

Cheltenham Borough Council
Cabinet – 13 October 2015
Council – 19 October 2015
2020 Vision

Accountable member	Leader, Councillor Steve Jordan
Accountable officer	Pat Pratley, Deputy Chief Executive
Ward(s) affected	All indirectly
Key/Significant Decision	Yes
Executive summary	<p>Members will be aware that 2020 Vision is a partnership between Cheltenham Borough Council (CBC), Cotswold District Council (CDC), West Oxfordshire District Council (WODC) and Forest of Dean District Council (FoDDC). 2020 Vision sets out an ambition for the authorities to become more efficient and effective by working together. The vision is:</p> <p><i>“A number of councils, retaining their independence and identities, but working together and sharing resources to maximise benefit leading to more efficient, effective delivery of local services”.</i></p> <p>In December 2014 CBC Cabinet endorsed a number of recommendations to progress 2020 Vision including a recommendation for the</p> <p><i>“establishment of a shared services partnership venture in early 2015, between the 4 authorities, managed by a joint committee operating under a Memorandum of Understanding (MoU) for an interim period pending a further report being considered in the autumn of 2015”.</i></p> <p>Members will recall that the partnership has been granted a total of £3.8M from the Government’s Transformation Challenge Fund to support the implementation of 2020 Vision.</p> <p>The December report also signalled that a further report would be considered in the autumn of 2015 regarding any recommendations for the future governance arrangements of the partnership venture.</p> <p>Cabinet received a report in April regarding the MoU and approved it. The MoU did not give rise to any legally binding obligations, instead it provided a clear and accountable framework for working together to deliver the 2020 Vision Programme up to the point of a formal joint committee being implemented.</p> <p>The purpose of this report is principally therefore to obtain the agreement of Cabinet and Council to:</p> <ul style="list-style-type: none"> • Enter into the 2020 Vision Partnership structure. • Endorse and approve the establishment of a revised CBC senior management structure which includes the deletion of the post of Chief Executive, proposed date being 27 March 2016, after which date the new structure will formally take effect.

- Approve the creation of the 2020 Vision Joint Committee and the associated terms of reference and constitution including the delegation of GO Shared Services (GOSS) and ICT to the joint committee on its creation.
- Approve the 2020 Vision Business Case.
- Request for each proposed new shared service, not already identified in this report, a business case demonstrating that all delivery options have been considered.
- Request a further report during 2016 on the business case for a local authority company or alternatively the continuation of the 2020 Vision Joint Committee.

Recommendations

It is recommended that Cabinet and Council:

1. Agrees to enter into the shared services partnership structure described in **Appendix 2**.
2. Endorses the consequential revised senior management structure for this Authority as set out in **section 7**.
3. Approves the 2020 Vision Business Case at **Appendix 3**.
4. Adopts the Commissioning Strategy at **Appendix 5**.
5. Agrees to establish the 2020 Vision Joint Committee in accordance with Sections 101 and 102 of the Local Government Act 1972, and the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 made under Section 9EA, 9EB and 105 of the Local Government Act 2000, with draft Constitution at **Appendix 6**.
6. Delegates authority to the Chief Executive in consultation with the Leader, the Section 151 Officer and the Borough Solicitor to finalise and complete the Inter Authority Agreement (including the Constitution) and other documentation on terms to be approved by the Borough Solicitor and to take all necessary steps to create the 2020 Vision Joint Committee by April 2016.
7. Agrees that the existing 2020 Vision Member Governance Board arrangements will continue until the 2020 Vision Joint Committee is created.
8. Upon establishment of the 2020 Vision Joint Committee
 - 8.1 Delegates to the 2020 Vision Joint Committee those functions of the Authority as described in the draft Constitution for the 2020 Vision Joint Committee, subject to retained decisions as set out in **section 10** of this report
 - 8.2 Agrees to appoint Forest of Dean District Council as Administering Authority to provide administration support to the Joint Committee
 - 8.3 Agrees to appoint Cotswold District Council as the Accountable Body to provide financial support to the Joint Committee and enter into any contracts required on behalf of the Joint Committee
 - 8.4 Agrees to appoint the following councils to provide the following

functions of the Joint Committee;

Forest of Dean District Council – Monitoring Officer

Cotswold District Council – S151 Finance Officer

Forest of Dean District Council – Clerk to the Joint Committee

9. That each partner authority confirms the appointment of David Neudegg as Partnership Managing Director.
10. Agrees to make available such of this Authority's staff as are necessary for the 2020 Vision Joint Committee to fulfil the functions which the Authority delegates to it

It is recommended that Cabinet:

1. Recommends to Council the appointment of Councillor **XX** as the Cabinet Member representative on the 2020 Vision Joint Committee.
2. Receives further briefings providing reassurance on the benefits, costs and savings to this Authority of the services outlined in **section 14** of this report, and demonstrating that other sharing options have been considered, prior to any delegation of the functions relating to those services being made to the 2020 Vision Joint Committee.
3. Receives a report and business case during 2016 on the establishment of a local authority company for the delivery of the functions of the 2020 Vision Partnership, or alternatively the continuation of the 2020 Vision Joint Committee, and makes an onwards recommendation to Council as necessary.

It is recommended that Council:

1. Approves the revised senior management structure for this Authority as set out in **section 7** for consultation with affected staff and recognised trade unions with a proposed implementation date of 28 March 2016.
2. Authorises the Chief Executive to undertake all necessary processes for the introduction of the revised senior management structure and to make any changes to the structure arising from consultation provided that such changes fall within the budget and overall parameters of the structure (as referenced in this report).
3. Agrees to internal recruitment to the post of Head of Paid Service (who it is anticipated will also become the Returning Officer/Electoral Registration Officer from 23 May 2016) and notes that the appointment to the post will be undertaken by Appointments and Remuneration Committee with final approval resting with Council.
4. Agrees that, in the event of it being necessary to second any of the Authority's staff in order to facilitate the functions which it delegates to the 2020 Vision Joint Committee, the Head of paid Service be authorised to approve such secondment.
5. Agrees to appoint x and x as the Authority's Members on the 2020 Vision Joint Committee.
6. Authorises the Democratic Services Manager, in consultation with the Borough Solicitor, to make such changes to the Constitution as are

necessary to reflect and facilitate the implementation of the recommendations in this report.

Financial implications

As detailed within **section 16** of the report.

The detailed financial implications of the 2020 Vision Programme, as set out in the business case, have been worked on by the S151 Officer and his equivalent in each of the four partner councils.

The business case includes all savings arising from transformational and joint working set out in the Strategic Outline Case presented to Government which formed the basis of the Transformational Challenge Award Funding of £3.8m.

The business case objective is to ultimately deliver £1.252m of annual recurring revenue savings for this Council.

An independent review of the business case has been undertaken by CIPFA and Proving Services. Their initial feedback is that the business case is positive with a large degree of tolerance making it both achievable and deliverable.

The proposed cost of the project is £10.140m over the 5 years of the expected lifetime of the programme, of which the cost to this Council is £1.224M. This Council has already earmarked £1.095m of the programme costs as part of the budget setting process in February 2015. The Member Governance Board / Joint Committee will keep the programme finances under review, and any additional funding request will be recommended to the Councils as the programme progresses and actual costs become known. Funding of core programme expenditure (i.e. of benefit to all partner authorities) will be initially funded from the £3.8m award of Transformation Challenge Award Funding.

