D	24369	8
E01025891	Melton 001E	31367	10
E01025892	Melton 001F	27495	9
E01025901	Melton 002A	27094	9
E01025902	Melton 002B	31340	10
E01025903	Melton 002C	18660	6
E01025904	Melton 002D	30620	10
E01025906	Melton 002E	30035	10
E01025883	Melton 003A	27271	9
E01025884	Melton 003B	16968	6
E01025888	Melton 003C	23423	8
E01025909	Melton 003D	20254	7
E01025896	Melton 004A	30763	10
E01025897	Melton 004B	16632	6
E01025898	Melton 004C	21369	7
E01025899	Melton 004D	17763	6
E01025900	Melton 004E	8876	3
E01025905	Melton 004F	9024	3
E01025893	Melton 005A	27289	9
E01025894	Melton 005B	9990	3
E01025895	Melton 005C	22678	7
E01025907	Melton 005D	11082	4
E01025908	Melton 005E	27922	9



[Click here](#) to access full IoD2019 Interactive Dashboard for MBC



# Local business, inclusive growth and economy



## INCLUSIVE GROWTH

	Harborough	Melton
GVA per hour worked	£29.2	£33.5
Gross median weekly pay	£564	£454.9
Employment rate 16-64yr	80.1%	70.1%
Proportion of children in workless households	2.9%	41.6%
Proportion of employed people in skilled employment	62.4%	55.7%



## LOCAL BUSINESS AND ECONOMY

	Harborough	Melton
UKSPF Funding	£2.17m	£1.19m
% micro businesses	90%	91%
Economic activity rate 16-64yr	85.4%	78.4%
Approx. number of businesses	5,350	2,530
Proportion of low paid jobs	25.4%	39.4%



# Corporate priorities and objectives - HDC



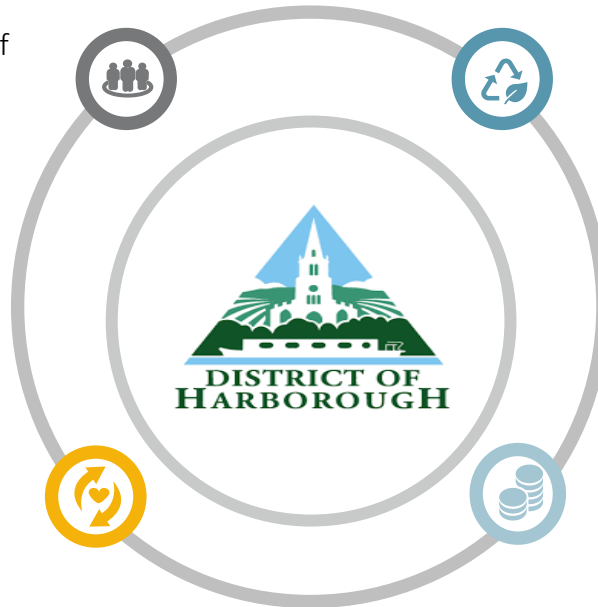
## Community leadership to create a sense of pride and belonging.

Ensuring there is housing to meet local needs of all ages, that growth provides employment, recognising the rural nature of the district and that communities are involved in how that growth is shaped



## Promoting health and well-being and encouraging healthy life choices

Giving the guidance and support to all our residents to make healthy life choices, to live longer healthier independent lives, not only physically but in good mental health too



## Creating a sustainable environment to protect future generations



Enhancing and protecting our natural environment, addressing climate issues and reducing environmental crime to further protect the environment.

## Supporting Businesses and residents to deliver a prosperous local economy



Local employment options are available to allow residents to prosper in our district, developing and retaining the skills our employers need and supporting businesses to be successful



# Corporate priorities and objectives - MBC



## Excellent services positively impacting communities

Improving processes to improve customer experience, investing in digital systems, focusing on Priority Neighbourhoods to tackle community issues; refocusing community support services



## Providing high quality council homes and landlord services

Significant investment in improving landlord and tenancy services; significant investment in the asset management of council homes



## Delivering sustainable and inclusive growth in Melton

Promoting Melton and delivering the promise of the 'Rural Capital of Food;' deliver inclusive growth; regenerate the town centre



## Protect our climate and enhance our rural natural environment



Ensure council operations are carbon neutral by 2030; tackle environmental and place-based issues; invest in planning services

## Ensuring the right conditions to support delivery



Establishing future ICT arrangements; being an outstanding employer; ensuring financial stability

## Connected with and led by our community



Promoting democracy and community involvement; explore ways to co-design; review and reinvigorate partnership structures and frameworks with tenants; work with public and voluntary partners



# Alignment of councils - Strategic priorities



Function

Priorities aligned

Priorities not aligned

## 1. Economy



### Harborough outcome

#### 1. Supporting business and residents

- Salaries are sufficient to allow residents to live and work locally
- Skills and education opportunities for young are promoted
- Enterprise and innovation are support
- Inward investment is targeted to increase local opportunities and regeneration of town centres
- Tourism increased
- Grown in SMEs and start-ups stimulated through guidance and support in partnership
- Working with partners to generate a wide range of local employment opportunities

### Melton priority theme

#### 1. Delivering sustainable and inclusive growth in Melton

- Work with partners to promote Melton
- Deliver inclusive growth improving access to higher paid jobs, improving skills and tackling low wage
- Regenerate town centre, encourage inward investment
- Increase housing supply Commercial approach to management of assets to deliver jobs, homes and income
- Establish affordable and sustainability future for leisure facilities
- Support delivery of Melton bypass and other infrastructure



# Alignment of councils - Strategic priorities



Function

Priorities aligned

Priorities not aligned

## 1. Economy



### Harborough outcome

#### 1. Supporting business and residents

By:

- Ensuring remain attractive and vibrant place to live work, invest and visit
- Support new and existing businesses
- Residents can gain access to education, training, and skills they need to obtain employment and careers
- Review and revise the economic development strategy

### Melton priority theme

#### 1. Delivering sustainable and inclusive growth in Melton

By:

- Implement increase vitality, vibrancy, footfall and spend in town centre
- Secure investment and deliver the Food Enterprise Centre and Manufacturing Zone sites
- Use council resource to reduce homelessness and increase affordable home ownership
- Develop assets to generate income and provide housing/jobs
- Proposals for best use of Melton Sports Village and future leisure provision
- Work with partners to support delivery of new road and wider Melton Mowbray transport strategy
- Campaign for second GP surgery



# Alignment of councils - Strategic priorities



Function

2. Climate, environment, waste and recycling

Priorities aligned



Priorities not aligned

## Harborough outcome

2. Creating a sustainable environment to protect future generations

- Natural environment protected and enhanced, improved access to green spaces and increased biodiversity
- Reduce carbon footprint and ensure sustainable future
- Green practices - energy provision and recycling

By:

- Promoting cleaner greener environment using education and enforcement
- Producing Welland Park Strategy- and 10 year strategy for council owned parks and green spaces
- Providing effective air quality management
- All council activities to work towards carbon neutral 2030
- Developing and implementing a rural strategy (access to infrastructure and services they need)

## Melton priority theme

2. Protect our climate and enhance our rural natural environment

- Ensure council operations are carbon neutral by 2030
- Utilise investment in enforcement to tackle environmental and place based issues that matter to communities

By:

- Reduce emissions across all council activities
- Promote and encourage walking and cycling opportunities
- Education and enforcement to tackle issues which blight communities
- Improve processes and customer experience in planning service



# Alignment of councils - Strategic priorities



Function	Priorities aligned	Priorities not aligned
3. Housing		Housing stock/HRA

## Harborough outcome

3. Community leadership to create a sense of pride and belonging

*Covers non landlord housing functions*

*Harborough District Council is a non stock holding council*

- Adequate supply of housing

By:

- Implementation and monitoring of Harborough Local Plan and planning decisions and enforcement in line with Plan
- Preparation of next plan and planning obligations policy
- Continue programme of review of conservation areas
- Support preparation of Neighbourhood Plans

## Melton priority theme

3. Providing high quality council homes and landlord services

- Investment in improving landlord and tenancy services
- Investment in asset management of council homes

By

- Deliver better and temporary accommodation
- Engage with tenants to ensure services meet their needs
- Improve quality and VFM of repairs and maintenance service
- Ensure properties meeting Decent Homes Standard
- New high quality council homes



# Alignment of councils - Strategic priorities



Function

Priorities aligned

Priorities not aligned

## 4. Planning



### Harborough outcome

4. Community leadership to create a sense of pride and belonging

- Growth is balanced with employment opportunities and transport and infrastructure needs are met
- Recognise rural nature of district, its heritage and cultural assets are preserved
- District shaped through good design, that addresses local needs and promotes healthier life choices

By:

- Implementation and monitoring of Harborough Local Plan and planning decisions and enforcement in line with Plan
- Preparation of next plan and planning obligations policy
- Continue programme of review of conservation areas
- Supporting preparation of Neighbourhood Plans

### Melton priority theme

4. Protect our climate and enhance our rural natural environment

- Utilise investment in enforcement to tackle environmental and place based issues that matter to communities
- Invest in Planning Services and deliver improvements

By:

- Improve processes and customer experience in planning service



# Alignment of councils - Strategic priorities



Function

Priorities aligned

Priorities not aligned

5. Council Tax



## Harborough outcome

5. Supporting businesses and residents to deliver a prosperous local economy

- Enterprise and innovation are support
- Inward investment is targeted to increase local opportunities and regeneration of town centres

By:

- Support new and existing businesses
- Review and revise the economic development strategy

## Melton priority theme

5. Excellent services positively impacting communities

- Invest in digital systems to improve services
- Focus on Priority Neighbourhoods, working in partnership to tackle community issues
- Refocus community support services to respond to the impact of Covid-19

By:

- Redesigning customer facing processes
- Implement new self-service platform
- Establish integrated community based teams in Priority Neighbourhoods
- Create integrated supporting offer



# Alignment of councils - Strategic priorities



Function

Priorities aligned

Priorities not aligned

6. Health and Wellbeing



## Harborough outcome

6. Promoting health and wellbeing and encouraging healthy life choices

- Residents live more independent lives with right support
- Aging population have access to services to help them live well for longer
- Activity will be increased, provision of varied leisure offer throughout district
- District improved public safety
- Health needs addressed to prevent crisis and support those most vulnerable

By:

- Agreeing and implementing young person's strategy
- Implementing health and wellbeing strategy
- Reviewing leisure services provisions and service delivery Improve living accommodation in the district

## Melton priority theme

6. Connected with and led by our community

- Promote democracy and community involvement
- Ways to co-design solutions, devolve budgets and facilitate community led action
- Review and reinvigorate partnership structures and frameworks with tenants and community groups
- Create integrated community based services

By:

- Harnessing community spirit and establish a new 'deal' between council and communities
- Strengthening relationships and with Parish Councils
- Maximising impacts of community grants



# Alignment of councils - Strategic priorities



Function

Priorities aligned

Priorities not aligned

7. Support Services



## Harborough outcome

7. Community leadership to create a sense of pride and belonging

- Voluntary and charitable sectors are more engaged and actively managing their own localities
- District shaped through good design, that addresses local needs and promotes healthier life choices

By:

- Improve and enhance delivery of customer services
- Increase digitalisation of services
- Effective strategic comms across the district

## Melton priority theme

7. Ensuring the right conditions to support delivery

- Establish future ICT arrangements and adopt new ways of working
- Be an outstanding employer
- Ensure financial stability

By:

- Redefine ways of working: more agile, flexible and responsive
- Develop Procurement Unit as commercial proposition
- Mitigate financial impact on the council of covid
- Invest in new finance system



# HDC - Organisational values and culture



01

**Treat residents well and fairly:** Providing them with the best possible public services with the resources available. HDC will always respond promptly when residents contact, resolving issues as quickly as possible, and treat everyone with respect and fairness. HDC will be transparent about our decisions.

02

**Let residents decide what is best for them:** HDC will always look to involve residents in decisions that affect their lives.

03

**Fight residents corner:** if they have complex problems in their life, HDC will work with them to help them live their best life. No one will need to deal with their problems in isolation.

04

**Be lean and use our resources well:** as we face financial challenges, we will look for efficiencies internally before we cut any services. We will deliver the best value for money we can.

05

**Innovate:** we will create a culture which promotes innovation, always looking for ways to improve our services and our relationship with communities and individuals.



*We are driven by our ambition to make the Harborough district a place where our residents can live the best lives they can. We want our businesses and economies to thrive and our environment to be managed in a sustainable way, ensuring the needs of these communities are met and that the district maintains its own local identity and unique surroundings.*





# MBC - Organisational values and culture

01

**MBC care:** Valuing others and developing ourselves; committed and passionate about what we do.

02

**MBC innovate:** Ambitious, creative and resourceful; putting customers first and learning from feedback.

03

**MBC achieve :** Taking responsibility and seeking excellence; always proud to serve.



*We want to be a first-class council: on the side of our communities and providing great services, where the customer comes first. We want to help people reach their potential, support the most vulnerable, and protect our rural environment. We want to provide more and better homes, create better jobs and regenerate the town. We want to ensure Melton prospers, benefitting those who live here and attracting others to visit and invest.*





# Financial resilience - HDC



## CIPFA Financial Resilience Index

Tier

Lower

Authority

Harborough

Comparator Group

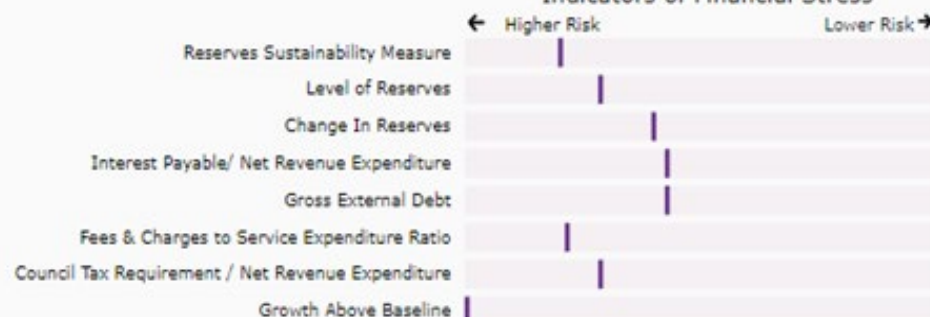
Nearest Neighbour

Year

2020-21

### Results Breakdown

#### Indicators of Financial Stress



Indicator	Min	Indicator Value	Max
Reserves Sustainability Measure	0.00	100.00	100.00
Level of Reserves	52.18%	117.86%	300.00%
Change In Reserves	-100.00%	42.25%	316.98%
Interest Payable/ Net Revenue Expenditure	0.00%	0.49%	14.72%
Gross External Debt	£0k	£1,490k	£229,907k
Fees & Charges to Service Expenditure Ratio	2.44%	10.43%	29.03%
Council Tax Requirement / Net Revenue Expenditure	37.71%	52.24%	100.00%
Growth Above Baseline	-153.23%	256.18%	256.18%

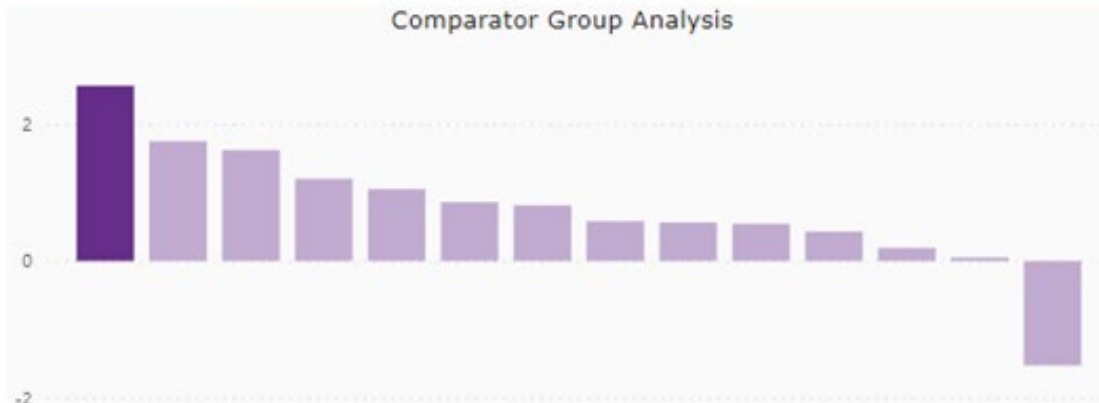
Auditors Vfm Assessment

Refer to local authority website

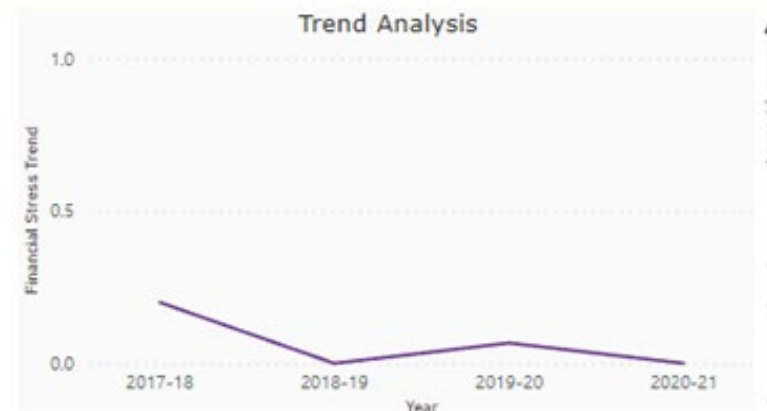
### Individual Analysis

#### Growth Above Baseline

#### Comparator Group Analysis

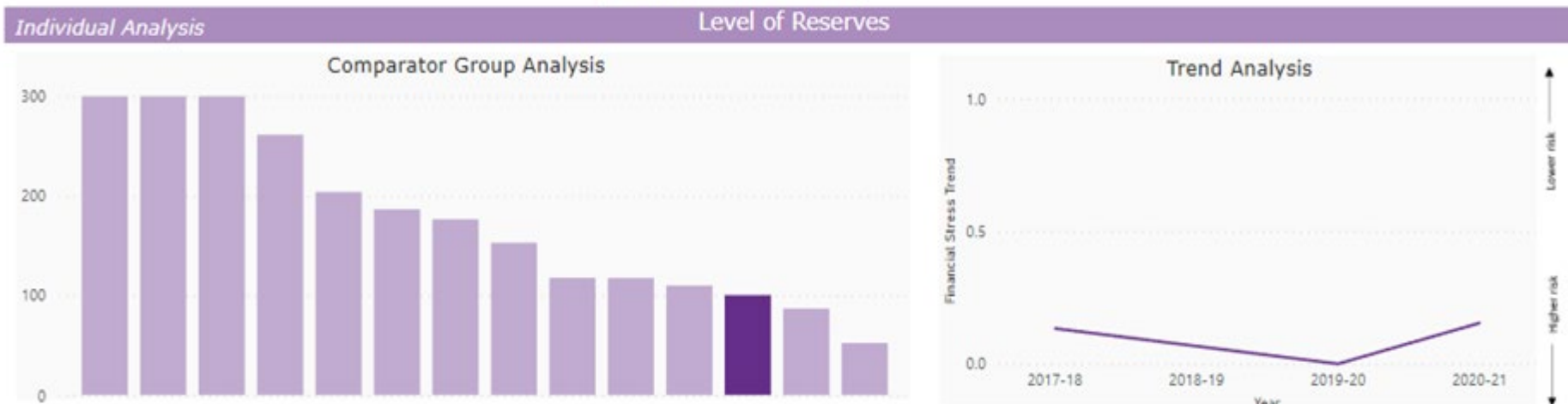
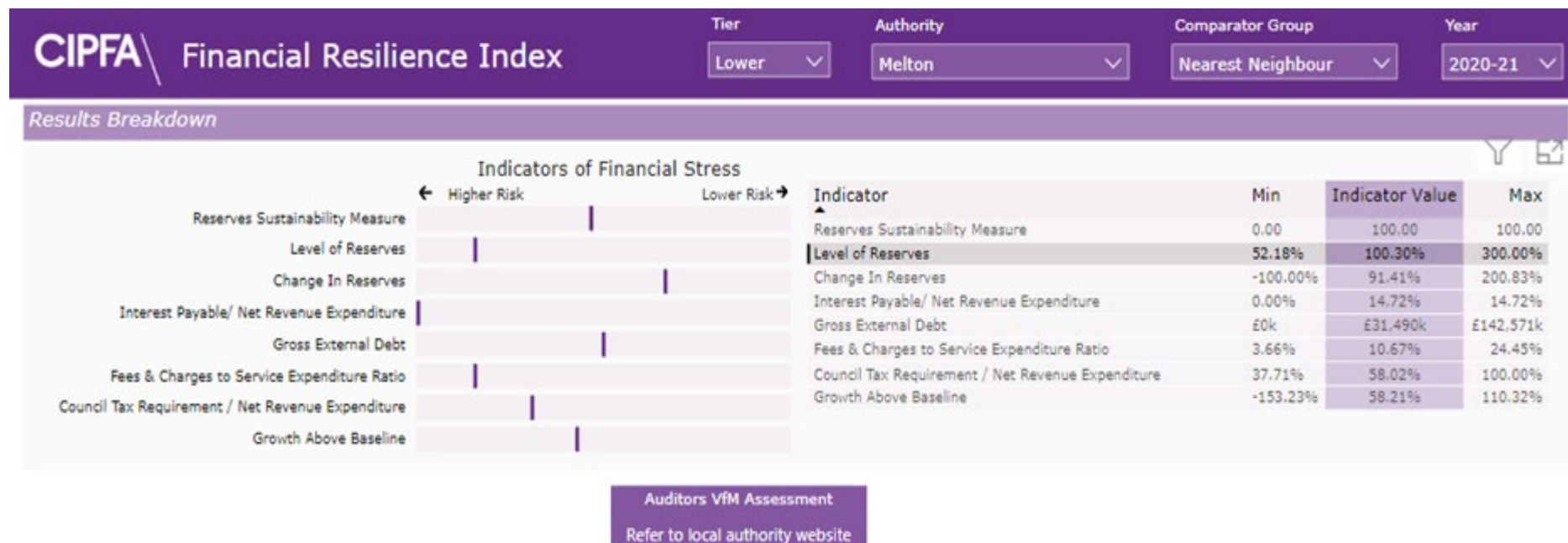


#### Trend Analysis



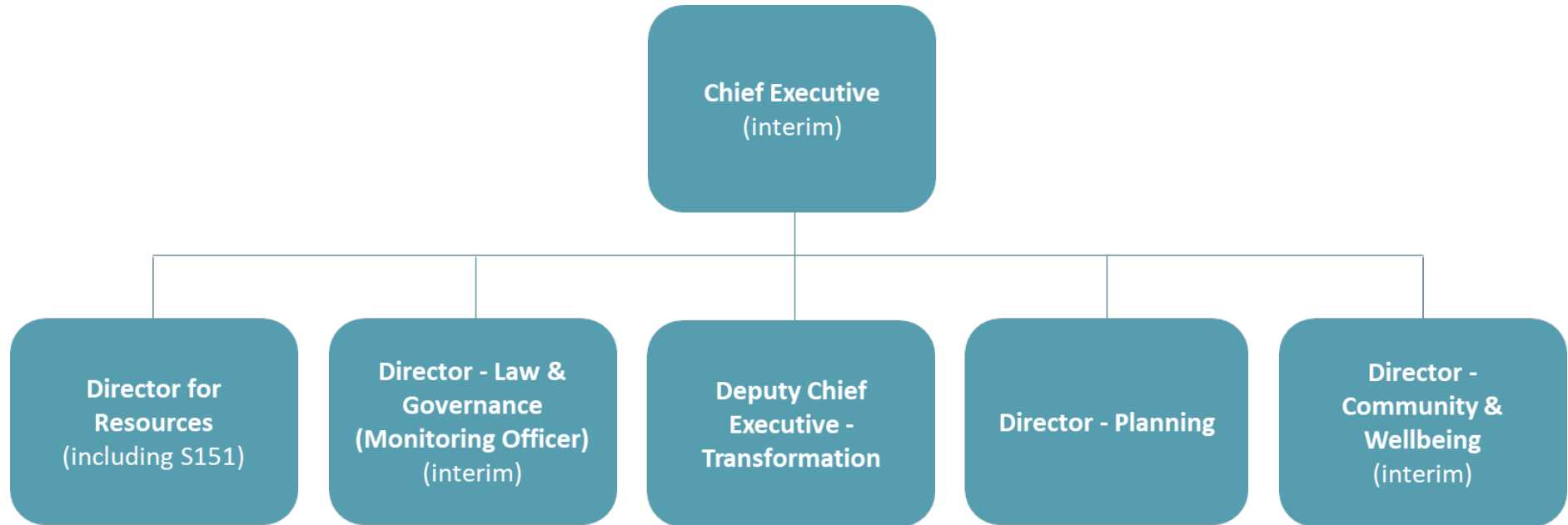


# Financial resilience - MBC



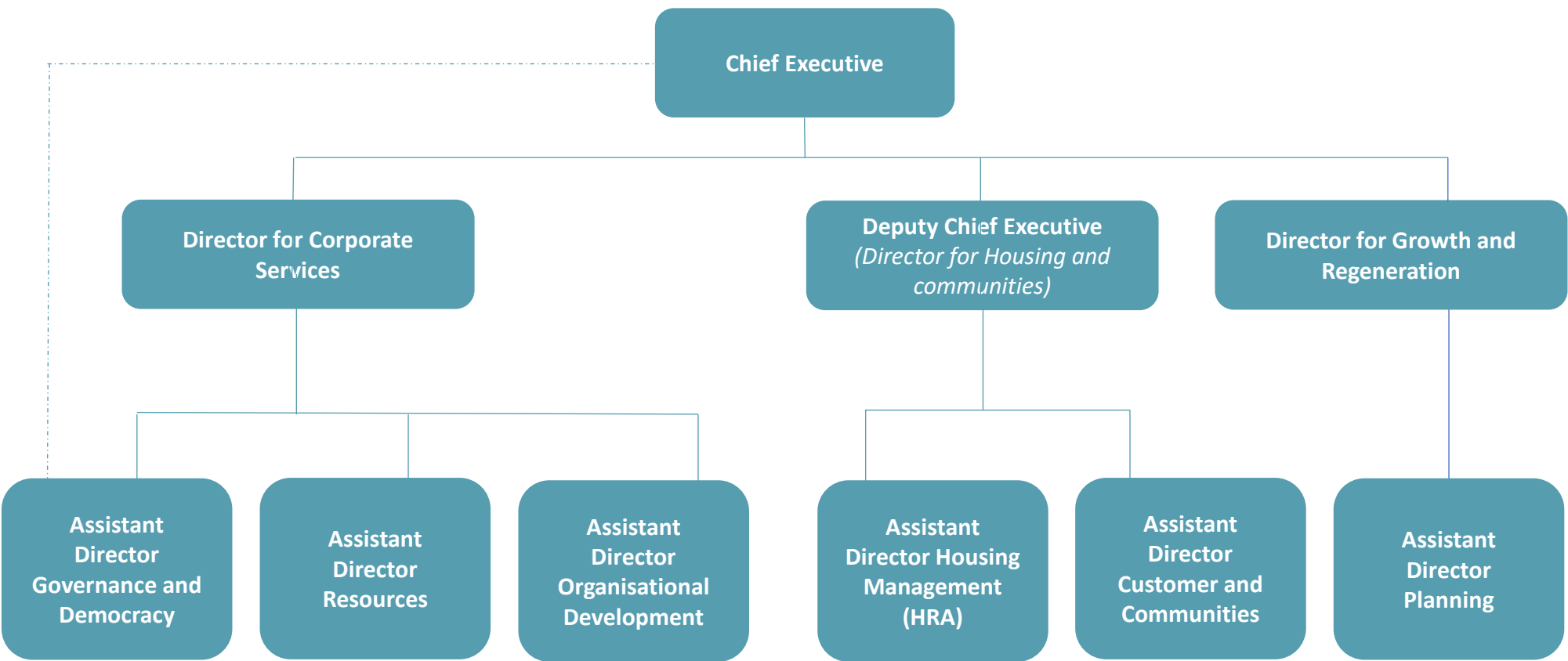


# Current leadership structure - HDC





# Current leadership structure - MBC





# Delivery models for corporate functions



Both councils adopted a mixed approach to the provision of corporate functions, The majority of services are delivered directly by each council, however several services are delivered through partnerships with other councils:

Corporate function	HDC delivery model	MBC delivery model
Finance	In-house	In-house
Payroll	Delegated Authority (North West Leicestershire), in addition to internal administrative provision	Delegated Authority (Leicester)
Customer Services	In-house (recently on-boarded from Charnwood)	In-house
Legal Services	In-house	In-house
Democratic Services	In-house	In-house
Elections (including electoral registration)	In-house	In-house
Procurement	Currently in-house; although expectation that the council will access procurement services from MBC (Welland Procurement) from March 2023	In-house (MBC delivers a goods and services arrangement (Welland Procurement) to 6 other authorities)
Audit	Delegation Agreement with North Northamptonshire Council	Delegation Agreement with North Northamptonshire Council
Revenues & Benefits	Partnership with Hinkley & Bosworth BC + North West Leicestershire DC (Joint Committee)	In-house





## 04

# Mapping of services and collaboration



# Service mapping across both councils



The services delivered by both councils have been mapped to provide a comparison of functions across service areas. Additionally, collaboration including direct delivery, partnership meetings and networks between both councils and other councils has been identified. Services delivered directly through a collaborative approach are shown in bold.

Functional area	HDC - service delivery	MBC - service delivery	Service collaboration between		
			HDC and MBC	HDC and other councils	MBC and other councils
Planning	Building Control	Building Control		<b>Leicestershire Building Control Partnership (6 councils). Shared arrangements already in place and have demonstrated the resilience benefits of a properly resourced and well led shared arrangement.</b>	
	Development Management (Planning Applications, Appeals and pre application)	Development Control (Planning Applications, Appeals and pre application)			
	Planning policy	Planning policy		Strategic Planning Group / Members Advisory Group	
	Strategic Planning (local plans)	Strategic Planning (local plans)			
	Conservation	Conservation			
	Land Charges/searches	Land Charges/ searches		Leicestershire Searches	



# Service mapping across both councils



Functional area	HDC - service delivery	MBC - service delivery	Current service collaboration between		
			HDC and MBC	HDC and other councils	
Environmental & Regulatory Services	Waste management (resident and business)	Waste management (resident and business)		Leicestershire Waste Partnership	
	Grounds Maintenance	Grounds Maintenance			
	Management of environmental crime	Management of environmental crime			
	Cemetery Management	Cemetery Management			
	Environmental Health and licensing	Environmental Health and licensing			
Growth and Regeneration	Town Centre Mgt and regeneration	Town Centre Mgt and regeneration		Leicester and Leicestershire Local Economic Partnership	
	Inward investment	Inward investment		Place Marketing Organisation	
	Application for & delivery of government funding	Application for & delivery of government funding			
Economic Development	Tourism	Tourism		The Business Gateway growth hub	
	Business Licences	Business Licences			
	Business support / Economic Development	Business support / economic development			
	Harborough Innovation Centre / Grow on Centre (office space management)				



# Service mapping across both councils



Functional area	HDC - service delivery	MBC - service delivery	Service collaboration between		
			HDC and MBC	HDC and other councils	MBC and other councils
Revs and Bens	Council Tax	Council Tax		Leicestershire Revs and Bens Partnership Shared Service; other partners are HBBC and NWLDC	Various officer partnerships - revenues and benefits practitioners group  Policy alignment covid grants, test and trace etc
	Business Rates	Business Rates			
	Universal Credit	Universal Credit			
	Housing Benefit	Housing Benefit		Various officer partnerships - revenues and benefits practitioners group  Policy alignment covid grants, test and trace etc	



# Service mapping across both councils



Functional area	HDC - service delivery	MBC - service delivery	Current service collaboration between		
			HDC and MBC	HDC and other councils	MBC and other councils
Housing	Strategic Housing / homelessness / housing needs	Strategic Housing/ Homelessness/Housing Needs		Chief Housing Officers Group	
	Housing Support Services	Housing Support Services		Lightbulb	
	Temporary Accommodation	Temporary Accommodation			
	<i>NB - HDC is a non-stock holding, with no HRA</i>	Housing Management - Tenancy Services including Intensive Housing Management Team			
		Housing Management – Assets & repairs			
		Council housing development			
Parking	Parking Strategy	Parking Strategy			
	Parking enforcement	Parking enforcement	HDC is the lead provider for: <ul style="list-style-type: none"> <li>On-Street for County covering Harborough, Melton, Oadby &amp; Wigston, Blaby and Hinkley</li> <li>Off-Street for Harborough, Oadby &amp; Wigston and Melton</li> </ul>		
	Car park management and maintenance	Car park management and maintenance			
Climate	Strategy and Action Plan delivery	Strategy and Action Plan delivery			



# Service mapping across both councils



Functional area	HDC - service delivery	MBC - service delivery	Current service collaboration between		
			HDC and MBC	HDC and other councils	MBC and other councils
Community Services	Leisure Centres	Leisure Centres			
	Active Together Harborough	Melton Sport and Health Alliance	Active together partnerships / health partnerships		
	Lifeline monitoring	Lifeline monitoring	HDC delivery on behalf of MBC		
	Community Safety	Community Safety			
	CCTV	CCTV	Progression of a shared approach already underway		
	Out of hours support	Out of hours support	HDC deliver on behalf of MBC		
	Customer Services	Customer Services			
		Case Management - Me and My Learning			



# Service mapping across both councils



Functional area	HDC - service delivery	MBC - service delivery			
			HDC and MBC	HDC and other councils	MBC and other councils
Corporate functions (1)	Information Technology	Information Technology			Leicestershire ICT Partnership (LICTP) between Melton, Blaby, Hinckley
	Finance Services	Finance		Leicestershire Treasurers Association (LTA) link (s151 overview)	
	Law and Governance	Legal and Governance			
	Communications and Marketing	Communications			
	Corporate Property and Asset Management	Corporate Property and Asset Management			
	Facilities Management	Facilities Management			
	Human Resources (HR)	Human Resources			
	Internal Audit	Internal Audit		Both councils part of North Northants partnership (delegation agreement)	
	Corporate health and safety	Corporate health and safety			
	Procurement	Procurement			Welland Procurement Unit (hosted by MBC)
	Elections	Elections			



# Service mapping across both councils



Functional area	HDC - service delivery	MBC - service delivery	Current service collaboration between		
			HDC and MBC	HDC and other councils	MBC and other councils
Corporate functions (2)	Policy/performance	Corporate Improvement Team			
	Emergency & Business Continuity Planning	Emergency & Business Continuity Planning		Local Resilience Forum Co-ordination	
	Parish Council Liaison	Parish Council Liaison			
	Commercial contract management	Commercial contract management			
	Community centres - use of / booking / promotion	Community centres – use of /booking / promotion			



# Description of local and regional collaboration



Lifeline Monitoring supports elderly residents, allowing them to remain at home and keep their independence. A lifeline unit is set-up in a home, with a panic button. Additionally, the resident will be given a pendant to wear. When either button is pressed the lifeline unit will call the control centre and the resident will be immediately connected with one of the team. If the alarm is triggered the call staff will have instant access to the contact details for friends or family and any other information that has been supplied to get the right help quickly. HDC currently provide this for MBC.



