

Cheltenham Borough Council
Cabinet – 24 June 2014
2020 Vision for Joint Working

Accountable member	Councillor Steve Jordan, Leader
Accountable officer	Andrew North, Chief Executive
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>The council already has a track record of working in partnership with other councils. As the next logical step on this journey consideration has been given to a broad strategic direction for further collaboration with Cotswold DC, Forest of Dean DC and West Oxfordshire DC. Set out at appendix 2 is a vision for how this may be taken forward, and this report is seeking approval to develop a more detailed business case and to seek funding from government through the Transformational Challenge Award process.</p> <p>The vision is for a number of Councils, retaining their independence and identities, but working together and sharing resources to maximise mutual benefit leading to more efficient, effective delivery of local services. The four councils already have a track record of developing innovative arrangements irrespective of traditional District, County or Regional boundaries. The approach set out in the report builds on that firm foundation and provides a very strong basis to support a new model for local government. It will provide efficient collective shared officer support arrangements able to provide distinct and bespoke advice to a cluster of independent Councils focused around existing District Council localities without the need to consider political mergers. This model is scalable not only in terms of numbers of partners but also in the scope of services.</p>
Recommendations	<p>Cabinet to:</p> <p>Note the contents and the broad strategic direction for joint working as set out within the 2020 Vision for Joint Working (Appendix 2).</p> <p>Approve the establishment of a 2020 Vision Programme Board consisting of one Councillor Representative from each Council.</p> <p>Authorise the 2020 Vision Programme Board to develop a programme plan; business case; and consider any efficiency savings that could be delivered for 2015/16 with a further report to partner councils in Autumn 2014.</p> <p>Authorise the 2020 Vision Programme Board to submit applications to the Transformation Challenge Award for additional funding support</p> <p>Approve the allocation of Transformation Challenge Award funding to</p>

support the development of the programme.

Confirm that Cheltenham Borough Council act as Accountable Body for authorising expenditure against the programme on the unanimous recommendations of the 2020 Vision Programme Board

Financial implications	<p>All costs associated with developing the proposals to the next stage can be met from the grant awarded under the Transformation Challenge Award Fund.</p> <p>If Councils approve the development of a programme some additional staffing resources will be required to support its development. Any backfilling of substantive posts on a temporary basis will be funded from the Transformation Challenge Award grant.</p> <p>Indicative savings for this Council are identified within Appendix 2 although it must be acknowledged that these are 'high level' at this stage. A more detailed financial evaluation of the business case will be undertaken if approved.</p> <p>Contact officer: Mark Sheldon, Director Resources, mark.sheldon@cheltenham.gov.uk, 01242 264123</p>
Legal implications	<p>As mentioned in the Vision 2020 paper (appendix A) although there are a number of innovative employment models within local government, a model which has no council retained/employed staff will be groundbreaking. It will be necessary, therefore, to give further detailed consideration to a number of legal issues as this project develops, particularly in respect of the following areas of law:</p> <ul style="list-style-type: none">• Restrictions on local authorities outsourcing statutory decision making functions;• Role and employment of Statutory Officers (Head of Paid Service, Monitoring Officer, s151 Officer);• Procurement compliance; and• Potential conflicts of interests between commissioners and deliverers. <p>If Councils approve the development of a programme, some additional staffing resources will be required to support its development. Any backfilling of substantive posts on a temporary nature will be funded from the Transformation Challenge Award grant.</p> <p>Contact officer: shirin.wotherspoon@tewkesbury.gov.uk, 01684 272017</p>

HR implications (including learning and organisational development)	<p>If Councils approve the development of a programme, some additional staffing resources will be required to support its development. Any backfilling of substantive posts on a temporary nature or specialist additional support will be funded from the Transformation Challenge Award grant. The vision, as proposed, raises a number of significant employee relations issues that will need to be worked through. Key to ensuring the success of the vision will be effective change management and employee/trade union communication programmes.</p> <p>Contact officer: Julie McCarthy, HR Manager julie.mccarthy @cheltenham.gov.uk, 01242 264355</p>
Key risks	As set out in appendix 1
Corporate and community plan Implications	<p>The report supports the corporate objective of ensuring we provide value for money services that effectively meet the needs of our customers. The report meets VFM 11 in the 2014/15 action plan "We will explore new ways of working with our partner councils via the transformation project. Receive a report on whether there are further savings which might be delivered through the expansion of shared services and delivery models"</p>
Environmental and climate change implications	<p>There are no implications arising from this report but in developing the business case environmental and climate change implications will need to be considered as shared services can lead to an increase in car travel.</p>
Property/Asset Implications	<p>The accommodation strategy has taken account of shared working and any new accommodation would be flexible to meet future needs.</p> <p>Contact officer: David Roberts@cheltenham.gov.uk</p>

