

Crawley Borough Council

Report to Cabinet 10th January 2018

Improvement and Efficiency Social Enterprise (iESE)

Report of the Head of Legal and Democratic Services: LDS/134

1. Purpose

- 1.1 To consider and authorise the Council to become a member of the Improvement and Efficiency Social Enterprise (iESE Ltd) a company limited by guarantee and to approve the nomination of a representative from the Council to act as Non-Executive Director of the company and/or a voting delegate at the Annual General Meeting of the company.

2. Recommendations

- 2.1 It is recommended that the Cabinet:
- (1) Agrees that Crawley Borough Council should become a member of the Improvement and Efficiency Social Enterprise (iESE) Limited.
 - (2) Delegates authority to the Chief Executive in consultation with the Leader of the Council to approve and execute any documentation necessary to give effect to recommendation 2.1(1) above.
 - (3) To approve the appointment of the Leader of the Council as a Non-Executive Director of iESE and the Chief Executive be appointed as the Council's Officer Representative to iESE Limited.
 - (4) Supports the commissioning of work for the Council by way of high level Customer Focus Wheel Assessment.

3. Reasons for the Recommendations

- 3.1 The Council has been invited to join iESE and like many other Local authorities who have joined the Company will benefit from the expertise provided by the organisation for service delivery improvements.

4. Background

- 4.1 Improvement and Efficiency South East originally operated as one of the regional Improvement and Efficiency Partnerships (RIEPS). These partnerships were funded by central government with the objective of identifying, fostering and delivering improvements and efficiencies across the public sector. Funding of RIEPS ceased as part of the austerity measures however their work was continued under the

umbrella of an independent company Improvement and Efficiency Social Enterprise (iESE) with the same objectives and purpose.

- 4.2 iESE became a social enterprise in 2012, it is a non-profit distributing company limited by guarantee which has an overarching objective to advance the improvement and/or efficiency of public bodies across the UK. The new generation sector led improvement hubs within iESE are uniquely positioned and bring a large range of experience and good practice in relation to how to run efficient and improve local public services to the Customer. They have access to a large range of data across the country and subject matter experts, which would benefit Crawley in relation to the transformation of our services. iESE provide a good alternative to accessing private sector specialist advice for certain types of work and as a social enterprise, all surpluses are invested back into work to improve wider public services.

5. Proposal

- 5.1 There is an opportunity for Crawley Borough Council to become a member of the company. Members are entitled to appoint a Non-Executive Director of the company. A copy of the iESE brochure is attached at Appendix 1. This provides details together with terms and conditions for becoming a member of the company.
- 5.2 Being a member will involve each Council guaranteeing the Company to a limit of one pound if the Company becomes insolvent. The Company is owned by its members.
- 5.3 It is considered that being a member of the Company will provide benefits to the Council. After joining the Company the Council would like to commission iESE to undertake a piece of work in terms of carrying out a high level Customer Focus Wheel Assessment. This will be similar to a mini peer review and will provide a focus on external customers.
- 5.4 The Council would be required to enter into a members' agreement governing the relationship between itself and the company. The members' agreement covers the following aspects of the relationship:
- Management of the company;
 - Preparation, execution and monitoring of a business plan;
 - Provision of accounts for admission of new members;
 - Admission of new members;
 - Termination of the relationship;
 - Disputes involving the relationship.
- 5.5 It is proposed that the Leader of the Council be nominated to act as a Non-Executive Director and voting delegate of the Company on behalf of the Council. This appointment will be noted at the next Annual Council meeting.

6. Financial Implications

- 6.1 There are no financial implications for the Council arising from joining iESE other than entering into a limited liability guarantee. However there will be a separate cost for individual work commissioned by the Council. The proposed cost for the High Level Customer Focus Wheel Assessment will be a maximum of £14,000, which can be accommodated from the transformation budget.

6.2 The liability for each member is limited to one pound which contributes to the assets of the Company in the event of it being wound up while the Council is a member or within one year after the Council ceases to be a member.

6.3 Members are not committed to using the services of iESE. They are, however, required to give consideration to services provided by iESE before deciding whether or not to procure such services elsewhere and to this effect there is a risk that the Council's procurement activities could be constrained. The Company's principal services include:

- Corporate Challenge
- Shared Services
- Procurement Services
- Waste Services
- Social Care Services

6.4 A member may withdraw membership of the company by giving three months' notice to the company in writing.

7. Legal Implications

7.1 Becoming a member of iESE is a low risk since the main obligation of membership is to pay one pound in the event of insolvency.

7.2 The legal implications of the members agreement (which we would be required to enter into by signing a deed of adherence) are that we have to consider the iESE as a supplier but this principally means that the Council has to consider iESE as a supplier both CBC and iESE recognise that these requirements do not override the Council's procurement rules or the law.

7.3 The members' agreement also states that the person appointed as a director must have authority to bind the Council in terms of voting at meetings of the Company. A member of the Cabinet can of course bind the Council by taking a decision in accordance with their portfolio responsibilities. It is unlikely that there will be any need for such decisions to be taken at formal iESE meetings and that the purpose of the provision is that the Council appointed director has authority to vote at meetings of the Company

8. Other Implications

8.1 There are no other implications associated with this report including equality and diversity implications.

9. Background Papers

None.

