

Cheltenham Borough Council
Cabinet – 16 December 2014
A 2020 Vision for Joint Working

Accountable member	Leader, Councillor Steve Jordan
Accountable officer	Andrew North, Chief Executive
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>Members will recall that in June Cabinet received a report entitled “2020 Vision for Joint Working”. The report requested Cabinet to note the broad strategic direction for further joint working with Cotswold, West Oxfordshire and Forest of Dean District Councils, approval to the creation of a 2020 Programme Board and for that Board to develop a programme plan, business case and to estimate the potential for further efficiency savings through joint working.</p> <p>At the time of the last report the partnership had been granted £500K from the DCLG Transformation Challenge Fund (TCF). In September the partnership was awarded a further £400k to support the implementation of shared management and on 1 October the partnership submitted a further bid of £3.9M to the TCF. 2020 Vision was awarded a further £2.9M on 28 November 2014 making a total of £3.8M awarded to the programme in total.</p> <p>This report summarises the progress made since June and makes a number of recommendations to Cabinet to progress the partnership to the next stage.</p>
Recommendations	<p>1. Cabinet is recommended to</p> <p>1.1 Establish a shared services partnership venture in early 2015 between the 4 authorities, managed by a joint committee operating under a Memorandum of Understanding (for an interim period pending a further report being considered in the autumn of 2015 as set out in Recommendation 1.8)</p> <p>1.2 Note that a further report be brought back to the Council to finalise the Memorandum of Understanding</p> <p>1.3 Authorise the 2020 Programme Board to allocate the principal roles of Interim Lead Commissioner, Interim Managing Director of the partnership venture and the appointment of the Programme Director</p> <p>1.4 Agree the principle of the two principal interim roles, the heads of paid service in each authority, and the Programme Director sharing collective responsibility for the successful delivery of the programme</p> <p>1.5 Agree the creation of a project to develop effective commissioning arrangements for each authority, including exploring the potential for</p>

sharing commissioning functions where possible

1.6 Endorse the review of the statutory posts of Head of Paid Service, Monitoring Officer and S151 officer during the course of the 2020 Vision implementation programme including the potential for sharing where appropriate and practical with further reports to be considered by each Council as appropriate

1.7 Endorse the principles and recommendations proposed in the Activist report as set out in Appendix 2 to this report

1.8 That a further report be considered in the autumn of 2015 regarding any recommendations for the future governance arrangements of the partnership venture

2. Cabinet recommends to Council

2.1 As part of the 2014-15 budget process, the total allocation of £1.095M one-off funding over 5 years as set out in section 6 of this report.

Financial implications

The councils' financial position, as per the Medium Term Financial Strategy (MTFS) is outlined at section 7 of the report.

The financial savings and costs of the project, including the council's contribution to supplement the DCLG award of £2.9m (across the partnership) are outlined in section 6 of the report.

The funding proposals for the council's contribution are set out in the councils interim budget proposals for 2015/16. Funding is likely to come from a combination of the use of the councils New Homes Bonus headroom (over a number of years) plus a redundant interest equalisation reserve.

