

Forest of Dean District Council, High Street, Coleford, GL16 8HG

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9 June 2016

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Dear Councillor,

You are invited to attend a meeting of the **2020 Partnership Joint Committee** to be held in the Pittville Room at Cheltenham Borough Council and remotely via video conference at the following locations: Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council on **Friday, 17 June 2016 at 10.00 am**.

Yours faithfully,

Clerk to 2020 Partnership Joint Committee

To: Councillors Colin Dingwall, Wendy Flynn, Christopher Hancock, James Mills, Patrick Molyneux, Brian Robinson, Lynden Stowe and Roger Whyborn



AGENDA

1. CHAIRMAN OF THE 2020 PARTNERSHIP JOINT COMMITTEE

To elect the Chairman of the 2020 Partnership Joint Committee for the 2016/2017 civic year.

2. VICE CHAIRMAN OF THE 2020 PARTNERSHIP JOINT COMMITTEE

To appoint the Vice Chairman of the 2020 Partnership Joint Committee for the 2016/2017 civic year.

3. APOLOGIES

To receive apologies for absence.

4. URGENT BUSINESS

The chairman to identify any items of urgent business.

5. MINUTES (Pages 1 - 6)

To confirm the minutes of the meeting held on 12 February 2016 (attached).

6. DECLARATIONS OF INTEREST

To receive any declarations of interest in any matter to be discussed at the meeting. Members and officers are requested to identify the nature of the interest.

7. PUBLIC QUESTION TIME

To answer questions asked by members of the public. The constitution requires that questions are received four working days before the meeting (deadline 4.00pm on Monday, 13 June 2016). (A maximum of 30 minutes will be allocated). To submit a question, please contact Democratic Services on 01594 812625 or email democratic.services@fdean.gov.uk.

17 June 2016
2020 Partnership Joint Committee

8. MEMBER QUESTIONS

To answer questions asked by members. The constitution requires that questions are received four working days before the meeting (deadline 4.00pm on Monday, 13 June 2016). (A maximum of 30 minutes will be allocated). To submit a question, please contact Democratic Services on 01594 812625 or email democratic.services@fdean.gov.uk.

9. PARTNERSHIP DEVELOPMENT & BUSINESS CASE UPDATE (Pages 7 - 36)

To consider and agree report PJC.4 the Partnership Business Case.

10. 2020 PARTNERSHIP JOINT COMMITTEE CONSTITUTION (Pages 37 - 40)

To consider and agree report PJC.5 changes to the Constitution.

11. PROGRAMME STATUS REPORT AND BUDGET UPDATE (Pages 41 - 46)

To note report PJC.6 programme status report and approve the updated programme budget.

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Agenda Item 5

Friday, 12 February 2016

2020 PARTNERSHIP JOINT COMMITTEE

Minutes of a meeting of the 2020 Partnership Joint Committee held in the Council Chamber, Council Offices, Coleford on Friday, 12 February 2016 at 10.00 am.

Present

Chairman Councillor Patrick Molyneux

Vice Chairman Councillor Lynden Stowe

Councillors Colin Dingwall, Wendy Flynn, Christopher Hancock,
Brian Robinson and Jon Walklett

Officers

David Neudegg, Managing Director

Claire Hughes, Monitoring Officer

Julie Jones, Clerk to 2020 Partnership Joint Committee

Tony Bees, Clerk to 2020 Partnership Joint Committee

1. CHAIRMAN OF THE 2020 PARTNERSHIP JOINT COMMITTEE

The committee elected Cllr Patrick Molyneux as its chairman for the remainder of the civic year 2015/16.

2. VICE CHAIRMAN OF THE 2020 PARTNERSHIP JOINT COMMITTEE

The committee elected Cllr Lyndon Stowe as its vice chairman for the remainder of the civic year 2015/16.

3. APOLOGIES

Apologies were received from Cllr Sir Barry Norton.

4. URGENT BUSINESS

The chairman identified no items of urgent business.

5. DECLARATIONS OF INTEREST

No declarations of interest were made.

6. PUBLIC QUESTION TIME

There were no public questions.

The chairman explained that because Joint Committee members had no specific areas of responsibility (portfolios) the committee might not be able to answer ad-hoc questions because it would need to agree a joint response. Within the protocol the committee could take supplementary questions, which might require written answers when agreed by the committee members.

7. MEMBER QUESTIONS

There were no member questions and the chairman confirmed that the same arrangements as for public questions would apply.

8. **2020 PARTNERSHIP JOINT COMMITTEE - CONSTITUTION, SCHEME OF DELEGATIONS, AND THE INTER AUTHORITY AGREEMENT**

Upon invitation the Managing Director explained that the Member Governance Board (MGB) had considered the issue around substitutes for the committee, agreeing that there should be maximum flexibility to substitute up to the beginning of the meeting. He had received legal advice that any councillor from a given authority may act as a substitute.

Answering questions he confirmed that all points raised regarding the scheme of delegations would be considered and proposed amendments brought back to a formal committee meeting.

After the decision had been made he thanked officers and councillors for their hard work over the previous months in preparing the reports to be able to reach agreement, which was a massive achievement.

The chairman added the committee's thanks to officers across all four partner authorities for getting the programme to this point.

RESOLVED –

a) *To approve the Constitution for the Joint Committee.*

b) *To approve the Scheme of Delegations for the Joint Committee.*

9. **PARTNERSHIP PURPOSE AND STRATEGIC OBJECTIVES**

Upon invitation the Managing Director commented that a year previously he had outlined the need for formal adoption of a report setting the partnership's strategic objectives and procedures. The document in the report was the result of much engagement and consultation with staff. He recognised that the strategic objectives probably would not stay the same, but if agreed by the committee, would help officers to bring forward policies that reflected those objectives.

In discussion committee members made the following points.

The report contained significant detail. It was important that mid-year staff knew what to expect and that opportunities were made clear.

The chairman believed that the objectives were important as a firm basis for councillors and staff to get it right for the four communities.

RESOLVED - *to note the report and its intended use by the Partnership Commissioning Group.*

10. APPOINTMENT OF OFFICERS

Upon invitation the Managing Director reported that the 2020 group managers had been appointed, as listed below. Four had undergone a full recruitment process and the Group Manager for GO Shared Services had been slotted in because the role already existed. The appointments represented a key milestone in developing services, but there would not be any changes until group managers had engaged with staff and worked up plans. The exception was the joint public protection service, which was further along in the restructure process.

Group Manager for Revenues and Welfare Support – John Dearing
Group Manager for Environmental and Regulatory Services – Bill Oddy
Group Manager for Land, Legal & Property – Bhavna Patel
Group Manager for Customer and Business Support – Phil Martin
Group Manager for Go Shared Services – Jenny Poole

On behalf of Cllr Sir Barry Norton, the Managing Director raised the matter of senior job titles. The committee agreed that the title 'Group Manager' would not be changed unless formally agreed by the committee.

The chairman welcomed the named officers to their new roles, suggesting that as part of the communications process, elected members across the four councils needed to get to know the group managers.

RESOLVED - to note the appointment of officers to the shared services structures.

11. SCHEDULE OF MEETING DATES

The chairman announced that the 1 April meeting might be required. He reminded the meeting that the committee would take place at each authority in rotation and that by law the committee members had to be in the same place in order to make decisions.

The Managing Director confirmed that in December the Department for Local Government had acknowledged the partnership's letter querying the law, but had written nothing since. He added that the partnership's arrangement was unique and that officers would follow up the matter.

Answering a question, the Monitoring Officer advised that any decision made outside of a physical meeting was at risk of challenge.

The chairman commented that the committee could continue its background work using video conferenced meetings, as it had done previously.

Answering questions the Managing director said that officers were putting together a forward plan to contain the committee's work programme and that the 1 April meeting would contain items seeking guidance rather than decisions on training and commissioning services, some indication of company models, initial HR work and constitutional issues. He emphasised that a further formal meeting would be needed to make any decisions.

The meeting ended at 10.30 am

Minutes prepared by Tony Bees

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2020 PARTNERSHIP JOINT COMMITTEE

17 June 2016

PJC.4

Subject	PARTNERSHIP DEVELOPMENT & BUSINESS CASE UPDATE																	
Key Decision	This item is not a key decision																	
Partners affected	All																	
Accountable officer	David Neudegg, Managing Director Tel: 01993 860016 Email: david.neudegg@westoxon.gov.uk																	
Summary	This report considers the business case for the next phase of the development of partnership taking into account the decisions and further work that have been taken to date. The business case therefore updates the original financial assumptions based on the proposal for a new company structure, the potential for additional shared services and trading, and the proposed new Commissioning Framework.																	
Annexes	ANNEX A – REPORT ON THE UPDATED BUSINESS CASE AND NEXT STAGE DEVELOPMENT OF THE 2020 PARTNERSHIP																	
Recommendation	<p>a) <i>To note the report and revised business case.</i></p> <p>b) <i>To agree the proposal to establish the company operating model for consultation with the partner Councils.</i></p> <p>c) <i>To agree to develop a detailed implementation plan to establish the new companies and to recommend to the partner Councils for final decision in autumn 2016.</i></p>																	
Implications (details at end of report)	<table border="1"> <thead> <tr> <th>LEGAL</th> <th>FINANCIAL</th> <th>HUMAN RESOURCES</th> <th>RISK</th> <th>EQUALITIES</th> <th>SUSTAINABILITY</th> </tr> </thead> <tbody> <tr> <td>YES</td> <td>YES</td> <td>NO</td> <td>NO</td> <td>NO</td> <td>NO</td> </tr> </tbody> </table>						LEGAL	FINANCIAL	HUMAN RESOURCES	RISK	EQUALITIES	SUSTAINABILITY	YES	YES	NO	NO	NO	NO
LEGAL	FINANCIAL	HUMAN RESOURCES	RISK	EQUALITIES	SUSTAINABILITY													
YES	YES	NO	NO	NO	NO													

1. REASONS FOR RECOMMENDATIONS

- 1.1. To consider the next stage development of the 2020 Partnership it is necessary to revise the business case and update the original financial assumptions, with the proposed company structure, considering the potential for additional shared services and trading, the proposed new Commissioning Framework, and compare with the new baseline costs of continuing with shared services under a Joint Committee.

