

Opportunity to explore establishment of a strategic partnership with Harborough District Council

Corporate Priority:	All
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	21 st September 2022
Exempt Information:	N/a
Key Decision:	No
Subject to call-in:	No

1 Summary

Collaboration is commonplace within local government and within Leicestershire there is a strong track record of joint working by district councils and their partners. Following the retirement of their former Chief Executive, this report provides details of a recent review undertaken by Harborough District Council, and the subsequent invitation from them to explore the potential for establishing a strategic partnership with Melton Borough Council. This report summarises the process Harborough have gone through which identifies Melton Borough Council as their preferred partner.

Additionally, following an initial assessment of the potential benefits, opportunities and risks, this report seeks to confirm Melton Borough Council's interest in exploring this opportunity further and commitment to develop a full business case with a view to this being considered formally by both councils in December.

2 Recommendation

That Cabinet:

- 2.1 **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.**
- 2.2 **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.**

3 Reason for Recommendations

- 3.1 To enable the preparation of a comprehensive business case which will formally set out the benefits, opportunities and risks of a strategic partnership, enabling the council to make an informed decision about the considerations and implications on both the council and the community. The business case will enable the council to respond meaningfully to the invitation from Harborough District Council.

4 Background

- 4.1 Collaboration between councils is nothing new and within Leicestershire there is a strong track record of collaboration across the district councils, alongside wider partners. Following the retirement of their previous Chief Executive in February 2022, Harborough District Council has undertaken an options appraisal in relation to resourcing senior management positions going forward.
- 4.2 At their meeting on 20th June 2022 a [report](#) on the options appraisal for the senior management structure was presented to their council. The options they considered ranged from a more internally focused Chief Operating Officer/Managing Director role, to a like for like recruitment of a Chief Executive role, through to a more expansive partnership approach with shared senior roles and integrated management teams across more than one council.
- 4.3 The report considered the benefits and risks of each option, with examples of where these models had been used successfully. Based on this assessment, and the opportunity to learn from other councils who had implemented similar models, it was agreed that they should explore the potential of establishing a strategic partnership with a neighbouring council. This would include the potential to share a Chief Executive and senior roles, with a view to enabling the potential benefits of such an approach to be realised.
- 4.4 The rationale and potential benefits of establishing a strategic partnership include:
 - 4.4.1 The opportunity to work jointly on common issues and challenges and therefore accelerate the pace of progress and increase impact
 - 4.4.2 Releasing capacity by reducing duplication

- 4.4.3 Increasing our influence regionally & nationally and creating a stronger, more united voice
 - 4.4.4 Sharing learning and good practice within a positive partnership
 - 4.4.5 Increasing resilience of our teams by working together
 - 4.4.6 Creating opportunities for job enrichment, and progression, and thereby supporting recruitment and retention
- 4.5 Harborough District Council agreed a delegation for their Leader and interim Chief Executive to undertake a review, and utilising the [criteria set out in their report](#), to identify their preferred strategic partner and to report back to their Council on the suggested way forward at a later date.
- 4.6 Following this analysis, Melton Borough Council have been identified as their preferred partner and in early September, Harborough District Council's Leader invited Melton Borough Council to explore the opportunity further with them. This report therefore considers the invitation from Harborough and the rationale and approach to exploring it further.

5 Main Considerations

- 5.1 The basis for Harborough identifying an appropriate strategic partner - referenced above - included three main considerations: Strategic fit, Feasibility and Viability. Following their assessment Melton Borough Council was considered the best 'fit' and identified as the preferred partner.
- 5.2 The main reasons for this included greater similarities in our respective places, broad alignment between our corporate strategies, strong positive relationships, a track record of collaborative arrangements and the initial assessment of opportunities that may exist by our organisations working more closely together.
- 5.3 A summary of this initial assessment is set out below:
- 5.3.1 **Ambition and relationships:** Both Councils have a similar number of members (34 Harborough, 28 Melton), the same governance system (Leader and Cabinet) and stable majorities with positive leader and senior officer relationships. Whilst Harborough's General Fund budget is larger than Melton's, Melton have an HRA account which Harborough does not. Both councils have a similar profile in terms of spending power per dwelling and proportion of net revenue expenditure funded by council tax.
 - 5.3.2 **Place alignment:** Both Harborough and Melton have a strong sense of identity and are underpinned by attractive rural market towns. Together they cover much of rural South and East Leicestershire (Harborough 228 sq miles / Melton 186 sq miles) and due to their rurality have a similar population density. While Harborough's population of 97,000 is higher than Melton's 52,000, their geographic and demographic similarities mean they share common attributes, challenges 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. Housing availability and affordability is a challenge in both places, as is connectivity, both digital and in terms of access to public transport. Working in a strategic

partnership has the potential to enable joint working on areas of common interest, reducing duplication and increasing impact and influence.

5.3.3 Service and organisational opportunities: Harborough and Melton already have a number of shared arrangements including Lifeline Monitoring, Out of Hours cover and parking enforcement. There are already active discussions regarding the potential to collaborate in other areas including waste and environment and CCTV monitoring. The opportunity to collaborate on service delivery has the potential to increase resilience and reduce single points of failure, given the small teams both councils have in key areas e.g. health and safety, land charges, safeguarding, and equalities etc. Greater collaboration also has the potential to increase efficiency, reduce costs, enable shared learning, improve effectiveness and outcomes for communities and enable job enrichment and progression, supporting recruitment and retention.

5.3.4 Initial risk assessment: Any change has the potential to destabilise and both councils will need to remain focussed on identifying both the benefits and risks associated with any new strategic partnership, ensuring that any instability during transition is minimised. As part of the business case development a full risk assessment will be developed. Risks relating to governance, shared priorities, protection of sovereignty, capacity, resourcing, and cultural alignment will need to be evaluated and mitigations identified.

