

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