

WEST OXFORDSHIRE DISTRICT COUNCIL
FINANCE AND MANAGEMENT OVERVIEW AND SCRUTINY COMMITTEE
WEDNESDAY, 23RD SEPTEMBER 2015

2020 VISION PROGRAMME – FINAL BUSINESS CASE
REPORT OF FRANK WILSON, STRATEGIC DIRECTOR

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(The report is for information)

1. PURPOSE

To consider the report to the 2020 Vision Partnership Member Governance Board (attached as an Annex to this covering report), in advance of consideration by the Cabinet and Full Council.

2. RECOMMENDATIONS

That the Committee considers the report and makes any comments to Cabinet.

3. BACKGROUND

3.1. In December 2014, each 2020 Partner Council, through their respective decision-making arrangements, resolved to:

- Establish a shared services partnership venture in early 2015 between the four authorities, managed by a joint committee operating under a Memorandum of Understanding for an interim period pending a further decision in the autumn of 2015;
- Establish the roles of Interim Lead Commissioner, Interim Managing Director of the partnership venture and the appointment of the Programme Director.
- Agree the creation of a project to develop effective commissioning arrangements for each authority, including exploring the potential for sharing commissioning functions where possible.

3.2. The decision was informed by a report drafted by Activist, which set out a number of outcomes, recommendations and principles that the new Partnership Venture will need to deliver against.

3.3. The 2020 Vision sets out an ambition for the authorities to become more efficient and effective by working together but without sacrificing their sovereignty - in fact, their ability to take the decisions needed for their locality would be strengthened.

3.4. The four authorities share a focus on efficiency and on achieving value for money for council tax payers. This concern for efficiency goes hand-in-hand with the partner authorities' shared vision of a district council having a wider responsibility for what is often characterised as 'place-shaping'.

- 3.5. A key shared challenge is addressing the year-on-year reductions in central government grant to local authorities. Each council's medium term financial strategy requires significant savings. Additionally, all four councils face a longer-term challenge of how to deal with the increasing costs of funding the employers' contributions to the Local Government Pension Scheme.
- 3.6. The authorities have made it clear that they would prefer not to make reductions in service levels or cut non-statutory services if at all possible.
- 3.7. Additionally, whilst there was a strong emphasis on the need for efficiency savings, there is also a recognition that sharing could provide access to greater capacity and help make services more resilient.
- 3.8. The report also identified a series of challenges that members said they would like to see addressed as part of the detailed design phase of the Partnership Venture. These included the preservation of the sovereignty and identity of each local authority; the importance of maintaining local knowledge so that the public and members knew that they had staff they could rely on to respond effectively; and protecting what is unique about each authority. Additionally, each authority wanted access to impartial commissioning and client side advice from people they trust.
- 3.9. At its Meeting on 15th July 2015, the Overview and Scrutiny Committee considered a consultation paper setting out a number of key principles and proposals to meet the objectives and address the concerns. The Annex to this report includes the report presented to the 2020 Vision Partnership Member Governance Board, and agreed for formal consideration by each of the Partner Councils.
- 3.10. The full attachments to this report are:-
 - Annex - Report to the 2020 Vision Partnership Member Governance Board, including -
 - Appendix A - Proposed Partnership Structure
 - Appendix B - Commissioning Report
 - Appendix C - Business Case ('hard' copy attached for Committee members only)
 - Appendix D - Joint Committee Draft Constitution
 - Appendix E - Equality Impact Assessment
- 3.11. Each Partner Council will consider the report through its formal processes between now and the end of October. The Risk Register recognises that there remains a possibility of not all councils agreeing to the recommendations within the report.
- 3.12. An independent review of the Business Case has been undertaken by CIPFA and Proving Services. Their initial feedback is that the Business Case is positive with a large degree of tolerance making it both achievable and deliverable. They do, however, also identify that some differences between the partners are impacting upon the scale of ambition that could be achieved by the programme. Officers are liaising with the advisers to understand these issues further and identify the potential scale of additional financial savings that may be possible.

- 3.13. As part of the consultation, some Councillors queried where the 2020 Vision Programme sits in relation to the Government's devolution agenda. Both Gloucestershire and Oxfordshire councils have signalled their intent to seek further powers from Government as part of the current devolution agenda. In both cases, the aim is to bring responsibility for significant public expenditure to a single point of control, thus creating the potential to secure higher quality outcomes for local people in the context of reduced public expenditure.
- 3.14. Devolution is not an alternative to the 2020 Vision Programme - the two concepts would work well together. Devolution is about securing higher level strategic decision making powers from government or other national agencies together with additional funding that goes with those powers. The 2020 Vision Programme is about finding more cost-effective ways of delivering local services in light of the continuing squeeze on local funding. The 2020 Vision Programme does not undermine any devolution conversations; if it progresses it would enhance our collective ability to respond to any powers that might be devolved because the four partners would have a louder voice together than they would alone.

4. FINANCIAL IMPLICATIONS

- 4.1. Under the current Medium Term Financial Strategy (MTFS) the Council has identified the need to make further efficiency savings of £1.11m over the period 2015/16 – 2018/19.
- 4.2. The Councils current plans to achieve these additional savings are through shared services and the 2020 Vision Programme is the key delivery mechanism for this.
- 4.3. The business case savings within the appendices identify that the savings to the Council from this programme could ultimately be almost £1.5m although the timeframe to deliver this larger figure is longer than the saving requirement of the current MTFS. Nonetheless the business case predicts baseline budget savings of in excess of £1.25m by the end of 2018/19.
- 4.4. As part of the annual refresh of the MTFS officers will need to take account of any additional savings required arising from the Comprehensive Spending Review being carried out by the Chancellor of the Exchequer. The Chancellor has signalled the requirement for government departments to provide plans for 25% or 40% cuts in spending plans. At this stage it is not known how this will feed through the Local Government Finance framework but risks remain that the savings target of £1.11m will need to be increased.
- 4.5. Members may also be aware of certain other budget pressures being imposed on this Council such as changes in garden waste recycling credits from the County Council – these will also need to be built into the next review of the MTFS which will be brought to this committee for its consideration.

5. RISKS

- 5.1. These are contained within Appendix C to the Annex to this covering report.
- 5.2. The two most significant risks are:-
 - If there is failure to reach agreement between members across all four Councils the programme may not be delivered
 - Programme does not progress as Members do not have their concerns properly addressed

6. REASONS

- 6.1. The 2020 Vision is a Key Task identified in the approved Council Plan which supports the objective of providing value for money services and maintaining a low Council Tax.

Frank Wilson
Strategic Director

Date: 14th September 2015

2020 Partnership Decision Report for Councils

Version 4, 21st August 2015

Council Report to MGB - Version history

Version	Date issued	Summary of change	Version owner
0	21 st July 2015	First draft released to programme team for review	Ralph Young
1.0	4 th August 2015	Incorporates feedback from the programme team	Ralph Young
1.1	9 th August 2015	Combined track changes from JP/DB	Ralph Young
2.0	10 th August 2015	Clean final draft for Programme Team	Ralph Young
3.0	14 th August 2015	Incorporates feedback from the programme team	Kath Hoare
4.0	19 th August 2015	Incorporates feedback from the gateway reviews	Ralph Young

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Report to: 2020 Member Governance Board – 21 August 2015

Subject: 2020 Partnership Decision Report for Councils

1. Purpose:

- 1.0 This report sets out the proposed way ahead for the 2020 Vision Programme and makes recommendations that if accepted will allow the 2020 Partner Councils to sustain their current range of services whilst making savings of over £5.7m per annum by 2020.

2. Introduction and Background

- 2.0 In December 2014 each Council, through their respective decision making arrangements, resolved to:

- Establish a shared services partnership venture in early 2015 between the four authorities, managed by a joint committee operating under a Memorandum of Understanding for an interim period pending a further decision in the autumn of 2015.
- Establish the roles of Interim Lead Commissioner, Interim Managing Director of the partnership venture and the appointment of the Programme Director.
- Agree the creation of a project to develop effective commissioning arrangements for each authority, including exploring the potential for sharing commissioning functions where possible.

- 2.1 The decision was informed by a report drafted by Activist which set out a number of outcomes, recommendations and principles that the new Partnership Venture will need to deliver against.

- 2.2 The 2020 Vision sets out an ambition for the authorities to become more efficient and effective by working together but without sacrificing their political sovereignty, culture and local decision making— in fact, their ability to take the decisions needed for their locality would be strengthened.