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<p>Legal implications</p>	<p><u>Revised Senior Management Structure</u> Council is being recommended to agree the revised senior management structure which includes the deletion of the post of Chief Executive and consequent redundancy of that post holder from that role and cessation (by resignation) of his role as Returning Officer and Electoral Registration Officer. Appointment to the new post of Head of Paid Service will be undertaken by Appointments and Remuneration Committee with onward referral to Council for approval. Council will also appoint to the roles of Returning Officer and Electoral Registration Officer.</p> <p><u>Appointment of Partnership Managing Director</u> The formal appointment of the Partnership Management Director (who is responsible for the Joint Committee functions) is to be undertaken by their 'home' partner council. Whilst the employment relationship will be between the post holder and their 'home' council, all partner councils are being recommended to confirm their acceptance of the appointment of that post holder for the purpose of agreeing/identifying the senior officer responsible for delivery of the Joint Committee functions.</p> <p><u>Inter-Authority Agreement</u> The existing s101s and Collaboration Agreement will need to be terminated and replaced by the Inter Authority Agreement. Arrangements with Ubico, The Cheltenham Trust and CBH would also need to be amended accordingly. The relationship between the partner councils will be set out in an inter-authority agreement which will, inter alia, set out the partner council obligations (including financial), the administering authority's obligations, the accountable body's obligations, staffing and exit arrangements. It is intended that the agreement will be developed following the partner council decisions to set up the Joint Committee and finalised by the end of 2015. Therefore, this report contains an officer delegation to take forward and finalise the agreement.</p> <p><u>Appointments to Joint Committee</u> It is for Council to appoint the initial Members to the Joint Committee. As the functions to be delegated to the Committee include executive functions, at least one Member must be a Cabinet Member. Unless otherwise expressly agreed by Council, the term of membership for the Committee Member appointments will run in accordance with the usual practice for committees, i.e. until the next meeting of Selection Council.</p> <p><u>Amendments to Constitution</u> The Constitution will require amendment to reflect and facilitate the delegations to the Joint Committee. In particular, changes will need to be made to Part 3 in respect of delegation of executive functions, the terms of reference of Appointments & Remuneration Committee and the delegations to officers regarding HR matters. The report recommends that the Democratic Services Manager (in consultation with the Borough Solicitor) be authorised to make the necessary changes.</p> <p><u>Further delegations to the Joint Committee</u> Any delegation of additional functions to the Joint Committee will, under the current executive arrangements delegation scheme, require formal approval by Cabinet. If non-executive functions were to be included, then Council approval would be required.</p>
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	<p><u>Provision of services through a company structure</u> Consideration of this future option will require specialist legal support which would need to include company/governance law and practice and procurement advice.</p> <p>Contact officer: Shirin Wotherspoon, One Legal; shirin.wotherspoon@tewkesbury.gov.uk</p>
<p>HR implications (including learning and organisational development)</p>	<p>The 2020 Vision programme is one of the most challenging and ambitious shared services programmes in local government. The HR implications arising from the implementation of a large scale change programme are extremely complex. GO Shared Service (GOSS) Head of HR is a member of the programme team and has worked with the team to outline the key HR & Employment matters. These are set out in the accompanying annexes to this covering report.</p> <p>The Council and the 2020 Vision Programme will continue to be supported by the GOSS HR team who will ensure that local and regional trade union officers from the two recognised trade unions and all council employees are briefed and fully consulted on the proposed changes as the programme moves forward.</p> <p>To ensure that all aspects of the programme, as well as business as usual and other competing projects are delivered on time and within budget, it is important that capacity is carefully monitored and managed by the senior leadership team.</p> <p>Contact officer: Julie McCarthy, GOSS HR Manager Julie.McCarthy@cheltenham.gov.uk, 01242 264355</p>
<p>Key risks</p>	<p>The key risk for this Council is the potential for the partner councils not to reach agreement leading to the programme not being delivered and the impact this will have on this Council's ability to deliver savings to support the MTFs. This risk is reported to Cabinet on the corporate risk register.</p>
<p>Corporate and community plan Implications</p>	<p>2020 Vision supports the Council's objective of providing value for money services that effectively meet the needs of customers.</p>
<p>Environmental and climate change implications</p>	<p>There are no direct implications arising from this report, however, potential environmental and climate change implications will need to be identified and considered as part of any further refinement of the business case, business plan and any new sharing projects.</p> <p>Contact officer: Gill Morris, Client Officer Gill.Morris@cheltenham.gov.uk; 01242 264229</p>
<p>Property/Asset Implications</p>	<p>The sharing of services has resulted in a reduction in space requirements in the Municipal Offices which supported the business case for the relocation of the council into smaller space in Delta Place. The 2020 vision programme may facilitate a further reduction in the space needs resulting in further savings in the accommodation overhead cost to the council.</p> <p>Contact officer: David Robert, Head of Property David.Roberts@cheltenham.gov.uk, 01242 264151</p>

1. Background

- 1.1** Members will be aware that the 2020 Vision Partnership (the partnership) comprises Cheltenham Borough Council (CBC), Cotswold District Council (CDC), West Oxfordshire District (WODC) and Forest of Dean District council (FoDDC). 2020 Vision set out an ambition for the authorities to become more efficient and effective by working together. The vision 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** Members will also be aware that the councils have shared services for a number of years. There has been a desire, subject to a credible business case, to build upon that shared working and to become more efficient and effective by working more closely together but without sacrificing political sovereignty, culture and local decision making.
- 1.3** The councils share a focus on efficiency and on achieving value for money whilst at the same time recognising they have a wider responsibility as democratically accountable bodies with a community leadership and stewardship role. The councils also have a responsibility for looking after the long-term environmental, social and economic needs of their localities, citizens and businesses.
- 1.4** Whilst the councils are rightly ambitious for their communities and localities, that ambition is in the context of a challenging financial landscape. Since 2009/10, this Council will have delivered £2.73M annually by 2018/19 through a commissioning approach to service delivery and the creation of a number of different delivery arrangements, e.g. One Legal, Building Control Shared Service, GO Shared Services (GOSS), ICT Shared Services, Audit Cotswolds, Ubico and most recently The Cheltenham Trust.
- 1.5** 2020 Vision therefore provides the natural next step to deeper sharing with the GOSS partner councils. It also provides an opportunity not only to continue to deliver the outcomes that members want for Cheltenham, but also to deliver ongoing revenue savings that would not be otherwise achievable and to benefit from investment funded through the Transformation Challenge Fund (TCF).

2. CBC Financial Context

- 2.1** The role of the external auditor is to provide an opinion on the Council’s financial statements and to provide a value for money (VFM) conclusion. The opinion will be either qualified or unqualified with the latter (VFM conclusion) having a sub-category of either adverse or except for.
- 2.2** To date both opinions have been unqualified but moving forward, the external auditor will base their VFM conclusion on how robust the Medium Term Financial Strategy (MTFS) is and what plans are in place to ensure austerity cuts are countered by either cuts in service or alternative delivery models.
- 2.3** Local government is undergoing rapid transformation in order to respond to the challenges associated with reduced government grants and growing pension costs. With 2015 Spending Review cuts potentially ranging from 25-40%, and annual pension contributions projected to double over the next two decades, there is a “burning bridge” case for the delivery of further savings, increased efficiencies and revenues.
- 2.4** The Medium Term Financial Strategy (MTFS) has been updated to cover the period 2015/16 to 2019/20 t, and identifies a funding gap over the next 4 years of c£3.9M. The MTFS proposes a strategy for ‘bridging’ the funding gap which includes the savings arising from 2020 Vision. It should therefore be noted that 2020 Vision plays a significant role in enabling this Council to

deliver a balanced budget in the short to medium term and alternative savings would have to be identified over and above those included within the revised MTFS.

