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22 September 2016

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Dear Councillor,

You are invited to attend a meeting of the **2020 Partnership Joint Committee** to be held in: West Oxfordshire District Council and remotely via video conference at the following locations: Cheltenham Borough Council, Cotswold District Council and Forest of Dean District Council on **Friday, 30 September 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 (Chairman), Brian Robinson, Lynden Stowe (Vice chairman) and Roger Whyborn



AGENDA

1. APOLOGIES

To receive apologies for absence.

2. URGENT BUSINESS

The chairman to identify any items of urgent business.

3. MINUTES (Pages 1 - 10)

To confirm the minutes of the meeting held on 17 June 2016 (attached).

4. 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.

5. 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, 26 September 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.

6. 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, 26 September 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.

7. COMPANY DECISION AND FURTHER BUSINESS CASE UPDATE (Pages 11 - 42)

To consider and approve report PJC.7 - Company Decision and Business Case Update.

8. SHARED SERVICES BUDGET AND PERFORMANCE UPDATE (Pages 43 - 58)

To consider and approve the Shared Services budget and performance report PJC.9

9. HEALTH AND SAFETY POLICY (Pages 59 - 70)

To consider and agree PJC.8 Health and Safety Policy.

10. PROGRAMME PLAN QUARTER 2 STATUS REPORT (Pages 71 - 74)

To note PJC.10 the Programme Status Summary report.

11. EXEMPT BUSINESS

TO CONSIDER, AND IF SO AGREE, TO RESOLVE *that under section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in schedule 12A of the said act*

12. INTERNAL AUDIT (Pages 75 - 80)

To consider and approve report PJC.11.

13. PUBLIC PROTECTION (Pages 81 - 84)

To consider and approve report PJC.12.

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Agenda Item 3

Friday, 17 June 2016

2020 PARTNERSHIP JOINT COMMITTEE

Minutes of a meeting of the 2020 Partnership Joint Committee held in the Cheltenham Borough Council on Friday, 17 June 2016 at 10.00 am.

Present

Chairman Councillor Patrick Molyneux

Vice Chairman Councillor Lynden Stowe

Councillors Colin Dingwall, Wendy Flynn, Christopher Hancock, James Mills, Brian Robinson and Roger Whyborn

Officers

David Neudegg, Managing Director

Claire Hughes, Monitoring Officer

Ralph Young, 2020 Programme Director

Jenny Poole, Group Manager for Go Shared Services

Julie Jones, Clerk to 2020 Partnership Joint Committee

Tony Bees, Clerk to 2020 Partnership Joint Committee

1. CHAIRMAN OF THE 2020 PARTNERSHIP JOINT COMMITTEE

These minutes are not a verbatim record apart from the statement that Cllr Whyborn read out, but comprise the main points that members made. For these meetings the following acronyms will always be used.

GOSS – GO Shared Services
CBC – Cheltenham Borough Council
CDC – Cotswold District Council
FODDC – Forest of Dean District Council
WODC – West Oxfordshire District Council

The committee elected Cllr Patrick Molyneux as its chairman for the civic year 2016 to 2017.

2. VICE CHAIRMAN OF THE 2020 PARTNERSHIP JOINT COMMITTEE

The committee elected Cllr Lynden Stowe as its vice chairman for the civic year 2016 to 2017.

3. APOLOGIES

Apologies were accepted for Cllr Lynden Stowe.

4. URGENT BUSINESS

The chairman identified no items of urgent business, but following the sad news of the murder of MP Jo Cox he asked for a minute's silence as a mark of respect and for reflection. On behalf of the committee he expressed condolences to her husband and two young children.

5. MINUTES

The minutes of the meeting held on 12 February 2016 were confirmed and signed as an accurate record.

6. DECLARATIONS OF INTEREST

No declarations of interest were made.

7. PUBLIC QUESTION TIME

There were no public questions.

8. MEMBER QUESTIONS

There were no member questions.

In discussion it was suggested partner councils made it easier for councillors and the public to find agendas in order to be able to ask questions by placing a clear 2020 logo on front pages of websites .

9. PARTNERSHIP DEVELOPMENT & BUSINESS CASE UPDATE

Upon invitation the Managing Director presented report PJC.4, emphasising that the committee was being asked to consider in principle moving from a joint committee to a company structure, which had been a partnership aspiration for some time. The report included an update on issues relating to the business case from autumn 2015. He invited questions on detail to be directed to the 2020 Programme Director and the Group Manager for GO Shared Services.

He said that since the report had been published the committee had met informally and there had been further discussion with representatives of CBC to clarify some issues. As a result he had circulated the following suggested amendment to the recommendations and a revised scenario diagram (attached).

Suggested amendment - to delete ***'To agree the proposal to establish the company operating model for consultation with partner councils'*** and replace it with ***'To agree the proposal to establish a company operating model for consultation with partner councils, the final structure and governance arrangements of which will be determined following further expert legal and tax advice on the grouping of services and the relationships between the companies including any potential use of subsidiaries'***.

He reminded committee members that this concerned an in-principle decision to enable councils to obtain advice and feedback before the committee made recommendations to all partner councils regarding governance and the future role of the committee.

Answering questions, the Managing Director emphasised that the next stage was about putting together detail and seeking advice on a company structure that would allow future commercial activities to happen at a later stage, which

did not necessarily mean employing people but having access to them. Discussion on governance structures required full councillor discussion so that the needs of all partners were met.

Cllr Whyborn then read out the following statement.

I have to say chair that for a number reasons Cheltenham does not feel able to give a general commitment to progressing the 2020 project in accordance with the report to this meeting.

1) The future of GO Shared services and ICT, also Audit

- I should first start by saying that the sharing of services, is in the main considered by cabinet to have been successful, and has already delivered savings, and some service improvements. The further merging of ICT services ought to deliver a better service, and also save money and give enhanced expertise across the piece. ICT is certainly more resilient than it was two years ago. So with lots of caveats about the devil being in the detail, cabinet would be mostly positive about the further integration of these back-office services.

2) The future of the Customer Services and Revenues and Benefits services

- It would be fair to say, and indeed unfair not to, that the majority view of the cabinet of Cheltenham Borough Council is either opposed to sharing these services *per se*, or at best has serious reservations about sharing these services, particularly with partners whose *modus operandi* for public facing services is very different from Cheltenham's.
- Hundreds of people walk into these offices off the street daily; many of them are poor, not IT literate, or are from deprived communities; they have face to face contact with officers, and sometimes members. The whole culture of both the way we do public services, the issues faced and the public expectation of the service level, in an urban area is totally different. Whatever the level of good will or legal safeguards, it is difficult to see "sharing" working.
- In evaluating the merits of sharing these services the general view is that the savings of £170K to £260K are insufficient to justify the inevitable loss of control by the Council, by which I mean Councillors, or the reputational risks to the council of sharing such high-profile public facing services, which have constant interaction with members, and often the media.

3) Concerns about non-recurring/set-up costs

- The level of set-up costs, £10.14m is alarming, of which CBC is asked for £2.174m. If Cheltenham goes for a Teckal company we are expecting a very simple service delivery company with minimal set-up costs at a six figure sum, not £ millions. Unfortunately the heavy duty structures do give the impression – perhaps wrongly - of building an empire. We can probably see the benefits of £3m for improved ICT platforms, software and updated telephony. The business

transformation costs including redundancy seem very high at £2½m. But the rest of it, £4m for the programme office and £1½m for advisers, seems at best an overbloated bureaucracy and at worst a gravy train for senior executives and lawyers.

4) Company structure and governance

- To the extent that Cheltenham is ready and able to pursue shared services, e.g. GO, ICT, and Audit, the proposed future governance structures are unclear. As a principle the only model we are interested in is a simple lean one where the services (whether S101 or Teckal companies) report directly to the partners – as on the latest diagram provided by the MD. It will be unacceptable for any organisation providing services to Cheltenham to be owned by an organisation whose personnel are also clients or commissioners for other partners.
- Cheltenham is generally supportive of the Teckal model for commissioning of services, and has no objection in principle, recognising the financial benefits, also the opportunities to act more commercially than would otherwise be the case. However, the Ubico experience, though generally good, has pointed up a significant democratic deficit, where members have been unable to participate in important decisions. It is simply unacceptable that the member observer was expelled from a board meeting because the decision to admit a new partner was deemed to be too sensitive! As Ubico gets larger, tensions will also open up as to which decisions can be vetoed by authorities – “golden share” decisions if you will. In particular Cheltenham will expect to see member directors on any Teckal company where it holds a share, and will also be looking for the support of partners to introduce this to Ubico.

5) Capital and other invest-to-save investments

- Even if the Customer Services and Revenues and Benefits services cannot be shared, and whether or not the existing S101 GOSS/ICT/Audit services end up in a Teckal company, I would see mileage in having officers look at the benefits, advantages, and savings from improved telephony and common ICT hardware and software across the four councils.

6) The small print

- I have touched on some of the structural issues – and the devil is in the detail – I have to say if we are going to put things like GOSS into Teckal company then we would need to have and agree answers on a range of issues, including but not limited to the following: How big, how wide, pension liabilities, reserved powers and vetoes, how accountable, how scrutinised, how do you get things changed, how do you pull a service out, new joiners, does the model tick the legal/tax boxes, possible future unitaries, who’s on the board?

