

NEW FOREST/TEST VALLEY PARTNERSHIP REVIEW**1. INTRODUCTION**

- 1.1 This paper sets out proposals to revise the management and governance arrangements for the New Forest/Test Valley Commercial Services Partnership.

2. BACKGROUND

- # 2.1 At its meeting of 9 September the Commercial Services Joint Committee considered a report from the Executive Director (New Forest) and Corporate Director (Test Valley) which is attached at Appendix 1.
- 2.2 The report explained the reasons for the review that had been undertaken and set out proposals for the revised management and governance arrangements that it was considered would be more appropriate in relation to the current level of partnership working.
- 2.3 The Joint Committee resolved;
- ‘that the approach to the future management and governance of the New Forest / Test Valley Commercial Services Partnership as set out in the report, be endorsed, in order to enable further work to be carried out on the preparation of a revised Partnership Agreement’ and recommended to the Cabinets of both authorities:
- (i) That the Joint Commercial Services Committee, be dissolved.
 - (ii) That a revised Partnership Agreement be entered into.
 - (iii) That with regard to delegations to officers such resolutions be taken or recommendations made as are necessary.
 - (iv) That Council be recommended to dissolve the Joint Overview and Scrutiny Committee.
- 2.4 At its meeting on 16 September, the Joint Overview and Scrutiny Committee considered the same report and suggested a slight amendment so that recommendation (ii) above would read:
- ‘That a new Partnership Agreement be entered into’.
- 2.5 The Committee also added a further recommendation to the effect that:
- ‘Provision is made to bring a report before the appropriate Overview and Scrutiny Committees of both Authorities on a 6 monthly basis’.
- # 2.6 The Heads of Terms of a suggested new Partnership Agreement are set out at Appendix 2 to the report for Cabinet’s consideration.

3. MANAGEMENT / OPERATIONAL IMPACT OF THE PARTNERSHIP

- 3.1 The new Senior Management structure at New Forest, rationalising from 3 Directors to 2 Executive Directors and the streamlining of Heads of Service from 14 to 12, required the Director of Commercial Services and the 2 Assistant Directors of Commercial Services to reduce their input into the Partnership to enable the Council to implement its new structure. The proposals included in the Partnership review will enable this requirement. Resource allocations previously allocated to the Partnership at this senior management level will now be retargeted directly to New Forest services to pick up reallocated duties under the new structure.
- 3.2 Since the creation of the Partnership in September 2002, at an operational level the Partnership has grown by 39% (gross expenditure) particularly in respect of shared Grounds Maintenance, Building Works and Vehicle Workshops services. This has put added pressures on employees both at senior and operational manager level, on occasions making it difficult to provide efficient and effective New Forest services. The Partnership review has provided the opportunity to better align the volumes of work to resources available and the new structure will enable the following:
- Firstly, the capacity that will be gained to bring the Grounds Maintenance and Engineering Works sections together under a single business unit. It is anticipated that once these units are brought together under a one manager there may be further opportunities to streamline the operation.
 - Secondly, the Building Works service will shortly be taking on further responsibility for the all Housing reactive maintenance repairs across the district. This is in addition to the increased volume of planned maintenance and gas servicing works that the team has successfully delivered on behalf of the Housing service. Any spare capacity released as a part of the Partnership review will be used to develop and enhance the performance of this service.
 - Finally the Transport Manager has been overly stretched to manage both authorities workshop functions and fleet management requirements resulting in long hours and substantial travelling being incurred. The new structure will realign workloads back to within existing established resources.

4. FINANCIAL IMPLICATIONS

- 4.1 Under the current Partnership financial arrangements NFDC receives a financial contribution from TVBC for the senior management and business unit manager inputs to the Partnership. The new officer arrangements will result in an equalisation of senior management inputs to the Partnership working and therefore remove the need for most of the recharges between both Councils. The overall effect of this element of the changes will result in estimated additional full year costs to NFDC of £36,680.
- 4.2 Whilst these changes to the recharges have yet to be formally agreed with TVBC, the increased costs should be seen in the context of the overall savings that have been generated following implementation of the new Senior Management structure.

4.3 In summary this additional cost represents the removal of recharges for:

- the Executive Director and 2 Heads of Service that currently make up the Partnership senior management team
- line management responsibilities of the NF Building Works Manager for the TV Building Works team
- A reduction in the NF Transport Managers responsibilities at TV to cover just the fleet management role.
- Committee administration costs from TVBC associated with the Commercial Services Joint Committee and Joint Overview and Scrutiny Committee.

4.4 In addition, as a result of changes to the future management responsibilities for the Grounds Maintenance functions at both Authorities, with the jointly funded TV Grounds Manager reverting back to TV work only, there is a need to create a new post of Grounds Maintenance Manager at NF. This will result in a further increase in cost to NF of £13,200 with the new post being partially funded from the contribution previously paid to TV for the joint management arrangement and the use of funding from a currently vacant post within the service.