2. BACKGROUND

- 2.1. In June 2014 the four GO Shared Services Partner Councils approved a "Report and Outline Business Case for a "2020 Vision for Joint Working". Subsequently in December 2014 the four 2020 Partners Councils approved a "Report on Options for Future Delivery Models and Interim Management Arrangements" prepared by Activist Ltd.
- 2.2. In August 2015 the full "2020 Vision for Joint Working Business Case" was prepared. This business case, based on the original proposition, forecast to return cumulative savings totalling £38m over a 10 year period with annual revenue savings of £5.7m.
- 2.3. Consequently, the business case was agreed and approved by the four Councils in September/October 2015. Subsequently the 2020 Joint Committee was established and became operational in February 2016 with a number of shared services being established from April 2016.

3. MAIN POINTS

- 3.1. The report at Annex A proposes in Section 4 the establishment of a Shared Commissioning Framework and in Section 8 the establishment of a new Company operating model.

Financial Implications

- 3.2. The updated Business Case shown in Section 9 has brought salary costs and savings to 2016/17 prices. The overall Programme Costs have been reviewed to include additional costs for legal advice and the establishment of the new companies. However, the Public Protection project was implemented under budget and this allows these new proposed costs to be absorbed in the £10.14m Programme Cost previously forecast. Consequently the modelling adopted showing the updated savings are being compared to the previous Programme Cost of £10.14m. The Programme Costs will need further review when a company model is established and future project implementations are more fully determined.
- 3.3. The detailed actuarial modeling is still pending but the pension savings assumptions have been maintained with the Cheltenham Borough Council savings being reviewed to reflect staff numbers that may transfer to the company model. Paragraph 9.4 onwards discusses the assumptions and risks to the position adopted.
- 3.4. In summary the refreshed 2016 business case shows increased cumulative savings totalling between £40m and £41m over a 10 year period with annual revenue savings of between £5.95m and £6.2m after 5 years, depending on which

Scenario is used, in return for a proposed total investment of £10.14m over the same period.

4. ALTERNATIVE OPTIONS

The alternative option would be to continue with the Joint Committee model and not develop the partnership further.

Legal implications	As set out in Annex A
Financial implications	As set out in the report and Annex A.

BACKGROUND PAPERS

The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Report and Outline Business Case for a “2020 Vision for Joint Working” June 2014
- 2020 Vision Actuarial Advice to Support the Joint Working Team AON Hewitt May 2014
- Report on Options for Future Delivery Models and Interim Management Arrangements Activist Ltd. December 2014
- 2020 Vision for Joint Working Business Case August 2015
- Report on Shared Commissioning Framework May 2016

These documents will be available for inspection at the Council Offices, Coleford during normal office hours for a period of up to 4 years from the date of the meeting. Please contact the author of the report.

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Report on the Updated Business Case

and

Next Stage Development of the 2020 Partnership

JUNE 2016

1. Background

- 1.1 In June 2014 the four GO Shared Services Partner Councils approved a “Report and Outline Business Case for a “2020 Vision for Joint Working””. In that report there was an agreed proposition:
- 1.2 “Four Independent Councils determining their own policies, priorities and decisions supported by a small number of expert advisors who commission and monitor services either from the private and voluntary sectors or from local authority owned service delivery companies.”
- 1.3 It was recognised that the proposition could effectively lead to councils that do not directly employ any of their own staff, but rather, Councils will jointly own a local authority company which would provide services and deliver outcomes in line with the wishes of each individual council.
- 1.4 Subsequently, in December 2014 the four 2020 Partner Councils approved a “Report on Options for Future Delivery Models and Interim Management Arrangements” prepared by Activist Ltd. In the report Activist carried out an option appraisal of the long-listed sourcing options, evaluating each option against the outcomes framework set out below:

Table 1.1: Outcomes Framework

Outcome	Contributory outcomes
Savings	<ul style="list-style-type: none"> • Delivers realistic and sustainable revenue savings. • Provides a positive return on investment in the medium to long term. • Enables us to make further savings through partnership and better asset management. • Enables opportunities for income generation.
Influence	<ul style="list-style-type: none"> • Respects our separate identities as individual authorities. • Ensures our decision making will remain locally accountable. • Strengthens our ability to exercise community leadership on behalf of our localities. • Allows us to retain strong local knowledge in our frontline services. • Each authority has impartial commissioning and client side advice from people they trust.
Quality	<ul style="list-style-type: none"> • Enhances and maintains good quality services to the public. • Allows us to nurture our partnerships and take advantage of new ones. • Creates organisations that are flexible and adaptable to future changes. • Has governance and structures that are streamlined and easy to understand. • Is widely acknowledged to be socially responsible.
Creativity	<ul style="list-style-type: none"> • Empowers staff to be creative, collaborative and enquiring. • Supports our commitment to a public service that responds to and empowers our local communities. • Fosters and rewards an innovative, can-do approach to delivering services.

- 1.5 The report was not designed to be a definitive final assessment of the merits of each option and acknowledged that more work should be conducted to confirm the final preferred option based on a business case which is both robust and realistic.
- 1.6 The overall results of the option appraisal carried out by Activist are shown in the table below and suggest a clear advantage for either a sharing option or a local authority company.

Table 1.2: Summary of Option Appraisal of Long-listed Sourcing Options

Options	Outcomes				Shortlist?	Key Issues
	Savings	Sovereignty	Quality	Creativity		
In-house transformation	L	H	M	L	No	<ul style="list-style-type: none"> Lacks scale economies.
Private sector joint venture	L	M	L	M	No	<ul style="list-style-type: none"> Poor ROI. Long lead-in.
Sharing	H	H	M	M	Yes	<ul style="list-style-type: none"> Tried and tested.
Local authority company	H	H	M	M	Yes	<ul style="list-style-type: none"> Local experience.
Spin-out to mutual or trust	L	M	M	M	No	<ul style="list-style-type: none"> Poor ROI Long lead-in.

- 1.7 The report concluded that whilst there was no significant difference in terms of the outcomes, based on the financial assessment the approach recommended was to establish a shared services arrangement under a Joint Committee and then move to a Local Authority owned company model, both dependent upon business cases.
- 1.8 It is noted that the report set out the key differences between the shared service under a Joint Committee and the company model as follows:
- The generation of income through profits made on trading.
 - A move to a stakeholder pension scheme for new starters.
 - Having a single employer would reduce complexity.
- 1.9 It was therefore recognised that the Joint Committee option was limited as it cannot deliver potential longer-term savings that a company model makes possible.
- 1.10 In August 2015 the full “2020 Vision for Joint Working Business Case” was prepared. The business case was approved by each Council’s Section 151 Officer and was independently reviewed and validated by CIPFA working in association with Proving Services based at the Cranfield Business School.
- 1.11 That business case based on the original proposition, forecast to return cumulative savings totalling £38m over a 10 year period in return for a proposed total investment of £10.1m over the same period with annual revenue savings of £5.7m after 5 years.

Table 1.3: Financial case for the overall programme

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	April 2020- March 2024 £000	Total £000
Programme Costs	430	2,774	3,715	1,873	1,308	40	0	10,140
Funded by:								
TCA Grant	430	2,774	596	0	0	0	0	3,800
Council Contributions	0	0	3,119	1,873	1,308	40	0	6,340
Total	430	2,774	3,715	1,873	1,308	40	0	10,140
Savings Annual	0	491	1,827	952	1,419	474	580	5,743
Savings Cumulative	0	491	2,318	3,270	4,689	5,163	22,084	38,015

- 1.12 Consequently, the business case was agreed and approved by the four Councils in September/October 2015 along with a number of joint strategies including a Commissioning Strategy.
- 1.13 Subsequently the 2020 Joint Committee was established and became operational in February 2016 with a number of shared services being established from April 2016.