1. Background

- 1.1** Set out in Appendix 2 is the vision for joint working endorsed by Leaders and Portfolio Holders responsible for efficiency and shared services for formal consideration by each Council. The vision is for a number of councils, retaining their independence and identity, but working together and sharing resources to maximise mutual benefit leading to more efficient, effective delivery of local services.
- 1.2** Cheltenham Borough Council and its partner councils already have a track record of developing innovative arrangements irrespective of traditional District, County or Regional boundaries. The approach set out in the report builds on that firm foundation and provides a very strong basis to support a new model for local government. It will provide efficient collective shared officer support arrangements able to provide distinct and bespoke advice to a cluster of independent Councils focused around existing District Council localities without the need to consider political mergers. This model is scalable both in terms of numbers of partners but also in the scope of services.
- 1.3** The leaders from the four councils along with their respective cabinet lead for shared services have met to discuss the proposals and are aligned on the strategic direction of travel. They recognise that it is a logical next step on the shared service journey and that it is worth exploring the vision further.

2. Reasons for recommendations

- 2.1** Last summer the government invited bids under the Transformation Challenge Award for innovative shared working proposals. Council on 22 July 2013 were advised that the Leaders of the GO Shared Services Councils (Cotswold, West Oxfordshire, Forest of Dean District Councils and Cheltenham Borough Council) had agreed to submit a bid for a range of initiatives that the councils were interested in investigating further. These included:
 - Reviewing shared management structures and rationalising employment arrangements
 - Extending the range of shared back office services
 - Extending the number of Local Authority owners of UBICO Ltd, the environmental services provider and extending the range of environmental services offered
 - Exploring a shared Public Protection Service.
- 2.2** Although this bid was unsuccessful at the time, the Leaders of the Councils requested that officers from the partner councils develop a proposal for a new forward thinking vision for joint working and shared services. In March of this year the partnership was awarded a grant of £500,000 to support the development of our joint proposals from the Transformation Challenge Award.
- 2.3** The government has recently announced further funding opportunities for the Transformation Challenge Award for 2014/15 and 2015/16. This funding is available to support English local authorities transform their operation, make changes to their business processes and work with the wider public sector to improve services for local people.
- 2.4** It is considered that if this report is approved by all of the Councils, the partnership will be eligible for funding for both tranches of the Programme and could pool any awards to deliver the vision and objectives set out in this report. The timescales set out within the vision have been designed to meet deadlines for submission to the Transformation Challenge Award Programme.
- 2.5** In addition to the opportunities to secure government funding, Council Leaders have recognised the need to meet each of the individual Councils savings targets in line with their existing Medium Term Financial Targets. For some, this means being able to deliver significant revenue savings for 2015/16. It is therefore recommended that the programme plan builds in proposals for interim proposals that can be implemented early reducing management overheads without a loss of

capacity. This will further enable the quicker delivery of shared service options and business cases.

- 2.6 Programme implementation costs will be identified alongside the development of a more detailed business case. It is anticipated that the current allocation from the Transformation Challenge Award will meet any development costs prior to further consideration by councils in the autumn.
- 2.7 It is recommended that a joint member Programme Board with a Cabinet Member from each Council is established to oversee the development of the detailed business case for future consideration by partner councils. .
- 2.8 It is further suggested that the funds secured against the Transformation Challenge Award fund be delegated to the programme board to allocate against the development of a more detailed business case and programme implementation if subsequently approved at a later date. Cheltenham Borough Council will act as Accountable Body for the fund and any expenditure.

3. Alternative options considered

- 3.1 The proposal is to explore the options further and to develop a business case. The council could decide that it did not wish to progress the proposal but there are limited options available to the council to deliver the level of projected savings whilst maintaining the level of service.
- 3.2 The council could consider sharing with other neighbouring councils in Gloucestershire but the council has a good track record of working with the GO partner councils. The model as proposed is scaleable and the vision has been sent to the CEX's of the other districts so that they are aware of what is being proposed.