- 2.3 The four authorities share a focus on efficiency and on achieving value for money for council tax payers. This concern for efficiency goes hand-in-hand with the partner authorities' shared vision of a district council having a wider responsibility for what is often characterised as 'place-shaping'. The authorities play a community leadership role - looking after the long-term environmental, social and economic needs of their localities, their citizens and businesses - and must act as champions of their communities on behalf of their citizens.

- 2.4 A key shared challenge is in addressing the year-on-year reductions in central government grant to local authorities. Each council's medium term financial strategies requires significant savings. Additionally, all four councils face a longer-term challenge of how to deal with the increasing costs of funding the employers' contributions to the Local Government Pension Scheme and potential further funding cuts from Government of up to 40%.
- 2.5 The authorities have made it clear that they would prefer not to make reductions in service levels or cut non-statutory services if at all possible.
- 2.6 Additionally, whilst there was a strong emphasis on the need for efficiency savings, there was also recognition that sharing could provide access to greater capacity and help make services more resilient.
- 2.7 The report also identified a series of challenges that members said they would like to see addressed as part of the detailed design phase of the Partnership Venture. These include the preservation of the sovereignty and identity of each local authority; the importance of maintaining local knowledge so that the public and members knew that they had staff they could rely on to respond effectively; and protecting what is unique about each authority. Additionally each authority wanted access to impartial commissioning and client side advice from people they trust.
- 2.8 The key messages from the Member Governance Board representatives are:
- Evolution rather than revolution
 - Ease of access to advice from trusted advisors working in the interests of each Council
 - Ease of access to good quality commissioning skills for each of the Councils
 - Potential for increased shared working over time
 - A desire to retain control over some services at least in the short term
- 2.9 So the challenge is how to maximise potential shared working efficiency savings whilst protecting local distinctiveness and democratic independence.

3. Context and Drivers for Change

- 3.0 During their work Activist carried out interviews with members and senior managers and tested out what was driving each authority to explore the Vision 2020. While there was a strong emphasis on the need for efficiency savings, there was also recognition that sharing could provide access to greater capacity and help make services more resilient.
- 3.1 Those drivers may provide an initial impetus for change. However, they were also seen as a necessary foundation for two more strategic drivers. The partners were not defeated by the scale of the financial challenges: they expressed confidence that the authorities could still continue to improve their services further. Collaboration would also enable them to have a greater strategic impact as community leaders.

- 3.2 By addressing these drivers, it would also be possible to address the need to defend the value of the district council tier of the nation's democracy. Only by being able to marshal the resources needed to be able to exercise policy choices can the authorities respond to and address the needs of the people who live and work in and visit their localities - localities of which they have a unique and intimate understanding.
- 3.3 The Activist report found that members had a great deal of confidence in their officers' ability to tackle challenging projects and programmes. That confidence is built on a history of investment in the knowledge and skills needed.

3.3.1 Table 1: Summary of Drivers for 2020 Vision

<p>Financial: we need to respond to long-term financial pressures on the four councils.</p> <p>Efficiency: we need to continue to find ways of delivering value for money (even if we didn't face the current financial pressures).</p> <p>Resilience: each authority needs a wider pool of expertise and greater capacity to respond to events.</p> <p>Impact: more depth in strategic capacity is needed to support the drive towards service improvement and wider social and economic benefits in each locality.</p> <p>Democracy: each authority needs to have sufficient resources to be able to exercise choice and community leadership so that it can champion local needs and priorities.</p>

- 3.4 In summary, the reasons why each partner is progressing the 2020 Vision are very similar; the partners have much in common and have a track record of working together that gives them the confidence that it could be possible to achieve even more through closer collaboration.
- 3.5 The Chancellor (George Osborne) has recently launched the 2015 Spending Review with each unprotected government department, including DCLG, being required to produce savings plans of 25% and 40%. The outcome of the Spending Review will be announced on 25th November 2015. As part of the Spending Review, the government will look at “transforming the approach to Local Government financing and further decentralising power, in order to maximise efficiency, local economic growth and the integration of public services”. Each partner council will consider the local impact upon their Medium Term Financial Strategy as part of their budget setting process. Although each Council has identified further cuts to central government funding within their Strategies, it is possible that the cuts will be greater than currently anticipated and therefore further savings will need to be found.

3.6 Each Council’s Medium Term Financial Strategy already includes significant savings from the 2020 Vision which are contributing to overall savings targets. The Strategies will be updated over the next few months to incorporate the outcome from the Spending Review, the revised 2020 vision programme costs and benefits as set out in section 13 of this report, and other local financial matters.

4. Outcomes

4.0 The Activist work tested what the partners would want to achieve from 2020 Vision. Given the feedback and points raised, they developed a proposed outcomes framework which was agreed by the Councils in December 2014. This framework is set out below and is of central importance in informing decisions on service design and the choice of sourcing options.

4.0.1 Table 2: Agreed Outcomes Framework

In creating 2020 Vision, we need to achieve the following end results:

Outcome	Contributory outcomes
Savings	<p>Delivers realistic and sustainable revenue savings.</p> <p>Provides a positive return on investment in the medium to long term.</p> <p>Enables us to make further savings through partnership and better asset management.</p> <p>Enables opportunities for income generation.</p>
Influence	<p>Respects our separate identities as individual authorities.</p> <p>Ensures our decision making will remain locally accountable.</p> <p>Strengthens our ability to exercise community leadership on behalf of our localities.</p> <p>Allows us to retain strong local knowledge in our frontline services.</p> <p>Provides each authority with impartial commissioning and client side advice from people they trust.</p>
Quality	<p>Enhances and maintains good quality services to the public.</p> <p>Allows us to nurture our partnerships and take advantage of new ones.</p> <p>Creates organisations that are flexible and adaptable to future changes.</p> <p>Has governance and structures that are streamlined and easy to</p>

	<p>understand.</p> <p>Is widely acknowledged to be socially responsible.</p>
Creativity	<p>Empowers staff to be creative, collaborative and enquiring.</p> <p>Supports our commitment to a public service that responds to and empowers our local communities.</p> <p>Fosters and rewards an innovative, can-do approach to delivering services.</p>

4.1 The agreed outcomes framework has been used as the basis to test the suitability of the proposals and the business case.

5. Commissioning

5.0 A review of commissioning across the Partnership has concluded that the four Councils have a common understanding of commissioning and take a pragmatic and open-minded approach. There are, however, some differences in the way each Council approaches commissioning; how they are structured; and where their respective strengths and areas for development are.

5.1 The 'as-is' picture of commissioning at each Council has highlighted many key areas where the four Councils share the same approaches:

- There is a shared understanding of 2020 Vision, and the partnership venture, as a potential way for each Council to become more efficient and effective by working together but without sacrificing their sovereignty.
- All Councils have a pragmatic outcome focused approach to commissioning seeking to ensure their local communities can access high quality and appropriate services.
- All share a desire to make sure their decision making processes are supported by impartial specialist advice from a trusted advisor with sound local knowledge.
- All Councils aspire to find the best sourcing solutions and are open to innovation.
- All appreciate the wide variety of skills and experiences needed for effective commissioning.
- All are committed, to some degree, to sharing commissioning resources including client activity.

5.2 In light of the above, there are some shared principles of commissioning that all four Councils should be able to sign up to:

- Each partner council will have access to commissioning support, including trusted advisors that will enable it to develop and set its strategic policies, source service provision, and manage its contracts and relationships with a range of service providers.
- While this support will be directly managed by each council to enable that council to control and manage that work, this support does not necessarily need to be employed by that Council, albeit there would need to be suitable governance structures in place. This principle is already established, to some degree, within current structures.
- Each Council should be able to access further skills, experience and expertise from technical experts that may be directly employed, part of a shared unit or employed by another Council or organisation.
- Each of the four Councils must be able to approach commissioning in their preferred way and be free to be agnostic in terms of commissioning decisions.
- Commissioning criteria need to be able to reflect local requirements (as well as shared).
- Sharing commissioning activity is a principle the partner Councils aspire to.
- Shared client arrangements is a principle the partner Councils aspire to and can see the merits of this early on for example with regard to GOSS and ICT.
- The partnership venture is one of a number of key providers from whom councils may commission.

5.3 Consequently a Commissioning Strategy has been developed and is included at Appendix B. The Commissioning Strategy sets out the proposed approach to commissioning for each Council and describes how commissioning will be organized and undertaken across the partnership.

