

Information / Discussion Paper

Overview and Scrutiny

Monday 30th October 2023

Publica Annual Report

1. Why has this come to scrutiny?

- 1.1. Cheltenham Borough Council is one of the four shareholder councils of Publica Group Ltd. As a shareholder Publica is required to report back on progress of work undertaken by the company on an annual basis via the company's Annual Report.

2. Summary of the Issue

- 2.1. The purpose of the paper is to provide background information on the Publica Annual Report, and the process that sits behind it, to enable the committee to consider the report and then discuss it with Publica executives during the meeting.
- 2.2. The report also provides some performance information directly related to the services provided to Cheltenham Borough Council as part of the service agreements.

3. Summary of evidence/information

- 3.1. Publica is a local authority company that was established in 2017 and is owned equally by the shareholder councils who are: Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council.
- 3.2. Publica delivers a range of services on behalf of the shareholder councils' and for Cheltenham Borough Council in particular delivers Transactional Finance, HR, and ICT services. Over time the service offering has been changed to meet the needs of the Council with Financial Accounting, Treasury and more latterly HR (post April 2023) transferring back to the Council.
- 3.3. The company has a Board consisting of two Executive Directors, four

Independent Non-Executive Directors (appointed collectively by the Councils), and one Non-Executive Director appointed by Cheltenham Borough Council who is Councillor Paul McCloskey.

The Annual Report 22-23

- 3.4. Publica produces an annual report for the business every year. The Annual Report 22-23 (Annex A) is due to be considered at the Shareholder Forum meeting on 6th November 2023 and as such remains in draft format at the time of writing but will be finalised after the issuing of this report.
- 3.5. Publica also produces a business plan – the last version was a three year document published in May 2022, and was considered by the Overview and Scrutiny Committee in early 2022 and is available on the Publica website.
- 3.6. The purpose of the annual report is to highlight key achievements from the year in question and to update on progress against the company Business Plan.
- 3.7. The report for this year includes key delivery against the Publica priorities set out in the business plan of:
 - People: Being a ‘Great Place to Work’
 - Planet: How we are tackling climate change
 - Place: Delivering for businesses and communities
 - How we are supporting partner councils meet their financial challenges
- 3.8. In addition to an update on the key priorities the annual report also gives an update on savings delivered to date compared to the original business case projections. The savings made in 2022/23 bring the total underlying budget savings to £2.9m since the formation of Publica set against a target of £1.9m at this stage of the business case. In addition to this underlying budget reduction Publica has delivered back to the partner Councils a total of £2.5m of one-off savings through a six year track record of delivering the service within the budget envelope allowing partners to reinvest these funds in priorities of the Councils.

Future Publica

- 3.9. In June 2023, in response to the worsening financial situation our shareholders were experiencing, we produced a further document for

shareholder consideration, Future Publica, which set out a series of actions that could be taken to deliver additional savings (circa £2m). This document (Annex B) was welcomed by the shareholders but there was a recognition from all parties that the financial challenge meant that the additional savings put forward represented the minimum requirement over the next three years.

Service Performance Metrics

3.10. Annex C sets out some key performance metrics relating to the services provided to Cheltenham Borough Council by Publica. Key outcomes are summarised below:-

- ICT performance remains strong with the number of incidents halving compared to the previous year. First response performance from the IT helpdesk has improved in both incidents and service requests;
- Payroll and invoice processing performance remains above target;
- Good outcomes in respect of Insurance renewals.

4. Next Steps - possible next steps for the committee to consider eg potential witnesses, further report, site visit etc.

4.1 The Chair of the Publica Board Sally Walker and Executive Director , Frank Wilson will be attending the meeting to discuss the annual report and answer any questions the committee may have.

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Accountability

Gareth Edmundson, Chief Executive