7) and lastly: Where do we go from here?

These minutes are subject to approval at the next meeting

- We certainly cannot sign up this morning, and I must vote against resolutions b) and c); there simply isn't enough factual detail. If I am honest I cannot see a situation where Cheltenham would want to share Customer Services and Revenues and Benefits services at any level of detail, though we would want to carry on with GOSS/ICT/Audit, and these could possibly or probably go into a Teckal company on the right terms.

Thank you, Chair

Cllr Dingwall did not understand part of the statement, given that many of the questions would be addressed as part of the consultation.

The Managing Director said that it would be useful to be clear whether CBC was proposing to pull out of the revenues and benefits and customer services part of the 2020 partnership. The other partners could continue, but there would be an effect on the structure and the financial assumptions within the business case. He said that the partnership had always acknowledged that partners could involve themselves in the parts they thought were relevant, referring to the tabled diagram as evidence.

Cllr Robinson thought it important to recognise the progress made to date in areas such as ICT, which were working well. He reminded members that it was a key part of the partnership that councils retained one hundred per cent control over what they delivered, there being no attempt to standardise delivery. He understood that customer service staff would be working with the public on behalf of the individual partner councils. He thought that the partnership could accommodate the CBC view, stressing that this agenda item dealt with the beginning of a process, offering a blueprint to work from. The concerns mentioned in points 5 to 7 of Cllr Whyborn's statement applied to all the partners and would be addressed in the work proposed.

Cllr Hancock thought that the statement centred on control, payback and trust. There was control from each of the partners at the top of the organisation, although partners might need to give up a little control for the purposes of composite decisions, which was where trust played a part in ensuring payback.

Answering a question the GOSS Group Manager said that the pensions figures were the same as had been tested by consultants previously and modelling had shown that savings would be higher. Officers had gone back to actuaries from the pension funds to remodel those, in order to obtain more clarification before a decision was expected. The 5 per cent figure for salary increase referred to officers that had taken on more responsibilities because of the shared services, in recognition of that work in moving together.

Cllr Mills confirmed that any possibility of a CDC and WOXDC unitary was off the cards and that both councils were committed to the partnership and shared working.

The chairman commented that Leadership Gloucestershire saw CDC as a vital part of Gloucestershire. The 2020 programme was about how to deliver better services within a larger partnership while keeping delivery for local communities at a district level. There remained a danger of being forced into becoming part of a Unitary Authority, so it was clear that districts needed to protect their sovereignty through measures such as the partnership.

The Managing Director stated that over the years it had been repeated that the partnership sought to operate on a non-geographical basis with each partner getting what it needed. The model was expandable to accommodate possible future partners. He reflected that if some partners were not buying into some of the services assumed in the report, it would have a potential knock on effect to other partners.

Cllr Hancock commented that the structure enabled horizontal and vertical integration.

Cllr Flynn said that at CBC councillors needed further discussion and answers to questions affecting its ability to go forward. The £1.4 million programme costs were not small in the context of shrinking budgets and CBC would like to see detail. There were also conflicts of interest, because councillors had to act in the interests of the electorate, which was not the case for a company. She also wondered what would happen if the Teckal folded, which had occurred elsewhere.

The chairman said that FODDC had similar questions, which would be addressed in their next phase of detailed work proposed in the report.

Upon invitation The Group Manager for GOSS informed the committee that the Section 151 Officers had the detailed programme costs and would be happy to talk through them with members. The estimated programme costs had not increased from the sum reported to Members in 2015. Members had decided at that point in time, due to uncertainty regarding costs such as investment required in ICT and redundancy, that the increased estimated programme costs would be acknowledged as a risk rather than asking Councils to fund the full amount of the estimated programme costs. Since then, some costs have become known and other estimated are still considered to be in line with the autumn 2015 estimated. Therefore, it has become more likely that the programmed costs will be around £10.1m. She added that delays in the decision making process would lead to increase costs.

Cllr Whyborn said that he shared the need for answers to questions raised. He believed that members did not know what would develop for Gloucestershire,

either through its plans or central government imposition. The 2020 partnership had to be flexible enough to make it easier to change in the future.

Cllr Hancock commented that the issue around costs was not their size, but whether they were competitive against standards and that they were measured against payback time.

Cllr Dingwall said that WODC wanted to explore all future options and he had an affinity to the Cotswold area rather than other parts of Oxfordshire. He believed that large unitary authorities were bad for residents. WODC operating shared services with other district councils did not affect local decision making.

The chairman asked for clarification on CBC's position regarding the report.

Cllr Whyborn replied that CBC had no problem with the consultation, but he would not support any models until he had gained a clear understanding from the detailed work. He did not want any indication that CBC had 'rolled over'.

The Managing Director suggested an amendment to the recommendation a) to add '**and note Cheltenham Borough Council's current position**'. He could amend the diagram accordingly and emphasised that it was important to inform Customer Services and Revenues and Benefits staff at CBC as soon as possible as this was a public meeting. He said that over the previous three years there had been different views and ways of working and that it was important to respect that each council was sovereign.

The chairman confirmed that ways to address differences were built into 2020 and said that the partnership needed to ensure that all possible discussion had taken place over the following few months before a decision was taken.

Cllr Robinson commented that the work in recommendation b) was necessary to address CBC's questions, while recognising that CBC would not sign up to any particular model.

Cllr Whyborn said that any consultation would need to answer a huge number of questions. There would need to be meaningful information provided over the summer to be able to reach a decision in the autumn. He could not vote in favour of recommendation b) or c) and would abstain, but was happy to take part in the consultation. He needed to put down a 'substantial marker' regarding his concerns.

The chairman confirmed for Cllr Flynn, who did not want this important decision rushed, that an autumn 2016 decision by partner councils was a target.

RESOLVED –

- a) *To note the report, revised business case and Cheltenham Borough Councils current position;*

These minutes are subject to approval at the next meeting

- b) *To agree the proposal to establish a company operating model for consultation with partner councils, the final structure and governance arrangements of which will be determined following further expert legal and tax advice on the grouping of services and the relationships between the companies including any potential use of subsidiaries;*
- c) *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.*

10. **2020 PARTNERSHIP JOINT COMMITTEE CONSTITUTION**

Upon invitation the Monitoring Officer presented report PJC.5, explaining that it addressed issues from the committee's first meeting and a subsequent informal meeting.

Cllr Whyborn said that he would abstain, because as a new member he did not know enough about the matter.

RESOLVED - *to agree and accept the amendments to the constitution as at report PJC.5.*

11. **PROGRAMME STATUS REPORT AND BUDGET UPDATE**

Upon invitation the 2020 Programme Director presented report PJC.6, commenting that this was the first update covering three months, which was similar to what members had seen at the previous Member Governance Board. It reflected the revised business case with recalculated costs, which still came to £10.1 million. The programme was on track to achieve projected savings of £2.3 million annually and there were no risks at a level requiring discussion. He referred members to Appendix 1, which detailed the allocation of monies.

Cllr Whyborn asked why the budget total at Appendix A still stated £8.745m rather than £10.1m. He said that he had no problem noting the report, but asked at what point the committee would be asked to approve the change in budget to £10.1m. He would abstain for recommendations b) and c).

The Group Manager for GOSS replied that the budget would go back to councils to approve the increase. Officers had left the figure at the formally approved £8.75m and there was no risk of overspending that. However, there was an identified need to gain expert advice and undertake other activities for the consultation.

The chairman asked for detail concerning the extra £300,000.

The Group Manager for GOSS replied that the extra money would cover expert advice to enable the programme to proceed all the way through. Full detail would be presented in the autumn and would depend on individual councils' involvement.

Cllr Dingwall had a major concern about officer welfare, given the huge changes expected in work practices and he would appreciate information on their wellbeing. This was a massive step for staff, who should be appreciated and the committee should monitor how they were coping.

The Managing Director explained that the Council's undertook an annual staff survey, which would be ready for the committee's September meeting. Leading up to that time a series of HR policies was being worked on with staff.

The chairman suggested a standing item on communications.

The Managing Director replied that officers could produce a briefing note so that councillors were aware of all communication relating to the programme. The committee could also pick up some of these issues at its July meeting, when it would be considering service plans.