5.4 Each individual Council will still be able to specify its required service standards and outcomes. Service performance will continue to be monitored and reported through each Council's individual performance management arrangements.

6. Service Design Principles

6.0 To maximise the efficiency of shared services it is beneficial to develop a 'common core' across all four councils.

6.1 There are four core areas where it is proposed to agree an approach across all 4 Councils. The first three are recommended to be delegated to the Joint Committee with the fourth area dealt with at an operational level. This does not mean that by default all policies will be identical but that policy areas where local differences in approach are acceptable should be agreed collectively by the partnership members. These are as follows:

- Financial Rules and Policies – These are already largely the same but with some minor local differences.
- HR Policies and Procedures (including job evaluation, grading and benefits) – Many of the policies have been standardised. However, each council operates a different job evaluation and grading process and also has variations on benefit

packages. Although there may be genuine evidence-based reasons for some differences (where staff are being recruited from different market areas) it would be beneficial for these to be collectively recognised and agreed in the new operating model. This will be a hugely challenging issue to overcome but it is essential in providing a consistent approach which will allow total flexibility of staff movement within the partner organisations.

- Common ICT Platforms & Applications – There is already a high degree of commonality across the 4 Councils but as systems come up for renewal there will be further opportunities for developing common approaches. A joint ICT strategy has been established and a joint applications strategy is being prepared.
- Customer Focussed Service Redesign - Each council has developed differing approaches to business processes which is both inefficient and reduces the ability to be flexible with allocation and utilisation of staff resources.

6.2 It is recognised that this will be an evolutionary process where certain services and functions will start off not being shared and each council will decide when it might be prepared to share. Therefore having a model that remains constant but allows for this evolution to occur will be beneficial.

6.3 Any approach should be capable of being applied to either a Joint Committee or a jointly owned Teckal Company and of being established quickly following decisions being made on which services and functions that will initially be shared and any services which will not be shared. The preferred model should also allow for services to be easily transferred from non-shared areas into shared service areas at future dates should councillors decide to do so.

6.4 It has previously been recognised that capacity across the Partnership is not extensive and that we shall have to make best use of the skills and talents of the senior staff we have. Furthermore, it is generally understood that the achievement of the 2020 Vision is an evolutionary process which requires a pragmatic approach. A key principle is to maximise the most senior resource in a sensible and pragmatic way.

7. Partnership Venture Shared Services

7.0 A key principle contained within the Activist Report is that each Council can determine which services and functions it decides to share, or not to share, across the Partnership, although it is also accepted that these will need to be kept under review if the business case efficiencies are to be delivered. In order to build up a detailed business case it is essential to have an understanding of each council's position.

7.1 The Member Governance Board has assessed all of the areas and has agreed the following services should be recommended for initial sharing.

7.2 In general terms all services have some potential for sharing to a greater or lesser degree and should be considered over the course of the programme period.

7.3 In addition to GO Shared Services, ICT and Public Protection (excluding Cheltenham and subject to a final decision by Forest of Dean) which have been agreed for broader sharing, there is a strong case for sharing a number of services early:

- Building Control
- Legal (Cheltenham Borough Council currently have a separate arrangement with One Legal)
- Land & Property Services
- Customer Services

7.4 The following Services could have shared management but a more extensive shared service may need to be at a later phase:

- Revenues and Benefits (currently subject to significant national policy change and Forest of Dean's existing arrangement with Civica)

8. Partnership Venture Shared Services Operational Design

8.0 There are three principal areas in which the 2020 Vision agreed outcomes can be delivered through shared services:

- Shared Management
- Shared Specialist Staff
- Shared Administrative, Technical and Customer Support

8.1 The greatest savings are achieved through reducing the management overheads on services. These can also generally be the quickest to be achieved. For these savings to be maximised it is preferable to have maximum flexibility across the overall partnership utilising staff to a broad effect. The more role separation there is within the overall partnership the higher the management costs.

8.2 Although, direct savings from specialist staff are nowhere near as significant as from shared management, they do provide much needed capacity and resilience for District Councils. Each Council has developed skills and expertise within certain areas often not replicated in others. This provides an opportunity to build on these skills to provide services to all of the Councils, thus enabling potential savings in externally procured advice and support.

8.3 The 2020 Vision Partnership has a significant advantage of having already established shared back office support for all of the Finance and HR functions through the GO Shared Services Partnership. However, there are many other areas which could benefit from a similar approach. At the moment a lot of administrative and technical support is

focussed within relatively small teams leading to a limited ability to deliver maximum efficiencies.

8.4 The Member Governance Board has agreed an outline framework for the detailed organisation design of individual shared services.

8.4.1 Table 3: Shared Services Operational Design Approach



Local Services

These services will be delivered in a unique way, according to locally agreed outcomes. These services will be delivered from each council's geographical location maintaining local responsiveness, accountability and decision making. Operational services will be managed by a local Service Manager.

Specialist Services

These services will be delivered within a single aligned framework, reducing duplication and improving resource management which will deliver efficiencies. These services could be delivered from either a central hub location and/or local council locations.

Business Support Services

Business and administrative support functions will be created and aligned to existing customer contact centres at the participating councils. The business support service could be delivered from a central location, but some functions may be delivered from local bases and staff will be able to work remotely creating a virtual environment.

9. Approach to Customer Service & Branding

- 9.0 Each Council will retain its current branding – our aim is to ensure that external customers will continue to identify the services they receive with their local council. To achieve this staff working in the new partnership will need to have an adaptive style that allows them to take on the identity, values and culture of each Council. At the same time we will also need to develop an identity and brand (there may need to be more than one) for use internally within the partnership. These need to be ‘portable’ so that they could be transferred into a company model if that is what is decided in due course. Work on this issue is in hand and needs to be completed by February 2016 when the new Joint Committee is scheduled to go live, with operational shared services going live in April 2016.
- 9.1 Customer contact will be via existing channels; a local presence will be maintained to deal with local contact. That said, we will aim 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’.
- 9.2 Each Council will retain its own dedicated communications function and local communications releases will remain under the parent Council’s branding. There may be times when the partnership venture may need to undertake some communication activity; this need is even more likely if it is decided to form a company. In such circumstances the overriding principle will be that partner councils will be consulted before any proposed release.

10. Organisational model and structures

- 10.0 The Member Governance Board has considered a range of models which have been evaluated by each Council’s Senior Management Teams against the Outcomes Framework set out in the Activist Report.
- 10.1 The interim operating model shown in Appendix A could be implemented by April 2016. This would move the programme forward and deliver the initial financial and other benefits as set out in the Business Case. This would then enable further consideration to be given, during 2016, to the benefits and timing of establishing a Teckal company or remaining with the Joint Committee.
- 10.2 Consequently, the Member Governance Board has agreed to recommend to each Council that the interim operating model should be adopted and be implemented by April 2016, subject to this final business case decision being considered.
- 10.3 A consequence of adopting this structure leads to the need to redesign each Council’s senior management structure. This will be the responsibility of each council’s Head of Paid Service and their recommended structures will be presented to each Council as appropriate.

10.4 The financial implications of the proposed changes to structures are given in section 13 of this report.

11. HR and Employment Matters

11.0 All staff within the retained services and functions would continue to be employed by their Council and directed by their Council. However, subject to the agreement of each Council, the HR Policies and Terms and Conditions for staff would be determined by the Joint Committee to ensure a fair and equitable approach to all staff across the partnership.

11.1 There are initially two choices for those staff working within Partnership Venture shared services. These are:

- Temporarily leave staff with their current employers and establish legal agreements to provide authority for individuals to act on behalf of all partners.
- Permanently transfer all Partnership Venture staff to a Lead Employer or Employers, or an alternative employment vehicle.

11.2 The intent is to move towards a form of single employment model for all staff. This will remove the current built-in quadruplicating of effort incurred through having four separate employment relationships.

11.3 Advice from GOSS and Legal Officers is that the simplest most effective option is initially to temporarily leave staff with their current employers pending a future decision on the creation of a new employment vehicle.

11.4 Leadership and Organisational Development

11.5 Early work has been undertaken with managers and staff, to look at leadership and culture for the Partnership. General feedback from staff has been positive with some common messages emerging as follows:

- A positive desire to work together
- Optimism in the future
- A desire to shape things together to build something new and sustainable
- A collective vision to deliver excellent public services that supports customer needs, so customers feel valued, listened to and receive a reliable and responsive service tailored to their needs
- An enthusiasm to develop the best organisation, with well trained, flexible adaptable staff.