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<p>Legal implications</p>	<p>General This is an innovative, and potentially complex, project which will require legal support through to completion. To an extent, the detailed legal implications will only become clear as the project progresses through its various stages. The objective of setting up a company based delivery model will, in particular, require careful consideration from a legal perspective. This, and possibly other elements of the project too, will require specialist legal support which will need to be funded through the project.</p> <p>Joint Committee Cotswold and West Oxfordshire Councils Legal Team is working on a memorandum of understanding which is intended to include the key principles which will underpin the inter-council Joint Committee which is proposed to be put in place early in 2015. That memorandum of understanding will be referred to Cabinet for consideration in due course. In agreeing to set up the Joint Committee, Cabinet will need to decide which of the Authority's functions will be delegated to the Committee and, equally important, which functions will be retained by the Authority. Also, consideration will have to be given as to whether any non-executive functions are to be delegated (with onwards reference to Council as necessary), and legal advice provided as to any decision making power which in law cannot be delegated. As is the case with the other joint committees in which CBC participates, detailed legal documentation (in a 's101 agreement') will be required which will cover such matters as: the composition and constitution of the Committee, the partner authorities' obligations (including financial), the administering authority's obligations, TUPE (in respect of any transferring staff), exit arrangements.</p> <p>Interim Management Arrangements It is proposed that the 2020 Programme Board undertakes the selection/ allocation process for the three interim/fixed term posts and that this will happen imminently upon approval of this report . The actual appointment to the posts will need to be made by one or more of the councils in accordance with their internal employment procedures. Depending on how soon the councils move to set up the Joint Committee, it may be appropriate for the councils to enter a simple collaboration agreement which sets out the obligations (including financial) in respect of these posts.</p> <p>Statutory Officers The potential sharing of statutory officer roles will need specific consideration to ensure that, in particular, any conflict of responsibilities can be properly managed.</p> <p>Provision of Services through a Company Structure As already mentioned, this objective will require specialist legal support which will include company/governance law and practice and procurement advice. This advice would be made available to Cabinet to assist Members in considering this last stage of the project which is currently scheduled for decision in Autumn 2015.</p> <p>Contact officer: Peter Lewis, Head of Legal Services, One Legal Peter.Lewis@tewkesbury.gov.uk, 01684 272012</p>
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<p>HR implications (including learning and organisational development)</p>	<p>If Councils approve the development of the programme to the next stage, some additional staffing resources will be required to support its development. Any backfilling of substantive posts of a temporary nature or specialist additional support will be funded from programme costs which will be part funded from the Transformation Challenge Award grant.</p> <p>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 GO Shared Services (West) julie.mccarthy@cheltenham.gcsx.gov.uk, 01242 264355</p>
<p>Key risks</p>	<p>The Activist report at table 7.3 identifies those risks which the Programme Board may wish to consider in its initial risk log following the adoption of the partnership venture proposed here. Appendix 1 to this report outlines those key risks on the current programme risk log.</p>
<p>Corporate and community plan Implications</p>	<p>The recommendations support the Council's corporate objective of providing value for money services that effectively meet the needs of customers. In particular this report, together with the earlier report, supports the corporate plan objective VFM11 "we will explore new ways of working with our partner councils via the transformation project."</p>
<p>Environmental and climate change implications</p>	<p>There are no implications arising from this report but environmental and climate change implications will need to be considered as the proposals for future service delivery are developed.</p> <p>Contact officer: Gill Morris, Climate Change and Sustainability Officer Gill.Morris@cheltenham.gov.uk; 01242 264229</p>
<p>Property/Asset Implications</p>	<p>As commented in the earlier report the Council's developing 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, Head of Property Services David.Roberts@cheltenham.gov.uk; 01242 264151</p>

1. Background

- 1.1 In June Cabinet received a report entitled “2020 Vision for Joint Working”. The report requested Cabinet to consider a more broad and strategic direction for further collaboration with Cotswold, West Oxfordshire and Forest of Dean District Councils who, together with CBC make up the GO Partner Councils. The vision for the partnership is

“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.”

- 1.2 The proposition presented a model for the retention of independent organisations with the ability to exercise their democratic mandate and responsibilities. Each Council would continue to be supported by expert officers who would provide an advisory role to each Council and the independent Executive and Non-Executive functions of each Council would be unaffected by the proposed operating model.
- 1.3 The proposal explained that, if the model were implemented, it could effectively lead to Councils not directly employing any of their own staff, but rather, Councils would jointly own a local authority company which would provide services and deliver outcomes in line with the wishes of each council.
- 1.4 Based upon the proposal and the potential for further and deeper collaboration and partnership between the GO Partner Councils Cabinet agreed to:
- 1.4.1 *Note the contents and the broad strategic direction for joint working as set out within the 2020 Vision for Joint Working;*
- 1.4.2 *Approve the establishment of a 2020 Vision Programme Board with Councillor representation from each council*
- 1.4.3 *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.*
- 1.4.4 *Authorise the 2020 Vision Programme Board to submit applications to the Transformation Challenge Award for additional funding support*
- 1.4.5 *Approve the allocation of Transformation Challenge Award funding to support the development of the programme.*
- 1.4.6 *Confirm that CBC act as Accountable Body for authorising expenditure against the programme on the unanimous recommendations of the 2020 Vision Programme Board.*

