

Report to: **Audit and Best Value Scrutiny Committee**

Date: **10 November 2010**

By: **Director of Governance and Community Services**

Title of report: **South East Seven Partnership**

Purpose of report: **To consider the potential role that Audit and Best Value Scrutiny Committee can play in engaging with South East Seven Partnership initiative.**

RECOMMENDATION: The Committee is asked to note the Cabinet report attached, and to consider whether scrutiny can play a role in engaging with the development of the South East Seven Partnership initiative.

1. Financial Implications

1.1 There are no specific financial implications arising from this report.

2. Background and reasons for recommendation

2.1 The attached appendix is a report of the Chief Executive considered by Cabinet at its meeting on 12 October 2010. The Committee is asked to consider whether scrutiny can play a useful role in engaging with the South East Seven Partnership initiative.

BILL MURPHY
Director of Governance and Community Services

Contact Officer: Paul Dean, Scrutiny Manager Tel: 01273 481751

Local Member: All

Background Documents
None

Report to: **Cabinet**
Date: **12 October 2010**
By: **Chief Executive**
Title of report: **South East Seven Partnership**
Purpose of report: **To provide an update on the progress of the South East Seven partnership and the proposed next steps.**

RECOMMENDATION

The Cabinet is asked to note the activities of the South East Seven partnership.

1. Financial Implications

1.1 There are no financial implications directly associated with this report. The individual workstreams and activities of the partnership will identify savings and efficiencies as plans are progressed and implemented.

2. Background

2.1 The South East Seven (SE7) is a partnership of seven Councils (Brighton & Hove City Council, East Sussex County Council, Hampshire County Council, Kent County Council, Medway Council, Surrey County Council and West Sussex County Council) that have committed to working together to improve the quality of services and to achieve savings.

2.2 SE7 operates as a 'coalition of the willing' with each Council deciding the extent to which it engages with each activity based on its own priorities.

2.3 In March 2010, the SE7 Councils signed a Memorandum of Understanding (attached as Appendix 1) setting out their intention to increase joint working to benefit their combined population of 5.3 million people and to secure increased value for money against their collective budgets of £3.4 billion.

2.4 The current and future challenges facing the public sector demand innovation and creativity. SE7 represents one of the new vehicles through which the Councils are responding proactively to the new working context.

2.5 Building on their physical proximity and the existing relationships between the member Councils, SE7 benefits from a programme of activity that is clearly defined and initially focuses on 4 specific workstreams:

- Information Technology (led by Brighton & Hove City Council);
- Special Education Needs (led by East Sussex County Council);
- Waste (led by Kent County Council); and
- Highways (led by Surrey County Council).

2.6 Cabinet Members and Chief Officers represent the Council at SE7 meetings and are working hard to deliver maximum benefits for the County Council. Where appropriate, staff receive updates on SE7 work through departmental routes.

2.7 Where appropriate and as part of the individual workstreams, the activities and benefits of SE7 will be discussed with District and Borough Councils.

2.8 The work of SE7 is aligned to the principle of supporting and maintaining healthy local markets for small businesses.

3. Update on Progress

3.1 Initial focus has been on examining the feasibility and scope of the workstreams. Updates were reported to the meeting of SE7 Leaders, Deputy Leaders and Chief Executives on 30 September 2010 and they set out how each workstream could deliver the maximum service improvement and efficiency saving. Details of the updates are attached as Appendix 2. The work will now move into implementation and benefit realisation.

3.2 In addition to the formal workstreams, the SE7 experience is also delivering indirect benefits with Councils harnessing the trust and momentum of the partnership to explore further areas for collaboration, including: effective service reviews, commodities procurement, flood management, parking, areas of back office functions and the implementation of a public sector property management.

4. Next steps

4.1 The SE7 Councils will move forward with the four initial workstreams and progress will be reported back at a Leaders' meeting in December 2010. The feasibility of further areas for collaboration will be explored over the coming months and also considered in December.

4.2 Where decisions need to be made which impact on service delivery across the Council, formal endorsement will be sought through Reconciling Policy and Resources and other relevant governance mechanisms.

5. Conclusions

5.1 The work of SE7 is vital to ensure that East Sussex County Council can continue to commission the best possible services to the people of East Sussex within the available funding. The service improvements and savings that can be delivered through SE7 will benefit East Sussex and the South East as a whole.

