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## SHARED STRATEGIC PARTNERSHIP

### 1 PURPOSE

- 1.1 To consider the sharing of the Chief Executive/Managing Director, including the Head of Paid Service role, between Brentwood Borough Council and Rochford District Council for an initial 6-month period starting from 1 August 2021.

### 2 BACKGROUND

- 2.1 Rochford District Council's previous Managing Director (and Head of Paid Service), Shaun Scrutton, retired on 31 October 2020.
- 2.2 In December 2020 Council considered three options in relation to the future arrangements for that role and agreed to explore the possibility of a joint Head of Paid Service with another authority. Council **resolved**
- (1) That option two, as set out at paragraphs 3.6 to 3.12, be progressed by the Executive and the Acting Managing Director and a report brought back to Council.
  - (2) That Angela Hutchings be designated as the Head of Paid Service until such time a permanent solution is implemented for the Head of Paid Service role.
  - (3) That it be delegated to the Acting Managing Director, in consultation with the Leader of the Council, to agree the terms and conditions for a legal agreement with the chosen local authority to establish a shared arrangement under section 113 of the Local Government Act 1972.
- 2.3 The Acting Managing Director and the Leader felt that any partner organisation should be the same tier of government as the Council and located in South Essex so that there would be equality of opportunity between the partners. Accordingly, the focus was on Castle Point Borough Council, Basildon Borough Council and Brentwood Borough Council (BBC). Due to the political arrangements in place at the time, conversations with BBC were the most productive and proceeded at pace. The discussions have been supported by independent advice from East of England Local Government Association (EELGA).
- 2.4 The discussions identified a number of common strategic interests with BBC and an acknowledgment that both Council areas are similar in scale, geography and economy.
- 2.5 Local government and the public sector as a whole is facing unprecedented challenges, especially emerging from the impact of COVID-19, not only in terms of financial pressures, but also in terms of demographic changes. Nationally, authorities have implemented different options for improving service delivery,

whilst ensuring financial resilience for the future and protecting individual councils' sovereignty.

- 2.6 Within local government, there has been a move towards the sharing of service delivery across different partners, as a way of both improving the outcomes for residents and reducing costs to the overall public purse. This has encouraged authorities to review the way in which they fund and structure services, with many looking to more innovative ways of operating.
- 2.7 The Leaders of both councils are keen to move forward in an arrangement for a joint Chief Executive/Managing Director and Head of Paid Service; to realise immediate financial savings and assist in the creation of a strong strategic partnership between the two organisations.

### **3 PROPOSAL FOR SHARED STRATEGIC PARTNERSHIP**

- 3.1 For BBC and the Council, national challenges have translated into shared local challenges, specifically around economic growth, housing growth, the 5-year land supply and Local Development Plans, supporting improved health and well-being outcomes and long-term budgetary issues.
- 3.2 Both authorities have been proactive in responding to challenges by delivering services more effectively and establishing additional income streams and reducing costs. It will be increasingly important for both councils to ensure that they are resilient to future changes and challenges so that they can continue to provide those services that residents value the most.
- 3.3 Though the financial climate is a driver for transformation, both authorities share the same values of working more effectively to deliver improved outcomes for residents and driving sustainable growth for the people and place. This focus on outcomes provides a good starting point for building on the two councils' already effective partnership, and to explore opportunities for working together more strategically, through a shared service provision.
- 3.4 The proposal is to agree to share a Joint Chief Executive/Managing Director for an initial 6-month period to:-
  - Develop an initial feasibility study, business case and proposals for future development of shared services.
  - Understand the management and political aspirations, needs and priorities of each council to be able to determine the most effective partnership opportunities appropriate for both councils moving forward.
  - Consideration of the options for the sharing model going forward and the necessary governance arrangements required.
  - To produce a timetable for implementation with milestones and estimated

financial efficiency savings.

- 3.5 A progress and future feasibility report will be presented to both councils, setting out an Outline Business Case and to consider the effectiveness of the interim sharing arrangements, by the end of 2021.
- 3.6 The Outline Business Case would detail the proposed governance arrangements for the continuation of the Joint Chief Executive/Managing Director post, the proposed sharing model to be adopted and the proposed timetable for implementation of further shared services.
- 3.7 This arrangement would mean that Jonathan Stephenson, currently Chief Executive at Brentwood Borough Council, would assume the role of interim joint Chief Executive/Managing Director of both Councils, with time divided between both authorities throughout the interim period.
- 3.8 Section 113 of the Local Government Act 1972 enables one local authority to place at the disposal of another local authority the services of an employed officer. This provision can extend to the Head of Paid Service role. There would need to be an agreement in writing between the two authorities setting out the terms and conditions of the arrangement. The Chief Executive of BBC has been consulted as per the requirements of Section 113.
- 3.9 The heads of terms of the agreement will include the equal division of time between the councils, the commencement date if agreed will be the 1 August 2021, the duration, management of the arrangements, payments including reimbursement of salary costs.