RESOLVED -

- a) *To note the report.*
- b) *To note the updated Programme Budget of £10.1m*
- c) *To reallocate approved budget of £300,000 to Expert Advice, from Programme Management Support (£150,000) and Cost of Transformational Change (£150,000)*

The meeting ended at 11.28 am

Minutes prepared by Tony Bees
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2020 PARTNERSHIP JOINT COMMITTEE

30 September 2016

PJC.7

Subject	COMPANY DECISION & FURTHER BUSINESS CASE UPDATE
Key Decision	This item is not a key decision
Partners affected	All
Accountable officer	David Neudegg, Partnership Managing Director Tel: 01993 861611 Email: david.neudegg@2020 partnership.uk
Summary	This report recommends the move to a company model following consultation with the partner Councils, and considers the financial implications. The business case has therefore been further updated from the business case approved by the Joint Committee in June 2016 to take account of the consultation feedback on the proposed involvement of partner Councils, and the final proposed company model.
Annexes	ANNEX A – REPORT ON THE UPDATED BUSINESS CASE ANNEX B – COMPANY STRUCTURE & GOVERNANCE
Recommendations	<p>(a) receives the 2020 Partnership Updated Business Case and notes the updated financial implications;</p> <p>(b) approves the necessary funding of £10.14m</p> <p>(c) approves the company structure & governance proposal at Annex B</p> <p>(d) recommends that Partner Councils</p> <p>(i) Agree to form local authority owned Companies with 2020 Partner Councils, as proposed by the Joint Committee</p> <p>(ii) delegate authority to the Council's Head of Paid Service in consultation with the Leader of the Council, Section 151 Officer, Council's Solicitor, and Partnership Managing Director, to agree the Articles of Association, the Company's constitutional documents, Service Level Agreement and all other legal documents to enable the Companies formation and any subsequent decisions necessary to establish the company</p>

	<i>model;</i> <i>(iii) Approve the required funding</i> <i>(iv) Appoints the Leader of the Council as the Shareholder Representative for the Company</i>																	
Implications (details at end of report)	<table border="1"> <tr> <td>LEGAL</td> <td>FINANCIAL</td> <td>HUMAN RESOURCES</td> <td>RISK</td> <td>EQUALITIES</td> <td>SUSTAINABILITY</td> </tr> <tr> <td>YES</td> <td>YES</td> <td>NO</td> <td>NO</td> <td>NO</td> <td>NO</td> </tr> </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

To implement the next stage development of the 2020 Partnership it is now necessary to agree the proposed company structure, consider the impact on the business case and recommend to the partner Councils the establishment of the company model.

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.

2.4. In June 2016 the Joint Committee agreed an updated business case and to consult with partner Councils about the proposal to implement a company model. This report recommends to the implementation of the company model taking account of the feedback from the partner Councils.

3. BUSINESS CASE AND FINANCIAL IMPLICATIONS

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 shown in Figure 8.1.

3.2. Following consultation with partner Councils the financial benefits have been updated for the expected scenario of 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 and limiting the involvement of Cheltenham Borough Council to ICT and GO Shared Services.

- 3.3.** The overall Programme Costs have been reviewed to include additional costs for legal advice and the establishment of the new companies. Table 9.1 below shows the expected financial position and the comparison between the original 2015 business case, the updated 2016 business case approved by the Joint Committee in June 2016, and the current anticipated financial implications based on Cheltenham Borough Councils anticipated decision to limit their involvement to ICT and GO Shared Services.
- 3.4.** In summary this updated business case for the company model shows cumulative savings totalling £41m over a 10 year period with annual revenue savings of £5.57m after 5 years, in return for a proposed total investment of £10.14m over the same period.

Table 9.1: Savings comparison between business case revisions

	Business Case Aug 15 £m	Business Case June 16 Approved by Joint Committee £m	Business Case Sept 16 Revised for Cheltenham BC proposed involvement
Estimated Costs	10.14	10.14	10.14
Transformation Challenge Award Grant	3.8	3.8	3.8
Estimated Net Cost	6.34	6.34	6.34
Savings	5.743	5.953 – 6.195	5.571
Payback Period (gross costs)	1.8 years	1.6 – 1.7 years	1.8 years
Payback Period (net costs)	1.1 years	0.9 – 1 years	1.1 years

4. COMPANY STRUCTURE AND GOVERNANCE PROPOSALS

- 4.1.** It is proposed to initially establish Teckal Companies Limited by Guarantee using the structure and governance principles set out in Annex B.

5. ALTERNATIVE OPTIONS

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

Legal implications	As detailed in Annex B
Financial implications	As detailed in 3.4.

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.



**Report on the Updated Business
Case**

and

**Next Stage Development of the
2020 Partnership**

**(Original June 2016 - Updated for
Joint Committee 30 September
2016)**

September 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 (August 2015)

	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. This September update of the 2016 business case approved in June 2016 takes account of the financial implications as a result of the revised position of Cheltenham Borough Council.
- 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 £2,306,000.
 - 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 model 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.

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.
- 5.4 Following the Joint Committee meeting in June 2016 the business case has been further updated to reflect the anticipated position of Cheltenham Borough Council limiting their involvement in shared services to only ICT and GO Shared Services.

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. Further advice was provided dated August 2016.
- 7.2 The key criteria for the 2020 partnership are 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 Structure

7.8 The further legal and tax advice received from Trowers & Hamblins and KPMG in August 2016 has concluded that the most appropriate and tax efficient company structure would be the establishment of a number of companies limited by guarantee. Based on this advice a proposed company structure 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 potential for 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 is 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 shared ownership and votes, which will be set out in the companies' constitutional documents. The Councils as owners 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.

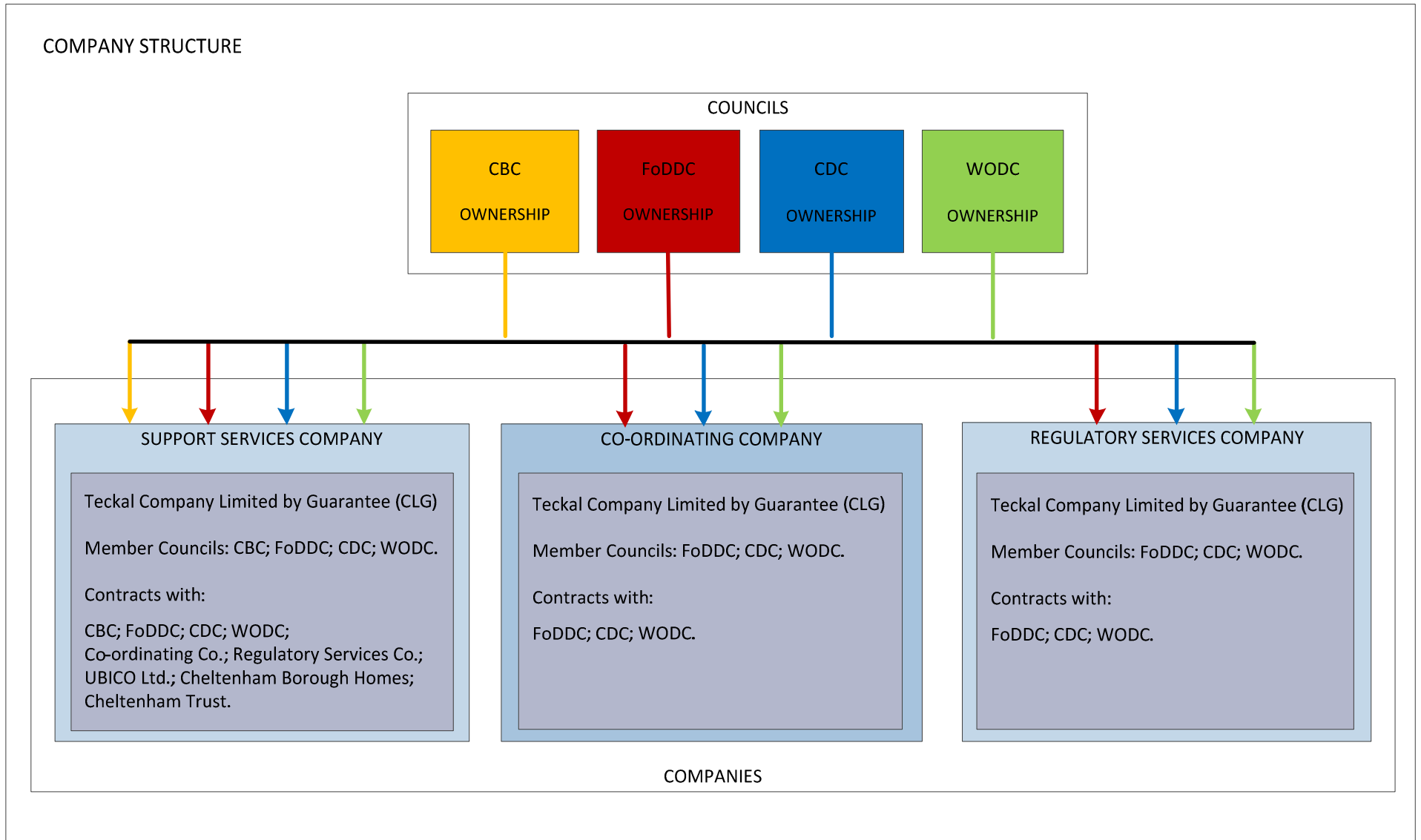
8. Proposed Initial Companies Set Up

- 8.1 In terms of the company structure'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 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 updated business case the financial benefits have been modelled for the expected scenario described in paragraph 9.11 and illustrated in Figure 8.1.
- 8.4 The business case shows that based on the current shared services there is sufficient critical mass and benefits to enable the company structure 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 structure by becoming shareholders in the companies.
- 8.5 Once this company structure 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 Structure



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 approved by the Joint Committee in June 2016 showed 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.
- 9.4 This update of the June 2016 business case reflects the financial implications as a result of the proposal by Cheltenham Borough Council to limit involvement to the single shared services company for GOSS and ICT services. This new scenario results in revised cumulative savings totalling £41m over a 10 year period with annual revenue savings of £5.57m after 5 years in return for a proposed total investment of £10.1m over the same period.