The three areas that were discussed are described below with some examples of outputs

The principle themes emerging were as follows:

- Leadership and Management Style
- Engaging and credible

- Innovative and inspiring
- Excellent people skills, engaging and recognizing staff
- Open and honest
- Respect and Trust
- Collaborative
- Resilient
- Responsible and accountable
- Outcome focussed

Culture and Values

- Developing a culture that is Open and Honest
- Compassionate and supportive
- Innovative
- Inclusive
- Empowered and challenging
- Customer Focus – satisfied and engaged
- Proud
- Value people
- Flexible
- Collaborative
- Can do

This feedback will form the basis of the work with staff on leadership and culture to help to refine this further.

11.9 The geographical spread of the partnership will mean that senior leaders are likely to be less visible than at present - so we will maximise the use of technology to ensure that they remain easily accessible. Developing leadership skills throughout the organisation is therefore critical in ensuring staff at every level have the skills and confidence to act independently. Our learning and development and our culture will develop to support this and our total reward package will recognise this.

11.10 Detailed work on organisational development will be undertaken to translate this intent into action. We have started this work already, working with the LGA to research what a great approach to reward, managing and leading people and culture can look like. This work will be completed by the Autumn and this together with other research (see below) and employee engagement will support the development of our approach.

11.11 **Managing Recruitment, Redeployment, Retraining, Retirement, and Redundancy**

11.12 Change is always challenging for employees particularly where there is uncertainty of future employment. In managing recruitment, redeployment, retraining, retirement and redundancy the approach will be that of balancing business and individual requirements and needs.

11.13 Recruitment will be undertaken through an open, transparent process following current HR polices. Where changes result in employee displacement, we are committed to minimising the impact of change as far as is reasonably possible and will make every

effort to seek alternative employment for displaced employees where suitable vacancies exist. Wherever possible we will endeavour to avoid compulsory redundancies, this may include natural wastage, seeking volunteers for early retirement and restricting recruitment. If such measures are insufficient and jobs of existing employees are at risk, we will make all reasonable efforts to seek suitable alternative employment.

11.14 Appropriate support mechanisms will be put in place to help individuals cope with change including training and advice and outplacement and retirement support.

11. 15 **Total Reward and Recognition**

11.16 We want to develop the new partnership as a great place to work, recruiting and developing passionate people. We recognise that our staff are our greatest asset. We are committed to becoming an employer of choice and to developing our people and building capacity working together in order to deliver continuous improvement of our service and performance.

11.17 There is a growing employer consensus that local government's approach to reward management needs to be revisited. Nationally the Local Government Employers' organisation is looking at how the national agreement can be updated to provide authorities with an appropriate framework. The role of the Regional Employers' Organisation is to support councils in developing new approaches to reward, for example, competency and skill-based pay progression, total reward, market-related pay and marketing the reward offer.

11.18 'Total Reward' is of interest because it looks at all types of reward - non-financial as well as financial, indirect as well as direct. It describes a value proposition which embraces everything that people want from the employment relationship and should be developed and implemented as an integrated and coherent whole. It is important to understand how total reward motivates people at work and what elements people most value and why.

11.19 There are four components that help motivate staff:

- Individual Growth – Development, Training, Career enhancement, Performance management
- Compelling Future - Vision/values, Growth/success, Image/brand
- Total Pay – Base and Variable Pay, Benefits, Recognition
- Positive Workplace - People focus, Leadership, Collegiality, Job content, Trust/commitment, Involvement/openness

11.20 Different Groups within the workforce will respond to different elements depending upon their age, gender and personal circumstances and therefore any strategy will need

to provide a wide range and choice and be flexible enough to adapt and change as individuals who work for us grow and develop

11.21 Total reward encompasses all areas of work that are valued by employees, as well as pay and benefits. The aim is to develop one simple reward and recognition strategy for all employees; this will include one pay structure, flexible benefits and other areas of recognition.

11.22 In the short term employees will be employed by their current employer and will continue to work within their current individual organisational policies and procedures. A review of current policies and procedures will be undertaken to identify opportunities for alignment.

11.23 Whilst no one approach has been described for pay and benefits, it is intended to develop a medium and long term strategy that could encompass principles such as a pay structure and progression that ensures the values, behaviours, performances and attitudes required are rewarded and recognised.

11.24 It is important to recognise that pay is not the sole motivator and the strategy will cover other areas of reward such as recognition, work/life balance, culture, learning and personal growth, flexible and agile working and environment (office space and job design and community impact). This will be developed through co-creation with staff to tailor the total reward programme to the partnerships culture, and business objectives.

11.25 **Dealing with Change**

11.26 Any organisation that is undergoing transformational change has a duty of care to equip its staff and management teams with the right skills and knowledge to work through, and lead, change programmes effectively. Large-scale change requires people to invest a great deal of energy and emotion in getting to grips with new methods and in living with extended periods of uncertainty. At the heart of the matter is the way our staff experience and respond to change. We need to understand and address 5 key forces of change, forces that drive human behaviour and which come under threat during major organisational change such as the 2020 Vision Programme:

1. Certainty. An immediate consequence of change is uncertainty. At worst, people fear for their jobs and at the very least they can become unclear about what the future holds and their role within it. The antidote to uncertainty is trust, and the key ingredient of trust is communication.

2. Purpose. As an organisation changes course, things can become unclear. People's sense of direction is diminished and they become less confident about what they are doing. We need to give people a crystal clear purpose and a reason to persevere despite inevitable difficulties.

3. Control. Change can lead to strong feelings of unease as people sense that they have lost power over their working lives and become victims to outside forces – we need to point out what they *can* do as opposed to what they've lost.

4. Connection. We all form strong attachments to people and things. We need to celebrate the past – its successes and failures – and mourn its passing before people can let go of old practices and travel happily into the future.

5. Success. Anyone who has introduced change at work knows that there is risk that performance can get worse before it gets better; it's about celebrating each triumph and building up support to tip the balance in favour of change.

11.27 Recent work with the public protection team on 'Leading through Change' has provided team members with support and insight on change and its impact and how they respond to it, equipping them to manage themselves and others through change. This work will continue with teams as we move to developing new shared services.

12. Legal & Governance Matters

- 12.0 It is proposed to establish the Joint Committee early in 2016 under Section 101 and 102 of the Local Government Act 1972 with the draft constitution given in Appendix D
- 12.1 The Partnership Managing Director will be accountable to the Joint Committee for the overall achievement of the 2020 Vision objectives and outcomes. Additionally this post would be able to provide support to councils where necessary - for example by ensuring that sufficient expert support and advice is available.
- 12.2 The Partnership Managing Director will support the Joint Committee in determining all delegated functions such as policies across all 4 partners on Finance and Procurement; HR, including staff terms and conditions; ICT infrastructure and IT Applications.
- 12.3 Monitoring and review of Partnership Venture services will be reported by the Partnership Managing Director to the Joint Committee.
- 12.4 Each Council would nominate a lead director to act as Head of Paid Service (either individually or shared). This Lead Director would be responsible for the delivery of all functions (both services and commissioning roles) not delegated to the Joint Committee. They would be responsible in liaison with their Councillors to determine the structures, staffing levels and services to be retained in order to meet the needs of that Council.
- 12.5 All decisions relating to functions not delegated to the Joint Committee will continue be taken solely by that Council supported by their nominated Lead Director.
- 12.6 As the law currently stands, it will not be possible for a statutory joint scrutiny committee to be established in relation to the 2020 Vision Joint Committee. In this case

the Councils' existing scrutiny arrangements would apply to the decisions of the Joint Committee and call in of key decisions would be determined by whichever Council's Standing Orders and Rules of Procedure are applied to the Joint Committee.

- 12.7 An alternative approach would be for the Councils to agree informal (i.e., non-statutory) arrangements along the lines of those in section 8 of the proposed Joint Committee Constitution. This approach has been successfully adopted by other Joint Committees.
- 12.8 The legal and governance arrangements of the Joint Committee do contain provisions to enable a partner Council to exit the arrangements should they wish to do so.