Becky Shaw
Chief Executive

Contact Officer: Lee Banner, Policy Officer Tel: 01273 481857

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is dated 18 March 2010

between

- (1) **BRIGHTON & HOVE CITY COUNCIL** of King's House, Grand Avenue, Hove BN3 2LS
- (2) **EAST SUSSEX COUNTY COUNCIL** of County Hall, St Anne's Crescent, Lewes, East Sussex BN7 1UE
- (3) **HAMPSHIRE COUNTY COUNCIL** of The Castle, Winchester, Hampshire, SO23 8ZB
- (4) **KENT COUNTY COUNCIL** of County Hall, Maidstone, Kent ME14 1XQ
- (5) **MEDWAY COUNCIL** of Gun Wharf, Dock Road, Chatham, Kent ME4 4TR
- (6) **SURREY COUNTY COUNCIL** of County Hall, Penrhyn Road , Kingston-upon-Thames Surrey KT2 2DN
- (7) **WEST SUSSEX COUNTY COUNCIL** of County Hall, West Street, Chichester. West Sussex PO19 1RQ

(hereinafter collectively referred to as the "South East 7 Group")

Introduction

- A. Members of the South East 7 Group anticipate collaborative working to deliver various services, with an initial focus on their functions in relation to (i) highways construction and maintenance, (ii) special education facilities, (iii) waste management and (iv) information technology developments across their respective areas.
- B. In doing so, the South East 7 Group will actively seek opportunities to reduce costs, improve service delivery and enhance the Region's publicly controlled facilities, services and amenities.
- C. The South East 7 Group wish to agree a positive way forward towards achieving their shared goals and objectives and are entering into this Memorandum of Understanding in order to facilitate implementation of those Projects which members may propose from time to time.

THEREFORE members of the South East 7 Group agree as follows:

1. The South East 7 Group will actively seek opportunities and agree to work together in the development of outline business cases on which informed decisions can be taken.

2. In developing business cases there will be an agreed lead authority with relevant officers from other members of the group supporting the lead authority. Wherever possible existing inter-authority officer groups will be used.
3. The individual leaders of the South East 7 will determine if their authority will pursue specific initiatives based on the specific outline business case and the South East Group will then determine whether or not the initiative should be pursued by two or more Councils.
4. In taking forward agreed opportunities, following the review of outline business cases, the South East 7 Group will agree which authority leads and each Council taking part will commit resources and share benefits as identified in the outline business case.

Next Steps

5. The first step will be the development of outline business cases in the following areas with the following lead authorities:
 - Highways construction and management (Surrey County Council)
 - Special educational facilities (East Sussex County Council)
 - Waste Management (Kent County Council)
 - Information technology (Brighton & Hove City Council)
6. The outline business cases for these initial opportunities will be presented to the South East 7 Group leaders in September 2010.
7. The South East 7 Group recognises the potential to achieve significant benefits from improved procurement arrangements and are minded to establish a dedicated regional resource, jointly funded by each council. A detailed proposal will be made to the South East 7 Group leaders in September 2010.

Status of this MOU

8. It is expressly understood and agreed that nothing in this Memorandum of Understanding shall constitute a legally binding obligation on any member of the South East 7 Group but that this Memorandum of Understanding sets out the intention and commitment of the South East 7 Group in respect of the Projects.

IN WITNESS WHEREOF the duly authorised representatives of the South East 7 Group have signed this Memorandum of Understanding.

APPENDIX 2

- **ICT Workstream Update**

Chief Information Officers across SE7 have scoped the potential for collaborative work in relation to ICT across the partnership.

In addition to specific workstrands (see below), lobbying to influence Central Government policy and procurement and greater management of the supplier market have been identified as key cross-cutting activities through which the SE7 ICT workstream can have significant impact.

Work has begun for all SE7 Councils to move to a single ICT benchmarking approach which will deliver efficiencies, enable a greater consistency of comparison and will facilitate the identification of further areas for improvement across the partnership.

Within the ICT workstream there are 6 specific areas of focus:

- Networks – a ‘network of networks’ will be introduced across the SE7 Councils over the medium term to build capacity across the sub region, improve infrastructure and reduce costs.
- Data Centres and Disaster Recovery – linking to the ‘network of networks’, the data centres across the SE7 area will be streamlined and a smaller number of linked data centres to improve IT disaster recovery capability will be developed to reduce costs. This activity could also benefit District and Borough Councils and other public sector organisations.
- Procurement – overcoming the legal and contractual barriers to procurement is essential for the sharing of learning and to maximise efficiencies across the SE7.
- Desktop Services and Equipment – this workstrand will look to procure, support and dispose of IT equipment collaboratively and efficiencies of scale will be exploited. Also the alignment of ICT strategies will be pursued to increase flexibility across the partnership.
- Mobile and Flexible Working – the delivery of productivity and efficiency savings will be achieved through collaborative shared tools, better use of the SE7 building portfolio and the joint development of new technologies.
- Contact Centres and Customer Access – Linking to the ‘Tell Us Once’ initiative, the workstrand focuses on shared contact centre strategies and the potential for shared metrics and costs.