2. Development of a 2020 Vision for Joint Working

- 2.1 The 2020 Vision Programme Board commissioned Activist to develop a strategic business case for the programme. The executive summary of the Activist report is attached as **Appendix 2** and presents a number of recommendations and principles for the 2020 Vision which the Cabinet is being recommended to endorse.
- 2.2 The Activist report has contributed significantly to the partnership's thinking and planning and examines two principal issues:
- 2.2.1 The options for the delivery models and;

2.2.2 The **interim management arrangements** that will be needed to make the transition to the new model of delivery if all partners are agreed upon the direction of travel.

3. What is Driving 2020 Vision

3.1 For 2020 Vision to flourish and succeed it has been important to understand what each council wants from the partnership and to understand the strength of the alignment at this point.

3.2 Activist engaged extensively with members and officers in order to understand the underlying reasons for each council wishing to build upon and deepen the existing partnership working. What Activist found was that the reasons why each council is exploring 2020 Vision are very similar:

- **Financial:** the need respond to long-term financial pressures
- **Efficiency:** continuing to find ways of delivering value for money
- **Resilience:** each authority needing a wider pool of expertise and greater capacity
- **Impact:** more depth in strategic capacity needed to drive service improvement and wider social and economic benefits in each locality
- **Democracy:** sufficient resources to be able to exercise choice and community leadership and the ability to continue to champion local needs and priorities

3.3 There are also some significant differences in emphasis and policies for partners and these are reflective of differences in the nature of “place” but also political control. It will, therefore, be important as the 2020 Vision develops further, that these differences are respected and that service design is able to respond and embrace the individual as well as collective needs of partners.

4. What the Partners Want from 2020 Vision

4.1 Through their various discussions across the partnership Activist has captured people’s ideas, natural concerns and fears. The information gathered has created a rich picture which has informed the shaping of the outcomes that the partners want to see from 2020 Vision and also the challenges that the programme will need to address to be assured of success.

4.2 The outcomes being sought are:

- **Savings** – realistic, sustainable, medium to long term return on investment, opportunities to generate income
- **Influence** respectful of individual authorities and local decision making, able to exercise community leadership, strong local knowledge in frontline services, impartial commissioning and client side advice
- **Quality** – enhances good quality services, flexibility and adaptability to future changes, streamlined and easy to understand governance
- **Creativity** – empowerment of staff to be creative, collaborative and enquiring, fosters and rewards innovation.

5. Option Appraisal

5.1 A long list of potential delivery models was evaluated against the outcomes and a set of financial assumptions. Appendix D of the Activist report provides the full detail. The financial assumptions

used were worked up with the GO finance team but it is important to note that the financial assessment will be revisited to ensure that any final business case is robust and realistic.

5.2 The option appraisal identified that options requiring a procurement exercise, eg, private sector joint venture, spin out (mutual or trust) performed less well when compared to others because they have a longer payback period and incur potentially significant additional costs, eg, procurement.

5.3 Option Appraisal - Conclusion

5.3.1 The report and outline business case presented in June suggested an approach whereby the partners authorities would not employ any of their own staff but would create a jointly owned local authority company which would provide services and deliver outcomes.

5.3.2 The Activist work has identified that, taking account of the outcomes that the partner councils wish to achieve, the principles of design that are important to the partners, as well as the currently unknown financial impact of pensions that a phased approach should be pursued for the next stage of 2020 Vision.

5.3.3 In addition, owing to the requirement for a procurement exercise for two of the sourcing options, ie, private sector joint venture and spin out, these options perform poorly from a financial perspective and do not deliver the same level of savings in the medium term as sharing and the local authority company options.

