Local Government Association

Drummond MacFarlane

Improvement

Services shared: costs spared?

An analysis of the financial and non-financial benefits of local authority shared services

Appendix 6: Review of South Oxfordshire District Council and Vale of White Horse District Council shared services arrangements

Contents

Executive summary

South Oxfordshire and Vale of White Horse District Councils agreed to share services in 2008. The arrangement has delivered significant benefits. Total employment cost savings between 2007/08 – 2011/12 from the shared service arrangements were £5.69 million, with an upfront investment cost of £1.79 million, delivering a net employment cost saving of £3.9 million.

Further budgeted savings of £4.92 million are forecast between 2012/13 – 2013/14. These are planned to come from improvements in waste and recycling contracts and in improved business processes, IT and reductions in staff through the Fit for the Future (FTF) transformation process.

Given the pressures on local government finances and the prospect of further reductions in Central Government funding, these sums are significant for both district councils. A strong focus on continuous improvement means that both councils see the existing shared services as the starting point rather than the end game.

Although the councils did not undertake detailed analysis on the expected impact of the shared service arrangement (SSA) on non–financial measures, service delivery, performance and customer satisfaction have not suffered and, in many cases, have improved.

For example, revenue and benefits claims accuracy has risen in Vale of White Horse from 79 per cent in 2008/09 to 93.3 per cent in 2011/12.

Council tax payers in Vale of White Horse have benefitted from the shared arrangements as the alternative options would have included cuts to services, reduced staff capacity and possibly higher council tax and other charges. Council tax at the Vale of White Horse is the 14th lowest in England with the average home paying £116.69 in 2010/11.

By sharing senior managers and staff, the councils work more closely together and benefit from a stronger Oxfordshire presence, with greater operational resilience. For example, a co-operative approach is evident in Didcot with joint work on housing growth and the associated Great Western Park development, the single largest ongoing housing development in England, the planning for Science Vale and in the Central Government allocation of an Enterprise Zone in the area. This has significant potential to support both councils' financial tax base through business rates, council tax and the new homes bonus, and provide jobs and housing for local people.

Both councils are similar in scale and demographics and the administration centres are not too far apart. The willingness of the two sets of officers and councillors to collaborate has been critical.

This was important initially in finding out whether the shared arrangement would and could work. Latterly it has been important in creating and sustaining the service once established. It is clear that both councils considered the 'bigger picture' and were prepared to put aside purely local interests 'for the greater good'.

It was vital for both Chief Executives and the two political leaders to work well together to steer the shared arrangements through. Agreeing a shared management team took time, with South Oxfordshire initially more hesitant. At any one time, any of the political and managerial leaders could have easily derailed the process. Both councils were able to lay aside worries about 'sovereignty' and 'takeover' to secure the aim of greater integration. Part of the success is undoubtedly the willingness of councillors to set the direction and then allow their senior managers to 'manage' the process.

The speed at which shared arrangements were introduced was seen by politicians and senior staff as critical. Fearful of legacy processes and negative mind-sets, managers worked hard on the 'culture' by changing behaviour and labels, favouring firm and clear interventions to reduce staff numbers rather than prolonged uncertainty. They achieved the set-up of the shared services over a very short time-scale.

The change process was initiated by a simple but direct joint business case, which, once agreed, was robustly and speedily implemented. The key initial drivers were the reduced management costs arising from sharing services. Once this was delivered, an iterative approach increased the level and depth of the shared arrangements.

Both councils have identified some key learning points from their joint experience in developing shared arrangements, including:

- Making an active choice between progressing with implementation or waiting until all supporting areas such as Information and Communication Technology (ICT) are in place. The councils chose the former option and implemented the shared arrangements quickly. As a result, during 2010/11 and 2011/12 there was some operational disruption. For example both councils had separate ICT platforms and staff have had to contend with issues such as file sharing between the two administrative centres. Since April 2012 these have largely been resolved.
- Ensuring that necessary decisions about the selection of operating systems in technical areas such as planning, building regulations and environmental health are taken as quickly as possible. Delayed decisions have impacted on the proposed shared arrangements for some services.
- Job evaluation [JE] was a bottleneck as many new roles at shared service manager and below were created, and some JEs were delayed by the limited number of trained evaluators.

