

Supplementary Agenda



Meeting name	Meeting of the Cabinet
Date	Tuesday, 6 December 2022
Start time	4.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH
Other information	This meeting is open to the public

Meeting enquiries	Democratic Services
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No.	Item	Page No.
3.	<p>CONSIDERATION OF STRATEGIC PARTNERSHIP BUSINESS CASE AND OPERATING AGREEMENT</p> <p>Report by the Leader of the Council setting out the Business Case and Memorandum of Agreement relating to a potential Strategic Partnership between Melton Borough Council and Harborough District Council.</p> <p>During consideration of this item, the following feedback will be received:</p> <ul style="list-style-type: none"> • Feedback on the Business Case following the Scrutiny Committee meeting on 22 November 2022 (Appendix C). • Feedback on the Memorandum of Agreement following the Audit and Standards Committee meeting on 23 November 2022 (Appendix D). 	251 - 258

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To: Cabinet
Date: 6 December 2022
Report/Comments of: Scrutiny Committee
Title: Scrutiny Feedback to Cabinet – Strategic Partnership Business Case

SUMMARY OF REPORT CONSIDERED	
Report Title:	Strategic Partnership Business Case
Purpose/Description of Report:	The purpose of the report is to feed back the comments from the Scrutiny Committee to Cabinet at the point they consider the Strategic Partnership between Melton Borough Council and Harborough District Council.
Key Decision:	No
Scrutiny Lead Member:	Scrutiny Committee Chairman
Relevant Portfolio Holder:	Leader of the Council

1. Introduction and Overview

On 12th October 2022, Cabinet confirmed their interest in exploring the establishment of a strategic partnership with Harborough District Council (HDC) and provided authority to work with HDC to develop a full business case and set out an approach to operate such an arrangement.

The business case sets out the design principles for the partnership, the intended benefits, and the initial proposition to share a small number of senior roles. It also sets out service delivery opportunities that could be explored if the partnership is established.

The Scrutiny Committee met on 22 November 2022 to consider a presentation and report on the Strategic Partnership Business Case.

The Scrutiny Committee were asked to consider the business case and provide feedback to Cabinet.

2. Summary of Feedback/Recommendations for Cabinet Consideration

- In reviewing the cost apportionment for a shared Chief Executive and Deputy Chief Executives, the comment was made that whilst the cost would be shared 50/50 there are other options to base the sharing of costs. As this option would clearly disadvantage MBC, clarity was sought on why a 50/50 split was being applied. Following an explanation from the Strategic Advisor, it was noted that to ensure a balance of senior leadership across both councils, the Senior Officers would need to split their focus equally between both authorities, and therefore the fairest way to apportion these costs would be on a 50/50 basis. It was explained that other options for cost apportionment were included in the business case and that these would be considered and applied as appropriate for any future business cases for collaboration.
- The Committee stated that they felt that the business case was too lengthy and repetitive considering the decision that Council will be asked to make at the meeting on 20 December is whether to share a Chief Executive and two Deputy Chief Executives. It was suggested that the business case is slimmed down and focuses on the proposition and recommendations which are due to be considered at the Council meeting. Some members raised a concern about the formatting of the business case document.
- Members commented that the business case lacked the financial detail to support assumptions detailed within the business case that the strategic partnership would save each Council the money through future service collaboration. It was recognised that savings would be made through sharing a Chief Executive and two Deputy Chief Executives. It was explained that a service diagnostic had led to identification of opportunities for savings, service improvements, service efficiencies and growth and that the future collaboration options were indicative at this stage. It was also explained that any future proposals would be subject to future business cases through which savings would be identified and assessed. As the savings that are indicative for later phases did not have a business case to support them and would only be considered in spring 2023 at the earliest, the Chief Executive confirmed that additional information to support the assumptions would be provided by the end of the week.
- Members noted that in year one HDC were deleting a director post therefore saving £190k, whilst MBC will save £42k by the sharing Senior Officers (Chief Executive and two Deputy Chief Executives). This may weaken management in this area and would undermine

confidence with the danger that the performance of some services may deteriorate.

- Concern was raised regarding the termination arrangements, particularly if there is a change in political leadership after the elections in May 2023 and subsequent change in priorities. Members recognised that such arrangements are covered in greater detail by the Memorandum of Agreement which will be considered by the Audit and Standards Committee.
- The comment was made as to whether the benefits for Harborough were greater than the benefits for Melton. It was explained that the Business Case includes the intended benefits from a strategic partnership for both Councils.
- A Member of the Committee raised a concern about the impact of sharing senior staff at a time of good progress and improvement in performance in Melton, particularly in the Housing Services. However, the value of sharing senior staff and expertise was also noted.
- A concern was raised about how manageable it would be for a shared Chief Executive to manage different priorities across two councils. It was explained that the proposed partnership governance arrangements are designed to find alignment and areas for joint working across both councils.
- The timescales for considering the strategic partnership was questioned, as some Members believe that the process is quicker than they had anticipated it would be.
- The need to be able to monitor progress of the partnership was noted.
- The Committee raised the need to ensure that Members retained control of decision-making processes and that this needs clarifying at the Council meeting on 20 December. Members were assured that each Council would retain its own sovereign powers and democratic accountability. A commitment was made to consult with Council as and when significant changes are proposed.
- Members of the Committee recognised the need for change, with some broadly expressing support for the strategic partnership. A comment was made that it presents a strong case for change and a good attempt to futureproof both Councils.

