

## **BOSTON BOROUGH COUNCIL**

At the meeting of Boston Borough Council held in the Council Chamber, Municipal Buildings, West Street, Boston, PE21 8QR, on Thursday, 25th June, 2020 at 6.30 pm

Present:

The Mayor (Councillor Anton Dani), in the Chair

Councillors Deborah Evans, Tracey Abbott, Tom Ashton, Alison Austin, Richard Austin BEM, Alan Bell, Peter Bedford, Michael Cooper, George Cornah, Anne Dorrian, Viven Edge, Paul Goodale, Martin Griggs, Neill Hastie, Jonathan Noble, Frank Pickett, Brian Rush, Chelcei Sharman, Judith Skinner, Paul Skinner, Yvonne Stevens, Peter Watson, Judith Welbourn, Nigel Welton, Colin Woodcock and Stephen Woodliffe

Officers –

Senior Democratic Services Officer and Democratic Services Officer

### **1 APOLOGIES**

No apologies for absence were received. Councillor Aaron Spencer was absent.

### **2 DECLARATIONS OF INTEREST**

Councillor David Brown declared an interest with respect to the agenda item in that when the proposal had first appeared on Facebook he had indicated that he liked it. However, he confirmed he had read all the papers and joined the meeting with an open mind.

Councillor Tom Ashton declared that he was an Elected Member of East Lindsey District Council and had taken advice from the Monitoring Officer in respect of the agenda item. He confirmed that he was appearing in the meeting as a Boston Borough Councillor and as the Ward Member for Old Leake and Wrangle, he would make a decision on the item as a Boston Borough Councillor and confirmed that Boston Borough Council was entirely on his mind.

The three Statutory Officers, the Chief Executive, Monitoring Officer and Section 151 Officer, declared an interest in the agenda item, as it affected their employment, and all confirmed that they had not provided any professional advice to the Council in respect of the matters contained within the report. Having declared their interest in advance, the Officers were not in attendance at the meeting.

### **3 BOSTON BOROUGH COUNCIL AND EAST LINDSEY DISTRICT COUNCIL STRATEGIC ALLIANCE**

Councillor Nigel Welton presented a report, which set out the case for the creation of a Strategic Alliance between Boston Borough Council and East Lindsey District Council (ELDC), including the sharing of statutory officers, the Chief Executive, Monitoring Officer and Section 151 Officer, and outlined the substantial benefits that would accrue from an alliance.

The report had been presented at the meeting of Full Council held on 10 June 2020 when some Members had expressed concern regarding the pace at which it was proposed to enter into the Strategic Alliance with ELDC and the need for scrutiny of the implementation of the proposals, at least until Members had gained experience of, and confidence in, the new joint officer leadership team. The Deputy Leader recognised the force of those concerns, and therefore withdrew the report.

Subsequently, consultation with Members from outside the administration indicated that the proposal could be made acceptable by incorporating an amendment to the Memorandum of Agreement, which would provide Boston Borough Council (but not ELDC) with the option of ending the alliance after 12 months and by devising a scrutiny process to run alongside the implementation of the arrangement to inform any such decision.

Those arrangements were set out in two additional recommendations, numbers (9) and (10). ELDC had confirmed it would be content to proceed on the basis of the recommendations in the report. The Council was now invited to agree to enter into the alliance on those amended terms for the reasons that were set out in the report and the original report.

Councillor Welton explained that a third scrutiny committee was proposed in order to provide overarching scrutiny of the alliance process. It would provide robust, transparent in-depth scrutiny that would not be possible with the existing scrutiny committees. All political groups would be represented on the committee and its recommendations would go to the Joint Scrutiny Board and Full Council.

At the previous meeting of the Council there had been extensive discussion on delaying the alliance for 6-7 month and, for this reason, the recommendation had been added to provide the Council with the ability to terminate the alliance by giving three months' notice without penalty, if Members decided it would not be in the Council's interest to proceed.

If agreed, the initial task in the process would be the review of senior management with recommendations to the Joint Scrutiny Board and Full Council followed by consideration of the next level of staffing. The Joint Board would consult with the Council's Management Scrutiny Committee with clear instructions at each stage.

In conclusion, Councillor Welton stated that the proposal was based on a well-proven model and was a significant opportunity for the Council.

**It was moved by Councillor Nigel Welton and seconded by Councillor Paul Skinner:-**

- (1) To agree to enter into a Strategic Alliance for the purposes set out in Section [1.12] of this report, effective from 1<sup>st</sup> July 2020, for the purposes and under the terms described in this report and set out more particularly in the draft Memorandum of Agreement attached to it.
- (2) That the Strategic Alliance will be supported by a single merged workforce. This will be overseen and implemented by the Joint Chief Executive/Head of Paid Service.