- This has caused some, but not significant, delays in putting in place the shared arrangements. There was also a decision to do all future evaluation of jobs on one council's grades, pending a future project to harmonise pay. There is a need to ensure effective planning and implementation including, training more people to do JEs to minimise delay.
- Agree important Human Resource details as early as possible such as the policy arrangements, terms for officers travelling between the administrative centres and hours of working. This provides certainty for staff and harmonises the different arrangements that previously existed.
- Agreeing key joint corporate policies in relation to issues such as procurement and standing orders. Some delays occurred while agreement was reached as to which council's policies joint officers should comply with.
- Ensuring sufficient management support is available to minimise any negative impact on the well-being of staff, especially when workloads are very high.
- Making time for senior managers to be able to listen to the concerns of staff affected by redundancy and uncertainty. However, consultation needs to be balanced against the desire of most staff for a speedy resolution to employment decisions.

Third party income opportunities were not a key motivator or immediate priority for the SSA. However, the councils are now examining opportunities for generating income by providing services to other public sector organisations.

Introduction

The purpose of this Local Government Association (LGA) research project is to substantiate but not audit a selection of five established and successful local government shared service arrangements. The research provides the sector with important evidence and numerical based analysis on the success of the projects in terms of financial returns and service delivery. The main themes explored were: the efficiencies achieved so far, the impact of shared services on customer satisfaction and outcomes; the set up costs and timescales for delivery and the extent to which the outcomes have varied from initial business cases.

South Oxfordshire and Vale of White Horse are a natural choice for an evaluation of shared services between district councils. They are one of the longest standing and most comprehensive shared service arrangements between district councils in England. In mid-2008, building on the success of earlier joint working in revenues and benefits and waste, councillors decided on rapid steps to move to a joint Chief Executive and shared managers down to the third tier. This process occurred between July 2008 and February 2009. Subsequent moves extended the situation so that today, nearly all posts in both councils are shared.

The analysis in this report is based on documentary evidence provided from both councils, including financial information.

This was supported by several face-to-face interviews. Those interviewed were:

Councillor Ann Ducker
Leader of South Oxfordshire District Council

Councillor Matthew Barber
Leader of Vale of White Horse District Council

David Buckle
Chief Executive, South and Vale

Anna Robinson
Strategic Director, South and Vale

Matt Prosser
Strategic Director, South and Vale

Steve Bishop
Strategic Director, South and Vale

Andrew Down
Head of Service, ICT, HR and Customer Services South and Vale

Clare Kingston
Head of Service, Corporate Strategy South and Vale

William Jacobs
Head of Finance South and Vale

Geoff Bushell
Service Manager, Shared Performance, Projects and Customer Services Manager

Shared services background

Both district councils serve similar types of communities. While the councils serve larger towns, such as Didcot and Abingdon, the majority of the area is rural and sparsely populated. However growth is a key issue, both in terms of accommodating new homes and developing the joint private-public sector vision for new high-value jobs at Science Vale near Harwell. South Oxfordshire provides services for approximately 130,000 people living in 55,000 houses while Vale of White Horse is slightly smaller at 119,000 people living in 50,000 homes. The main South Oxfordshire Council office is in Crowmarsh Gifford, which is only 12 miles from Vale of White Horse's offices in Abingdon.

In July 2008, when the decision was made to appoint a shared management team, South Oxfordshire was Conservative controlled and Vale of White Horse was Liberal Democrat controlled. South Oxfordshire had outsourced more of its service management and delivery to external companies in areas such as engineering support and customer services.

In 2011/12 South Oxfordshire's revenue budget was £13.1 million while Vale of White Horse's was £11.4 million. Budgeted figures for 2012/13 show a decrease to £12.2 million at South Oxfordshire and £10.7 million at Vale of White Horse.

The main driver for the shared arrangements was to deliver financial savings. Other benefits were listed in support, but these have emerged during the process rather than being planned at the outset. It is clear that the basis for establishing the shared service agreement (SSA) came from increasing financial pressures, including a reducing Government grant and the need to protect front-line services.

