

Information/Discussion Paper

An update on progress being made to share services as part of the 2020 Partnership

25 January 2016

Overview and Scrutiny Committee

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed.

1. Why has this come to scrutiny?

- 1.1 To update members on the work being undertaken to prepare business case briefings for the sharing of customer and support services, revenues and benefits and property services.
- 1.2 To update members on service design and delivery considerations.
- 1.3 To seek member's views on the proposed client-side and performance management arrangements with a focus on how both O+S and back-bench members will be involved in understanding the performance of services shared with the 2020 partnership.

2. Background

- 2.1 At Cabinet on Tuesday 13 October, as part of the agreement to the 2020 shared services partnership structure, it was agreed that further business case briefings and proposed service level agreements be received and approved by Cabinet. The documents would provide reassurance on the benefits, costs and savings to the Council and demonstrate that other sharing options had been considered, prior to delegation of those services to the Joint Committee. At Council on 19 October, the Leader made a commitment that back-bench members would be given the opportunity to be involved in this process.
- 2.2 Customer and support services, revenues and benefits and property services were identified within the programme as the next new CBC services to be considered for sharing and would therefore be subject to further business case briefings. In addition, Building Control is also now being considered for sharing and more information is set out in para 3.12.
- 2.3 Work on the various legal documentation to support the creation of the Joint Committee has not yet been finalised and is subject to further officer and member discussions. Any residual issues arising from the legal documentation will be considered as part of a report to Cabinet on 9 February. The matters are the proposed contracting authority for ICT shared services, delegation to the 2020 Vision Joint Committee of internal audit including counter fraud service (not new shared services) and the proposed performance standards for ICT.

3. Preparation of business case briefings

- 3.1 Following consultation with the relevant Cabinet lead for the three services; Cllr. John Rawson, it was agreed that three Cabinet Member Working Groups should be established to ensure that as many members as possible were involved in the development of the business case briefings. The groups met for the first time in week

commencing 30th November, for the second time on week commencing 14th December and for the final time on week commencing 4th January. The same format for the meetings was followed for each of the three services.

- What - Scoping the service, what's in scope and what's not, what's important for members about what the service does, understanding budgets and defining outcomes
- How – what's most important about how the service is delivered to our customers and what members expect to be included in the specification.
- Why - Review and sign-off the business case ahead of Scrutiny and Cabinet meetings.

3.2 Membership of the Cabinet Member Working Groups were as follows:

Revs and Bens	Customer Services	Property Services
Cllr John Rawson Cllr Roger Whyborn Cllr Tim Harman Cllr Flo Clucas	Cllr John Rawson Cllr Suzanne Williams Cllr Helena McCloskey Cllr Colin Hay Cllr Max Wilkinson Cllr Matt Babbage	Cllr John Rawson Cllr Andrew Chard Cllr Paul Baker Cllr Chris Mason
Mark Sheldon (Director) Richard Gibson (Commissioning) Paul Aldridge (Service Manager) Jayne Gilpin (Service Manager) Ann Wolstencroft (2020 Programme) David Neudegg (2020 Programme)	Mark Sheldon (Director) Judy Hibbert (Service Manager) Richard Gibson (Commissioning) Ann Wolstencroft (2020 Programme) David Neudegg (2020 Programme) Paula Burrows (2020 Programme) Phil Martin (Cotswolds DC)	Mark Sheldon (Director) Richard Gibson (Commissioning) David Roberts (Service Manager) Ann Wolstencroft (2020 Programme) David Neudegg (2020 Programme)

3.3 The meetings were well attended and members welcomed the opportunity to comment on and review the draft business case briefings. As part of the process, members were asked to identify any issues that they felt Scrutiny should be aware of. These are as follows:

3.4 Revenues and Benefits:

3.5 Members welcomed the draft business case briefing and given the current financial situation, felt strongly that the 2020 option was the only credible option on the table. They did want to draw the following issues to the attention of Scrutiny:

- They want reassurances that elected members will have oversight over the governance and performance of the shared services and would want to contribute to a debate about how this will work.
- They were reassured that service specific policy will remain with the council, but recognised that how the service is designed and delivered was up to the 2020 partnership.
- They wanted to be involved in the development of the business case for the Teckal company as there are still some reservations about how this will work and possible dilution of control if the company expands.
- They would like to have further sight of future staffing arrangements once the shared service is live and suggested that members were briefed about implementation plans. They also suggested that the council looks to avoid making any compulsory redundancies wherever possible. They also suggested that the council looks to avoid making any compulsory redundancies wherever possible.