3. Devolution and 2020 Vision

- 3.1 Gloucestershire has signalled its intent to seek further powers from Government as part of the current devolution agenda. Devolution is about the transfer or delegation of power by central government to local or regional administration. Members will also be aware that, on 4 September, Gloucestershire submitted a devolution proposal to Government. In Gloucestershire's case the proposal is for a combined authority, thus creating the potential to secure better outcomes for local people in the context of a reduction in public expenditure across all sectors.
- 3.2 Devolution is not an alternative to 2020 Vision. 2020 Vision is about working with our partner councils to maximise mutual benefit and being able to deliver more efficient and effective local services to communities, citizens and businesses. What will be important moving forward though is that each council has sufficient capacity to be able to respond to initiatives such as devolution when they arise, and for the partner councils to have a strong voice at the table either individually or collectively depending on the issue.
- 3.3 There is an opportunity through 2020 Vision for that capacity and collective ability to be enhanced as the partnership develops and matures whilst still ensuring that each council's sovereign voice is maintained and heard. Officers from this Council have been involved in the co-creation of the "asks" of government for a Gloucestershire combined authority. It will be important moving forward that, in the context of 2020 Vision and possible devolution, the Council continues to have the strategic and commissioning capacity to actively contribute to, and shape, the outcomes for Cheltenham.

4. 2020 Vision – Brief Recap on the Activist Report

- 4.1 Members may recall that in 2014 the 2020 Vision Programme Board commissioned Activist to develop a strategic business case. Activist consulted and engaged extensively with members from all the partner councils to determine what are the key drivers for the partnership and distilled down the views to:

Financial: the need to 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.

- 4.2 As well as the above drivers Activist also captured the outcomes that members wanted to achieve from the partnership and the challenges that the programme would need to address to be assured of success:

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 front-line 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.

- 4.3** The original vision for the programme was an approach whereby the councils would not employ any of their own staff, but would create a jointly owned local authority company to deliver all services, however, the Activist report proposed that a phased approach should be pursued which all partner councils accepted. The Activist advice was based on the outcomes the partners wanted to achieve, the principles of design of importance to the partners as well as at that time, the unknown financial impact of pension costs.
- 4.4** Activist concluded that 2 broad strategic options best met the partnership's outcomes and drivers, these options being either
- traditional sharing under a joint committee arrangement; or
 - a local authority company
- 4.5** Activist went on to recommend that a new partnership venture be established, under a joint committee, which should operate as an initial stage before the partners decided whether they wish to retain a joint committee or proceed to create a local authority company.
- 4.6** At this point there is still further work to do to confirm, in particular, the additional financial benefits/costs that the creation of a local authority company would bring and that is why a further report in 2016 is being recommended.

5. 2020 Vision Programme Governance

- 5.1** The December report signalled the creation of the 2020 Vision Programme and the appointment to a number of interim roles; Lead Commissioner, Managing Director and Programme Director. A programme team has also been recruited to and each Council's interests are being looked after by an officer acting in the capacity of head of paid service (actual or designated). The role is being carried out by the Deputy Chief Executive for this Council.
- 5.2** The programme is governed through the Member Governance Board (MGB) made up of the council leaders together with a cabinet member representative from each council. What the MGB has said it wants from 2020 Vision is:
- Evolution rather than revolution
 - Ease of access to advice from trusted advisors working in the interests of each council
 - Ease of access to good quality commissioning skills for each of the councils
 - Potential for increased shared working over time
 - A desire to retain control over some services at least in the short term.
- 5.3** These key messages, as well as the outcomes the partners want to see from 2020 Vision, have led to the recommendation of a joint committee governance model to operate as an initial stage pending a report back on whether a business case can be made to create a local authority company.
- 5.4** The purpose of this report is therefore principally to consider the:
- 5.4.1** Proposed 2020 Vision organisational structure and consequential implications for this Council's senior management structure;
- 5.4.2** Joint committee approach and how it meets the key requirements of the 2020 Vision Member Governance Board;
- 5.4.3** Proposed functions of the 2020 Vision Joint Committee, its terms of reference, highlighting some

elements of its Constitution which may be of particular interest to members and identifying the services that will be delegated to it upon its creation;

- 5.4.4 Matters which this Council is being recommended not to delegate to the 2020 Vision Joint Committee at this time;
- 5.4.5 Interim managing director arrangements for the 2020 Vision Joint Committee;
- 5.4.6 2020 Vision Commissioning Strategy;
- 5.4.7 Services that this Council is being recommended to commission in the next stage of the programme, subject to business cases;
- 5.4.8 2020 Vision Business Case and the estimated savings for this Council at this point of the programme;
- 5.4.9 Outcome from the independent review of the 2020 Vision Business Case and the programme and this Council's own informal gateway review.

6. 2020 Vision Organisational Structure

- 6.1 The MGB has endorsed a shared services partnership structure **Appendix 2** and is recommending it for adoption. The structure provides for either individual or shared lead directors (this council has termed the role head of paid service) who would be directly accountable back to their councils and who would act as lead commissioners.
- 6.2 The proposal is that the partnership venture would be managed by a Partnership Managing Director (MD) who will be accountable to the joint committee for delivery of the functions delegated to it and the continued improvement and strategic direction of the partnership venture.
- 6.3 The advantages of the structure are:
 - Members can clearly see who is accountable to their council, who is accountable to the joint committee and therefore conflicts of interest should be avoided.
 - In the scenario of a move to a local authority company the organisational model is easily transferable, conversely, if a business case for the creation of a company does not exist the model is not redundant and can continue to operate.
 - The potential to move more services into the partnership venture is possible should Members determine to do so.
- 6.4 The structure also provides for an informally constituted Partnership Venture Commissioning Group comprising the heads of paid service and the MD, which would sit outside the formal joint committee arrangement. Its role will include:
 - Ensuring that the overall aims and objectives of the 2020 Vision Partnership are achieved
 - In their respective roles as heads of paid service and MD advise the joint committee on effective delivery of the partnership venture services and on key strategic core policies such as finance, ICT and HR
 - Ensuring that service delivery is supported by an appropriate performance management framework
 - Ensuring collaboration and co-operation between the councils and the partnership venture to

maximise efficiency and effectiveness so that the individual needs of each council is met

- Providing a forum for discussing potential major changes to service delivery ahead of any recommendations to the partner councils
- Providing a forum for discussion on any potential expansion of the partnership venture to understand and mitigate any impact on the partner councils
- Heads of paid service will act as lead commissioners, working with representatives from each council, to ensure that the partnership venture is meeting the service standards agreed with the councils.

7. Implications for CBC Senior Management Organisational Structure

7.1 Members will be aware that Council, at its meeting on 20 July, approved the recommendations regarding the restructure of the Environmental and Regulatory Services Division. The report presented a diagram (see below) of what the senior officer structure for this Council could look like if Members endorsed the direction of travel for 2020 Vision. The report also made the point that the REST management structure was not dependent on 2020 Vision.



7.2 When Members considered the report in July it was explained that with the advent of this Council delegating a number of services to the 2020 Vision Joint Committee the number of retained services requiring direct line management would lead to a thinner structure (outside of Environmental and Regulatory Services). It was also explained that if the recommended approach to 2020 Vision was adopted that the time of the Head of Paid Service and Director of Resources and Projects would be focused not on direct management but on clienting existing commissioned services (Ubico, CBH, The Cheltenham Trust, Gloucestershire Airport, for example) and also sponsorship of strategic projects.