These pressures were not felt equally between the councils. Vale of White Horse had far more acute money pressures than South Oxfordshire and was facing the prospect of deeper cuts to staff and front-line services. This can be typified by the significant difference between the councils in relation to capital and revenue reserves. South Oxfordshire had £60 million capital and £20 million revenue reserves contrasted with £5 million and £3 million at Vale of White Horse. Corporate performance and service provision, as judged by external organisations such as the Audit Commission were also weaker at Vale of White Horse.

If the need for change was more acute at the Vale of White Horse, South Oxfordshire was not immune from the need to make efficiencies. Senior officers at South Oxfordshire identified that there was excess capacity so savings could be made without an adverse impact on the quality of services delivery.

The move to shared service arrangements was helped by several earlier developments which facilitated cultural change and integration, including:

- the establishment in 2006 of joint working arrangements between the councils on revenues and benefits (Ridgeway Shared Services Partnership) operated by Capita and a joint refuse collection and street cleaning service with Biffa
- the hard work and patience of officers and councillors when early attempts at joint working on The Ridgeway Shared Services Partnership 'creaked'
- savings of £200,000 per annum that had already been delivered through shared finance teams. This formed an important precedent to the development of the shared services arrangements which followed.

The Chief Executives of both councils were, after consulting with their Leaders, fully committed to the notion of a single Chief Executive and a shared management team and devoted great energy into preparing for the changes. The two sets of politicians then had to consider the new arrangements and determine they were for each council.

Political agreement within both councils occurred at different speeds. Vale of White Horse reached a positive decision more quickly, while initially there were greater concerns at South Oxfordshire. In July 2008 the two Chief Executives tabled a joint report. This outlined to the Cabinet of South Oxfordshire and the Executive Committee of Vale of White Horse an opportunity for a shared management team, led by one, single Chief Executive, supported by three Strategic Directors and eight Heads of Service.

The joint Chief Executives' paper was clear that each council would retain its full set of statutory and discretionary functions. It was also understood that there would be no major upheaval in joint governance arrangements.

For example, there was no joint cabinet, so that each council retained political sovereignty. At least one of the political leaders made it clear to the Chief Executives that service standards could not be sacrificed and this was an absolute pre-condition for proceeding.

The key attraction for the councils was the on-going annual savings from senior management team salaries (from the Chief Executive down to 3rd tier Heads of Services). This was £748,000 per annum, resulting from a reduction in senior staff from 21 to 12. Both councils viewed this as helping them meet projected budget deficits and also being preferable to cuts in services or increases in council tax.

Councillors accepted that this would incur one-off redundancy and pension costs, along with recruitment consultant costs, which the business case placed at a maximum of £1.22 million (these costs to date are £921,016).

Alongside financial savings and maintaining services both councils saw other benefits arising from the shared management team. These were:

- joint delivery of services where a single service delivery arrangement could deliver operational benefits;
- improved management, capacity, professional expertise and development, recruitment and retention;
- more cost effective procurement through greater buying power;
- reduced costs through improving administrative and support processes;
- a higher profile for the joint management team in speaking for a population of nearly 250,000, larger than any single district council in the country; and
- stronger strategic position on any joint issues and greater powers of influence in Oxfordshire and nationally.

The original agreement was for shared management team arrangements to be delivered down to the third tier, Head of Service level.

Following the appointment of these shared managers there was added momentum from officers for further integration and change with Heads of Service (and, later, Service Managers) exploring wider opportunities and efficiencies through greater joint working throughout the councils.

Councillors were supportive of officers' desire for further integration and delegated the implementation of the changes to managers. This approach ensured maximum support for the shared arrangements across the two councils.

Other than financial savings and the wider benefits envisaged (see 3.13), neither council set out a detailed approach for measuring or evaluating the impact of the shared services through key performance indicators.

Senior managers felt the financial savings were clear, there was therefore little to be gained in developing complicated processes for measuring the effect. Both councils felt that existing processes and measures used for service planning, performance management and customer satisfaction would suffice and ensure that there was no negative impact on performance and the delivery of priorities.