As the delivery and scale of savings is dependant upon the extent to which the workstrands are progressed, the table below sets out an indicative range of savings that each SE7 Council could achieve through this workstream.

Workstrand	Estimated spend* across SE7 in £m	Range of potential savings as % of spend	Range of potential savings in £m		Timeline for delivery
Networks	19.2	5 - 20%	0.9	3.8	2 -10 years
Data centres/DR	4	10 - 50%	0.4	2	1 - 3 years
Procurement	19.3	10 - 30%	1.9	5.8	6 months - 3 years
Desktops	7.8	10 - 40%	0.7	3.1	6 months - 2 years
Mobile and Flexible working	Unquantifiable		--	--	1 - 3 years
Contact Centres Customer Access	Unquantifiable		--	--	2 -10 years

* the spend does not include West Sussex County Council at this stage.

- **Special Education Needs (SEN) Workstream Update**

Significant momentum has been achieved in proposed collaboration to improve outcomes and value for money in SEN provision. Both policy and practice proposals have emerged from the discussions.

It was quickly established that impact on cost and service delivery improvements would be limited without significant change to the current system of SEN assessment and provision and its legal framework. As such, SE7 Leaders have submitted proposals to the Secretary of State for Education for a radical redrawing of the SEN system that:

- reduces the adversarial nature of the parent and Local Authority relationship;
- refocuses on the value for money in educational placements; and
- allows greater parental flexibility to make use of budgets available to choose between educational options with their child.

In addition to the proposals submitted, Matt Dunkley, Director of Children's Services, met and discussed the ideas and approaches with the Minister of State for Children and Families. A meeting has taken place with the Department for Education (DfE) and representatives of the SE7 group to discuss the proposals.

Furthermore, the proposals come at an opportune time in terms of national policy development as the DfE has recently issued a call for evidence to inform an SEN green paper later this year. The SE7 Councils are fully exploiting the collective voice of the partnership and have submitted a joint response to the call for evidence to inform the green the paper.

While the above proposals would deliver significant changes and benefits, they are dependant upon a whole scale shift in the national SEN arena. In addition to these fundamental changes, the SE7 workstream has developed a number of regional actions that can be realised within the current framework with the aim of improving outcomes and value for money through collaboration. These actions are:

- Developing a consistent scheme of delegation to schools linked to the pupil premium;
- Ensuring, through a regional commissioning process, that the independent and non-maintained special schools sector is able to demonstrate value for money outcomes in relation to the provision it offers;
- Agreeing a day and residential capped tariff from SE7 Councils;
- Developing a regional parental partnership service to provide clear, consistent advice and guidance to parents;
- Exploring the feasibility and scope the benefits of setting up a number of SEN provider trusts across the SE7 Councils;
- Exploring options for establishing independent assessment of SEN; and
- Commissioning practice based GPs to deliver multi-disciplinary diagnoses.

- **Waste Workstream Update**

Both short term and long term benefits/savings are being explored through the Waste workstream, however it is recognised that benefits over the short term are limited due to the length of waste disposal service contracts.

Five key areas of focus have been identified for the workstream:

- Two-tier working at a local level – opportunities will be explored for joint working through individual County Partnerships;
- Planning for Regional infrastructure (existing and future - up to 2030) – opportunities for sharing current capacity are being considered to ensure existing contract benefits are maximised across the SE7 partnership. Also, there is potential for future facilities/capacity provision for the SE7 area to be planned for as one, rather than as seven individual Councils, to meet the needs of the area as a whole;
- Waste prevention and minimisation – implementation of new legislation places a greater emphasis on waste prevention and minimisation. Consideration is being given to a regional wide waste prevention, minimisation and communication programme to achieve greater impact;
- Monitoring and maintenance of closed landfill sites – exploring the opportunities and benefits of a joint approach to delivering this function; and
- Lobbying as SE7 – working with DEFRA to understand how SE7 can contribute to and influence next year's National Waste Policy Review.

- **Highways Workstream Update**

The Highways workstream has identified that cost savings can be achieved, services to residents can be improved and organisational capacity can be increased through specific collaboration in 4 key areas:

- Comparing costs and performance – Councils will work together to undertake detailed benchmarking of their costs and performance and create a regional specific approach;

- Building client capability – Councils will work together to improve their organisation capability and jointly develop strong client leadership and effective partnership working with their supply chains;
- Sharing services and resources – Councils will seek to reduce their establishment costs and help develop their capability by sharing specialist skills and services; and
- Procuring collaboratively – Councils will reduce costs by removing waste/inefficiency from the supply chains and they will protect the local economy by supporting small local companies.

The paper sets out longer term goals with benefits listed over the short and medium term.