- (3) That the savings of £15.4m (BBC £5.1M, ELDC £10.3M) identified in the Financial Business Case are built into the Medium Term Financial Plan.
- (4) That Robert Barlow becomes Joint Chief Executive/Head of Paid Service of East Lindsey District Council and Boston Borough Council. East Lindsey District Council shall formally employ Mr Barlow, who shall, for the purpose of facilitating the Strategic Alliance, be seconded to Boston Borough Council as Chief Executive and Head of Paid Service under Section 113 of the Local Government Act 1972, effective from 1<sup>st</sup> July 2020.  
Thereafter, East Lindsey District Council will contribute 67 per cent of the cost of Mr Barlow's remuneration and Boston Borough Council will contribute 33 per cent of the same. Consultation should commence immediately.
- (5) That Michelle Sacks becomes Joint Monitoring Officer of East Lindsey District Council and Boston Borough Council. Boston Borough Council shall formally employ Ms Sacks, who shall, for the purpose of facilitating the Strategic Alliance, be seconded to East Lindsey District Council as Monitoring Officer under Section 113 of the Local Government Act 1972, effective from 1<sup>st</sup> July 2020.  
Thereafter, East Lindsey District Council will contribute 67 per cent of the cost of Ms Sack's remuneration and Boston Borough Council will contribute 33 per cent of the same. Consultation should commence immediately.
- (6) That Paul Julian becomes Joint S151 Officer of East Lindsey District Council and Boston Borough Council. Boston Borough Council shall formally employ Mr Julian, who shall, for the purpose of facilitating the Strategic Alliance, be seconded to East Lindsey District Council as S151 Officer under Section 113 of the Local Government Act 1972, effective from 1<sup>st</sup> July 2020.  
Thereafter, East Lindsey District Council will contribute 67 per cent of the cost of Mr Julian's remuneration and Boston Borough Council will contribute 33 per cent of the same. Consultation should commence immediately.
- (7) That Michelle Sacks be appointed as Returning Officer and Electoral Registration Officer for Boston Borough Council.
- (8) That the exit costs are charged to the reorganisation budget shown in the financial business case. The costs of the departing Statutory Officers shall be met by both authorities. East Lindsey District Council will contribute 67 per cent of the cost. Boston Borough Council will contribute 33 per cent. These exit costs will be recovered quickly from savings achieved through the operation of the Strategic Alliance and as modelled in the Financial Business Plan. Consultation with both Officers should commence immediately to start redundancy proceedings.
- (9) Immediately upon the inception of the Alliance Boston Borough Council shall establish a Boston Borough Council Management Scrutiny Committee comprised of the Chairmen and Vice Chairmen of each of the Council's overview and scrutiny committees and the Leader and Deputy Leader of each political group. The Chairman of the Committee shall be appointed at the beginning of each meeting and shall not be the Leader or Deputy Leader of the majority group. The remit of the Committee shall be to shadow and scrutinise the evolution of the Joint officer corps under the Joint Chief Executive and the Joint Management

Team and to make such reports as it see fit to the Alliance's Joint Strategy Board and to Boston's Borough Council's full Council.

- (10) Boston Borough Council shall have the option to terminate the Alliance after 12 months by giving 3 months' written notice to East Lindsey District Council on 1<sup>st</sup> April 2021 (or 9 months after the date the Alliance becomes operative, whichever is the latter). For the avoidance of doubt: (a) if such notice is given the Alliance will terminate on 1<sup>st</sup> July 2021 or 12 months after the Alliance comes into effect, whichever is the later; and, (b) after the Agreement has operated for a period of 12 months, either party may terminate the Alliance in accordance with Clause 8 of the Memorandum of Agreement.

**An amendment was proposed by Councillor Peter Watson and seconded by Councillor Alison Austin:-**

**To agree to begin a seven-month consultation period on forming a strategic alliance with East Lindsey District Council for the purposes set out in this report involving Members, staff, Scrutiny and all appropriate bodies and that there be no staff appointments until approved by full Council.**

Councillor Watson explained that his reasons for proposing the amendment were there was little change in the report from the Council meeting on 10th June; Scrutiny should take place before the strategic alliance process began, not afterwards, and the addition of the option to terminate the alliance would be ruinous for the Council because of all the upfront costs to be paid. There was no blueprint for the proposals or full details with respect to the predicted savings and redundancy costs, and the calculations given were inconclusive and unreliable.

Councillor Watson stated that the local MP had also tried to obtain answers to address concerns about the costs of redundancies and had not been able to do so. There had been no union consultation. There were no details as to which workforce the redundancies would be made from. The Joint Chief Executive appointment would not be subject to a national recruitment campaign. Members wanted more time and felt they were being forced to vote on the proposal when there was still insufficient detail. All Councillors should have been involved in the process. Councils had aligned in the past for financial reasons and some were now experiencing even larger financial shortfalls.