Finance update for refresh of the financial case

- 9.5 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.

Assumptions used with the business case

9.6 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

- 9.7 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.
- 9.8 The programme budget assumptions have been reviewed with the Group Managers, Section 151 Officers, and the Programme Team and reflect the proposed limited involvement by Cheltenham Borough Council. 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.
- 9.9 The split of the partner council funding has been reviewed to take account of the expected involvement of each Council reflecting the proposed change by Cheltenham Borough Council. The cost of creating the companies has been reflected in the contributions for the respective councils.
- 9.10 Table 9.1 below shows the breakdown of programme costs.

Financial Benefits

- 9.11 The financial benefits have been updated for the expected scenario of 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 and limiting the involvement of Cheltenham Borough Council to ICT and GO Shared Services.
- 9.12 Table 9.2 below shows the expected financial position and the comparison between the original 2015 business case, the updated 2016 business case approved by the Joint Committee in June 2016, and the current anticipated financial implications based on Cheltenham Borough Council's anticipated decision to limit their involvement to ICT and GO Shared Services.
- 9.13 Table 9.3 below shows the split between savings deliverable under a Joint Committee arrangement and the additional savings deliverable under the companies' scenario.

Table 9.1: Programme cost breakdown

2020 Programme Costs									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL	TCA Grant	Net Council Contribution to Programme
Expert Advice	130,000	102,000	521,000	20,000	0	0	773,000		
Programme Management / Project Support	98,000	865,000	775,000	1,017,000	724,000	310,000	3,789,000		
ICT	106,000	477,000	1,080,000	1,050,000	400,000	0	3,113,000		
Cost of Transformational Change	45,000	945,000	182,000	638,000	501,000	154,000	2,465,000		
	379,000	2,389,000	2,558,000	2,725,000	1,625,000	464,000	10,140,000	(3,800,000)	6,340,000
Cheltenham Borough Council	75,000	473,000	685,000	390,000	158,000	20,000	1,801,000	(950,000)	851,000
Forest of Dean District Council	122,000	671,000	691,000	778,000	489,000	148,000	2,899,000	(950,000)	1,949,000
West Oxfordshire District Council	96,000	568,000	591,000	778,000	489,000	148,000	2,670,000	(950,000)	1,720,000
Cotswold District Council	86,000	678,000	591,000	778,000	489,000	148,000	2,770,000	(950,000)	1,820,000
	379,000	2,390,000	2,558,000	2,724,000	1,625,000	464,000	10,140,000	(3,800,000)	6,340,000

Table 9.2: Savings comparison between business case revisions

	Business Case Aug 15 £m	Business Case June 16 Approved by Joint Committee £m	Business Case Sept 16 Revised for Cheltenham BC proposed involvement
Estimated Costs	10.14	10.14	10.14
Transformation Challenge Award Grant	3.8	3.8	3.8
Estimated Net Cost	6.34	6.34	6.341
Savings	5.743	5.953 – 6.195	5.571
Payback Period (gross costs)	1.8 years	1.6 – 1.7 years	1.8 years
Payback Period (net costs)	1.1 years	0.9 – 1 years	1.1 years

Table 9.3: Savings comparison - Joint Committee v Companies

	CBC £000	CDC £000	FofDDC £000	WODC £000	Total £000
Joint Committee					
Shared Services	200	844	747	1,100	2,891
Other Efficiency Savings	299	550	431	182	1,462
Total Joint Committee Savings	499	1,394	1,178	1,282	4,353
Company					
Pensions	0	250	240	210	700
Commercial Approach	91	282	201	245	819
Company Overhead	(25)	(92)	(92)	(92)	(301)
Total Company Savings	66	440	349	363	1,218
Total Savings	565	1,834	1,527	1,645	5,571

- 9.14 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 revised waste and recycling 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

- 9.15 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.
- 9.16 This report estimated through AON Hewitt’s pension modelling that annual pension contribution rates could reduce by around £1.5m in 10 years’ time rising to £3.5 m in 20 years’ time.
- 9.17 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.
- 9.18 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 members in each Local Government Pension Scheme (LGPS), or applying for a Direction Order under Schedule 3 of the LGPS Regulations.
- 9.19 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.
- 9.20 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.
- 9.21 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

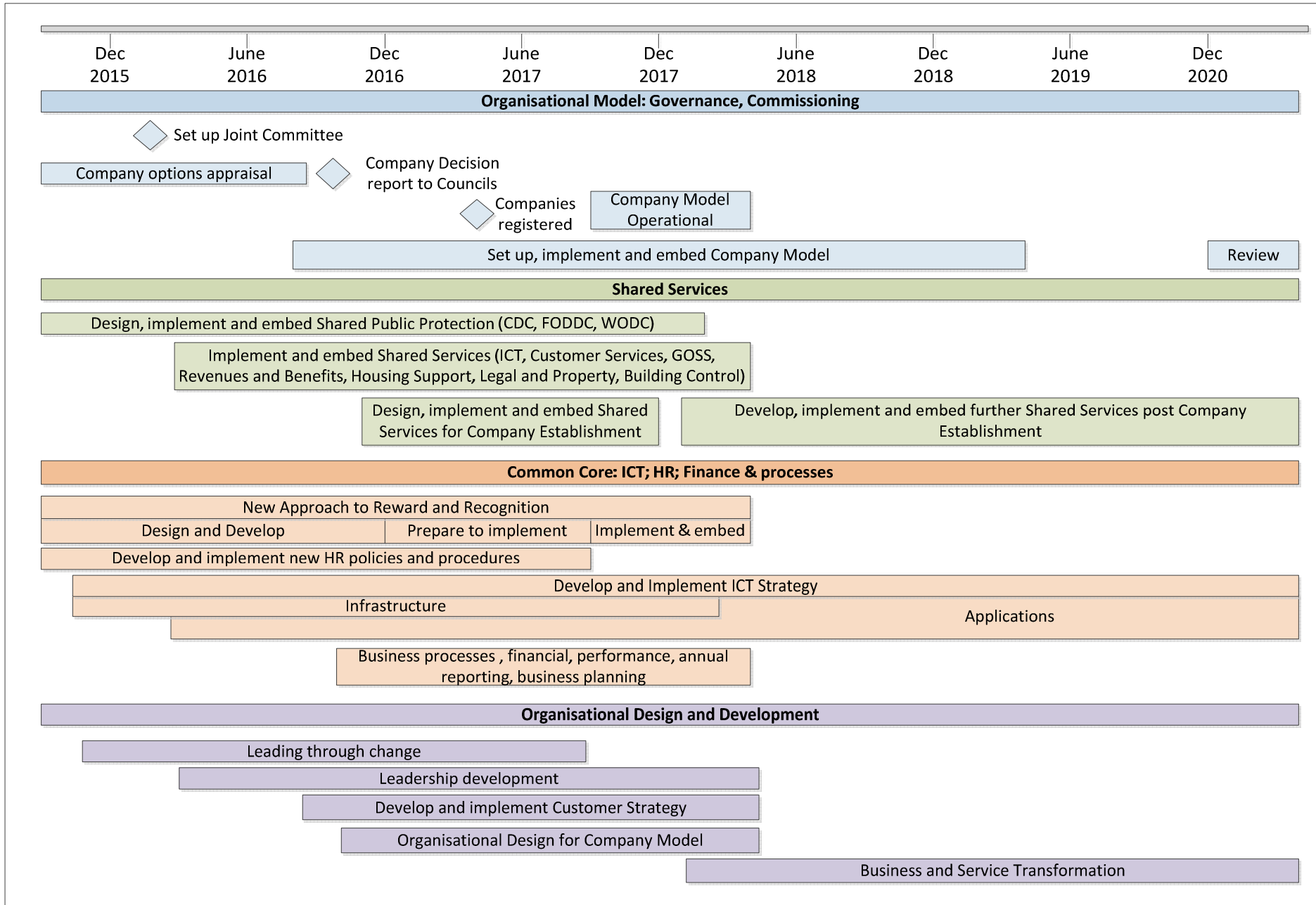
Timescales & Implementation

- 10.1 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.
- 10.2 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.
- 10.3 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.
- 10.4 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

- 10.5 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.

Figure10.1: Indicative timetable for delivering Vision 2020



Future Development

- 10.6 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'.
- 10.7 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.
- 10.8 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.
- 10.9 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.
- 10.10 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.

Annex B - Company Structure and Governance Proposals

Leaders Statement

We have a strong track record of over three years of being committed to working collaboratively in pursuit of our agreed shared vision as approved by all four councils in 2014:

“A number of councils, retaining their independence and identity but working together and sharing resources to maximise mutual benefit, leading to more efficient, effective delivery of local services.”

In October 2014, we all agreed a further set of desired outcomes that would govern our work going forward. These are:

- **Financial** - respond to current and future pressure
- **Efficiency** - value for money
- **Resilience** – increase pool of expertise, add capacity
- **Impact** - better outcomes for our communities
- **Democracy** – champion local needs

As the partnership continues to develop there have already been some notable early benefits. Cashable savings to date are on profile with savings already delivered during 2015/16 and 2016/17 approaching £2.5 million. There have also been some significant non-cashable benefits including:

- **Improved knowledge sharing and learning**
- **Increased resilience**
- **More stable and improved technology**
- **Smarter working practices introduced**
- **Reduced office space resulting in some spaces being re-let**
- **More consistent approach to HR with policies and procedures aligned**
- **Future costs avoided**

During that time we have worked together under different governance arrangements and despite some differences in approach and views on how best to achieve the vision and outcomes we have proceeded through a process of engagement, open discussion and debate to find solutions that meet individual requirements.