13. Financial Matters

- 13.0 The full business case, which has been produced in accordance with the guidance contained within the Treasury Green Book, is attached at appendix C. The programme costs have been updated to reflect the latest available information (e.g. programme office annual costs, known costs of redundancy, funding decisions taken by the Member Governance Board) and latest estimates (e.g. costs of redundancy, backfill, investment in IT systems). It is proposed that there is an annual review of the overall programme costs which will be used to inform the partner Councils' budget setting processes and provide assurance that the programme is resourced appropriately. The financial benefits have also been refreshed to reflect the latest data available.
- 13.1 The business case has been subject to approval by each Council's Section 151 Officer and has been independently reviewed and validated by CIPFA working in association with Proving Services based at the Cranfield Business School.
- 13.2 There is a proposed total investment of £10.1m over a 10 year period which is forecast to return cumulative savings totalling £38m over the same period with annual revenue savings of £5.7m after 5 years.
- 13.3 The previous version of the financial business case was based upon the information available at that point in time. Based upon the limited data available, the gross programme costs were estimated to be £8.7m. The programme costs have been updated to reflect the latest available information (e.g. programme office annual costs, known costs of redundancy, funding decisions taken by the Member Governance Board) and latest estimates (e.g. costs of redundancy, backfill, investment in IT systems).
- 13.4 The gross programme costs are now estimated to be £10.1m. A provision for additional costs of £1.4m has been incorporated within the business case in respect of:
- Provision for the programme office to be resourced for up to 4 years (Outline Business Case assumed 2.5 years) £0.7m;
 - Provision for backfill of Officer posts during the period of transformational change to create the shared services £0.3m;
 - Increased provision for redundancy costs based upon latest estimates £0.3m;

- Including full public protection project costs (Outline Business Case assumed some duplication of costs with programme office costs). This has been offset by revised support costs from GO Shared Services.
 - Funding decisions taken by the Member Governance Board (e.g. funding Ubico joining fees for West Oxfordshire and Forest of Dean District Councils) £0.1m.
- 13.5 There still remains significant uncertainty around estimates for costs such as investment in ICT and redundancy costs. Programme costs will be updated as the programme progresses and will be regularly reported to the Joint Committee.
- 13.6 A total of £3.8m of the programme costs will be funded by Government through Transformation Challenge Award (TCA) Funding.
- 13.7 Should the estimated costs become a reality, and it is not possible to fund the costs from under-spends elsewhere in the programme, the Joint Committee will consider options and make appropriate recommendations to the Councils. The potential impact upon the net programme cost for each council is set out below:

13.7.1 Table 4: Net Programme Costs

	Estimated Programme costs (Strategic Outline Case)	Revised Programme costs	Increased Council Contribution
Cheltenham BC	£1.095m	£1.224m	£0.129m
Cotswold DC	£1.230m	£1.678m	£0.448m
Forest of Dean DC	£1.355m	£1.706m	£0.351m
West Oxfordshire DC	£1.265m	£1.732m	£0.467m

13.8 The increase in net programme costs is lower for Cheltenham BC because the inclusion of the full public protection costs does not affect Cheltenham BC as they are shared across the three participating councils but the lower GO Shared Services programme support costs do as they are split across all four councils.

13.9 The net present cost of the programme has been calculated both with and without the Transformation Challenge Award Grant funding. In both cases there is a positive net present value of the Programme, as set out below:

13.9.1 Table 5: NPV findings

	Net Present Value £	Payback Period Years
Without TCA Grant	19,276,824	6
With TCA Grant	22,939,919	4

13.10 Despite all of the savings generated by sharing services to date, the partner councils continue to share a challenge in adapting to the year-on-year reductions in central government grant to local authorities. The savings targets for the period 2015/16 to 2018/19 are set out in the table below, together with each Council's plans to deliver the savings and the potential contribution from the 2020 Vision.

13.10.1 Table 6: Revised financial contribution from 2020 Vision to Councils' savings targets

	CBC (£000)	CDC (£000)	FODDC (£000)	WODC (£000)
Total Annual Savings Target	3,727	1,644	2,112	1,110
2020 Vision Savings	1,252	1,657	1,338	1,496
Other Identified Savings	1,791	589	941	0
Shortfall (Surplus)	684	(602)	(167)	(386)

13.11 The summary financial business case is set out below:

13.11.1 Table 7: Financial case for the overall programme

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

13. 11.2 Table 8: Summary costs and benefits

The summary costs and benefits for each council are set out in the table below:

2020 Vision Summary of Savings	Savings	CBC	CDC	FoDDC	WODC
<u>Savings Already Delivered – In Base Budgets</u>					
Ubico - TBC/FoDDC/WODC	326,000	89,000	165,000	11,000	61,000
Joint Working - Legal and Prop/IT	247,000	90,000	57,000	60,000	40,000
Procurement	57,000	15,000	34,000	8,000	0
Savings Already Delivered	630,000	194,000	256,000	79,000	101,000
<u>Shared Services Phase 1 – Savings Deliverable 2016/17 – 2017/18</u>					
Savings from:					
Trusted Advisors, Legal, Property, Revenues and Benefits, Customer Services, Public Protection and procurement savings related to supplies and services budgets.					
Gross Savings	2,156,000	405,000	627,000	497,000	627,000
Vacancy Factor/Joint Working Increases	(166,000)	(30,000)	(49,000)	(38,000)	(49,000)
Net Future Shared Services Savings	1,990,000	375,000	578,000	459,000	578,000
<u>Shared Services Phase 2 – Savings expected to be delivered 2018/19</u>					
Savings from:					
Commissioning/Policy Support, Planning, Housing Support, Procurement savings related to supplies and services budgets.					
Gross Savings	987,000	133,000	273,000	237,000	344,000
Vacancy Factor/Joint Working Increases	(72,000)	(9,000)	(20,000)	(17,000)	(26,000)
Net Future Shared Services Savings	915,000	124,000	253,000	220,000	318,000
<u>Shared Services Phase 3 – Savings expected to be delivered 2019/20 Onwards</u>					
Savings from:					
GO Shared Services, IT, Audit Services, Building Control, Procurement savings related to supplies and services budgets. For Building Control this could be income generation or cost savings – net impact is shown.					
Gross Savings	360,000	88,000	90,000	94,000	88,000
Vacancy Factor/Joint Working Increases	(26,000)	(6,000)	(7,000)	(7,000)	(6,000)
Net Future Shared Services Savings	334,000	82,000	83,000	87,000	82,000
<u>Other 2020 Vision Savings</u>					

2020 Vision Summary of Savings	Savings	CBC	CDC	FoDDC	WODC
Waste services - FoDDC/WODC/CDC	530,000	0	200,000	150,000	180,000
Leisure FoDDC	75,000	0	0	75,000	0
Shared Property Resources	560,000	250,000	110,000	100,000	100,000
Total Other Savings	1,165,000	250,000	310,000	325,000	280,000
Company Model – Savings to be delivered 2017/18 Onwards through staff turnover					
Forming Company Model	709,000	227,000	177,000	168,000	137,000
Total 2020 Vision Net Savings	5,743,000	1,252,000	1,657,000	1,338,000	1,496,000
Gross Programme Costs	10,140,000	2,174,000	2,628,000	2,656,000	2,682,000
Less TCA Grant	(3,800,000)	(950,000)	(950,000)	(950,000)	(950,000)
Net Programme Costs	6,340,000	1,224,000	1,678,000	1,706,000	1,732,000
Payback period		1 year	1 year	1.3 years	1.2 years

14 Consultation & Engagement

- 14.0 Staff have been engaged in the proposal as it has developed through briefing sessions, team briefing arrangements in each council and information provided through a shared Intranet portal. An engagement team has been created, charged with keeping staff informed and gathering feedback.
- 14.1 There has also been the recruitment of 30 volunteers from staff to act as engagement champions across the partner councils, to discuss issues with their colleagues and pick up issues. All staff have had an opportunity to become an engagement champion and it is hoped that this will be a further means of picking up equalities issues.
- 14.2 A 10-week public consultation has started, seeking views about the Programme and the shared services that are being considered. This will run until 15 September 2015. The results of the consultation will be reported verbally when the report is presented to each Council.
- 14.3 Consultation has also started with the Trade Unions and engagement with elected members is being managed by each Council.

15 Equalities Impact Assessment

- 15.0 An equalities assessment has been jointly completed for the proposal and this identified no significant impact on protected groups.