However, in hindsight, comparing non-financial performance against a base case would have been a helpful way of communicating the benefits of the shared service arrangement to stakeholders.

Set-up consolidation benefits

Approval of the Joint Chief Executive's paper of 16 July 2008 paved the way for rapid action. Relentless and robust implementation followed with the top three layers of joint senior managers appointed between July 2008 and February 2009.

The fourth tier at the critical Service Manager level came into being in October 2009 with phased implementation of joint teams during 2010.

To date almost all managers are shared, although the pace at which this has progressed has varied. Delays in ICT and computer software have for example slowed the pace of change in some areas, such as planning, but since April 2012 these issues have been resolved and all services are now shared.

Between 2008/09 and 2010/11 net staff savings from the shared management team were £765,984. This consisted of £1,569,400 savings and one off costs of £803,416. Of this, South Oxfordshire has saved £473,931 or 62 per cent and Vale of White Horse £292,053 or 38 per cent.

Despite Vale of White Horse losing more staff, South Oxfordshire achieved greater savings as it started with a higher cost base.

Vale of White Horse is now picking up a greater recharge from South Oxfordshire, as the majority of shared staff are employed by South Oxfordshire. Staff are now mostly charged 50:50 to each council

Since 2007/08, annual joint savings of £200,000 have resulted from the sharing of finance teams.

Similarly, bringing together the client side waste team is saving £200,000 per annum following initial set up cost of £88,480 in its first year (see Table 1).

Table 1: Shared Services Staff Savings

Initiative	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Forecast	2013/14 Forecast	Total (£)
Shared Finance Teams	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,400,000
SMT savings			784,700	784,700	784,700	784,700	784,700	3,923,500
One off costs & recurring pension contributions		167,600	549,500	86,316	49,400	34,100	34,100	921,016
Shared Waste Team				200,000	200,000	200,000	200,000	800000
Shared Waste Team One off costs			88,480					88,480
4th tier					609,000	609,000	609,000	1,827,000
4th tier One off costs				150,300				150,300
Below 4th tier				661,600	661,600	661,600	661,600	2,646,400
Below 4th tier One off costs				695,000				695,000
Annual Gross Saving	200,000	200,000	984,700	1,846,300	2,455,300	2,455,300	2,455,300	10,596,900
Annual One Off cost and reoccurring pensions		167,600	637,980	931,616	49,400	34,100	34,100	1,854,796
Net Annual Saving	200,000	32,400	346,720	914,684	2,405,900	2,421,200	2,421,400	8,742,104

Using 2007/08 as the baseline, with total staff costs of £19,937,592, from 2012/13 the budgeted annual ongoing savings will be £2,421,200. This equates to overall staffing costs savings of 12.1 per cent per year.

The rapid pace of change avoided prolonged doubt for staying or leaving staff and was widely seen as a major plus point by politicians and remaining senior managers and staff. Staff numbers reduced from 576 to 412 across both councils. This equates to a reduction of over one in four of the staff (28 per cent). The reduction in staff numbers is a greater percentage than the reduction in staff costs because of the one-off costs associated with implementing the restructuring.

The councils have yet to determine issues relating to pensions contributions. These were not tackled at the time of reorganisation to avoid any delays to implementation. Both councils are keeping this arrangement under review to ensure there are no dis-benefits to council tax payers or the public purse through pension arrangements.

Managers played a crucial role in helping create the new culture. This period was obviously not without emotional stress for managers, staff remaining and staff leaving.

The appointment of a special adviser to the new joint Chief Executive (an existing HR manager of one of the Councils who stayed in post for a period rather than retire early) was seen as very important in adding capacity and HR expertise. Additional actions that supported effective cultural change and acceptance were:

- Pay rates were harmonised as quickly as possible.
- Staff newsletters were conjoined.
- E mail addresses merged to FirstnameLastname@southandvale.gov.uk.

In addition, a process of 'structural' reviews was implemented, whereby priorities, staffing levels and the amount of time staff spent working for each council were established. For the most part, priorities and staff time are equally balanced, although in some areas, such as environment, crime, sports and arts development and climate change, some staff spend more time at one council than the other.

