Detailed Assessment

Option A – Joint Working Arrangement

Description and Overview
A continuation of the existing shared management arrangement but with a formal agreement between the two Councils. The agreement would set out the parameters for future collaboration in service delivery. Decision making would primarily be limited to operational issues. Staff would remain employed by their respective Councils and operate from their existing office bases. The agreement would provide an opportunity to share best practice and second staff between the Councils to meet peaks in workload or other demands.
Financial Implications
NYCC would continue to pay CYC an amount equivalent to 50% of the cost of the Audit and Fraud Manager's post. Other work undertaken between the two Councils would be charged at agreed day rates. CYC would use the funding provided by NYCC to pay for additional management support and backfill. CYC would provide access to NYCC staff to enable them to use the existing IT application (Galileo.net). The initial set up / configuration costs of £10.4k are covered by a grant provided by the Regional Centre of Excellence. The cost of ongoing access charges and licence fees would be mostly offset by savings achieved through NYCC ceasing to use its own IT application. The additional costs of £1.3k pa would be met from existing budgets. There would be no additional tax liabilities or changes in VAT arrangements.
Staffing Implications
Staff would be employed by their existing Councils, and remain on their current terms and conditions. There would be opportunities to lend or second staff between Councils to meet peaks in workload subject to agreement. Any such secondment would require the agreement of the member of staff concerned. The partnership could not employ staff in its own right for example, in the event that services were to be provided to new external customers. There are potential issues for the management and direction of NYCC staff by the CYC Audit and Fraud Manager. There would also be potential issues with cross boundary working.
Legal Implications
There are no significant legal implications. Both Councils have the necessary powers under the Local Government Act 1970, Local Government Act 1972 and the Local Government Act 2000 to enter into such an agreement.

The partnership would not be a legal entity in its own right. Each Council would need maintain its own contracts for the supply of goods and services. Similarly, any contracts to supply audit and fraud services to external customers would need to be in the name of one or other Council.
Governance Arrangements The agreement would be time limited and there would be break clauses to enable the agreement to be terminated early. The agreement could also be varied to enable the scope of services to be changed in the future. The existing client arrangements operated by the two Councils would continue.
Service and Capacity Improvement This option is the least likely to deliver the necessary step change in service delivery. Whilst there would be opportunities to share expertise and best practice, this arrangement is considered unlikely to fully exploit all the potential service efficiencies and capacity improvements on offer. Any efficiency gains that did occur would also not be easily identifiable.
Innovation and Service Transformation The agreement could be extended to include other local authorities. However, it would be unsuitable for other types of public sector body wishing to collaborate in the future.
Financial and Business Opportunities There would be no ability for the 'partnership' to sell services to other public bodies and, or other voluntary or charitable bodies in its own right.
Organisational Impact Although the service would be perceived as an equal partnership it would not have its own identity. Internal customers and stakeholders in both Council's are therefore unlikely to notice any significant changes in the service currently being provided. Staff within the services concerned are also less likely to recognise the fact that they are part of a partnership.
Resilience and Sustainability This arrangement does not offer a sufficiently sound basis to develop the shared service in the future. There is a risk that the partnership would fail in the event that there was any dispute between the two Councils and / or certain key staff left.

Key Advantages	**Key Disadvantages**
Set up costs low.	Service will not have its own identity. Customers and staff are therefore

No significant change in ongoing operational costs, for either Council. Relatively straightforward to operate if the existing membership stays unchanged. Low risk – both Councils could easily revert to the arrangements operating prior to 1 October 2007. May achieve some of the expected economies of scale. Will be perceived as an equal partnership, with both Councils having the same degree of influence over how the service is developed.	less likely to perceive any change. Management less likely to be able to address any cultural differences between the two staff groups. The partnership could not easily market services to potential customers in its own right. Any existing or future contracts would need to be with one or other Council. Arrangement lacks resilience and is more likely to be placed at risk as a result of disputes or changes in key personnel. Offers significantly less opportunity for service improvement and development. Would be unsuitable as a basis for extending partnership working to other local authorities and/or public sector bodies. May not be suitable for extending the scope of services to be delivered in the future. Is not sufficiently innovative and is therefore unlikely to inform either Council of the possible lessons from shared service working.