2. Introduction

- 2.1 This report considers the business case for the next phase of the development of the partnership taking into account the decisions taken and further work completed to date.
- 2.2 The business case therefore focuses on updating the original financial assumptions based on;
- a proposed company structure,
 - considering the potential for additional shared services and trading,
 - the proposed new Commissioning Framework.
- 2.3 In addition, the business case is compared with the new baseline costs of continuing with shared services under a Joint Committee.
- 2.4 It is not considered necessary to do any further work on the broader outcomes against the Outcome Framework as sufficient work has been completed already to prove that both options (Joint Committee and company model) work sufficiently well to meet the required outcomes for partner Councils.
- 2.5 Any changes in outcomes required by Partner Councils can be considered as part of the commissioning and specification of services at the appropriate time in accordance with the new commissioning framework.

3. Partnership Benefits Delivered to Date

- 3.1 As the partnership continues to develop it is notable that some early benefits have already been developed. These include both non-cashable benefits in addition to the cashable savings set out in the business case and are summarised below.
- Cashable savings to date are on profile with savings already delivered in 2015/16 and 2016/17 of £2,332,000.
 - Improved knowledge sharing and learning.
 - Increased Resilience.
 - Technological improvements.
 - Smarter working.
 - Reduction in office space.
 - More consistent approach to HR, alignment of policies and procedures.

- Cost avoidance in procurement. E.g. Non cashable savings due to market presence of Ubico Ltd., valued at £900k for FoDDC achieved through the introduction of an enhanced service as part of the waste contract renegotiation.

4. New Commissioning Framework

- 4.1 The original high level Commissioning Strategy for the 2020 Vision Partnership approved in September/October 2015 builds on the recommendations of the Activist Report. This outline framework covers:
- Commissioning Principles
 - Approach to Commissioning
 - Service Design Principles
 - Long Term Strategy & Framework Development
- 4.2 This strategy stated that if, in the future the partnership moves, as planned, to a Teckal company rather than a Joint Committee the proposal would be to discuss the formation of a distinct shared commissioning function that in the longer term could take a more 'joined up' approach to commissioning to ensure that opportunities for collaboration are fully exploited.
- 4.3 Longer term the plan involved the development of a Commissioning Strategy covering commissioning arrangements across all partners. That strategy would include the design of a flexible commissioning framework which operates across all partnership organisations. The organisation of commissioning activity within the partnership would also require consideration and would be designed in accordance with the shared principles agreed by each Council.
- 4.4 Consequently a project to consider the options for creating a shared Commissioning Framework that could be operated across the partnership was completed.
- 4.5 It was recognised that given most partners' commitment to put all services (in due course) into a company structure, doing nothing is not an option. Equally, although a single shared commissioning support service could be created in theory, the differing approaches to commissioning across the partnership render this undeliverable in practice.
- 4.6 The recommended way ahead, therefore, is to:
- Create a 3-way shared commissioning support team (Forest, Cotswold & West Oxfordshire) within a co-ordinating company.
 - Agree that, subject to the above, a shared commissioning support team can be augmented on a case-by-case basis by internal and external specialists, including CBC commissioners.

- 4.7 It has proved difficult to quantify the level of resources that are currently used to support commissioning processes across the partner Councils. It would be prudent to assume that bringing all such resources into a single team would deliver no immediate cashable savings. This is because a lack of project management and business transformation support across the whole partnership creates some risk, which has the potential to increase as staff numbers reduce as the overall 2020 Programme progresses. Further, the total value of current resource involved is an accumulation of part-posts. It would be a highly complex task to reorganise them. Commissioners have expressed the view that the total resource currently available is insufficient.
- 4.8 A logical measure would be the creation of a project and business support team (as part of a virtual or part-shared commissioning structure). There is a unanimous view across commissioners in all four Councils that the biggest opportunity presented through the commissioning framework review project is not through potential staff savings but through the future efficiency gains that can be achieved through better and smarter procurement. Again, this is currently difficult to quantify but almost certain to offset any increase in staff resource.
- 4.9 This refresh of the business case therefore assumes that no immediate cashable savings are delivered through shared commissioning support.

5. Further Shared Services

- 5.1 The shared services proposition is to deliver financial savings through the efficient management of more flexible skilled and resilient shared staff resources – while still delivering the agreed outcomes for each partner council and with no detriment to the customer. In terms of financial efficiency it is assumed that the greater the number of staff that are shared, the greater the potential financial benefits.
- 5.2 Since the establishment of GOSS and Ubico Ltd. in 2012, confidence has grown in the partnership's ability to generate financial efficiencies through shared services. As a result we are now in the position where most of the partner Councils will consider sharing all of their staffing resources.
- 5.3 Consequently the re-refresh of the business case re-confirms the earlier assumptions made about the level of sharing of staff resources whilst taking account of specific feedback from individual Councils about any specific limitations.

6. Commercialisation & Trading

- 6.1 CIPFA and Proving Services were engaged to consider the opportunities for commercial trading across the four Councils. For this high level process, a number of individuals across the councils were interviewed to assess their perspectives on the councils' options and abilities to move towards a more commercial approach. CIPFA & Proving Services also used their own expertise and experience to consider how to maximise any advantages identified, both in general and for specific services.

- 6.2 The interviewees recognised that staying still is not an option, but felt that the councils' currently lack clarity on the direction services should pursue, including which areas will generate the best returns in respect of finance, performance and social value.

Opportunities for greater commercialism

- 6.3 The ability to enhance council services by trading outside traditional markets is limited in many cases and is also faced with local competition. There are opportunities but these are often small scale and should not be seen as 'quick wins' or generators of huge income. Starting commercial services on a small scale may however lead to larger gains and a stronger foothold in the market in the future. Therefore this option is worth further investigation.
- 6.4 Providing services to other councils may be an option worth pursuing for many services i.e. offering a better product than is currently the case, at a competitive price.
- 6.5 Some members have expressed an interest in moving into new markets where Local Authorities can be seen to have a role. These include things such as energy provision or supply (solar farms) or house building with a Council purchasing land and developing it itself for both commercial and social benefit. These rewards are possible and if a council decides to pursue this, further specialist skills and knowledge of these particular sectors is critical for success.
- 6.6 Regardless of external trading opportunities a more commercial focus on the Councils' services and costs is very likely to lead to higher efficiency savings for the partner Councils.

Commercial opportunities - staffing and skills

- 6.7 The move towards a more commercial outlook in services is recognised within the current council cultures. However, there is varying opinion as to whether all current staff have the skills and the mind set to make this a permanent and successful movement. There needs to be a focus on managing this change with a proactive programme which involves commercial skills training and commercial awareness.

What is already planned to build the foundations of a more commercial approach?

- 6.8 The councils are already focused on a number of areas which will build the foundations of a more commercial approach. These are:
- Undertake a fundamental review of the Councils' approach to employing, retaining and developing staff with a sharper focus on developing/acquiring the necessary commercial skills and approach.
 - Developing shared services and creating business relationships with partner Councils.
 - Investigating a company structure which optimises tax and pension positions and provides maximum flexibility to expand services in the future for the benefit

of the partner councils and allows for expanding into new market opportunities should the right proposal be identified.

What more can be done to become more commercial?

- 6.9 The CIPFA report also recommended that the Partnership should consider developing:
- A much better understanding of cost-competitiveness compared with other providers, particularly for support services which impact not only on other support services but on all direct service provision be it a shared service or a retained service.
 - Further service redesign in support service areas.
 - Reviewing other partnerships- including joining existing partnerships in other councils- to determine further opportunities either to collaborate or take advantage of achieving better value for money.

Commercialisation conclusions

- 6.10 Whilst there are commercial opportunities available the business case takes a prudent approach to the initial benefits. As stated above more work would need to be done to prepare services to be more competitive and identify the most beneficial potential markets within which to compete. As part of the development of the partnership's People Strategy emphasis will be given to developing a more commercial approach.
- 6.11 However it is recognised that the optimum corporate company structure should be introduced to enable trading opportunities to be fully exploited. This is an important factor in determining not only the overall corporate structure but also the optimal way in which to group functions into one or more companies.
- 6.12 For example, based on the initial assessment of the available trading markets, it is possible to conclude that the current markets for generic ICT and financial support services are very mature and competitive. Therefore it is unlikely that the partnership would wish to compete in these markets.
- 6.13 In contrast however, the current market for local authority regulatory services is underdeveloped with very few suppliers. Therefore this is a market with greater opportunity for successful trading and may prove attractive to the partnership.
- 6.14 The availability of trading opportunities and the potential partners in any service delivery company are key factors in grouping and establishing the service companies.