During debate, several Members commented that they were not actively opposed to the idea of a strategic alliance with East Lindsey District Council or any other authority, but they were concerned that many of their questions remain unanswered. They felt had not been listened to, their concerns had not been understood and the two additional recommendations did not satisfy them.

Reiterating their concerns, Members remarked that the proposal was too hasty, inadequately transparent and contained insufficient information and detail. There was no reason why the proposal had to go through so quickly when it was such a significant step and there had been 18 months of negotiations already that had not involved the majority of Members.

Local people wanted to be consulted and had the right to be consulted as council tax payers. Broadland and South Norfolk District Councils had formed an alliance after a

careful process that took time and included proper consultation. Staff also had concerns and had not been consulted and nor had the unions. Consultation could have been carried out months previously.

Sharing services could work well, but had not done so in all cases and forecasted savings were not always met. Proposed redundancy costs were extremely high and the financial figures were not backed up. It would be wrong to proceed with the alliance until both councils were satisfied.

Previously, the Council had considered a comprehensive report on aligning with other Councils for their back office services, but Members had been advised by a previous chief executive that it was not as advantageous for the Council, as there would be a large financial outlay to begin with and the targets were high. It was felt this advice had proved to be the case.

With respect to the appointment of East Lindsey's Chief Executive to the Joint Chief Executive post, reference was made to the Council's pay policy, which stated that any appointments to posts within Boston Borough Council were to be made on merit. This meant an open recruitment process in which several candidates were interviewed and the best person appointed. The policy had been approved by Full Council in March and the Council could not depart from it.

Members had also conducted their own research and discussed the proposal with key people. They had received no legal advice on the matter despite requests. An experienced chief executive had been consulted by some Members, who had agreed that the Joint Chief Executive position should be advertised and a recruitment process followed, that Members should be formally consulted and that the Council needed to be advised on the cost of redundancies.

There was no detail to the proposed scrutiny arrangements and Members' perception was that ELDC did not place importance on the scrutiny function. Also, the proposed Management Scrutiny Committee could not carry out effective scrutiny if it involved group leaders.

The report made no mention of devolution and unitary processes, which would be significant key issues in the near future. The Council needed to have an equal voice to others. The strategic alliance might be a solution, but the Council needed to have the right partner on the right terms. ELDC was spending significant amounts whereas Boston was economising. East Lindsey's highway problems were highlighted yet there was no mention of the bypass needed by Boston.

To provide clarification, Councillor Paul Skinner advised the meeting that both parties had developed the strategic alliance proposal together and legal advice had been prepared with the Council's senior officers.

As the Deputy Monitoring Officer was unable to give legal advice on the proposal, Councillor Welton addressed the query about its legality and referred to the summary advice section, which confirmed that the proposal was sensible and lawful. The legal opinion did not benefit one council over the other; the advice was based on the same report that went to both councils and the solicitor and the Council's Monitoring Officer deemed the process to be lawful. The Council's Monitoring Officer could be consulted

on this as the person responsible for the lawfulness of processes and procedures and would have raised any illegality immediately.

Councillor Welton pointed out the additional recommendations were unique to Boston; therefore, ELDC did not have to change the report that they had voted on, but would hold an extraordinary Council meeting to amend the memorandum of understanding to reflect the changes. He added that a delay for seven months consultation would end the proposal; ELDC had confirmed in writing that there would be no further amendments and any delay would make the alliance null and void. ELDC had already made unique concessions.

The Deputy Monitoring Officer confirmed that redundancy costs were not a matter for consideration of the strategic alliance proposal.

**The amendment was then put to the vote and the result was 14 for, 15 against; therefore, the amendment fell.**

Debate then returned to the original motion when the following comments were raised:-

- It was queried whether it was it the right time to consider a proposal during a pandemic and that it would be appropriate to wait for the end of lockdown.
- The officer code of conduct was key and there were significant differences between the codes for both Councils.
- Timely consultation with staff had been stated as being “highly recommended “
- The position of the Joint Chief Executive was crucial and the post holder would only be accountable to his employer, which would be East Lindsey District Council. Boston Borough Council would have no control over his position and the extent of his powers was significant.
- The district of East Lindsey had the third highest risk in terms of older people in the country, which represented a significant cost and there were concerns that the Council would not be able to meet the subsequent shortfall.

It was pointed out that the memorandum of understanding did not contain additional paragraphs reflecting the two new recommendations. In response, the Deputy Monitoring Officer advised that it was described in paragraph 1 of the draft and an email to the Council’s Leader from the Leader of East Lindsey Council had stated “depending on the outcome, East Lindsey would hold an extraordinary full Council meeting to approve the amendment to the memorandum of understanding”. Therefore, it was believed that the memorandum of understanding would be amended.