Following expert legal, tax and pension advice we are proposing to establish a group of three local authority owned Companies Limited by Guarantee (Appendix A) which are Public Bodies. We believe that this structure provides the appropriate balance between, delivering a consistent approach across the “common core” organisational functions such as HR policy, Finance policy, Audit, ICT strategy and Customer Services Strategy; delivering the benefits of operating under a company model; and recognising the commercial trading opportunities and management of risks in the future.

Whilst we have developed a model that is designed to be flexible for the future, we are not planning for, or considering any circumstances at this moment in time that might result in changes to this structure. Neither can we predict what external factors or new opportunities might cause us to re-consider this in the future. Should something change in the future that might cause us to collectively consider changes to the company structures it will be necessary to go through a thorough process, building upon our trusting relationships between partners, prior to shareholders being asked to approve any such proposals.

It is expected that any such process would involve discussions with the Shareholder Representative Board who would be extensively briefed by the Board of Directors on the reasons for any proposed changes and the benefits (measured against the outcomes) of any such changes. As a fundamental principle no changes will be made that would be detrimental to one or more of the partners even if of benefit to others. Furthermore, we will, as we have in the past, continue to work collaboratively to seek the agreement of all of the Partner Councils.

The Partnership has a demonstrable track record of being open and transparent and will continue to do so. As Public Bodies, the Companies will be required to meet their legal transparency requirements (such as responding to Freedom of Information requests). We would further anticipate that as appropriate, the company will make relevant information available to member Councillors to assist them in undertaking their democratic roles.

Company Governance

It is proposed to initially establish “Teckal” Companies Limited by Guarantee.

It is proposed that the Leader of the Council (or their named Council nominated substitute) will be the shareholder representative for their Council responsible for taking shareholder decisions on behalf of their Council.

It is proposed that each Company is established with an equal shareholding and equal voting rights.

It is proposed that the matters reserved to Shareholders shown below is adopted for the new companies.

1	Permitting the registration of any additional Members of the Company.	By not less than 75%
2	Adopting or amending the Business Plan in respect of each Financial Year.	By not less than 75%
3	Forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not).	By not less than 75%
4	Amalgamating or merging with any other company or business undertaking.	By not less than 75%
5	Entering into any arrangement, contract or transaction with either a capital or revenue value over £500,000 which is not included in the current approved Business Plan.	By not less than 75%
6	Agreeing the appointment and the appointment terms (including any remuneration terms) of all directors of the Company other than Shareholder Appointed Non-Executive Directors.	By not less than 75%
7	Agreeing any remuneration terms for Shareholder Appointed Non-Executive Directors.	By not less than 75%
8	Increasing, reducing, sub-dividing, consolidating, re-denominating, cancelling, purchasing or redeeming any of the capital of, or allotting or issuing any share of the ownership or other securities in the capital of, the Company.	By not less than 75%
9	Altering any rights attaching to any class of ownership in the capital of the Company, or creating any option, warrant or any other right to acquire or subscribe for any share of ownership or other securities in the capital of the Company.	By not less than 75%

It is proposed that a Shareholders Representatives Board is established.

It is proposed that to be eligible to take up membership in the Company, Councils contract to take significant services from the Company.

Board of Directors

It is proposed that candidates for the role of Non-Executive Directors are subject to a rigorous process to ensure that they meet the minimum levels of skills and experience required to undertake the roles

It is proposed that formal terms of Appointment for Non-Executive Directors be applied to the new companies and that candidates meet the minimum skills and experience levels.

It is proposed that each Shareholder will have the right to appoint a suitable Non-Executive Director of the company. This right can be exercised individually or collectively (i.e. two or more shareholders may agree to the appointment of the same Non-Executive Director).

It is proposed that all Shareholders jointly appoint a minimum of one independent Non-Executive Director to the company

It is proposed that the appointment of any Executive Directors of the company will be a reserved matter for Shareholder agreement.

It is proposed that initial appointments to the Companies at establishment will be from existing Council resources where possible.

It is expected that when a future vacancy occurs the appointment of the Executive Director(s) would be through open external competition

It is proposed that the Partnership Managing Director brings forward draft proposals for the number of directors to be appointed to the boards of the companies.

Commissioning Arrangements for FoDDC, CDC and WODC

It is proposed that the Shareholding Councils will commit to transfer all functions and services that can be delegated to be provided by that Company(ies).

It is proposed that the Statutory Officers will be either employed by the Council(s) and be seconded to the Company (ies) or employed by the Council(s) and Company (ies) under joint employment contracts.

It is proposed that the non-delegable decision making officers will be employed by the Council(s) and Company (ies) under joint employment contracts.

It is proposed to establish clear Standards of Behaviour, an Ethical Walls Policy and an Escalation Procedure to deal with potential conflicts of interest.

Contract duration

It is proposed that the initial contact durations are as follows;

- Co-ordinating Company – 10 years + opportunity to extend for 10 years
- Regulatory Services Company – 7 years + opportunity to extend for 7 years
- Support Services Company – 5 years + opportunity to extend for two further periods each of 4 years

Service Performance

It is proposed that the current service plans and service levels are used for the service specifications for the companies.

It is proposed to establish core service specifications and standards. Additional services and standards can be specified at additional cost.

It is proposed that Partnership Board meetings are held between the Companies and relevant Service Portfolio Holder(s).

It is proposed that each Council has the right to summon a Company Director (or an appropriate substitute) to account to Overview & Scrutiny Committee.

Advice, Decisions and Timescales

It is proposed that the external legal and tax advice already received is sufficient to enable the Councils to make the decision to establish the companies

It is proposed that any subsequent decisions necessary to implement the company model should be delegated to each Council's Head of Paid Service in consultation with the Leader of the Council, S151 Officer, Monitoring Officer and the Partnership Managing Director.

It is proposed that the company model is implemented without delay based on a majority decision.

It is proposed that commitment is given for the transfer of the agreed services to the companies by Autumn 2017.

Staffing Matters

It is expected that when the company(ies) are established they will agree to Trade Union recognition.

It is proposed that the company(ies) apply to be an admitted body of the appropriate local government pension schemes with a closed scheme for existing shareholder council employees and also to provide a stakeholder pension scheme for new employees.

It is proposed that the company (ies) will operate a total reward approach to reward and recognition for company employees

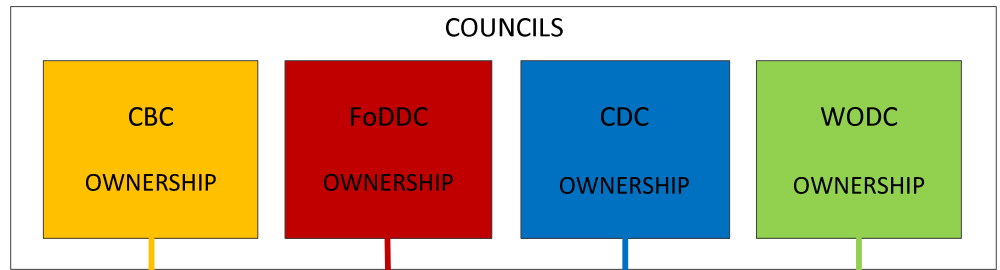
Exit arrangements

It is proposed that the principle of withdrawal with suitable notice at the cost of the exiting party is adopted.

It is proposed that the service contracts will specify the notice period to end a contract and any conditions.

It is proposed that the shareholders' agreement will specify the notice for any conditions concerning the withdrawal from the company and any disposal or handing back of shares.

COMPANY STRUCTURE



SUPPORT SERVICES COMPANY

Teckal Company Limited by Guarantee (CLG)

Member Councils: CBC; FoDDC; CDC; WODC.

Contracts with:
CBC; FoDDC; CDC; WODC;
Co-ordinating Co.; Regulatory Services Co.;
UBICO Ltd.; Cheltenham Borough Homes;
Cheltenham Trust.

CO-ORDINATING COMPANY

Teckal Company Limited by Guarantee (CLG)

Member Councils: FoDDC; CDC; WODC.

Contracts with:
FoDDC; CDC; WODC.

REGULATORY SERVICES COMPANY

Teckal Company Limited by Guarantee (CLG)

Member Councils: FoDDC; CDC; WODC.

Contracts with:
FoDDC; CDC; WODC.