7. Company Structure Framework

- 7.1 A technical report on the legal and tax implications of possible corporate structure formulations for the companies has been completed by Trowers & Hamblins and KPMG. Their advice is set out in their report (commercial in confidence) dated March 2016 and was presented to the Members of the Joint Committee in April 2016.
- 7.2 The key criteria for the 2020 partnership is to develop a company structure framework that delivers the flexibility to meet both current and future needs and can be implemented incrementally over time. Once such a framework has been agreed it will be for the partner Councils to determine which staff and services they wish to transfer into companies and when.
- 7.3 The preferred corporate formulation for the partnership has optimal features that;
- Allow new Local Authorities to join (or leave) tax efficiently;
 - Minimise the on-going tax liability of any entities to be established (by considering available reliefs);
 - Allow other Local Authorities to ‘buy-in’ to the structure on a piecemeal basis, if desired, to participate in only some services rather than to take a share in the overall model;
 - Allow scope for trading and income generation from third parties in the future; and
 - Allow transfer of staff from the Local Authorities to companies.
- 7.4 To enable consideration of the appropriate company framework it is first necessary to consider the services, functions, and staff that Councils are prepared to transfer to a company in order to help define the purpose(s) for that company (or companies).
- 7.5 ***Current Retained Services – (Non-shared/Non-traded Services)***
- These retained services are currently provided by each Council’s directly employed staff, primarily for the sole benefit of a single Council and are not shared. These services could be provided discretely by autonomous divisions within the company model. For any statutory roles or non-delegable functions dual employment contracts would be required. Each Council may have a different view of which of their services can be readily accommodated within the proposed framework and may prefer to retain direct employment of these staff.
- 7.6 ***Shared Services – (Non-traded Services)***
- These are the services that are currently shared or could be shared across two or more of the partner Councils primarily for the benefit of the partner Councils

but with the potential for some limited external trading. In terms of the company framework these services would be delivered to the founding Councils on a cost sharing basis and any external trading with third parties could be carried out within the 20% Teckal exemption.

7.7 **Shared Services – (Traded Services)**

- These services would be provided primarily for external third parties with limited service provision for two or more of the partner Councils. In terms of the company framework these services would be delivered on a profit making basis and there would be no limit on external trading. These services would generate income and profit for the shareholding Councils.

Proposed Company Framework

- 7.8 Based on the advice received a proposed company framework that best meets the requirements of the partnership and the criteria given in 7.3 above has been determined. The framework is flexible and can be developed and implemented overtime as required.
- 7.9 It comprises the core building blocks of a Teckal Co-ordinating Company, Teckal Non-Traded Services Companies and Traded Services Companies. This approach would allow the Councils to maximise employment within a company model, whilst managing and ring-fencing risk within different entities, with the flexibility for new partners to join as required.
- 7.10 The way companies are established and structured will be developed over time as the need arises and based on appropriate business cases as required. The framework provides a basis for these future decisions that will reduce potential risk duplication and cost.

Local Authority Companies and ‘Teckal’

- 7.11 The partner Councils already have experience of both successfully establishing and operating Ubico Ltd. as a ‘Teckal’ company.
- 7.12 The Teckal exemption (named after the EU case that established the principle) provides for an exemption to EU procurement rules in certain circumstances.
- 7.13 The exemption applies where the Council(s) exercise a similar degree of control as they exercised over their own departments (this test is satisfied where the Council(s) has a controlling interest in the Company) and where the essential part of the Company’s activities are performed for those controlling Councils.
- 7.14 In order that the Councils can rely on the Teckal exemption, the ‘control’ test (as explained above) will need to be satisfied. Each Council will have a shareholding and votes, which will be set out in the shareholders’ agreement. The Councils as shareholders will have control over the Company through a governance structure of

directors sitting on the Company Board, which will form the operational management and decision making body for the company.

- 7.15 A contract or service level agreement will be in place between each Council and the Company, setting out the required service specification and standards. The Company and its directors are not able to alter the service and standards set by the Council.

8. Proposed Initial Companies Set Up

- 8.1 In terms of the company framework's financial efficiency it is assumed that the greater the number of staff that are transferred into a company and the greater number of staff that are shared, the greater the potential financial benefits.
- 8.2 Consequently, the Partnership Managing Director has proposed an initial company set up that groups services and staff based on the advice received and taking into account the new Commissioning Framework and the potential for commercialisation. This initial company set up has been used as the basis for the refresh of the business case.
- 8.3 For the purposes of the business case the financial benefits have been modelled for two potential scenarios described in paragraphs 9.10 and 9.11 and illustrated in Figures 8.1 and 8.2 below.
- 8.4 These company scenarios are only intended to be illustrative to suggest the types of companies that could be established. The final grouping of services and the relationships between the companies including the potential use of subsidiaries will be determined based on further detailed legal and tax advice.
- 8.5 The business case shows that based on the current shared services there is sufficient critical mass and benefits to enable the company framework to be adopted and the first companies established. However, it will be for each Council to determine the level of benefit they would wish to deliver by taking advantage of the company framework by becoming shareholders in the companies.
- 8.6 Once this company framework has been agreed more detailed work would be carried out as part of the implementation stage on establishing appropriate governance and management structures for the companies although it is expected that these would be largely based on the current partnership structures.

Figure 8.1: Companies Scenario 1

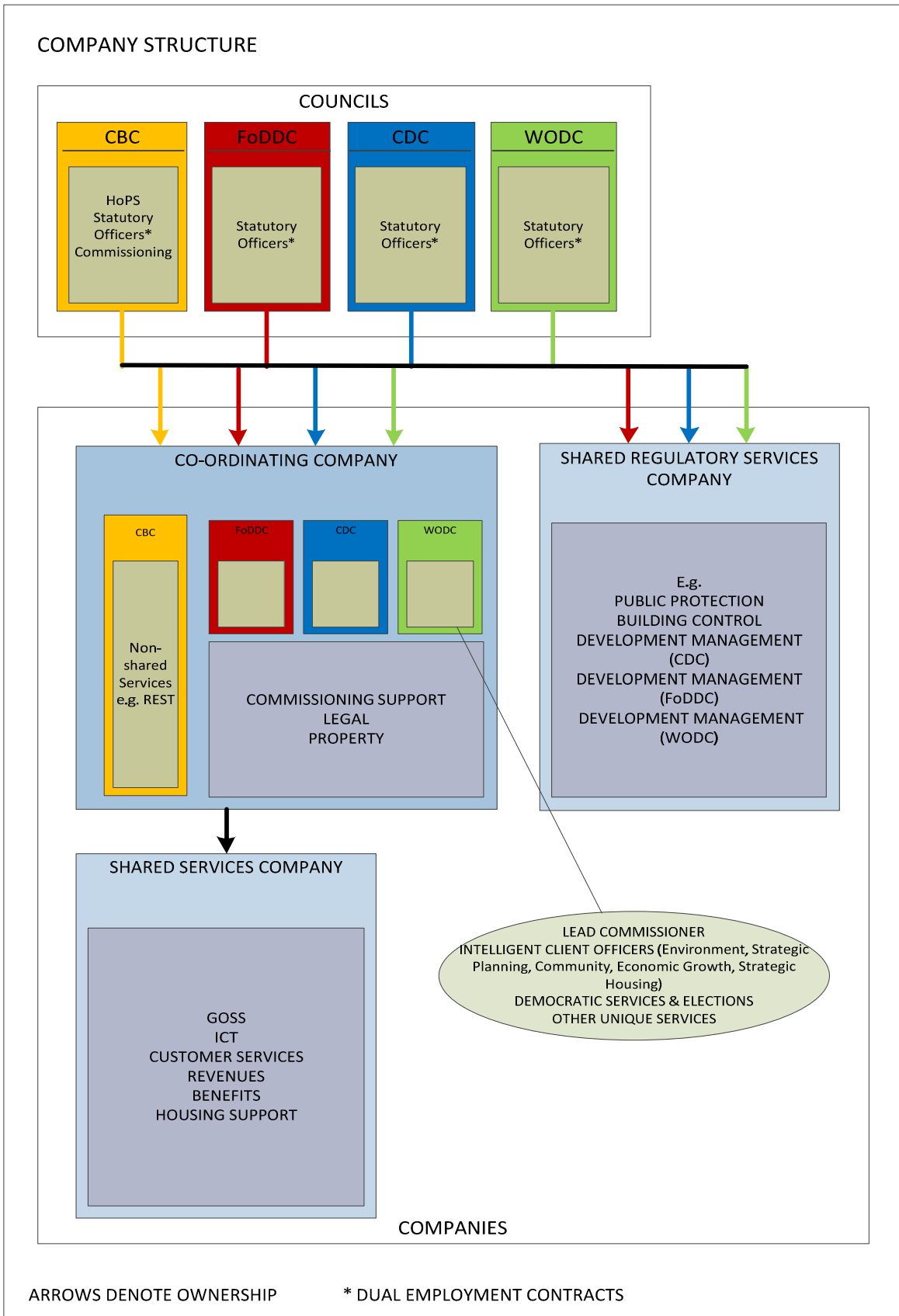
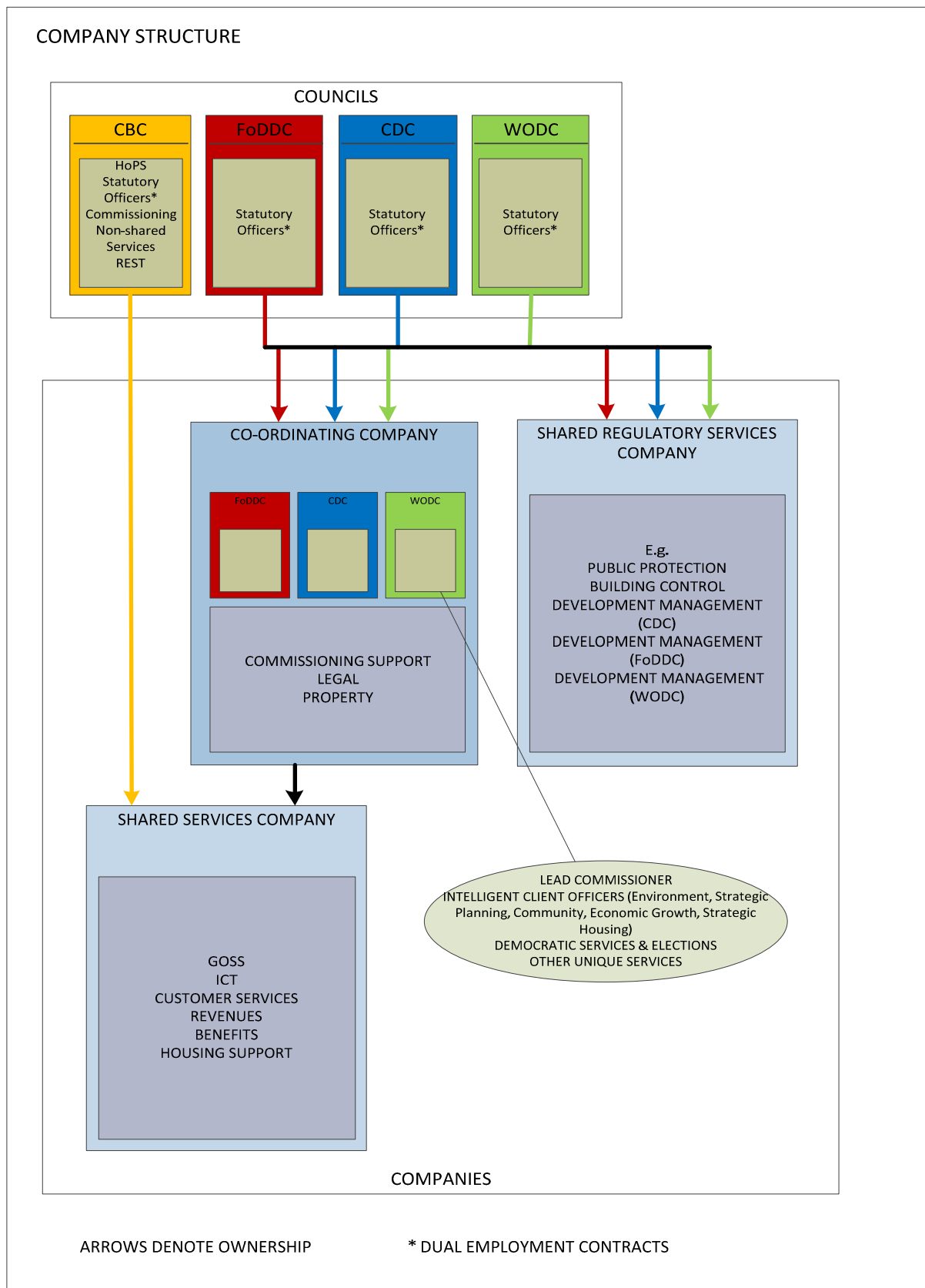