Now that the Vale of White Horse is Conservative controlled these differences are eroding as political priorities become closer. However, the mechanisms still allow for locally determined political priorities to be reflected in staffing levels. When consulted the 50 per cent of the public who were aware of shared services said they were supportive as long as it saved money.

Politicians and senior managers consider that the financial success of the shared services arrangements have enabled the councils to reduce council tax in South Oxfordshire by 2.5 per cent for 2012/13 and to freeze it in Vale of White Horse. Politicians regard this as a necessary and powerful action in these hard economic times.

Wider business change benefits

As well as direct consolidation benefits, indirect benefits have resulted from the shared services arrangements to the benefit of customers and the capacity and resilience of the councils. These include:

improved and more consistently high quality delivery of services in Vale of White Horse where the alternative to shared services would have been service cuts;

one of the highest percentages of recycling collected in the whole country. At Vale of White Horse this rose from 34 per cent in 2008/09 to 68 per cent in 2010/11 following the introduction of a new waste contract which collects more types of recycling. South Oxfordshire also rose from 43 to 70 per cent)

reduced sickness and absenteeism (South Oxfordshire 6.93 days and Vale of White Horse 4.36 days at the end of 2011/12, compared with 6.89 and 8.27 days respectively in 2007/08) leading to higher productivity. South Oxfordshire's current figure would be much lower but for several people on long term sickness arising from serious illnesses. Current performance is well below the 2011 national average of 7.7 days

higher quality of overall management and leadership. While some staff satisfaction figures dipped very slightly (for example from a factor of 4.2 in staff feeling of well-being to 4.1) these are not statistically significantly and in overall terms compare well with staff satisfaction in other local government settings

career development for remaining staff, who can take on new roles based on competency rather than technical expertise. This allows staff to work at higher levels and with wider responsibility and adopt a more 'business-like' approach to their departments

greater buying power: the waste contract is performing above expectations – the 68 per cent recycling is way above the South 2011/12 target of 51.1 per cent and Vale target of 46.8 per cent, while the joint waste contract is saving £7 million over the contract life of 7 years to June 2015. The councils are optimistic that Leisure and Recreation provision will improve even further when a new contract is let to the market after 2013/14.

Building on the success of South Oxfordshire's business improvement plan both councils are now benefiting from a joint transformation process. Termed 'Fit for the Future' (FFTF) and based on continuous improvement principles, the councils have evaluated service areas including planning, housing and environmental health.

The programme is run internally, with external consulting support, and helps the councils strategically review service areas in order to ensure:

- focus on the delivery of the Corporate Plan.
- focus on what customers want and need.
- removal of functions and tasks not essential to the customer or the organisation.
- removal of waste from systems and processes.
- development of innovative approaches.
- improved performance, management and productivity.
- creation of more motivated, purposeful and competitive teams.

FFTF has been a very important improvement process to support the councils in managing further budget cuts while maintaining quality of service to the public. Where implemented it has provided a clear project discipline for enforcing budget cuts but in a way that provides benefits for customers, staff and the organisation. Examples of savings in the Planning Service include streamlining of registration process, e –consultations and document management systems. In other areas there have been staff reductions in the efficiency of the service. These are on top of the reductions from harmonisation through shared services. FFTF is supporting the delivery and consolidation of shared services arrangements. Running FFTF across both South Oxfordshire and Vale of White Horse councils has cost each council around half as much as it would if each ran the programme independently.

FFTF is a balanced approach to change. It combines a focus on cost reduction with improving the experience for customers and simplifying processes. During 2009/10 and 2010/11 South Oxfordshire saved £1,723,000 through its FFTF programme and budgets to save £3,990,000 between 2011/12 and 2013/14 in addition to the savings from the shared service (Table 2).

