

**FUTURE OPTIONS: OPPOSITES DON'T ATTRACT
TECHNICAL NOTE**

Title : Opposite's Don't Attract
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Content This technical note is designed to encourage debate on whether as a Council it is important to find suitable potential partners for Future Options who are similar in make up to Harborough District in terms of area profile, economic and population make up as well as organisational culture and operational processes. If a shared service is the preferred option, how does Harborough District compare to it's nearest neighbours and if there are major differences what will the implications be for the shared service. (Table 1) Looking at a sample of economic indicators in terms of finding a like for like partner, it maybe that the option to share outside county boundaries may be more suitable for example Rutland; or if focusing within boundaries Hinckley and Bosworth. (Table 2) The point to note is that each option for a partner will present unique challenges. For example Hinckley and Bosworth is a far more deprived area and will potentially have different priorities compared to Harborough who does not have the same concerns re deprivation. Rutland is a County Council again with potentially different priorities to Harborough, but at the same time sharing commonality in terms of its rural nature, low deprivation ranking and low level of benefit and Job Seeker Allowance Claimants.

Sample Economic Comparison Table 1

	Harborough	Blaby	Melton	Hinckley Bosworth	North West Leics	Oadby- Wigston	Charnwood	Leicester City	Rutland	East Northants
Resident Population (thousands 2010)	84,000	94,000	49,500	105,100	90,800	58,500	166,800	306,600	38,600	85,300
Benefit Claimants % (July 2011) *	7.2	8.9	8.7	10.3	11.9	9.4	9.5	19.4	6.5	10.3
JSA Claims % (July 2011)	1.5	2.1	2.1	2.4	2.7	2.3	2.3	5.7	1.4	2.6
Note % is a proportion of resident population of area aged 16-64										
Deprivation (where 1 is most deprived)										
Deprivation by Rank (2010)	319	297	251	252	200	265	231	25	305	225
Income Scale by Rank (2010)	307	291	321	250	246	247	151	11	324	263
Employment Scale by Rank (2010)	302	277	323	228	219	303	150	14	324	266
% Employee Jobs by Industry (2008)										
Manufacturing	8.4	7.4	22.2	21.1	16.3	20.4	17.2	13.8	13.7	19
Construction	4	9.7	4.8	4.4	6.6	4.7	5.7	4.3	3.9	6.1
Service Industry	84.8	79.1	69.8	70.4	74.3	74.8	75.3	81.5	79.5	72.5
Sub set :Tourism	8.3	6	6.5	9.8	6.7	6.6	7.5	6.1	12.6	7.6
Hourly F/T Pay (2010)	11.35	12.84	9.24	12.2	11.04	10.51	11.85	12.21	10.45	9.71
Business Demography (May 2010)										
Births(start up) %	8.7	9.5	8	8.7	8.5	9.2	9.5	n/a	9.9	9.7
Deaths (closures) %	12.3	11	9.6	11.4	10.8	14.2	10.6	n/a	10.2	11.1
All active enterprises	4,485	3,575	2,075	4,195	3,930	1,790	5,760	n/a	1,765	3,600

Sample Economic Comparison - Comparing HDC TO other Local Authorities

	Harborough	Blaby	Melton	Hinckley Bosworth	North West Leics	Oadby- Wigston	Charnwood	Leicester City	Rutland	East Northants
Resident Population (thousands 2010)										
Benefit Claimants % (2011)										
JSA Claims % (2011)										
Deprivation(where 1 is most deprived)										
Deprivation by Rank (2010)										
Income Scale by Rank (2010)										
Employment Scale by Rank (2010)										
Employee Jobs by Industry (2008)										
Manufacturing										
Construction										
Service Industry										
Sub set :Tourism										
Hourly F/T Pay										
Business Demography (May 2010)										
Births(start up) %										
Deaths (closures) %										
All active enterprises										
Number of Nearest Comparatives		1	1	3	1	1	1	1	4	1



Nearest comparative to HDC

*Key out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits.

1 The importance of Opposites

Are there examples where two authorities have a successful shared service where potentially they don't share common ground in terms of area profile, then the answer is yes. An example is Redditch and Bromsgrove who consider themselves "chalk and cheese." In July 2011 the Leader of Bromsgrove District Council, Roger Hollingworth, said "politically we are totally different – Redditch Borough Council and Bromsgrove are like chalk and cheese and we have different needs. " By staying separate politically we're getting the best of both worlds – were providing what our population wants but in a cost effective manner". The council already shares IT, Payroll, communications and CCTV. They now plan to jointly provide waste, recycling, planning and customer services with the view that if all goes well, all services will be shared by April 2012.

The process was to commission Serco, an independent company whose purpose was to develop a business case as to what services could/should be shared. The conclusion was that yes services could be shared with a joint management team and CEO and that this implementation could be completed over a three and a half year period.