COMPANIES

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2020 PARTNERSHIP JOINT COMMITTEE

30 September 2016

PJC.9

Subject	2020 PARTNERSHIP BUDGETS AND PERFORMANCE 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	To consider and approve expenditure budgets for the agreed shared services delegated to the Joint Committee and to consider any performance issues.					
Annexes	Annex A – Budget Summaries					
Recommendation	Please write recommendations using letters and italics as below. <i>a) To approve the shared service budgets delegated to the Joint Committee for 2016/17; and</i> <i>b) To note the agreement of Service Plans with Clients and any current performance issues</i>					
Implications (details at end of report)	If you write yes for any of the above, please give details in the boxes at the end of the report. If no, delete the relevant box.					
	LEGAL	FINANCIAL	HUMAN RESOURCES	RISK	EQUALITIES	SUSTAINABILITY
	NO	YES	NO	NO	NO	NO

1. REASONS FOR RECOMMENDATIONS

To provide a baseline to report variations against budget and performance for the year

2. BACKGROUND

In April of this year the Joint Committee assumed responsibility for the following shared services:

- GOSS (Finance, HR and Audit)
- ICT and Customer Services
- Legal Land and Property
- Environmental Regulatory Services
- Revenues and Housing Support

It was agreed at the time that the existing budgets would be used as a baseline for the 2016/17 financial year including any shared service assumptions from the business case being incorporated. These are as set out for each of the Groups in Annex A. The budgets exclude any income which is generated on behalf of the partner councils but does include income arising from other third party agreements.

Once agreed the approved budgets will form the basis of ongoing budget monitoring with the first reports being available at the end of Quarter 2 for consideration by the Joint Committee.

It was also agreed that Service Plans would be drawn up and agreed with each individual client. Service Plans will include a description of the agreed service for each council or client together with a summary of the resources required to deliver it. It will also include any agreed performance indicators and a list of tasks specific for each client. All service plans have been agreed with client officers within each council.

Individual Council service plans are available for each service group if any members wish to view them.

All performance indicators for shared services which have historically been reported to Scrutiny and Executive committees have been included in Performance Reports. There are no outstanding issues that have been raised by partner councils.

The first meeting of the Partnership Client Officer Group (chaired on behalf of the Partnership Commissioning Group by Frank Wilson) meets on the 23rd September and any relevant issues relating to performance can be reported verbally to the Joint Committee

3. ALTERNATIVE OPTIONS

Not applicable

Financial	All Councils have budgeted for the standards being provided by the
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implications	shared services. There are therefore no additional financial implications for partner councils identified at this time
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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:

- 2016/17 Service Plans for GOSS
- 2016/17 Service Plans for ICT and Customer Services
- 2016/17 Service Plans for Legal Land and Property
- 2016/17 Service Plans for Environmental Regulatory Services
- 2016/17 Service Plans for Revenues and Housing Support

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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REVENUE BUDGETS 2016/17

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- Environmental & Regulatory Services	3
- GO Shared Services	4
- ICT, Change & Customer Service	5
- Land, Legal & Property	6
- Revenues & Housing Support	7
2020 Vision Programme	
- Programme Budget and Cost Allocation	8

Summary Revenue Budgets 2016/17

	2016/17 Budget £
Partnership Managing Director's Office	194,210
Environmental & Regulatory Services	3,497,013
GO Shared Services	3,479,224
ICT, Change & Customer Service	5,311,978
Land, Legal & Property	2,489,113
Revenues & Housing Support	4,030,339
	<u>19,001,877</u>

	2016/17 Budget £
Employee Remuneration	14,927,661
Other Direct Expenditure	4,876,710
Income	(802,494)
	<u>19,001,877</u>

Partnership Managing Director’s Office

	2016/17 Budget £
Partnership Managing Director's Office	194,210
	<u>194,210</u>

	2016/17 Budget £
Employee Remuneration	172,605
Other Employee Related Expenditure	2,650
Transport Related	8,230
Supplies & Services	10,725
	<u>194,210</u>

Environmental & Regulatory Services

	2016/17 Budget £
Building Control	824,258
Public Protection	2,672,755
	<hr/> 3,497,013 <hr/>

	2016/17 Budget £
Employee Remuneration	2,981,938
Other Employee Related Expenditure	78,455
Premises Related	10,000
Transport Related	96,660
Supplies & Services	288,360
Third Party Payments	41,600
	<hr/> 3,497,013 <hr/>

GO Shared Services

	2016/17 Budget £
Accountancy	1,566,512
Audit	763,791
Human Resources	869,638
Payroll	205,348
Procurement	73,935
	<u>3,479,224</u>

	2016/17 Budget £
Employee Remuneration	3,406,948
Other Employee Related Expenditure	232,140
Premises Related	28,570
Transport Related	38,090
Supplies & Services	304,370
Third Party Payments	11,400
Income	(542,294)
	<u>3,479,224</u>

ICT, Change & Customer Service

	2016/17 Budget £
ICT	2,980,412
Business Transformation	441,404
Customer Services	1,890,162
	<u>5,311,978</u>

	2016/17 Budget £
Employee Remuneration	3,965,068
Other Employee Related Expenditure	84,555
Premises Related	45,575
Transport Related	22,670
Supplies & Services	1,446,310
Third Party Payments	8,000
Income	(260,200)
	<u>5,311,978</u>

Land, Legal & Property

	2016/17 Budget £
Asset Management	1,152,971
Property Services	443,126
Land Charges	164,021
Legal Services	728,995
	<u>2,489,113</u>

	2016/17 Budget £
Employee Remuneration	1,296,243
Other Employee Related Expenditure	22,990
Premises Related	846,541
Transport Related	46,574
Supplies & Services	235,765
Third Party Payments	41,000
	<u>2,489,113</u>

Revenues & Housing Support

	2016/17 Budget £
Revenues	1,839,540
Benefits	1,586,149
Housing Management	604,650
	<u>4,030,339</u>

	2016/17 Budget £
Employee Remuneration	3,104,859
Other Employee Related Expenditure	48,140
Premises Related	280
Transport Related	30,025
Supplies & Services	731,435
Third Party Payments	115,600
	<u>4,030,339</u>

2020 Vision Programme

	Programme Budget			Programme Costs		
	Allocated	Unallocated	TOTAL	Committed		Forecast to March 2017
				Actual to March 2016	/ Planned 2016/17	
£	£	£	£	£	£	
Expert Advice	445,000	280,000	725,000	267,593	469,886	737,479
Management & Support	2,134,000	608,000	2,742,000	1,251,270	531,779	1,783,049
ICT	793,400	2,486,600	3,280,000	687,017	970,084	1,657,101
Trasformational Change	1,401,500	596,500	1,998,000	1,049,123	132,500	1,181,623
	4,773,900	3,971,100	8,745,000	3,255,003	2,104,249	5,359,252
Funded by:						
- TCA Grant	3,800,000	0	3,800,000	3,067,003	732,997	3,800,000
- Partner Contributions	973,900	3,971,100	4,945,000	188,000	1,371,252	1,559,252
	4,773,900	3,971,100	8,745,000	3,255,003	2,104,249	5,359,252

Page 57

	CBC	FoDDC	WODC	CDC	Forecast to March 2017
	£	£	£	£	£
Employee Remuneration	531,520	729,248	666,446	822,386	2,749,600
Other Employee Expenditure	3,161	12,505	12,505	12,505	40,676
Other Direct Expenditure	726,388	743,520	577,180	521,888	2,568,976
	1,261,069	1,485,273	1,256,131	1,356,779	5,359,252
Funded by:					
- TCA Grant	950,000	950,000	950,000	950,000	3,800,000
- Partner Contributions	311,069	535,273	306,131	406,779	1,559,252

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2020 PARTNERSHIP JOINT COMMITTEE

30 September 2016

PJC.7

Subject	OCCUPATIONAL HEALTH & SAFETY POLICY STATEMENT																	
Key Decision	This item is not a key decision																	
Partners affected	All																	
Accountable officer	Deborah Bainbridge, Tel: Email: deborah.bainbridge@2020partnership.co.uk																	
Summary	This report outlines the responsibilities for both the employer and employees. The Occupational Health and Safety Policy is consistent with legislative requirements of the 1974 Health and Safety At Work Act. It is also consistent with the Health and Safety Executive's current guidance and the HSG65 model of Plan, Do, Check and Act.																	
Annexes	ANNEX A – Health and Safety Policy Statement																	
Recommendations	<i>(a) notes and approves the Health and Safety Policy for each Council as attached at Annex A.</i>																	
Implications (details at end of report)	<table border="1" data-bbox="483 1760 1447 1906"> <thead> <tr> <th data-bbox="483 1760 646 1827">LEGAL</th> <th data-bbox="646 1760 798 1827">FINANCIAL</th> <th data-bbox="798 1760 949 1827">HUMAN RESOURCES</th> <th data-bbox="949 1760 1090 1827">RISK</th> <th data-bbox="1090 1760 1262 1827">EQUALITIES</th> <th data-bbox="1262 1760 1447 1827">SUSTAINABILITY</th> </tr> </thead> <tbody> <tr> <td data-bbox="483 1827 646 1906">NO</td> <td data-bbox="646 1827 798 1906">NO</td> <td data-bbox="798 1827 949 1906">NO</td> <td data-bbox="949 1827 1090 1906">NO</td> <td data-bbox="1090 1827 1262 1906">NO</td> <td data-bbox="1262 1827 1447 1906">NO</td> </tr> </tbody> </table>						LEGAL	FINANCIAL	HUMAN RESOURCES	RISK	EQUALITIES	SUSTAINABILITY	NO	NO	NO	NO	NO	NO
LEGAL	FINANCIAL	HUMAN RESOURCES	RISK	EQUALITIES	SUSTAINABILITY													
NO	NO	NO	NO	NO	NO													

1. REASONS FOR RECOMMENDATIONS

For all organisations employing more than 5 people it is a legal requirement to have a Health and Safety Policy Statement. This is part of the management of Health and Safety at Work Regulations 1999. A health and safety policy statement sets out how we manage health and safety within the workplace. It demonstrates our attitude towards health and safety and the steps, arrangements and systems we have in place to ensure we comply with Health and Safety legislation.

