

19 December 2023

Report of	Chief Operating Officer	Author	Richard Block richard.block@colchester.gov.uk
Title	North Essex Councils and Shared Services		
Wards affected	All wards		

1. Executive Summary

- 1.1 This report updates Cabinet on progress since agreeing the North Essex Authorities' (NEA) Memorandum of Understanding previously, seeks approval to establish the North Essex Councils partnership and commit resources to enable its objectives to be delivered.
- 1.2 It also provides an update on shared services and seeks approval to progress to develop a full business case for a single shared back office.

2. Recommended Decision

- 2.1 To agree that Colchester City Council will work in partnership with those Councils set out in paragraph 3.1 and will be collectively referred to as the North Essex Councils (NEC).
- 2.2 To agree to contribute £20,000 from the Strategic Plan Reserve in 2023/24 to enable resources to be put in place to manage the work of the partnership.
- 2.3 To agree that further funding in 2024/25 of up to £40,000 will be considered as part of the 2024/25 budget process, for the purposes of establishing a team to collectively represent North Essex Councils, establish a detailed terms of reference for NEC and develop a clear programme of work.
- 2.4 To agree the council should work with Braintree District Council and Epping Forest District Council to develop a full business case and proposed model of delivery for a single shared back office for the corporate services referenced in this report and to approve the release of £60K from the Strategic Plan Reserve to support development of the business case.

3. Reason for Recommended Decision

- 3.1 To establish a team to collectively represent North Essex Councils, establish a detailed terms of reference for NEC and develop a clear programme of work and to ensure resilient and efficient corporate services.

4. Alternative Options

- 4.1 To not commit to the development of North Essex Councils and/or develop a single shared back office.

5. Background Information

North Essex Councils

- 5.1 For the purposes of this report, the NEC is made up of those local authorities located in the north of Essex, and representing a population of 1.063m, namely:
- Braintree District Council
 - Chelmsford City Council
 - Colchester City Council
 - Epping Forest District Council
 - Essex County Council
 - Harlow Council
 - Maldon District Council
 - Tendring District Council
 - Uttlesford District Council
- 5.2 Councils in North Essex have been working together for several years, with a range of formal and informal collaborations, perhaps most notably the North Essex Economic Board.
- 5.3 The other councils in Essex already have a well-established strategic partnership, the Association of South Essex Authorities (ASELA), and a joint committee is in place enabling ASELA to take formal decisions collectively and to agree joint delivery arrangements to achieve improved outcomes in South Essex, for example with Homes England.
- 5.4 In December 2022, the Leader of the Council agreed a Memorandum of Understanding with the other North Essex councils (Appendix A) setting up the basis for a new strategic partnership to deliver place leadership across North Essex.
- 5.5 During 2023, Chief Executives from each of the North Essex councils have been meeting regularly to discuss and develop an action to deliver the aims in the memorandum of understanding.
- 5.6 At a meeting of North Essex Council leaders on 20 July 2023, it was agreed to formalise the partnership and committed to taking a common report through their relevant governance processes, hence this report.
- 5.7 As a result of those discussions, the Leaders of NEC have agreed that:
- NEC will identify common issues and develop shared solutions that add value beyond what any individual council can do on their own
 - NEC will convene partnerships that deliver improved outcomes on Economic Development, through the North Essex Economic Board (NEEB), Finance, Housing, Climate Change, Shared Services and Devolution.
 - Within NEC, partnership working will happen at all levels, may involve different groups of NEC councils working together, and collaboration may reach beyond North Essex where this serves to the purpose of NEC.