The Leicestershire Building Control Partnership (LBCP) is a Local Authority Building Control service between six councils. Blaby District, Harborough District, Hinckley and Bosworth Borough, Melton Borough, Oadby and Wigston Borough and Rutland County have joined together to share their knowledge and experience. The service supports homeowners, contractors and other professionals to ensure building project are safe, accessible and meet the standards set by the Building Regulations. Through the Leicestershire Building Control Partnership, customers have access to a team of professional building surveyors and technical support staff. The service provides a single point of contact to engage with planners, conservation officers, access officers, fire services, highways etc.



LeicesterShire Land & Property Searches is a partnership councils providing online access to Local Authority Searches across Leicestershire. The aim of the partnership is to offer customers a straightforward and easily accessible search service. The partnership consists of: Blaby District Council; Charnwood Borough Council; Harborough District Council; Hinckley & Bosworth Borough Council; Leicester City Council; Northwest Leicestershire District Council; Melton Borough Council; and Oadby & Wigston Borough Council.



An out of hours emergency contact centre. If somebody needs to get in touch with the council out of working hours, then they can call the emergency contact support. HDC currently provide the operational role for MBC, however both senior management teams maintain well established 24/7 emergency contact arrangements on behalf of both councils.



## 1.04 - Description of local and regional collaboration involving HDC and MBC



Leicestershire Waste Partnership is composed of the seven borough and district councils of Leicestershire and the County Council (Leicester City Council is an associate member as it has made its own arrangements for future waste management). The partner authorities have come together to deliver a joint strategy with the following vision: *"Leicestershire is pursuing a clear vision for sustainable waste management and resource use. Waste should first be prevented from arising, be reused, recycled or composted. Any residual waste that has not been reused, recycled or composted should be treated before disposal so that further value can be recovered and so that the impact of final disposal is minimised."*



Leicestershire Revenues & Benefits Partnership was set up in 2011 as a partnership between Hinckley and Bosworth Borough Council, Northwest Leicestershire District Council and Harborough District Council. The Partnership is responsible for the collection of Council Tax and National Non-Domestic Rates (NNDR) and for administration of Housing Benefits, on behalf of these three Councils.



The Lightbulb service helps support the residents of Leicestershire to remain safe and well in their own homes. Lightbulb brings together, a range of support such as aids and adaptations, energy advice, home safety, home improvements and support with the transition from hospital to home.



The Leicestershire Rural Partnership is an established and successful partnership which brings together public, private and voluntary stakeholders to improve services and support to rural communities and businesses. Leicestershire Rural Partnership members are supported by a support team based at Leicestershire County Council. The work of the Partnership is shaped by the priorities in the Rural Framework, and its success is dependent on the input from a range of organisations that sit on the LRP Management Board.



## 1.04 - Description of local and regional collaboration involving HDC and MBC



Welland Procurement is hosted by MBC and provides a procurement service to the public sector – managing procurements, managing risk and helping to deliver quality and value. An experienced team that manages procurements across all categories and values. They recognise the importance of high-quality procurement at a time when many public sector organisations find it hard to fund an in-house procurement resource. They provide support throughout the whole process.



The LLEP is a strategic body that exists to drive forward regeneration and growth of the local economy in Leicester and Leicestershire. We are a company limited by guarantee and are led by a board of directors. We are working to create a vibrant, attractive and distinctive place with highly skilled people, and to make Leicester and Leicestershire the destination of choice for successful businesses. Leicester City Council is the accountable body.





# 05

## Design principles and intended benefits

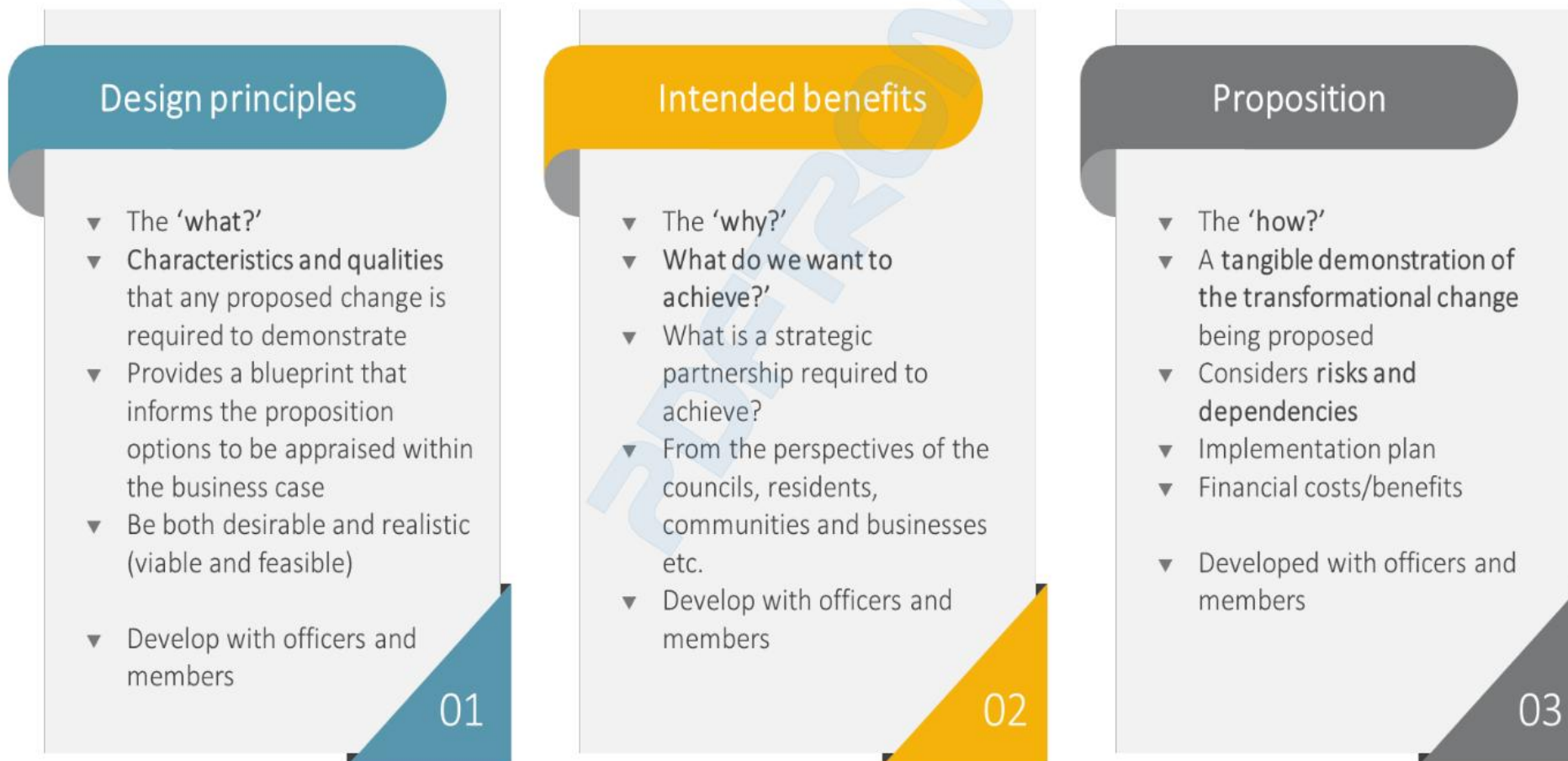


# Design principles, intended benefits and the proposed change



To inform the development of the business case, elected members, senior officers and other staff from across both councils were engaged to develop the design principles, intended benefits and proposed structure ('the proposition') of a strategic partnership.

Separately, the councils have engaged local external stakeholders inviting feedback which has and will continue to be considered through the process.





## Design principles

### *Form follows function*

Design principles should:

Determine the characteristic and qualities that any proposed change is required to demonstrate

Provide a blueprint that informs the proposition options to be appraised within the business case

Be both desirable and realistic (viable and feasible)



DP1 - Enhance each councils' ability to address common issues and challenges for the benefit of residents, communities and businesses, through a common purpose, whilst maintaining democratic accountability



DP3 - Enable greater financial sustainability, delivery resilience and maximise opportunities to secure external funding



DP5 - Create a mechanism that allows the effective and equitable deployment of resources



DP7 - Ensure that council sovereignty and clear lines of accountability are maintained



DP2 - Enable both councils to maximise influence, reach and impact; locally, regionally and nationally, particularly on shared opportunities and challenges



DP4 - Attract and retain workforce talent through the opportunities for shared learning, job enrichment, new experiences and progression



DP6 - The ability to consider future collaboration options and to review and evaluate existing arrangements




DP8 - Create a mechanism that ensures a fair, equitable and proportionate allocation of costs

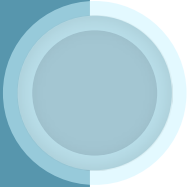


## Design principle 1

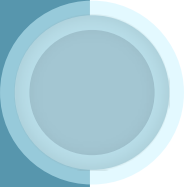
Enhance each councils' ability to address common issues and challenges for the benefit of residents, communities and businesses, through a common purpose, whilst maintaining democratic accountability



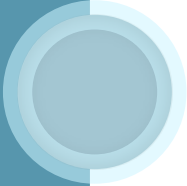
Enable both councils to develop joint strategies/approaches on issues where an at scale or collaborative 'place leadership' response would add value (net zero, inclusive growth, health and wellbeing, prevention and early intervention, cost of living support etc.).



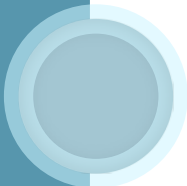
Each council remains responsible for identifying and assessing the needs of their residents, communities and local businesses.



All proposals for change must demonstrate the positive impact the change will have on residents, communities and/or businesses.



Ensure each council retains the democratic accountability that exists between elected members and their communities

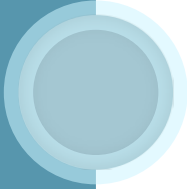


Ensure that all stakeholders understand the partnership arrangements and relationships between partners

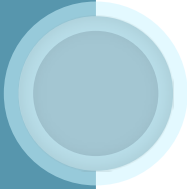


## Design principle 2

Enable both councils to maximise influence, reach and impact; locally, regionally and nationally, particularly on shared opportunities and challenges



Enable both councils to operate with a stronger voice on local and regional issues as and when appropriate.



Enable both councils to develop joint strategies/approaches on issues where an at scale or collaborative 'place leadership' response could potentially be more effective (net zero, inclusive growth, health and wellbeing, prevention and early intervention, cost of living support etc.).



Enables both councils to explore and establish new partnerships

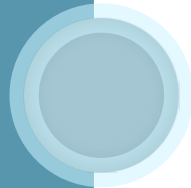


## Design principle 3

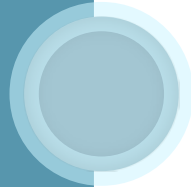
Enable greater financial sustainability, delivery resilience and maximise opportunities to secure external funding



A structure that enables shared learning and good practice, resulting in realisation of savings, efficiencies or increased value for money.



Exploration of approaches to joint mitigation of financial risks.




Ensure that external funding opportunities are maximised through wider geography and joint bidding.

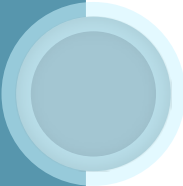


## Design principle 4

Attract and retain workforce talent through the opportunities for shared learning, job enrichment, new experiences and progression



A structure and approach that identifies, respects and maximises the strengths and capabilities of each council's workforce, partnerships and relationships with their communities.



Building on existing examples of collaboration across services, to provide opportunities for job enrichment and progression, thus supporting recruitment, retention and development of current staff ('employer(s) of choice').




Create a joint approach to workforce strategy and vacancy management.

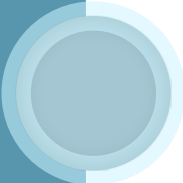


## Design principle 5


Create a mechanism that allows the effective and equitable deployment of resources



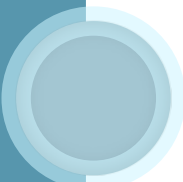
The appointment of a senior officer (Shared CEO & Head of Paid Services - 'Shared CEO') who is ultimately accountable to the elected members of each council.



Elected members have open, fair and proportionate access in line with their roles to shared officers.



A clear, transparent and agreed mechanism is in place exists to ensure that the time of shared officers are fairly allocated to each council.



A fair and proportionate structure that enables both councils to explore opportunities for service improvement, reduced duplication and increasing capacity, all of which could realise savings or increased value for money.



Exploration of opportunities to jointly commission, procure or deliver common services.

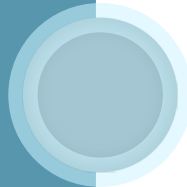


## Design principle 6

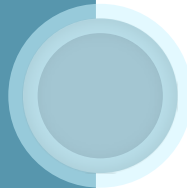
The ability to consider future collaboration options and to review and evaluate existing arrangements



Co-designed and agreed arrangements in place that enable the ongoing review and evaluation of partnership performance and collaboration activity involving both councils (and external partners, if appropriate).



Ongoing review and evaluation of partnership benefits and collaborative activity to be informed by a robust review process.



Proposals to changes a council's services will be informed by an evidence-based review undertaken by the council(s).



Each organisation is required to agree to any recommended/proposed change to services prior to implementation in line with agreed delegations.

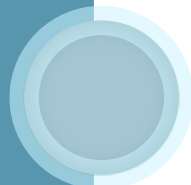


## Design principle 7

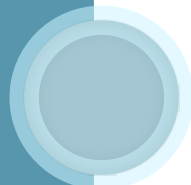
Ensure that council sovereignty and clear lines of accountability are maintained



Retain the councils' responsibility for identifying, agreeing and implementing corporate strategies, policies and priorities.



Each council will remain accountable for the decisions taken in line with their own constitution and governance arrangements.



Elected members retain oversight and scrutiny over council policy and key decisions in line with delegations and governance arrangements.




Elected members retain all current decision-making powers in relation to council budgets and investments.

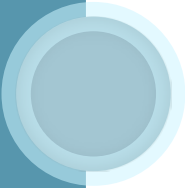


## Design principle 8

Create a mechanism that ensures a fair, equitable and proportionate allocation of costs



A clear, transparent and agreed mechanism exists to ensure that the costs associated with the role of the shared officers are fairly allocated to each council.



Where financial arrangements are shared (i.e. joint budgets or shared services), a clear process is agreed for managing local variance (need and demography, demand for services etc.).



# Intended benefits

To inform the development of the business case, elected members, senior officers and other staff from across both councils were engaged to identify the intended benefits of a strategic partnership. Separately, the councils have engaged local stakeholders to ensure their views are understood and reflected.

The intended benefits identify what a new strategic partnership would be required to achieve and the impact it would be required to realise. Benefits have been developed from the perspectives of several stakeholder groups, including elected members, council staff, residents, communities and businesses located within each council's area.

The intended benefits have been categorised into five main areas, reflecting the varying perspectives and expectations across a wide range of stakeholders.

The business case uses these intended benefits and the design principles (see previous slide) as the basis for the appraisal of the proposed strategic partnership.

Each of the intended benefits fall within one of the five following categories:

01

Strategic place leadership

02

Communities and businesses

03

Organisational effectiveness

04

Workforce

05

Financial resilience



# Intended benefits



## Strategic place leadership

01

Maximising our influence - speaking on behalf of South and East Leicestershire, increasing our collective influence regionally and nationally through a stronger, louder and more united voice.

02

Maximising our collective strengths - working together to respond to and address shared and common challenges and opportunities at a local, corporate and sub-regional level.

03

Futureproofing both councils and shaping the future collaboration agenda; cementing a solid and flexible foundation for long term partnership working.

## Communities and businesses

01

Increased levels of inclusive growth, reduced deprivation and improved outcomes - doing more for our local communities and businesses.

02

Maximising external investment; enabling the future prosperity for our communities and businesses.

03

Maximising impact by jointly addressing shared challenges, including net zero, cost of living, health and wellbeing, digital connectivity, housing affordability etc.

04

Increased impact realised through collective campaigns and public awareness initiatives



# Intended benefits



## Organisational effectiveness

01

Increasing service resilience sharing resources, learning and good practice.

02

Improving organisational effectiveness - a joint approach that reduces duplication, increases service quality and improves outcomes.

03

Accelerating the pace of progress/improvement and increasing the impact realised by both councils – a joint approach that reflects the best of both councils.

## Workforce

01

Increased opportunities for job enrichment, development and progression.

02

Improved recruitment and retention rates.

03

Both councils being viewed as 'employers of choice'.

## Financial resilience

01

Improved financial sustainability - through growth, efficiency /removal of duplication and the realisation of savings.

02

Improved value for money - through sharing capabilities, resources and working practices.

03

Increased purchasing power – improved value for money and the ability to shape, influence and support local/regional markets.

04

A net financial benefit to the councils – ongoing savings, efficiencies and added value outweigh the costs of change.





## 06 Strategic partnership - the proposition



# Strategic partnership - the proposition



The creation of a formalised strategic partnership between both councils is designed to provide an appropriate platform that enables both councils to improve service quality, resilience and efficiency, while also increasing the collective influence of both councils and their ability to improve outcomes for their communities and businesses.

To establish the required platform, only the following changes are being proposed to establish a stable initial leadership platform for the new partnership. These changes will enable the exploration of further collaboration, however these changes have no direct impact on the sovereignty, decision making and independence of either council. These changes have been designed to adhere to the required characteristic, qualities and safeguards identified within the design principles:

## 01. Shared CEO and Head of Paid Services

- Single postholder who is accountable for the internal operations and performance of the council, in addition to leading on external relations for both councils.
- Shared CEO equally accountable to elected members from both councils.
- Shared CEO to remain employed by MBC, with section 113 arrangement in place.
- Cost of post to be shared 50/50 by both councils.

## 02. Shared Deputy Chief Executives (x2) with thematic responsibilities

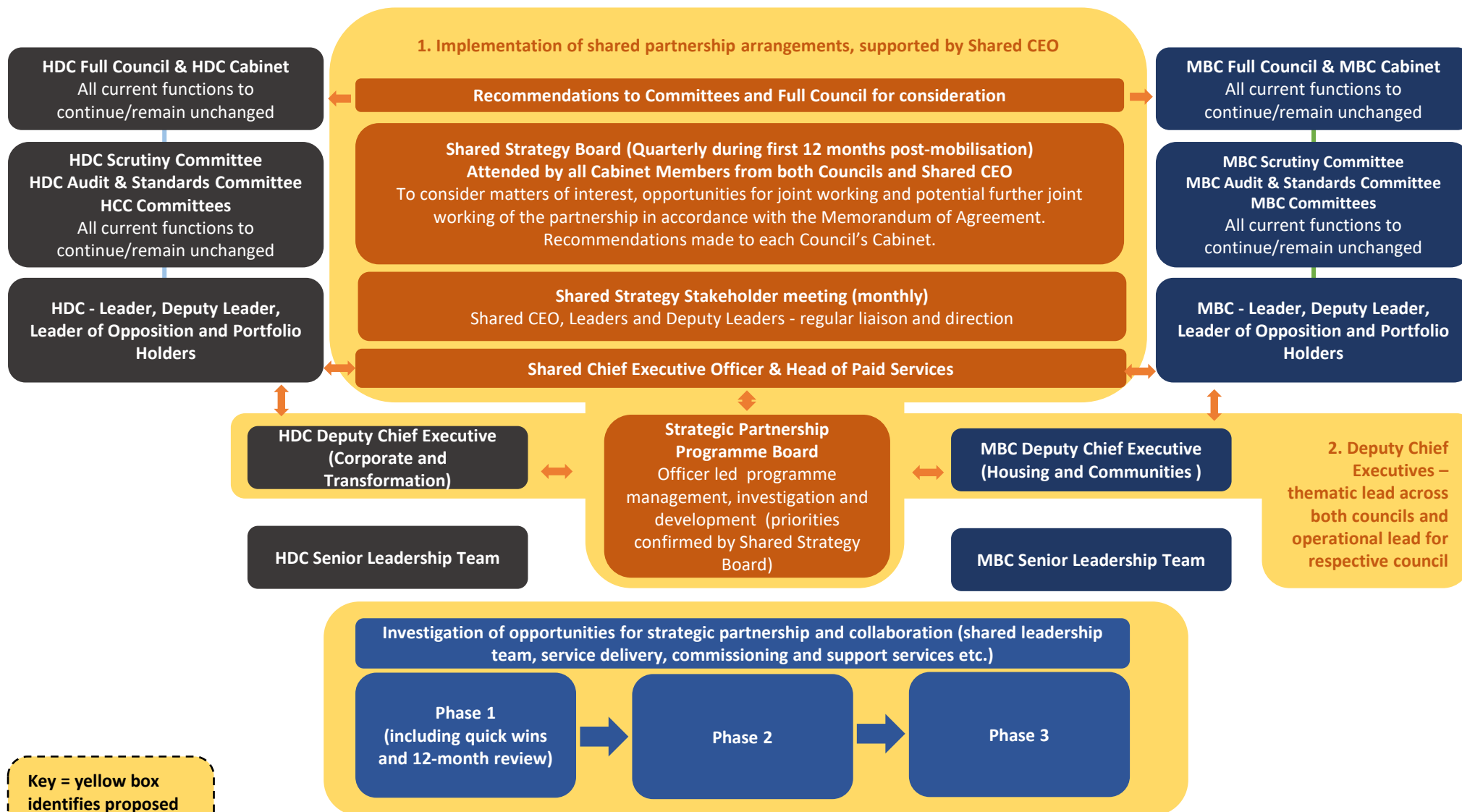
- Two Shared DCEO posts, one post allocated to each council, held by a single person.
- HDC DCEO - operational lead for HDC, in addition to leading the corporate, governance and partnership development and transformation agenda across HDC and MBC.
- MBC DCEO - operational lead for MBC, in addition to leading the housing and communities agenda across MBC and HDC.
- Cost of posts shared 50/50 by both councils.

## 03. Partnership governance

- Shared Strategy Board, attended by Cabinet members from both councils and Shared CEO, to provide overall strategy and direction. To provide both councils appropriate decision-making structures with recommendations as required.
- Shared Stakeholder Group, attended by Leaders and Deputies and Shared CEO.
- Strategic Partnership Programme Board - to provide programme capacity.
- Memorandum of Agreement in place to govern sharing of resources and costs. Formal decision making retained by both councils separately.



# Strategic partnership - the proposition





# Strategic partnership - what is/isn't being proposed?



## What is being proposed?

- ✓ An arrangement that ensures council sovereignty and independence are maintained and respected
- ✓ Establishing a framework for exploring future opportunities to collaborate that will benefit communities and businesses
- ✓ Enabling both councils to develop joint strategies/approaches on issues where an at scale or collaborative 'place leadership' response could potentially be more effective
- ✓ Establishing arrangements where elected members will have the final say on whether to collaborate across services, policies or strategies
- ✓ Enable both councils to operate with a stronger voice on local, regional and national issues where appropriate
- ✓ A clear process for managing local variance (need and demography, demand for services etc.).
- ✓ An arrangement that can be reversed without creating significant disruption to services and each council's corporate functions

## What isn't being proposed?

- ✗ A merging of the two councils, or takeover of one by the other
- ✗ Establishing a mechanism for investigation that will solely focus on reducing costs and realising financial savings
- ✗ A mandatory requirement for councils to adopt a regional approach on all place based issues
- ✗ Taking decision making powers away from elected members
- ✗ Councils and elected members being unable to speak to or on behalf of their communities
- ✗ A one size fits all approach to delivering services and meeting need across both councils
- ✗ An arrangement with no exit strategy



# Shared CEO & Head of Paid Services

## Overview of role



**Accountable to:** The Councils of HDC and MBC.

**Employed by:** MBC, with a Section 113 in place between both councils that allows MBC to enter into an agreement with HDC to place the Shared CEO at the disposal of HDC for the purposes of discharging HDC's functions.

### **Job purpose:**

- To deliver the strategic aims, objectives and priorities for each sovereign council in line with the Corporate Strategies for each sovereign council.
- To have statutory responsibility as Head of Paid Service to ensure the effective strategic leadership of each sovereign council in accordance with the policy, budgetary, statutory, quality and value for money requirements of each sovereign council.
- To work in partnership with the two Leaders and other elected members to develop and lead the implementation of the intended benefits of the strategic partnership between HDC and MBC in accordance with the business case and MoA to deliver best value outcomes for the local residents and communities of Harborough and Melton.

A full list of specific responsibilities is provided on page 177.

### **How is this different to what is currently in place?**

**An efficient approach to external relations, with a louder voice** - Currently both CEOs spend c30% of their time managing external relations. Analysis indicates that most local partnership meetings are attended by both CEOs, while they also regularly engage with the same external stakeholders, often on the same issues (i.e. county council, other district councils, Police and Crime Commissioners, Integrated Care Boards etc.). A Shared CEO would have single conversations with these stakeholders, removing duplication and speaking with a louder voice, while also being in a position to ensure a co-ordinated approach across both councils.

**A strengthened approach to place leadership** - Currently both CEOs oversee separate responses to place based issues including responses to the cost of living crisis, housing of asylum seekers and Homes for Ukraine. Additionally, both councils submitted separate UK Shared Prosperity and Rural England Prosperity Fund bids, despite very similar challenges facing communities and businesses across both councils. By establishing a single strategic lead on place based issues facing South and East Leicestershire, the councils would adopt (where agreed by both councils, ensuring their sovereignty is maintained) a co-ordinated approach to common issues, making best use of the resources, capacity and capabilities that exist across both councils, resulting in a stronger and more effective voice and response.

**Strengthened organisational and service resilience** - The Shared CEO would be accountable for the recruitment and retention of staff across both councils. Through a shared workforce strategy, the opportunity exists for both councils to work together to retain staff (through improved development opportunities), attract new staff (through a joint approach to recruitment) and ensure a flexible approach to deploying resources.



# Deputy Chief Executives with thematic responsibilities

## Overview of roles



An overview of both roles is provided below:

### **HDC Deputy Chief Executive (Corporate and Transformation)**

- To support the Shared CEO in setting the overall strategic direction of the councils and as a member of the Senior Leadership Team, work collaboratively providing leadership and supporting the corporate governance of the councils.
- To support the Shared CEO, the Leaders of both councils and elected members in defining and delivering the priorities, policies and plans for both councils.
- Overseeing the strategic and operational delivery of financial and corporate services and governance. Ensuring all services are people-centred, customer focussed and support and facilitate the councils' strategic objectives.
- To support the Shared CEO in partnership with the two Leaders and other elected members to develop and lead the implementation of the intended benefits of the strategic partnership between HDC and MBC in accordance with the business case and MoA to deliver best value outcomes for the local residents and communities of Harborough and Melton.
- To act as the operational lead for HDC in liaison with the Shared CEO to ensure day to day operational issues and opportunities are effectively co-ordinated within the sovereign council.

The HDC Deputy CEO will remain the operational lead for HDC, working with the Shared CEO to ensure the council fulfils all statutory obligations and delivers high performing services for the communities and businesses of Harborough.

### **MBC Deputy Chief Executive (Housing and Communities)**

- To support the CEO in setting the overall strategic direction of the councils and as a member of the Senior Leadership Team, work collaboratively providing leadership and supporting the corporate governance of the councils.
- To support the Shared CEO, the Leaders of both councils and elected members in defining and delivering the priorities, policies and plans for both councils.
- To overseeing the strategic and operational delivery of communities-based services including housing and landlord functions. Ensuring all services are people-centred, customer focussed and support and facilitate the councils' strategic objectives.
- To support the Shared CEO in partnership with the two Leaders and other elected members to develop and lead the implementation of the intended benefits of the strategic partnership between HDC and MBC in accordance with the business case and MoA to deliver best value outcomes for the local residents and communities of Harborough and Melton.
- To act as the operational lead for MBC in liaison with the Shared CEO to ensure day to day operational issues and opportunities are effectively co-ordinated within the sovereign council.

The DCEO will remain the operational lead for MBC, working with the Shared CEO to ensure the council fulfils all statutory obligations and delivers high performing services for the communities and businesses of Melton.



# Phased approach to further review and investigation



The following areas of potential collaboration would be considered during the phased approach to investigation:

## Implementation of strategic partnership (pending decision by councils)

Signing and implementation of Memorandum of Agreement.

Establishment of Shared CEO and Head of Paid Services and Shared Deputy CEO posts.

Establish Shared Strategy Board.

Shared Strategy Stakeholder meeting.

Establish Shared Partnership Programme Board.

## Phase 1 (Jan-April 2023)

Develop and appraise proposed arrangements for:

- Undertake initial review of senior leadership structures in particular Monitoring Officer.
- Executive support and transformation programme support.
- Waste & Environmental services - shared leadership & enviro-crime campaigns.
- Environmental Health and licensing – shared leadership, building on interim arrangements.
- Parking strategy - Potential to align approach re developing car parking strategy / needs assessments relevant to each locality.
- Leisure operator procurement - align elements of procurement process.
- CCTV - Monitoring / maintenance of MBC systems by HDC (in progress)
- Improved Procurement service - HDC exploring collaborative approach with Welland Procurement - hosted by MBC.
- Legal services - shared capacity, expertise, building resilience and retention.
- Member development - sharing good practice, induction procedures, joint training, peer support and scrutiny development
- Initial workforce & leadership development and cultural alignment.

## Phase 2 (May-Dec 2023)

Develop and appraise options for:

- Planning - explore potential for shared leadership and wider service delivery, joint procurement of evidence base documents for planning policy and expert advice for development management.
- Business support/economic development –such as aligning of systems and forms, coordination of UKSPF/ REPF delivery.
- Strategic Housing/Homelessness/Housing Needs – consider opportunities for shared expertise on thematic areas- e.g. - Homes for Ukraine, domestic abuse. Cost of Living.
- Temporary Accommodation - opportunity for knowledge transfer to support HDC's aspirations to develop more temporary accommodation in the District.
- Housing development – for example jointly resourcing to enable and support housing development.
- Lifeline - joint approach to digital switchover & commercial expansion.
- Community safety - joint bids for funding.
- Communications - shared campaigns /plans
- Explore with our teams, future customer services needs and options.
- Property and assets- explore potential for joint development opportunities and sharing key operational activities.



# Appraising areas for potential collaboration



Both councils have identified a number of opportunities for alignment and collaboration between the councils. A number of these opportunities were being developed prior to the commissioning of this business case, while others have been identified in response to the development of the strategic partnership business case.

The following pages identify the opportunities for collaboration across service delivery, commissioning and procurement, corporate support services and external grant funding functions.

A systematic approach has been implemented; opportunities for collaboration have been linked to the core functions that each council delivers (planning, environmental services, support to local businesses etc.). Officers from both councils have been involved in identifying opportunities. The following slides provide a summary of findings.

For each opportunity, the following has been identified:

- The nature of the collaboration being proposed.
- The year where proposals would be investigated.
- The year where proposals would be implemented (and when benefits will start to be realised).
- The potential for financial savings, from the perspectives of both councils.
- The potential for efficiencies and increased productivity, from the perspectives of both councils.
- The potential for service improvement and resilience, from the perspectives of both councils.
- The potential for service growth (traded revenue, accessing grant funding or other forms of investment), from the perspectives of both councils.

For the purposes of the analysis undertaken within the strategic and financial cases, each opportunity has been assigned a grade (high / medium / low / none) that identified the potential impact of the transformation:

Potential for financial savings:

- High (c15% savings possible)
- Medium (c10% savings possible)
- Low (c5% savings possible)
- None / TBC (through phased approach to investigation)

Potential for efficiencies and increased productivity

- High
- Medium
- Low
- None / TBC (through phased approach to investigation)

Potential for service improvement and resilience

- High
- Medium
- Low
- None / TBC (through phased approach to investigation)

Potential for service growth

- High
- Medium
- Low
- None / TBC (through phased approach to investigation)



# Potential shared management arrangements



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Senior Leadership team	Monitoring Officer	Potential for MBC's permanent MO to become shared MO across both councils.	2022/23	2023/24	High	High	Low	Low	Medium	Low	None	None
	Senior leadership team alignment	Initial review of senior leadership team structures to ensure appropriate alignment of roles.	2022/23	2023/24	Low	Low	High	Medium	High	Medium	None	None
Executive support	Executive support	Review of executive support functions and resources, based on implementation of Shared CEO role and potential for two Shared DCEOs with thematic responsibility, in addition to possibility of future shared MO	2022/23	2023/24	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
					Review of existing capacity and capabilities, in addition to future requirements, to be undertaken as part of phase 1.							
Transformation support	Transformation support	Review of transformation arrangements and capacity across both councils linked to phases 1-3 of shared partnership programme.	2022/23	2023/24	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
					Review of existing capacity and capabilities, in addition to future requirements, to be undertaken as part of phase 1.							