5.3.4 Therefore, Activist conclude that the two broad strategic options which best meet the partners outcomes and partnership drivers at this time are

- Traditional sharing
- Teckal and trading companies

5.3.5 Both options have the merit of being able to deliver significant savings, but without the delays incurred through an expensive procurement exercise. They also have the merit of using partnership models that are tried, tested and trusted among the partner authorities (eg GOSS, SWAP and Ubico).

5.3.6 A further point to note is that whilst the sharing option savings in the Activist option appraisal appear greater than the local authority company savings there are still important financial considerations which remain unresolved and unclear at this time.

6. Strategic Outline Case

6.1 The programme board has developed a strategic outline case (SOC) for 2020 Vision showing the estimated costs and benefits. The SOC is an important programme governance document and it will be updated as 2020 Vision progresses.

6.2 The SOC has been prepared using the vision of shared services which may eventually be delivered, ie, a local authority company and covers a 10 year period in recognition of the potential financial savings from a change in pension arrangements.

6.3 The total programme cost is estimated at £7.845M with savings over 10 years estimated to be £5.175Mpa. The programme costs will be funded from £2.9M Transition Challenge award with the balance of £4.945M being funded from the partner councils.

6.4 The savings estimate uses as its basis the percentage level of savings which have been achieved through the creation of other shared services, for example, GO Shared Services achieved an average of 23% savings on total cost when it was created. This high level assumption will be

tested as the business case is developed and refined.

6.5 It must be explained at this point that the Activist financial appraisal described in section 5 was used to inform the options appraisal of the various governance models which 2020 Vision could use to deliver services (eg joint venture, local authority company, shared services, spin out to mutual). Each of these options has different financial implications in terms of one-off costs and on-going revenue costs and savings achievable, for example, a spin out to a mutual would incur significant procurement costs as would a private joint venture.

6.6 The Activist options appraisal used the following assumptions which are different from the financial business case included within the SOC:

- A five year cost benefit period;
- Assumed no savings resulting from a move away from the Local Government Pension Scheme;
- Included client side cost which have not been taken into account at this stage in the SOC financial case.

6.7 The table below shows CBC's element of the strategic outline case.

	Year 1 2015-16	Year 2 2016-17	Year 3 2017-18	Year 4 2018-19	Year 5 2019-2020	Year 6-10 2020-2014	Total Years 1-10
	£000	£000	£000	£000	£000	£000	£000
Estimated Programme Costs							
Capital	0	0	0	0	0	0	0
Revenue	555	360	510	200	195	0	1,820
TOTAL	555	360	510	200	195	0	1,820
Funded by							
TCA Bid 2015-16	555	170					725
Council Contribution	0	190	510	200	195	0	1,095
TOTAL	555	360	510	200	195	0	1,820
ANNUAL SAVINGS	310	445	180	130	40	215	1,320

6.8 The estimated programme costs fall into 4 broad areas:

- **Programme Management** – establishment of a programme office, programme director, programme managers and ancillary support
- **External expertise** – actuarial advice, legal, HR, finance, taxation and potentially procurement, backfill for finance, HR, etc
- **ICT Systems** – secure network, backfill to release ICT capacity in the existing shared services, joining up service applications, etc
- **One-off transition costs** – these include, for example, one-off employee costs arising out of further sharing between the partners, backfilling of posts

6.9 The S151 Officers have undertaken a cost estimation exercise to identify each partner councils own contribution towards the total programme costs. At this point a pragmatic cost/benefit analysis has been used, which has resulted in a percentage allocation of the total costs across

the partnership. Based on this approach CBC's contribution to the total programme costs is £1.82M.

- 6.10 Members will be aware that 2020 Vision has been awarded Transition Challenge Funding totalling £3.8M; the most recent award of £2.9M being made on 28 November. The initial funding of £900K has been utilised to fund advice on interim arrangements, actuarial advice, investment in ICT infrastructure to underpin shared services and resourcing the shared public protection project between 3 of the partner councils. The balance of the £900K will be used to fund transformation costs associated with the interim management arrangements, funding further investment in the information technology infrastructure and to provide resource for the programme management.
- 6.11 The remaining £2.9M has been shared equally between the councils ie £725K each to be used as a contribution towards individual council programme costs.
- 6.12 Based on the S151 Officers estimation of savings from 2020 Vision CBC anticipated annual savings by year 10 is expected to be £1.32Mpa with 83% of that saving being delivered by year 5. This therefore leaves a balance of £1.095M which will need to be funded by way of a Council contribution.