4. Consultation and feedback

- 4.1 Briefing sessions have taken place with employees and the unions. Over the coming months specific engagement sessions will be held with members, employees and stakeholders so that everyone has an opportunity to help shape the vision and strategic thinking.

5. Performance management –monitoring and review

- 5.1 A programme board will be established which will use programme management tools to ensure that it is managed effectively. Specific monitoring reports will be presented to SLT and progress will be updated via the corporate strategy monitoring.

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Appendices	1. Risk Assessment 2. 2020 Vision for joint working
Background information	1.

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likeli-hood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.	There is a risk that once established it would be hard to disaggregate without significant costs and resource commitment.	Andrew North	June 2014	3	3	9	R	Ensure members are fully aware of the long term implications Put in place clear exit strategies and penalties	October 2014	Jane Griffiths	
2	There is a risk that this model of local government is innovative and not tested elsewhere. It may not be politically acceptable to have a model where councils are not direct employers	Andrew North	June 2014	3	3	9	R	Ensure members are fully aware of the benefits of the arrangements Ensure stakeholders including press are fully aware of the benefits	October 2014	Jane Griffiths	
3	If an effective pay and reward mechanism is not put in place which drives out savings through T&Cs opportunities but does not also realistically reward employees then benefits may not be	Andrew North	June 2014	3	3	9	R	Pay and reward scheme to be developed Consultation with unions	Timelines to be established as part of business case Autumn	Jane Griffiths	

	realised											
4	If budgets are not pooled there is greater complexity for managers and a risk that there are missed opportunities to make savings across the whole of the service area	Andrew North	June 2014	3	3	9	R	Use agresso coding system to identify savings opportunities Consider elements of budgets which could be pooled	Timelines to be established as part of business case Autumn	Jane Griffiths		
5	If there is not a clear process for sharing costs and benefits from the outset it may cause difficulties as these arise	Andrew North	June 2014	3	3	9	R	Cost and benefits protocol to be agreed from outset (NB to include discussion on assets)	Timelines to be established as part of business case Autumn	Jane Griffiths		
6	If any of the services fail to deliver there is a reputation risk falling on all councils	Andrew North	June 2014	3	3	9	R	Effective performance management Communications strategy Scenario planning for service failure	Timelines to be established as part of business case Autumn	Jane Griffiths		
7	If the governance structures do not allow members to feel that they can influence service	Andrew North	June 2014	3	3	9	R	Role of overview and scrutiny to be defined Role of cabinet lead	Timelines to be established as part of business	Jane Griffiths		

	<p>delivery then members will become disillusioned.</p> <p>If there are differing arrangements within councils then this adds to complexity and overheads</p>							<p>member to be defined</p> <p>Role of “shareholder” to be defined</p> <p>Performance frameworks to be agreed</p>	<p>case Autumn</p>		
8	<p>There is a risk that the culture of new organisations is not aligned to the cultures of the councils which could lead to difficulties working with members</p>	Andrew North	June 2014	3	3	9	R	<p>The new organisation will have its own culture but will need to ensure that employees flex when working in different environments</p> <p>Allow sufficient time in the set up stage for relationships to be formed and developed between advisors, heads of shared services and members</p>	<p>Timelines to be established as part of business case</p> <p>Autumn</p>	Jane Griffiths	
9	If members are not clear about the	Andrew	June	3	3	9	R	members to agree	Timelines to be	Jane	

	outcomes they want to be delivered and clear specifications for service delivery then there is a risk that the service will not meet the needs of the community	North	2014					outcomes Specifications to be drafted Needs to be assessed and outcomes updated	established as part of business case Autumn	Griffiths	
10	If there is ineffective communication with union and staff then there is a risk that they would oppose the proposals and potentially some staff may leave	Andrew North	June 2014	3	3	9	R	Communication strategy Employee and union engagement Workforce planning	Timelines to be established as part of business case Autumn	Jane Griffiths	

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;

- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

Risk ref

If the risk is already recorded, note either the corporate risk register or TEN reference

Risk Description

Please use "If xx happens then xx will be the consequence" (cause and effect). For example "If the council's business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted."

Risk owner

Please identify the lead officer who has identified the risk and will be responsible for it.

Risk score

Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

Control

Either: Reduce / Accept / Transfer to 3rd party / Close

Action

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

Responsible officer

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

Transferred to risk register

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on