# Potential future service collaboration



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Planning	Planning policy	<ul style="list-style-type: none"> <li>• Opportunity to improve service resilience (address skills gaps and capacity, vacancies through collaboration opportunities).</li> <li>• Shared procurement of key advice (viability assessment, agriculture advice), aligned processes &amp; systems. Reciprocal S106 monitoring, GIS, AMR.</li> </ul>	2023/24	2024/25	Low	Low	Medium	Medium	Medium	Medium	None	None
	Conservation	<ul style="list-style-type: none"> <li>• IT improvement – joint system templates, processes and forms.</li> </ul>	2023/24	2024/25	None	None	Low	Low	Medium	Medium	None	None
Environ. Service	Waste management (resident and business)	<ul style="list-style-type: none"> <li>• Shared leadership approach across both councils</li> <li>• Potential to share administrative resource</li> <li>• Ability to work together to prepare for and implement requirements of Leicestershire waste strategy</li> <li>• Opportunity to collaborate on key projects, programmes and campaigns e.g. fly tipping, greening / rewilding, supporting community groups</li> </ul>	2022 /23	2023 /24	Medium	None	Low	Medium	Medium	High	Medium	Medium
	Grounds & Environmental Maintenance				Medium	None	Low	Medium	Medium	High	Medium	Medium
	Management of environmental crime				Medium	None	Low	Medium	Medium	High	Medium	Medium
	Environmental Health & Licensing	<ul style="list-style-type: none"> <li>• Shared leadership building on interim arrangements.</li> <li>• Recruitment, retention, resilience</li> </ul>	2022 /23	2023 /24	Medium	Medium	Low	Medium	Medium	High	Low	Low



# Potential future service collaboration



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Local businesses	Business support / Economic Development	<p>Discussions ongoing:</p> <ul style="list-style-type: none"> <li>HDC has additional teams such as business centres, markets and events.</li> <li>Potential for MBC to share/ install the grants approval system that HDC uses for more efficient management of grants schemes.</li> <li>Shared admin for UKSPF (HDC, MBC and Rutland)</li> <li>Shared management of activities for business support and skills using UKSPF.</li> <li>Opportunity for working together on similar agendas inc. tourism, town centre, performance data collection, liaison with LLEP and business support.</li> </ul>	2023/24	2024/25	Low	None	Medium	Medium	Medium	Medium	Medium	Medium



# Potential future service collaboration



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Housing (1)	Strategic Housing/Homelessness/Housing Needs	<ul style="list-style-type: none"> <li>Rather than shared service approach, potential to begin to maximise resilience through shared approach / expertise on areas of thematic responsibility - e.g. - homes for Ukraine, domestic abuse housing alliance.</li> <li>Potential to agree in principle to taking a sub-regional approach to attracting funding for homelessness services such as RSAP</li> </ul>	2023/24	2023/24	None	None	None	None	Medium	Medium	Low	Low
	Temporary Accommodation	<ul style="list-style-type: none"> <li>MBC housing management expertise creates opportunity for knowledge transfer and support to support with HDC aspirations to develop safe and regulatory compliant temporary accommodation in the District</li> </ul>	2023/24	2023/24	Low	None	Low	None	Medium	None	Low	Low



# Potential future service collaboration



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Housing (2)	Housing stock	<ul style="list-style-type: none"> <li>MBC housing management expertise creates opportunity for knowledge transfer and to support with HDC aspirations to develop safe and regulatory compliant temporary accommodation in the District</li> <li>Opportunity for MBC to assist HDC with informed client dialogue with RP's, particularly Platform Housing</li> </ul>	2023/24	2023/24	Low	None	Low	None	Medium	None	Low	Low
	Housing Development	<ul style="list-style-type: none"> <li>MBC has capacity in this area. Potential to consider jointly resourcing to scope and consider housing development opportunities.</li> </ul>	2023/24	2023/24	Low	None	Low	None	Medium	None	Medium	Low



# Potential future service collaboration



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Housing (3)	Sheltered Housing	With an ageing population a key challenge and opportunity for both councils, opportunity to consider co-commissioning evidence base / joint approach to a strategy for older persons housing to help inform housing enabling, liaison with RP's / developers and also own housing management arrangements. Housing and assistive technology / homes fit for the future.	2024/25	2025/26	None	None	None	None	Medium	Medium	None	None
Parking	Parking Strategy	Potential to align approach re developing car parking strategy / needs assessments relevant to each locality - a 'to do' for both councils.	2022/23	2023/24	Low	Low	Low	Low	None	None	None	None



# Potential future service collaboration



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Community Services (1)	Leisure centres	<ul style="list-style-type: none"> <li>Ongoing discussions regarding potential to align elements of leisure procurement arrangements (e.g. using same specialist provider to develop leisure procurement strategy). This will help MBC to respond to challenging timeframe and has demonstrated ability to be agile and work in a dynamic way to respond to changing needs.</li> <li>Both councils have the same leisure operator currently. Providers ability to pay management fee a challenge for both councils - strategic financial risk.</li> </ul>	2022/23	2023/24	None	Low	Medium	Medium	Medium	Medium	None	None



# Potential future service collaboration



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Community Services (2)	Lifeline monitoring	<ul style="list-style-type: none"> <li>Opportunity to develop long term growth strategy and joint approach to comms, marketing and expansion of assistive technology offer. Joint approach to digital switchover. Will be eased through collaboration under umbrella of strategic partnership and give greater legitimacy to a joint approach rather than an aligned / contract led approach. Greater links with Lightbulb will be important and may be a key enabler for innovation in this area of work.</li> </ul>	2023/24	2024/25	None	None	None	None	None	None	Medium	Medium
	Community Safety	<ul style="list-style-type: none"> <li>Rather than shared service approach, potential to collaborate on future rounds of safer streets funding - to be considered when funding opportunities arise</li> </ul>	2023/24	2023/24	None	None	None	None	Low	Low	Low	Low



# Potential future service collaboration



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Community Services (3)	CCTV	<ul style="list-style-type: none"> <li>Project underway - MBC modernisation of CCTV system.</li> <li>Monitoring / maintenance via HDC - economies of scale, improved outcomes, improved service quality and resilience</li> </ul>	2022/23	2023/24	None	Low	None	Medium	None	High	Medium	Low
	Customer Services	<ul style="list-style-type: none"> <li>Service review in MBC to inform and support future delivery arrangements for customer services. HDC have just brought back in house (was previously delivered by another council).</li> <li>HDC well placed to support MBC with a peer review / critical friend review to inform future options with MBC teams</li> <li><u>Exploratory review required prior to benefits being identified and realised</u></li> </ul>	2023/24	TBC	None	None	None	None	None	None	None	None
Exploratory review required prior to benefits being identified and realised												



# Potential future service collaboration



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Community Services (4)	Case Management - Me and My Learning	<ul style="list-style-type: none"> <li>A key strength for MBC - case management, mentoring, support for vulnerable residents and links to voluntary sector networks</li> <li>HDC developing a community development model</li> <li>Exploration of opportunities to align or harmonise approach to supporting communities</li> </ul>	2023/24	2024/25	None	None	Medium	Medium	Medium	Medium	None	None
Corporate functions (1)	Procurement	<ul style="list-style-type: none"> <li>Welland Procurement Unit</li> <li>HDC: Discussions underway with Welland procurement.</li> <li>Resilience benefits for HDC, opportunity to share expertise to jointly commission in the future</li> </ul>	2022/23	2023/24	None	None	Medium	Low	Medium	Low	None	Low



# Potential future service collaboration



Service area	Service function	Identified transformation	Yr. of investigation	Yr. of implementation	Potential for financial savings		Potential for efficiencies and increased productivity		Potential for service improvement and resilience		Potential for service growth	
					HDC	MBC	HDC	MBC	HDC	MBC	HDC	MBC
Corporate functions (2)	Law and Governance	<ul style="list-style-type: none"> <li>• Opportunity for sharing of skills and capacity to increase resilience, retention, alignment.</li> <li>• Shared Monitoring Officer</li> <li>• Scrutiny</li> <li>• Legal services.</li> <li>• Resilience issues in HDC.</li> <li>• MBC stable team, strong approach to governance.</li> </ul>	2022/23	2023/24	High	Medium	Medium	High	High	Medium	Low	Low
	Communications	<ul style="list-style-type: none"> <li>• Opportunity for shared campaigns, comms forward planning could maximise impact</li> </ul>	2023/24	2024/25	None	None	Medium	Medium	Low	Low	Low	Low
	HR	<ul style="list-style-type: none"> <li>• Shared Leadership Development Programme</li> <li>• Shared Graduate Development Programme</li> <li>• Potential for shared approach to workforce strategy / development of future leaders - leadership development opportunities.</li> </ul>	2023/24	2024/25	None	None	None	None	Medium	Medium	None	None



# Phase 3 opportunities



In addition to those opportunities identified for investigation and possible implementation in 2022/23, 2023/24 and 2024/5, other potential areas for harmonisation, alignment and / or collaboration have been identified. Depending on need, these areas could be brought forward earlier but would more likely be investigated in 2024/25 or 2025/26:

- **Development Management (Planning Applications, Appeals and pre application)**

- Planning is an important area for both councils, where across the sector recruitment and retention are key issues. Within Phase 2, and particularly following a recent senior management vacancy at MBC, there is a commitment to review the potential for shared leadership, and joint procurement of evidence base and advise. Following the current HDC externally-led service review of development management, there is an opportunity to consider further opportunities for collaboration and joint working across both Harborough and Melton in this area.
- HDC currently undertaking an externally led review of Development Management; reporting expected early 2023.
- This area will be kept under review and opportunities brought forward as required.

- **Strategic Planning (local plans)**

- Future Local Plan alignment has not been discussed at this stage, but potential for collaborative approach in the future. Mapping of alignment / review of commonality recommended in the future.
- Areas for inclusion include opportunity to develop joint approaches to town centre regeneration, in addition to rural prosperity and investment.

- **Waste services contract**

- Both councils have waste collection contracts with external providers. There is an opportunity to explore the potential value of a jointly procured contract in future.

- **Land charges**

- Opportunity to collaborate to increase resilience.

- **Young People & Seniors strategies**

- Opportunity to review together and consider options for collaboration.

- **Health and wellbeing / ageing well**

- **Corporate functions where alignment, harmonisation or collaborative opportunities could be explored further.**

- Corporate property and asset management.
- Finance services.
- Information Technology.
- Corporate health and safety.
- Elections.
- Policy and performance.
- Parish Council liaison.
- Commercial contract management.
- Community centres (use of / booking promotion).





## 07 Strategic case



# The case for change - shared challenges



**Strategic influence** - Both councils are currently experiencing challenges associated with their ability to influence decisions taken at a national, regional and sub-regional level. This impacts on each councils' ability to inform placed based strategies and influence the system wide working arrangements that directly affect their residents, communities and businesses.

HDC is currently ranked 259<sup>th</sup> in terms of size of population (out of 314) and 72<sup>nd</sup> in terms of size of geographical area (out of 314). MBC is ranked 311<sup>th</sup> in terms of population and 92<sup>nd</sup> in terms of geographical area.

Collectively, the councils deliver services to a combined population of c149,000 residents over 414.4 square miles. Should the councils assume a joint approach to representation and influence on place based issues, they would collectively represent the 147<sup>th</sup> most populated area and 27<sup>th</sup> largest in terms of geographical area.

Establishing arrangements that enable collective representation across South and East Leicestershire would result in levels of influence and negotiating power currently experienced by councils with similar population sizes, including Isle of White, Reigate and Banstead and East Devon.

## **A requirement for effective 'place leadership'**

- The prominence of population health and place based approaches to designing and delivering public services strengthens the requirement for both councils to assume the role of place leaders.

Given the similarities that exist across both councils, in terms of demography, urban and rural populations, relatively low productivity and growth, community need and the impact of the cost of living crisis, a strengthened case exists for a mechanism that enables both councils to jointly plan and address the challenges being experienced by communities and businesses.

Specifically, both councils are required to plan for and deliver services and support that address need in the following areas:

- Inclusive growth and reducing deprivation
- Market town regeneration
- Rural prosperity and investment
- Net zero
- Housing development and affordability
- Health and wellbeing, including ageing well
- Young people strategy
- Transport and digital connectivity
- Skills
- Sustaining village life

**Financial resilience and sustainability** - Both councils are currently experiencing challenges and pressures associated with their financial resilience (see pages 72 and 73).

Given the current uncertainty regarding future levels of central government funding to councils, in addition to the impact of inflation on council finances, the case for realising efficiencies, enhancing value for money and securing savings where possible continues to strengthen.

Both councils have previously taken steps to realise efficiencies and savings; the opportunity to collaborate across a great range of services provides the opportunities for new efficiencies and savings to be investigated and potentially realised.

Collectively, both councils would be in a stronger position to maximise their ability to attract external funding. A joint approach to applying for and investing alternative sources of government funding (for example the Levelling Up Fund, UK Shared Prosperity Fund and Rural England Prosperity Fund) provides both councils with the opportunity to assume a long term approach to place leadership.



# The case for change - shared challenges



**Organisational and service resilience** - Both councils have experienced challenges in terms of recruitment and retention (particularly amongst specialist teams and roles, including Monitoring Officer, planning and housing services). The councils have also been heavily involved in supporting communities and businesses in response to the pandemic, cost of living crisis and Homes for Ukraine programme, which takes vital resources away from front line services. Given the financial and service pressures facing both councils, there is a strong case for furthering arrangements that enable the sharing of resources, learning and good practice where appropriate.

Both councils currently operate shared arrangements, including Lifeline Monitoring, Out of Hours cover and parking enforcement. Additionally, both councils are involved in numerous collaborations across Leicestershire, including the Leicestershire Rural Partnership, Lightbulb Partnership and Leicestershire Building Control.

Both councils are committed to improving recruitment and retention rates; closer collaboration between the councils may enable increased opportunities for staff development and progression, with a stable and strengthened workforce directly

contributing to organisational and service resilience.

Both councils have already taken significant steps to reduce costs and realise efficiencies. Given that the vast majority of savings and efficiencies have now been realised within each council, their individual ability to independently generate further savings and efficiencies is limited. Given the respective specialisms and capabilities that exist across both councils, the opportunity exists for the councils to take a collective approach to exploring opportunities to realise efficiencies, reduce duplication and increase the quality of services through a partnership approach.

**A strong desire to do more for residents, communities and businesses** - Both councils are committed to achieving maximum impact for their residents and businesses. The current pressures being experienced as a result of the cost of living crisis, lasting impact of the Covid pandemic and long term challenges associated with comparatively low levels of productivity and social mobility require the councils to offer timely, flexible and targeted support. A collaborative approach to the delivery of services and support is required, to enable the sharing of learning, good practice and capabilities that can increase the scope, scale

and quality of the services and support delivered.

**Maximising commercial opportunities** - Both councils currently operate independent commissioning and procurement functions. In addition to the costs involved in delivering these functions separately, each council's purchasing power and ability to shape, influence and support markets (private and third sector) is less than if a joint approach to commissioning and procurement was adopted. Opportunities are currently missed in relation to joint commissioning against shared priorities and functions (i.e. leisure, wellbeing etc.), which increases costs and reduces the level of outcomes that could be achieved.

Similarly, each council currently develops and delivers separate regeneration strategies; this limits the ability of both councils to attract investment and additionality. A combined approach to regeneration and attracting investment would provide a more coherent and attractive proposition to potential investors, while the combined negotiating position of both councils would result in better value for money being realised.



# The case for change - challenges specific to each council



## Harborough District Council

**Assumed savings associated with shared posts** - The council's base budget for 2022/23 and MTFs already include savings associated with the sharing of senior leadership team posts. Elements of the new leadership team structure have recently been implemented, however further savings associated with shared posts will only be realised should shared arrangements be implemented.

**Interim Chief Executive Officer** - The council's current Interim Chief Executive is contracted until 31<sup>st</sup> December 2022, with the postholder then returning to their substantive post (Deputy Chief Executive, HDC). Should the strategic partnership not be implemented within the proposed timescales, the council will be required to either appoint a new interim Chief Executive, or commence a recruitment process with anticipated lead times of c3-6 months to appointment. Either option has the potential to create instability and prevent the council from agreeing and implementing plans until a new Chief Executive is appointed.

**Interim Monitoring Officer** - The council's current Monitoring Officer (Interim Director - Law and Governance) has been appointed on an interim basis until March 2023.

**Deputy Chief Executive** - The current Deputy Chief Executive is acting as the Interim Chief Executive of the council. The council's Section 151 Officer is currently fulfilling the role of Interim Deputy Chief Executive.

## Melton Borough Council

**Retention issues impacting on continuity of leadership** - MBC has previously struggled to retain officers in key positions due to other larger districts being able to offer leadership opportunities and higher levels of pay for roles across a bigger population. This has been particularly felt in the housing team over the last 18 months and has required significant risk management. Loss of key staff has a significant impact on institutional knowledge, leadership continuity and places both service progress and improvement at risk as well as basic effectiveness.

**Financial stability** - Due to inflationary pressures MBC is tracking an in year overspend of nearly £500k and deficits projected over the medium term. The council has managed its finances well and has been effective at meeting the financial challenge, delivering balanced budgets over a number of years. It has though historically had a low level of reserves and although these have been added to over recent years, it is still vulnerable to financial shocks.

**Inability to secure specialist resources** - A challenge common in many districts is the inability to resource specialist technical skills at the required salary levels. Whilst the council has benefited from successful collaborative arrangements in some areas e.g. through the Welland Procurement Unit, there are other areas where internal specialist skills are currently limited and cannot be remunerated at the required market.

**Ability to respond to changes in government policy or national challenges** - MBC has demonstrated its ability to effectively respond to national challenges (covid response and grant distribution, Homes for Ukraine, and cost of living etc.). Doing so requires the council to re-prioritise within a parameter of tight and already stretched resources.



# Alignment with national policy and legislation



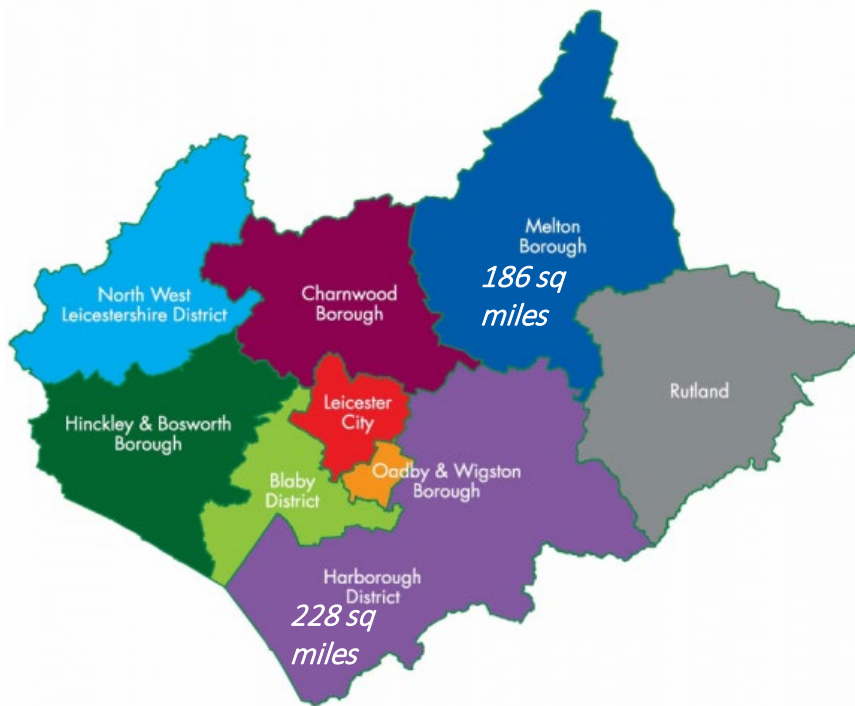
There are a range of provisions in law that make sharing of council leadership and services possible:

- **Section 101 of the Local Government Act 1972** allows local authorities to delegate functions to other local authorities (subject to provisions contained in other legislation). Although the delegating authority remains ultimately responsible for the execution of the functions, Section 101 makes it possible for councils to perform functions on behalf of other councils.
- **Section 102 of the Local Government Act 1972** makes a provision for councils to establish joint committees with other local authorities to discharge their functions. Joint committees are invariably established through a legal agreement signed by the participating local authorities. There are many joint committees in operation, delivering specific services such as revenues and benefits, building control, museums, highways and waste or a range of services as in, for example, the East Kent Joint Arrangements Committee, Three Rivers and Watford, and Adurand Worthing.
- **Section 113 of the Local Government Act 1972** allows a local authority to enter into an agreement with another local authority to place an officer of one at the disposal of the other for the purposes of discharging the latter's functions.
- **Section 75 of the National Health Service Act 2006** allows local authorities and health bodies to pool funds and join together their staff, resources, and management structures to integrate the provision of a health-related service from managerial level to the front-line.
- **Councils also have powers to set up companies for the purpose of performing any of their ordinary functions.** They will, however need to be mindful of competition law and state aid issues. In their dealings with companies they own, wholly or in part, they must also observe the restrictions imposed by the Public Contracts Regulations 2006. There will be a number of other considerations in setting up a company and councils will need to seek specific advice before doing so.

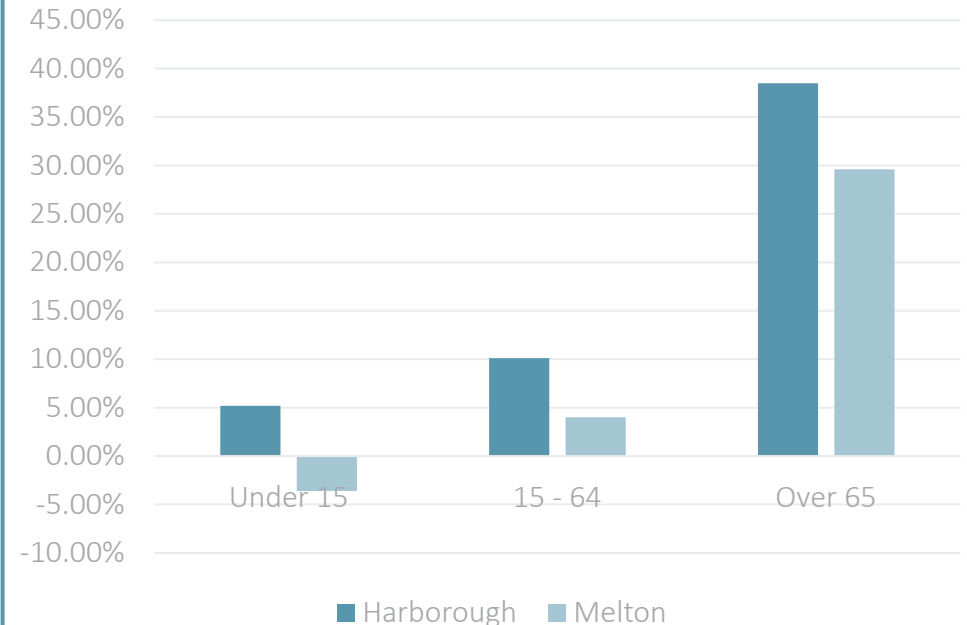
The proposed strategic partnership between HDC and MBC would create a shared management arrangement based on Section 113 of the Local Government Act 1972. All employees will remain contracted to their sovereign councils. There are a number of other provisions in law, identified above, which could provide a future opportunity for the partnership.



# Analysis - Place and demography



## Increase in population between 2011 and 2021



Collectively the footprints of both councils cover much of rural South and East Leicestershire (HDC 228 sq miles / MBC 186 sq miles). Harborough has a higher rural population (66%), with 64% of Melton's population being urban (ONS classifications),

While Harborough's population of 97,600 is higher than Melton's 51,800, their geographic and demographic similarities mean they share common attributes, challenge and opportunities. This includes an ageing population with both places having seen large increases in the proportion of over 65s in the last 10 years and a need to attract and retain younger people into their communities.



# Analysis - deprivation and inclusive growth








The majority of communities living within Harborough and Melton experience comparatively low levels of deprivation. At a council level, communities within Harborough experience lower levels of deprivation across all main domains when compared to those living within Melton. Factors that influence the levels and differences in deprivation are outlined below.

The median weekly wage is higher across Harborough (£564) compared to Melton (£454), both of which are below the national average (£613). Harborough has a higher rate of employment across 16-64 year olds (80.1%) compared to Melton (70.1%), while 62.3% of Harborough's employed residents are in skilled employment, compared to 55.7% in Melton.

The level of gross disposable income per head of population is higher in Harborough (£24,246) than Melton (£21,473). As of 2018, 39.4% of residents in Melton were employed in low paid jobs, compared to 25.4% in Harborough.

Communities across both council areas are experiencing challenges with housing availability and affordability, and connectivity (digital and access to public transport).

## IMD indicators local authority rankings for both councils (2019) (where lower = more deprived, out of 317)

		Harborough	Melton
Income		305	260
Employment		303	260
Education, Skills and training		273	223
Health & disability		299	234
Crime		261	244
Living environment		285	161
Barriers to housing services		215	102

IMD Local Authority Rank for Deprivation (2019)  
(where lower = more deprived)

Harborough is ranked  
**309<sup>th</sup>**  
out of 317 local authority areas








Melton is ranked  
**249<sup>th</sup>**  
out of 317 local authority areas





# Analysis - deprivation and inclusive growth



Indicator (where 1 is the most deprived 10% LSOA)	LA rank	Income 	Employment 	Education 	Health 	Crime 	Barriers 	Living Environment 
HDC - Lubenham	4	3	5	4	3	5	2	8
HDC - Mkt Harbo. - Welland	3	3	3	2	5	3	8	8
MBC - Melton Egerton	3	3	3	1	4	4	6	6
MBC - Melton Sysonby	3	3	3	2	4	4	4	10
MBC - Melton Craven	4	3	3	4	4	2	7	5
MBC - Melton Warwick	4	4	4	2	4	5	7	8

While there are not significant levels of deprivation and inequality at a council level, pockets of deprivation and inequality do exist. From a HDC perspective, Lubenham and Welland (Market Harborough) are ranked within the 4th and 3rd deciles for deprivation. Four Lower Layer Super Output Areas (LSOAs) within MBC are within the 3rd or 4th deciles for deprivation. Each of these MBC LSOAs are located within or very close to Melton Mowbray.

Given that four of the six LSOAs experiencing significant deprivation are located in Market Harborough and Melton Mowbray, this indicates that where deprivation does exist across both councils, the majority of this deprivation is being experienced within urban (rather than rural) communities. However, the isolation and deprivation relevant to rural areas should also be considered.

Deprivation in each of these LSOAs relates to income, employment and education domains, while specific challenges are associated with barriers to services and housing in Lubenham. In Melton, the challenges associated with attainment and skills reflect the relatively low skilled jobs available in the town and represents a significant challenge to communities, businesses and the local economy.



# Analysis - strategic alignment between councils



Function	HDC	MBC	Alignment	Areas of difference
Economy	Supporting business and residents	Delivering sustainable and inclusive growth in Melton	High	N/A
Climate, environment, waste and recycling	Creating a sustainable environment to protect future generations	Protect our climate and enhance our rural natural environment	High	N/A
Housing	Place and community (covers non landlord housing functions)	Providing high quality council homes and landlord services	Medium	HDC is a non stock holding council; HDC housing priority covers non landlord housing functions
Planning	Place and community	Protect our climate and enhance our rural, natural environment	High	N/A
Council Tax	Supporting Business and Residents	Excellent services positively impacting on our communities	High	N/A
Health and wellbeing	Promote Health and Wellbeing	Connected with and led by our community	High	N/A
Support services	Community Leadership	Ensuring the right conditions to support delivery	Medium	HDC have a specific focus on community engagement but both council's focus on improving customer services



# Analysis - organisational values



## Harborough

There are differences between the organisational values of HDC and MBC, most notable in that HDC's values are more outward focussed than MBC's.

However, there are also clear similarities, in particular the emphasis both councils place on serving and putting their respective residents, businesses and communities first.

Both councils value care, fairness and voice, and champion innovation in the services they provide. There is also a shared acknowledgement in relation to being resourceful in what is a challenging financial landscape for local government.

Should the strategic partnership be established, further work is required to build cultural alignment and values across the partnership.

01

**Fairness:** we will provide you with the best possible public services with the resources we have. We will always respond promptly when you contact us, resolve issues as quickly as possible, and treat everyone with respect and fairness.

02

**Care:** if you have complex problems in your life, we will work with you to help you live your best life. No one will need to deal with their problems in isolation.

03

**Innovate:** we will create a culture which promotes innovation, always looking for ways to improve our services and our relationship with communities and individuals.

04

**Voice:** we will always look to involve you in decisions that affect your life.

05

**Value for money:** be lean and use our resources well as we face financial challenges, we will look for efficiencies internally before we cut any services.

## Melton

01

**Care:** valuing others and developing ourselves; committed and passionate about what we do

02

**Innovate:** ambitious, creative and resourceful, putting customers first and learning from feedback

03

**Achieve:** taking responsibility and seeking excellence; always proud to serve



# Analysis - points of difference between councils



As demonstrated within the previous pages of this section, both councils face a range of common challenges and hold similar corporate priorities. There are however specific differences between the councils which the strategic partnership would be required to recognise and respect. The intention of the strategic partnership should not be to create a standardised approach to service delivery across both council areas; as outlined within the design principles the councils would be required to establish and agree a clear process for managing local variance (need and demography, demand for services etc.).

## PLACE

Both geographical areas consist of rural settings, market towns and villages, many of which are unique in terms of their character and public service requirements. Additionally, certain communities experience levels of inequality and deprivation not experienced elsewhere, such as barriers to services and housing in Lubenham in Harborough and crime in Craven in Melton.

## HOUSING

HDC no longer has its own housing stock and does not operate a Housing Revenue Account ('HRA') unlike MBC. HDC holds ambitions to acquire temporary housing, whereas MBC already have this resource and expertise. Whilst both Councils have homelessness duties and housing availability challenges, the challenges housing markets will be different.

## HDC SAVING TARGET

The council's base budget for 2022/23 and MTFS include savings associated with the sharing of senior leadership team posts. Elements of the new leadership team structure have recently been implemented, however further savings associated will only be realised should shared arrangements be implemented.

## FINANCIAL

Variations between the budgets of both councils exist; MBC's General Fund is £4.8m, compared to HDC's £11.6m. MBC's HRA is valued at £7.2m, while HDC does not possess a HRA. Similarities do however exist in relation to core spending power per dwelling (HDC £267, MBC £276). Council tax as a proportion of expenditure is similar HDC 52%, 58% MBC).

## EMPLOYMENT

HDC has a higher rate of employment across 16-64 year olds (80.1%) compared to Melton (70.1%), while 62.3% of HDC's employed residents are in skilled employment, compared to 55.7% in MBC. As of 2018, 39.4% of residents in MBC were employed in low paid jobs, compared to 25.4% in HDC.

## HDC: SENIOR INTERIM STAFF

HDC's Director of Communities and Monitoring Officer are interim appointments, while the Deputy Chief Executive post is vacant as the postholder is currently acting Chief Executive. MBC's senior leadership team are all employed on a permanent basis.



# Place leadership across South and East Leicestershire



Informed by the analysis of councils (see section 3), a joint approach to place leadership would support both councils to address numerous shared challenges. For example, both councils are experiencing challenges associated with ageing populations, housing availability and affordability, and connectivity (digital and access to public transport). A co-ordinated approach to place leadership would allow both councils to speak with a louder voice, undertake shared campaigns, resources, capabilities and corporate expertise could be deployed on a sustained basis to ensure maximum impact is realised for communities and businesses. Key areas for the development of shared approaches include:

## **Regeneration and inclusive growth**

- Rural prosperity and investment
- Market town regeneration
- Cost of living support
- UK Shared Prosperity Fund - delivery
- Rural England Prosperity Fund - delivery
- Tourism and the visitor economy
- Digital connectivity
- Transport connectivity
- Sustainability of village life
- Social mobility (higher skill and wage jobs, attracting and retaining more young people)
- Skills - access to and influence over FE provision

## **Health and wellbeing**

- Health and Wellbeing / Ageing Well
- Young People Strategy
- Access to Services
- Poverty/inequality

## **Funding and investment**

- Attracting inward investment
- Attracting grant funding

## **Infrastructure**

- Development and utilisation of council assets
- Development and delivery of local plans and related infrastructure

## **Safer communities**

- Community cohesion - tolerance and inclusivity
- Rural crime
- Safer streets
- Provision for young people
- Environmental crime (fly tipping)

## **Climate change**

- A path to net zero (council estate and services)
- A path to net zero (communities and businesses)

## **Housing**

- Housing development
- Housing affordability

In addition to joint strategic planning and co-ordinated delivery, being represented by a Shared CEO will provide both councils with additional influence and leverage when engaging with external partners. As an example, the strategic partnership will strengthen both council's ability to engage with the Integrated Care Board; currently district councils experience limited influence and engagement due to the number of individual councils operating across Leicestershire (seven district councils). Additionally, the councils will be in a stronger position to engage and influence the Rural Services Network, given the collective geographic area and rural population being represented by the strategic partnership.



# Improved organisational and service resilience



## Organisational resilience

By authorising the appointment of MBC's current Chief Executive to the role of Shared CEO for the strategic partnership, HDC would be benefiting from an experienced and established Chief Executive with a strong working knowledge of the challenges facing Harborough's communities and businesses. In addition, the current MBC Chief Executive holds strong relationships and connections with local, sub-regional and regional stakeholders.

The appointment of MBC's current Chief Executive to the role of Shared CEO would avoid a recruitment process with anticipated lead times of c3-6 months, while the appointment would also enable HDC's current interim Chief Executive to return to her substantive role as Deputy. This will increase HDC's ability to achieve financial savings for 22/23 and 23/24, which are embedded within council budgets. The costs of recruitment would also be avoided.