7. 2020 Vision and the Medium Term Financial Strategy

- 7.1 Since 2009/10, the Council's core funding from the Government has been cut by some £5 Million, from £8.8 Million to £3.8 Million.
- 7.2 The most up to date projection of the MTFs, prepared in the development of the interim budget for 2015/16, estimates a budget gap for the period 2016/17 to 2018/19 of £2.621M.
- 7.3 The council has been very proactive in responding to the challenge of reduced funding and has been extremely successful in delivering savings and additional income from its approach to commissioning of services including sharing services with partner councils.
- 7.4 The savings from sharing services including one legal, building control, Audit partnership, GOSS, ICT have arisen through a combination of: savings in management costs; reduction in staffing as a result of removal of the duplication and the sharing of systems licensing costs e.g. Agresso; supplies and services costs and joint procurement of services e.g. GOSS banking contract. As such, the council has demonstrated a track record in delivering these savings and reducing the costs of services as a result.
- 7.5 Looking ahead, the council has plans to reduce the funding gap further through planned work streams including the accommodation strategy and through initiatives from the joint Waste committee. However, this will still leave a residual funding gap over the period 2016/17 to 2018/19 of £1.48M.
- 7.6 The proposals outlined in the 2020 Vision project are supported by savings from joining up services, based on past experience and local knowledge of services of the potential for savings. The table at 6.7 indicate that the council residual funding gap has the potential to be met over time from the 2020 Vision project.

8. Interim Management Arrangements

- 8.1 If Cabinet endorses the recommended way forward while the partnership venture is being created, service delivery must be maintained. The Activist report identifies four main roles that will need to be in place to support members in overseeing and scrutinising the development of the 2020 Vision:

- Head of Paid Service

- Interim Lead Commissioner (new role – part time)
- Interim Managing Director of the partnership venture (new role – part time)
- Programme Director (new fixed term post – full time 18-24 months)

8.2 The individuals occupying the above roles will be those most closely focused on the programme and will need to work together forming the core officer leadership of the programme and sharing responsibility for its successful delivery.

8.3 The indicative level for the interim roles of Lead Commissioner and Managing Director are Chief Executive/Head of Paid Service. This will be important if the role holders are to be able to drive forward the change with the necessary level of officer authority. The proposal is that the 2020 Programme Board allocate the principal interim roles and appoint the programme director

9. 2020 Vision - The Proposed Way Forward

9.1 Given the position with regard to the MTFs funding gap and the desire on the part of the 2020 Vision partners councils to make progress on joint projects and to continue to build upon already established partnership working, it is being recommended that a shared services partnership venture be created in early 2015 between the 4 councils and that a joint committee be created for an interim period operating under a Memorandum of Understanding (MoU).

9.2 If the recommendations within this report are approved the next steps will be to allocate the roles of Interim Lead Commissioner and Interim Managing Director and to recruit the Programme Director. Once in place these officers will form the sponsoring group for 2020 Vision.

9.3 Legal colleagues are currently preparing a first draft of the MoU for consideration by the 2020 Programme Board and once finalised this will be brought back to the partner councils for consideration and adoption.

9.4 At the same time as the MoU is being developed and discussed the programme office will be created with project managers recruited as necessary and the Programme Director will work with the sponsoring group to further develop the programme plan.

10. Designing Commissioning

10.1 The ownership of any new organisation created will be key to deciding on the nature of the commissioning function. If the new organisation has owners that are fully independent of the Councils the commissioning function could not form part of that new organisation. The scope of a commissioning function might include the management of a contract with a new joint body but could also include other contracts and partnerships.