15.1 The resulting Equalities Impact Statement is given at Appendix E. Further Equalities Impact Assessments may be required as services are commissioned

16 **Implementation Plan & Timescales**

16.0 The plan for implementation is to manage this complex set of changes using a recognised programme management approach. This will ensure:

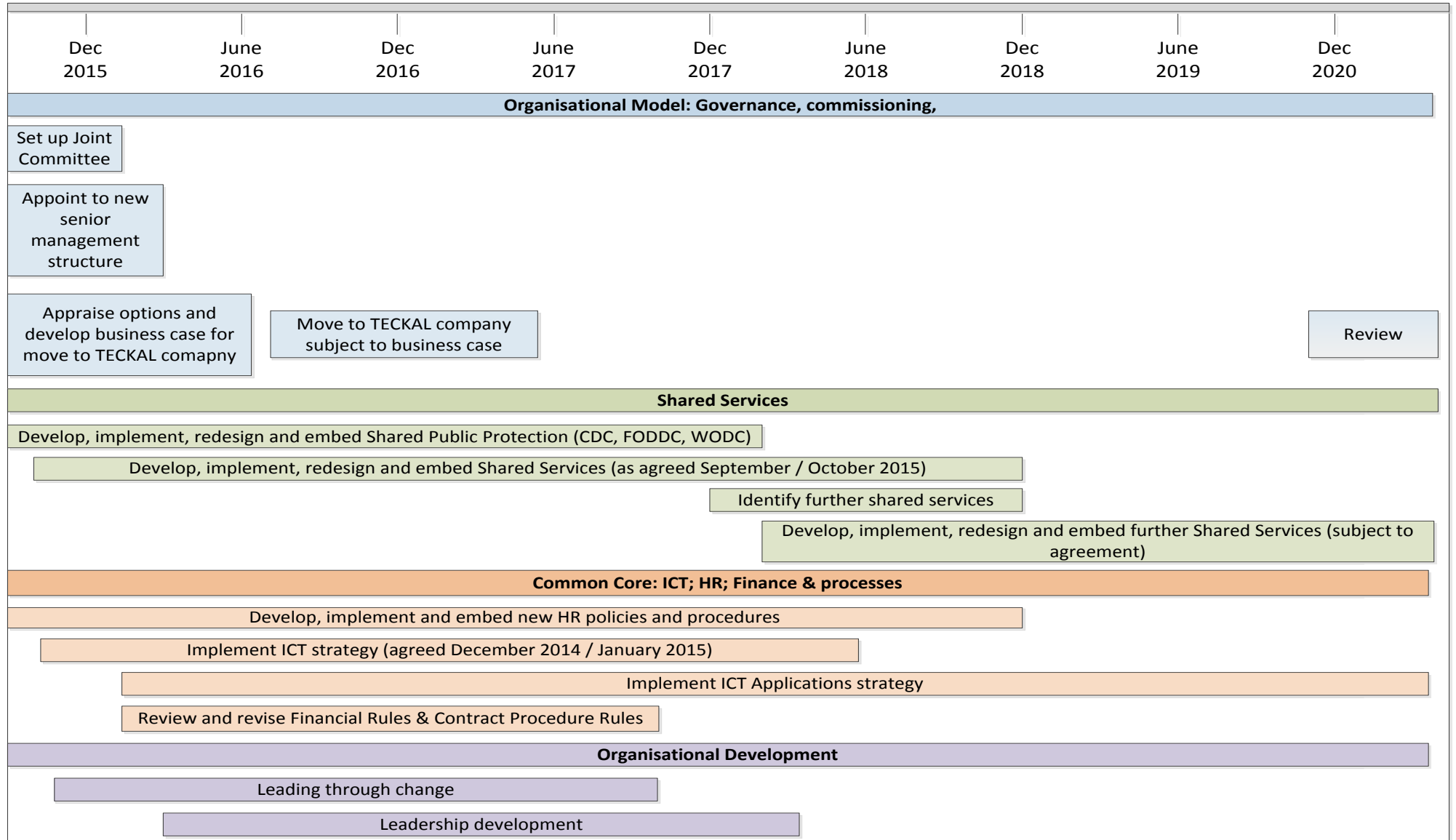
- Strong programme governance which means that there is good control and management of individual projects within the context of all the changes, so each plays its part in delivering the vision and the associated benefits;
- Proactive stakeholder engagement which means that people can get involved, help shape project outputs and can work out what changes they need to make to play their part in achieving the vision.

16.1 Reviews are held regularly throughout the lifecycle of the programme as well as after project and programme completion. The objective review of project/programme performance will enable useful organisational learning which can be used both during the programme and carried forward into future programmes and projects. There is a good track record of this happening in previous programmes and projects and this learning has been used to design the current programme and project management arrangements.

16.2 Further details on programme management arrangements are given in the Business Case.

16.3 An indicative timetable for implementing the 2020 Vision is provided in Table 9 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.

16.3.1 Table 9 Indicative timetable for delivering Vision 2020



16.4 Since the Vision 2020 reports were agreed by Councils in December 2014 / January 2015 the following has been achieved:

- Set up a Member Governance Board to oversee the Vision 2020 programme including the development of proposals to set up the Partnership Venture and the commissioning framework
- Agreed Memorandums of Understanding at each Council
- Set up the Vision 2020 programme and appointed resources to it
- FODDC & WODC became shareholders in Ubico in April 2015. FoDDC transferred Depot services to Ubico and WODC transferred Street Cleaning, Grounds Maintenance and Trade Waste services to Ubico.
- The Shared Public Protection project has got underway and is making good progress
- Video conferencing facilities have been put in place at all four councils to enable meetings across partner authorities
- All four councils are working together with respect to ICT in preparation to deliver the agreed partnership ICT strategy, once the CBC IT infrastructure programme is completed in Autumn 2015.

17 Future Development

17.0 Further work will be undertaken to design the future approach to Customer Services. This will need to take account of the new service delivery model whilst providing a seamless transition for customers. There is great potential to improve the customer experience through the customer-focussed redesign of services. 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'.

17.1 A project has commenced to understand the present traded services opportunities and consider the potential for future trading profit opportunities. The project is being externally supported and is being jointly funded with the Cherwell, South Northamptonshire and Stratford Partnership. This project will be delivered through a combination of internal fact finding and compilation, and external support to review market opportunities and assess our readiness for growth of traded services.

17.2 Further work is being undertaken in preparation for the decision regarding the establishment of a Teckal Company. This decision will need to take account of the legal, governance, HR, potential for trading and tax implications of the creation of a company. It is anticipated that this work will be completed to enable the Councils to make a decision in June/July 2016 on the basis that a Teckal Company could be established at the earliest by April 2017.

18 Recommendations

- 18.0 It is recommended that the Member Governance Board should recommend to each Council:
- a. to enter into the Shared Services Partnership Structure described in Appendix A;
 - b. the establishment of a consequential revised Senior Management Structure for their Council as appropriate;
 - c. adopt the Commissioning Strategy given at Appendix B;
 - d. approve the Business Case shown at Appendix C;
 - e. note the financial implications, costs and benefits shown in Section 13 of the report
 - f. agrees to the establishment of the 2020 Vision Joint Committee in accordance with Sections 101 and 102 of the Local Government Act 1972, Section 9EB of the Local Government Act 2000 and the Local Authorities (Arrangement for the Discharge of Functions)(England) Regulations 2012, with draft Constitution as given in Appendix D;
 - g. delegates authority to the [Head of Paid Service / Strategic Director], in consultation with the Leader, the Section 151 Officer and the Monitoring Officer to finalise and complete the Inter Authority Agreement (including the Constitution) [the Year One Business Plan and Budget] and other documentation on terms to be approved by the [Legal Team Manager/Head of Legal/Borough Solicitor] and to take all necessary steps to create the 2020 Vision Joint Committee by April 2016;
 - h. agrees that the existing Member Governance Board arrangements will continue until the 2020 Vision Joint Committee is created.
 - i. upon the establishment of the 2020 Vision Joint Committee:
 - authorises the delegation to the 2020 Vision Joint Committee of this Council's functions as described in the draft Constitution for the 2020 Vision Joint Committee;
 - agrees to appoint Forest of Dean Council as Administering Authority to provide administration support to the Joint Committee, employ the staff required to carry out the functions delegated to the Joint Committee and enter into any contracts required on behalf of the Joint Committee;
 - appoint the following Councils to provide the following functions of the Joint Committee;

Forest of Dean – Monitoring Officer

Cotswold – S151 Finance Officer

Forest of Dean – Clerk to the Joint Committee; and

agrees to appoint [and] to the 2020 Vision Joint Committee as the council's representatives .