The strategic partnership would provide a framework that will benefit elected members from both councils; peer support could be provided by portfolio holders with similar briefs and for chairs of committees at both councils. The opportunity for joint training and mentoring would also support increased organisational resilience.

The resilience of each council to ensure the delivery of statutory roles continues would also be increased through a strategic partnership. Currently single points of failure exist across both organisations in relation to statutory roles (safeguarding, health and safety advice, Conservation Officer (planning), equalities and land charges etc.).

Additionally, phase 1 of the investigation process will investigate the sharing of the Monitoring Officer post (MBC currently has a permanent appointment in place, HDC an interim until end of March 2023).

The intention is for both councils to have a permanent and qualified Monitoring Officer in place; sharing the role is likely to ensure the necessary capacity and capabilities are held across both councils.

## Service resilience

Both councils have experienced challenges in terms of recruitment and retention (particularly amongst specialist teams and roles (including planning and housing services. In addition to a range of other service areas).

Phase 1 investigations will also assess the ability of opportunities to share leadership in waste and environment, and regulatory services, building on work already undertaken. In planning there are opportunities to explore shared leadership and planning policy there are opportunities to work together to address skills gaps and expertise, reducing potential disruption to progress. It may also be possible for both councils to reduce reliance on external expertise, by establishing in-house expertise together. Equally, a review of housing services during phase 1 would assess opportunities for taking a thematic leadership approach to key subject areas impacting on housing and homelessness services (such as cost of living)

A strengths-based approach to the phased investigation will be assumed, which has the potential to identify areas of service growth by maximising the collective skills, expertise and systems in place across both councils. Such growth, in addition to any efficiencies identified, has the potential to lead to either financial savings or additional funds being available to invest in services (at the discretion of the councils).

Additionally, a more aligned leadership structure (proposed for investigation during phase 1) will enable both councils to reduce duplication, realise efficiencies adopt a more place based approach and fill vacancies or interim arrangements currently in place within HDC, alongside the recent senior planning vacancy at MBC.



# Managing local variance across the strategic partnership



The strategic partnership between both councils is designed to provide an appropriate platform that enables both councils to improve service quality, resilience and efficiency, while also increasing the collective influence of both councils and their ability to improve outcomes for their communities and businesses.

The opportunities for collaboration identified within this business case can be categorised as follows:

- The development of shared strategies to address joint challenges, as part of a place-based approach across South and East Leicestershire.
- The sharing of some senior management roles (Shared CEO, DCEOs).
- The alignment of approach and / or sharing of services, staff, skills, capacity, expertise, systems and intelligence across the councils (subject to approval from both councils - phases 1, 2 and 3).

Through the above, the intention is not to establish a 'one size fits all' approach to service delivery. The following steps and safeguards will ensure that the specific needs of communities and businesses are reflected within the services they receive:

- Elected members will remain accountable to their local constituents. In determining any service model, elected members will ensure that local priorities and local needs are reflected in proposals. Each council remains sovereign, so elected members will only approve proposals (to be implemented by the strategic partnership) that are reflective of the needs of their communities.

- Each council will remain responsible for assessing need across their respective council areas.
- Proposals for shared services will (through the phased approach to investigation) be required to demonstrate how local challenges and variance will be met. Should the proposal for a shared service be based on the need to access additional capacity, expertise or improved systems, communities and businesses should experience an improvement in the quality of services delivered once the shared service is established.
- The Shared DCEOs for each council will assume operational responsibility and accountability for the services delivered to communities and businesses across their respective council.

Once implemented, collaborative approaches will be the subject of annual service reviews and service planning arrangements, in addition to being included within the 12-month review process (for all services delivered by the strategic partnership).

Should services not meet the needs of specific communities, the service review and planning process will identify such areas of performance and be required to implement arrangements that address the gaps in services.



# Stakeholder engagement



Both councils have engaged with a range of partner organisations during the development of the strategic partnership business case.

The engagement exercise has provided the councils with the opportunity to explain and discuss the proposed establishment of the strategic partnership with a range of stakeholders, while also enabling stakeholders to ask questions and share their views on proposals (opportunities and concerns etc.).

The engagement process remains ongoing; the councils have requested that partner organisations provide feedback on the proposals by the end of November.

The individuals and organisations approached by the councils as part of this engagement exercise are as follows:

## **Joint approach by both councils**

- Leicestershire County Council
- Leicestershire Police and Crime Commissioner
- Alicia Kearns MP
- Neil O'Brien MP
- Alberto Costa MP
- Police Temporary Chief Constable
- NUT
- Federation of Small Businesses
- SLM Limited
- DWP - Partnership Manager for Leicestershire
- Active Together
- Voluntary Action Leicestershire
- Leicestershire Promotions Ltd

- PMO
- Leicester & Leicestershire Enterprise Partnership
- Clinical Commissioning Group
- Chief Fire and Rescue Officer
- NFU. Leics, Northants & Rutland County Adviser

## **Approached by MBC**

- Melton Mowbray Town Estate
- Brooksby Melton College
- Melton Livestock Market
- Melton Policing Unit & BID Board Member
- Melton BID
- Melton Mowbray Food Partnership
- Pera Business Park
- Parish Council Chairs

## **Approached by HDC**

- Market Harborough & Wigston NPA Commander
- Platform Housing Group
- VASL
- Market Harborough Chamber of Trade and Commerce
- Market Harborough and the Bowdens Charity

Confirmation of any feedback received will be provided with the relevant sections of the council reports.



# Intended benefits - strategic case (1)



Informed by the strategic partnership proposition and analysis within this business case, an analysis has been undertaken to assess the potential for the partnership to achieve the intended benefits that align to the strategic case. The performance of the current arrangement (i.e. the 'do nothing' scenario) has also been assessed against the intended benefits.

Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
	Performance	Rationale	Performance	Rationale
Maximising our influence - speaking on behalf of South and East Leicestershire, increasing our collective influence regionally and nationally through a stronger, louder and more united voice.	High	Combined voice across two councils, collectively representing the 147th most populated area and 27th largest area in terms of geographical area. Single representation at local partnerships and forums and single line of contact to Integrated Care Boards, Rural Partnership.	Low	Continuation of current challenges and barriers that impede influence. Duplication of CEO roles on external relations, with both councils experiencing similar challenges but not speaking with a single voice. Some potential for collective representation, but not formalised and unlikely to be co-ordinated effectively on an ongoing basis.
Maximising our collective strengths - working together to respond to and address shared and common challenges and opportunities at a local, corporate and sub-regional level.	High	Significant potential for a single place leadership function to respond to shared challenges. Shared CEO would play a pivotal role in co-ordinating a joint response and adopting a long term strategic approach to place shaping.	Medium	Continuation of current arrangements which demonstrate some joint working to address common challenges. As partnership arrangements are not formalised, potential for joint working to be ad-hoc and not part of a long place shaping strategy that would realise greater and more sustained benefits.



## Intended benefits - strategic case (2)



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
	Performance	Rationale	Performance	Rationale
Futureproofing both councils and shaping the future collaboration agenda; cementing a solid and flexible foundation for long term partnership working.	High	Establishing a formalised strategic partnership would establish a new relationship and joint working culture across both councils. Phased approach to investigation and reform demonstrates the ability to implement significant shared arrangements over a 3 year period, increasing the pace of progress and improvement.	Low	Continuation of current arrangements has the potential to result in specific areas of joint working, but would not create an equitable platform to investigate and implement reforms. Without such formalised structures in place, future possible local government reform is unlikely to recognise service level innovation over more formalised structures that lead to improved outcomes, value for money and efficient public services.
Increasing service resilience - sharing resources, learning and good practice.	High	A phased approach to investigation has/will identify a range of service areas and management structure that could be reformed to improve sharing of resources, learning and good practice. Assuming the commitment of both councils to the strategic partnership, both organisations will be committed (politically and at officer level) to objective investigation and effective implementation of reforms that increase the resilience of services.	Low	Phased approach to investigation identifies a range of service areas and management structures that would be implemented outside of a strategic partnership. However, given no formal commitment by both councils to the sharing of arrangements, the pace and effectiveness of reforms is likely to be slower and less comprehensive (given the lack of a political and officer led mandate for reform).



# Intended benefits - strategic case (3)

Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
	Performance	Rationale	Performance	Rationale
Improving organisational effectiveness - a joint approach that reduces duplication, increases service quality and improves outcomes.	High	<p>The phased approach to investigation identified a range of services and management structures that could be reformed through a joint approach to reduce duplication and increase service quality.</p> <p>The investigation process will require the development of business cases that demonstrate how the reforms will benefit residents and communities.</p>	Medium	<p>The phased approach could be implemented without a strategic partnership, however the pace and effectiveness of these reforms without an agreed and formalised joint approach is unlikely to realise the same levels of pace and impact as would be achieved via a strategic partnership. A joint approach would need to be agreed for each area of reform, however this is likely to be less efficient and cost effective.</p>
Accelerating the pace of progress/improvement and increasing the impact realised by both councils – a joint approach that reflects the best of both councils.	High	<p>The phased approach identifies opportunities to protect, maximise and share the assets of each council (expertise, best practice, systems and intelligence). A corporate commitment to moving at pace and realising the required level of impact would ensure the pace of reform is a priority, with appropriate monitoring and oversight arrangements in place to enable sound programme management, scrutiny and oversight.</p>	Low	





## 08 Economic case



# Options considered - why a strategic partnership between HDC and MBC?



Following the retirement of the previous HDC Chief Executive in February 2022, HDC undertook an options appraisal in relation to resourcing senior management positions going forward.

In June 2022 an options appraisal that considered and appraised a longlist of leadership position arrangements was undertaken, identifying and considering the following options:

- Current arrangement: One Chief Executive across one District Council.
- One Chief Executive across more than two District Councils.
- One Chief Executive across one District Council and one County Council.
- One individual acting as Chief Executive of a District Council and Director/Deputy Chief Executive of a County Council.
- A primus inter pares model where Executive Directors take the role of Head of Paid Service in turn.

Additionally, the options appraisal identified and appraised the following options relating to senior management team arrangements:

- Current arrangement: Distinct senior management team with responsibility for HDC only.
- Partially or fully integrated senior management team across two or more councils.

Finally, the options appraisal identified and appraised a range of governance options:

- Current arrangement: Distinct governance arrangements for HDC only.
- Shared back-office functions (such as HR, finance, procurement, audit, ICT, customer services, public protection, building control, land, legal, property and revenues).

- Shared public-facing services
- Joint committee(s) set up in order to oversee the delivery of shared back-office functions and/or public-facing services.

Based on the council's assessment, it was agreed that the council should explore the potential of establishing a strategic partnership with a neighbouring council. The council agreed a delegation for the Leader and Interim Chief Executive to select a strategic partner, based on the criteria set out in the report, and to progress negotiations with that partner and report back to Council on the suggested way forward at a later date.

The HDC Leader and Interim Chief Executive have since undertaken an analysis of the strategic fit criteria and an evaluation of the other criteria in the June report to finalise the selection of the preferred strategic partner.

Following further analysis, HDC identified MBC as a preferred strategic partner and formally approached the Council to explore this further.

In October 2022 both councils recommended to their respective Cabinets that a business case and approach to operating a strategic partnership be developed. The recommendations were approved by the Cabinets of both councils.



# Options considered - cost apportionment



## **Apportionment - Shared CEO and DCEOs**

During the development of the business case and MoA, a range of options have been considered by both councils in relation to how the costs associated with the Shared CEO and DCEO posts would be fairly allocated across both councils.

The position of both councils is that the cost of the Shared CEO and DCEOs will be shared 50/50 between both councils. Various ways of apportioning costs were considered during the design of the strategic partnership proposition, however it was felt by both councils that given the following design principles and the commitment for the Shared CEO to fulfil all required duties equally on behalf of both councils, an equitable apportionment of costs is the most desirable option:

### ***Design principle 5 - Create a mechanism that allows the effective and equitable deployment of resources***

- *A clear, transparent and agreed mechanism exists to ensure that the time of shared officers are fairly allocated to each council.*

## **Apportionment - other areas incurring costs**

In relation to other potential areas requiring cost apportionment between the councils, a key consideration relates to cross subsidisation; it is unlawful for one council to cross subsidise another and therefore beyond the Shared CEO/DCEO roles outlined above, both councils will be required to assume an alternative method of apportionment.

The design principles that must inform the strategic partnerships approach to apportionment of other costs are detailed below:

### ***Design principle 8 - Create a mechanism that ensures a fair, equitable and proportionate allocation of costs***

- *A clear, transparent and agreed mechanism exists to ensure that the costs associated with the role of the shared officers are fairly allocated to each council.*
- *Where financial arrangements are shared (i.e. joint budgets or shared services), a clear process is agreed for managing local variance (need and demography, demand for services etc.).*

The options that councils and Section151 officers will consider for cost apportionment during the phased investigation process are as follows:

- Population rationale - 65% HDC and 35% MBC.
- Council tax base rationale - 66% HDC and 34% MBC.
- Geographic area rationale - 69% HDC and 31% MBC.
- Service specific rationale.



# Options considered - cost apportionment



Option	Basis	HDC	MBC	Considerations	
50/50 Split	A simple 50/50 split reflecting two councils within the partnership relationship	50%	50%	Legal/Finance	Legally and financially sound for the Shared CEO and DCEO but consideration would need to be given to applying this to other areas in order to avoid cross subsidy issues arising between the sovereign councils for other potential staff and services.
				Partnership Ethos	Creates an equal and balanced starting position for both councils which can be refined overtime as the arrangements settle into practice.
				Transparency	Transparent but has no evidential basis for determining the % apportionment and therefore could appear arbitrary.
				Ease of calculation	Easy to calculate.
				Behaviours	Drive partnership behaviour to be an equal balance between the Council's, especially important for the external, sub-regional relationships being represented by the Shared Chief Executive, however this does not necessarily align to the size and scale of the respective partnership councils.
Population Ratio	Based on the 2021 ONS figures for population (HDC – 97,600 & MBC – 51,800)	65%	35%	Legal/Finance	Legal and financially sound for the Shared CEO and DCEO and would ensure a consistent approach could be applied across the partnership which addressed any challenge of cross subsidy arising between the sovereign councils.
				Partnership Ethos	Creates an approach proportionate to the size and scale of the two councils within the partnership, however the scale of difference between the partnership councils would need to be carefully managed within the partnership.
				Transparency	Transparent as it is supported by an evidential basis which can be adjusted over time based on the population changes of the local communities being served making this less challenging during the life of the partnership.
				Ease of calculation	Easy to calculate, however population changes data would need to be agreed given the regularity of the census.
				Behaviours	Drive partnership behaviour in proportion to the apportionment, so consideration would need to be given to how this would be managed within the partnership.



# Options considered - cost apportionment



Council Tax Base Ratio	Based on the Band D council tax base (HDC – 37,389.35 & MBC – 19,358.38)	66%	34%	Legal/Finance	Legal and financially sound for the Shared CEO and DCEOs and would ensure a consistent approach could be applied across the partnership which addressed any challenge of cross subsidy arising between the sovereign councils.
				Partnership Ethos	Creates an approach proportionate to the size and scale of the two councils within the partnership, however the scale of difference between the partnership councils would need to be carefully managed within the partnership.
				Transparency	Transparent as it is supported by an evidential basis which can be adjusted overtime based on the property base changes within the local communities being served making this less challenging during the life of the partnership.
				Ease of calculation	Easy to calculate and capable of being updated on an annual basis.
				Behaviours	Drive partnership behaviour in proportion to the apportionment, so consideration would need to be given to how this would be managed within the partnership.
% Apportionment	Based on an agreed apportionment between the two councils within the partnership relationship	TBA %	TBA %	Legal/Finance	Legally and financially sound for the Shared CEO and DCEOs but consideration would need to be given to applying this to other areas in order to avoid cross subsidy issues arising between the sovereign councils. This methodology is similar to the 50/50 basis but would need careful consideration to calculate the basis of the apportionment beyond a simple 50/50 split reflecting the two councils within the partnership.
				Partnership Ethos	Offers an opportunity to determine the apportionment which is acceptable to both councils within the partnership and thus should support the partnership ethos, however the scale of difference between the partnership councils would need to be carefully managed within the partnership to reach this agreement.
				Transparency	Lacks a degree of transparency as no evidential basis for determining the % apportionment. This would be more arbitrary than a 50/50 split.
				Ease of calculation	Easy to calculate but runs the risk of being changed routinely and therefore could create future disagreements within the partnership.
				Behaviours	Drive partnership behaviour in proportion to the apportionment, so consideration would need to be given to how this would be managed within the partnership. However as the apportionment is arbitrary would need to ensure that the apportionment was not routinely changed or disputed breaking down trust within the partnership.



# Options considered - cost apportionment



<b>Time-sheet</b>	Based on an accurate record of the % of time spent between each of the two councils within the partnership relationship	<b>Annual</b>	<b>Annual</b>	<b>Legal/ Finance</b>	Legally and financially sound for the Shared CEO and DCEOs and could be applied to all service areas to be considered by the partnership as part of the SLA arrangements. This would give the most accurate record to avoid cross subsidy issues arising between the sovereign councils.
				<b>Partnership Ethos</b>	As the partnership is built on the basis of trust, such a methodology could result in numerous disputes or challenges and makes the forecasting of opportunities more challenging, especially for budget setting purposes as this methodology could only be applied retrospectively.
				<b>Transparency</b>	The methodology would be fully transparent but would require resourcing and audited across both councils.
				<b>Ease of calculation</b>	Would require a significant amount of work to capture the information and record the information, question the advantages of a senior team focussed on this detail rather than the strategic priorities of the Councils.
				<b>Behaviours</b>	All staff would be required to complete a timesheet in order for this methodology to remain sound, this behaviour could have a detrimental impact on the success and culture of the partnership.



# Best public value - indicative analysis



## Shared CEO and DCEO roles

The financial case appraises the value for money and financial savings aspects of the proposed Shared CEO and DCEO roles.

In addition to the realisation of financial savings, the roles of the Shared CEO and DCEOs is anticipated to realise additional economic value (as has been demonstrated by other councils adopting similar roles). The evidence indicates that added value can be realised as a result of:

- The role enabling the Shared CEO to do things once, rather than separate CEOs doing things twice in (potentially) a less co-ordinated manner.
- The Shared CEO having a single conversation with external stakeholders and partners, as opposed to two Chief Executives having two conversations with the same stakeholder.
- The ability for the Shared CEO to provide a single, louder voice on issues impacting on the councils, communities and businesses.
- The ability for the Shared CEO to promote a single vision and narrative on behalf of both councils; there is therefore less scope for ambiguity and greater clarity as a result of both councils adopting a single position on shared challenges.
- The Shared DCEOs for each council being in a strong position to manage local variance, ensuring that a 'one size fits all' approach is not assumed; the DCEO will ensure that local variance and need is taken into account when designing and delivering services for their respective council.
- The Shared CEO being well placed to deploy a greater scale of resource, expertise and shared experience to address shared challenges.
- A single officer (the Shared CEO) being well positioned to flexibly allocate resources, skills, capabilities and systems to address emerging place based challenges.



*We see things from different perspectives, but the end goal is for both organisations to be stronger*

Cllr William Nunn, Leader of Breckland



*With all the challenges local government faces, sharing a management team is an obvious step to make savings. It also brings a lot of other benefits, not just the financial incentive*

Kevin Dicks, Chief Executive, Bromsgrove District Council and Redditch Borough Council





# Best public value - indicative analysis



The strategic case identifies a range of opportunities for both councils to collaborate on shared place based challenges. While it is not possible to identify the economic value of effective and successful joint approaches to shared challenges within this business case (this would require separate business cases for all proposals and the identification of a benefit cost ratio), it is possible to identify a variety of potential benefits/impacts that could be realised by residents, communities and businesses:

## Regeneration and inclusive growth

- Increased digital connectivity
- Increased transport connectivity
- Increased GVA per hour worked
- Increased visitor spend
- Increase in employment rate (skilled / unskilled)
- Increased number of high skills jobs/proportion of population employed in skilled employment
- Increased average wage
- Increased number of apprenticeships
- Increased number of young people remaining in HDC and MBC
- Increased number of young people living in HDC and MBC

## Health and wellbeing

- Reduction in relative IMD position, particularly in LSOAs identified as experiencing inequality and deprivation
- Higher life expectancy
- Improved quality of life
- Reduced levels of isolation

## Safer communities

- Reduced fear of crime
- Increased pride in place

## Housing

- Increased supply of housing
- Increased affordability of housing
- Increase in NNDR
- Reduced levels of homelessness

## Climate change

- Reduced pollution levels
- Increased walking and cycling
- Reduced use of private transport (urban areas)
- Improved health
- Increased life expectancy



# Intended benefits - economic case (1)



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
	Performance	Rationale	Performance	Rationale
Increased levels of inclusive growth, reduced deprivation and improved outcomes - doing more for our local communities and businesses.	<b>High</b>	A joint approach to the causes of deprivation and inequality is likely to realise increased benefits (compared to a single council response) – a combined council response will have access to collective expertise and resources, greater levels of strategic influence and the potential to attract greater levels of public and private investment.	<b>Medium</b>	Single council responses to the causes of deprivation can address the causes of deprivation and inequality, however such a response could potentially be more costly and less effective; the councils may collaborate on single causes of deprivation, however this is likely to realise less impact than a combined and holistic place based approach to addressing the identified causes.
Maximising external investment; enabling the future prosperity for our communities and businesses.	<b>High</b>	The strategic partnership provides a platform for joint bids for public and private funding. Given that both councils will have shared place strategies, bid applications will be able to demonstrate a collaborative approach to addressing shared issues, while bids will focus on the needs of combined populations, which will likely represent a stronger value for money case for investment. Additionally, the potential to demonstrate match funding is greater across two councils than one.	<b>Medium</b>	A single council approach to attracting external investment may be successful, but will lack the scope, scale and collective ambition of a joint council approach.  The value for money case for investment is likely to be less compelling, while each council will be limited in relation to the availability of match funding/assets to attract investment or secure grant funding. Without a shared place based approach, the proposition may be well appealing to investors and funders.



## Intended benefits - economic case (2)



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
	Performance	Rationale	Performance	Rationale
Maximising impact by jointly addressing shared challenges, including net zero, cost of living, health and wellbeing, digital connectivity, housing affordability etc.	<b>High</b>	<p>Joint place-based approaches to addressing shared challenges, informed by shared strategies, has the potential that maximise impact; shared resources, expertise and leadership across both councils will be focussed on securing partner buy-in, attracting investment and securing improvements. A joint approach is likely to realise greater levels of strategic influence and the potential to attract greater levels of public and private investment.</p> <p>Additionally, the strategic partnership can establish the required conditions for increased service efficiencies, productivity, resilience and growth.</p>	<b>Medium</b>	<p>Single council responses to place based challenge may be effective, however such a response could potentially be more costly and less effective; the councils may collaborate on single issues, however this is likely to realise less impact and demonstrate a weaker value for money/cost benefit position.</p> <p>The current arrangement between council can drive increased service efficiencies, productivity, growth etc., however this is likely to be achieved on a service by service basis, rather than being part of a wider programme of transformation.</p>
Increased impact realised through collective campaigns and public awareness initiatives	<b>High</b>	<p>Shared strategies and joint approaches to campaigns, using the expertise and reach of both councils, is likely to realise a higher degree of effectiveness than a single council approach. MBC have already highlighted HDC's success re: fly tipping.</p>	<b>Medium</b>	<p>Single council campaigns can be effective (i.e. HDC's fly tipping campaign), however they will likely have less impact than shared campaigns.</p>





## 09 Financial case



# Financial case - overview of approach



The financial case focusses on the financial implications of the transformation identified within the strategic partnership proposition:

- Creation of the Shared CEO post across both councils.
- The creation of two Shared DCEO posts, with each postholder being employed by one of the councils and assuming thematic responsibilities spanning both councils.
- The investigation and implementation (subject to the approval of both councils) of the phase 1 and 2 opportunities identified within pages 110 to 120.

For each of the above, a separate analysis has been undertaken to assess the financial impact of the transformation from the perspective of each councils. Current benchmarked costings are used to provide a cost baseline for existing posts, while market information from other councils employing joint Chief Executive Officers and Deputy Chief Executives has been used to identify the appropriate salary point for the new roles.

All assumptions that inform the calculations are identified, including the underlying assumption that cost apportionment across the councils for the senior roles detailed above is based on a 50/50 split. This approach would ensure a balanced and equalised strategic leadership approach across both organisations within the partnership. Additionally, the costs of change incurred (business case, MoA and associated transitional and mobilisation advice) have been identified and included within the analysis.

It is important to note that a 50/50 split will not always be the starting point. Where business cases are developed which consider the sharing of other officers or services the Section 151 Officer(s) shall determine the appropriate rationale to be utilised which means that a different approach to apportionment may be applied. Examples are included within the MoA.

The analysis provided within the financial case focusses solely on financial (monetised) considerations. Other financial (non-monetised) benefits, such as increased productivity and service resilience are considered within the economic case.



*Shared services have delivered savings for both councils, but more importantly it has provided a larger, more resilient base from which to transform.*

Kevin Dicks, Chief Executive,  
Bromsgrove District Council and  
Redditch Borough Council





# Financial analysis - Shared CEO



## Assumptions

- The salary costs associated with the current Chief Executives for each council are as follows:
  - HDC = £111,184
  - MBC = £113,930
- An independent assessment has been undertaken, supported by East Midlands Councils, to benchmark salaries for shared roles. The detail of this assessment will be appended to council reports at both councils. A summary is provided below:
- The average salary cost across 14 councils\* employing a Shared/Joint CEO is £145,873 per annum.
- The midpoint (median) salary cost across 14 councils\* employing a Shared/Joint CEO is £144,506.
- The range of salary costs across 14 councils\* employing a Shared/Joint CEO.
  - Highest = £169,677
  - Lowest = £125,200
- The proposed salary of the Shared CEO for the HDC & MBC strategic partnership is assumed as £140,000 per annum.
- The costs associated with the proposed salary of the Shared CEO for the HDC & MBC strategic partnership will be apportioned 50%/50% across both councils.
- Note: salary costs shown above do not include on-costs

\* = Figures based on 2021/22 Draft Published Statement of Accounts.

## Calculations

	HDC	MBC
Current CEO salary (excluding on-costs)	£111,184	£113,930
Proportion of Shared CEO salary (excluding on-costs)	£70,000	£70,000
<b>Annual saving</b>	<b>£41,184</b>	<b>£43,930</b>
<b>%</b>	<b>37.0%</b>	<b>38.5%</b>



# Financial analysis - Shared DCEOs



## Assumptions

- The salary costs associated with the current Deputy Chief Executives for each council are as follows (excluding on-costs):
  - HDC = £86,488
  - MBC = £86,453
- An independent assessment has been undertaken, supported by East Midlands Councils, to benchmark salaries for shared roles. The detail of this assessment will be appended to council reports at both councils. A summary is provided below:
- The average salary cost across 14 councils\* employing a Shared DCEO is £105,927 per annum, excluding on-costs.
- The midpoint (median) salary cost across 14 councils\* employing a Shared/Joint CEO is £105,638, , excluding on-costs.
- The range of salary costs across 14 councils\* employing a Shared/Joint CEO excluding on-costs:
  - Highest = £133,982
  - Lowest = £79,700
- The proposed salary of each DCEO is assumed as £105,000 per annum, excluding on-costs.
- The costs associated with the proposed salary of the DCEOs for the HDC & MBC strategic partnership will be apportioned 50%/50% across both councils.
- Note: salary costs shown above do not include on-costs

\* = Figures based on 2021/22 Draft Published Statement of Accounts.

## Calculations

	HDC	MBC
Current DCEO salary (excluding on-costs)	£86,488	£86,453
Proportion of Shared DCEO salary (excluding on-costs)	£105,000	£105,000
<b>Annual saving</b>	<b>-£18,512</b>	<b>-£18,547</b>
<b>%</b>	<b>-17.6%</b>	<b>-17.7%</b>



# Financial analysis - Director of Communities



## Assumptions

- The HDC Director of Communities post is currently held by an interim appointment; fixed term contract ends on 31<sup>st</sup> March 2023.
- The salary cost of the HDC Director of Communities is £79,289 per annum, excluding on-costs.
- From 1<sup>st</sup> April 2023, HDC will delete the post, given that the DCEO (MBC) will assume thematic responsibility for communities and housing should the strategic partnership be established.

The following are also assumed:

- The current interim postholder of the HDC Director of Communities position will support the DCEO (MBC) from January to March 2023 by providing transformation support.
- Note: Following deletion of the Director of Communities post from the HDC establishment, it will be necessary to determine if some additional resource will be needed to support the operational delivery of communities focussed activity in HDC. If it is deemed that additional resource is needed, the annual saving from the deletion of this post will reduce the overall HDC saving by circa 26%.

## Calculations

	HDC	MBC
Current Director for Communities (excluding on-costs)	£79,289	N/A
<b>Annual saving</b>	<b>£79,289</b>	<b>N/A</b>
<b>%</b>	<b>100%</b>	<b>N/A</b>



# Financial analysis - phase 1 & 2 opportunities



## Assumptions

- Indicative savings associated with proposed service transformation during phases 1 and 2 have been identified by both councils. Savings are based on prudent assumptions for a limited suite of services where both councils can achieve collaboration relatively quickly (i.e. phase 1).
- Where there is confidence across the councils that transformation can also be achieved in phase 2, prudent savings have been assumed.
- As the collaboration arrangement progresses, it would be expected that, in line with normal continuous improvement practices, all services will be reviewed to ensure that the most effective approach to delivery, securing value for money and economically efficient services to all residents and businesses.
- It is assumed that a Shared Monitoring Officer post will be established during phase 1. Given that this does not form part of the formal proposition, it is included within the phase 1 opportunities (Legal and governance).
  - Current annual salary cost for single MO Officers
    - HDC = £75,000
    - MBC = £65,000
  - The average salary cost across 14 councils\* employing a Shared Mo is £90,606 per annum, excluding on-costs.
- The proposed salary of the Shared MO is assumed as £90,000 per annum, excluding on-costs. This cost will be allocated across both councils on a 50/50 basis.
- The anticipated saving of the Shared MO post is included within the savings calculations (table to the right).

## Calculations

	HDC		MBC	
	2023/24	2024/25	2023/24	2024/25
Non-cumulative savings realised	£120,469	£26,146	£49,597	£22,144
<b>Saving</b>	<b>£120,469</b>	<b>£26,146</b>	<b>£49,597</b>	<b>£22,144</b>



# Financial analysis - costs of change



## Background

Each Council has set aside an allocation of up to £50,000 to enable development of the business case, MoA and associated legal and technical support to enable transition and mobilisation.

## Assumptions

- Costs of external support incurred during the development of the strategic partnership business case and MoA:
  - Consultancy support = £64,000
  - HR support (East Midland Councils) = £400
- Costs to be apportioned 50/50 across both councils.
- Future anticipated costs of change are not included currently. Mapping of existing capacity and future requirements is to be undertaken during phase 1, in relation to:
  - Executive support
  - Transformation support

## Calculations

	HDC	MBC
Costs of change	£32,200	£32,200



# Projected savings - HDC overview



## Overview of identified savings

	2023/24 Non-cumulative	2024/25 Non-cumulative	2025/26 Non-cumulative	Total cumulative over 3- year period
Savings - Shared CEO*	-£41,184			-£123,552
Shared DCEO*	£18,512			£55,536
Savings - Director of Communities*	-£79,289			-£237,867
Savings - phase 1 and 2 collaboration	-£120,469	-£26,146	TBC	-£413,699
Cost of change	£32,200	-		£32,200
<b>Total saving</b>	<b>-£190,230</b>	<b>-£26,146</b>	<b>-</b>	<b>-£687,382</b>

\* = Note: salary costs shown above do not include on-costs so actual savings will be higher.

## Savings offsetting identified deficit

	2023/24	2024/25	2025/26	Total cumulative over 3- year period
Deficit identified (MTPS)	£1,377,000	£1,367,000	£1,620,000	<b>£4,364,000</b>
New savings identified (cumulative)				<b>-£687,382</b>
<b>Cumulative savings as % of cumulative deficit</b>				<b>15.6%</b>



# Projected savings - MBC overview



## Overview of identified savings

	2023/24	2024/25	2025/26	Total cumulative over 3-year period
Savings - Shared CEO*	-£43,930			-£131,790
Shared DCEO*	£18,547			£55,641
Savings - phase 1 and 2 collaboration (including one off savings)	-£49,597	-£22,144	TBC	-£187,579
Cost of change	£32,200			£32,200
<b>Total saving</b>	<b>-£42,780</b>	<b>-£22,144</b>	<b>-</b>	<b>-£231,528</b>

\* = Note: salary costs shown above do not include on-costs so actual savings will be higher.

## Current gap identified within MTFS

	2023/24	2024/25	2025/26	Total cumulative over 3-year period
Deficit identified (MTPS)	£140,000	£378,000	£218,000	<b>£736,000</b>
New savings identified (cumulative)				<b>-£231,528</b>
<b>Cumulative savings as % of cumulative deficit</b>				<b>31.5%</b>



# Financial case - findings



## HDC

The proposed establishment of the strategic partnership is forecasted to realise the council a cumulative saving of £687,382 over the 3 year period 2023/24 to 2025/26.

The council will realise an annual saving of c£41k in relation to the Shared CEO post, although an additional cost of employing a Shared DCEO with thematic responsibilities across two councils will be incurred (c£18.5k per annum).

The deletion of the Director of Communities realises an annual saving of c£79k, with this saving made possible by the MBC DCEO assuming thematic responsibility for communities.

The council is forecasted to realise a saving of c£120k in 2023/24 as a result of the implementation of service transformation identified within phase 1, including the establishment of a shared MO post across both councils. A further c£26k will be saved each year from 2024/25 as a result of phase 2 transformation.

The council currently has a cumulative unfunded deficit of £4,364k over the same period; the savings forecasted through the implementation of the strategic partnership arrangement represent 15.6% of this deficit.