10.2 The Activist report suggests a principle that “each partner authority will have access to directly managed commissioning support that will enable it to develop and set its strategic policies; source service provision; and manage its contracts and relationships with a range of service providers, and also that the partners be committed to sharing their commissioning support wherever possible”. The report also includes a recommendation that the partners establish a project to develop effective commissioning for each authority.

11. Retained Functions

11.1 As 2020 Vision progresses each authority will need to consider carefully, which if any services, it wishes to retain.. The commissioning and retained functions will need to be managed and co-

ordinated on behalf of each Council and this can be conducted by a retained Head of Paid Service with the support of the other statutory posts. These posts will continue to support elected members in ensuring that the interests of each authority are properly protected and the authority's decision-making, scrutiny and governance arrangements operate effectively. However each of these posts could also be shared with other partner authorities.

12. Pensions Update

- 12.1** The June 2014 report and outline business signalled the potential to transfer staff to a new employing body. While protecting the terms, conditions and pensions of staff transferred, the proposal was for new starters would be employed on new terms and conditions and would have a stakeholder pension scheme rather than access to the LGPS.
- 12.2** The partners engaged specialist advice on pensions from AON Hewitt who have suggested that the rate of employer contributions to the pension scheme will almost double over the next 20 years. Before confirming the viability of the potential solution to the affordability of current pensions, some key issues must be resolved including the current regulatory regime which acts as a barrier to change. Changes would be needed to the LGPS regulations to overcome this problem and the Secretary of State has asked his officials at the DCLG to discuss these issues with the partner authorities.

13. REST Project

- 13.1** Members will be aware that the other 3 partner councils have been developing a business case for a shared public protection and regulatory service. Work has progressed to the extent that the councils concerned will have, or will be by the time this report is considered, recommending the creation of a shared Public Protection and Regulatory Service between West Oxfordshire, Cotswold and Forest of Dean working towards the implementation of a shared service from April 2016. Members will also be aware that this Council has its own REST (Regulatory and Environmental Services) project and systems thinking work is currently taking place. Therefore, whilst CBC is not part of the 3 way shared service officers continue to collaborate in particular with regard to the potential for sharing the same ICT platform, opportunities where they exist for shared back office functions, and also with regard to specialise and residual functions and the managing of vacancies.
- 13.2** Any savings arising out of the REST project will be in addition to the savings outlined in the SOC.

14. Reasons for recommendations

- 14.1** As explained in the body of the report.

15. Alternative options considered

- 15.1** In considering alternative options to 2020 Vision it is perhaps useful to reflect on the 2014-15 Budget proposals report considered by Council on 8 February 2014. The report explained that the Cabinet's key aims in developing the budget were to;
- Do everything possible to protect frontline services
 - Continue to develop longer term plans for efficiencies over the period of the MTFs including increasing emphasis on shared services and commissioning services.
- 15.2** CBC has over a number of years used the Bridging the Gap programme, and a commissioning approach, to deliver efficiencies and savings through the implementation of a number of strategic approaches.