7.3 The savings attributable to this Council within the 2020 Vision Business Case provide for savings from the deletion of the post of Chief Executive proposed as 27 March 2016. The financial assumptions therefore have clear implications for this Council's senior management structure. It will therefore be important that the Council continues to have access to the right level of strategic capacity in the future.

7.4 From this report members will see that the initial sharing of new services through the partnership venture focuses primarily on customer-facing services currently under the management of the Director of Resources. This release of managerial capacity will enable the Director to progress this Council's potential strategic expansion of its investment portfolio as recommended by CIPFA in their recent Asset Management Health Check. Members will also recall that on 22 June 2015 Council approved the secondment of the Deputy S151 Officer to undertake the role of S151 Officer for a period of 18 months in order to further release the Director's capacity for strategic projects e.g. to progress the Accommodation Strategy, Town Hall redevelopment. It was also recognised in that report that 2020 Vision has the potential to create a new arrangement for the

provision of this Council's S151 Officer in the longer term should Members be comfortable with such an arrangement.

- 7.5** Members will be aware that the new organisational structure flowing from the REST project is being progressed. The Director – Planning has been appointed (on a secondment basis) and the Managing Director for Place and Economic Development post has been advertised. As the July report explained, in operational management terms the services covered by the REST project will be relatively self-contained with the senior management seen as contributing to whole council objectives and initiatives. In terms of delivering on an important economic agenda for Cheltenham, as explained in the Athey report, the recruitment to the post of Managing Director for Place and Economic Development will provide important strategic support to the Council.
- 7.6** With the exception of REST services the other significant area of this Council's currently retained services will lie within the Commissioning Division managed by the Deputy Chief Executive who is currently the Council's key commissioner. The Council describes itself as a commissioning council. At a most basic level this is defined as making the best use of all available resources to produce the best outcomes for our locality. Accordingly, this Council has brought together a range of professional disciplines including policy analysis, research, consultation, client management, communications, project management, and subject matter experts into the Commissioning Division.
- 7.7** Over the past year, and since the deletion of the post of Director of Commissioning, the focus has been on increasing the capacity and skills of the client officers in particular to enable them to undertake their client roles across the range of commissioned services now in place. The Activist report recommended that the design of commissioning across the partnership should be reviewed concluding that it may be more effective (and cheaper) if some or all of the commissioning functions were shared. 2020 Vision may therefore provide opportunities to share some of this client work, for example a shared client arrangement for ICT.
- 7.8** Moving forward the Executive Board will take on a collective role as key commissioners for this Council and key clients of the services delivered by 2020 Vision. The Executive Board will also ensure that the Council's interests are represented and support members at a county, national and regional level as appropriate. Together with the support of the statutory posts, the Executive Board will also continue to support elected members in ensuring that the Council's interests are properly protected and that this Council's own decision making, scrutiny and governance arrangements operate effectively.
- 7.9** Cabinet is, therefore, being asked to endorse the revised senior management structure outlined in **paragraph 7.1** above, including the deletion of the post of Chief Executive, and Council is being asked to approve the structure and to authorise the Chief Executive to undertake all the necessary resultant processes and consultation.
- 7.10** With regard to the Returning Officer/Electoral Registration Officer roles currently held by the Chief Executive, this is a separate office which attracts no salary – simply a formula fee which differs according to the nature of each election. The appointment to this office is in the gift of the Council, but once made carries personal responsibility and liability and is above party political influence. As Borough Elections and the election of a Police and Crime Commissioner are due to take place on 5 May 2016 it is proposed, for the sake of continuity, that the current Chief Executive retains this office but only until 22 May 2016 by which time the administration required for these elections will be complete. This will (by agreement) be regarded as a resignation from the office and thus avoid any redundancy implications and costs. The working presumption is that Council will appoint the new Head of Paid Service to this office with effect from 23 May 2016.

8. The Joint Committee Approach

- 8.1** The Member Governance Board has been clear about what it wanted to see from the 2020 Vision governance structure and it may be useful therefore to explain how the creation of the joint

committee meets those requirements.

- 8.1.1 An evolutionary approach** – Joint committees are a tried and tested governance model and Members may have had experience of them elsewhere. The functions and activities to be undertaken by the joint committee, if endorsed by Members, represent the necessary building blocks for the partnership and also lay the foundations for a more straightforward transition to a company if a business case for that can be made.
- 8.1.2 Ease of access to advice from trusted advisers** - Members will still have access to directly employed trusted advisers as well as advisers who will be employed within the partnership venture, eg, S151 officer. All trusted advisers, either directly employed or in the partnership venture, will continue to work in the best interests of the councils they are employed to represent. The ambition is however that over time it may be possible to share more trusted advisers across the partnership.
- 8.1.3 Ease of access to good quality commissioning skills** - The MGB has endorsed a high level Commissioning Strategy for the partnership **Appendix 5**. Following the establishment of the joint committee the plan is to develop a more in-depth strategy and also to consider the functional organisation of commissioning in the short, medium and longer term. This will identify opportunities for collaboration and sharing whilst still ensuring that Members have access to the impartial commissioning advice and support they need.
- 8.1.4 The ability to retain control over some services at least in the short term as well as the potential for increased shared working over time** - Each partner council will retain its sovereignty and individual decision making powers with regard to the further sharing of services. Each of the councils has undertaken a preliminary assessment of its readiness to share at this point and this is explained later in this report. Members will also be aware that this Council has decided to retain in-house the Environmental and Regulatory Services Division following recommendations approved by Council on 20 July.

9. 2020 Vision Joint Committee - Constitution

- 9.1** The joint committee will be governed by a Constitution **Appendix 6**. The proposed functions of the joint committee are:
1. Provide strategic direction for the continued improvement and development of the 2020 Vision Partnership Venture; and
Direction, development and performance management of the 2020 Partnership Venture Services delegated to it by the delegating authorities.
 2. Secure the delivery of the following functions and activities delegated to it by the partner councils;
 - a. Human resources policies and procedures including pay and grading policy and total reward policy (including financial and non-financial benefits)
 - b. ICT network infrastructure, applications, policies and procedures
 - c. Finance and procurement rules
 3. Undertake the functions currently delegated under existing shared service arrangements for GO Shared Services and ICT Shared Services
 4. Providing strategic direction and oversee performance, development and continued operation of the 2020 Partnership Venture Services on behalf of the Councils and in accordance with the standards and specifications set out by those Councils.