As outlined within section 8, the implementation of the strategic partnership is anticipated to realise the council, communities and businesses a range of non-monetised economic benefits (improved service resilience, increased efficiency and productivity etc.) that are not reflected within the above financial forecasts.

## MBC

The proposed establishment of the strategic partnership is forecasted to realise the council a cumulative saving of £231,528 over the 3 year period 2023/24 to 2025/26.

The council will realise an annual saving of c£44k in relation to the Shared CEO post, although an additional cost of employing a Shared DCEO with thematic responsibilities across two councils will be incurred (c£18.5k per annum).

The council is forecasted to realise a saving of c£49k in 2023/24 as a result of the implementation of service transformation identified within phase 1, including the sharing of a MO. With the exception of a single one-off £2,750 (parking strategy), all other savings represent a reduction to the cost base for future years. A further c£22k will be saved in 2024/25 as a result of phase 2 transformation.

The council currently has an indicative cumulative unfunded deficit of £736k over the same period; the savings forecasted through the implementation of the strategic partnership arrangement represent 31.5% of this deficit.

As outlined within section 8, the implementation of the strategic partnership is anticipated to realise the council, communities and businesses a range of non-monetised economic benefits (improved service resilience, increased efficiency and productivity etc.) that are not reflected within the above financial forecasts.

**Although HDC is forecasted to realise a greater value of financial savings over the 3 years, HDC has a higher unfunded deficit to address. While HDC would realise a forecasted £637k of savings, this equates to 15.6% of the identified deficit. MBC is forecasted to realise savings of £231k over the same period, representing 31.5% of their unfunded deficit.**



# Intended benefits - financial case (1)



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
	Performance	Rationale	Performance	Rationale
Improved financial sustainability - through growth, efficiency/removal of duplication and the realisation of savings.	<b>Medium</b>	<p>Each council is forecasted to realise savings over a 3 year period, representing an improvement in their respective financial positions. However the value of savings forecasted by both councils is insufficient to offset the full unfunded deficit being forecast by both councils.</p> <p>In the context of the significant financial pressures facing Local Government, both Councils will need to continue to plan ahead to achieve a pipeline of savings and efficiencies.</p>	<b>Low</b>	<p>The 'do nothing' scenario would not realise either council the level of savings that have been identified within the strategic partnership financial case.</p> <p>In relation to HDC specifically, savings associated with joint posts are currently assumed within the 22/23 budget, in addition to savings being assumed in future years. Should the strategic partnership not be implemented, these savings would not be realised until alternative plans are agreed and implemented.</p>
Improved value for money - through sharing capabilities, resources and working practices.	<b>High</b>	In addition to the financial savings forecasted, additional non-monetised economic benefits would be realised, enabling each council to do 'more with the same' or 'more with more', as duplication is removed, additional skills and capacity made available and shared etc.	<b>Low</b>	While certain elements of phase 1 could be implemented outside of the strategic partnership, this is likely to be on a service by service basis; it is therefore unlikely that the full benefits of a programme wide approach to transformation would be realised. Benefits would instead be specific to services or individual posts and would not benefit from the partnership infrastructure and



## Intended benefits - financial case (2)



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
	Performance	Rationale	Performance	Rationale
A net financial benefit to the councils – ongoing savings, efficiencies and added value outweigh the costs of change.	<b>High</b>	<p>Each council is forecasted to realise a net benefit as a result of establishing the strategic partnership:</p> <p>HDC - a cumulative financial saving of £687,382 over the period 2023/24 to 2025/26.</p> <p>MBC - a cumulative financial saving of £231,528 over the period 2023/24 to 2025/26.</p>	<b>Low</b>	<p>The opportunity cost of the councils not implementing the strategic partnership equates to the forecasted cumulative saving for each council that would be realised through the implementation of the strategic partnership.</p> <p>Additionally, the councils have already incurred the costs of change identified within this financial analysis.</p>





# 10 Commercial case



# Governance arrangements



The Memorandum of Agreement ('MoA') and proposition, developed in conjunction with this business case, identify the following tiers of governance to ensure appropriate leadership, oversight and operational control of the strategic partnership::

## **Shared Strategy Board**

**Purpose:** To oversee strategic direction, assurance and monitoring of the strategic partnership. It shall meet, operate, and be serviced in accordance with its terms of reference at Schedule 2.

**Role and function:** The Shared Strategy Board is an informal non-decision-making group.

The Shared Strategy Board will have the following roles and functions:

1. To consider matters of interest, opportunities for joint working and any potential further joint working of the two councils.
2. Monitoring the shared workforce arrangements.
3. Considering proposals to withdraw from the arrangements and disputes referred to by any of the councils.
4. To identify, develop and oversee the implementation of, opportunities for the joint and mutually advantageous promotion of, and investment in, each of the authorities' areas by central and local government, other bodies and agencies (including, but not limited to the Environment Agency, the Enterprise Partnership, Historic England, Highways England, The Arts Council, Sport England and Homes England, County Council).
5. To consider and develop (if so minded) proposals for the expansion of the strategic partnership insofar as that would be consistent with the purposes of the MoA.
6. To identify those issues which arise and are likely to affect the future prosperity and democratic arrangements in both areas and project a joint voice in respect of such matters with the object of ensuring any change benefits to the greatest extent the councils and their local communities.
7. Advising on proposals brought forward on shared officer arrangements and other joint working between the councils.
8. To explore areas of corporate planning that are of mutual interest.
9. To consider areas of innovation and budget efficiencies across both councils.
10. To recommend proposals to formal decision-making bodies / individuals at each council.

**Membership:** The Shared Strategy Board will comprise:

- All Cabinet members of each Council
- The Shared Chief Executive
- Such other officers and/or members that may be invited by the Leaders of the two councils (who must agree any such an invitation in advance of the meeting) or by the Shared CEO.



# Governance arrangements



## **Shared Stakeholder Group**

**Purpose:** To be responsible for overseeing strategic direction and assurance and monitoring of the programme across organisations, ensuring the programme delivers to agreed strategic objectives as set by the Shared Strategy Board.

### **Membership:**

- 2 x Council Leaders
- 2 x Council Deputy Leaders
- Shared Chief Executive
- Deputy Chief Executives
- Section 151 Officer(s)
- Monitoring Officer(s)

## **Strategic Partnership Programme Board**

**Purpose:** Officer led programme management, investigation and development (priorities confirmed by Shared Strategy Board).

### **Membership:**

- Shared Chief Executive
- Deputy Chief Executives
- Transformation capacity (TBC)
- All Directors and Assistant Directors (as required)

### **Functions:**

- To provide overall leadership, direction and steer to the programme.
- To provide support and hold officers accountable for delivery.
- To establish and embed a robust and effective governance framework for transformation initiatives.
- To hold discussions and make decisions that will enable the programme to be delivered to time, cost and quality requirements.
- To manage delivery of transformation initiatives, including variances between plans and performance.
- To champion the programme to ensure obstacles and barriers to delivery are removed.

- To ensure sufficient resources are released or made available as required.
- To deliver the programme plan and ensure effective controls are in place to manage risks, assumptions, issues, dependencies and agreed changes.
- To ensure a smooth transition from the programme to business as usual and that outcomes and benefits of transformation are realised.
- To co-ordinate and champion programme communications.

## **Joint Chief Officer Employment Panel**

### **Purpose:**

- Attending interviews with and providing feedback and representations to the employing Council in respect of the appointment of the Shared Head of the Paid Service/Chief Executive.
- Attending interviews with and providing feedback and representations to the employing Council in respect of the appointment of any statutory or non-statutory Shared Chief Officer.

### **Membership:**

- 4 members appointed by Harborough District Council and
- 4 members appointed by Melton Borough Council
- Appointments shall be made in accordance with the Local Government (Committees and Political Groups) Regulations 1990/1553;
- At least one member of the Panel shall be a member of HDC's Cabinet and at least one member shall be a member of MBC's Cabinet.



# Strategic partnership - the nature of the deal



## Memorandum of Agreement ('MoA')

The MoA defines the nature of the strategic partnership between the two councils. The document is based on the agreed design principles included within this business case and sets out the desire for the arrangement to be a 'cost sharing, rather than savings sharing' partnership. The MoA sets out the following commercial arrangements in relation to the Shared CEO and Shared DCEO (x2) posts:

- HDC shall meet 50% and MBC 50% of the ongoing salary and on-costs, superannuation, national insurance, training, travel and incidental costs of the Shared Officer structure;
- HDC shall meet 50% and MBC 50% of any redundancy and associated pension strain costs and subsequent redundancy, employment tribunal or other dismissal claim costs arising from the creation or ongoing operation of the Shared Officer structure after the commencement of the Agreement.
- The Section 151 Officer(s) may adjust, following agreement with the Shared CEO and Leader of the council(s) the apportionment of any on-going costs.
- The councils shall account for the costs of and savings to each of the councils in accordance with the budget and accounting systems of each of the councils and in accordance with all relevant law and guidance including all relevant CIPFA Guidance and to the satisfaction of the Section 151 Officer.

## Financial controls

Given the nature of the proposed partnership between both councils, one crucial consideration is cross subsidisation. It is unlawful for one council to cross subsidise another and therefore where other posts are services are considered for sharing, beyond the Shared CEO and DCEO roles, it is recommended that an alternative approach to cost apportionment is considered by Section 151 officer(s):

- Population rationale - 65% HDC and 35% MBC.
- Council tax base rationale - 66% HDC and 34% MBC.
- Geographic rationale - 69% HDC and 31% MBC.
- Or service specific rationale.

## Commercial safeguards for both councils

For the partnership to implement any further shared officers or services, both councils would be required to provide formal approval.. Both councils remain sovereign and retain current decision-making powers in relation to any decisions relating to the partnership. Additionally, the 12 month review process will assess the effectiveness of the strategic partnership.

## Housing Revenue Account ('HRA')

Given that HDC does not hold housing stock or operate a HRA, financial controls are required to ensure separation between MBC's HRA, General Fund and HDC's General Fund account.

MBC is required to consider the proportion of the HRA contribution to the 50% allocation of Shared CEO salary costs. Additionally, should HDC establish housing stock and a HRA in the future, it would be required to establish similar arrangements.



# Workforce considerations



## Employment arrangements

The Shared CEO will remain employed by MBC, with a section 113 agreement in place:

*Section 113 (1) of the Local Government Act 1972 provides that a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter for the purposes of their functions, on such terms as may be provided by the agreement, the services and officers employed by the former. An officer placed by one local authority at the disposal of another remains employed by the first local authority.*

The justification for the above approach, as opposed to the councils undertaking a recruitment process to identify and appoint a Shared CEO are as follows:

- The strategic partnership is not a legal entity, meaning that the Shared CEO would need to be employed by one of the partner councils, with a section 113 agreement in place to allow for the shared post. As such, the strategic partnership can not advertise for a Shared CEO.
- The respective pay structures of the councils do not allow for the proposed pay for a shared CEO post (with additional responsibilities to be assumed, above the current CEO pay scales).

The Shared DCEOs will remain employed by their respective councils.

## Salary costs - benchmarking and new pay policy/structure

Given that both councils' current pay policies and structures do not cater for shared roles, benchmarking has been undertaken (with the support of East Midland Councils) to understand the current market rates for the following positions:

- Shared CEO
- Shared DCEOs with thematic responsibilities across two councils
- Shared Monitoring Officer

The outputs from the benchmarking exercise have informed the costing assumptions that underpin the financial case.

Additionally, both councils will be required to develop and agree new pay policy statements and pay structures to ensure the shared roles listed above fall within the pay structures of both councils.

## Workforce strategy

The strategic partnership would need to prioritise a workforce strategy that creates the conditions for improved recruitment and retention. The opportunities for service collaboration identified within pages 110 to 120 demonstrate numerous opportunities to share staff, skills and resources. Additionally, the opportunities for service growth will create development opportunities for staff.



# Agreeing and implementing strategic partnership priorities



## **Approach to agreeing shared priorities and approaches**

The creation of a formalised strategic partnership between both councils is designed to establish a framework and platform that enables both councils to improve service quality, resilience and efficiency, while also increasing the collective influence of both councils and their ability to improve outcomes for their communities and businesses.

Should the strategic partnership be established, the councils would undertake a phased approach to the investigation of opportunities for collaboration. The Shared Strategy Board and Strategic Partnership Board would work in partnership to identify and appraise opportunities for collaboration. Should investigations identify areas of potential collaboration that are considered mutually beneficial to both councils, the Shared Strategy Board would make recommendations to both councils, for the consideration by the relevant decision making body or bodies.

This phased approach to investigation would commence in 2023/24. Both councils have identified examples of where service collaboration is being actively considered currently; these opportunities (see pages 110 to 120) would be the first to be investigated through the phased approach being proposed.

## **Adopting a business case approach to investigation**

The Strategic Partnership Programme Board would be responsible for identifying opportunities for collaboration. A longlist of opportunities would be forwarded and discussed at the Shared Strategy Board. The Shared Strategy Board (consisting of all Cabinet members from both councils and the Shared CEO) would instruct the Strategic Partnership Programme Board to develop businesses cases for opportunities that it felt would be most likely to achieve the intended benefits of the strategic partnership.

The process of developing businesses cases would focus on the following:

- A clear identification of the in-scope services, resources and/or posts.
- Clear proposals in terms of the nature of the collaboration being proposed.
- A setting out of the proposed financial, HR and legal arrangements.
- A costed implementation plan.
- An identification of the benefits, risks, costs and dependencies associated with proposals.

Once completed, the full business case will be considered by the Shared Partnership Board. Should the Shared Partnership Board consider the proposal to be desirable, viable and feasible, it would recommend to and seek approval from both councils.

Each council would seek approval through each council's own decision-making governance arrangements. Proposals would only be implemented should both councils agree with the recommendations.



# The process for investigating opportunities for collaboration



A phased approach to investigation is designed to identify and implement collaboration that is best placed to realise the intended benefits identified within section 8. The following lines of investigation are likely to be the main focus of the phased approach:

- **Identifying long term strategic opportunities to shape policy / plans** and inform regional and national thinking in areas of commonality (for example housing fit for the future, tackling fuel poverty in rural areas etc.).
- **Reduced duplication and the ability to develop thematic leadership** and share expertise across the partnership (for example joint responses to domestic abuse, Homes for Ukraine, cost of living).
- **Shared leadership arrangements** where appropriate (for example waste and environmental services, regulatory services).
- **A joint approach to identifying, securing and investing external funding**, including a default position that considers sub-regional working if appropriate (for example safer streets, homelessness).
- **A creative and strategic partnership approach to service growth**, rather than viewing services as 'a contract' (for example Lifeline digital transition / assistive technology growth').
- **The ability for one council to provide the other with expertise to drive forward service improvement and growth** (for example in relation to housing regulation, engaging with registered providers, housing development).
- **A joint approach to commissioning and procurement** (for example aligned approach to developing a leisure procurement strategy, shared leadership, knowledge and expertise transfer, peer review and critical friend functions).
- **Shared / aligned procurement arrangements** (for example the aligned approach to developing a leisure procurement strategy, MBC's Welland procurement service providing services to HDC, the potential to develop a joint car parking needs assessment).



# Joint commissioning and shared procurement function



## Joint commissioning

Through the proposed strategic partnership, both councils will have the opportunity to develop place based strategies and approaches to address shared challenges. During the development of these strategies, both councils will be responsible for assessing the needs of their own communities and businesses; the development of a shared strategy and action plan does create significant potential for a shared approach to commissioning and procurement.

A current example involves the preparations underway to procure a new leisure contract. Both councils are responsible for two leisure centres, with the same leisure operator currently appointed by both councils. Both contracts end in March 2024.

Until recently both councils were progressing with their own procurement preparations, designed to appoint a leisure operator from March 2024. Following discussions initiated through this process, both councils are now exploring the potential to align elements of the procurement preparation processes which has the potential to realise both efficiencies and financial savings.

Given the timescales required, it may not be possible to align leisure procurement processes, however the potential to have a single leisure operator in the future, would have the potential to deliver significant savings and efficiencies.

## Shared procurement function

Welland Procurement is hosted by MBC and provides a procurement service to the public sector – managing procurements, managing risk and helping to deliver quality and value. An experienced team that manages procurements across all categories and values.

The service recognises the importance of high-quality procurement at a time when many public sector organisations find it hard to fund an in-house procurement resource. They provide support throughout the whole process.

Conversations are ongoing between both councils, with a view to HDC accessing Welland's procurement functions. Should HDC purchase Welland's procurement support, it would benefit from financial savings, the service's existing procurement expertise and the collective buying power of a number of councils, while also potentially increasing the opportunity for future joint commissioning and procurement exercises with other councils.

From MBC's perspective, HDC procuring support from Welland represents a service growth opportunity, while also allowing the service to realise efficiencies and increase productivity.

**Example from elsewhere:** A group of local authorities in Essex joined together to form a shared services hub for procurement thereby vastly reducing duplication of effort between member authorities and enabling procurement arrangements arrived at for one authority in the group to be made available to all other members -and to a wider base wherever possible. In addition, hub members have access to experienced, qualified procurement staff when needed. In the first year of operation the savings and income targets established for the hub were either all met or exceeded.



# Intended benefits - commercial case (1)



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
	Performance	Rationale	Performance	Rationale
Increased purchasing power – improved value for money and the ability to shape, influence and support local/regional markets.	<b>High</b>	<p>Significant potential for increased purchasing power through joint commissioning and procurement exercises, as demonstrated by the leisure operator example.</p> <p>The strategic partnership would create the framework and conditions for planned and sustained joint commissioning and procurement activity, with the developed of shared place based strategies providing the basis for joint commissioning across a range of service/outcome areas.</p>	<b>Medium</b>	<p>Both councils would be in a position to undertake joint commissioning and procurement (i.e. the leisure operator procurement and HDC joining Welland Procurement). This would however not be on a structured and scheduled basis.</p> <p>The ability of both councils to collectively shape and influence local markets would be limited when compared to a joint approach under a strategic partnership.</p>
Increased opportunities for job enrichment, development and progression.	<b>High</b>	Through the sharing of services, staff and skills, in addition to the service growth identified, significant opportunities exist for both councils to offer job enrichment, development and progression.	<b>Low</b>	Current arrangements and opportunities have resulted in services suffering from a lack of resilience; recent examples demonstrate how whole teams can be left severely understaffed should employees be recruited by neighbouring councils offering higher salaries and improved progression opportunities.



## Intended benefits - commercial case (2)



Intended benefit	Strategic partnership - demonstrable potential to achieve intended benefit		Do nothing - demonstrable potential to achieve intended benefit	
	Performance	Rationale	Performance	Rationale
Improved recruitment and retention rates.	<b>High</b>	<p>Retention - Proposals demonstrate increased opportunities for development and progression across a range of service areas, driven by sharing of services and expertise, service growth and increased productivity.</p> <p>Recruitment - By sharing a workforce strategy, both councils will be actively working together (and not competing against each other) across recruitment markets. The level of shared services being proposed indicate that both councils will be sharing the risk and cost of recruitment.</p>	<b>Low</b>	<p>Retention - Both councils currently experience challenges associated with staff retention. Currently a large proportion of HDC's leadership team is appointed on an interim basis, while MBC has experienced significant challenges associated with retaining staff appointed to specialised posts (housing, planning etc.).</p> <p>Recruitment – Without meaningful collaboration, both councils are likely to be in competition for high quality staff. While both councils are able to demonstrate development and progression routes, these are below those that would be available via a strategic partnership.</p>
Both councils being viewed as 'employers of choice'.	<b>High</b>	<p>Clear potential to increase opportunities for job enrichment, development and progression.</p> <p>Significant opportunities to improve recruitment and retention rates.</p>	<b>Medium</b>	<p>Potential to increase opportunities for job enrichment, development and progression, however fewer opportunities will exist due to the lack of a shared workforce strategy and joint approach to recruitment and retention.</p>





# 11 Management case



# Strategic partnership - senior leadership structure



The proposed initial structure has been designed to support the arrangements for the Shared CEO and Shared DCEO roles and responsibilities for the strategic partnership and to provide clarity and assurance for the individual sovereign councils. The proposed structure is necessary to ensure that staff within both sovereign councils have a clear understanding of their reporting lines.

The proposed structure creates a Shared CEO and two Shared DCEOs.

The proposed structure is the initial stage of structural change to support initial establishment of the strategic partnership, further structural changes are likely but will form part of the business case proposals to be considered by the Shared Stakeholder Group and the Shared Strategy Board. All further changes will require the approval of both sovereign councils as set out in the MoA.

The staff impacted by the proposed structural arrangements have been consulted in line with each of the sovereign councils HR procedures. Further consultation will be required with any officer impacted by future structural changes.

The MoA sets out the clear partnership governance arrangements which will be supported by the Shared Chief CEO, Deputy Chief Executives, Section 151 Officers and the Monitoring Officers.

The Shared CEO's main roles are as follows:

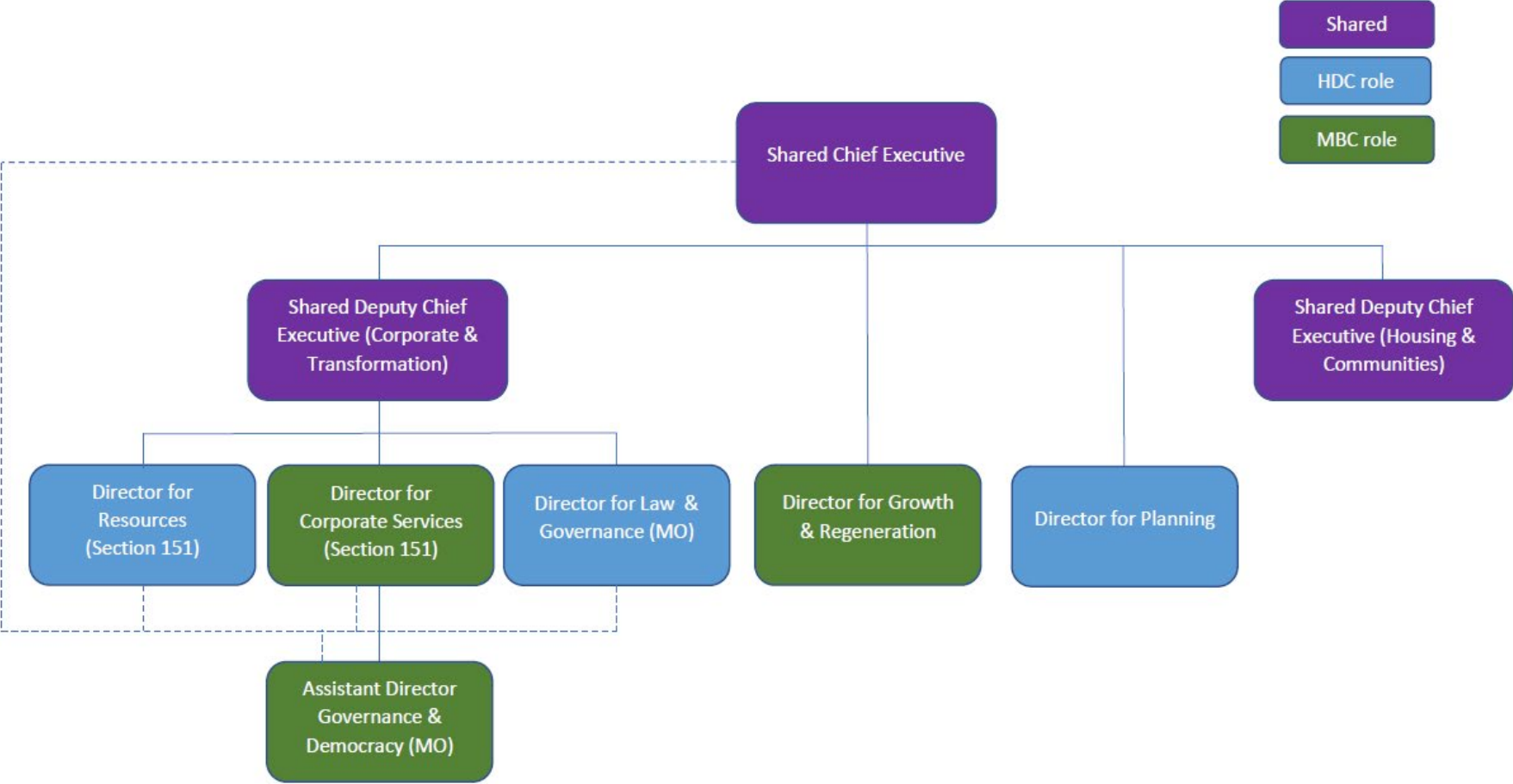
- To deliver the strategic aims, objectives and priorities for each sovereign council in line with the Corporate Strategies for each sovereign council.
- To have statutory responsibility as Head of Paid Service to ensure the effective strategic leadership of each sovereign council in accordance with the policy, budgetary, statutory, quality and value for money requirements of each sovereign council.
- To work in partnership with the two Leaders and other elected members to develop and lead the implementation of the intended benefits of the strategic partnership between HDC and MBC in accordance with the business case and MoA to deliver best value outcomes for the local residents and communities of Harborough and Melton.



# Strategic partnership - senior leadership structure



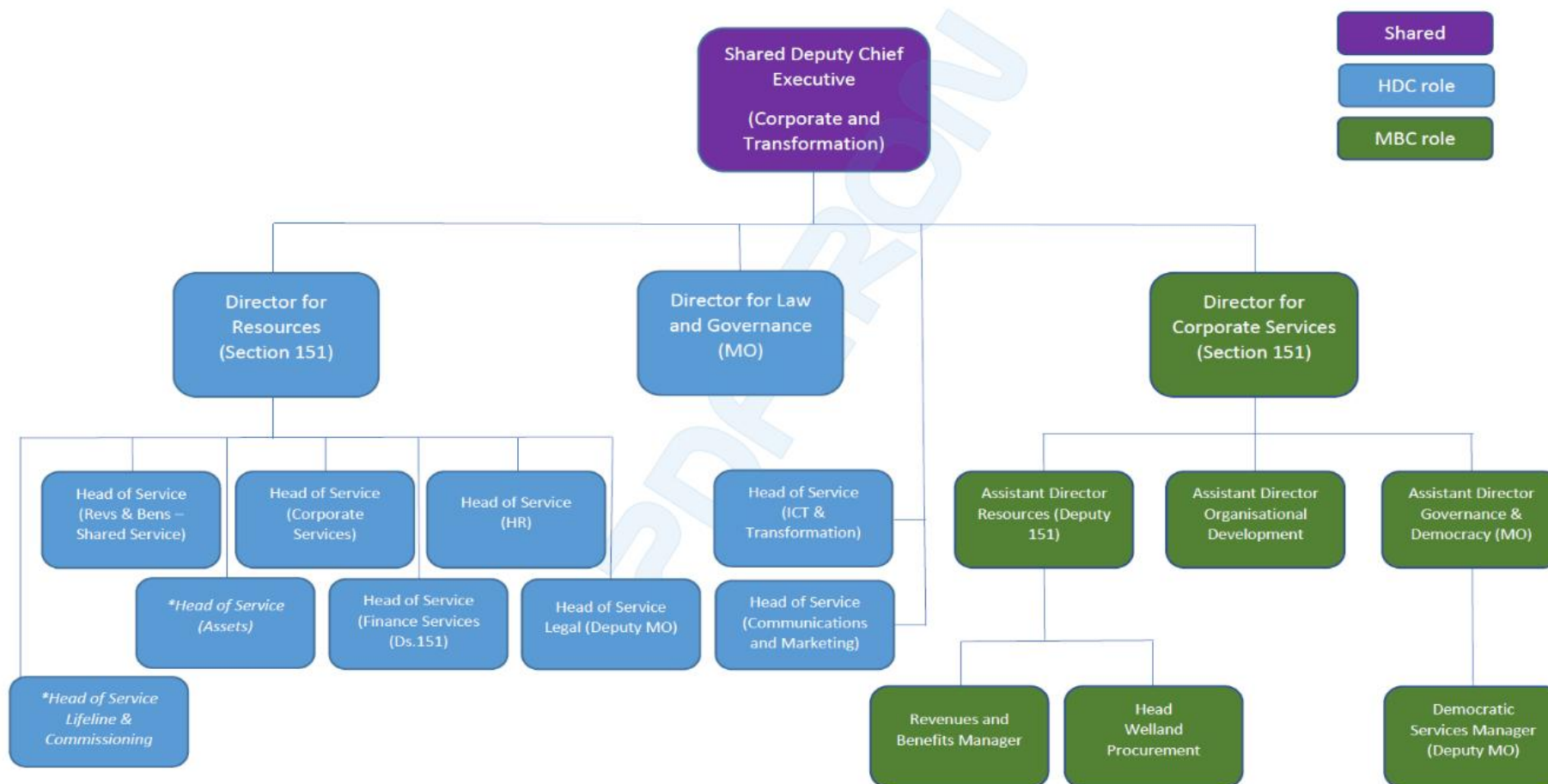
The diagram below outlines the proposed initial senior leadership structure for the strategic partnership, specific to director and statutory officer levels. Statutory officers, Section 151(s) and MOs will continue to liaise directly with the Head of Paid Service (Shared CEO) on statutory matters, as they do currently





# Strategic partnership - corporate and transformation

The diagram below outlines the proposed initial senior leadership structure for the strategic partnership, relating to the corporate and transformation functions. The Section 151 and MO will continue to have direct access to the Shared CEO for all statutory officer functions.



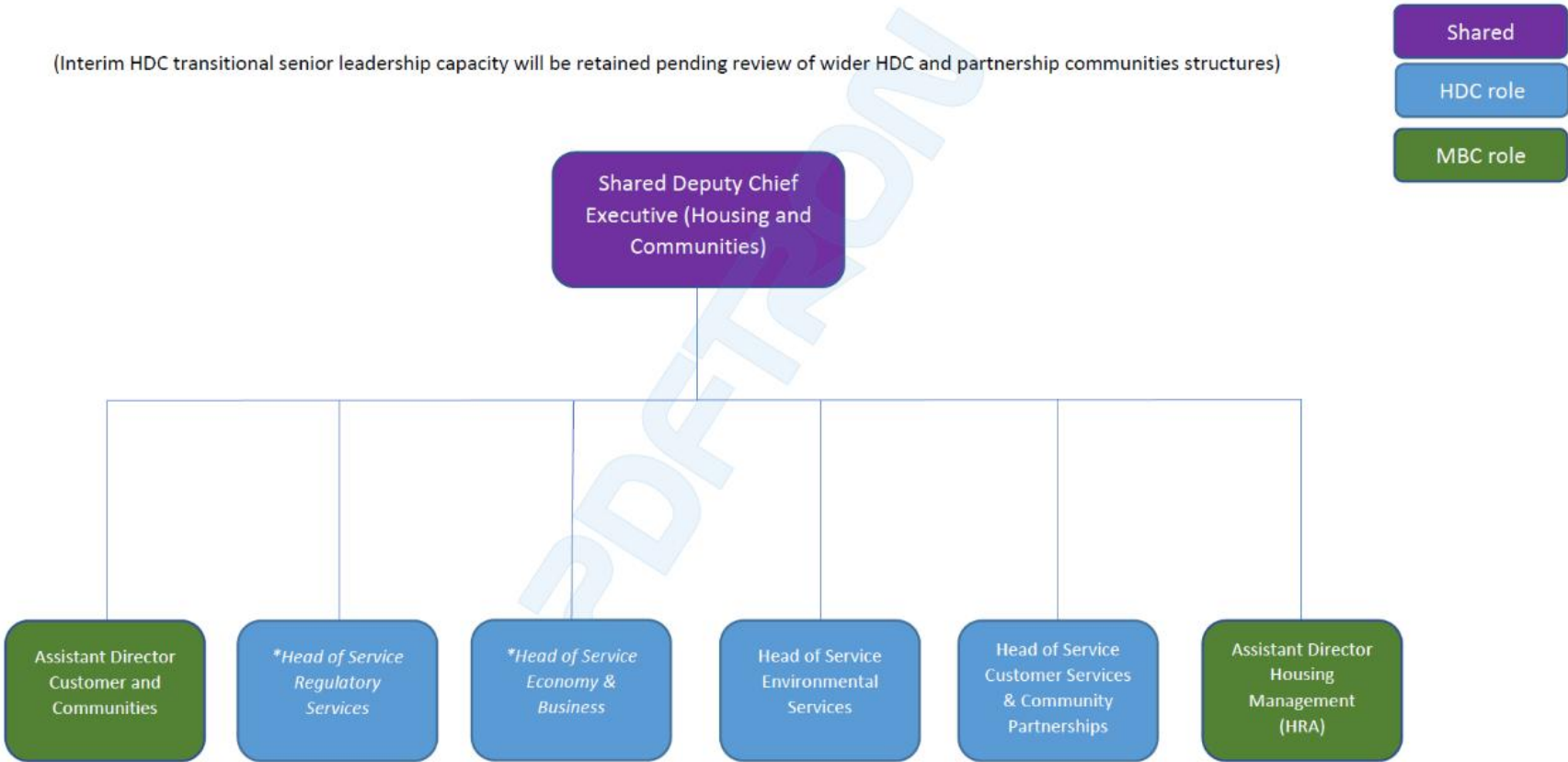
\*Denotes recognition that reporting lines for service area not aligned with the other council's. This would be resolved as part of first review of senior structure in **Phase 1**



# Strategic partnership - housing and communities

The diagram below outlines the proposed initial senior leadership structure for the strategic partnership, relating to housing and communities functions.

(Interim HDC transitional senior leadership capacity will be retained pending review of wider HDC and partnership communities structures)



\*Denotes recognition that reporting lines for service area not aligned with the other council's. This would be resolved as part of first review of senior structure in Phase 1.