Figure 8.2: Companies Scenario 2



9. Updated Business Case

- 9.1 As set out in the background to this report the “2020 Vision for Joint Working Business Case” approved in 2015 has been updated.
- 9.2 The 2015 business case based on the original proposition, forecast to return cumulative savings totalling £38m over a 10 year period with annual revenue savings of £5.7m in return for a proposed total investment of £10.1m over the same period.
- 9.3 In comparison the refreshed 2016 business case shows increased cumulative savings totalling between £40m and £41m over a 10 year period with annual revenue savings of between £5.95m and £6.2m after 5 years, depending on which Scenario is adopted, in return for a proposed total investment of £10.1m over the same period.

Finance update for refresh of the financial case

- 9.4 The financial business case has been updated for the following:
- The salary baseline position has been moved to 2016/17;
 - Savings delivered in 2015/16 and 2016/17 have been incorporated;
 - Shared services have been reviewed to reflect current political views;
 - Savings assumptions have been reviewed to ensure they remain valid (i.e. any shared services savings already delivered are appropriately reflected in future targets);
 - Assumptions regarding pension exit valuations and crystallisation of liabilities have been discussed with actuarial specialists and are not considered to be a barrier to progress (see separate section below);
 - While the outcome of detailed actuarial modelling is still pending, the existing pension savings assumptions have been maintained. The only exception to this is that the level of savings for Cheltenham Borough Council have been reviewed in proportion to the reduced number of employees that may transfer to the company model;
 - The overall programme costs have been refreshed to reflect current anticipated costs. Some budgets, especially expert advice, are expected to exceed the current provision. However, the increased costs are expected to be funded through savings elsewhere in the programme budget and the overall cost envelop for the programme is expected to remain within £10.1m;
 - The operational costs associated with the proposed company models have been reviewed and are still found to be in line with the previous business case. The share of costs has been updated to reflect the number of shareholders in each company;

- Initial VAT and Corporation Tax advice from KPMG has been reviewed; there are no VAT or Corporation Tax implications to include in the financial case at this stage. Once the proposed model has been agreed, detailed VAT and Corporation Tax modelling will be carried out by KPMG to inform the implementation phase of the programme.

Assumptions used with the business case

9.5 The following assumptions have been used within the business case:

- Shared service savings of between 0% - 15% have been applied to each service. The % saving varies according to the degree of sharing which is already taking place within the service;
- The costs and savings from the Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council shared Public Protection service remain in line with the business case for the shared service. The costs and savings will be updated once the project is complete;
- Savings already delivered reflect actual budget adjustments incorporated into 2015/16 and 2016/17 budgets;
- Employee savings from a more commercial approach have been incorporated at 3% of back office service budgets (although delivery of the savings should arise across all service areas) and 10% of development control budgets;
- An allowance has been made for employee salary increases of 5% reflecting additional responsibilities associated with joint working;
- An allowance of 3% has been made to reduce savings from holding vacant posts empty;
- Pension's savings assumptions are as per the previous business case with employee turnover of 10% assumed and employer contributions to a new stakeholder pension scheme of 5%. Some of the pension potential savings have been excluded from the business case to fund potential cost increases from the review of employee Terms and Conditions and the reward package.

Programme Costs

9.6 The original business case included a programme cost of £8.7m. The update, in the autumn of 2015, indicated that the programme budget would need to increase to £10.1m. However, as there was great deal of uncertainty over provisions for redundancy costs and ICT costs, it was decided that the increased programme costs would be recognised as a risk by the (then) Member Governance Board and the Councils would not be asked to formally agree an increase in contributions to the programme at that point in time.

9.7 The programme budget assumptions have been reviewed with the Group Managers and the Programme Team. The budget for external expert advice needs

to be increased. However, at this point in time these costs can be met within the £10.1m programme cost. Further detailed work will need to be undertaken when a Company structure is finalised and the phasing of future projects are fully determined.

- 9.8 Whilst the overall programme costs have been reviewed the allocation of those costs has not been reviewed in the business case. The split of the partner council funding will need to be reviewed once there is greater clarity over the direction of travel for the programme including the company model to be developed and which councils will be founding shareholders of which companies. The costs of creating the companies will need to be reflected in the contributions for the respective councils.

Financial Benefits

- 9.9 The financial benefits have been modelled for two scenarios and are shown in Tables 9.1 and 9.2 below. Tables 9.3 and 9.4 show the split between savings deliverable under a Joint Committee arrangement and the additional savings deliverable under the companies' scenarios.
- 9.10 The first scenario is the creation of a co-ordinating/commissioning company and a shared services company on behalf of all four partner councils. In addition, a shared regulatory services company owned by CDC, FoDDC and WODC would be created with a view to trading the services being provided.
- 9.11 The second scenario is the creation of a co-ordinating/commissioning company owned by CDC, FoDDC and WODC. A shared regulatory services company would also be created for these same shareholders with a view to trading the services being provided. A third shared-services company would be created to provide shared services to all four partner councils.

Table 9.1: Updated financial case for Scenario 1

Cheltenham Borough Council*		
Previous Bus Case Cost	£2.174m	
Previous Bus Case Benefit	£1.252m	
Payback period	1.74 years	
Revised Bus Case Cost	£2.174m	
Revised Bus Case Benefit	£1.032m	- £0.220m
Payback period	2.11 years	

Cotswold District Council		
Previous Bus Case Cost	£2.628m	
Previous Bus Case Benefit	£1.657m	
Payback period	1.58 years	
Revised Bus Case Cost	£2.628m	
Revised Bus Case Benefit	£1.886m	+ £0.229m
Payback period	1.39 years	

Forest of Dean District Council		
Previous Bus Case Cost	£2.656 m	
Previous Bus Case Benefit	£1.337m	
Payback period	1.98 years	
Revised Bus Case Cost	£2.656	
Revised Bus Case Benefit	£1.554m	+ £0.217m
Payback period	1.71 years	

West Oxfordshire District Council		
Previous Bus Case Cost	£2.682 m	
Previous Bus Case Benefit	£1.497m	
Payback period	1.79 years	
Revised Bus Case Cost	£2.682m	
Revised Bus Case Benefit	£1.723m	+ £0.226m
Payback period	1.56 years	

Overall Programme Savings		
Previous Bus Case Cost	£10.14m	
Previous Bus Case Benefit	£5.743m	
Payback period	1.77 years	
Revised Bus Case Cost	£10.14m	
Revised Bus Case Benefit	£6.195m	+ £0.452m
Payback period	1.64 years	

* The original business case assumed savings from services such as commissioning, totalling £223,000 which are now out of scope for Cheltenham within the 2020 Partnership. Cheltenham will continue to pursue options locally to ensure this target saving from those services is delivered within the timeframes of its own MTFS.