#### **4 ALTERNATIVE OPTIONS**

- 4.1 Alternative options were set out in the paper to Full Council in December 2020; Options 1 and 3 in that paper were not pursued, as Option 2 was agreed as the preferred route forward by the Council. The risks associated with these alternative options remain unchanged.

#### **5 RESOURCE IMPLICATIONS**

- 5.1 It is requested that a maximum of £20,000 be allocated from general reserves to fund 50% of the costs of undertaking the feasibility study required to explore further shared and partnership opportunities with BBC (BBC, subject to its Councils agreement, **will** also commit £20,000 to undertake this work).
- 5.2 The ring-fenced budget to a maximum of £20,000 is for programme management, independent finance and HR support, independent facilitation for workshops with members and officers and any other support required over the next four months.
- 5.3 Following the feasibility study, an outline business case and report will be brought back to Full Council. This will detail the governance arrangements and final implications for the continuation of the Joint Chief Executive/Head of Paid Service

post, the proposed sharing model to be adopted and the proposed timetable for implementation of further shared services. An indicative potential annual saving for a Joint Chief Executive/Head of Paid Services post could be between £70,000-£80,000 for RDC.

- 5.4 A one-off vacancy factor saving (attributable to the currently vacant MD post) of £50,000 is already assumed in the Council's 2021/22 budget; the actual saving may exceed this depending on the timing and nature of any agreement that is reached later in the financial year.

## **6 LEGAL IMPLICATIONS**

- 6.1 Local authorities have a duty under the Local Government and Housing Act 1989 to designate one of their officers as the Head of Paid Service. This post is one of three statutory appointments (the others being the Section 151 Officer and the Monitoring Officer) that every local authority is required to make. The Council must therefore ensure that such appointment is made.
- 6.2 Section 113 of the Local Government Act 1972 allows *“a local authority to enter into an agreement with another local authority for the placing at the disposal of the latter authority for the purpose of its functions, on such terms as may be provided by the agreement, the services of officers employed by the former authority.”*
- 6.3 The employment contract of the Chief Executive of BBC remains with BBC and the Council will have the power to manage the role without the responsibilities of being a direct employer.
- 6.4 An agreement will need to be drawn up and signed by both parties. It is proposed that Council delegates to the Acting Managing Director and Assistant Director, Legal & Democratic in consultation with the Leader, to finalise and agree the terms of the agreement.
- 6.5 Article 10 of the Constitution enables the Council to enter into joint arrangements with other local authorities including the delegating of functions.

## **7 RISK IMPLICATIONS**

- 7.1 Future decisions regarding potential local government reorganisation are currently unknown; however, should they take place in future, notice could be served under the legal agreement to dissolve the arrangement.
- 7.2 The interim period may result in a decision not to proceed on a permanent basis leaving the organisation with the original challenge of how to best resolve the Head of Paid Service role.

## **8 EQUALITY AND DIVERSITY IMPLICATIONS**

- 8.1 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups, as defined under the Equality Act 2010.

**9 RECOMMENDATION**9.1 It is proposed that Council **RESOLVES**

- (1) That Jonathan Stephenson be appointed as Joint Chief Executive/Managing Director for both authorities and designated as Head of Paid Service for Rochford District Council with effect from 1 August 2021, subject to legal agreement and resolution by Brentwood Borough Council on 28 July 2021.
- (2) That the Acting Managing Director and the Assistant Director (Legal & Democratic), in consultation with the Leader of the Council, engages with Brentwood Borough Council and enters into an agreement under Section 113 of the Local Government Act 1972 to establish a Joint Chief Executive and Head of Paid Service for Brentwood Borough Council and Rochford District Council for an initial period of 6 months from 1 August 2021.
- (3) That the Interim Joint Chief Executive (JS) and the two Strategic Directors, in consultation with the Leader and Deputy Leaders of each Council to undertake the creation of a feasibility study to explore further shared and partnership opportunities with Brentwood Borough Council. A further report with proposals will be brought back to Council for consideration by the end of 2021.
- (4) That a maximum of £20,000 be allocated from general reserves to fund 50% of the costs required to undertake the feasibility study and provide additional programme resources. (Brentwood Borough Council intends, subject to its Council agreement, to also commit £20,000 of resources to undertake this work).
- (5) That the Monitoring Officer be given delegated authority to make any required changes to the Constitution.
- (6) That any designated Head of Paid Service is the proper officer under s270(3) of the Local Government Act 1972.

Acting Managing Director

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**Background Papers:-**  
None.

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