- 9.2** The reasons for the proposed functions of the joint committee are:
- 9.2.1** The monitoring and governance arrangements for GOSS and ICT are currently undertaken through informal Joint Monitoring and Liaison Groups. Whilst these groups have been successful for individual shared services the joint committee brings together, in one place, monitoring and governance. The joint committee also requires a more clearly accountable and efficient governance arrangement which will be important as and when the partner councils delegate more services to it.
- 9.2.2** The partner councils' financial rules and policies are already largely the same but with some minor local differences. Therefore it makes sense for the Council's to delegate these to the joint committee to reduce duplication.
- 9.2.3** HR policies and procedures have been standardised where practicable to do so. However, each council operates a different job evaluation and grading process and also has variations in benefit packages. The advantage of a consistent approach is a feeling of fairness amongst staff as well as the ability, as the partnership develops, to create a flexible organisation model. The delegation of these HR matters will have implications for the responsibilities delegated to the Appointments and Remuneration Committee. These and other such matters will require consequential changes to this Council's own Constitution following on from approval of the recommendations in this report.
- 9.2.4** Members will be aware that this Council has been investing in its ICT infrastructure in order to improve IT performance and to enable the alignment of technologies with the partner councils. There is already a high degree of commonality. As more services and staff are shared it will be important, where relevant, to develop common IT solutions which will lead to greater efficiency, increased purchasing power and financial savings.
- 9.3** The first services to be delegated to the joint committee will be GOSS and ICT. The joint committee will undertake the management of those functions, e.g. appointment of staff, agreeing the staffing establishment, determining pay and grading etc.
- 9.4** It is also important to remember that in addition to providing services to the partner councils GOSS and ICT also provide services to CBH, The Cheltenham Trust and Ubico. There are existing client officer groups in place which provide an opportunity for representatives from all customers to meet to discuss service delivery and performance and there is a commitment to ensure that such arrangements continue to be in place.
- 9.5** With regard to the specifics of the joint committee constitution, Members' attention is in particular drawn to the following:
- 9.5.1 Member Representation** - The proposal is that each partner authority will appoint two of its elected members as its representatives on the joint committee *"one of who will be a member of that partner authority's executive, and the other may be either a member of the partner authority's executive or Council"*.
- 9.5.2** The Leader will consult with the group leaders with regard to the appointments.
- 9.5.3 Scrutiny Arrangements** – The constitution provides for decisions made by the 2020 Vision Joint Committee to be subject to the scrutiny arrangements of each partner council and decisions will be subject to the call-in processes of the partner councils. The constitution also provides for circumstances where more than one partner Council calls in a decision.
- 9.5.4 Material Changes** - The constitution allows for a partner authority, where they consider a "material change to the service design or cost of the services to have occurred" to bring such a matter before their own council for approval. For example, were the joint committee to take a decision which would have a budgetary impact on this Council then the matter would require the

express approval of the elected members of the Council before the decision could be implemented by the joint committee.

- 9.6** The constitution of the 2020 Vision is clearly an important document as it governs the extent of the joint committee's remit and decision making powers as decided by Members of this and the other partner councils. It is also the case that delegation of powers to a joint committee does not necessarily prevent this Council from choosing to exercise those powers independently (consequences to be addressed in the Inter-Authority Agreement). However, clearly such an action is unlikely to promote the success of the joint committee.

10. Retained Matters

- 10.1** The functions to be delegated to the joint committee were considered by CBC advisers from finance, HR and IT to determine whether, in their professional view, there were any matters which this Council should identify as retained matters. The overall view was that, if the ambition of the partnership is to be achieved, it would be beneficial as far as possible to limit the number of retained matters.
- 10.2** Having regard to the finance delegations the finance and procurement rules will be approved by the 2020 Vision Joint Committee rather than being approved by this Council.
- 10.3** In considering the ICT delegated functions the view was that no matters needed to be retained. However, as it was recognised that the ICT service has a number of external clients, it would be important that the service continued to be able to respond effectively to the specific requirements of those organisations.
- 10.4** On reviewing the HR delegated functions it was felt, at this time, that for this Council, a number of named posts to which this delegation relates should be excluded, namely; Head of Paid Service, Deputy Chief Executive, Director of Resources, Managing Director for Place and Economic Development, Director - Planning, Director – Environment, Director Cheltenham Development Taskforce, Section 151 Officer, Monitoring Officer. Also excluded from the HR delegated functions would be any general changes to staff terms and conditions which this Council will need to specifically agree separately.
- 10.5** The reason for this retained matter is that it was felt that this Council needed to have flexibility and autonomy of decision making with regard to its chief officers and statutory officer posts. This view may change in the future once the joint committee is established and if it were the case that more services have been transferred to the partnership venture.
- 10.6** The officer view with regard to the delegation of HR functions to the joint committee was also that in light of this Council's acknowledged good working relations with the trade unions and employee representatives, it would want to ensure that effective and meaningful engagement was an explicit condition within the Inter Authority Agreement between this Council and the joint committee.
- 10.7** As a further retained matter the Joint Committee will not have the ability to privatise or outsource to another provider any of the shared services entrusted to it by this Council.

11. 2020 Vision Joint Committee – Interim Management Arrangement

- 11.1** At its meeting on 21 August the MGB considered a report on the appointment of an Interim Partnership Managing Director (MD) who would be accountable to the 2020 Vision Joint Committee. This Council's view is that the role of the MD will be to work with the council heads of paid service and act as a single point of contact for the joint committee and the partnership venture.
- 11.2** The post was ring-fenced to the two existing Chief Executives who have been consulted and

asked to submit an expression of interest. An expression of interest has been received from David Neudegg.

- 11.3** The Board confirmed the selection of David Neudegg as the candidate for the role of Partnership Managing Director (MD) and to recommend to their respective councils that their selected candidate is appointed by the 2020 Vision Joint Committee, subject to the final job description being agreed, evaluated and it being acceptable to the selected candidate.

12. Administering Authority

- 12.1** As a joint committee is not a separate legal entity, there is a need to establish one or more authorities to undertake certain functions.
- 12.2** There is a need for an Administering Authority, ie, one of the partner Councils which agrees to take on the role of employing the staff required to service the joint committee. An accountable body also needs to be nominated and provide financial support to the joint committee, to enter into contracts required on behalf of the joint committee. The MGB has agreed the accountable body will be CDC.
- 12.3** In addition, the joint committee will require a monitoring officer, finance officer and administrative support. The MGB has agreed the following with regard to these functions;

Monitoring Officer – Forest of Dean District Council

S151 Finance Officer – Cotswold District Council

Clerk to the Joint Committee – Forest of Dean District Council

13. 2020 Vision Commissioning Strategy

- 13.1** The Commissioning Strategy at **Appendix 5** builds on the recommendations of the Activist Report and an initial preliminary review of commissioning across the partner councils. The strategy has been approved by the MGB.
- 13.2** Recognising that it is a high level report it will need further development and refinement. The strategy does outline the operating principles for commissioning which include sharing commissioning activity as an aspiration and the partnership venture being one of a number of key providers from whom the councils may source service provision.
- 13.3** As new shared services are commissioned it will be important to work across the partnership and each project will need to challenge current assumptions, encourage innovation and identify solutions. The focus will not just be on cost efficiency, but also on the effectiveness of what is commissioned. It is this process of fundamental challenge that will unlock the greatest potential for change, improvement and better value for money.
- 13.4** As part of the commissioning process there will still be a requirement to undertake comparisons with how other authorities address the challenges and some benchmarking of the services will be necessary. This is to check that the service being provided through the partnership venture will offer the most effective solution, is high performing and of good quality.

14. Further Sharing of Services

- 14.1** A preliminary assessment of the readiness to share more services has resulted in a potential “blend” of 3 and 4-way sharing across the partnership. The list of services is attached at appendix 1 to the Commissioning Strategy.

- 14.2** The factors considered in arriving at this first phase of services were: whether it was felt sharing could deliver savings otherwise not achievable; whether sharing could help achieve better outcomes for customers; whether the service was common to all partners or a specialism; the resilience of the current service; whether the services provided distinct client/commissioning support; and the degree of dependency on local relationships and partnerships.
- 14.3** There are also a number of factors which have impacted the ability to share some services at this time:
- Forest of Dean already has a partnership with Gloucester City Council and Civica for their revenues and benefits function.
 - This Council has decided not to take part in the 3-way 2020 Vision public protection project;
 - Existing procurements were already underway, e.g. Forest of Dean has just awarded its leisure services to an outsourced provider
 - Some service level agreements have recently been renegotiated, e.g. this Council has an existing service level agreement with One Legal which also provides the monitoring officer.
- 14.4** This preliminary assessment identified the following new shared services for this Council as:
- Customer services
 - Revenues and benefits including Council Tax
 - Property Services
- 14.5** In addition to the above, Members will be aware that the building control service, which is shared with Tewkesbury Borough Council, is embarking on a project to look to develop a 5-way shared service.
- 14.6** In addition, as the MGB has requested a further report and business case on the potential for a local authority company for 2020 Vision the proposal is that staff in existing roles would stay with their current employer at this time.