It outlines responsibilities for both the employer and employees.

The Occupational Health and Safety policy is consistent with legislative requirements of the 1974 Health and Safety At Work Act. It is also consistent with the Health and Safety Executive's current guidance and the HSG65 model of Plan, Do, Check and Act.

Senior Management are demonstrating a commitment to its implementation – and ensuring adequate resource is allocated to maintain its effectiveness. This forms a statement of intent.

The Organisation section of the policy outlines how the Joint Committee delegates Occupational Health and Safety responsibility down through the management structures. This is shown in a diagram form – showing the management hierarchy.

All employees are made aware of the corporate Occupational Health and Safety Policy statement through line managers.

Each council had its own Health and Safety Policy Statement, and attached is a Health and Safety Policy Statement that will now apply to each council, detailing the roles, responsibilities and arrangements.

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:

- None

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.



Health and Safety Policy Statement

For All Employees



Corporate Health & Safety

DOCUMENT HISTORY

Document Location:	Electronic	
	Hard Copy	

This document has been prepared by;

Date	Name	Job Title

This document has been approved by;

Date	Name	Job Title

Version Number	Version Date	Summary of Changes

Contents

Document History

Contents

1. Statement of Intent	Page 2
2. Organisation	Page 3
3. Legislation	Page 6
4. Roles and Responsibilities	Page 6
5. Consultation	Page 7
6. Monitoring and Audit	Page 8
7. Arrangements	Page 9

Health and Safety Policy Statement

1 STATEMENT OF INTENT

Each Council recognises and accepts its statutory responsibility to ensure so far as is reasonably practicable, the health, safety and wellbeing of its employees and those affected by our activities.

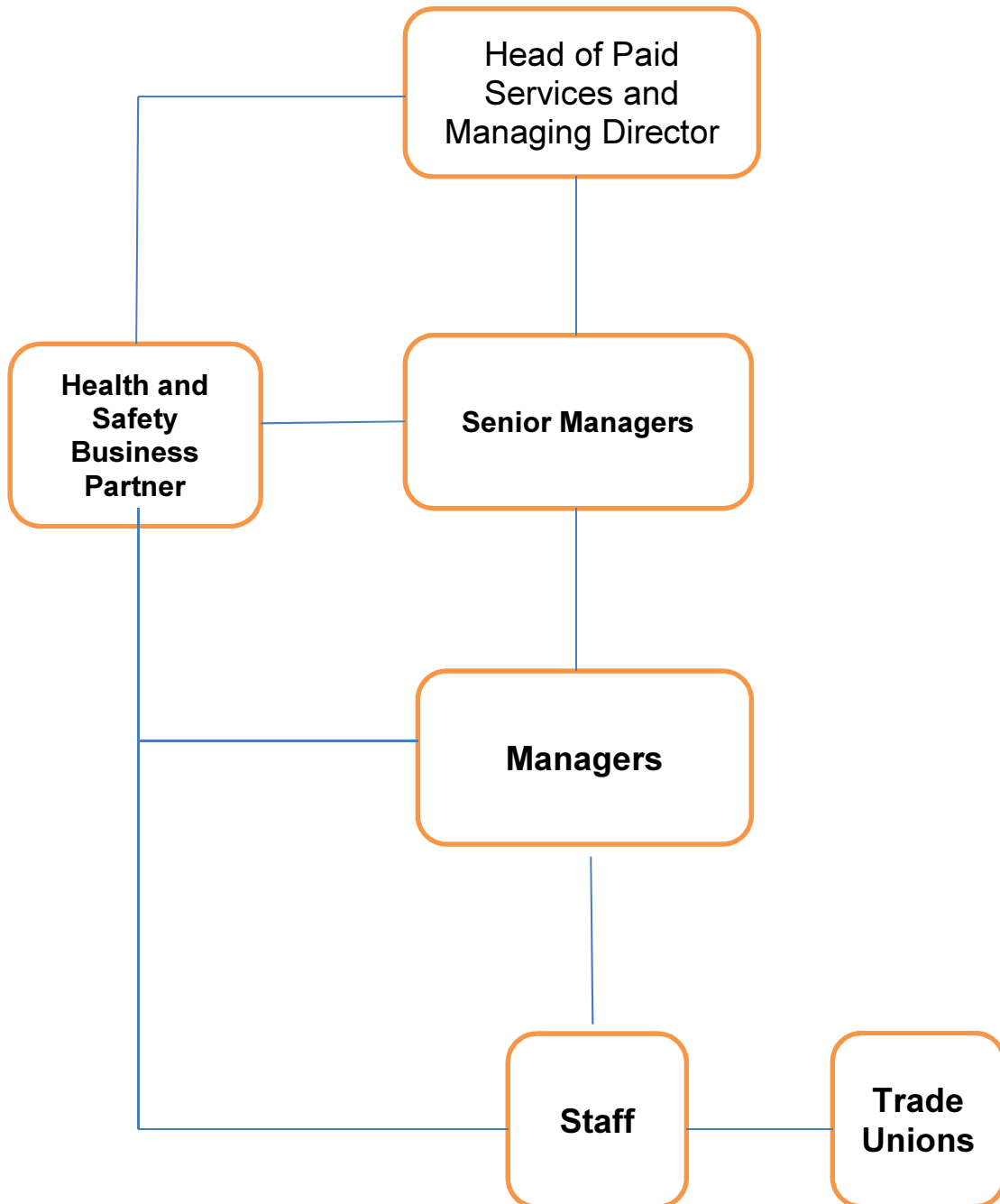
This will be achieved by:

- Developing a positive health and safety culture in all undertakings which secures the commitment and participation of employees at all levels
- Assessing the risks to the health and safety of our employees and to anyone else who may be affected by our undertakings with the aim of eliminating or controlling the hazards/risks, so far as is reasonably practicable
- Making arrangements for the effective planning, organisation, control, monitoring and review of the preventive and protective measures identified as being necessary by risk assessments
- Providing information, instruction, training, and supervision to employees and others as is necessary to implement and maintain high standards of health and safety
- The provision and maintenance of a working environment for employees that is safe, without risks to health, and adequate as regards to facilities and arrangements for their welfare at work, so far as is reasonably practicable, including shared services employees
- Consulting with and involving employees in matters relating to their health and safety
- Ensuring emergency procedures are in place, tested and reviewed
- Monitoring safety performance of contractors
- Allocating adequate resources for health and safety

We undertake to review and develop this policy and our health and safety management system at least annually, in the light of changes in Council activities, developments in health and safety legislation and best practice and to ensure it continues to meet the needs of the Council.

2 ORGANISATION

The structure chart below shows the hierarchy of health and safety responsibilities throughout Each Council



3 LEGISLATION

Health and Safety Legislation is regulated by the Health and Safety Executive, with the main piece of legislation being the Health and Safety at Work Act 1974 which places general duties on employers in protecting employees and others in the workplace. To support the Health and Safety at Work Act various regulations have been developed which place more specific responsibilities on employers in which compliance must be demonstrated.

To support this policy and the organisation's overall health and safety management system, specific policies have been produced that will demonstrate compliance with the statutory duties placed on the organisation.

4 ROLES AND RESPONSIBILITIES

4.1 Joint Committee

- Take responsibility for ensuring that the overarching Health and Safety Policy is in place and that it is reviewed and updated on a regular basis

4.2 Head of Paid Service/Managing Director shall:

- Agree all new or amended policies as they are updated or developed
- Take overall responsibility for health and safety across each Council and lead in setting corporate policy and direction
- Ensure that suitable and adequate resources and strategic direction are available to discharge the Councils health and safety responsibility
- Monitor, the overall performance of the Council's health and safety management system

4.3 Senior Leadership/Management Team shall:

- Provide strategic direction and oversight of corporate health and safety policies and procedures
- Ensure that robust health and safety management systems, arrangements and organisation exist in each department
- Support the Head of Paid/Managing Director Service in meeting their health and safety responsibilities to the Council as a whole
- Support the work of the health and safety team

4.4 Managers shall:

- Implement the health and safety policies and procedures as applicable in their area of responsibility
- Ensure staff are aware and comply with the department health and safety arrangements as well as any other corporate health and safety requirements
- Ensure that all work related hazards are identified and suitable and sufficient risk assessments are carried out and adequate control measures implemented
- Ensure their staff receive adequate information, instruction and training to complete their work tasks safely
- Report and investigate all accidents and incidents as required

4.5 Property Services shall:

- Have specific responsibility for maintaining safe buildings for occupiers and communicating relevant health and safety information as appropriate to the occupants in accordance with relevant legislation.