# Shared Chief Executive - overview of role



## Specific Responsibilities (in relation to each sovereign council)

- To provide strategic leadership and management for the effective working on key strategic issues relating to service provision and to provide clear leadership and direction on the development and implementation of the councils' objectives.
- To drive service improvements and coordinate strategies to deliver results and key priorities ensuring a clear sense of direction and purpose.
- Lead and develop the councils' officers to ensure that financial and other resources are properly planned, managed and controlled efficiently to achieve the councils' aims and objectives.
- Ensure that the councils have effective governance and regulatory systems in place and adhered to which safeguard the legality, probity, integrity, proper public accountability of its decision-making processes.
- To be proactive in ensuring the councils take full advantage of income streams and/or cost reduction opportunities and grant regimes. To drive and encourage innovation to further enhance the councils business portfolio and non- governmental incomes.
- Develop, maintain and promote effective communications, liaison and partnership working throughout the councils at all levels, and encourage strong working relationships with residents and external stakeholders. Identify and develop opportunities for achieving the councils' objectives through partnership with other people, and organisations.
- Providing professional policy advice to all parties in the decision-making process in accordance with budgetary and statutory requirements.
- Promote a culture of excellence underpinned by performance management and continuous development. To positively motivate the workforce, encourage and facilitate innovation and new thinking. To encourage feedback and involvement to enhance the reputation of both councils as employers of choice.
- To manage the interface between Elected Members and Senior Officers promoting a positive and respectful relationship between Members and Officers.
- Ensure that the councils services are driven by quality and customer focus, determined by the needs of the people of Harborough and Melton. Make the best use of the councils organisational capability to deliver better services to residents and customers against changing demands.
- Represent the councils at local, regional and national level with key stakeholders and other bodies as appropriate.
- Support the statutory officers in the discharge of their responsibilities
- To serve and represent both councils equally and without bias
- To undertake any other duties commensurate with the role necessary for the safe and effective performance of the job. This job description may change along with changing objectives and priorities.



# Deputy Chief Executives with thematic responsibilities - overview of roles



An overview of both roles is provided below:

## **HDC Deputy Chief Executive (Corporate and Transformation)**

- To support the Shared CEO in setting the overall strategic direction of the councils and as a member of the Senior Leadership Team, work collaboratively providing leadership and supporting the corporate governance of the councils.
- To support the Shared CEO, the Leaders of both councils and elected members in defining and delivering the priorities, policies and plans for both councils.
- Overseeing the strategic and operational delivery of financial and corporate services and governance. Ensuring all services are people-centred, customer focussed and support and facilitate the councils' strategic objectives.
- To support the Shared CEO in partnership with the two Leaders and other elected members to develop and lead the implementation of the intended benefits of the strategic partnership between HDC and MBC in accordance with the business case and MoA to deliver best value outcomes for the local residents and communities of Harborough and Melton.
- To act as the operational lead for HDC in liaison with the Shared CEO to ensure day to day operational issues and opportunities are effectively co-ordinated within the sovereign council.

The HDC Deputy CEO will remain the operational lead for HDC, working with the Shared CEO to ensure the council fulfils all statutory obligations and delivers high performing services for the communities and businesses of Harborough.

## **MBC Deputy Chief Executive (Housing and Communities)**

- To support the CEO in setting the overall strategic direction of the councils and as a member of the Senior Leadership Team, work collaboratively providing leadership and supporting the corporate governance of the councils.
- To support the Shared CEO, the Leaders of both councils and elected members in defining and delivering the priorities, policies and plans for both councils.
- To overseeing the strategic and operational delivery of communities-based services including housing and landlord functions. Ensuring all services are people-centred, customer focussed and support and facilitate the councils' strategic objectives.
- To support the Shared CEO in partnership with the two Leaders and other elected members to develop and lead the implementation of the intended benefits of the strategic partnership between HDC and MBC in accordance with the business case and MoA to deliver best value outcomes for the local residents and communities of Harborough and Melton.
- To act as the operational lead for MBC in liaison with the Shared CEO to ensure day to day operational issues and opportunities are effectively co-ordinated within the sovereign council.

The DCEO will remain the operational lead for MBC, working with the Shared CEO to ensure the council fulfils all statutory obligations and delivers high performing services for the communities and businesses of Melton.



# Additional workforce considerations



**Returning Officer** - The role of Electoral Registration Officer and Returning Officer ('ERO') is a statutory function and personal appointment overseen by both Councils independently.

In view of the need for direct supervision of election processes simultaneously in both councils, it is proposed that this role should remain separate. No change is therefore proposed from existing arrangements. The Chief Executive of MBC (the Shared CEO of the strategic partnership) would remain the ERO and Returning Officer for Melton, and the substantive Deputy Chief Executive of HDC would remain the ERO and Returning Officer for Harborough. This arrangement can be kept under review as part of normal governance processes.

**Director of Communities (HDC)** - The current Director of Communities (HDC) has been appointed on an interim basis, with the term due to end in March 2023. Given that the Shared DCEO for MBC will hold thematic responsibility for communities (and housing), the intention is to delete the current Director of Communities role on 1<sup>st</sup> April 2023.

Given that the intention is to establish the strategic partnership in January 2023, the current Director of Communities (HDC) will provide the Shared DCEO with valuable capacity over the period January-March, to support the smooth transition to the new partnership structure. Following deletion of the Director of Communities post from the HDC establishment, it will be necessary to determine if some additional resource will be needed to support the operational delivery of communities focussed activity in HDC. If it is deemed that additional resource is needed, the annual saving from the deletion of this post will reduce the overall HDC saving.

**Executive Support** - There is a requirement to assess the need for and existing levels of capacity relating to executive support across the two councils. Appropriate levels of executive support will be required to ensure a smooth transition to the strategic partnership structure. An assessment of existing capacity and future requirements will be undertaken in January 2023.

**Transformation support** - Shared transformation capacity and expertise is required to ensure a smooth transition to the new arrangements, in addition to an ongoing requirement for transformational capacity as the partnership moves into the 'business as usual' stage.

Transformation requirements during the first year will likely focus on effective implementation of new arrangements; establishing the required governance structures, progressing with phase 1 investigations and undertaking an initial review (post local elections) and 12 month review. During year 2, the focus will turn to implementation of service level transformation and benefits realisation. Additionally, there will be a requirement for ongoing performance management, monitoring and evaluation of the programme and the impact that is being realised.

An assessment of existing capacity and future requirements will be undertaken in early 2023.



# A phased approach to review, monitoring and evaluation



## **Phased approach to investigation and implementation of opportunities for collaboration**

The creation of a formalised strategic partnership between both councils is designed to establish a framework and platform that enables both councils to improve service quality, resilience and efficiency, while also increasing the collective influence of both councils and their ability to improve outcomes for their communities and businesses.

Should the strategic partnership be established, the councils would undertake a phased approach to the investigation of opportunities for collaboration. The Shared Strategy Board and Strategic Partnership Board would work in partnership to identify and appraise opportunities for collaboration. Should investigations identify areas of potential collaboration that are considered mutually beneficial to both councils, the Joint Strategic Board would make recommendations to both councils, for the consideration by Portfolio Holders, Cabinet or the relevant committee as appropriate.

This phased approach to investigation would commence in 2023/24. Both councils have identified examples of where service collaboration is being actively considered currently; these opportunities (see pages 110 to 120) would be the first to be investigated through the phased approach being proposed.

## **Review process**

Should the proposed strategic partnership be implemented, both councils would commit to regular reviews of the strategic partnership.

The first review milestone for the partnership would be in May / June 2023, where as part of the member induction process the councils (via the Shared Strategy Board and Strategic Partnership Programme Board) would present elected members with an initial update on strategic partnership performance, in terms of progress made, issues to be addressed and potential quick wins that could be implemented. The Shared Strategy Board will continue to maintain oversight and provide direction in terms of any further opportunities to be explored during this period. It will also be necessary to check and validate the arrangements with the new administrations in both councils after the election.

Following the end of the first year of the strategic partnership, the councils (via the Shared Strategy Board and Strategic Partnership Programme Board) would undertake a 12-month review of the strategic partnership, with both councils (Full Councils) being updated on progress, priorities, risks and dependencies in or around January / February 2024.

Additionally, in all following years, the councils (via the Shared Strategy Board and Strategic Partnership Programme Board) would undertake an annual review of the partnership to understand its effectiveness of current arrangements, including a review of key principles (as outlined within the MoA) and identifying future opportunities for further development.



# Dispute resolution and exit arrangements



## Dispute resolution

The MoA outlines dispute resolution arrangements (clause 8, Dispute Resolution). A summary of the proposed arrangements is provided below:

- Any dispute concerning the terms outlined within the MoA will be referred to the Shared Strategy Board for consideration. The Shared Strategy Board shall take all reasonable steps to conciliate and resolve such dispute or difference whether by negotiation, mediation or any other form of dispute resolution procedure (with a view to resolution by discussion and negotiation).
- In the event that a matter in dispute cannot be resolved by the Shared Strategy Board, the matter shall (unless the councils agree otherwise in writing) be referred to an arbitrator.
- An arbitrator will be appointed with the agreement of the councils. In the event that agreement cannot be reached, the President or other chief officer of the Chartered Institute of Arbitrators, or such other professional body appropriate to the matter in dispute (such body to be determined by the Shared CEO), shall be appointed. The costs of arbitration shall be borne equally by the councils unless agreed otherwise by the Councils.

## Exit arrangements

The MoA outlines the necessary steps and processes that would be required should either council wish to terminate the strategic partnership, or a particular shared arrangement (i.e. a shared service). A summary of the necessary steps is provided below; full details are provided within the MoA (clause 6, Termination and Review):

Either council may withdraw from either the strategic partnership in its entirety or a Service Level Agreement entered into by:

- Providing no less than 12 months written notice.
- Submitting a report (developed by the Shared CEO) to the Shared Strategy Board, setting out the implications of the withdrawal for the strategic partnership.
- Developing and agreeing a robust plan that details how an orderly withdrawal from the strategic partnership will be achieved, taking account of financial consequences, service delivery implications and implications for staff.
- Developing and agreeing an exit plan that outlines the allocation of resources, assets and staff, following appropriate consultation with staff and stakeholders.

There is also a provision for either Council to terminate the Partnership in whole or in part within 6 months of the agreement being signed.

In the event that staff in joint roles are required to return to their employing council, each employee will revert to their substantive post in the employing council as per the Section 113 arrangements, unless otherwise agreed. The employing council shall deal with any consequential changes to contract terms and conditions.



# Summary roadmap



An operational implementation plan has been developed as part of the design of the strategic partnership proposition. A summary of the plan is provided below.



## Mobilisation of the strategic partnership

Establishment of new arrangements, pending decision by both councils.



## Phase 1 Jan-May 2023

Undertake and complete investigations relating to all proposed phase 1 collaborations.

Shared Strategy Board to consider all proposals and make recommendations to both councils.



## Performance update - May-July 2023

Initial review of strategic partnership performance.



## Phase 3 - Jan-Dec 2024

Undertake and complete investigations relating to all proposed phase 3 collaborations.

Shared Strategy Board to consider all proposals and make recommendations to both councils.



## 12 month review - Jan-Feb 2024

First annual review of strategic partnership presented to both Full Councils.



## Phase 2 - May-Dec 2023

Undertake and complete investigations relating to all proposed phase 2 collaborations.

Shared Strategy Board to consider all proposals and make recommendations to both councils.



# Risk register



A summary risk register is provided below, detailing the strategic risks and mitigations associated with the establishment of the strategic partnership. Both councils will hold and maintain a full risk register which will be managed as part of ongoing risk management arrangements.

Theme	Risk	Mitigation
Leadership and Governance	The failure to identify a clear shared vision, objectives, goals, and focus for the strategic partnership which lead to ineffective working, misunderstandings and disagreements.	To establish a shared vision for the strategic partnership through close working between Cabinets and senior leadership teams. To support this vision in the design principles of the business case and formalise through the Memorandum of Agreement. To ensure that the business case and Memorandum of Agreement are appropriately and effectively scrutinised and comments are considered by the Cabinet and Council.
	The perceived imbalance or unfairness from one party about what they get or will get from any partnership collaboration. Perception that one council's priorities, size or influence are dominating to the others.	To communicate well and set clear expectations as a framework for the partnership. To ensure the Memorandum of Agreement defines a clear mechanism for the apportionment of costs and established a regular basis for reporting the progress of the strategic partnership to Council. To ensure the decisions associated with the strategic partnership remain the responsibility and authority of the individual sovereign councils and that this principle is embedded in the business case and the Memorandum of Agreement.
	The strategic partnership would impact on sovereignty and identity leading to councillor mistrust of the partnership.	To ensure clear and agreed governance principles and processes for sovereign council decision making and scrutiny arrangements are embedded in the design principles of the business case and the governance arrangements within the Memorandum of Agreement. To ensure regular communication with councillors, parish councils, stakeholders and the public. To provide opportunity for learning from other council partnerships (officers and members).
	The perception that staff are not 'local' enough or connected to the community / that staff will be unable to understand the distinct needs of places (and places within places).	To ensure visibility with members and the community in both places, relevant to role. To understanding the distinct nature of place and provide for political led sovereign council decisions to support local outcomes. To identify areas of commonality and shared approaches to 'place'. To harness digital capabilities to ensure agile or remote working does not impact on service delivery or connection with members, staff, stakeholders or local communities.



# Risk register



Theme	Risk	Mitigation
Capacity, Resources and Resilience	The failure to resource effectively any transitional and transformational arrangements, with officers over-stretched leading to impacts on service delivery, and organisational effectiveness.	<p>To resource the transitional and transformational programme in the same way that existing Council programmes are led, supported and delivered ensuring that the resourcing requirements is identified as part of the business case being recommended to the Shared Strategy Board and Shared Stakeholder Board as set out in the Memorandum of Agreement.</p> <p>Undertake review of existing capacity and capability and assess future requirements, as part of phase 1 investigations (transformation support and executive support).</p>
	That existing projects and programmes may be delayed due to diversion of capacity to support the development, implementation and delivery of the strategic partnership.	<p>The implementation and delivery of the strategic partnership will enable benefits to be achieved in a more effective and efficient way. Each sovereign council will be able to determine via their decision-making the appropriate timing for any new projects and programmes alongside their existing commitments, objectives and deliverables. The Shared Chief Executive and Shared Deputy Chief Executives will be responsible for ensuring the delivery of new opportunities, as identified in the business case, alongside the existing projects and programmes of each sovereign council.</p>



# Risk register



Theme	Risk	Mitigation
Financial	That savings cannot be made or realised, which undermines confidence in the partnership.	A robust mechanism for establishing the business cases will be established as part of the governance arrangements contained within the Memorandum of Agreement. The Shared Stakeholder Group will have oversight of the benefits programme of the strategic partnership, the Shared Strategy Board will ensure the strategic benefits of the partnership are being achieved. Individual sovereign councils will make the decisions on each opportunity which will be subject to the normal scrutiny processes. The Memorandum of Agreement establishes the basis of reporting the progress and success on the strategic partnership on an annual basis.
	That costs and savings are not apportioned fairly leading to breakdown in relationships and loss of trust.	The Memorandum of Agreement establishes a clear basis of costs apportionment for the strategic partnership which will form part of the recommendations to each sovereign council.
Workforce, Culture and Communication with Staff	That poor or ineffective communication to staff leads to mistrust and demotivates staff.	Regular staff engagement sessions have been established across both sovereign councils. This will continue and include regular briefings, emails, and written updates. Joint staff working groups and staff champion groups will be established and staff engagement and communication will be built into the business case development timeline and implementation plans as part of the recommendations. Senior team (particularly those moving into shared roles) will introduce themselves to staff and be known to staff in both councils. A shared celebration of successes and achievements will be established with an aim to build shared sense of pride in the strategic partnership for all staff.
External	That wider stakeholders (including other councils) do not understand the new arrangements or are not supportive.	A proactive engagement with partners is in place, and with key stakeholders including MPs. This includes communication during business case development phase and upon implementation. There is a commitment to communication and increased visibility of partnership achievements.
	That existing partnerships may feel threatened and be undermined by the strategic partnership.	Each sovereign council's commitment to existing partnerships will be clear to those respective partners (such as Revenues and Benefits Partnership) to avoid perception that existing partnership arrangements will be undermined. Each sovereign council will commit to seek to avoid destabilising existing partnerships.












































# 12

## Findings and conclusions



# Summary of findings

The business case has appraised the strategic partnership proposition and 'do nothing' alternative against the intended benefits identified by both councils. A summary of the performance of both options against the intended benefits is provided below:

	<div> Strategic place leadership</div>	<div> Communities and businesses</div>	<div> Organisational effectiveness</div>	<div> Workforce</div>	<div> Financial resilience</div>												
	Maximising our influence	Maximising our collective strengths	Futureproofing both councils’.	Inclusive growth, reduced deprivation & improved outcomes	Maximising external investment.	Maximising impact by jointly addressing shared challenges	Increased impact realised through collective campaigns	Increasing service resilience.	Improving organisational effectiveness	Accelerating the pace of progress & improvement	Job enrichment, development and progression	Improved recruitment and retention rates.	Both councils being viewed as ‘employers of choice’.	Improved financial sustainability	Improved value for money	Increased purchasing power	A net financial benefit to the councils
Strategic partnership																	
Do nothing																	



# Summary of findings



The analysis of the strategic partnership proposition has identified the following benefits that would be realised should the option be implemented. A summary of the benefits that would be realised by the strategic partnership (as opposed to remaining with current arrangements) is provided below:

## **Strategic place leadership**

- A combined and louder voice that results in increased strategic influence, with the strategic partnership representing the 147<sup>th</sup> most populated and 27<sup>th</sup> largest geographical area.
- Single representation at local partnerships and forums and a single line of contact to Integrated Care Boards, Rural Partnership etc.
- Significant potential for a single place leadership function to respond to shared challenges.
- A new relationship and joint working culture across both councils that enables the ongoing investigation and implementation of shared arrangements.

## **Communities and businesses**

- A joint approach to addressing the causes of deprivation and inequality, involving the sharing of expertise and resources, while possessing greater levels of strategic influence and the potential to attract greater levels of public and private investment.
- Shared strategies and joint approaches to campaigns, using the expertise and reach of both councils, is likely to realise a higher degree of effectiveness than a single council approach.

## **Organisational effectiveness**

- A phased approach to investigation will facilitate the investigation of a range of service areas and management structures that improve sharing of resources, learning and good practice

- The investigation process will require the development of business cases that demonstrate how reforms will benefit residents and communities, demonstrating an attractive benefit cost ratio.
- The investigation process will identify opportunities to protect, maximise and share the assets of each council (expertise, best practice, systems and intelligence). A corporate commitment to moving at pace and realising the required level of impact would ensure the pace of reform is a priority, with appropriate monitoring and oversight arrangements in place to enable sound programme management, scrutiny and oversight.

## **Workforce**

- Through the sharing of services, staff and skills, in addition to the service growth identified, significant opportunities exist for both councils to offer job enrichment, development and progression opportunities.
- By sharing a workforce strategy, both councils will be actively working together (rather than competing against one another) to recruit the best applicants.

## **Financial resilience**

- Each council is forecasted to realise savings over a 3 year period, representing an improvement in their respective financial positions.
- However the value of savings forecasted by both councils is insufficient to offset the full unfunded deficit being forecast by both councils.
- In addition to the financial savings forecasted, additional non-monetised economic benefits would be realised (increased productivity, service improvement and resilience, potential for service growth).



DATED THE                      DAY OF                      2022

(1) HARBOROUGH DISTRICT COUNCIL

AND

(2) MELTON BOROUGH COUNCIL

## **DRAFT**

**MEMORANDUM OF AGREEMENT TO  
ENTER INTO A STRATEGIC PARTNERSHIP  
AND PLACE OFFICERS FROM EACH COUNCIL  
AT THE DISPOSAL OF THE OTHER COUNCIL  
PURSUANT TO SECTION 113 OF THE  
LOCAL GOVERNMENT ACT 1972**



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# Agreement

Dated the            day of December 2022

## BETWEEN:

- (i) **Harborough District Council** whose principal office is at The Symington Building, Adam and Eve Street, Market Harborough, Leicestershire, LE16 7AG ("HBC")

and

- (ii) **Melton Borough Council** whose principal office is at Parkside, Burton Street, Melton Mowbray LE13 1GH ("MBC")

## RECITALS:

- A. Section 113 (1) of the Local Government Act 1972 provides that a local authority may enter into an agreement with another local authority for placing at the disposal of the latter for the purposes of their functions, on such terms as may be provided by the agreement, the services and [the](#) officers employed by the former. An officer placed by one local authority at the disposal of another remains employed by the first local authority.
- B. The Councils are desirous of securing further benefit for their local communities by establishing a strategic partnership and propose to apportion the costs of, and subsequently benefit from, the potential efficiency savings that may be secured through such a strategic relationship.
- C. Each Council has approved the sharing of the role of Chief Executive and other senior officer roles under Section 113 of the Local Government Act 1972 with a view to:
- a. Enhancement of the ability to address common issues and challenges for the benefit of residents, communities and business, through a common purpose, whilst maintaining democratic accountability;
  - b. Maximised influence, reach and impact on a local, regional and national basis particularly in relation to shared opportunities and challenges;
  - c. Facilitating greater financial sustainability, improved resilience and maximising opportunities to secure external funding;
  - d. Attracting and retaining workforce talent through the opportunities for shared learning, job enrichment, new experiences and progression;



- e. Effectively and equitably deploying senior resources;
  - f. Considering and embracing future collaboration opportunities and options and to review and evaluate existing arrangements;
- D. The Councils have resolved to at all times co-operate with each other in the operation of the Strategic Partnership and in doing so shall observe the following key principles:
- a. trust, transparency, integrity, and respect;
  - b. effective working relationships;
  - c. co-operation, collaboration, and information-sharing whilst respecting the confidentiality of the other Council;
  - d. accountability to their council taxpayers and each other;
  - e. openness to change, including the addition of further partners;
  - f. to recognise the values and behaviours of each partner's culture;
  - g. systematic and outcome focused in their approach to working together; and
  - h. sensitivity to the fact each council operates in a political environment.

**PROVIDED ALWAYS** that:

- E. The sovereignty of each Council is retained absolutely;
- F. Lines of officer accountability are clear and maintained;
- G. The costs of the strategic partnership are shared between the Councils on a fair, equitable and proportionate basis.

**NOW IT IS HEREBY AGREED** as follows:

**1. Definitions**

In this Agreement the following terms shall have the following meanings:

<b>Term</b>	<b>Meaning</b>
Chief Executive	The officer appointed by each Council as Chief Executive of the Council
Clause	A Clause in this Agreement
Commencement Date	The date the Agreement takes effect
Council	Harborough District Council or Melton Borough Council as the case may be
Councils	Harborough District Council and Melton Borough Council



Cabinet	The Cabinet of Harborough District Council or Melton Borough Council as the case may be, appointed in accordance with Part 1A Chapter 2 of the Local Government Act 2000
Cabinets	The Cabinet of Harborough District Council and the Cabinet of Melton Borough Council
Deputy Chief Executive	The officer appointed by as Deputy Chief Executive of Harborough District Council or Melton Borough Council as the case may be
Executive Arrangements	Construed in accordance with Part 1A Chapter 2 of the Local Government Act 2000
Head of Paid Service	The officer appointed by each Council under Section 4 of the Local Government and Housing Act 1989
Intellectual Property Rights	All patents, rights to inventions, copyright and related rights, trademarks and service marks, business names and domain names, rights in get-up, goodwill, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world
Leader of the Council	Leader of Harborough District Council or Leader of Melton Borough Council as the case may be
Leaders of the Councils	Leader of Harborough District Council and the Leader of Melton Borough Council
Monitoring Officer	The officer appointed by each Council under Section 5 of the Local Government and Housing Act 1989
Remaining Council	The Council upon which the Withdrawing Council has served notice of intention to withdraw from either the Strategic Partnership or a service level agreement
Resolutions	The resolutions of Harborough District Council on 19 December 2022 and Melton Borough Council on 20 December 2022 to: <ul style="list-style-type: none"> <li>- Endorse the business case and enter into a Strategic Partnership;</li> <li>- appoint a Shared Chief Executive;</li> <li>- appoint the Shared Chief Executive as the Head of Paid Service;</li> </ul>



	<ul style="list-style-type: none"> <li>- Appoint the Deputy Chief Executive as a Shared Deputy Chief Executive and place at the disposal of the other Council</li> <li>- Delegate to the Monitoring Officer the ability to make amendments to the Constitution to give effect to the Memorandum of Agreement</li> </ul>
Section 151 Officer	The officer appointed by each Council under Section 151 of the Local Government Act 1972
<a href="#">Shared Chief Executive</a>	<a href="#">The officer appointed to the role of Shared Chief Executive / Head of Paid Service and placed at the disposal of the other Council in accordance with this agreement as the case may be</a>
<a href="#">Shared Deputy Chief Executive</a>	<a href="#">The officer(s) appointed to the role(s) of Shared Deputy Chief Executive and placed at the disposal of the other Council in accordance with this agreement as the case may be</a>
Shared Chief Officers	The officers appointed to the roles of Shared Chief Executive and Shared Deputy Chief Executive and placed at the disposal of another Council in accordance with this agreement as the case may be
Shared Chief Officer Employment Panel	The advisory body established with the terms of reference set out at Schedule 1
Shared Management Team (SMT)	The management team of shared officers, determined and chaired by the Shared Chief Executive
Shared Officers	The officers of a Council placed at the disposal of the other Council as the case may be under a section 113 agreement in accordance with Schedule 4 of this agreement.
<a href="#">Shared Senior Officers</a>	<a href="#">The officer(s) appointed to the role(s) of Shared Chief Executive and Shared Deputy Chief Executive and placed at the disposal of the other Council in accordance with this agreement as the case may be</a>
Shared Officer Structure	The management and reporting arrangements by which the Shared Chief Executive will manage the Strategic Partnership
Shared Strategy Board	The advisory body established with the terms of reference set out at Schedule 3 consisting of the Executive members of both Councils and the Shared Chief Executive
Shared Stakeholder Group	The advisory body established with the terms of reference set out at Schedule 2 consisting of the Leader and Deputy Leader of Harborough



	District Council, the Leader and Deputy Leader of Melton Borough Council and the Statutory Officers.
Statutory Officers	The collective name for the statutory officers of each Council, that is: <ul style="list-style-type: none"> <li>- the Head of Paid Service;</li> <li>- the Section 151 Officer; and</li> <li>- the Monitoring Officer.</li> </ul>
Strategic Partnership	The mechanism by which each Council will place their officers at the disposal of the other Council, as set out in this agreement
Termination Date	The date upon which a Notice of Termination takes effect ending the Strategic Partnership or Service Legal Agreement as may be the case
Withdrawing Council	The Council which has served on the Remaining Council notice of intention to withdraw from either the Strategic Partnership or a service level agreement

## 2. Preliminary

2.1 This Agreement is made pursuant to:

- (a) Sections 101 and 102 of the Local Government Act 1972 (arrangements for discharge of functions by local authorities);
- (b) Section 112 of the Local Government Act 1972 (duty to appoint officers);
- (c) Section 113 of the Local Government Act 1972 (power to place staff at the disposal of other local authorities);
- (d) Section 1 of the Localism Act 2011 (local authorities' general power of competence);
- (e) Sections 9EA and 9EB of the Local Government Act 2000 (discharge of functions);
- (f) The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012/1019 (joint arrangements for the exercise of executive functions); and
- (g) The resolution of Harborough District Council on **19 December 2022** and Melton Borough Council on **20 December 2022**.

2.2 This Agreement shall commence on the Commencement Date and subject to Clause 6 (Termination and Review) shall continue in full force and effect unless and until the Councils agree to terminate it.



- 2.3 Each Council shall use reasonable endeavours to support the purposes of this Agreement as set out in the Recitals, including in its contractual relationships with third parties.

### **3. Shared Chief Officer Employment Panel, Strategy Board and Stakeholder Group**

- 3.1 The Councils have, by the Resolutions, agreed to establish a **Shared Chief Officer Employment Panel** which shall not be a joint committee within the meaning of the Local Government Acts unless and until otherwise resolved by the Councils. It shall comprise, meet, operate, and be serviced in accordance with Schedule 1 to this agreement.
- 3.2 The Shared Chief Officer Employment Panel may make recommendations to the Council employing the Chief Officer concerned only. Any decision to be taken in relation to the employment of a Chief Officer will be made by the Council that employs them.
- 3.3 The Councils will establish a **Shared Stakeholder Group** which shall not be a formal joint committee within the meaning of the Local Government Acts. It shall comprise, meet, operate, and be serviced in accordance with Schedule 2 of this agreement.
- 3.4 The Councils will establish a **Shared Strategy Board** which shall not be a shared-formal joint committee within the meaning of the Local Government Acts unless and until resolved otherwise by each Council. It shall comprise, meet, operate, and be serviced in accordance with Schedule 3 of this agreement.
- 3.5 The Shared Strategy Board may make recommendations to the Councils but decisions affecting the Councils shall be taken by each Council as appropriate.
- 3.6 Notwithstanding Clause 7 below each Council shall meet any cost that it incurs as a result of a meeting of the Shared Chief Officer Employment Panel, Shared Stakeholder Group or the Shared Strategy Board, or any other joint committee or group created to support the operation of the Strategic Partnership.

### **4. Shared Officers**

#### *Chief Executive*

- 4.1 In accordance with the Resolutions, each Council shall appoint a Shared Chief Executive. The Shared Chief Executive is responsible for the development, implementation and oversight of the Strategic Partnership, including the Shared Officer Structure.



4.2 The Shared Chief Executive is appointed as the Head of Paid Service in respect of the workforce of the Councils as a consequence of the Resolutions.

4.3 The Shared Chief Executive shall:

- (a) Lead the senior management team of each Council;
- (b) Determine the constitution of the Shared Management Team for the Strategic Partnership

Attendance at, and frequency of, meetings, the terms of reference and other matters relating to the management teams shall be at the discretion of the Shared Chief Executive.

*Deputy Chief Executives*

4.4 In accordance with the Resolutions, each Council shall appoint a Deputy Chief Executive to the post of Shared Deputy Chief Executive. The Shared Deputy Chief Executives will be responsible for such functions of the Strategic Partnership as are delegated to them by the Shared Chief Executive from time to time.

*Statutory Officers*

4.5 Each Council shall identify and designate its statutory officers.

4.6 The Statutory Officers shall monitor the operation of the Strategic Partnership in compliance with their statutory obligations.

*Other Shared Officers*

4.7 Save for short term temporary arrangements, no officer shall be added to the Shared Officer Structure until:

- (a) a draft business case in respect of the proposed service and officer(s) has been endorsed by the Shared Strategy Board;
- (b) the Portfolio Holder, Cabinet or other relevant body at each Council endorse a complete business case, taking account of any feedback from the Shared Strategy Board, for the sharing of additional officers in accordance with the provisions of Section 113 of the Local Government Act 1972 including the appropriate apportionment of costs for any proposed change;
- (c) the Council employing the officer(s) proposed to be shared complies with all employment law requirements including but not limited to consultation with officers proposed to be shared; and
- (d) the Councils execute a service level agreement (in the form set out at Schedule 4) confirming the terms of the arrangement, the agreed legal



basis for the arrangement and the financial arrangements relating thereto.

- 4.8 Short term temporary arrangements for sharing an officer or officers may be authorised by the Shared Chief Executive provided that written confirmation of the same is sent to the Leaders of the Councils within 7 days of the decision to enter into temporary arrangements being made.
- 4.9 The Council which employs a Shared Officer who is part of the Shared Officer Structure shall, upon that officer leaving the shared role, recruit and employ the replacement officer unless otherwise agreed between the parties.
- 4.10 Shared Officers within the Shared Officer Structure may be employed by either Council and shall be placed at the disposal of the non-employing Council.
- 4.11 Shared Officers shall be authorised to act for both Councils in accordance with the Constitution of the Councils and shall not display bias in favour of either Council.
- 4.12 So far as is reasonably possible, Shared Officers who are part of the Shared Officer Structure shall divide their time fairly and reasonably between the Councils in accordance with the reasonable direction of the Shared Chief Executive.

#### *Pension*

- 4.13 For superannuation purposes, service rendered by a Shared Officer to the non-employing Council, in pursuance of section 113 of the Local Government Act 1972 and in accordance with this Agreement, is service rendered to the employing Council.
- 4.14 The Councils shall agree in writing financial arrangements as to the allocation of pension contributions, including those relating to payments due in respect of the pension deficits of the Councils [in respect of any s.113 arrangement upon the transfer](#), appointment to or employment of staff within the Shared Officer Structure, when and if this becomes necessary.

### **5. Finance**

- 5.1 The costs of employing Shared Officers within the Shared [Officer Structure](#)[Senior Officers](#), including training, redundancy and associated [pension-on](#) costs, shall be apportioned between the Councils equally unless otherwise agreed between the Councils in writing. [For the avoidance of doubt, equally shall mean 50% met by Harborough District Council and 50% met by Melton Borough Council.](#)
- 5.2 The Section 151 Officer(s) may, with the prior written agreement of the



Shared Chief Executive and the Leaders of the Councils, adjust the apportionment of any on-going costs attributable to the Strategic Partnership, provided that the adjusted apportionment is approved by the Councils as appropriate.

- 5.3 Where business cases are developed and consideration is given to the sharing of officers or services the Section 151 Officer(s) shall determine which of the following rationales shall be utilised:-
- (a) Population Rationale – 65% HDC and 35% MBC;
  - (b) Council Tax Base Rationale – 66% HDC and 34% MBC;
  - (c) Geographic Rationale – 69% HDC and 31% MBC; or
  - (d) Service Specific Rationale – split to be agreed on a case by case basis.
- 5.4 The Councils will review the apportionment of costs of the Strategic Partnership as and when new data becomes available and in any event within one year of the commencement of the Strategic Partnership to ensure the costs are a fair and reasonable reflection of the time spent by Shared Officers on the business and functions of each Council.
- 5.5 The Section 151 Officer(s) shall account to the Councils for the costs and or savings of the Strategic Partnership within 90 days of the end of each financial year, in accordance with all relevant law, statutory and CIPFA guidance. This annual financial report on the Strategic Partnership to the Councils shall include assurance from the Monitoring Officer(s) and Section 151 Officer(s) as to the ongoing lawfulness of the Strategic Partnership.
- 5.6 After the expiry of the first year of the Strategic Partnership, the Section 151 Officer(s) will submit an interim report to the Shared Strategy Board on a six-monthly basis.
- 5.7 Costs incurred upon termination shall be apportioned in accordance with clause 6 below.