- 15.3** For example, a number of services have undergone re-design using systems thinking, eg, revenues and benefits, planning, leisure and culture, with the objective of streamlining to improve customer experience and reduce cost. Systems thinking is a key element of the commissioning process and is currently being used in Environmental and Regulatory Services Directorate in the REST project. The REST project itself aims to deliver £155,600Kpa savings by 2015/16.
- 15.4** In delivering its budget strategy Cabinet has been keen to support tax payers through the recent period of austerity and has not increased Council Tax for the last 4 years, and in the 2014-15 budget froze car parking charges, building control fees and garden waste charges. Members will be aware that increases in Council Tax above 2% will require a referendum and that a 1% increase in Council Tax only equates to £74K. Members may feel that now is the time to review the policy on freezing Council Tax and some fees and charges as a way of helping to bridge the MTFS gap.
- 15.5** Options for sharing with other partner councils have continued to be explored as opportunities have arisen but none has materialised in recent years.
- 15.6** In April 2012 the council approved the creation of Ubico, a local authority company owned by CBC and Cotswold District Council. Ubico has proved to be very successful and has delivered £144.7Kpa savings to CBC since its creation. Ubico has also attracted much interest from other local authorities who are keen to join and this in itself brings a financial benefit to the shareholding councils by way of a joining fee and also through the sharing of overheads which improves the surplus returned to the shareholding councils.
- 15.7** And most recently, on 1 October, The Cheltenham Trust was launched which now runs the Council's leisure and cultural venues and facilities whilst at the same time being contracted to deliver over £800Kpa savings to CBC over the lifetime of the current MTFS. Had the Council not created the trust it would have had to find those savings from elsewhere within its budget. Also, moving forward, the trust, as an independent charity, will have access to external funding which it would not be possible for the Council to secure and this will be important as investment in the venues and facilities is a key issue for both the trust and CBC.
- 15.8** However, as outlined in this report, it is acknowledged that the MTFS is not balanced and this is why CBC needs to continue to work to bridge the gap. If 2020 Vision is agreed to be the way forward for future service delivery it will make a significant contribution to bridging the MTFS. Notwithstanding the above, however, Cabinet is also mindful that 2020 Vision poses a significant strategic decision. With that in mind, Cabinet has asked for further consideration to be given to whether there are alternatives to 2020 Vision.
- 15.9** With regard to other alternative options which the Cabinet may wish to explore it must be recognised that the £3.8M Transition Challenge Fund award can only be used for 2020 Vision. Any alternative options requiring one-off capital investment would need to be funded by CBC.

16. Consultation and feedback

- 16.1** The work undertaken by Activist has been based on wide and extensive consultation and engagement across the partnership authorities. Individual interviews, workshops and group sessions have been held with members and officers and the report conclusions are based upon that active engagement.
- 16.2** Partners and other key stakeholders are being kept up to date with the progress being made with 2020 Vision. Updates have been given to CBH strategic management team and on 10 December the Chief Executive will be presenting to the CBH Board. The Cheltenham Partnership Strategic Leadership Group has been advised of progress and a presentation was made to the partnership by the Leader on 18 November 2014.
- 16.3** If approved the capital funding allocation for 2020 Vision will form part of the 2015-16 budget

consultation exercise.

17. Performance management –monitoring and review

- 17.1** The programme is currently being managed through a Programme Board comprising Leaders, Cabinet Members and Chief Executives of each of the partner authorities. A Programme Team, chaired by the Chief Executive of Cotswold and West Oxfordshire, has guided the project to this point. The Council's Deputy Chief Executive is a member of the Programme Team. A programme office has been established to support the programme with representation from each of the partnership authorities.
- 17.2** If the recommendations within this report are adopted then the programme governance will be reviewed in line with allocation of interim roles and the appointment of the Programme Director. The Managing Successful Programmes (MSP) standard will be adopted.
- 17.3** CBC Senior Leadership Team currently receives updates at its monthly Operational Programme Board on the current status of the programme. This will continue as 2020 Vision continues.

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Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Activist Report – Executive Summary – A 2020 Vision for Joint Working – Report on Options for Future Delivery Models and Interim Management Arrangements – v3 20 November 2014
Background information	<ol style="list-style-type: none">1. Activist Report – v3 20 November 20142. Strategic Outline Case