4.5 The new Grounds Maintenance Manager post will also take responsibility for the Engineering Works business unit. This team has been without a manager since April 2008 following the retirement on ill health grounds of the previous postholder. This post currently remains on the establishment but is vacant. A proportion of these additional management costs will be allocated to the Engineering Works section and will be recovered as overheads through recharges for internal and external works. The Cemeteries administration function will also be absorbed into this new business unit. Whilst there will be an initial increase in costs overall for the Grounds Maintenance business unit, the new resource will provide essential management support for the team and enable future development of the Grounds and Engineering Works services both internally and to pursue new external business opportunities with local schools, Town and Parish Councils and HCC.

4.6 The costs identified are the estimated full year costs associated with the Partnership changes. As the proposed changes will be implemented during the latter part of 2008 it is likely that there may be some financial implications falling within the 2008/09 financial year. Assuming an effective date of 1 January 2009 for the senior management changes the net reduction in income received from TVBC is estimated to be £9,170. The additional part year costs for the new Grounds Maintenance Manager post will be covered by savings on a vacant post within the business unit.

5. CRIME AND DISORDER/ENVIRONMENT/EQUALITY AND DIVERSITY IMPLICATIONS

5.1 There are none arising directly from this report.

6. PORTFOLIO HOLDER COMMENTS

6.1 Both the Environment and Finance & Efficiency Portfolio Holders welcome and support this proposal and look forward to continuing to work with Test Valley to the benefit of both Councils in this new and simplified manner.

7. RECOMMENDATIONS

- 7.1 That the Cabinet endorses the recommendations of the Commercial Services Joint Committee with regard to the future management and governance arrangements for the New Forest / Test Valley Partnership.
- 7.2 That the Cabinet approves the first amendment proposed by the Joint Overview and Scrutiny Committee, 'that a new Partnership Agreement be entered into';
- 7.3 That in consideration of the second amendment proposed by the Joint Overview and Scrutiny Committee the Cabinet agrees that provision be made to bring reports, when requested, to a Review Panel as appropriate.
- 7.4 That Cabinet approves that the Commercial Services Joint Committee be dissolved with immediate effect.
- 7.5 That Council be recommended to dissolve the Joint Overview and Scrutiny Committee.
- 7.6 That Cabinet approves the additional budget requirement for the current year.
- 7.7 That Cabinet notes the additional budget requirements for the 2009/10 financial year to be included in the medium term financial plans.

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Background Papers:

Commercial Services
Joint Committee Agenda
& Minutes 9 September
2008

Commercial Services
Overview & Scrutiny
Committee Agenda &
Minutes 16 September
2008

Commercial Services Joint Committee Report of 9 September

Report of the Executive Director (New Forest) and Corporate Director (Test Valley)

New Forest / Test Valley Partnership Review

1 Introduction

- 1.1 This paper sets out proposals to review the management and governance arrangements for the New Forest / Test Valley Commercial Services Partnership.
- 1.2 Since the inception of the partnership in 2002 both Authorities have played a full role in developing joint working arrangements for a range of front-line operational and support services.
- 1.3 In the intervening period the areas of partnership working and internal management arrangements have undergone a series of changes to reflect the changing needs of the services in both parent Authorities, with the common denominator of a formally constituted Joint Committee and Scrutiny Committee being retained.
- 1.4 During this period there have also been two reviews of the partnership carried out with the assistance of external consultants. In both cases reports were considered by the Joint Committee, the latest being in June 2007, with those recommendations which were accepted being duly actioned.
- 1.5 Recent senior management structural changes at New Forest DC (NFDC) and a review of the senior management structure at Test Valley BC (TVBC) now provide the opportunity to reflect on the current appropriateness of the constitutional management arrangements for the Partnership, from those first adopted in 2002.
- 1.6 Discussions at Member and senior officer level within both Authorities have highlighted a strong desire to maintain and, wherever possible, to build on the current level of partnership working, whilst at the same time recognising that a more streamlined and flexible approach to partnership governance would be beneficial.
- 1.7 The following proposals seek to translate this aspiration into a more efficient and economic framework for future partnership working.

2. Proposal – Officers

- 2.1 Until very recently the senior management of the partnership consisted of a Director of Commercial Services supported by three Assistant Directors (one Test Valley and two New Forest posts). The Test Valley Assistant Director post was occupied on a twin-hatted basis by the former Head of Environment and Health. These arrangements involved a degree of matrix management, with the Assistant Directors having particular areas of responsibility that extended across the Partnership. Costs were apportioned between the two authorities on a time allocation basis.
- 2.2 The appointment of the Director of Commercial Services to one of the new Executive Director posts within the revised New Forest senior management structure, together with the new roles envisaged for the New Forest Assistant Directors (Head of Property Services and Head of Environment Services) has prompted a review of the matrix management arrangements.
- 2.3 In future, it is proposed that overall supervision of the Partnership will be provided at Director level by a Corporate/Executive Director at each authority. With the exception of the functions referred to at 3.1 below, it is then proposed that the next tier of management, at New Forest the Head of Environment Services and at Test Valley, the Assistant Director of Commercial Services, will be responsible for all aspects of operations as they relate to their respective authorities. In particular, this involves the operational grounds maintenance, building works and building cleaning functions for Test Valley, which are presently managed by New Forest Assistant Directors, being transferred to the Test Valley Assistant Director.
- 2.4 The senior management review currently underway within TVBC will provide an opportunity for these functions to be transferred in a seamless transition.