5.8 NEC Leaders have reached a shared understanding of some of the key benefits of joint work, including but not limited to

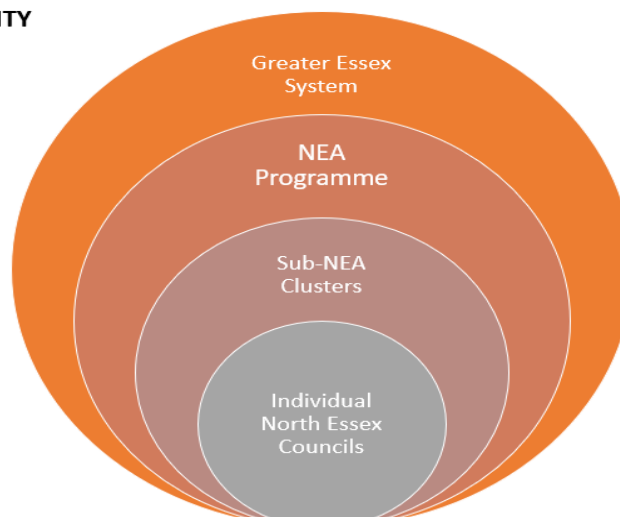
- Improving shared evidence, data and insights to inform collaboration.
- Enhancing Organisational Capacity & Resilience.
- Improving core service quality, efficiency and outcomes.
- Delivering key strategic programmes of work together.
- Influencing and supporting responses to legislative changes.
- Provide the basis for district, city and borough nominations to a future Greater Essex Combined Authority.
- Achieving financial security and increased investment.
- Influencing policy through a stronger collective voice – nationally, regionally and within Greater Essex.
- Driving forward new Shared Services opportunities.
- Engaging businesses effectively to support the responsibilities of the LEP across North Essex.

5.9 The outcomes listed in 5.8 will be achieved at different spatial levels, with the partnership allowing for projects across a subset of councils, all North Essex councils and influence beyond North Essex. The diagram below shows how this will work in practice:

NEA system working and scales of activity

CURRENT / EMERGING ACTIVITY

North Essex influencing GE Devo negotiations
Essex Shared Procurement Service
North Essex Economic Board
NEA Shared Services
Colchester Tending Borders Garden Community
Braintree Colchester & Epping Forest Shared Services
Braintree and Colchester Building Control collaboration



FUTURE POTENTIAL

North Essex representation on the GE(M)CCA
NEEB extension to NEA geography
North Essex new Programmes e.g. Housing, Climate, Health
Braintree, Colchester, Epping Forest & Tendring Waste Partnership

5.10 Delivering this ambitious approach to sub-regional working will not be possible without each partner council contributing resources to the NEC programme.

- 5.11 Each constituent council will be required to contribute £20,000 in 2023/24, enabling the partnership to being put in place the resources necessary to take forward NEC work on behalf of all councils.
- 5.12 From 2024/25 it is anticipated that the core costs of North Essex Economic Board membership will be incorporated into overall NEC contributions from 2024/25 for the eight constituent councils, and it is estimated that the total contributions for 2024/25 will be in the region of £40,000. This requirement will need to be considered as part of the 2024/25 budget process.

Shared Services

- 5.13 A recommendation of the Local Government Association Peer Challenge of the Council was to strengthen corporate resources and develop a business case for strengthened Corporate Services delivered by consolidation of services. Shared Services is also one of the work streams to reset the Council and ensure it is fit for the future.
- 5.14 Under the umbrella of the North Essex Councils arrangements described above, Colchester City Council, Braintree District Council and Epping Forest District Council have been working together on a project to explore the potential to share the corporate services listed below:
- Finance
 - ICT
 - Programme Management
 - Human Resources
 - Revenues and Benefits
- 5.15 These services are essential to the operation of each organisation but the highly trained professional staff delivering them are often difficult to recruit and retain. This is a particular challenge when competing with larger organisations than each of the individual Councils. Due to the size of each Council, there is a small number of expert staff in several key areas which creates a lack of resilience.
- 5.16 Sharing services is not new to Colchester City Council as the following services are already delivered as shared services:

Name of shared service	Description of services delivered
Colchester and Ipswich Museums Service	Operation of Museums across Ipswich and Colchester