- j. that the Joint Committee appoint David Neudegg as the Partnership Managing Director
- k. each Partner Authority shall make available, pursuant to Section 113 LGA 1972, to the Joint Committee such of its staff as are required by the Joint Committee to fulfil the functions delegated to it
- l. Receives a report and business case during 2016 on the establishment of a local authority company for the delivery of the functions of the 2020 Partnership, or alternatively the continuation of the Joint Committee
- m. delegates authority to [Head of Democratic Services / Monitoring Officer] to make any consequential amendments to the Councils' constitution.

Proposed Partnership Structure

Description

In this model the Partnership is under the leadership of a Partnership Venture Commissioning Group led by the Partnership Managing Director. This Group is accountable to the four Councils and the Joint Committee to ensure that the overall aims and objectives of the 2020 Partnership are achieved. It is responsible and accountable for all functions that are delegated to the Joint Committee and for ensuring that the appropriate skills and resources are available to each Council to enable them to carry out their individual functions and activities in an economic and effective way.

Each Council will appoint a Lead Director to act as Head of Paid Service who will be responsible for each council's staff, retained non- shared services (including non-shared commissioning functions) and all functions not delegated to the Joint Committee. Additionally, Lead Directors can act as the Lead Commissioner on behalf of all councils for one or more shared service.

The Partnership Managing Director and Council lead directors will form the senior management group for the Partnership. This group will:

- Act as co-coordinating group to ensure efficient and successful strategic and operational management across the Partnership for the successful delivery of the 2020 vision
- Advise the Joint Committee on effective delivery of shared services and on the key strategic core policies such as Finance, ICT, and HR.
- Ensure collaboration and co-operation between partnership shared services to maximise efficiency and effectiveness that meet the individual needs of each Council
- Ensure that service delivery is supported by a performance management system that monitors success, maximises resources, uses best practice, new technology and innovation.
- Provide collective leadership and direction to the staff and promotes a customer focused and performance driven culture which supports the strategies of each council.
- Ensure that Councillors have sufficient expert advice and support to be able to formulate and determine policy in a way consistent with the effective, financially prudent and legal operation of each council
- For each shared service The Partnership Venture Commissioning Group will assign a lead Commissioner to chair a Client Officer Group with appropriate representations from each Council to ensure that the shared service is meeting the standards and needs of all of the councils

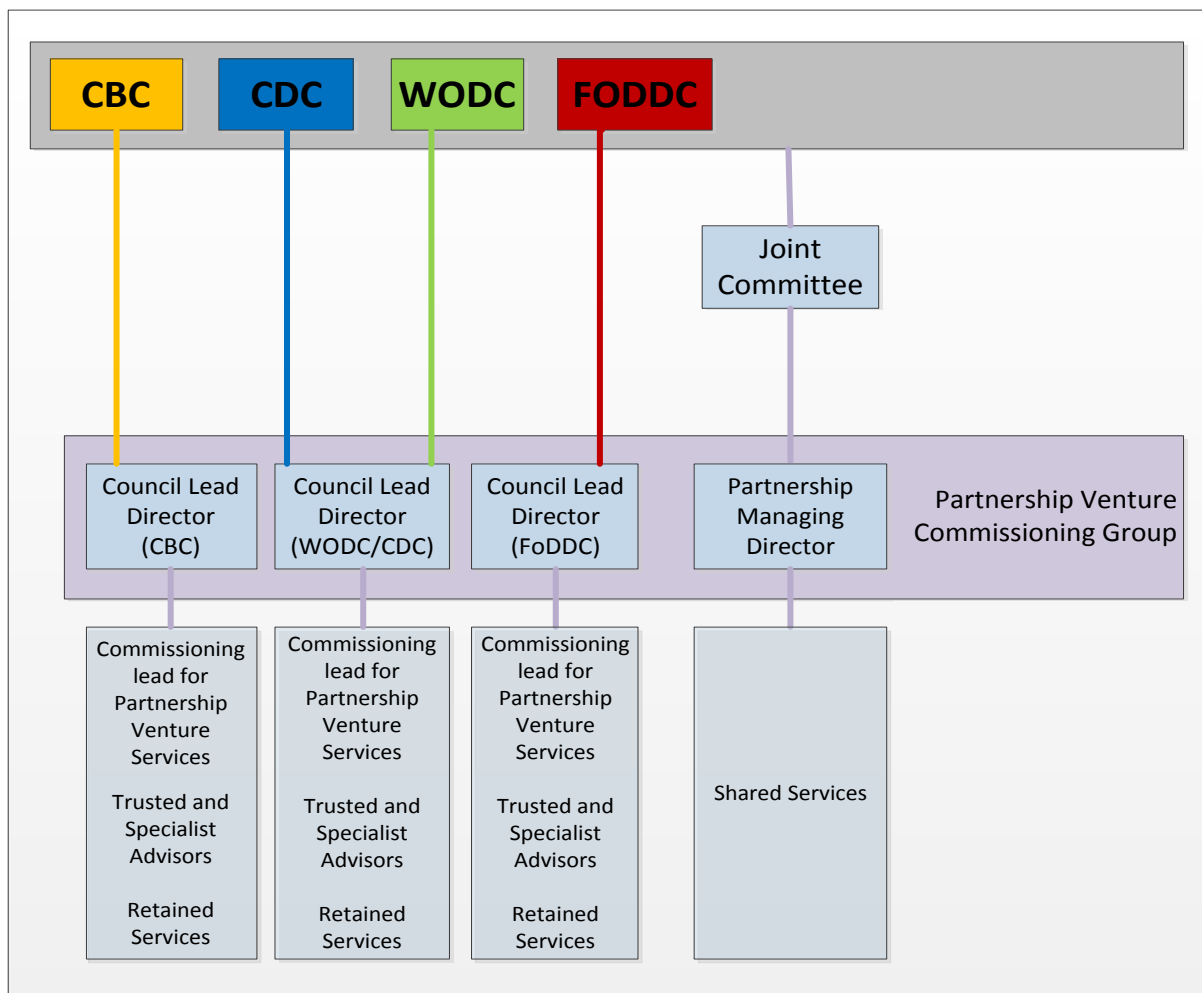
In the model, initial shared services are managed by a series of Service Managers each with their own defined services areas. The business case is predicated on a long term potential of seven shared service heads with five being established by April 2016. Some of the services to be shared are already known such as GO Shared Services, ICT and Public Protection (WODC CDC and FODDC)

and others are still to be determined based around the nine services identified for sharing within this report. This may mean further changes to existing services or the creation of new groupings. The detailed proposals will be agreed by the Joint Committee following appropriate consultation and discussion with those affected.

In line with the preferred “evolutionary” approach it would not be wise or practicable to establish all shared services immediately and consequently the business case assumes future potential shared services around Commissioning and Planning.

Each Council will be able to determine whether to transfer any, some or all of the functions when the shared services are established. Further detailed discussions with individual Councils will be required to determine the exact nature and scope of functions to be included. Each Council will make its decisions on what services, if any, it wishes to retain in the light of the business cases produced.

2020 Vision Partnership – proposed operating model April 2016



Commissioning Report

Version 2.0, 24th August 2015



Version history

Version	Date issued	Summary of change	Version owner
0.0	21 st July 2015	First draft released to programme team for review	Ann Wolstencroft
1.0	3 rd August 2015	Incorporates feedback from the programme team	Ann Wolstencroft
2.0	24 th August 2015	Incorporates feedback from Member Governance Board	Kath Hoare

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Introduction

This report is a high level Commissioning Strategy for 2020 Vision Partnership. It builds on the recommendations of the Activist Report and subsequent Phase 1 Commissioning Project endorsed by the Member Governance Board on 5 June 2015. This outline framework covers:

- Commissioning Principles
- Approach to Commissioning
- Service Design Principles
- Long Term Strategy & Framework Development

It must be acknowledged at this stage this is an initial strategy that will require further development and refinement and in particular more detailed engagement with members and officers in each of the 2020 Vision partner councils.

Background

At the beginning of the 2020 vision programme Activist looked at preferred sourcing options and conducted a preliminary option appraisal to help identify the sourcing options most likely to meet the outcome framework of savings, influence, quality and creativity.