Written by: Scrutiny Committee Chairman in consultation with Members of the Scrutiny Committee

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To: Cabinet

Date: 6 December 2022

Report/Comments of: Audit & Standards Committee

Title: Scrutiny Feedback to Cabinet - Strategic Partnership – Memorandum of Agreement

SUMMARY OF REPORT CONSIDERED	
Report Title:	Strategic Collaboration – Draft Memorandum of Agreement
Purpose/Description of Report:	The purpose of the report is to feed back the comments from the Audit and Standards Committee to Cabinet at the point they consider the Strategic Partnership between Melton Borough Council and Harborough District Council.
Key Decision:	No
Audit & Standards Lead Member:	Audit & Standards Chairman
Relevant Portfolio Holder:	Leader of the Council

1. Introduction and Overview

The scope of the Audit & Standards Committee meeting was that the Committee note the draft Memorandum of Agreement and provide comments on the governance arrangements which would underpin the Strategic Partnership for consideration by Cabinet prior to making a recommendation to Council in December.

The Committee were provided with a report drafted by the Monitoring Officer and the Draft Memorandum of Agreement (MOA). The scope excluded any report of the output of the Scrutiny Committee Meeting of the 22 November 2022 focusing on the proposed shared arrangements. The relevance of any report would have been any content relating to the scope of this Special Audit and Standards Meeting which was contained in the published papers. At the time of the 23 November 2022 meeting Members were not informed if a Scrutiny report has been produced or will be in the future. The minutes of the

22 November Scrutiny Committee meeting will of course be published at some time.

The document known as the business case was excluded from the scope of the Audit & Standards Committee meeting.

A 'Due Diligence' Report was not included in the papers, The Monitoring Officer verbally referred Members to the Business Case available elsewhere for what they considered to be the relevant information.

The Draft MOA contained reference to clause xx – considering proposals to withdraw from the arrangements within 6 months. The detail in the appendix was not included in the Draft MOA reviewed by Members. There was also a reference xx which needed inserting for the dispute clause.

The papers provided included a statement that independent legal advice on the content of the MOA will be obtained by Melton Borough Council (MBC). Members reviewed the Draft MOA in good faith and commented by exception.

The Cabinet and all Members are advised to consider the stated independent legal advice yet to be received.

2. Summary of Feedback/Recommendations for Cabinet Consideration

- The Draft MOA at paragraph 4.12 states that so far as is reasonably possible, shared Officers shall divide their time fairly and reasonably in accordance with the reasonable direction of the Chief Executive (CEO). Members questioned how will this be monitored, including the shared time of the CEO?
- The proposed options for sharing some staff based on the relative sizes of the two Councils that would result in these staff being available for MBC work between 31% and 35% of their time. Members queried whether these percentages were enough to get the work done at MBC and what would be the workload implications for subordinate staff? Particular reference was made to the potential risk of adverse impact on the management of Housing Services.
- References in the Draft MOA to withdrawal from the agreement within the first six months. Taking into account a December 2022 start date stated in the Draft MOA or an early January 2023 start date verbally indicated by Officers at the meeting, Members preference is that this should be changed to state the early withdrawal period is up to the 31st July 2023, so to allow reasonable time for any incoming administration(s) to fully consider the shared arrangements,

- The Draft MOA refers to the two Council's Cabinets. Members request Cabinet consider the how the shared arrangements can continue if one or both councils move to a Committee Governance structure and if/how the current Draft MOA wording may need to be amended prior to entering into shared arrangements.
- Schedules 2 and 3 state in outline the roles of the Shared Stakeholder Group and Shared Strategy Board respectively. Schedule 3 states the role of the Strategy Board includes monitoring the shared workforce arrangements and will meet on at least two occasions per year but will also meet as required. Implicit in the role is monitoring the performance of the Shared Stakeholder Group at Schedule 2 that meets monthly. To ensure a solid foundation for the early months of any shared arrangement that may be subject to review of the contribution so far of the arrangements post May 2023 elections, Cabinet could consider the frequency of the meeting Schedule for the first six months of any agreement.
- Paragraph 17 of the Draft MOA, Anti-Corruption. Cabinet is informed compliance with the Bribery Act 2010 is overseen by the normal Audit and Standards Committee business. The meeting scheduled for the 30th November 2022 includes a Bribery Act Risk Assessment paper.
- In addition to the comments above, Cabinet is asked to consider an operational aspect of the proposed shared arrangements. Where the physical presence of officers is required around the shared area will both the planning and operational delivery of any shared services and operational ensure all rural areas are adequately serviced?

Written by: Audit & Standards Committee Chairman

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