## **6. Termination and Review**

- 6.1 This Agreement shall continue unless terminated in accordance with the provisions of this Clause 6.
- 6.2 Any Council wishing to withdraw from the Strategic Partnership within 67 months of this agreement being executed shall comply with the provisions of Schedule ~~XX~~5 to this agreement.
- 6.3 A Council may withdraw from either the Strategic Partnership in its entirety or a Service Level Agreement entered into in accordance with this agreement provided that not less than 76 months has elapsed from the date



of execution of this Agreement and:-

- (a) The decision to withdraw has been approved by the full Council; and
- (b) Not less than twelve months written notice of the intention to withdraw has been given by the Withdrawing Council to the Remaining Council and to the Shared Chief Executive; and
- (c) The Shared Chief Executive has submitted to the Shared Strategy Board, following consultation with the [Shared eDeputy eChief eExecutive](#) of each Council, a report setting out the implications of the withdrawal for the Strategic Partnership; and
- (d) The Shared Chief Executive has liaised with the Withdrawing Council to plan for an orderly withdrawal from the Strategic Partnership; and
- (e) The Shared Chief Executive has consulted the Remaining Council in respect of:
  - i. any financial consequences of the withdrawal, such as loss of funding, clawback of funding, potential liability, damage claim or expense; and
  - ii. potential service delivery implications and implications for staff and reputational damage; and
- (f) an exit plan has been prepared to deal with the allocation of resources, assets and staff, in conjunction with appropriate consultation and communication with staff and stakeholders; and
- (g) An agreement has been reached between the Councils in respect of the allocation of assets and resources, staffing implications and the implementation of the exit plan prepared pursuant to sub-clause (f); and
- (h) Each employee will revert to their substantive post in the employing Council as per the section 113 arrangements, unless otherwise agreed. The employing Council shall deal with any consequential changes to contract terms and conditions; and
- (i) The Withdrawing Council undertakes to make, prior to withdrawal, such reasonable payment or payments as fairly reflect the actual losses caused by or anticipated as a result of the withdrawal, as shall be determined by the Remaining Council. No notice of withdrawal shall take effect until such payment has been agreed by the other Council; and
- (j) The Withdrawing Council shall between the date of the Notice of Withdrawal being issued and the Termination Date, provide reasonable assistance to the Remaining Council to enable the transfer of functions



to the Remaining Council. The Councils shall take all steps as may be reasonably necessary to enable the continuation of activities and functions with minimum interference and inconvenience to the Councils or service users; and

- (k) Each Council reserves the right to recover from the other Council the costs of any claims, costs, expenses, losses or liabilities of any nature which have been caused by any act or omission of a Council and which are discovered following withdrawal of a Council from this Agreement.

6.4 Where all the Councils jointly agree to terminate or withdraw from this Agreement they shall do so by each giving the other not less than 12 months' prior written notice and such a decision to terminate or withdraw may only be made by all of the Councils acting by a decision of their full Council.

6.5 In the event of a termination for any reason the Councils shall:

- (a) establish arrangements to maintain effective operational activity in accordance with the s.113 arrangements during the transition period;
- (b) balance the interests of the ongoing relationship between the Councils and the interests of their local communities to minimise the detrimental impact of termination for either;
- (c) co-operate in terminating, modifying, restructuring, assigning or novating contractual arrangements entered into to mutual advantage, and properly and timeously execute any documents necessary;
- (d) not rule out any option of mutual service delivery to give each Council the widest range of options for consideration post termination;
- (e) use reasonable endeavours to secure an amicable and equitable financial settlement in respect of the termination costs;
- (f) facilitate each employee reverting to their substantive post in the employing Council as per the section 113 arrangements, unless otherwise agreed. The employing Council shall deal with any consequential changes to contract terms and conditions;
- (g) as soon as possible, and in any event within three months of the Termination Date, transfer or return any property including data belonging to the other Council; and
- (h) where a Council has a materially disproportionate number of shared officers at the Termination Date compared to the proportions at the Commencement Date, ensure that each Council is allocated a fair and reasonable proportion of the members of the Shared Officer Team,



subject to any necessary actions being taken as required by employment law or by the policies of the transferring council so that:

- i. each Council can maintain continuity in the provision of its services at a reasonable level of effectiveness and efficiency after the Termination Date;
- ii. the officers become employed by the Council to which they are transferred.

- 6.6 In the event of any dispute which cannot be resolved in respect of any matter referred to under Clause 6.45, Clause 8 shall apply.
- 6.7 The costs consequential upon termination of this agreement, including on costs of recruitment selection, termination costs, administration but not salary costs, shall, after the Termination Date, subject always to clauses 5.1 - 5.3-, be apportioned between the Councils.
- 6.8 Each Council shall indemnify, and keep indemnified, the other Council in respect of any actions, claims, demands, proceedings, damages, losses, costs, charges and expenses arising from, or in connection with, the termination of this agreement or withdrawal from a service level agreement. The indemnity shall continue for a period of 12 years after the Termination Date.
- 6.9 The Councils will undertake an annual review of the Strategic Partnership which will assess:
- (a) the effectiveness of the Strategic Partnership; and
  - (b) opportunities for further development of the Strategic Partnership; and
  - (c) the Recitals set out at C.

## **7. Head of Paid Service**

- 7.1 The Councils shall provide, the Shared Chief Executive, as Head of Paid Service appointed in accordance with Section 4 of the Local Government and Housing Act 1989, such staff accommodation and other resources as required to discharge the duties of the post.
- 7.2 The Shared Chief Executive shall ensure, as the Head of Paid Service for the Councils, that the Councillors of each Council have reasonable access to, and support from, that Council's officers, particularly the Statutory Officers and the Shared Management Team.
- 7.3 In addition to reporting to each Council the reports required pursuant to section 4 of the Local Government and Housing Act 1989 in respect of that Council's staffing structure, the Shared Chief Executive shall also advise the full Council and Cabinet of each Council as to the:



- (a) arrangements for the Shared Management Team of the Strategic Partnership;
- (b) structure of the Shared Officer Structure of the Councils;
- (c) identity of the employing Council for each post in the Shared Officer Structure; and
- (d) performance management arrangements for the Shared Officer Structure.

## **8. Dispute Resolution**

- 8.1 Any dispute concerning the construction or effect of this Agreement must be referred to the **Shared Strategy Board** for consideration. The Shared Strategy Board shall take all reasonable steps to conciliate and resolve such dispute or difference whether by negotiation, mediation or any other form of dispute resolution procedure (with a view to resolution by discussion and negotiation).
- 8.2 In the event that a matter in dispute cannot be resolved under Clause 8.1 above the matter shall (unless the Councils agree otherwise in writing) be referred to an arbitrator under Clause 8.3 below.
- 8.3 The arbitrator shall be appointed with the agreement of the Councils. In the event that agreement cannot be reached, the President or other chief officer of the Chartered Institute of Arbitrators, or such other professional body appropriate to the matter in dispute (such body to be determined by the [Shared](#) Chief Executive), shall be appointed. The costs of arbitration shall be borne equally by the Councils unless agreed otherwise by the Councils.
- 8.4 For the avoidance of doubt, and to allow the Councils to resolve matters in dispute, this Clause shall remain in effect after the termination or expiry of this Agreement.

## **9. Liabilities**

- 9.1 The Councils shall be jointly and severally liable to any third parties in respect of all actions and causes of action, claims, demands, proceedings, damages, losses, costs, charges and expenses directly arising from the Strategic Partnership.
- 9.2 Each Council shall indemnify, and keep indemnified, the other Council in respect of any actions, claims, demands, proceedings, damages, losses, costs, charges and expenses arising from, or in connection with, liability to any third party arising from the Strategic Partnership or this Agreement. The indemnity shall continue beyond the Termination Date of the Strategic Partnership.



- 9.3 Each Council shall maintain policies of insurance relating to public liability, employee liability, professional indemnity and Member indemnity in respect of any liabilities arising from the Strategic Partnership.
- 9.4 Officers placed at the disposal of a Council shall, when acting on its behalf, be insured under that Council's public liability, employee liability and professional indemnity insurances notwithstanding the fact that such officers may be employed by the other Council.
- 9.5 Where a claim is brought that is, may be or may become, a liability of the Strategic Partnership, the Council receiving the claim shall notify its insurers in accordance with any relevant insurance policy in addition to the other Council forthwith.
- 9.6 The cost of any claim arising from or in connection with the Strategic Partnership shall be shared except where only one of the Councils is at fault, in which case the at fault Council shall bear the cost and shall indemnify and keep indemnified the non-fault Council from and against the extent of the at fault Council's liability.
- 9.7 Neither Council shall take any action which would result in any claim being refused by its insurers or the other Councils' insurers in respect of any liability arising in connection with this Strategic Partnership.

## **10. Intellectual Property Rights**

- 10.1 Each Council shall retain the ownership of all Intellectual Property Rights it owns as at the Commencement Date in any materials which it has created or the creation of which was undertaken by a third party which it commissioned to create those materials.
- 10.2 Any new material created jointly by the Councils in the course of provision of the Shared Officer Team shall belong to the Councils jointly unless otherwise agreed in writing.
- 10.3 Each Council hereby grants a license to the other to use its Intellectual Property Rights incorporated in or appearing from the materials referred to in clauses 10.1 and 10.2 for the purposes of the Strategic Partnership and the delivery of all services by the Councils.

## **11. Notices**

Any notice to be served under this Agreement shall be valid and effective if it is addressed to the Shared Chief Executive and delivered by email, prepaid recorded delivery post, or delivered by hand to the other Councils' principal office.

## **12. Rights and Duties Reserved**



12.1 Nothing in this Agreement shall prejudice or fetter the proper exercise of any function by the Councils or the officers they employ.

12.2 No deletion from, addition to, or modification of this Agreement shall be valid unless agreed in writing and sealed by the Councils.

### **13. Legal and other Fees**

Each Council shall bear its own legal and other fees in relation to the preparation and completion of this Agreement.

### **14. Provision of Statistical Information, Accounts and other Documents etc.**

14.1 Each Council shall make available to the other such statistical information as each Council may from time to time reasonably require. The Councils shall produce or provide copies of documents as and when required and where possible in the form requested.

14.2 The Councils shall supply each other with such assistance and information as each Council may require to enable it to allocate such expenditure as each Council may incur under this Agreement including but not limited to accounts, invoices, orders, contracts, receipts, statistics and other information or documents relating to this Agreement or the Councils' participation in the Strategic Partnership.

### **15. Audit**

15.1 Each Council's external and internal auditors shall have the powers set out in the Local Audit and Accountability Act 2014 and any subsequent amending repealing and superseding legislation.

15.2 Each Council shall facilitate access to, copying and removal of documents, records and information in the possession or control of the Council, upon reasonable request, which in any way relates to, are or were used in connection with this Agreement and the Strategic Partnership including (but without limitation) any of each Council's data and any such information stored on a computer system operated by a contractor servant or agent of the Council. This obligation shall continue beyond the termination, for whatever reason, of this Agreement.

15.3 Each Council will provide all practicable co-operation and afford all appropriate access to personnel and records in order to assist the requesting Council in carrying out any investigations which are already under way at the Commencement Date and any investigations which are carried out after the termination or expiry of this Agreement but which relate to any period during which the Shared Management Team



and or Shared Officer Structure was in effect.

#### **16. No Partnership**

Nothing in this Agreement shall be construed as establishing or implying any legal partnership or joint venture between the Councils. Any future partnership or joint venture by the Councils shall only be effective if approved by each Council in accordance with its constitution and confirmed in a deed sealed by each Council.

#### **17. Anti-Corruption**

A Council may ~~cancel~~terminate this Agreement in accordance with Clause 6 at any time and recover from the other Council the amount of any loss resulting from such ~~cancellation~~termination if the other Council or its agents or contractors shall during the term of this agreement fail to comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 (Relevant Requirements).

#### **18. Discrimination**

The Councils shall not unlawfully discriminate within the meaning and scope of the provisions of the Equality Act 2010 and any other legislation prohibiting discrimination on any grounds whatsoever. The Councils shall take all reasonable steps to secure the observance of these provisions and any statutory provisions amending or replacing the same by its employees in the performance of the Agreement.

#### **19. Human Rights**

The Councils in the performance of this Agreement shall comply with the provisions of the Human Rights Act 1998. The Councils shall indemnify and keep indemnified one another against all actions and causes of action, claims, demands, proceedings, damages, losses, costs, charges, and expenses whatsoever in respect of any breach of this Clause and such indemnity shall continue after the termination of this Agreement.

#### **20. Information Governance**

The Councils are subject to the provisions of the Freedom of Information Act 2000, Provision of Environmental Information Regulations 2004 and data protection legislation. The Councils shall assist each other to comply with the statutory obligations thereunder.

#### **21. Variation**



21.1 Except as otherwise expressly provided by this Agreement, any requirement for a variation to this Agreement shall be agreed by Parties in writing.

## **21.22. Survival of this Agreement**

21.22.1 In so far as any of the rights and powers of the Councils provided for in this Agreement shall or may be exercised or exercisable after the termination or expiry of this Agreement, the provisions of this Agreement conferring such rights and powers shall survive and remain in full force and effect notwithstanding such termination or expiry.

21.22.2 In so far as any of the obligations of the Councils provided for in this Agreement remain to be discharged after the termination or expiry of this Agreement the provisions of this Agreement imposing such obligations shall survive and remain in full force and effect notwithstanding such termination or expiry.

## **22.23. Whole Agreement**

22.23.1 This Agreement constitutes the whole agreement between the Councils. and understanding of the Councils as to its subject matter.

22.23.2 This Agreement expressly acknowledges that any prior agreements made by the Councils shall continue under those prior agreements. Unless the contrary is specifically indicated, this agreement is not intended to supersede those prior agreements or amend or replace any matters existing or agreed within them.

## **23.24. Waiver**

Failure by either Council at any time to enforce any provision of this Agreement, or to require performance by the other or others of any of the provisions of this Agreement, shall not be construed as a waiver of any such provisions and shall not affect the validity of this Agreement or any part of it or the right of that Council to enforce any term or provision of this Agreement.

## **24.25. Severance**

If any term or provision of this Agreement shall in whole or in part become or shall be declared by any court of competent jurisdiction to be invalid or unenforceable in any way such invalidity or unenforceability shall in no way impair or affect any other term or provision all of which shall remain in full force and effect.

## **25.26. Headings**



Headings contained in this Agreement are for reference purposes only and shall not affect the validity or construction of this Agreement.

#### **26-27. Governing Law**

This Agreement shall be governed by and interpreted in accordance with English law and the Councils submit to the exclusive jurisdiction of the English courts.

#### **27-28. Contracts (Rights of Third Parties) Act 1999**

The Councils do not intend that any term of this Agreement should be enforceable by any third party as provided by the Contracts (Rights of Third Parties) Act 1999.

#### **28-29. Non-assignment**

Neither Council shall be entitled to assign this Agreement or any of its rights and obligations without the written consent of the other (which consent the other Council may in their absolute discretion withhold).

#### **29-30. Disruption**

The Councils shall take reasonable care to ensure that the execution of this Agreement does not disrupt the operations of the other Council, their employees or any other third party.

#### **30-31. Health and Safety**

**30-431.1** Each Council shall promptly notify the other Council of any health and safety hazards which may arise in connection with the performance of this Agreement and shall promptly notify each of the others of any health and safety hazards which may exist or arise at a Council's premises and which may affect the Strategic Partnership.

**30-231.2** Shared Officers shall comply with any health and safety measures implemented by the Council whose premises they are visiting.

**30-331.3** Each Council shall notify the other immediately of any incident occurring in the performance of this Agreement on the Council's premises where that incident causes any personal injury or damage to property which could give rise to personal injury.

**30-431.4** The Councils shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations, and codes of practice relating to health and safety, which may apply to employees and other persons working on Council



premises under the Strategic Partnership.

~~30.531.5~~ The Councils shall ensure that their health and safety policy statements (as required by the Health and Safety at Work etc. Act 1974) are made available to each other on request.

**IN WITNESS** of which this Agreement has been executed as a Deed on the first day before written

**The Common Seal of  
Harborough District Council  
was fixed here in the  
presence of:**

**Authorised Officer**

~~The Common Seal of Melton  
Borough Council was fixed  
here  
in the presence of:~~

~~Authorised Officer EXECUTED AS A DEED )~~

~~by affixing the common seal of ) [Seal]~~

~~MELTON BOROUGH COUNCIL )~~

~~hereto affixed in the presence of:- )~~

[Sign here]



Chief Executive – Edd de Coverly\* [\*Delete as appropriate]

Monitoring Officer – Kieran Stockley\* [\*Delete as appropriate]

(Authorised Officer)

Draft Cabinet MoA



## SCHEDULE 1

### SHARED CHIEF OFFICER EMPLOYMENT PANEL

#### Quorum

1. The quorum of shall be 4 members comprising one Cabinet member from each Council and one non-cabinet member from each Council.

#### Membership

2. 4 members appointed by Harborough District Council, one of which must be a Cabinet member; and
3. 4 members appointed by Melton Borough Council, one of which must be a Cabinet member; and
4. Appointments shall be made in accordance with the Local Government (Committees and Political Groups) Regulations 1990/1553;

#### Substitutions

5. Cabinet members may appoint another member of their Cabinet to act as substitute for them.

#### Terms of Reference:

6. Attending interviews with and providing feedback and representations to the employing Council in respect of the appointment of the Shared [Chief Executive](#) -/Head of the Paid Service/~~Chief Executive~~
7. Attending interviews with and providing feedback and representations to the employing Council in respect of the appointment of any statutory or non-statutory Shared Chief Officer.

**N.B. The role of the Panel is only to provide feedback, given that any officer recruited (or disciplined) will have provided or will in the future provide services to the non-employing Council and it is understood and accepted that the knowledge, skills and behaviour of shared officers will have a direct impact on all of the Councils.**

**Decisions on recruitment and discipline may only be taken by the Council which employs the officer in question.**

8. Providing feedback and representations to the employing Council on the dismissal of, or the taking of any disciplinary or performance action against any Shared Chief Officer other than a statutory Chief Officer;



**N.B. Disciplinary and performance action against a statutory Chief Officer is subject to certain statutory and procedural requirements, including the appointment of an Independent Investigator. Any Independent Investigator will be informed of the shared management arrangements and will be invited to seek comments from each of the non-employing councils as part of any investigation.**

**Place of Meeting:**

9. Meetings of the Shared Chief Officer Employment Panel may be held wherever it is considered to be most appropriate depending on the agenda for the particular meeting. The Chairman of the Shared Panel may give directions.

**Training:**

10. Members of the Shared Panel shall undertake appropriate training in selection and interviewing skills.

**Chairing Shared Chief Officers Employment Panel:**

11. Chairmanship of the Shared Panel alternates between the two Councils for each meeting.

**Servicing the Shared Panel:**

12. The Shared Panel may be serviced by staff from any of the Councils but meetings will usually be serviced (i.e. agenda preparation, dispatch and minuting) by the Council chairing the Panel meeting.



## **SCHEDULE 2**

### **SHARED STAKEHOLDER GROUP**

#### **Quorum**

1. 2 Members (one from each Council) and the identified officers

#### **Membership**

2. The Membership of the Stakeholder Group shall comprise:
  - (a) Leader and Deputy Leader of Harborough District Council
  - (b) Leader and Deputy Leader of Melton Borough Council
  - (c) Shared Chief Executive
  - (d) [Shared](#) Deputy Chief Executives
  - (e) Section 151 Officer(s)
  - (f) Monitoring Officer(s)
3. Based on the work programme of the Stakeholder Group, other members and Officers may be invited to join the meeting by the Leaders or Statutory Officers.

#### **Substitutions**

4. Leaders may appoint another member of their Cabinet to act as substitute for them (other than the Deputy Leader).

#### **Terms of Reference**

5. To be responsible for overseeing strategic direction and assurance and monitoring of the programme across organisations, ensuring the programme delivers to agreed strategic objectives as set by the Shared Strategy Board.

**N.B. The Group is not a decision making body. It can make recommendations to the Shared Chief Executive or to the Councils and can hold the Strategic Partnership or its officers to account but decisions which impact the Shared Partnership or the agreement must be taken by the sovereign Councils.**

#### **Frequency of Meetings**

6. Monthly but at the discretion of Leaders and Shared Chief Executive based on the work programme of the Stakeholder Group.

#### **Place of Meetings**



7. Meetings of the Shared Stakeholder Group may be held wherever / however it is considered to be most appropriate, including remotely.

#### **Chairing Shared Appointment Appeals Committees**

8. Chairmanship alternates between the two Council Leaders at each meeting. In the event that the Leader due to chair the meeting is absent, the meeting shall be chaired by the Leader of the other Council.

#### **Servicing the Shared Stakeholder Group**

9. The Stakeholder Group may be serviced by staff from any of the Councils.
10. The Stakeholder Group may be serviced by staff from any of the Councils but meetings will usually be serviced (i.e. agenda preparation, dispatch and minuting) by the Council chairing the Panel meeting, unless agreed otherwise.



## **SCHEDULE 3**

### **SHARED STRATEGY BOARD**

#### **Membership**

1. All Cabinet members of each Council
2. The Shared Chief Executive
3. No substitutions to be allowed

#### **Attendance**

4. Such other officers and/or members that may be invited by the Leaders of the two Councils (who must agree any such an invitation in advance of the meeting) or by the Shared Chief Executive.

#### **Terms of Reference**

5. To consider matters of interest, opportunities for joint working and any potential further joint working of the two councils.
6. Monitoring the shared workforce arrangements
7. Considering proposals to withdraw from the arrangements (clause ~~6~~ ) and disputes (clause ~~xx~~8) referred to by any of the Councils
8. To identify, develop and oversee the implementation of, opportunities for the joint and mutually advantageous promotion of, and investment in, each of the authorities' areas by central and local government, other bodies and agencies (including, but not limited to the Environment Agency, the Enterprise Partnership, Historic England, Highways England, The Arts Council, Sport England and Homes England, County Council)
9. To consider and develop (if so minded) proposals for the expansion of the Strategic Partnership insofar as that would be consistent with the purposes of this Agreement
10. To identify those issues which arise and are likely to affect the future prosperity and democratic arrangements in both areas and project a joint voice in respect of such matters with the object of ensuring any change benefits to the greatest extent the Councils and their local communities
11. Advising on proposals brought forward on shared officer arrangements and other joint working between the Councils
12. To explore areas of Corporate Planning that are of mutual interest
13. To consider areas of innovation and budget efficiencies across both



## Councils

14. To recommend proposals to formal decision-making bodies / individuals at each Council.

### Membership/Attendance

~~15. The Shared Strategy Board will comprise:~~

- ~~(a) All Cabinet members of each Council~~
- ~~(b) The Shared Chief Executive~~
- ~~(c) No substitutions to be allowed~~

~~16. Other officers and/or members may be invited to attend meetings of the Shared Strategy Board by the Shared Chief Executive or by the Leaders of the two Councils (who must agree any such an invitation in advance of the meeting).~~

### Meetings

~~17.~~ 15. The Shared Strategy Board will meet on at least two occasions in each year normally in March and September, but will meet as required to support effective operation of the Strategic Partnership.

~~18.~~ 16. The meetings will be chaired alternately by the Leader of each Council. In the event that the Leader due to chair is absent the meeting shall be chaired by the Leader of the other Council.

~~19.~~ 17. Administration for the meeting will be undertaken by the Democratic Services Team at each Council at the direction of the Shared Chief Executive.

~~20.~~ 18. Minutes of each meeting will be prepared by the Shared Chief Executive within fourteen days of the meeting and will be circulated to all members of the Shared Strategy Board. Action points will be prepared by the Shared Chief Executive and will be circulated to all shared managers.

~~21.~~ 19. Shared staff shall undertake all actions allocated to them or shall allocate and disseminate those actions to staff for whom they are responsible. Shared staff shall report back to the Shared Strategy Board as required by the Board.



#### **SCHEDULE 4**

**Draft Service Level Agreement or Other appropriate Agreements**

Draft Cabinet MoA



## Schedule 5

### Early Exit arrangements pursuant to Clause 6.2

1. The decision to withdraw has been approved by the full Council; and
2. Written notice of the intention to withdraw has been given by the Withdrawing Council to the Remaining Council and to the Shared Chief Executive; and
3. The Shared Chief Executive has submitted to the Shared Strategy Board, following consultation with the Shared Deputy Chief Executive of each Council, a report setting out the implications of the withdrawal for the Strategic Partnership; and
4. The Shared Chief Executive has liaised with the Withdrawing Council to plan for an expedient and orderly withdrawal from the Strategic Partnership; and
5. The Shared Chief Executive has consulted the Remaining Council in respect of:
  - iii. any financial consequences of the withdrawal, such as loss of funding, clawback of funding, potential liability, damage claim or expense; and
  - iv. potential service delivery implications and implications for staff and reputational damage; and
6. An exit plan is prepared to deal with the allocation of resources, assets and staff, in conjunction with appropriate consultation and communication with staff and stakeholders; and
7. An agreement has been reached between the Councils in respect of the allocation of assets and resources, staffing implications and the implementation of the exit plan prepared pursuant to clause 6 of this schedule; and
8. Each employee is notified that they will revert to their substantive post in the employing Council as per the section 113 arrangements, unless otherwise agreed. The employing Council shall deal with any consequential changes to contract terms and conditions; and
9. The Withdrawing Council undertakes to make, prior to withdrawal, such reasonable payment or payments as fairly reflect the actual losses caused by or anticipated as a result of the withdrawal, as shall be determined by the Remaining Council. No notice of withdrawal shall take effect until such



payment has been agreed by the other Council; and

10. The Withdrawing Council shall between the date of the Notice of Withdrawal being issued and the Termination Date, provide reasonable assistance to the Remaining Council to enable the transfer of functions to the Remaining Council. The Councils shall take all steps as may be reasonably necessary to enable the continuation of activities and functions with minimum interference and inconvenience to the Councils or service users; and

11. Each Council reserves the right to recover from the other Council the costs of any claims, costs, expenses, losses or liabilities of any nature which have been caused by any act or omission of a Council and which are discovered following withdrawal of a Council from this Agreement.



Report to Cabinet 5<sup>th</sup> December 2022



<b>Title:</b>	<b>Extension of Public Space Protection Order for Alcohol Related Anti-Social Behaviour and Dog Controls</b>
<b>Status:</b>	Public.
<b>Key Decision:</b>	Yes
<b>Report Author:</b>	<b>Russell Smith</b> Environmental Services Manager. <b>Sarah Pickering</b> Community Safety Manager
<b>Portfolio:</b>	<b>Cllr Simon Whelband</b> Wellbeing, Communities and Housing <b>Cllr Johnathan Bateman</b> Planning, Environment and Waste
<b>Appendices:</b>	<ol style="list-style-type: none"> <li><b>1. Draft PSPO 2022 – Alcohol</b></li> <li><b>2. Draft PSPO 2022 – Dog Control</b></li> <li><b>3. Public Consultation Results October 2022</b></li> <li><b>4. PSPO EIA - Alcohol</b></li> <li><b>5. PSOP EIA – Dog Control</b></li> <li><b>6. Police Statement</b></li> </ol>

**Executive Summary**

Both the Police and the Local Authority are responsible for tackling anti-social behaviour. Designated Public Places Orders (DPPOs), which previously controlled drinking in public places since 2011, were replaced with Public Space Protection Order (PSPO) in 2016. Legislation now requires a review to be completed prior to extending the duration of existing orders.

This report requests the extension of existing PSPOs within the district (confirmed in 2019) to address the control of alcohol and dogs. The extension sought is for the maximum permissible extension period of 3 years. This decision is supported by the outcome of statutory consultation. Consultation has been completed as required by statute.

The Alcohol Control PSPO covers Market Harborough Town Centre and Lutterworth Town Centre. The PSPO does not make it illegal to carry alcohol or to drink alcohol in a public place so long as drinking is done responsibly. A PSPO will only be used to tackle potential alcohol related anti-social behaviour (ASB) and allows the Police and authorised Council Officers to stop people drinking alcohol and seize or confiscate alcohol within the controlled area. Failure to comply with the request of an authorised officer stop drinking and/or dispose of alcohol makes an individual liable to a Fixed Penalty Notice (FPN) or prosecution.

The current Dog Control PSPO covers the whole District. It created three offences:

- Failing to remove dog faeces
- Failing to put a dog on a lead after a request by an authorised officer
- Failing to have an appropriate means to pick up dog faeces



Keeping land free from dog fouling is a high priority for the District, as is the safe use of parks and open spaces by all. Dog faeces can carry the disease toxocariasis which can lead to permanent blindness in children if accidentally consumed, as well as being odorous and unpleasant when picked up on shoes, clothing, or bike/pushchair wheels.

Having adequate control over a dog by placing it on a lead in a designated area will help ensure that the owner can see the dog foul as well as control its activities in particular environments, for example in the recreation area suggested (Great Bowden Recreation Ground) where a number of children play. However, for animal welfare reasons as well as lifestyle choice and the well-being of dog owners, it is equally as important to provide exercise areas for dogs off the lead.

### **Recommendations**

**It is recommended that Cabinet:**

- 1. Confirm and extend, for a period of 3 years, the Public Spaces Protection Order to address alcohol related anti-social behaviour without variation; See Appendix 1 – draft order.**
- 2. Confirm and extend, for a period of 3 years, the Public Spaces Protection Order to address dog control related anti-social behaviour without variation; See appendix 2 – draft order.**
- 3. Delegate to the Director, Communities and Wellbeing, authority to take such steps as are required to give effect to the extension of the orders.**

### **Reasons for Recommendations**

#### **Alcohol Control PSPO**

Should the PSPO not be extended there would be a lapse on the enforcement of anti-social drinking within the currently specified area. Not having a valid PSPO in place will have an impact on the Council and Local Policing's ability to deal with anti-social drinking within the designated areas. This may have a detrimental effect on the reputation of the Council.

#### **Dog Control PSPO**

The current PSPO expires in December 2022. Not having a valid PSPO in place will have an impact on the Council's ability to deal with dog related anti-social behaviour in the District, thus affecting the reputation of the Council.

## **Purpose of Report**

1. To request that Cabinet extend the existing PSPOs for alcohol related anti-social behaviour and dog related anti-social behaviour for a further three years. This will extend but not vary the Public Space Protection Orders in accordance with the Anti-Social Behaviour, Crime and Policing Act 2014 ("the Act").

## **Background**

2. Both the Police and the Local Authority are responsible for tackling anti-social behaviour. Designated Public Places Orders (DPPOs), which previously controlled drinking in public



places, were replaced with a Public Space Protection Orders (PSPO) in 2016, and the Act now requires the Council to review the order prior to it being extended.

3. The Harborough District Community Safety Partnership, which covers Harborough District, supports the extension of the current PSPO to address alcohol related anti-social behaviour. The existing alcohol PSPO was extended on 6 November 2019 for 3 years until 5 November 2022. It covers two areas, one in Market Harborough and the other in Lutterworth.
4. Prior to 27 July 2015 dog control, including dog fouling and dogs on leads, was addressed through use of the Dogs (Fouling of Land) Act 1996. The Anti-social Behaviour Crime and Policing Act 2014 subsequently enabled local authorities to create Public Space Protection Orders (PSPO) in their areas to address current anti-social behaviour issues. The current PSPO for dog control came into force on 1 June 2016. A three year extension was agreed in December 2019 covering the whole district.
5. By virtue of section 60 of the Act, a PSPO cannot have effect for more than 3 years, unless extended under section 60(2). This section permits a local authority to extend a PSPO where it is satisfied, on reasonable grounds, that doing so is necessary to prevent an occurrence or recurrence of the activities identified in the Order.
6. At any point before expiry, the Council can extend a PSPO by up to three years if it considers this is necessary to prevent the original behaviour from occurring or recurring. It should also consult with the local police and any other community representatives it thinks appropriate before doing so.

## **Details**

### **Alcohol Control**

7. The ability to designate an area as subject to a PSPO was introduced under the Anti-Social Behaviour, Crime and Policing Act 2014 to help local authorities to address anti-social behaviour in public spaces.
8. A PSPO does not make it illegal to carry alcohol or to drink alcohol in a public place so long as drinking is done responsibly. A PSPO will only be used to tackle potential alcohol related anti-social behaviour. Under these circumstances Police and Council Officers (where designated) will have the power to stop people drinking alcohol and seize or confiscate alcohol within the controlled area. If a member of the public fails to comply with an officer's request to stop drinking and/or dispose of alcohol, they could face a Fixed Penalty Notice (FPN) or being taken to court and receiving a fine on conviction of up to level 2 on the standard scale. Enforcement will be primarily carried out by Leicestershire Police, who will arrest perpetrators on breach should it be required.
9. A PSPO cannot be used to restrict the consumption of alcohol where the premises or its curtilage (e.g. a beer garden or pavement seating area) is licensed for the supply of alcohol. There are also limitations where either Part 5 of the Licensing Act 2003 or section 115E of the Highways Act 1980 applies. This is because the licensing system already includes safeguards against premises becoming centres for anti-social behaviour.



10. The PSPO will cease to have effect after 3 years; however, that can be extended if it continues to be necessary.
11. The results of a desktop review and consultation with key stakeholders, including Leicestershire Police have been taken into account in bringing forward the request to extend the existing alcohol PSPO. Feedback from local frontline Police Officers is that the restriction on drinking continues to be a deterrent and an effective tool and has contributed to reduced alcohol related crime and anti-social behaviour. For these reasons the Harborough District Community Safety Partnership recommends that the current PSPO be extended.
12. If the order is extended, the Council is required to comply with the Anti-Social Behaviour, Crime and Policing Act 2014 (Publication of Public Spaces Protection Orders) Regulations, which require the order to be published on the Council's website and erect such notices as it considers sufficient to advise members of the public that the PSPO has been made, together with the effect of such an order.