The main point to note within this example was that the quick win desired was about resilience and building trust between the two councils rather than cost savings.

What did emerge as part of the process:

- One of the leading issues related to "members – political opposition to the proposals – perceived lack of sovereignty.
- Conflicts – cross boundary issues; different cultures; different terms and conditions which meant to succeed there had to be strong leadership and drive.
- They had to overcome the "perceptions of once council takeover"

2 The Importance of Attraction

- Local Government Delivery Council (2009) found that collaboration can break down citing "Government studies attribute the reason they take so long or stall to cultural differences and the vacuum of trust that can exist between partners who do not really know each other"
- In 2005 the Audit Commission noted "The different departmental cultures, even within just local government, are very strong and can make joint working difficult. Bringing together partners from organisations that may differ radically in size and origins – a large metropolitan authority and a small community group for instance poses even more of a challenge
- Adur District Council and Worthing District Council were the first councils to achieve a permanent joint Chief Executive appointment. Following the joint Chief Executive appointment they successfully achieved a joint management team. Following on from this there now includes a comprehensive list of shared services including refuse and recycling, street cleansing, financial services, legal and democratic services, corporate services and customer services. Second tranche of shared services will include planning, parks, ICT, building surveying, and environmental health.
- To date Adur and Worthing Council have saved £1m in the first year and cumulative savings of £2.2 million have been made since the beginning of the arrangements. The ongoing annual savings will be £1.5 million and the aim is to achieve £3.9m cashable savings over 3 years. Savings of £652,000 p.a.

<p>realised in 2009/10 as a result of the first tranche of shared services. Further savings of £350,000 p.a. expected in 2010/11 due to extension of shared services across the councils.</p>
<p>Sources of Information Audit Commission Shared Service Architect Ltd BBC News IDEA Case Study Redditch and Bromsgrove Council The Chartered Institute of Public Finance and Accountancy Office for National Statistics Centre for Public Services Partnerships</p>
<p>Consultees</p> <p>None</p>
<p>Officer Conclusion</p> <p>The title of the technical note is that “Opposites Don’t Attract”. The belief is that trying to collaborate with other partners or drive internal transformation to achieve a common goal is challenging on it’s own, but combined wholly with a partner that has different values; different priorities; differing cultures makes the task at hand more of a challenge and the risk of failure higher.</p> <p>Ultimately there has to be recognition of some key facts.</p> <p>The Chartered Institute of Public Finance and Accountancy sum it up well when they comment on “The Leadership Challenge in Collaborative Working (2010)</p> <p>“This should not disguise the fact that the early stages of any shared venture will be mostly – if not wholly – ‘human’ and ‘cultural’ in nature.</p> <p>Put another way, there is no blueprint or rulebook that can be followed to bring people and organisations together. Much will depend on the social and political skills of people in positions of leadership (e.g. council leaders, chief executives, heads of finance), who have prime responsibility for developing inter - organisational relationships, agreeing shared goals and overseeing collaborative initiatives.</p> <p>By its very nature, this is a challenging space in which to work. Different organisations (possibly with different cultures and professional backgrounds) may be involved. And because collaborations require consensus and accommodation, the skills and decision-making processes that may work in a hierarchical environment will probably not apply.</p> <p>The ability of the organisation’s leaders to find suitable partners, agree common goals and build an environment of shared enterprise is the bedrock on which any shared service arrangement must be built. It will not, in itself, guarantee success.</p> <p>But without it, initiatives are likely to be poorly conceived and have muted support.”</p> <p>In a report written by KPMG (commissioned by Centre for Public Service Partnerships) titled “The Brilliant Local Authority of the Future” similar themes are reflected. Indications are that to be a successful council in the future skill sets needed will include:</p>

- Setting strategic vision and direction;
- Commercial and financial awareness;
- Performance management;
- Communication;
- Influencing and persuading;
- Networking; and
- Negotiating.

Final thought

From Technical Note “Harborough’s history of sharing”, HDC Officers have commented on past and current shared services. At a front facing level Officers can make the shared option work regardless of who the partner is in terms of size etc. However there has also been feeling of being deemed the smaller less influential partner due to the size of the organisation being substantially larger than HDC e.g. payroll service between Leicester City Council and HDC.

In another example external pressures such as available funding to facilitate a shared service having a deadline, meant the shared services were hurried through before they were fit for purpose as commented on regarding the recent shared Revenue and Benefit Service. This meant that services were shared before an effective working arrangement had been put in place where all officers were able to work as one unit.

When looking for a suitable future option to pursue, would it make it easier and more likely to be successful if the council was to find out and decide what it is attracted to and more importantly what it wants to highlight as its attributes that will attract others.

Quote

From: Kanter, R. (1994) confirms that “organisations that learn to collaborate well prove to be attractive to many partners and therefore have “collaborative advantage”.