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01293 438292

THIS DEED is made on 20

BY

of (the "Covenator")

in favour of the persons whose names are set out in the schedule to this deed and is **SUPPLEMENTAL** to the Members' Agreement dated 3rd of June 2015 made by (1) Eastbourne Borough Council, (2) South Hams District Council, (3) West Devon Borough Council, (4) Norwich City Council, (5) Wiltshire Council, (6) Aylesbury Vale District Council, (7) Borough Council of King's Lynn & West Norfolk, (8) Bournemouth Borough Council, (9) Hinckley & Bosworth Borough Council, (10) Isle of Wight Council, (11) Lewes District Council, (11) Sandhurst Town Council, (12) Bracknell Forest Council, (13) Shepway District Council, (14) iESE Limited (company number 07716988, (15) iESE Transformation Ltd (company number 08884826) (the "**Members' Agreement**")

THIS DEED WITNESSES as follows:

The Covenator hereby applies for membership in the company iESE Transformation Ltd with company number 8884826 and registered office 37 St Margaret's Street, CANTERBURY, Kent, CT1 2TU.

The Covenator confirms that it has been given and read a copy of the Members' Agreement and subject to its application for membership being approved, covenants with each person named in the schedule to this deed to perform and be bound by all the terms of the Members' Agreement, as if the Covenator were a Member who is Party to the Members' Agreement.

This deed is governed by the laws of England and Wales.

IN WITNESS WHEREOF this deed has been executed by the Covenator and is intended to be and is hereby delivered on the date first above written.

[Parties to Members' Agreement including those who have executed earlier deeds of adherence.]

THE COMMON SEAL of The Covenator was affixed to this deed in the presence of:

Authorised signatory
Authorised signatory



Application Form Terms and Conditions

Full terms and conditions are set out in the Members Agreement. Where conflict arises between the terms in this Deed of Adherence and the Members agreement then the Members Agreement shall prevail.

- Members must be a public body and contracting authority
- Members are not required to use the services of iESE Transformation Limited
- Members will take due consideration of the services provided by iESE Transformation Limited before deciding whether or not to procure such services
- When your membership is accepted you accept a limited liability of £1
- Membership is not transferable and ceases when the public body ceases to exist
- A Member may terminate membership by giving 3 months notice in writing
- A general meeting does not require the members' representatives to be in the same place
- Directors of the company are responsible for the management of the company and may exercise all the powers of the company subject to reserved matters
- Members may by special resolution direct the Directors to take or not to take specific actions
- The following matters are Reserved Matters and require Member Consent other than where specifically included within the Business Plan:
 - Varying in any respect the articles of the Company.
 - Passing any resolution for its winding up or presenting any petition for its administration (unless it has become insolvent).
 - Adopting or amending the Business Plan in respect of each Financial Year.
 - Amalgamating or merging with any other company or business undertaking.
 - Agreeing the remuneration of a Member appointed Director of the Company.
 - Reviewing and setting the maximum number of Members who can be admitted to the Company membership.
 - Terminating a person's membership on the grounds of the person being inactive (i.e. because that person has not used the support of the Company for 12 months or more).

Appendix 1

iESE Transformation Membership

Transforming Together



Become a member of iESE to review, remodel and reinvent public services



Contact us on 08434 878025, Email enquiries@iese.org.uk or visit iese.org.uk to find out more.



iESE Transformation Membership – making our services even more accessible

When iESE works with you to save your authority money and improve its services it also transfers its skills to your authority's staff. Not only does this mean that you can sustain your transformation, it also means that you can become a part of iESE and help other authorities transform.

iESE is the public sector's transformation partner. Our sole purpose is to review, remodel and reinvent local public services. With councils throughout the UK having used us to transform their services and police, fire, health and central government organisations also having worked with us, our knowledge and expertise is being shared with thousands every single day.

By working with iESE you can be assured that the transformation that results will be an innovative, sustainable and forward-thinking way of working. Our effective results already speak for themselves with

us saving councils over £1Billion and for every £1 that is invested in iESE at least £5 in cashable savings or new income is generated.

From the outset, our research told us that making the current model of services more efficient was not enough. To be sustainable but also to create thriving communities we knew that we needed to reinvent local public services. We have a track record of researching, testing and implementing innovative firsts that transform the sector – innovation is in our DNA. By researching new ways of working, we're developing tomorrow's solutions with our customers and

Owned, led and governed by councils, we are a not-for-profit social enterprise, here to help public bodies throughout the UK deliver improved services at lower cost. Our highly skilled team can help you deliver ground breaking money-saving solutions to almost any public service.

making the business as usual. Our insight and fresh thinking, allied to our delivery experience, will not only give you a clearer picture of tomorrow's challenges but also practical solutions to meet them.

As a part of the sector we know that the public bodies we work with need to be a part of their transformation for it to be sustainable. We pride ourselves on building your capacity not dependency. Our very experienced team is supplemented by a network of subject matter experts that enable us to support all types of public body and transform all aspects of public service, from leadership and corporate

management to both back office and frontline services. But you will be a part of the team as we do things with you and not to you. Our approach ensures that you can sustain your transformation and become a part of our transformation network.

Become a member today to be part of iESE's innovative transformation network.

By becoming an owner, you have the benefit of accessing our services without the need for the usual procurement bureaucracy reducing the cost of transformation to us and to our owners.



Deed of Adherence and Membership Application Form

To become a member please complete this form
Please use BLOCK CAPITALS

Public Body:
"The Covenantor"

Address:
"Covenantor Address"

Town/City:

County:

Post Code:

Nominated representative:

Title: Mr: Mrs: Miss: Ms: Other:

First Name:

Surname:

Daytime phone:

Mobile phone:

Email Address:

Please sign overleaf, detach and return to:
iESE, Robert Denholm House, Bletchingley Road,
Nutfield, Surrey, RH1 4HW.