15. Drivers for Sharing

- 15.1** The key drivers for sharing these new services are about improving services by sharing best practice and knowledge; investment in business systems which support the delivery of services to customers; further investment in core ICT infrastructure; reducing cost; improving efficiency and increasing service resilience.
- 15.2** The revenues and benefits, and customer services teams have exhausted savings through restructures and no more savings can be driven out locally without impacting on service levels. Staffing structures are at minimal levels making it more difficult to respond to new initiatives, e.g. Business Improvement Districts and Universal Credit preparation.
- 15.3** Sharing these services provides an opportunity to jointly develop a 'Customer Access Strategy' and to improve customer services by accessing funding for investment in technologies which support service delivery and delivering a step change in the delivery of digital access channels.
- 15.4** The property services team is a small service and therefore it too cannot drive out savings as a single service unit without impacting on the team and the delivery of many key council projects including the Cemetery and Crematorium and accommodation strategy. Following the CIPFA Health Check strategic capacity will be important if this Council is to deliver on the potential expansion of its investment portfolio to support future Council finances. The best chance of delivering this is through sharing the cost of strategic property expertise and resource.
- 15.5** Following the investment in this Council's core ICT infrastructure, there is now the need for further

investment in new technology to modernise the delivery of front facing services, for example, telephony, switchboard, customer relationship management type system (CRM), and business applications. Ubico requires the development of an ICT strategy and investment to support operational activities given its recent expansion and future growth.

- 15.6** The increasing and differing needs of multiple ICT clients i.e. Councils, CBH and the Cheltenham Trust require a remodelling of the ICT environment and 'offer' to provide a more flexible approach which meets these differing needs. Sharing will facilitate this and allow for further integration, rationalisation and modernisation of the core ICT infrastructure. This will include more robust Disaster Recovery arrangements and rollout of software to support shared working e.g. SharePoint thereby improving services, increasing resilience at the same time as reducing overhead costs.
- 15.7** Funding of £1.5M is available through the partnership to support the necessary step changes in technology, funding for which would otherwise need to be found from this Council's limited budgets.

16. 2020 Vision Business Case

- 16.1** In December 2014 it was reported that the 2020 Vision Business Case estimated the total programme cost at £7.845M with savings over 10 years estimated to be £5.175Mpa. Based on the S151 officers estimation of savings for this Council, at that time, by year 10 these were expected to be £1.32Mpa with 83% of that saving being delivered by year 5. The programme costs would be funded from £3.8M transformation challenge award with the balance of £4.945M being funded from the partner councils. This Council's contribution to the programme was £1.095M which was approved by Council as part of the 2015-16 budget process.
- 16.2** The estimated savings figure of £1.32Mpa captured all of the savings from transformational changes within this Council's MTFS not just those limited to 2020 Vision. Members should be aware that the savings from REST of £155.6K are included within this Council's MTFS but are not now included in the 2020 Vision savings.
- 16.3** It was not possible to give members any greater confidence in the estimated level of savings from 2020 Vision until there was greater clarity on which services were to be shared. Members will also recall that the original total savings figure was based on the vision of all services being shared through a local authority company, which is not the current proposal. However, there is now greater clarity on how 2020 Vision could develop, assuming that the recommendations in this report are carried, which make it possible to put forward a more robust business case.
- 16.4 High Level Financial Appraisal**
 - 16.4.1** The business case follows the Treasury Green Book format as this was a requirement of securing grant funding and it has been important not to stray from that format.
 - 16.4.2** The financial business case has been validated by external experts, the Chartered Institute of Public Finance and Accountancy (CIPFA), and has been assessed as both prudent and deliverable. Based on updated financial projections, annual partnership revenue savings are estimated as being £5.7Mpa (based on forming a local authority company). Gross programme costs are estimated at £10.14M with a payback of 4 years (with grant funding) and 6 years (without grant funding). The 2020 Vision Summary of Savings table (p13 of the business case) shows savings categorised as those to be delivered from sharing services and those that are classified as other savings. This Council's total 2020 Vision net savings figure is shown as £1.252M by 2019/20, i.e. 5 years' time.
 - 16.4.3** At this point it is estimated that the creation of a local authority company could generate a further £709K savings (net) across the partnership, though a further detailed business case will be worked up and presented in 2016.

16.5 Savings Achievable and their Impact on the MTFs

- 16.5.1** 2020 Vision Business Case **Appendix 3** shows a total 2020 Vision net savings figure of £1.252M and shows the high level phasing of the savings for the partner councils. A detailed breakdown of the total savings per council is shown at **Appendix 4**, with associated phasing.
- 16.5.2** It should be noted that the shared service savings are based on reductions in current 2015/16 staff budgets ranging from 5-20%. The percentage reductions used are indicative of likely efficiency savings using available intelligence.
- 16.5.3** In general, savings have been allocated according to the 2015/16 baseline funding position for each partner council that is part of a shared service. The costs of the new structure for Trusted Advisors has been compared to each council's baseline funding position and savings calculated accordingly.
- 16.5.4** As can be seen from the business case, based on the assumptions in this report, the anticipated savings for this Council arising directly and specifically from 2020 Vision are £581K. Further savings of £227K could potentially be achieved through the establishment of a company model. Although these savings would not entirely close the funding gap in the MTFs on their own, they would make a very major contribution towards doing so.
- 16.5.5** Again, it should be stressed that the savings figures are not speculative figures arrived at by the partner councils but are based on our experience of what has actually been achieved by sharing services and have been validated by CIPFA.

17. Future Potential Savings

- 17.1** For all services, the initial savings are derived primarily from a reduction in staff costs either from reduced managing costs or shared staff savings.
- 17.2 Customer services:** By accessing TCA funding to invest in shared technologies e.g. switchboard and telephony, Customer Relationship Management Systems and replacement business systems e.g. garden waste and 'in cab' technologies which support the operational interface with Ubico, there is an opportunity to share the ongoing software costs. Shared development and funding of a shared 'Customer Access Strategy' including the creation of a 'my account' type interface for residents could facilitate channel shift reducing 'face to face' interactions and help reduce costs.
- 17.3 Revenues and Benefits:** Undertaking shared procurement for peripheral services e.g. the bailiff contract could deliver procurement efficiencies and savings resulting in increased buying power. By standardising and centralising some key processes e.g. document scanning and management, additional efficiencies and savings may flow. Longer term, by accessing TCA funding to invest in a replacement of the revenues and benefits business system to serve all partners, there is the opportunity to share the ongoing software costs and technical support staff costs.
- 17.4 Property:** Sharing the cost of specialist knowledge and advice to drive forward the council's aspiration to increase its property investment portfolio could also deliver savings and increase investment income. Longer term, using TCA funding to invest in the development of Uniform collectively using dedicated ICT business partnering resource to work with the supplier to support all 4 councils in the delivery of the service, could reduce some of the administration inefficiencies with the current systems and allow an opportunity to share the ongoing software costs.
- 17.5 ICT:** Initial savings are likely to arise from further sharing of management and staffing across 4 rather than 2 partners. Further integration and alignment of core ICT infrastructure i.e. streamlined networks, shared switchboard and telephony, rationalisation of domain names and user access to calendars will deliver operational benefits and efficiencies reducing the down time for officers already working across a number of sites. Sharing the cost of specialist staff and advice which supports key business processes required to provide the councils with a robust and Cabinet office

accredited ICT infrastructure e.g. Public Services Network (PSN) and Payment Card Industry (pci) submissions, could also deliver future savings. By sharing the cost of remodelling the network to support different client needs there will be benefits to the business area e.g. The Cheltenham Trust, by not having to undertake certain processes e.g. BPSS checks for PSN connectivity. Longer term, using TCA funding to reduce and align the number of business applications could deliver significant savings in software costs in much the same way as we realised through sharing the Agresso software supporting licence across 4 councils used by GOSS.