3.6 Customer Services

3.7 Again, members welcomed the draft business case briefing and were happy to support this option going forward. The only request they had was that CBC members be involved in developing the shared customer access strategy. The nature of this involvement was not determined but this is an issue that members on the Overview and Scrutiny Committee could give some thought to.

3.8 Property Services

3.9 The Property Services Cabinet Member Working Group met twice; the first time to scope out the service and determine the most important outcomes for the service and second time to consider service standards and performance indicators.

3.10 Over the Christmas period, an additional option for delivering our property services emerged. Cabinet have provided a steer that we should explore this option in more detail alongside the 2020 option. The final Cabinet Member Working Group meeting, due to take place on 6 January 2016, was therefore deferred to allow more time to evaluate both existing and emerging options.

3.11 Building Control

3.12 The business case and options appraisal for Building Control services has been subject to a slightly different process as this service is already part of an existing shared service with Tewkesbury Borough Council. A report has been prepared and circulated to both Councils in the partnership. The report is currently being reviewed.

3.13 For this reason, we are only bringing forward business case briefings to the 9 February Cabinet meeting for the sharing of our revenues and benefits and customer services with the 2020 partnership. The summary of these are shown below.

Criteria	Revs and Bens	Customer Services
Savings/value for money	An initial savings target for the creation of the shared Revs and Bens services of £105k p.a. has been identified, which is considered to be prudent by CIPFA and builds on the track record of savings delivered from these existing partnerships.	An initial savings target for the creation of the shared Customer Services of £54k has been identified, which is considered to be prudent by CIPFA and builds on the track record of savings delivered from these existing partnerships.
	Sharing with four councils maximises the opportunity to benefit from economies of scale and benefits from an existing track record of working together and sharing and delivering savings from sharing e.g. GOSS and ICT.	
	Existing back office is shared e.g. GOSS and the proposal to share ICT will ensure that further economies in back office will be delivered through further alignment of back office including shared ICT infrastructure. The overall business case includes further savings of £43k p.a. by 2019/20 from back office which is facilitated by further sharing.	
	Maximises opportunity to share and reduce operating costs e.g. Licences for systems/technology supporting the service e.g. telephony, switchboard.	
	Maximises opportunity to make savings through shared purchasing e.g. system licences.	
Pension fund viability	Offers the potential to move to a Teckal company with stakeholder pensions which are more affordable.	
Quality	2020 Vision offers a significant opportunity to access £1.5m of TCA money to fund investment in the service. Any investment above the TCA funding is shared amongst 4 partner councils.	The partners are developing a Customer Access Strategy to capture a programme of activity, including a digital strategy, 'push' out messaging to customers and potential CRM systems to improve customer services. 2020 Vision offers a significant opportunity to access

Criteria	Revs and Bens	Customer Services
		£1.5m of TCA money to fund the implementation of the strategy. Any investment above the TCA funding is shared amongst 4 partner councils.
	<p>There is an aspiration to ensure that the existing scope and service standards are, at least, maintained despite reduced funding.</p> <p>Co-working will enable best practice to be identified and shared.</p> <p>An analysis of service functions in scope indicates a high degree of similarity between the four councils in terms of the scope of their services which should give members some reassurance that the services can be effectively shared.</p>	
Resilience	Sharing technology and staff resources across four partner councils will maximise the potential to increase resilience particularly during the transition to Universal Credit resulting in potential loss of staff.	Sharing technology and staff resources across four partners will maximise the potential to increase resilience.
Creativity	There are some well-developed relationships across the partnership which has resulted in some significant achievements e.g. shared bailiff contract for the service and the stabilization of ICT infrastructure, which can be built on.	Investment in new technology will provide opportunities for customer service to be delivered in different ways to meet customers' varying requirements.
	<p>Co-working will encourage and foster creativity across the partners</p> <p>Maximises scope for staff progression/ development and improving remuneration as demonstrated by existing models e.g. GOSS and ICT model where staff work across multiple sites.</p>	
Influence	Aspiration to ensure that separate identify, local decision making, community leadership and local knowledge is not impacted. More likely to be able to influence others e.g. government on policy, ICT providers for development or other public bodies on regional objectives.	
Ability to deliver change	The structure of 2020 Vision is to group revenues and benefits under a group manager in order to deliver step change in services.	The structure of 2020 Vision is to group ICT and customer services under a group manager in order to deliver step change in services. This will ensure that any service development will receive focused ICT support which is fully resourced and funded.
	<p>The 2020 Vision programme has a £10m programme of activity including funding to support key work streams including the strategy for aligning business applications which will ensure that step change is delivered within a planned timescale by 2020.</p> <p>Key ICT support is available through the programme to support individual service development for service areas where all four partner councils are sharing.</p>	
Business complexity	<p>Already sharing key back office services and are aligning policies e.g. contracts rules, procurement, cash collection and banking.</p> <p>More sharing of staff using common ICT infrastructure (telephony, personal ICT kit), shared applications and approach e.g. payment card industry (pci) requirements, Public Service Network etc.; further sharing with existing partners will simplify the operating model.</p>	
Overall risk to delivery of outcomes.	GREEN	GREEN