Table 9.2: Updated financial case for Scenario 2

Cheltenham Borough Council*		
Previous Bus Case Cost	£2.174m	
Previous Bus Case Benefit	£1.252m	
Payback period	1.74 years	
Revised Bus Case Cost	£2.174m	
Revised Bus Case Benefit	£0.817m	- £0.435m
Payback period	2.66 years	

Cotswold District Council		
Previous Bus Case Cost	£2.628m	
Previous Bus Case Benefit	£1.657m	
Payback period	1.58 years	
Revised Bus Case Cost	£2.628m	
Revised Bus Case Benefit	£1.877m	+ £0.220m
Payback period	1.4 years	

Forest of Dean District Council		
Previous Bus Case Cost	£2.656m	
Previous Bus Case Benefit	£1.337m	
Payback period	1.98 years	
Revised Bus Case Cost	£2.656m	
Revised Bus Case Benefit	£1.545m	+ £0.208m
Payback period	1.72 years	

West Oxfordshire District Council		
Previous Bus Case Cost	£2.682m	
Previous Bus Case Benefit	£1.497m	
Payback period	1.79 years	
Revised Bus Case Cost	£2.682m	
Revised Bus Case Benefit	£1.714m	+ £0.217m
Payback period	1.56 years	

Overall Programme Savings		
Previous Bus Case Cost	£10.14 m	
Previous Bus Case Benefit	£5.743m	
Payback period	1.77 years	
Revised Bus Case Cost	£10.14m	
Revised Bus Case Benefit	£5.953m	+ £0.210m
Payback period	1.70 years	

* The original business case assumed savings from services such as commissioning, totalling £223,000 which are now out of scope for Cheltenham within the 2020 Partnership. Cheltenham will continue to pursue options locally to ensure this target saving from those services is delivered within the timeframes of its own MTFS.

Table 9.3: Savings comparison - Joint Committee v Companies Scenario 1

	CBC £000	CDC £000	FofDDC £000	WODC £000	Total £000
Joint Committee					
Shared Services	392	888	765	1,169	3,214
Other Efficiency Savings	299	549	431	182	1,461
Total Joint Committee Savings	691	1,437	1,196	1,351	4,675
Company					
Pensions	300	250	240	210	1,000
Commercial Approach	91	282	201	245	819
Company Overhead	(50)	(83)	(83)	(83)	(299)
Total Company Savings	341	449	358	372	1,520
Total Savings	1,032	1,886	1,554	1,723	6,195

Table 9.4: Savings comparison - Joint Committee v Companies Scenario 2

	CBC £000	CDC £000	FofDDC £000	WODC £000	Total £000
Joint Committee					
Shared Services	392	888	765	1,169	3,214
Other Efficiency Savings	299	549	431	182	1,461
Total Joint Committee Savings	691	1,437	1,196	1,351	4,675
Company					
Pensions	60	250	240	210	760
Commercial Approach	91	282	201	245	819
Company Overhead	(25)	(92)	(92)	(92)	(301)
Total Company Savings	126	440	349	363	1,278
Total Savings	817	1,877	1,545	1,714	5,953

- 9.12 The financial savings reflect cashable savings to each authority. In addition to the cashable savings, the 2020 Partnership will also lead to savings from cost avoidance. This has already been demonstrated in the procurement of a new waste collection contract at Forest of Dean District Council. The AON Hewitt report in May 2014 identified a potential doubling of future benefit contributions into the LGPS over the next 20 years. By moving employees into a company model, these cost increases will be mitigated for new joiners.

Pensions Benefits update

- 9.13 The pension assumptions within the approved business case for 2020 Joint Working were based on an actuarial report from AON Hewitt “2020 Vision Actuarial Advice to Support the Joint Working Team” dated 30 May 2014. These assumptions are based on the proposition that the Councils would create local authority owned companies that would enable new staff to be employed without access to the Local Government Pension Scheme with an alternative stakeholder pension provided.
- 9.14 This report estimated through AON Hewitt’s pension modelling that annual pension contribution rates could reduce by around £1.5m in 10 years’ rising to £3.5 m in 20 years’ time.
- 9.15 The report also identified the risks of triggering an exit valuation by the pension body if a Council transferred all of their employees and a re-valuation of the fund. The business case assumed that exit valuation would be avoided and made an allowance for the cost of re-valuation.
- 9.16 AON Hewitt suggested a number of ways of avoiding triggering an exit valuation by either avoiding crystallisation of the pension deficit by continuing to employ one or more of members in each Local Government Pension Scheme (LGPS), or applying for a Direction Order under Schedule 3 of the LGPS Regulations.
- 9.17 Since the original report discussions have been held with both the Gloucestershire and Oxfordshire pension providers to understand the implications of the company proposals. The feedback has been that provided each council continues to employ its statutory officers through dual employment contracts then an exit valuation will not be applicable and therefore a crystallisation of outstanding liabilities is unlikely to occur.
- 9.18 The actuaries are in the process of modelling the detailed financial implications of the move to the company model, therefore some level of risk remains. However, the risks highlighted in the AON Hewitt report are significantly reduced and are considered low and manageable.
- 9.19 The risks of triggering an exit valuation can be mitigated by ensuring that each Council continues to employ some members of the LGPS; these employees may have dual employment contracts with both the Council and the local authority owned company.

10. Next Steps

- 10.1 If it is agreed by the Joint Committee that the business case and proposed Company structure is suitable, further discussion and engagement with Members in each Council will be completed ahead of a final implementation report being presented to each Council for final decision in the Autumn.
- 10.2 During this process each Council also needs to confirm the extent to which they are willing to transfer employees to a company and when.