17.6 One Legal: One Legal continues to make efficiency savings and deliver income which benefit the council. Where opportunities arise to streamline the demand for legal services as a result of sharing more service areas, such as the JCS, then these will be fully explored.

17.7 Commissioning: The Activist report briefly considered the potential design of commissioning within the partnership but recognised that the precise nature and scale of any commissioning function would depend on the sourcing option chosen by the partnership. The report also stated that a principle would be that whilst *“each partner authority will have access to directly managed commissioning support ...”* the partners also agreed that they *“are committed to sharing their commissioning support wherever possible”*. There is the potential therefore for savings from shared client arrangements, e.g. GOSS and ICT, joining up each partner authority contracts, shared management of contracts with commercial providers etc.

18. Pensions (LGPS)

18.1 Specialist advisors (AON Hewitt) were commissioned to provide actuarial advice to support the development of the business case for further joined up working with the aim of delivering potential savings in pension fund contributions for the four partner councils.

18.2 Based on their assumptions, percentage of pay contributions to the LGPS for each of the partner councils is expected to increase over time as the pensionable payroll increases with salary increases. Total annual contributions are projected to double in 20 years' time in cash terms. This analysis demonstrates that the LGPS is financially unsustainable for the council.

18.3 While a reducing workforce reduces cash flow in the short term it also reduces the future liabilities and these make up the majority of the cost of pension funding. The past service deficit still needs to be funded (as do the remaining future liabilities) therefore there needs to be sufficient levels of contributions from both employers and employees as well as an appropriate investment strategy to achieve the objective of the pension fund.

18.4 Whilst there are undoubtedly cashable benefits in future years from reverting active pension fund members to stakeholder schemes, these benefits will not be realised until the fund has been stabilised and returned to a positive cash-flow. Once this position is reached, the fund will be in a position to invest surplus cash rather than having to sell assets to fund its current pension liabilities. This Council is currently on track to achieve a positive cash-flow by 2019 although it should consider making additional payments to the Fund if possible.

18.5 In sharing more services, the council will maintain the current strategy of increasing the lump sum contributions into the pension fund to ensure that the pension fund deficit continues to be tackled and does not get worse.

19. Gateway Reviews and Quality Assurance

19.1 In line with Prince 2 MSP (Managing Successful Projects) the programme has conducted a series of gateway reviews to confirm the soundness of the recommendations being made to the partner councils. At its meeting on 21 August the MGB was advised that all the gateway reviews had been concluded successfully.

- 19.2** CIPFA carried out a quality assurance review together with Proving Services which looked at both the robustness of the financial business case and also the deliverability of the programme. They concluded that a valuable but relatively low set of financial savings can confidently be realised from this phase of the programme. They also believed there to be more substantial savings from a deeper collaboration.
- 19.3** Whilst CIPFA assessed the overall achievability of this phase of the programme as moderate to high, risks were identified as a result of this Council's concerns with regard to the proposed role, responsibilities and extent of remit of the Partnership Managing Director, and the differences between vision, culture and operating model (commissioning) of this Council and its partners.
- 19.4** CBC also conducted its own quality assurance process through an "informal" CBC gateway review which was attended by the Leader, Cabinet Member for Corporate Services and Cabinet Member for Finance and Property. The review acknowledged the comments made by CIPFA with regard to the robustness of the financial savings estimates. The proposed governance arrangement of a new joint committee was felt appropriate at this point, to move the programme forward and to provide a basis for further sharing of services. The group also felt that the consideration of a business case for a local authority company was an important consideration in 2016.
- 19.5** The risk about the level of ambition of the programme and alignment on vision was acknowledged by the group and it was felt important that this was addressed by the MGB as a matter of priority. The risk relating to differences in opinion about the draft job description of the Partnership MD had led the Leader to require revisions to the draft job description to give clarity and to align with the proposed joint committee delegated functions. The differences in organisational culture and operating model would need to be addressed by the programme team to build and embed a collaborative approach, as recommended by CIPFA, recognising that each Council has its own culture, values and ways of working.
- 19.6** Taking account of the above risks, the informal gateway review endorsed the direction of travel to engage in 2020 Vision and the joint committee arrangements as outlined in this report.

20. Reasons for Recommendations

- 20.1** As outlined in this report.

21. Alternative Options Considered

- 21.1** Cabinet in December, mindful of the fact that 2020 Vision is a significant strategic decision for this Council, requested further consideration to be given to alternative options and this was done.
- 21.2 Tax increases** - The Council could reduce the projected MTFS funding gap of £1M by increasing council tax above 2.0%. Council Tax increases of 5% would only generate an additional c£225Kpa and this option is likely to be unpopular in the current economic climate. In any case the electorate now have the right under the Localism Act to call a referendum if the proposed Council Tax increase is higher than the level considered reasonable by the Government.
- 21.3 Cuts in services** – Other alternatives would include cuts in services and increases in fees and charges, but these would need to be very drastic and radical to achieve the same level of savings as are achievable from 2020 Vision. The option of cutting discretionary services does always remain an option for the Council. However, discretionary services are what help to make Cheltenham the place that it is and underpin its economic prosperity and vibrancy as a place for residents and visitors alike.
- 21.4 Unitary authority** - the unitary debate is now being taken over by the devolution debate. Even if the unitary option were a viable option to pursue there would be significant issues to overcome, including a protracted timescale before reorganisation could be carried out and savings delivered.

Whilst the partner councils in 2020 Vision are a mix of urban and rural authorities they are all district councils and thereby have a common purpose in working at a local level to provide local services to address the needs and priorities of the communities they serve.

- 21.5 Sharing with a different group of councils** - Sharing with the County Council was considered as a potential option when GOSS was created. Members will be aware that the County Council and Gloucester City Council are now more closely linked through their senior management structure. In terms of the services that this Council is looking to share with its partner councils, it has built a track record of sharing services through GOSS and ICT, and as confidence has grown the sharing has deepened through the sharing of statutory officer roles.
- 21.6 Sharing with contiguous councils** - Despite not having natural geographical boundaries with all our partner councils in 2020 Vision, the willingness to work together and share best practice has been an important foundation of the partnership to date. An alternative solution may be to look at authorities who share the Council's natural geographical boundaries. This Council is being successful in its joint working with its JCS partners. However, this success does not transfer to the greater sharing of council services. Whilst sharing legal and building control services with Tewkesbury Borough Council has been successful, this initial sharing has not progressed any further. To date, periodic, informal approaches from/to other Gloucestershire districts have not proved fruitful, though the existence of an established and successful partnership venture may cause the position to change in the future.
- 21.7 Outsourcing** - Outsourcing always remains an option when commissioning services. However, the Council's approach has been one of creating its own commissioned arrangements, either through shared services, local authority company and most recently charitable body. The joint committee approach for 2020 Vision is a natural extension of the shared service approach. A key benefit of shared services is that where surpluses are achieved they can revert back to the partner councils for the benefit of taxpayers rather than being distributed to private company shareholders.
- 21.8** In conclusion, the Council has managed to navigate the recent period of austerity by taking difficult decisions about how services are delivered and as a consequence has managed to protect the services that Members believe are important to Cheltenham and its residents. 2020 Vision is a logical next step in that process. In a climate of uncertainty, particularly about the level of Government funding, the Council needs to plan now to ensure its strong financial position continues through the period covered by the MTFs and beyond. 2020 Vision provides a credible plan to do this based on a track record of savings being delivered with the 2020 Vision partner Councils.