4. Service design and delivery considerations

4.1 As part of the Cabinet Member Working Groups, members had a chance to consider the proposed service design and delivery arrangements. The following principles of service design have been agreed by the 2020 Member Governance Board which included:

- Residents and businesses will have access to knowledgeable support from staff that understand their localities and can support members with their decision-making.
- Back office services will be centralised where possible and in a balanced way across the partnership, taking into account economies of scale achieved, any additional costs (e.g. initial staff travelling cost and time) and opportunities to reorganise or release office accommodation which delivers a capital sum or a rent.

4.2 In designing services to meet the outcomes specified by each Council it is proposed that the following checklist is taken into account and in the design of services.

How the services will be delivered

Customer Focus	<ul style="list-style-type: none"> • Ensuring that the customer continues to have a positive experience of the service. • How customers understand who is accountable for the service provided to them.
Service Standards	<ul style="list-style-type: none"> • Implications for the nature of the service and the service standards offered to the customer (internal and external) • How the service offer is presented to the customer, including the location.
Customer, members & staff communication	<ul style="list-style-type: none"> • The general implications for customer communication and engagement. • The organisation of member and staff communication and engagement.

Options

Sourcing Options	<ul style="list-style-type: none"> • The sourcing options that are most likely to meet the outcomes. • How the partners will approach collaboration with other organisations.
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Accountability

Decision-making processes	<ul style="list-style-type: none"> • Governance: how democratic decisions and delegated decision-making are organised.
Performance Management	<ul style="list-style-type: none"> • How performance management data will be managed for the new arrangements.

Implementation

People	<ul style="list-style-type: none"> • Interim management arrangements, i.e. how employees will be organised during the transition to any new arrangements. • Implications for the future culture of the organisation. • Implications for the terms and conditions of staff.
Finance	<ul style="list-style-type: none"> • How costs and savings will be distributed between the partners. • The potential for income generation.
Infrastructure	<ul style="list-style-type: none"> • The technology that will enable the new arrangements to function smoothly and efficiently.

4.3 It is acknowledged that the partnership has long experience of working together through the establishment of GO Shared services and Ubico Ltd., and it is envisaged that lessons learnt from this process will be incorporated into the design of shared services. Initially the services would be shared through a section 101 agreement which is well-recognised in the sector and an immediately recognisable model for potential new partners. This would need to be changed if the services were moved to a different model e.g. Teckal Company but such changes would be subject to a further report.

5. Proposed client-side and performance management arrangements

5.1 CBC Members have consistently raised their concerns about how they will be involved in the performance and governance of shared services. This section sets out how this will happen and invites comment from overview and scrutiny members.

5.2 To support the good governance and accountability of the 2020 partnership, from April 2016 we will have the following structures in place:

5.3 A Joint Committee: A formal group made up of elected members, two from each council, this has responsibility for oversight of the Partnership Venture's performance and for approving annual service plans and performance reports for each of the Partnership Venture services. Individual Joint Committee members will provide a performance overview to relevant Cabinet leads for the constituent services and to their council's Overview and Scrutiny Committees as required.