3. Partnership Management

- 3.1 The partnership arrangements covering such areas as the joint provision of health and safety advice, fleet management, existing grounds maintenance contract works and joint procurement will continue, as will the “cross-border” sharing of operational employee and mechanical plant/vehicles where appropriate.
- 3.2 It is proposed that programmed areas of partnership working will be covered by Service Level Agreements setting out agreed recharges, performance standards and review mechanisms. Unprogrammed and ad-hoc arrangements can be dealt with via the normal requisitioning systems.
- 3.3 The on-going strategic and performance management of the Partnership will be undertaken by a bi-monthly officer meeting, jointly chaired by the respective Directors supported by associated Heads of Service from both Authorities as required.

4. Proposal – Members

- 4.1 The current constitution provides for a Joint Committee which meets four times a year and comprises three executive Members from each Authority, with an annual rotating Chair. There is also an associated Joint Overview and Scrutiny Committee which meets twice a year.
- 4.2 It is suggested that this level of formal governance, involving a significant amount of Member time, together with the necessarily high degree of officer input and associated support arrangements, will be disproportionate in relation to the future scope and complexity of partnership working between the two Authorities.
- 4.3 It is therefore proposed to replace the formal committee structure with an informal Partnership Joint Board which would meet twice a year in a consultative capacity to promote and advance partnership working between the two authorities. It would also review the performance of existing and future partnership arrangements. Where necessary, reports requiring decisions or involving financial considerations would be referred to the respective Authority's cabinet.
- 4.4 Membership of the Partnership Joint Board would need to reflect the importance of maintaining and developing joint working and it is suggested that each Authority nominates two Executive Members (relevant Portfolio Holders) to sit on the Board, with a third to act in a substitute capacity.
- 4.5 It is also suggested that a TVBC Corporate Director and a NFDC Executive Director sit on the Partnership Joint Board.

5. Partnership Agreement and Constitution

- 5.1 There are two formal documents relating to the operation of the Partnership. The first is the agreement originally signed by both parties in August 2002 and described as 'a legal agreement governing the joint arrangements for the discharge of functions relating to the delivery of commercial services'. This agreement will need to be amended to reflect the proposed new working arrangements, while restating the commitment of the two authorities to work collaboratively wherever possible.
- 5.2 The legal agreement provided for the creation of a Joint Committee and a Joint Overview and Scrutiny Committee. The second formal document is the Constitution which describes the composition, powers, duties and responsibilities of those two bodies. If Members agree to accept the proposals set out in this report, the Joint Committees will no longer be required and it will be necessary to seek a resolution of both Councils to amend the Partnership Agreement and to repeal the Constitution.
- 5.3 The role and responsibilities of the new Partnership Joint Board will be defined in the revised Partnership Agreement.

6. Conclusion

- 6.1 While both authorities remain committed to the partnership concept and to seeking further opportunities to develop collaborative working wherever possible, it is considered that the present governance arrangements are excessive having regard to recent developments in operational management.
- 6.2 It is proposed that the existing Joint Committee structure be replaced by a more informal Joint Partnership Board.

7. Recommendation

- 7.1 It is recommended that:
- (a) the Joint Committee endorses the approach to the future management and governance of the NF/TV Commercial Services Partnership as set out in the report in order to enable further work to be carried out on the preparation of a revised Partnership Agreement, and
 - (b) the Cabinets of both authorities be recommended to:
 - (i) resolve to dissolve the Joint Committee
 - (ii) seek a resolution from their respective Councils to dissolve the Joint Overview and Scrutiny Committee and to adopt the revised Partnership Agreement
 - (iii) take such resolutions as are necessary with regard to delegations to their respective officers.

Test Valley Borough Council and New Forest District Council - Joint Working Arrangements.

Heads of Terms

- TVBC and NFDC will work together pursuant to the provisions of Section 101 Local Government Act 1972 to discharge their respective functions where it is mutually advantageous and convenient to do so.
- Where detailed working arrangements are developed these shall be recorded in service level agreements for each function.
- The joint working shall be managed on a day to day basis by officers of each authority who shall meet as often as they consider necessary.
- An informal Member Board will be set up on the following basis and with the following terms of reference
 - Each authority will appoint two Cabinet Members to the Board, together with a third Member to attend in the absence of one or other of the main appointees.
 - It will operate to promote and advance the joint working between the two authorities
 - It shall have no executive or decision making powers but shall make recommendations to the Cabinets of the respective authorities as appropriate
 - It shall meet twice yearly
- Each authority shall determine how it wishes to monitor the performance of the joint working arrangements