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If political change leads to one or more partners becoming less willing to participate in the partnership then decision making will become more difficult and a partner may wish to withdraw	CBC Chief Executive	28/11/2014	4	3	12	Reduce/ Accept	<p>Ensure that this risk is fully assessed.</p> <p>Plan to keep all Members fully up to date concerning the benefits of the partnership.</p> <p>Include very clear exit strategies and conditions in the partnership agreement including financial and reputational impact, and gain agreement before the partnership commences.</p>	<p>March 2015</p> <p>Ongoing</p> <p>Spring 2016</p>	<p>Programme Director</p> <p>Programme Director</p> <p>Monitoring Officer</p>	
2	If customers perceive reduced services and/or reduced staffing then the partnership's reputation will be damaged.	CBC Chief Executive	28/11/2014	3	3	9	Reduce	<p>Ensure communication about any changes and the reasons for them is clear and understood.</p> <p>Boost support for problematic areas at the beginning of the change</p>	<p>Ongoing</p> <p>Sept 2015</p>	<p>Programme Director</p> <p>Interim Managing Director / Programme Director</p>	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
3	Members may lose confidence if the service delivery arrangements resulting from 2020 Vision do not give them clear links to input their views and resolve constituents issues	CBC Chief Executive	28/11/2014	4	3	12	Reduce	Cabinet being asked to agree "principles" of service design in Activist report, one of which specifically recognises the need for "Access to knowledgeable staff who understand their localities and can support members with their decision making".	Spring 2016	Programme Director	
4	If the programme's implementation period is too protracted then the level of change in Local Government policy and funding may produce a drop in performance and may make the programme difficult to complete.	CBC Chief Executive	28/11/2014	4	3	12	Reduce	Ensure programme is well phased and that opportunities for successful quick wins are exploited. Hold regular forward looking reviews to ensure future changes are assessed and incorporated.	March 2015 Ongoing	Programme Director Programme Director	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
5	If partners become frustrated with progress being at the rate of the slowest then they may look for opportunities elsewhere.	CBC Chief Executive	28/11/2014	4	3	12	Reduce	<p>Ensure phasing of programme is understood and agreed.</p> <p>Ensure plan takes advantage of areas where quick progress can be made and allows for those areas which need to move more slowly.</p>	<p>Ongoing</p> <p>March 2015</p>	<p>Programme Director</p> <p>Programme Director</p>	
6	If services cannot be sufficiently standardised then there will be a drop in performance and benefits will not be delivered.	CBC Chief Executive	28/11/2014	3	3	9	Reduce	<p>Ensure the importance of standardisation is understood and agreed.</p> <p>Analyse services to make sure areas of non-standardisation are understood and the impact assessed and agreed.</p>	<p>June 2015</p> <p>June 2015</p>	<p>Interim Managing Director</p> <p>Interim Managing Director</p>	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
7	If staff do not wish to transfer to the new model then experienced staff may leave leading to the partnership being unable to maintain performance levels and redundancy payments will be much higher than anticipated.	CBC Chief Executive	28/11/2014	4	2	8	Reduce	Ensure that the concerns of staff are understood and plans made to mitigate them and make new posts attractive.	June 2015	Interim Managing Director	
8	If ICT systems are difficult or impossible to rationalise then benefits will be lost and/or costs will increase.	CBC Chief Executive	28/11/2014	3	3	9	Reduce	Ensure all ICT systems in scope are analysed, including contract details, licencing, upgrade schedules, compatibility etc. as part of the business case.	Sept 2015	Programme Director	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
9	If ICT availability to the partnership is inadequate then services will be disrupted.	CBC Chief Executive	28/11/2014	4	4	16	Reduce	Ensure continuity planning is carried out and implemented as part of the programme.	June 2015	Interim Managing Director	
								Redraw continuity plans jointly across the partnership.	Sept 2015	Interim Managing Director	
								Ensure costs for continuity are included in the business case.	Sept 2015	Programme Director	
10	If changes in circumstances mean one or more partners need to reduce the amount of budget they pay into the partnership then costs will increase costs for others and threaten the stability of the partnership	CBC Chief Executive	28/11/2014	4	3	12	Reduce / Accept	Ensure the impact of this is assessed in the partnership agreement and the consequences clearly laid out and approved by all partners.	Sept 2015	S151 Officer	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register

11	If partners do not continue with the 2020 Programme but have used the TCA funding then the remaining partners may seek to recover and this may lead to reputational damage	Chief Executive	28/11/14	4	3	12	Reduce	Ensure partners have conducted their own alternative analysis of options	Feb 2014	CBC Chief Executive	
12	If the recommendations in this Cabinet report are not agreed by all partners and CBC is unable to find an alternative way of bridging its financial gap then services to the Cheltenham community may be cut	CBC Chief Executive	28/11/2014	4	3	12	Reduce	Ensure partners of aware of alternatives and their pros/cons and implications.	Feb 2014	CBC Chief Executive	

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:

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register

- 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](#)

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register

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