5.4 A Partnership Venture Commissioning Group (PVCG): It is proposed that this group, made up of the heads of paid services of each of the four councils, plus the Partnership Managing Director, takes the lead on performance reporting and links to Councils' Cabinets, Scrutiny and Executive Teams. The group will act as the commissioners of the Partnership Venture and this work will be undertaken collectively. The Commissioners will:

- Lead partner contributions to the Partnership Venture's preparation of its service plan and advises the Joint Committee on its approval
- Lead strategic thinking on behalf of the partners, advising the Joint Committee re-commissioning and de-commissioning; changes to needs and desired outcomes; changes to strategic risks and opportunities.
- Lead on major stakeholder engagement with communities, elected members and strategic partners

5.5 It is also proposed that the PVCG will be supported by a Client Officers Group which collectively represents the specific interests of their individual authorities in managing performance for the given service. The extent of these roles will be influenced by the level of variations in the Partnership Venture service from partner to partner and might well reduce over time as confidence in shared arrangements increases.

5.6 We will also have the following documents in place:

5.7 The Inter-Authority Agreement will outline the rights and obligations of the partner councils within the partnership and covering such matters as the formation of the Joint Committee, accounting and reporting arrangements, termination provisions and dispute resolution. The agreement will include the Joint Committee constitution, its terms of reference, delegated functions and arrangements for performance monitoring.

5.8 Annual Service Plans will set out the key tasks and actions, outcomes, performance measures and service standards for each Council delivered by the Partnership

Venture. For 2016/17 these plans will be taken from each council's existing proposed plans. As the two services do not currently have a service plan in place, these will need to be developed by the end of June 2016, ready for the first quarter performance reports. These will form the basis for the future relationship between the partners and each service delivered by the partnership venture.

6. So how will this work for CBC?

- 6.1** Officers at CBC are currently working with our partner councils to put together detailed working arrangements of how the client officer group will operate. We expect to have two part-time client officers covering the range of CBC services shared with the 2020 partnership. Alongside 2020 services, they will also have other clienting responsibilities including the Cheltenham Trust and Ubico.
- 6.2** They will be responsible for maintaining an overview of how well the partnership venture is meeting the service standards, performance indicators and needs of CBC. They will act as a conduit for information from CBC as client (both in terms of staff and elected members) to the partnership venture. They will act as a first point of contact for elected members if there are any major concerns with service delivery.
- 6.3** In addition, they will need to retain links with our commissioned service providers (such as CBH, The Trust and Ubico) who are also "customers" of the shared services to make sure that they continue to receive the appropriate level of service.
- 6.4** On a more formal basis, the two client officers will represent the council at a quarterly Client Officers Group meeting that will bring together client officers from the four councils. This will be chaired by one of the Lead Commissioners (heads of paid service from the partnership venture commissioning group). The meeting will enable the client officers to share information about how well the services are being delivered and to support the Lead Commissioner to resolve any service delivery issues.
- 6.5** The outcome from the Client Officers meeting will be that the Lead Commissioner will be in a position to effectively feedback at the PVCG performance meeting and challenge any performance issues.
- 6.6** Performance reports for the partnership venture itself and its constituent services will be brought to Partnership Venture Commissioning Group and the Joint Committee.
- 6.7** The council's Head of Paid Service will be then in a position to summarise performance of the 2020 partnership for this council's Executive Board and Scrutiny Committee as appropriate.
- 6.8** In addition, each council's lead member on the Joint Committee will then be available for providing a performance overview to relevant Cabinet leads for the constituent services and to their council's Overview and Scrutiny Committees as required.
- 6.9** The 2020 Partnership Managing Director has also given an undertaking to attend Executive Board and Scrutiny Committee meetings as requested to provide updates on the programme and to respond to any concerns about the implementation of the Service Plan.
- 6.10** Given that members on the Overview and Scrutiny Committee have had previous experience of reviewing both corporate performance and the performance of our commissioned providers, their thoughts on the above will be valued.

7. What happens next

- 7.1 The two new shared service business case briefings and the residual issues report will be considered by Cabinet on 9 February 2016.

Background Papers	2020 Vision Cabinet and Council Report – 13 October 2015 and 19 October 2015
Contact Officer	Pat Pratley, Deputy Chief Executive pat.pratley@cheltenham.gov.uk 01242 775 175 Mark Sheldon, Director Resources mark.sheldon@cheltenham.gov.uk 01242 264 123 Richard Gibson, Strategy and Engagement Manager richard.gibson@cheltenham.gov.uk 01242 235 354
Accountability	Cllr. John Rawson, Cabinet Member Finance