Table 2: Summary of Other Main Savings

Initiative	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Forecast	2013/14 Forecast	Total
Payroll				80,000	80,000	160,000
Waste contract		195,380	653,140	652,680	652,680	2,153,880
Recycling income from new waste contract	36,000	162,600	347,760	362,760	383,080	1,292,200
Fit For The Future						
Phase1	558,000	558,000	558,000	558,000	558,000	2,790,000
Phase 2		607,000	607,000	607,000	607,000	2,428,000
Phase 3			165,000	165,000	222,400	552,400
Net Annual Saving	594,000	1,522,980	2,330,900	2,425,440	2,503,160	9,376,440

Performance levels have seen no significant or sustained drop in performance during the implementation of shared services. Indeed performance standards including waste and recycling and benefit payments have improved at Vale of White Horse mainly as a result of improved management.

For example, benefits performance has improved significantly over recent years. When the contract was let in 2006, the contractor struggled to meet the target of processing benefits claims in 30 days.

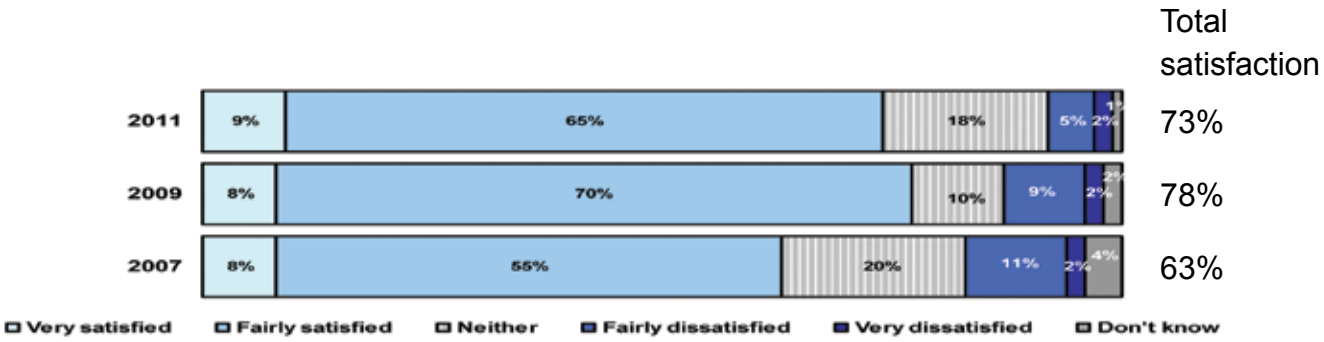
However, in 2012 its performance is consistently better than 10 days, mainly as a result of improved management. Benefits accuracy has risen in Vale of White Horse from 79 per cent in 2008/09 to 93.3 per cent in 2011/12.

However both councils recognise the need to continue to improve the customer experience and engagement with service providers. For example in the 2011 South Oxfordshire Citizens' Panel, nearly four out of every ten people were dissatisfied with the results of their contact with the council, especially when contacting by e-mail. In important areas for customers such as waste and recycling, the public from both councils can find it difficult to get through to the waste contractor. To date therefore the number of complaints and contacts are rising in relation to the delivery of the shared waste contract.

There are no comparable historic customer satisfaction baselines for Vale of White Horse, but when South Oxfordshire's customers were asked in 2011 how satisfied or dissatisfied they were with the way South Oxfordshire District Council runs things, 73 per cent of respondents were satisfied, of which the majority were fairly satisfied. While the level of satisfaction represents an overall increase since 2007,

Table 3 shows that satisfaction has actually fallen since 2009 when it peaked at 78 per cent. Levels of satisfaction at South Oxfordshire in 2011 are similar to the 72 per cent national average.

Table 3: South Oxfordshire Customer Satisfaction



Given the large amount of outsourcing, the council's shared 'Performance Review of Contractors' has been an important check on the quality of delivery to the public. An annual report for each major contractor provides a consistent means of measuring performance and trends in customer satisfaction. Contractor delivery and customer experience ratings in waste, engineering support and grounds maintenance remains high, while benefits have improved.

Older leisure contracts at Vale will be replaced in 2014 when service level agreements can be tightened to produce better performance. Overall leisure centre attendance trends are difficult to track because of changes in information collection, closures of specific centres for maintenance or refurbishment, and contractor changes. However there are higher numbers of people visiting leisure centres on General Practitioners (GP) advice.

For example, for one leisure contract, GP referral sessions increased from 458 in 2008/09 to 693 in 2010/11 – a 51 per cent increase, and under 16 use also increased. Monitoring places a strong emphasis on customer excellence and it is helping to drive improvement.