North Essex Parking Partnership	On street parking enforcement for North Essex Councils and management of off street car parks for Colchester, Braintree and Uttlesford.
Shared Payroll Service	Operation of payroll for several councils across all of Essex
Essex Procurement Partnership	Shared to create economies of scale and resilience in purchasing and procurement involving Essex CC, Braintree DC, Castle Point DC and Tendring DC
Tendring Colchester Borders Garden Community	Shared team to progress the Tendring Colchester Borders Garden Community
Shared Senior Roles	Epping Forest District Council Shared S151 officer, shared Service Director for Finance, Shares Service Director Digital/Transformation Integrated Care Board (Health) Shared Strategic Director
Shared Corporate Services with Colchester Borough Homes	Insurance, Communications and Marketing and some Shared ICT services (further opportunities being developed)

5.16 Epping, Colchester and Braintree have been working together to develop a common understanding of the similarities and differences of each service in scope through a process of discovery. This has also allowed common challenges and opportunities to be identified. A summary is shown at appendix B.

5.17 Details of how much the 3 Councils spend and the number of staff employed is shown below:

Service	FTE	Salary
Revs & Bens	126	£4.72m
HR	28	£1.17m
ICT/Programme Management Office	97	£4.6m
Finance	74	£3.8m
TOTAL	319	£14.29m

5.18 From the information derived through discovery, there is now a case to build a detailed business case, proposed model, delivery programme and structure for the creation of a single shared back office. To enable this the vision at appendix C has been adopted.

- 5.19 To develop the business case and commence development of a proposal for the service, a programme team now needs to be put in place as detailed at appendix D. This will include existing staff from each Council but will also require further capacity. This in turn will require an investment of £60K from each Council.
- 5.20 When the full business case and proposed structure for a shared back office is developed, this will be considered at a future Cabinet meeting.

6.0 Equality, Diversity and Human Rights implications

- 6.1 At this stage there are no direct implications. When the full business case for shared corporate services is reported to Cabinet, a full Equalities Impact Assessment will be included.

7. Strategic Plan References

- 7.1 Closer working across North Essex could potentially enhance delivery of all our key strategic objectives as detailed below:
- Respond to the climate emergency
 - Deliver modern services for a modern city
 - Improve health, wellbeing and happiness
 - Deliver homes for those most in need
 - Grow our economy so everyone benefits
 - Celebrate our city, heritage and culture

8. Consultation

- 8.1 Consultation will be conducted with staff who work in the services discussed in this report. Unison have also been informed about the work to develop shared corporate services and will be consulted prior to any changes to roles or structures.

9. Publicity Considerations

- 9.1 There are no direct publicity implications at this stage.

10. Financial implications

- 10.1 The shared services arrangements already in place described above have resulted in a total of £220K annual budget savings.
- 10.2 The proposals in this report will require a total allocation of £80K of the Strategic Plan reserve.
- 10.2 Collectively, Braintree, Colchester and Epping are spending more than £14M on staff costs for the Corporate Services that are being considered as shared services. Although financial savings are not the only key driver for sharing these services it is anticipated economies scale and associated financial savings will be possible. These will be detailed in the full business case.
- 10.3 The Local Government Association collects [data on shared services](#) and has tracked that across the 626 partnerships that have been established a total of £1.34 billion has been saved.

11. Health, Wellbeing and Community Safety Implications

- 11.1 There are no implications at this stage of the development of the arrangements described above.

12. Environmental and Sustainability Implications

- 12.1 The North Essex Councils arrangements will allow even closer regional collaboration to deliver key priorities on Environment and Sustainability.

13. Health and Safety Implications

- 13.1 There are no direct health and safety implications associated with this report.

14. Risk Management Implications

- 14.1 A full risk register is being maintained as part of the shared services programme. Key risks and mitigations will be reported as part of the detailed business case.

Appendices

Appendix A – North Essex Councils Memorandum of Understanding

Appendix B – Common challenges and opportunities associated with Corporate Services

Appendix C – Shared Services Vision

Appendix D – Shared Service Programme Team

Background Papers

None