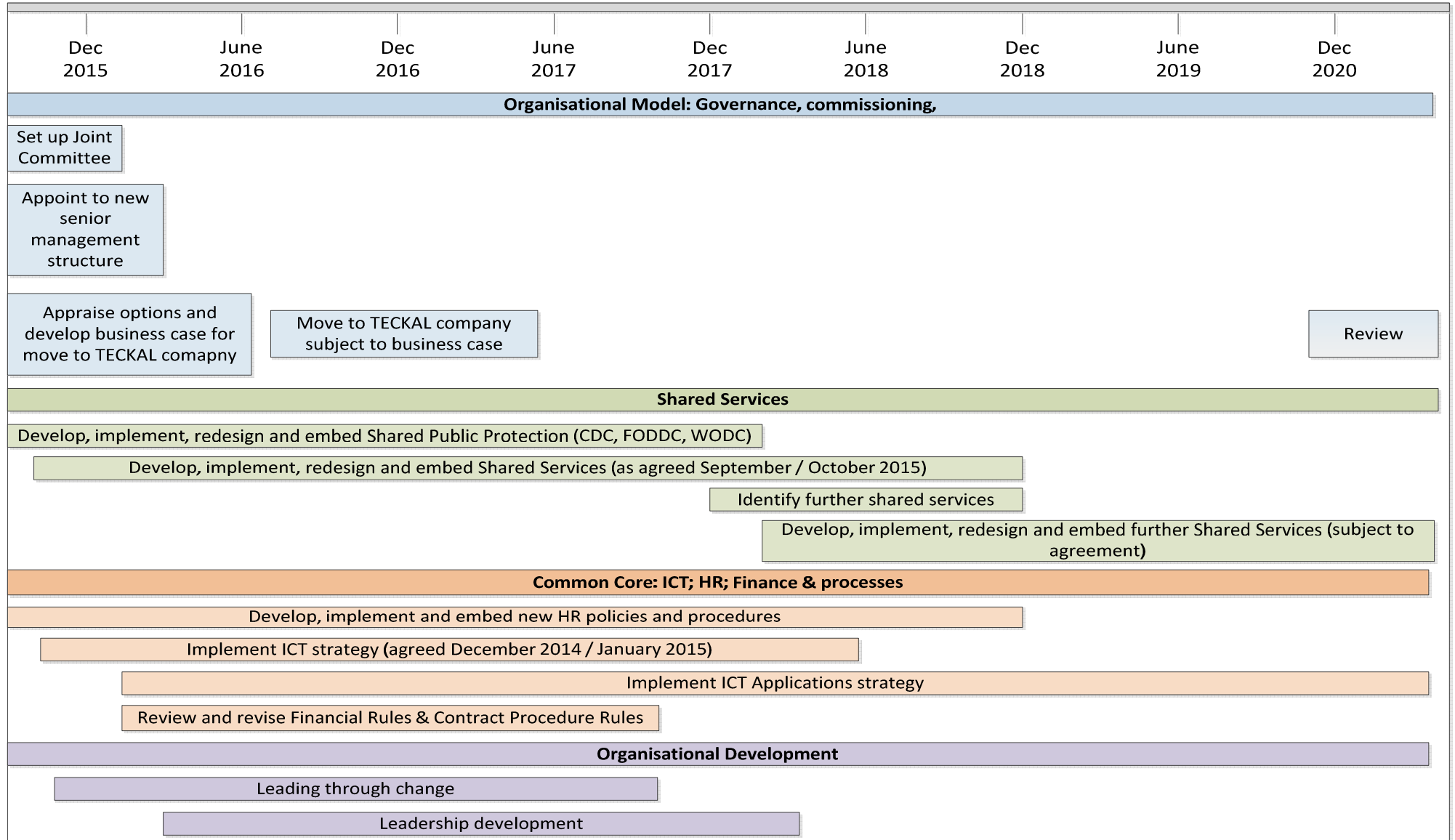
Timescales & Implementation

- 10.3 A detailed implementation plan for the establishment of the companies would be developed based on the feedback from each Council on the timing of transfer of services and staff into a company model.
- 10.4 Following approval of this business case to develop the next stage of the partnership, all of the actions necessary within the Programme to deliver the next stage of the partnership would be planned and agreed. These would include plans for the implementation of the new Commissioning Framework, the necessary governance and management structures for the Company, process redesign work, ICT and People Strategies.
- 10.5 The implementation would continue to use the current programme management approach and resources as set out in the programme plan and the revised business case.
- 10.6 The indicative timetable for implementing the 2020 Vision is provided in Figure 10.1 below. The approach to delivering the 2020 Vision is evolutionary and subject to a series of decision points. The plan will be regularly reviewed and updated as decisions are taken.

Engagement & Communication

- 10.7 A comprehensive communication and engagement plan will be produced to reflect the decisions made as a result of this report. It will cover staff, elected members, Trade Unions, staff representatives and all other major stakeholders, both internal and external.

Figure 10.1: Indicative timetable for delivering Vision 2020



Future Development

- 10.8 Further work will be undertaken to design the future approach to Customer Services under the company model. This will need to take account of the new service delivery model whilst providing a seamless transition for customers. Customer contact will remain via existing channels and a local presence will be maintained to deal with local contact. The proposal would be to maximise the use of technology in allowing 24-hour self-service wherever possible. This 'channel- shift' will help to reduce customer demand and increase our capacity to resolve remaining face to face customer contact 'right first time'.
- 10.9 It will also be necessary to undertake work on branding and identity. Both to protect the identity of the Councils but also to establish an appropriate brand for the new companies.
- 10.10 There is great potential to improve the customer experience through the customer-focussed redesign of services. The re-design of services is also an essential component of the efficiency savings. Consequently a programme of targeted service redesign will be developed and resourced as part of the next phase development of the partnership.
- 10.11 Once the company structure has been finalised and agreed, work will be completed on the governance and management of the partnership. This will ensure that a strategic approach is taken to the delivery of each Council's objectives with clear accountabilities and responsibilities.
- 10.12 Work will also be undertaken to consider how property assets can be managed more effectively across the partnership with a view to developing a Property and Assets Action Plan to drive future property benefits.

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2020 PARTNERSHIP JOINT COMMITTEE

17 June 2016

PJC.5

Subject	CONSTITUTION				
Key Decision	This item is not a key decision				
Accountable officer	Claire Hughes, Monitoring Officer Tel: 01594 812515 Email: claire.hughes@fdean.gov.uk				
Summary	This report identifies proposed amendments to the Constitution				
Recommendation	<i>The Joint Committee are recommended to agree and accept the amendments to the constitution</i>				
Implications	LEGAL	FINANCIAL	RISK	EQUALITIES	SUSTAINABILITY
	YES	NO	NO	NO	NO

1. BACKGROUND

- 1.1. The Joint Committee currently works to version 1 of the Constitution, which was adopted on 12 February 2016.
- 1.2. Since the introduction of version 1 members have requested some amendments to the Constitution
- 1.3. Part 1, chapter 2.7 provides that the Monitoring Officer can make minor amendments and corrections to the Constitution, where such changes do not affect the substance of the content but identify changes in titles, responsibilities, typing or grammatical corrections, provided that any such changes are reported to all members. None of the proposed changes fall within this delegation and will therefore need to be ratified by the Joint Committee.
- 1.4. Part 2 of this report identified the amendments which are recommended by the Monitoring Officer, to satisfy the requirements of members.

2. PROPOSED AMENDMENTS TO CONSTITUTION

2.1. Part 2, Chapter 1 (Composition of the Joint Committee)

- 2.1.1. The current constitution provides that where a member is substituted it should be on a like for like basis, namely if the member is a member of the partner authority's executive then the substitute should also be a member of that partner authority's

executive. It is proposed to remove this requirement thereby meaning that any member of a partner authority can substitute.

2.2. Part 2, Chapter 5 (Meetings of the Joint Committee)

2.2.1. Paragraph 8 of this chapter deals with attendance at meetings of the Joint Committee by members who are not appointed to the Joint Committee. As currently drafted the paragraph allows for such members to speak at meetings. However, due to the constraints regarding participation in virtual meetings it will be difficult for the chairman to manage and therefore it suggested that this is amended to require members to notify the chairman on their intention to speak on a matter prior to the commencement of the meeting.

2.2.2. Paragraph 17 of this chapter deals with registration of gifts and hospitality. The current constitution provides that members must register gifts and hospitality associated with them being a member of the Joint Committee with the Monitoring Officer. This may result in members having to make duplicate declarations and as Partner Authorities have different rules on this matter it is suggested that the requirement is removed and members are simply required to follow the rules of their Partner Authority.

2.2.3. Paragraph 23 of this chapter deals with call-in. Members considered that the current wording did not make it clear that some officer decisions could also be called in and therefore it is proposed to reword the paragraph so that it reads as follows:

“Any decision made by the Joint Committee or an Officer (where the Officer decision is a Significant Decision, Delegated Decision or Urgent Decision), unless the Partner Authorities’ Scrutiny Committees’ chairman agree otherwise can be called in by any Partner Authority in accordance with the rules of call in set out in that Partner Authorities Constitution whereupon the decision will stand in abeyance”.

2.2.4. Paragraph 24 deals with notices of motions and allowed for the chairman to schedule motions to another meeting where appropriate. Members considered that any motions which were deferred as a result of time constraints should be scheduled to the next available meeting and therefore the recommendation is to reflect this change within the document.

2.3. Part 2, Chapter 9 (Scrutiny arrangements)

2.3.1. It is recommend that paragraphs 1,2, 3, 4 and 5 of this chapter are amended to make it clear that scrutiny arrangements apply not only to Joint Committee decisions but also to officer decisions, where the officer decision is a significant or delegated decision, as defined in the constitution.

2.4. Part 3 (Officer Scheme of Delegation)

2.4.1. Members have requested an amendment to table 1 of the scheme of delegation to provide that consultation with the Partner Authorities section 151 officers must take place before any new arrangements for the provision of services to third parties with a value of more than £50,000 are agreed.

- 2.4.2.** Further it is proposed to amend table 2 so as to provide that officers cannot take an urgent decision that is contrary to or not wholly in accordance with the annual service action plan and/or annual budget, nor take an urgent decision in respect of any matter in table 1, including a significant decision, where there is not sufficient time for a report to be considered by the Joint Committee, until such time as the clerk to the Joint Committee has ensured that all of the Partner Authorities' Scrutiny Committees' have been notified of the intention to make an urgent decision and their approval sought for call-in not to apply to that decision.
- 2.4.3.** In addition it is proposed to make it clear that where the delegation remains with the Council e.g. where this is required by statute then the delegation is to the Head of Paid Service of the relevant Council and not the Managing Director of the 2020 Partnership

Legal implications	As detailed in the report
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BACKGROUND PAPERS

The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Constitution Version 1
- Minutes of Joint Committee Meeting 12 February 2016

These documents will be available for inspection at the Council Offices, Coleford during normal office hours for a period of up to 4 years from the date of the meeting. Please contact the author of the report.

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2020 PARTNERSHIP JOINT COMMITTEE

17 June 2016

PJC.6

Subject	PROGRAMME STATUS SUMMARY AND BUDGET UPDATE																	
Key Decision	This item is not a key decision																	
Partners affected	All																	
Accountable officer	Ralph Young, 2020 Programme Director Tel: 01285 623102 Email: ralph.young@2020partnership.uk																	
Summary	This report provides a summary of programme progress and reports the update of the programme budget based on the revised 2016 business case.																	
Annexes	Annex A PROGRAMME STATUS SUMMARY MARCH-MAY 2016																	
Recommendation	<p>a) <i>To note the report.</i></p> <p>b) <i>To note the updated Programme Budget of £10.1m</i></p> <p>c) <i>To reallocate approved budget of £300,000 to Expert Advice, from Programme Management Support (£150,000) and Cost of Transformational Change (£150,000)</i></p>																	
Implications (details at end of report)	<table border="1"> <thead> <tr> <th>LEGAL</th> <th>FINANCIAL</th> <th>HUMAN RESOURCES</th> <th>RISK</th> <th>EQUALITIES</th> <th>SUSTAINABILITY</th> </tr> </thead> <tbody> <tr> <td>NO</td> <td>YES</td> <td>NO</td> <td>NO</td> <td>NO</td> <td>NO</td> </tr> </tbody> </table>						LEGAL	FINANCIAL	HUMAN RESOURCES	RISK	EQUALITIES	SUSTAINABILITY	NO	YES	NO	NO	NO	NO
LEGAL	FINANCIAL	HUMAN RESOURCES	RISK	EQUALITIES	SUSTAINABILITY													
NO	YES	NO	NO	NO	NO													

1. REASONS FOR RECOMMENDATIONS

To note the progress on the 2020 Programme and approve the updated programme budget.