Performance management reports to councillors help focus attention on areas that matter to customers and citizens. Monthly Board Reports graphically represent the key performance areas that are important to citizens and are known to drive customer satisfaction.

These show improving performance in areas such as speed of council tax benefit processing, number of new and affordable homes built and dealing with homelessness.

While national comparison data is now no longer collected, there is no evidence service delivery has declined as a result of shared service arrangements.

A major by-product of shared working is the critical scale achieved in dealing with politicians at county and national level and with local companies and bodies such as UK Atomic Energy and Npower.

The experience of the shared services approach and joint working has increased the capacity of councillors to take a strategic view of issues that cut across arbitrary political boundaries and to reach effective decisions of benefit to all parties.

Science Vale for example cuts geographically across the two districts and its impact does too. Issues affecting the area are now dealt with far more robustly than before the shared arrangements were put in place. Councillors and senior managers also consider that shared arrangements significantly impacted on the Government's decision to allocate an Enterprise Zone to the area.

With this and Growth Point status, business rate growth potential is £260 million. The Science Vale UK area has growth targets of over 16,000 jobs over the next 15 years, and the Enterprise Zone plan to deliver 8400 of those direct jobs by 2015.

Third party services

Third party income was not a motivation for the establishment of the shared service and has not been a critical component of the SSA's development. However, this is starting to change as the SSA evolves and the councils are starting to explore opportunities around audits, systems and processes. In addition, some early consideration is being given to offering treasury management services to other councils, but this is only an aspiration at present. Third party income may also be a much stronger part of the 2013/14 new Leisure Management contract.

The council could consider opportunities for third party income as part of its medium term financial plan.

Strategic developments

Future savings and improvements continue to be sought through the FTFF programme and opportunistic events. For example when, a Head of Service recently left, their duties were shared among the remaining seven Heads of Service. This both saved money and provided further challenge to the managerial and professional development of the Heads of Service.

Other smaller examples include service managers taking over different managerial responsibilities in areas that are not their professional background but which are undertaken on the basis of their managerial ability and competencies. Again this has helped save money where posts become vacant and to retain good staff who might have left to widen their experience.

In addition the Councils expect to make further savings from joint procurement. Although not yet included in budgets and hence not incorporated in Table 2, expected benefits are likely to include:

- shared grounds maintenance contract saving an estimated £1,560,000 over the contract (2012-2020)
- shared geographical database system saving a net £487,400 over the contract (2012-2020)
- renegotiation of Vale of White Horse Council's leisure contract saving £275,000 per year (from 2011).

Both councils see large opportunities for increased efficiencies and improved performance when the existing leisure contracts are jointly tendered in 2013/14.

Taking advantage of the combined weight of the councils buying power plus the experience learnt from procuring the financial services and waste contracts, both councils should be in a good negotiating position to deliver financial and indirect benefits from the new leisure contract.

Politicians, senior managers and staff see the next phase of the SSA as tackling the 'sensitive' issue of a single site in one of the two council areas. Combining the vast majority of staff in one location would generate significant property related savings and benefits, including:

- sale of one of the Council Head Quarters office sites to generate significant disposal proceeds from retail or housing redevelopment;
- increased business rates or new homes bonus that would result from any new development;
- lower costs in terms of a reduction in business rates and property occupation costs through the release of one of the sites;
- reduced costs of ICT and customer services;
- reduced costs of staff engaged in

maintenance, janitorial and security duties;

- reduced mileage costs and travel time between the two council offices.

However, considerations would include:

- finding an acceptable solution to ensure that a democratic presence in both council areas is maintained;
- longer journey to work times for some staff to be set against shorter times for others;
- increased journey times for face-to-face meetings for citizens, customers and public sector partners.

The Councils are not examining opportunities to partner with other public service providers such as other neighbouring councils, National Health Service (NHS), or police.

Finally were the Government minded to put local government restructuring back onto the public services agenda, both councils consider that they would be very well placed to form a southern Oxfordshire unitary council, if this were the wish of the electorate and political parties.

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