22. Consultation and feedback

- 22.1** The 2020 programme has conducted a series of engagement sessions with staff throughout the period since last December. A number of employee sessions have taken place at all the partner Councils with presentations from the Lead Commissioner and the Managing Director. Most recently members of all the partner cabinets attended an event to give them an opportunity to meet one another and raise any questions and concerns they may have with regard to the programme.
- 22.2** A member seminar was held on 14 September ahead of this report being considered by Overview and Scrutiny on the 21 September when four options were presented for consideration; (1) full sign-up to the governance model and shared services as set out in this paper; (2) sign-up to the shared services but not the governance model; (3) an option where this Council would not immediately delegate powers to the proposed joint committee but would seek observer status initially and have an option to become a founder member of the Teckal company when and if formed; finally (4) an option which would involve rejecting any additional involvement in either the joint committee or the extended shared services.

After a very full discussion and debate the Overview and Scrutiny meeting unanimously decided to recommend to Cabinet and full Council a full sign-up to governance model and shared services as in option (1) above. A more detailed report of the deliberations and conclusions of the meeting will be circulated prior to the Cabinet meeting on 13 October 2015.

- 22.3 Approximately 30 engagement champions have volunteered from across the partnership to assist the programme with consultation with staff.
- 22.4 Trade Union and employee representatives have been kept informed of progress through the monthly Joint Liaison Forum which is chaired by the Deputy Chief Executive. Employee representatives have also met with the Head of HR who is a member of the 2020 programme team. The Council's Joint Consultative Committee has also received updates at their meetings.
- 22.5 Partner organisations such as The Cheltenham Trust, Ubico and CBH have also been kept updated of progress with 2020 Vision and have met with the interim MD to enable him to understand their organisational requirements

23. Equality Impact Assessment

- 23.1 An equality impact assessment is being undertaken and the public consultation closed on 15 September. At the point of writing this report there have been 10 responses; 4 in favour, 2 neutral and 4 with concerns. Once the consultation has closed a report will be produced and the programme team will consider action necessary. The outcome of the consultation will be available to members of Overview and Scrutiny.

24. Performance management – monitoring and review

- 24.1 The programme is managed through a Member Governance Board of leaders and cabinet members of each of the partner councils. Should members agree to the creation of a 2020 Vision Joint Committee the MGB will cease to exist upon its creation.
- 24.2 The terms of reference for the joint committee provide within its functions for it to monitor and manage the performance of the partnership venture. The informal commissioning group shown in the organisational structure diagram provides a place for the heads of paid service and the MD to come together to monitor the performance of the partnership venture.
- 24.3 GOSS and ICT shared services will transfer to the 2020 Vision Joint Committee which will then take on the role of the existing Joint Monitoring and Liaison Groups and will monitor the performance and development of the services.
- 24.4 The Council's scrutiny arrangements will apply to decisions taken by the 2020 Vision Joint Committee and there is a provision for voluntary joint scrutiny should more than one partner council call in a decision.

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Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Shared Services Partnership Structure 3. 2020 Vision Business Case 4. 2020 Vision Business Case – Analysis of Savings 5. Commissioning Strategy 6. 2020 Vision Joint Committee Constitution
Background information	<ol style="list-style-type: none"> 1. Member Governance Board Council Report Recommendations – 21 August 2015 2. CBC Informal Gateway Reviews 18/8 & 24/8 3. Equality Impact Assessment

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	<i>If the partners do not reach agreement on 2020 Vision then it will lead to the programme not being delivered and the ability to deliver savings to support the MTFS not being achieved</i>	Chief Executive	Aug 2014	5	4	20	Reduce	<p><i>Member Governance Board alignment on the extent and appetite for more deeper shared working as well as the desired rate of progress</i></p> <p><i>Leaders agree and align on the role and remit extent of the Partnership MD to align with the delegated functions of the joint committee</i></p> <p><i>Whilst developing the new partnership venture culture, the programme needs be able to work collaboratively, and to recognise that each Council has its own culture, values and ways of working which need to be recognised if the needs of the partner councils are to be met</i></p>	<p>Oct 2015</p> <p>Oct 2015</p> <p>Ongoing</p>	Chief Executive	

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
2	If Member concerns relating to the project are not addressed adequately then it will lead to the programme not being supported	Chief Executive	Aug 2015	5	4	20	Reduce	Member Governance Board alignment Continue member engagement via seminars, O&S review, member briefings	Ongoing	Chief Executive	
3	If the savings are not delivered in line with the business case then alternative savings options to support delivery of the MTFs funding gap will need to be identified.	S151 Officer	Aug 2015	5	3	15	Reduce	New commissioning projects will be required to bring forward business cases which deliver the expected level of savings	April 2016	S151 Officer	
4	If the newly commissioned shared services do not meet the outcomes for CBC then this will lead to dis-satisfaction with future service provision under the joint committee	Chief Executive	Aug 2016	4	3	12	Reduce	CBC officers directly involved in the various commissioning projects Commissioning strategy allows each council to follow to approach commissioning in their preferred way CBC commissioning toolkit will be followed	April 2016	Designated Head of Paid Service	

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 employee support for the programme and resistance to the changes proposed arise then it may lead to the programme being delayed	Designated Head of Paid Service	Aug 2016	3	3	9	Reduce	Regular staff engagement sessions taking place across the partnership Staff made aware of reports ahead of release to the public CBC Joint Liaison Forum and Joint Consultative Committee reps updated on a regular basis	Ongoing	Designated Head of Paid Service	
6	If pension savings cannot be delivered due to LGPS regulations or other legislative matters then the savings target will not be met.	S151 Officer	Aug 2016	3	3	9	Reduce	Pension advisers will advise the programme with regard to local authority company business case	Autumn 2016	S151 Officer	
7	If there is a lack of effective engagement with trade unions then it could lead to project delays	Designated Head of Paid Service	Aug 2015	3	3	9	Reduce	Employee representatives meetings with 2020 Programme HR lead Deputy CX updates at Joint Liaison Forum Joint Consultative Committee updated	Ongoing	Designated Head of Paid Service	

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
8	If the devolution agenda is progressed then it could divert resources and focus away from the programme	Chief Executive	Aug 2015	3	3	9	Reduce	Action depends on the outcome of the proposal to government. Resourcing implications to be kept under review	Ongoing	Chief Executive	
9	If the cost of the programme exceeds the allocated programme budget then it may require additional funding.	S151 Officer	Aug 2015	2	3	6	Reduce	Programme costs will be actively monitored and challenged by MGB and JC to identify mitigating actions to address	Ongoing	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:

- 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;

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

- 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