2. BACKGROUND

In August 2015 the “2020 Vision for Joint Working Business Case” was approved with a proposed investment of £10.1m in the 2020 Programme over a five year period.

3. MAIN POINTS

The updated business case for the next stage development of the 2020 Partnership is considered by the Joint Committee under item 9 on the meeting agenda. To enable completion of the 2020 Programme it will be necessary to seek approval from the Councils’ for the full programme costs of £10.1m when the implementation decision is taken in the autumn.

Prior to this it is recommended that the Joint Committee reallocate budget from Programme Management/Project Support (£150,000) and Cost of Transformational Change (£150,000) to Expert Advice (£300,000).

4. ALTERNATIVE OPTIONS

None.

Financial implications	As set out in the report.
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BACKGROUND PAPERS

The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

These documents will be available for inspection at the Council Offices, Coleford during normal office hours for a period of up to 4 years from the date of the meeting. Please contact the author of the report.

2020 Vision Programme Programme Status Summary Dates covered: March – May 2016	Overall Status:
	Green

Programme Status	Green
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Provide an overview of the programme schedule status (highlights):

- 2020 Partnership shared services went live with Group Managers taking up their posts at the beginning of April 2016. The focus of the first 3-6 months is for Group Managers to spend time across partner authorities to meet people, answer questions and develop Service Plans. The shared services cover: GO shared services (Finance, HR, Procurement), Environmental and Regulatory Services (Public Protection), ICT, Customer Services, Building Control, Revenues, Benefits, Housing Support, Legal, Property – although not all services are shared across all partner authorities.
- An Environmental and Regulatory Shared Service (CDC, FoDDC, and WODC) has been developed and appointments made to a new streamlined structure. Processes and systems have been aligned, and a new system has been implemented at WODC. Data has been reviewed, cleansed and captured. Office environments and ICT have been updated to support smarter working including greater mobile working and hot desking. A change management plan to support staff in a new way of working has been developed and is being implemented including training and induction.
- The business case for the next stage development of the 2020 Partnership has been refreshed including work on a company framework supported by Trowers and Hamlin and KPMG; a review of trading opportunities supported by CIPFA; a commissioning framework to ensure the 2020 partnership continues to develop; and further understanding of pension implications.
- Following stabilisation of ICT platforms at the partner authorities, work has commenced on delivering the 2020 Partnership ICT strategy to enable people to communicate seamlessly across the partnership from various locations; to enable access to the systems and files people need to deliver shared services across a partnership wide network and to put in place the infrastructure to provide even better access to services for customers.
- The 2020 Partnership Aims and Objectives, agreed by the Joint Committee in February 2016, have been widely communicated to staff and are being used to engage staff with the new way of working required to make the partnership successful, to review policies and to develop strong leadership.
- The options for a shared Building Control Service have been appraised and as a result a Shared Building Control Service (CDC, FoDDC and WODC) will be implemented.
- A review of the partner Councils’ ability to respond to and sustain a response to an emergency as the overall number of staff decreases has been completed. As a result a temporary shared Emergency Planning Manager will be appointed to align plans and resources across the partnership.

Budget	Green
<i>Provide an overview of the programme budget:</i>	
<p>Programme spend to date is within budget, see Appendix 1. A reallocation of approved budgets currently earmarked for programme management (£150,000) and transformational change (£150,000) to fund further expert advice with an increased budget (£300,000) is required. Councils will be asked to fund full programme costs of £10.14m in autumn 2016, following a review of cost allocation dependent on the final company model.</p>	

Benefits Realisation	Green
<i>Report on the progress towards realising benefits:</i>	
<p>cashable savings to date are on profile with savings already delivered in 2015/16 and 2016/17 of £2.3m</p>	

Key Risk Update	Green
<i>Report on key programme risks:</i>	
<p>A programme risk register is maintained and regularly reviewed. There are currently no significant risks once controls and mitigating actions have been taken into account (i.e. residual risks scoring above 12).</p>	

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2020 Vision - Budget Monitoring Statement to end of May 2016

Appendix 1

		Strategic Level Funding Allocation						16/17 Planned Expenditure	Budget Changes	
Cost centre (T)	Detail	Responsible Officer	Total 2020 Vision Budget	Strategic Level Unallocated Funding	Programme Approved Budget	Spend to Date	Commitments	Variance		
Expert Advice			£445,000	£0	£445,000	£243,881	£4,800	£196,319	£ 493,450	£ 300,000
Vision 2020 programme	Actuarial Advice	Jenny Poole			£80,000	£23,207	£0	£56,793	£ 50,000	
Vision 2020 programme	HR Advice	Deb Bainbridge			£73,000	£35,049	£0	£37,951	£ 207,951	
Vision 2020 programme	Commissioning advice	David Neudegg			£90,000	£80,018	£0	£9,982		
Vision 2020 programme	FODDC Leisure Procurement Strategy	Paul Jones			£50,000	£49,590	£0	£410		
Vision 2020 programme	Legal Advice	Bhavna Patel			£100,000	£34,501	£4,800	£60,699	£ 115,499	
HR Payroll project	ICT Advice	Deb Bainbridge			£12,000	£0	£0	£12,000		
Vision 2020 programme	Property advice	Ralph Young			£10,000			£10,000	£ 10,000	
	Organisational Design Advice	-						£0	£ 100,000	
	LGA Peer Review	David Neudegg			£10,000			£10,000	£ 10,000	
Vision 2020 programme	Financial Advice	Jenny Poole			£20,000	£21,516	£0	-£1,516		
Programme Management / Project Support			£2,940,000	£793,000	£2,147,000	£1,075,208	£628,617	£443,175	£ 660,115	-£ 150,000
Vision 2020 programme	Programme Management	Ralph Young			£875,000	£542,273	£305,343	£27,384	£ 296,583	
Vision 2020 programme	Programme Corporate Support	Jenny Poole			£500,000	£161,427	£241,880	£96,692	£ 233,927	
Vision 2020 programme	Programme Support	Ralph Young			£400,000	£90,262	£70,658	£239,081	£ 126,026	
Public Protection Project	Programme Management and Support	Bill Oddy			£334,000	£264,439	£10,736	£58,825	£ 3,579	
HR Payroll project	Programme Management and Support	Deb Bainbridge			£38,000	£16,807	£0	£21,193		
			£3,280,000	£2,543,000	£737,000	£607,757	£95,143	£34,101	£ 1,030,917	
2020 Universal Secure Network Layer (ICT)	Vision 2020 Funding - 2020 Universal Secure Network Layer (ICT)	Phil Martin			£210,000	£204,000	£0	£6,000	£ 196,000	
2020 Universal Collaboration Layer (ICT)	Vision 2020 Funding - 2020 Universal Collaboration Layer (ICT)	Phil Martin			£135,000	£134,322	£0	£678	£ 424,178	
2020 'One Workspace' Layer (ICT)	Vision 2020 Funding - 2020 'One Workspace' Layer (ICT)	Phil Martin			£50,000	£35,000	£0	£15,000	£ 65,500	
2020 Applications Layer (ICT)	Vision 2020 Funding - 2020 Applications Layer (ICT)	Phil Martin			£46,000	£34,392	£0	£11,608	£ 261,608	
Public Protection Project	ICT	Phil Martin			£296,000	£200,043	£95,143	£815	£ 83,631	
Cost of Transformational Change			£2,080,000	£678,500	£1,401,500	£989,550	£0	£411,950	£ 471,534	-£ 150,000
Vision 2020 programme	Vision 2020 Funding - REST Project	Mike Redman			£25,000	£25,000	£0	£0		
Vision 2020 programme	Vision 2020 Funding - Ubico Development	Ralph Young			£133,500	£110,584	£0	£22,916		
Vision 2020 programme	Operational Company set up Costs	-						£0	£ 82,500	
Vision 2020 programme	Business Change support	David Neudegg			£50,000			£50,000	£ 50,000	
Vision 2020 programme	Cost of Transformational change	Jenny Poole			£1,193,000	£853,966	£0	£339,034	£ 339,034	
			£8,745,000	£4,014,500	£4,730,500	£2,916,396	£728,559	£1,085,545	£2,656,016	

Budget Changes:

Within overall programme budget - reallocation from budget earmarked for Programme Management and Transformational Change to fund further Expert Advice requiring an increased budget. Councils will be asked to fund full programme costs of £10.14m in the autumn following a review of cost allocation depending on final company model.

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