## **Dog Control**

13. The current dog control PSPO came into force on 1 June 2016 and was extended in December 2019. It covers the whole district and creates 3 criminal offences:
  1. Failing to remove dog faeces;
  2. Failing to put a dog on a lead after a request by an authorised officer;
  3. Failing to have an appropriate means to pick up dog faeces;
14. The introduction of the Order has not led to any fixed penalty notices being issued; and with the order covering any public open space whether council owned or private. However, the Council still receives complaints predominantly in relation to dog fouling in its district (see Table 1 below), which illustrates the need for the extension of the PSPO for a further 3 years. Given that fouling and dog control is an ongoing issue it is felt this extension is warranted. The Order may also be varied within this 3-year period.

Table 1: Dog fouling complaints received

2018/19	76
2019/20	63
2020/21	68
2021/22	56

## **Implications of Decisions**

### **Corporate Priorities**

15. The implementation of these PSPOs supports priority CO13: Keeping the District a great place to live. Environmental crime will be reduced and incidents of alcohol related anti-social behaviour will be reduced Supporting Key Activities KA.03.01: To Reduce environmental crime through promoting a cleaner, greener environment using education



and enforcement and KA.01.05: To prevent crime, tackle anti-social behaviour and support vulnerable victims.

## **Financial**

**16.** The financial implications associated with this report are:

- a. The renewal of signage for dog fouling and alcohol control. Existing signage will be used but occasionally extra signs are required or replacements. Signage cost around £10-£20 per sign depending on size and quantity ordered.
- b. Continuation of costs of enforcement by Leicestershire Police for Alcohol Control. There is no cost to the Council.
- c. Having cleaner streets enables the service to concentrate on other priorities such as litter picking, fly tipping and leaf clearance, reducing costs elsewhere.

## **Legal**

**17.** Authorised officers will issue FPN's where an offence under the PSPO is identified in accordance with the Council's Enforcement Policy.

## **Policy**

**18.** As this is an extension of the original PSPO there will be no impact on policy or strategies already in place. Use of PSPOs is in line with our ASB Policy 2019.

## **Environmental Implications including contributions to achieving a net zero carbon Council by 2030**

**19.** There is no direct impact on achieving net zero.

**20.** Keeping land free from dog fouling is a high district priority, as is the safe use of parks and open spaces by all. Dog faeces can carry the disease toxocariasis which can lead to permanent blindness in children if accidentally consumed, as well as being odorous and unpleasant when picked up on shoes, clothing, or bike/pushchair wheels.

## **Risk Management**

### **Alcohol Control PSPO:**

**21.** Not having a valid PSPO in place will have an impact on the Council and Local Policing's ability to deal with anti-social drinking within the designated areas. This may have a detrimental effect on the reputation of the Council.

### **Dog Control PSPO:**

**22.** Not having a valid PSPO in place will have an impact on the Council's ability to deal with dog fouling within its District and no means to enforce against irresponsible dog owners, affecting the reputation of the Council.

## **Equalities Impact**

**23.** The PSPOs will have no significant implications on human rights. All of the proposed measures are accompanied with the appropriate rights of appeal.

**24.** The PSPO will not apply to the owners of assistance dogs used by the blind or the deaf or by those who are unable as a result of a disability to comply with the legislation.



25. Please see Appendix 4 EIA for Alcohol Control & Appendix 5 EIA for Dog Control provided with the report.

### **Data Protection**

26. There are no data protection implications as a result of this report or PSPO. The Council wide enforcement policy is adhered to, along with all GDPR requirements.

### **Summary of Consultation and Outcome**

27. Necessary consultation has been undertaken regarding the extension of the current PSPOs for within the district, in accordance with Section 72 of the Anti-social Behaviour Crime and Policing Act 2014 (the Act). This was in the form of an online survey, available to the general public and also sent to all Parish Councils.
28. The results were in favour of continuing both the Alcohol Control and Dog Control PSPOs with between 96.67% - 97.99% agreed with the powers continuing. The results of the consultation are at Appendix 3 and statement from the Police at Appendix 6

### **Alternative Options Considered**

29. To discharge one or both PSPOs. However this may lead to an increase in incidents of the associated anti-social behaviour, and there will be a reduction of powers to deal with such incidents. By not to renewing the PSPO's would not allow the council to enforce should they need to do so. It also acts as a deterrent, having the PSPO in place with relevant signage.

### **Background papers**

- Anti-social Behaviour, Crime and Policing Act 2014
- Anti-social Behaviour, Crime and Policing Act 2014: reform of Anti-social behaviours. Statutory Guidance for front line professionals; Home Office, July 2014, updated December 2017.
- Dealing with irresponsible dog ownership, Practitioners Manual and Annexes – D, DEFRA, October 2014
- Report to the Cabinet meeting of 2nd December 2019, where it was agreed to proceed with the extension of PSPO (adopted 1 June 2016)





## **Appendix 1**

### **Anti-social Behaviour, Crime and Policing Act 2014 Part 4, section 59 Public Spaces Protection Order**

#### **The Harborough District Council Public Spaces Protection Order, relating to Alcohol related Anti-Social Behaviour, 2022**

THIS ORDER is made by Harborough District Council ("the Authority") because the Authority is satisfied on reasonable grounds that activities carried out or likely to be carried out in a public space shown edged blue on the attached 2 maps:

- have had or are likely to have a detrimental effect on the quality of life of those in the locality
- are or are likely to be unreasonable and
- justify the restrictions imposed.

This Order comes into force on ?? November 2022 and will be for a period of 3 years ending on ??? November 2025. At any point before the expiry of this 3 year period the Authority can extend the order by up to three years if they are satisfied on reasonable grounds that this is necessary to prevent the activities identified in the order from occurring or recurring or to prevent an increase in the frequency or seriousness of those activities after that time.

The Authority is satisfied that the following activities have been or are likely to be carried out in the public space:

#### **ALCOHOL RELATED ANTI-SOCIAL BEHAVIOUR**

##### **RESTRICTION AND FAILURE TO COMPLY WITH THIS ORDER**

Section 63 of the Anti-Social Behaviour, Crime and Policing Act 2014 states that where a constable or authorised person reasonably believes that you:

- are or have been consuming alcohol in breach of this order; or
- intend to consume alcohol in breach of this order



The constable or authorised person may require you

- (a) not to consume, in breach of the order, alcohol, or anything which the constable, police community support officer or authorised person reasonably believes to be alcohol
- (b) to surrender anything in your possession which is, or which the constable, police community support officer or authorised person reasonably believes to be, alcohol or a container for alcohol

It is an offence for a person who, without reasonable excuse, fails to comply a requirement imposed by a constable, police community support officer or an authorised person under section 63.

A person guilty of an offence shall be liable, on summary conviction, to a fine not exceeding level 2 on the standard scale.

## FIXED PENALTY

A constable, police community support officer or authorised person may issue a fixed penalty notice to anyone he or she believes has committed an offence. You will have 14 days to pay the fixed penalty of £100. If you pay the fixed penalty within the 14 days you will not be prosecuted.

## EXEMPTIONS

Under section 62 of the Act, the controlled drinking zone cannot be used to restrict the consumption of alcohol where the premises or its curtilage (a beer garden or pavement seating area) is licensed for the supply of alcohol. There are also limitations where either Part 5 of the Licensing Act 2003 or section 115E of the Highways Act 1980 applies.

## APPEALS

Any challenge to this order must be made in the High Court by an interested person within six weeks of it being made. An interested person is someone who lives in, regularly works in, or visits the restricted area. This means that only those who are directly affected by the restrictions have the power to challenge. The right to challenge also exists where an order is varied by the Authority. Interested persons can challenge the validity of this order on two grounds: that the Authority did not have power to make the order, or to include particular prohibitions or requirements; or that one of the requirements of the legislation, for instance consultation, has not been complied with.

When an application is made the High Court can decide to suspend the operation of the order pending the Court's decision, in part or in totality. The High Court has the ability to uphold the order, or quash it, or vary it.



Dated.....

The Common Seal of  
Harborough District Council  
Was affixed in the presence of

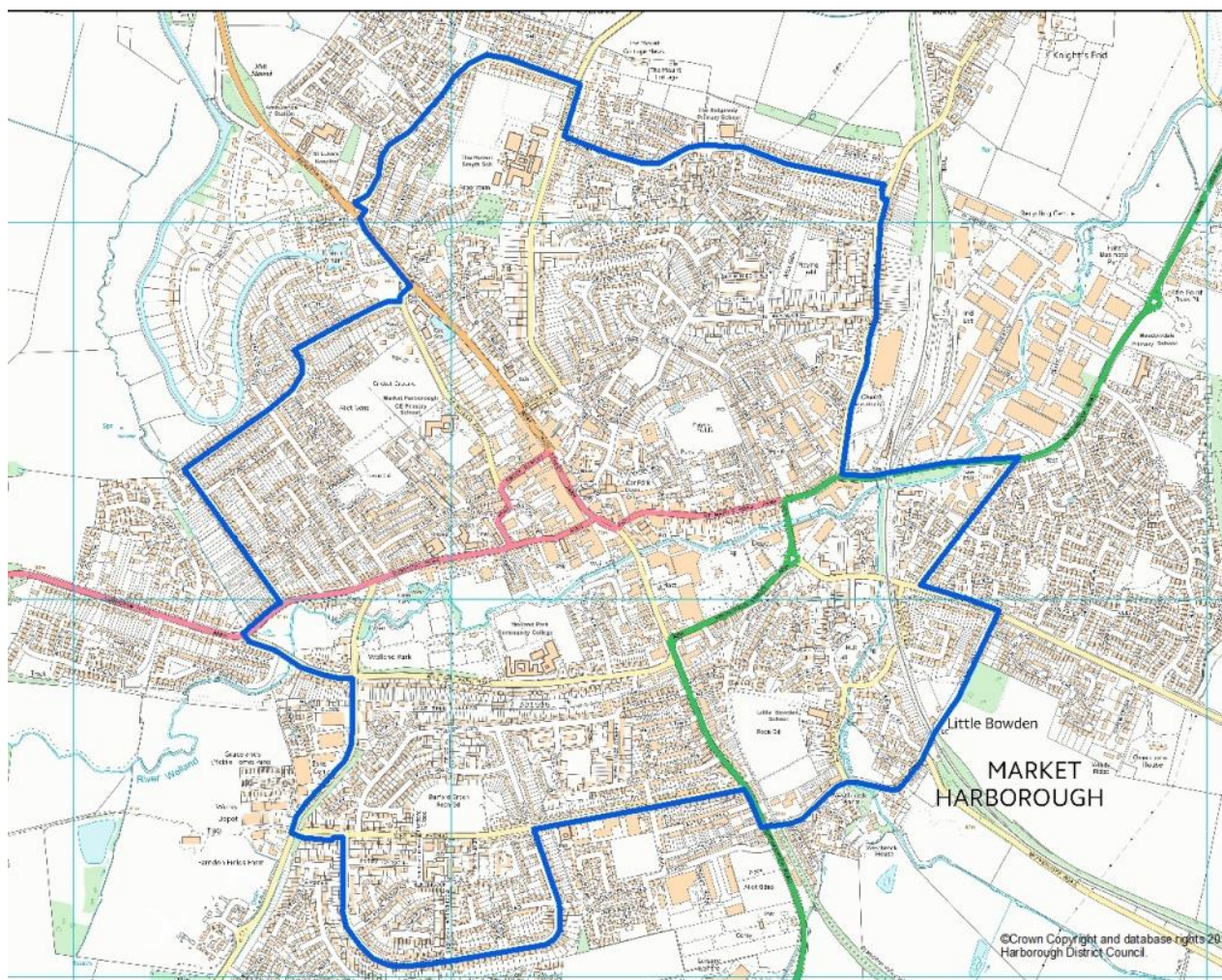
.....  
Chairman

.....  
Authorised Signatory

DRAFT

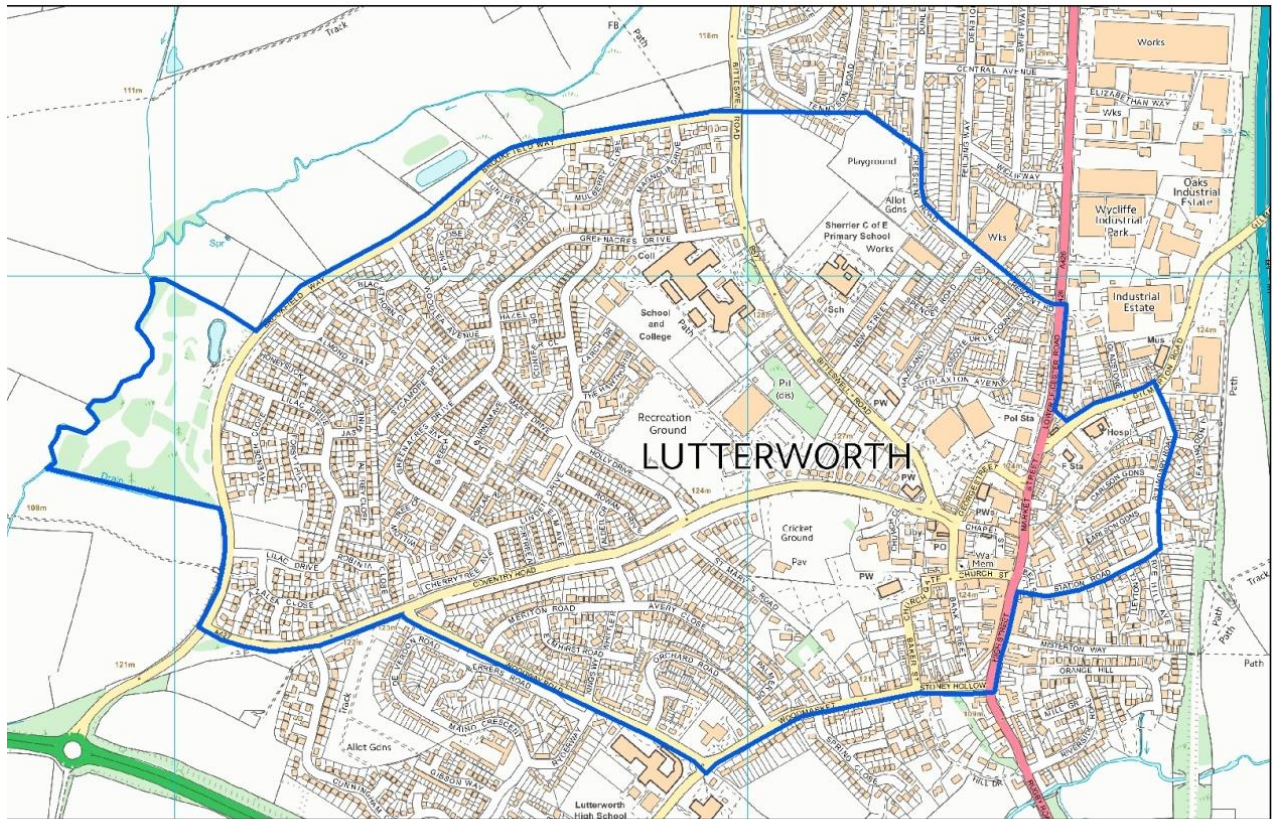


### Map 1 Market Harborough PSPO area





**Map 2: Lutterworth PSPO area**











## **Appendix 2**

### **The Anti-social Behaviour, Crime and Policing Act 2014**

#### **The Public Spaces Protection Order - (Harborough District Council) 2019**

**Harborough District Council (in this order called “the Authority”) hereby makes the following Order:**

**This Order comes into force on XXXX for a period of 3 years**

#### **Offences:**

##### **1. Dog Fouling**

If within the administrative area of the Authority a dog defecates at any time on land to which the public or any section of the public has access, on payment or otherwise, as of right or by virtue of express or implied permission and a person who is in charge of the dog at the time fails to remove the faeces from the land forthwith, that person shall be guilty of an offence unless:

- (a) he has reasonable excuse for failing to do so; or
- (b) the owner, occupier or other person or authority having control of the land has consented (generally or specifically) to his failing to do so.

##### **2. Leads by order**

A person in charge of a dog shall be guilty of an offence if, at any time, within the administrative area of the Authority he does not comply with a direction given to him by an authorised officer of the Authority to put and keep the dog on a lead unless:

- (a) he has reasonable excuse for failing to do so; or
- (b) the owner, occupier or other person or authority having control of the land has consented (generally or specifically) to his failing to do so.

An authorised officer of the Authority may only give a direction under this order if such restraint is reasonably necessary to prevent a nuisance or



behaviour by the dog that is likely to cause annoyance or disturbance to any other person, or to a bird or another animal.

### **3. Means to pick up**

A person in charge of a dog shall be guilty of an offence if, at any time, within the administrative area of the Authority he does not have with him an appropriate means to pick up dog faeces deposited by that dog unless:

- (a) he has reasonable excuse for failing to do so; or
- (b) the owner, occupier or other person or authority having control of the land has consented (generally or specifically) to his failing to do so.

The person shall not be guilty of an offence if after on request from an authorised officer, the person in charge of the dog produces an appropriate means to pick up dog faeces.

### **Exemptions**

- i) Nothing in this Order shall apply to a person who:
  - (a) is registered as a blind person in a register compiled under section 29 of the National Assistance Act 1948; or
  - (b) is deaf, in respect of a dog trained by Hearing Dogs for Deaf People (registered charity number 293358) and upon which he relies for assistance; or
  - (c) has a disability which affects his mobility, manual dexterity, physical coordination or ability to lift, carry or otherwise move everyday objects, in respect of a dog trained by a prescribed charity and upon which he relies for assistance.
- ii) For the purpose of this Order :
  - a) A person who habitually has a dog in his possession shall be taken to be in charge of the dog at any time unless at that time some other person is in charge of the dog;
  - b) Placing the faeces in a receptacle on the land which is provided for the purpose, or for the disposal of waste, shall be sufficient removal from the land;
  - c) Being unaware of the defecation (whether by reason of not being in the vicinity or otherwise), or not having a device for or other suitable means of removing the faeces shall not be a reasonable excuse for failing to remove the faeces;
  - d) “an authorised officer of the Authority” means an employee, partnership agency or contractor of Harborough District Council who is authorised



in writing by Harborough District Council for the purposes of giving directions under the Order.

e) Each of the following is a "prescribed charity" –

- Dogs for the Disabled (registered charity number 700454)
- Support Dogs Limited (registered charity number 1088281)
- Canine Partners for Independence (registered charity number 803680)

### **Penalty**

A person who is guilty of an offence under this order, under section 67 of the Act, shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale. Or a fixed penalty notice of a maximum of £100.

### **Appeals**

Any challenge to this order must be made in the High Court by an interested person within six weeks of it being made. An interested person is someone who lives in, regularly works in, or visits the restricted area. This means that only those who are directly affected by the restrictions have the power to challenge. The right to challenge also exists where an order is varied by the Authority. Interested persons can challenge the validity of this order on two grounds: that the Authority did not have power to make the order, or to include particular prohibitions or requirements; or that one of the requirements of the legislation, for instance consultation, has not been complied with.

When an application is made the High Court can decide to suspend the operation of the order pending the Court's decision, in part or in totality. The High Court has the ability to uphold the order, or quash it, or vary it.







## **Public Space Protection Orders (PSPO) consultation**

A consultation was undertaken via Survey Monkey , which was sent to all parishes and shared through our Social Media Channels and our web-site.

150 People completed the survey.

Results:

### **Alcohol Control PSPO questions:**

Would you like to see the continuation of the existing power which makes it an offence under the Public Space Protection Order to; continue drinking if asked to stop and/or to surrender the alcohol, by an authorised officer in Market Harborough and Lutterworth Town Centres.

Yes: 96.67 %

No: 3.33%

Do you feel the presence of an alcohol control PSPO has reduced the levels of street drinking in Market Harborough and Lutterworth Town Centres

Yes: 77.69%

No: 22.31%

### **Dog Control PSPO questions:**

Would you like to see the continuation of the existing power which makes it an offence under the Public Space Protection Order if a person in charge of a dog fails to clean up its faeces?

Yes: 96.67%

No: 3.33%

Would you like to see the continuation of the existing power which makes it an offence for dog walkers not to carry a poop bag or other means for clearing up after their pet?

Yes: 92.67%

No: 7.33%

Would you like to see the continuation of the existing power which makes it an offence under the Public Space Protection Order to fail to put a dog on a lead when directed to do so by an authorised officer.

Yes: 97.99%

No: 2.01%







## APPENDIX 4 – PSPO – Alcohol Related ASB – EIA

Title of policy / procedure / function / project / decision: Public Space Protection Order for Alcohol Related Anti-Social Behaviour for Harborough District Council

A Public Space Protection Order (PSPO) allows a local authority to introduce a series of measures into a defined area. The proposed PSPO will extend the existing PSPO, that expires in November 2022, and which restricts the consumption of alcohol in a public place in designated areas; Harborough and Lutterworth Town Centres.

This is a legal order that can last for up to three years and it will prohibit a number of activities. If an element of this order is breached, the outcome could be that the individual is issued with a fixed penalty notice for £100 or fined up to a maximum of £1000 if at court.

The existing PSPO expires on the 6<sup>th</sup> November 2022 and can be extended by up to three years if certain criteria under section 60 of the Act are met. This includes that an extension is necessary to prevent activity recurring.

Following a public consultation, running from the 1<sup>st</sup> October – 14<sup>th</sup> October the proposal is to extend the existing order for a further three years.

Name of lead officer(s): Sarah Pickering, Community Safety Manager

Date assessment completed: 15<sup>th</sup> September 2022

Equality analysis is a valuable tool to help embed equality into everything we do. While process is important; equality analysis is essentially about outcomes. The lack of evidence of discrimination is not evidence of a lack of discrimination

It is not acceptable to say that a policy is applied uniformly to all groups and is therefore fair and equal. Applying a policy or procedure consistently may result in differential outcomes for different groups.



## APPENDIX 4 – PSPO – Alcohol Related ASB – EIA

For each of the areas below, an assessment needs to be made on whether the policy has a **positive, negative or neutral impact** and brief details of why this decision was made and notes of any mitigation should be included. Where the impact is negative, this needs to be given a **high, medium or low assessment**. It is important to rate the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

**High impact** – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

**Medium impact** – some potential impact exists, some mitigating measures are in place, poor evidence

**Low impact** – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

	Neutral	Positive	Negative
Target group / area			
Race and ethnicity	There is no evidence that this will impact on any specific person based on their race or ethnicity. Signage will be easy to read and translation will be available if required.		
Disability (as defined by the Equality Act - a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities)	There is no evidence that this will impact on any specific person based on their disability. Signage will be easy to read and assistance with understanding will be available if required.		
Gender	There is no evidence that this will impact on any specific person based on their gender		
Gender reassignment	There is no evidence that this will impact on any specific person based on this group of individuals.		
Religion and belief	There is no evidence that this will impact on any specific person based on their beliefs or religion		



## APPENDIX 4 – PSPO – Alcohol Related ASB – EIA

Sexual orientation (including heterosexual, lesbian, gay, bisexual)	There is no evidence that this will impact on any specific person based on their sexual orientation.		
Age (children and young people aged 0 – 24, adults aged 25 – 50, younger older people aged 51 – 75/80; older people 81+. The age categories are for illustration only as overriding consideration should be given to needs)	A prosecution or issue of a Fixed Penalty Notice will not be issued to a person under the age of 18 without consultation with the Youth Offending Team where applicable and in accordance with the Council's Enforcement Policy. There is no evidence available that demonstrates an impact on any specific age group		
Rural communities	This PSPO applies to two main Town Centres, it is not thought to have an impact on the rural communities.		
Human rights	There is no evidence that this will impact on any specific persons human rights. Any formal action will be taken in accordance with the Council's Enforcement Policy which takes into account the primary human rights legislation.		
Health and wellbeing (consider both the wider determinants of health such as education, housing, employment, environment, crime and transport, as well as the possible impacts on lifestyles and the effect there may be on health and care services)		This PSPO has had a positive impact in reducing alcohol related anti-social behaviour, and the extension is likely to continue this.	



## APPENDIX 4 – PSPO – Alcohol Related ASB – EIA

### Evidence

Appendix 1 - The draft Order

Appendix 2 - The outcomes of the public consultation

### EIA Action Plan

Equality Objective	Action Required	Target	Officer Responsible	Review Date
Consistency in the use of the order	To ensure all frontline officers that are responsible in enforcing the order have been trained	The relevant officers are aware of the order and how it is enforced	Sarah Pickering	Within 1 month of the order being extended
To know the equality profile of every occasion where the order has been applied	Collect monitoring data on age, gender and ethnicity where the order has been applied	Collate data on a quarterly basis and share with other services and stakeholders	Sarah Pickering	Start collecting once the order is formally adopted



## APPENDIX 5

Title of policy / procedure / function / project / decision: Public Space Protection Order for Harborough District Council

**Evidence based equality analysis** – can include documents, quotes, and web links for photos and videos

A Public Space Protection Order (PSPO) allows a local authority to introduce a series of measures into a defined area. The proposed PSPO will bring in measures to control and restrict certain activities, in particular new and enhanced powers to tackle dog fouling and other forms of irresponsible dog ownership.

This is a legal order that can last for up to three years and it will prohibit a number of activities. If an element of this order is breached, the outcome could be that the individual is issued with a fixed penalty notice for £100 or fined up to a maximum of £1000 if at court.

The Regulatory Committee agreed at its meeting on the 27 October 2015 that they wanted to progress a consultation on a proposal to introduce a Public Space Protection Order for Harborough District Council to tackle dog fouling and other forms of irresponsible dog ownership within the District. The public consultation was held between 16 November to 29 December 2015 and again in October 2019.

Name of lead officer(s): Russell Smith/John Kemp  
Reviewed: 15<sup>th</sup> November 2019

Date assessment completed: 1 March 2016

Equality analysis is a valuable tool to help embed equality into everything we do. While process is important; equality analysis is essentially about outcomes. The lack of evidence of discrimination is not evidence of a lack of discrimination

It is not acceptable to say that a policy is applied uniformly to all groups and is therefore fair and equal. Applying a policy or procedure consistently may result in differential outcomes for different groups.

For each of the areas below, an assessment needs to be made on whether the policy has a **positive, negative or neutral impact** and brief details of why this decision was made and notes of any mitigation should be included. Where the impact is negative, this needs to be given a **high, medium or low assessment**. It is important to rate the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

**High impact** – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.



## APPENDIX 5

**Medium impact** –some potential impact exists, some mitigating measures are in place, poor evidence

<b>Low impact</b> – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion			
	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>
<b>Target group / area</b>			
Race and ethnicity	There is no evidence that this will impact on any specific person based on their race or ethnicity. Leaflets/posters will be easy to read and translation will be available if required		



## APPENDIX 5

<p>Disability (as defined by the Equality Act - a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities)</p>	<p>There is no evidence that this will impact on any specific person based on their disability, race or ethnicity.</p> <p>There are specific exemptions in the order as follows:</p> <p>i) Nothing in this Order shall apply to a person who:</p> <p>(a) is registered as a blind person in a register compiled under section 29 of the National Assistance Act 1948; or (b) is deaf, in respect of a dog trained by Hearing Dogs for Deaf People (registered charity number 293358) and upon which he relies for assistance; or</p>		
	<p>(c) has a disability which affects his mobility, manual dexterity, physical coordination or ability to lift, carry or otherwise move everyday objects, in respect of a dog trained by a prescribed charity and upon which he relies for assistance.</p>		



## APPENDIX 5

Gender	There is no evidence that this will impact on any specific person based on their gender		
Gender reassignment	There is no evidence that this will impact on any specific person based on this group of individuals.		
Religion and belief	There is no evidence that this will impact on any specific person based on their beliefs or religion		
Sexual orientation (including heterosexual, lesbian, gay, bisexual)	There is no evidence that this will impact on any specific person based on their sexual orientation.		
Age (children and young people aged 0 – 24, adults aged 25 – 50, younger older people aged 51 – 75/80; older people 81+. The age categories are for illustration only as overriding consideration should be given to needs)	<p>A prosecution or issue of a Fixed Penalty Notice will not be issued to a person under the age of 18 without consultation with the Youth Offending Team where applicable and in accordance with the Council's Enforcement Policy.</p> <p>There is no evidence available</p>		
	<p>that demonstrates an impact on any specific age group</p> <p>No fixed penalty notices with regard to dog fouling have been issued in the last 3 years.</p>		



## APPENDIX 5

Rural communities		The order is proposed on all open spaces the public have access to.	
Human rights	There is no evidence that this will impact on any specific persons human rights. Any formal action will be taken in accordance with the Council's Enforcement Policy which takes into account the primary human rights legislation.		
Health and wellbeing (consider both the wider determinants of health such as education, housing, employment, environment, crime and transport, as well as the possible impacts on lifestyles and the effect there may be on health and care services)		The order has been proposed due to the number of complaints received of dog fouling in public spaces and the impact irresponsible dog owners have on people's quality of lives. The consultation responses show an overwhelming number of people in favour of the new enhanced dog controls.	

### Evidence :

The outcomes of the public consultation exercise are available at: Appendix A – Enhanced

### EIA Action Plan

Equality Objective	Action Required	Target	Officer Responsible	Review Date
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## APPENDIX 5

Consistency in the use of the order	To provide training to all frontline officers that will be responsible in enforcing the order.	The relevant officers are aware of the order and how it is enforced	Russell Smith/ John Kemp/Legal officers	Within 1 month of the order being adopted



## Sarah Hamilton

---

**From:** Sarah Pickering  
**Sent:** 18 October 2022 09:29  
**To:** Sarah Pickering  
**Subject:** FW: Extension of PSPO

**Sarah Pickering**  
**Community Safety Manager**  
**Team Leader Parish and Grants**  
**Harborough District Council**  
**07917 502851**  
[www.harborough.gov.uk/communitysafety](http://www.harborough.gov.uk/communitysafety)  
**Twitter: @HarbCSP**

**From:** Coleman Ryan <Ryan.Coleman@leics.police.uk>  
**Sent:** 08 October 2022 01:06  
**To:** Sarah Pickering <S.Pickering@harborough.gov.uk>; Perry Elizabeth <Elizabeth.Perry@leics.police.uk>  
**Cc:** John Kemp <J.Kemp@harborough.gov.uk>  
**Subject:** [EXTERNAL] RE: Extension of PSPO

**This Message originated outside your organization.**

---

Hi Sarah,

I am the Deputy NPA Commander for the Harborough and Wigston area. My role is to support the various teams delivering local policing to the communities of the Harborough District. Part of that role also means I review incidents and demand. ASB is certainly a topic which affects the public, they have raised it as a concern since I have been here in 2020. Particularly of issue is incidents reported in our public open spaces. Police resources are limited so when we have engagement with the community, where possible, we need to make that engagement effective and efficient. We know that alcohol related issues, both with young persons and adults, is a problem the community raise and alcohol is a factor in many of the incidents, in public open spaces.

Considering all of the above, a PSPO is a very effective tool for police to use during these encounters. The PSPO tools initially works as a deterrent as its clearly advertised, however when we do have breaches and our conversations don't resolve the issue, the PSPO allows us to deal with the incident in an efficient and effective manner. The alcohol PSPO allows police to remove the root cause of the issue and allows us to prevent further offences. This lowers the risk of further incidents and issues and allows our communities to live in peace.

In my role I would fully support the extension of the PSPO to provide this vital tool to Leicestershire Police to tackle the issues raised by our community.

Thanks

**Sgt 26 Ryan Coleman**  
**Deputy NPA Commander – Wigston and Market Harborough NPA**  
**Leicestershire Police**

Internal: 3300026 External: 101 ext 3300026 or Collar number: 26



[Ryan.coleman@leics.police.uk](mailto:Ryan.coleman@leics.police.uk)

**From:** Sarah Pickering <[S.Pickering@harborough.gov.uk](mailto:S.Pickering@harborough.gov.uk)>

**Sent:** 27 September 2022 12:32

**To:** Perry Elizabeth <[Elizabeth.Perry@leics.police.uk](mailto:Elizabeth.Perry@leics.police.uk)>; Coleman Ryan <[Ryan.Coleman@leics.police.uk](mailto:Ryan.Coleman@leics.police.uk)>

**Cc:** John Kemp <[J.Kemp@harborough.gov.uk](mailto:J.Kemp@harborough.gov.uk)>

**Subject:** Extension of PSPO

**CAUTION:** Someone outside the force sent you this e-mail. You must only click on links or open attachments if you are expecting this e-mail and you know and trust the sender.

Hi Both

We are now consulting on the proposed extension of the Alcohol control PSPO for Market Harborough Town Centre and Lutterworth Town Centre for a further 3 years.

Also the Dog control PSPOs for the District - which created three offences which covered:

- Failing to remove dog faeces
- Failing to put a dog on a lead after a request by an authorised officer
- Failing to have an appropriate means to pick up dog faeces

Part of the legislation requires us to consult with the local Police when extending a PSPO.

I've attached the response from three years ago regarding the alcohol PSPO, which you may find useful and the existing order.

Any information about its use etc will of course help with their approval by Cabinet.

I need a response by 14<sup>th</sup> October if possible.

Regards

**Sarah Pickering**  
**Community Safety Manager**  
**Team Leader Parish and Grants**  
**Harborough District Council**  
**07917 502851**  
[www.harborough.gov.uk/communitysafety](http://www.harborough.gov.uk/communitysafety)  
**Twitter: @HarbCSP**

Harborough District Council  
The Symington Building  
Adam and Eve Street  
Market Harborough  
Leicestershire  
LE16 7AG  
[Map of Council Offices](#)

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