Other Members expressed alternative views. It was considered that the two additional recommendations would make the proposal even more viable. Any alliance involved a lot of negotiation and some initial disagreements, but many alliances had been successful. The process required vision, confidence and commitment.

There were positives to be achieved. The Council would benefit from East Lindsey’s experience in terms of tourism, particularly as Boston town centre footfall had declined

well before the lockdown, and there could be concessions could be negotiated for tourists to Skegness to visit Boston. With respect to senior citizens, ELDC was the leader of district councils in the “Ageing Better” initiative.

ELDC’s accounts were in the public domain for anyone to inspect, in the same way as the Council’s. In terms of expenditure, ELDC was simply taking the initiative to spend available funds for the benefit of residents.

There was no sound reason to speculate that redundancy costs would be significant. The financial model indicated that costs would be £247,000 in the first year, which would be offset by savings of £198,000. Therefore, even if the alliance was dissolved after 12 months, the Council would have saved £198,000. The Council’s own Audit and Governance Committee had confirmed that the Council needed to save £600,000 in order to balance the budget for 2021/22. If the Council had joined Compass Point to provide back office services and outsourced its leisure services many years previously, it would have made significant savings year-on-year.

All Members cared deeply about the town and its people, had an intense commitment to the Council and wished to make services more efficient and effective for residents.

Some Members reiterated their concerns. An alliance with East Lindsey and South Holland would be preferable. The Council had more in common with South Holland and it would establish a more stable relationship. The fact that East Lindsey had a private management company was also a concern. The Council was there to serve the public and not make money. The ruling group would have the majority on the proposed management scrutiny committee.

There was concern about the treatment of staff, described as the “backbone” of the Council. As the Council’s staff were paid less than ELDC’s they would be more likely to be made redundant, as it would be the least expensive option. The independent financial advice that had been obtained included the comment that the timetable was very tight in terms of job losses. Some of the posts to be lost included currently vacant posts, some of which were crucially important positions.

It was also pointed out that if the Council terminated the alliance during the first 12 months, it would no longer have a Chief Executive and therefore it would be beneficial for Boston’s Chief Executive to be retained for that period.

**An amendment was moved by Councillor Anne Dorrian and seconded by Councillor Richard Austin:**

**That words be added to recommendation 4 that “the Councils current Chief Executive should continue in post of Boston Borough Council for the first year of the strategic alliance to work alongside Robert Barlow during that time as Joint Chief Executive” and also that a sentence be added that the proposal be “subject to independent legal advice being obtained for Boston Borough Council.”**

**A procedural motion that the question be now put was moved by Councillor Tom Ashton and seconded by Councillor Jonathan Noble. On being put to the vote the procedural motion was carried by 15 votes for and 14 against.**

**The amendment was then put to the vote, which resulted in 14 votes for the amendment and 15 against, therefore the amendment fell.**

Debate then returned to the substantive motion. The Leader commented that the proposal was a positive move that concerned the capacity of services and would end uncertainty for staff. Contact had been made with the union and this would continue immediately.

**The substantive motion was put to the vote and carried by 15 votes for and 14 against. It was:-**

## **RESOLVED**

That East Lindsey District Council having (a) agreed at a meeting of its full Council on 10<sup>th</sup> June 2020 to enter into a Strategic Alliance with Boston Borough Council and (b) further agreed to a variation of clause 8 of the Memorandum of Agreement in the terms of recommendation 10 of this report, the full Council of Boston Borough Council resolves:-

- (1) To agree to enter into a Strategic Alliance for the purposes set out in Section [1.12] of this report, effective from 1<sup>st</sup> July 2020, for the purposes and under the terms described in this report and set out more particularly in the draft Memorandum of Agreement attached to it.
- (2) That the Strategic Alliance will be supported by a single merged workforce. This will be overseen and implemented by the Joint Chief Executive/Head of Paid Service.
- (3) That the savings of £15.4m (BBC £5.1M, ELDC £10.3M) identified in the Financial Business Case are built into the Medium Term Financial Plan.
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- (10) Boston Borough Council shall have the option to terminate the Alliance after 12 months by giving 3 months' written notice to East Lindsey District Council on 1<sup>st</sup> April 2021 (or 9 months after the date the Alliance becomes operative, whichever is the latter). For the avoidance of doubt: (a) if such notice is given the Alliance will terminate on 1<sup>st</sup> July 2021 or 12 months after the Alliance comes into effect, whichever is the later; and, (b) after the Agreement has operated for a period of 12 months, either party may terminate the Alliance in accordance with Clause 8 of the Memorandum of Agreement.

(The meeting ended at 9.20 pm)