5.4 Following the initial invitation from Harborough, a productive meeting between Leaders and senior officers of both councils took place mid-September. At this meeting it was agreed that both councils would seek formal support from their Cabinets to explore the potential opportunity further and to commission the development of a full business case, where the initial assessment outlined above can be developed, tested and scrutinised, enabling a fully informed decision in both organisations to be taken.

5.5 As part of the development of the business case, both councils will engage widely and in a meaningful and constructive way with members, officers and stakeholders. Initial briefings have already taken place, with further detailed arrangements currently being developed.

5.6 During October and November, the following sessions will take place:

5.6.1 All member engagement sessions including presentations from other councils operating within strategic partnerships

5.6.2 Joint Cabinet development sessions

5.6.3 Scrutiny to review the business case

5.6.4 Audit and Standards to review draft operating principles

5.6.5 Joint management development sessions

5.6.6 Staff and service engagement sessions

5.6.7 Stakeholder engagement sessions

5.6.8 Ongoing briefings and internal communications

5.7 Officers across both organisations will work together to develop the action plan for the development of the business case. Funding for this will be allocated from the Regeneration and Innovation Reserve to ensure the necessary external expertise and

capacity can be secured, and that learning from other councils operating in similar ways can be incorporated. This will be the subject of a separate delegated decision.

- 5.8 On 10th October, Harborough District Council's Cabinet will consider a similar report seeking a commitment to the development of a business case. A verbal update on the outcome from this meeting will be provided at Melton's Cabinet meeting. Subject to commitment being formalised, and the development of the business case and operating arrangements proceeding, it is anticipated the final versions will be considered by both Cabinets and Councils in December 2022. If agreed a full implementation plan will be created to enable the changes to be managed through both organisations successfully.
- 5.9 The business case will include as a minimum a rationale for the change, financial analysis, a review of opportunities to collaborate on key strategic issues, potential service benefits, risks and opportunities as well as further actions needed to progress the partnership, such as the legal agreements necessary to facilitate the joint arrangements proposed and any initial shared staffing or service arrangements.
- 5.10 The implementation plan, once developed, will contain more details on how the changes will be managed, what actions will be needed and the resources required to ensure delivery.
- 5.11 For the reasons set out in the report, Cabinet are asked to endorse the development of the business case to enable a full consideration of the opportunities and risks associated with a strategic partnership.

6 Options Considered

- 6.1 Not to proceed with the development of a business case: Given the initial assessment has identified a number of opportunities to both work jointly on common challenges and resolve organisational resilience issues, not to explore further would be a missed opportunity. The purpose of developing a full business case is to test any initial assessments made fully and to ensure that if the councils chose to proceed, they can ensure full due diligence has been undertaken.

7 Consultation

- 7.1 Initial communications and briefings have been undertaken within both councils with all members and staff. A letter has been sent to key stakeholders setting out the Council's intentions to explore this opportunity further.
- 7.2 Paragraph 5.7 above sets out the broad approach to the engagement proposed as the business case is developed over the next two months. The details and timescales will be developed further over the next few weeks.

8 Next Steps – Implementation and Communication

- 8.1 Following confirmation that both councils wish to develop a business case the following actions will take place:

- a) Appointment of appropriate external support (strategic, technical, legal, HR) to provide the required capacity and expertise to enable a robust business case to be developed at pace.
- b) Confirmation of engagement timetable and plan
- c) Joint management and Cabinet development sessions to enable consideration of the opportunity
- d) Learning from councils operating similar arrangements

9 Financial Implications

- 9.1 The need for external capacity and expertise requires funding. It is also likely that as we undertake the development of the business case expertise in both legal and Human Resources will also be required, over and above those that can be provided in house. Therefore, each council will commit to setting aside a sum of up to £50,000 to ensure that sufficient resources are available. This will be allocated from the Regeneration and Innovation Reserve, through a separate decision, which based on current forecasts would leave an unallocated balance of £300k at the 31 March 2023.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 There are no specific legal implications for the development of the business plan. External legal advice may be sought in the development of the business plan itself as required.
- 10.2 In terms of procuring external capacity and expertise, the Council has the power to enter into contracts in order discharge its functions (Local Government Act 1972, s111 and the Local Government (contract) Act 1997, s1). The Local Government Act 1972 requires the Council to have regulations for how it enters into contracts. In addition to complying with all relevant UK and EU legislation every contract entered into on behalf of the Council must also comply with the Council's Contract Procedure Rules and the Council's Financial Regulations

Legal Implications reviewed by: **Monitoring Officer**

11 Equality and Safeguarding Implications

- 11.1 There are no direct equality and safeguarding issues arising from this report.

12 Community Safety Implications

- 12.1 There are no community safety issues arising from this report.

13 Environmental and Climate Change Implications

- 13.1 There are no environmental and climate change implications.

14 Risk & Mitigation

14.1 The risks are as set out below.

Risk No	Risk Description	Likelihood	Impact	Risk
1	Pursuing the business case creates instability as staff and other stakeholders perceive this as a threat.	Significant	Critical	Medium Risk
2	Resources are not available to support the development of the business case or other work is delayed as a result	Low	Critical	Medium risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant			2	
	3 Low			1	
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	A communications plan will be developed to ensure that all stakeholders are regularly engaged and informed of progress and reassured. This has already commenced and will be kept under review, and refined as required.
2	The engagement of external resources to support the development of the business case will assist but some displacement of resources will be inevitable and will need to be accepted and managed recognising the importance and priority of this work.

15 Background Papers

- 15.1 Cabinet Report for Harborough District Council due to be considered on 10th October 2022: [Strategic Collaboration Update, Identification and selection of potential partner](#)

16 Appendices

- 16.1 None

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