4.6 Health and Safety Business Partners shall:

- Be the 'Competent Person' as set out in the Management of Health and Safety at Work Regulations 1999
- Provide appropriate and timely advice and support to managers and staff
- Keep up to date with current legislation and best practice
- Report injuries, diseases and dangerous occurrences to the Health and Safety Executive
- Investigate incidents and near misses as appropriate
- Liaise with enforcing authorities

4.7 Employees and Volunteers shall:

- Familiarise themselves with the contents of this policy and policies and procedures that relate to their work
- Attend any job specific health and safety training required to enable them to carry out their job safely
- Work with due regard to the health and safety of themselves and others affected by their work activities
- Co-operate with and support Managers in meeting their health and safety responsibilities
- Not intentionally or recklessly interfere with or misuse anything provided in the interests of health, safety or welfare
- Draw attention to any health and safety hazards or deficiencies to their Manager or the Health and Safety Business Partners

4.8 Contractors shall:

- Co-operate and communicate with each council on all relevant health and safety matters
- Meet the health and safety standards required of them whilst carrying out their work activities on behalf of each council
- Provide relevant documentations as required with regard to matters of health and safety, including insurance and competency certificates

5 CONSULTATION

Under the Safety Representatives and Safety Committees Regulations 1977 (as amended) and the Health and Safety (Consultation with Employees) Regulations 1996 (as amended), each Council must have in place arrangements for consulting with its employees.

Staff Safety Representatives are consulted at 3 monthly intervals, through the relevant council consultation process

Departmentally, Managers will consult with their staff on all matters affecting their health and safety including risk assessments.

5.1 Trade Union Representatives

Trade Union appointed safety representatives and employees safety representatives.

Under the Safety Representatives and Safety Committees Regulations 1977 (as amended), recognised trade unions are entitled to appoint one or more safety representatives to represent their members on health and safety matters.

Where the workforce is not represented by trade unions, employers must make alternative arrangements for consulting with their employees. This can be done by electing an employee representative.

Under the legislation, both trade union representatives and staff representatives can:

- Carry out inspections of the workplace
- Investigate accidents and incidents and complaints from their members regarding health and safety matters
- Receive copies of reports from the HSE
- Receive information relating to the safety of plant, equipment, substances or work methods
- View inspection documents
- Attend consultative committees

5.2 Health and Safety Consultation

Each council will review Health and Safety matters through its usual consultative committee. The health and safety role of the consultative committee is to consider and review:

- Council health and safety policies
- Accident, incident and occupational ill-health reports and to make recommendations for corrective action as necessary
- Reports and information provided by inspectors of the enforcing authorities
- Concerns raised by Trade Union Safety Representatives or other Committee members
- Reports on health and safety inspections, audits and other monitoring activities
- Arrangements for ensuring effective communication of health and safety information

6 MONITORING AND AUDIT

Monitoring will be by way of inspection of workplaces and properties owned by each Council. These will take place at regular intervals and a report produced with an action plan for implementation.

Audits will be carried out by the Health and Safety Business Partners in consultation with the Trade Unions on a regular basis and the results communicated to the Heads of Paid Service/Managing Director and Consultative Committee for consideration and if necessary, action.

7 ARRANGEMENTS

The Health and Safety policies set out the arrangements in place to achieve the health and safety objectives in this Policy.

These policies include but are not limited to:

- Risk Assessment
- Fire Safety
- Manual Handling
- Lone Working
- Control of Contractors
- Display Screen Equipment (DSE)
- Asbestos
- Legionella
- Violence and aggression
- Working at height
- Stress prevention and management
- Young persons
- Work equipment
- New and expectant mothers
- COSHH
- First Aid
- DSEAR

These policies form part of this overarching Policy and are available on the intranet.

Policies are drawn up in consultation with relevant staff, and take into account legal requirements and best practice guidance.

They are approved by the relevant Head of Paid Service or Managing Director and are reviewed at stated intervals, and as necessitated by changes to legislation and best practice, or identified shortcomings.

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2020 Vision Programme Programme Status Summary Dates covered: June – August 2016	Overall Status:
	Green

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

- The new Environmental and Regulatory Shared Service Group (CDC, FoDDC, WODC) went live over the summer. Service go-live dates were staggered to enable changes for customers, Members, and staff to be managed effectively. 99% of the project tasks are complete, outstanding actions have been passed to the Group Manager to ensure completion. The focus for the next 3 months is to embed the changes, stabilise service delivery, and make any minor adjustments necessary. The project is on target to save £890,000 and has been delivered within time and budget.
- The company model proposal, presented to the Joint Committee in June 2016, has been refined based on detailed legal advice and tax modelling. A detailed facilitated process has been held with Leaders and Joint Committee members to ensure partner authority requirements are met and that there is agreement to the recommended company model structure. The business case has been updated to reflect the recommended company model structure and the consequential changes in the programme implementation plan and costs. The company model proposal and updated business case form the basis of a report to Councils for decision on the move to a company model during September and October.
- The behind the scenes technical work required to deliver the 2020 Partnership ICT strategy is progressing well. Video conferencing equipment is in place and is becoming an established way of working across the partnership. A project to develop a shared intranet is underway to aid internal communication and access to information.
- Staff engagement sessions based on the 2020 Partnership Aims and Objectives, agreed by the Joint Committee in February 2016 are progressing well and are being held in tandem with sessions equipping people with the knowledge and skills to engage with change.
- Members are being engaged in the company proposals prior to the decision report to Councils in September / October, via overview and scrutiny committees, informal committee meetings and Member briefings.
- External partners to support the work on a new approach to Reward and Recognition and Leadership Development are being sought via competitive tenders.

Budget	Green
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Provide an overview of the programme budget:

Programme spend to date is within budget, see Appendix 1.
 Councils will be asked to fund full programme costs of £10.1m as part of the decision report to Councils, following the review of programme costs and cost allocation based on the final company model.

Benefits Realisation	Green
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Report on the progress towards realising benefits:

Cashable savings to date are on profile with savings already delivered in 2015/16 and 2016/17 of £2.3m

Key Risk Update	Green
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Report on key programme risks:

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).

2020 Vision – Budget Monitoring Statement to end August 2016

Appendix 1

			Strategic Level Funding		Programme Approved Budget	Spend to Date	Commitments	Variance
Cost centre (T)	Detail (T)	Responsible Officer	Original 2020 Vision Budget	Strategic Level Unallocated Funding				
Expert Advice			£725,000	£280,000	£445,000	£267,593	£11,300	£166,107
Vision 2020 programme	Actuarial Advice	Jenny Poole			£80,000	£23,207	£0	£56,793
Vision 2020 programme	HR Advice	Deb Bainbridge			£73,000	£35,049	£0	£37,951
Vision 2020 programme	Commissioning advice	David Neudegg			£90,000	£80,018	£0	£9,982
Vision 2020 programme	Legal Advice	Bhavna Patel			£100,000	£46,823	£11,300	£41,877
Vision 2020 programme	Financial Advice	Jenny Poole			£20,000	£21,516	£0	-£1,516
Vision 2020 programme	Property advice	Ralph Young			£10,000	£0	£0	£10,000
Vision 2020 programme	LGA Peer Review	David Neudegg			£10,000	£11,390	£0	-£1,390
HR Payroll project	ICT Advice	Deb Bainbridge			£12,000	£0	£0	£12,000
Vision 2020 programme	FODDC Leisure Procurement Strategy	Paul Jones			£50,000	£49,590	£0	£410
Programme Management / Project Support			£2,742,000	£608,000	£2,134,000	£1,251,270	£511,779	£370,951
Vision 2020 programme	Programme Management	Ralph Young			£875,000	£625,168	£169,997	£79,835
Vision 2020 programme	Programme Corporate Support	Jenny Poole			£500,000	£201,196	£191,269	£107,535
Vision 2020 programme	Programme Support	Ralph Young			£400,000	£107,522	£118,165	£174,313
Public Protection Project	Programme Management and Support	Bill Oddy			£321,000	£294,829	£26,527	-£355
HR Payroll project	Programme Management and Support	Deb Bainbridge			£38,000	£22,555	£5,822	£9,624
ICT			£3,280,000	£2,486,600	£793,400	£687,017	£50,798	£55,585
2020 Universal Secure Network Layer (ICT)	Vision 2020 Funding - 2020 Universal Secure Network Layer (ICT)	Phil Martin			£210,000	£204,000	£0	£6,000
2020 Universal Collaboration Layer (ICT)	Vision 2020 Funding - 2020 Universal Collaboration Layer (ICT)	Phil Martin			£135,000	£134,322	£0	£678
2020 'One Workspace' Layer (ICT)	Vision 2020 Funding - 2020 'One Workspace' Layer (ICT)	Phil Martin			£50,000	£62,500	£0	£0
2020 Applications Layer (ICT)	Vision 2020 Funding - 2020 Applications Layer (ICT)	Phil Martin			£67,400	£55,792	£0	£11,608
Public Protection Project	ICT	Phil Martin			£331,000	£230,403	£50,798	£49,799
Cost of Transformational Change			£1,998,000	£596,500	£1,401,500	£1,049,123	£0	£352,377
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	Business Change support	David Neudegg			£50,000	£0	£0	£50,000
Vision 2020 programme	Cost of Transformational change	Jenny Poole			£1,193,000	£913,539	£0	£279,461
			£8,745,000	£3,971,100	£4,773,900	£3,255,004	£573,877	£945,019

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