As a result two broad strategic options were recommended for consideration on the shortlist, traditional sharing (s101 and s102) and Teckal and Trading Companies. These were shortlisted as both had the merit of being able to deliver significant savings, but without the delays incurred through an expensive procurement exercise. They also had the merit of using partnership models that are tried, tested and trusted already among the partner authorities (e.g. GOSS, SWAP and Ubico).

In June 2015 the Member Governance Board endorsed a structure for the joint venture partnership as shown in the Business Case. The structure includes a designated Council Lead Director for each Council that would not only continue to manage their retained services but they would also assume responsibility for commissioning services from the joint venture partnership. It was also agreed that each Council Lead Director would be responsible for leading the commissioning of specific partnership venture services (PV services) e.g. ICT on behalf of all partners across the partnership.

There remains the right for each council to decide which shared service it would source from the Partnership Venture and which it may source separately from another provider. It should be understood that should a

partner have agreed to share a service through the Partnership Venture this will then be considered the preferred provider for an agreed period of time, e.g. 4/5 years, after which a new commissioning process may be undertaken.

In the future if the partnership moves, as planned, to a Teckal company rather than a Joint Committee the proposal would be to discuss the formation of a distinct shared commissioning function that in the longer term could take a more 'joined up' approach to commissioning to ensure that opportunities for collaboration are fully exploited.

Shared Approaches to Commissioning

Following the report completed by Activist further work was undertaken to set out the current commissioning activities at each Council and assess the appetite for differing degrees of shared commissioning amongst senior managers at each Council. The further report Commissioning Project – Phase 1 - May 2015 identified that the current picture of commissioning at each Council has highlighted many key areas where the four Councils share the same approaches:

- There is a shared understanding of Vision 2020, and the partnership venture, as a potential way for each Council to become more efficient and effective by working together but without sacrificing their sovereignty.
- All Councils have a pragmatic outcome focused approach to commissioning seeking to ensure their local communities can access high quality and appropriate services.
- All share a desire to make sure their decision making processes are supported by impartial specialist advice from trusted advisors with sound local knowledge.
- All Councils aspire to find the best sourcing solutions and are open to innovation.
- All appreciate the wide variety of skills and experiences needed for effective commissioning.
- All are committed, to some degree, to sharing commissioning resources including client activity.

Operating Principles for Commissioning

The shared understanding above led to some 2020 Vision Commissioning principles that were endorsed by the Member Governance Board on 5th June 2015 and these are;

- Each partner council will have access to commissioning support, including trusted advisors, that will enable it to develop and set its strategic policies, source service provision, and manage its contracts and relationships with a range of service providers.
- While this support will be directly managed by each council to enable that council to control and manage that work, this support does not necessarily need to be employed by that Council, albeit there would need to be suitable governance structures in place. This principle is already established, to some degree, within current structures.
- Each Council should be able to access further skills, experience and expertise from technical experts that may be directly employed, part of a shared unit or employed by another Council or organisation.
- Each of the four Councils must be able to approach commissioning in their preferred way and be free to be agnostic in terms of sourcing decisions.
- Commissioning criteria need to be able to reflect local requirements (as well as shared).
- Sharing commissioning activity is a principle the partners Councils aspire to.
- Shared client arrangements is a principle the partner Councils aspire to and can see the merits of this early on for example with regard to GOSS and ICT.
- The Partnership Venture is one of a number of key providers from whom councils may source.

Outcome Based Decision Making

With some principles in place one of the initial tasks undertaken by the Programme Team and agreed by the Member Governance Board, was to make some decisions around which services would be shared in the first phase of the programme. From the beginning of discussions it was clear that there would be an initial sharing of a number of services which would be followed in the future with others. As mentioned above the work that had been completed on commissioning had identified differences in approach and therefore it was agreed that it would be good to have a consistent approach across all the partners to the decision making process.

As it was acknowledged across the partnership that effective commissioning needed to be based on outcomes so a decision making matrix was designed based on the outcome framework from the Activist report to undertake some preliminary analysis. Coupled with this outcome framework was another assessment based on each of the partner council's willingness to share.

Shared Functions

Each council completed the documentation and that resulted in the list of services to be shared that can be found in appendix 1. This list was endorsed by the Member Governance Board on 26th June 2015.

A timetable of future commissioning reviews, based on individual partner business requirements and existing contract end dates, will be established to ensure that the partnership starts to take a joined up approach to commissioning to ensure that opportunities for collaboration are exploited.

Approach to Commissioning

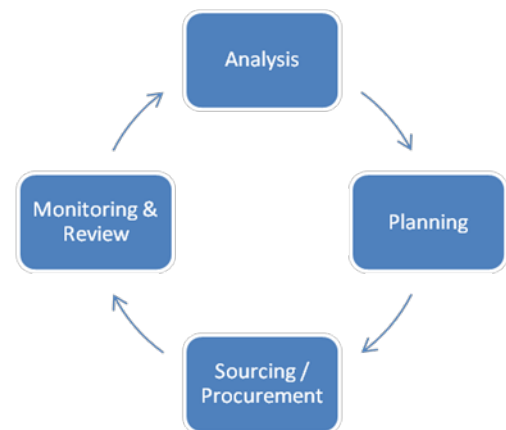
Excellence in commissioning means getting the best possible outcomes that deliver value for money. In its simplest form the commissioning cycle can be shown with four key stages. These stages are familiar (see diagram) and are used in most organisations when completing activities, projects and procuring services on an informal basis even if not recognised as a formal structure.

Analysis – identifying key issues and needs, what are the priorities, what are the options and solutions.

Planning - What are we going to do and how are we going to do it.

Sourcing/Procurement - Sourcing of new capacity & de-commissioning of old capacity.

Monitoring and Review - Is the strategy delivering the results needed, are there unexpected consequences we need to address and in the future what changes are needed to our strategy.



Over the coming months we will be working with all four partner councils to agree approaches to commissioning but in the interim we have structured the following areas of this report on this cycle. The commissioning approach undertaken will be proportionate and take into account the size of the service and risk profile.

Analyse - Commissioning Services from the Joint Venture Services

As mentioned previously we have identified a first tranche of services that could be shared and there are a number of projects that have been initiated as a result of this agreement. As these projects start to scope their work one of the key areas of work will be around understanding each authority's ambitions and analysing need. We will need to work with each of the partners to understand individual required outcomes of the service being shared. Since creativity is one of the key outcomes for the 2020 vision programme, each project will need to challenge current assumptions and encourage innovation in both the definition of the

challenge and potential solutions. The focus will not just be on cost and efficiency, but also on the effectiveness of what is commissioned. It is this process of fundamental challenge that will unlock the greatest potential for change, improvement and better value-for-money.

An example of this would be customer services. This is a complex, sensitive project where each council will have its own specific required outcomes and one where local priorities might well conflict with shared ones. This is also a project where all the agreed protocols come to the forefront e.g. brand identity etc. and where the commissioning of this service for some councils, if not all, will require member involvement. It is also a project that will require an examination of the fundamental purpose of customer services and its interactions with users and communities.

Whilst it has been agreed that a number of services could be shared through the Partnership Venture as part of the commissioning process there will still be a requirements to undertake comparisons with how other authorities address the challenges and some benchmarking of services. This is to check that the service being provided through the Partnership Venture offers the most effective solution, is financially competitive, high performing and of a good quality.

Plan - Shared Service Design and Specification

Service design is principally focused on the nature of the service, how it is offered and communicated to a user and how the processes involved in its delivery to the user are then organised. Following agreement on which initial services are going to be shared and the set of shared outcomes from the analysis stage there then needs to be a process of service design. There are a number of services such as GO Shared Services, ICT and Public Protection where service design is either completed or more developed.



The Programme Team recognise that service design is at the heart of some essential decisions e.g. ensuring local service delivery etc. The following principles of service design have been agreed by the Member Governance Board which included:

1. Residents and businesses will have access to knowledgeable support from staff that understand their localities and can support members with their decision-making.

2. Back office services will be centralised where possible and in a balanced way across the partnership, taking into account economies of scale achieved, any additional costs (e.g. initial staff travelling cost and time) and opportunities to reorganise or release office accommodation which delivers a capital sum or a rent.

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

User	Ensuring that the user continues to have a positive experience of the service. How users understand who is accountable for the service provided to them.
Service	Implications for the nature of the service and the service levels offered to the user. How the service offer is presented to the user, including the location.
Communication	The general implications for user communication and engagement. The organisation of member and staff communication and engagement.
Sourcing	The sourcing options that are most likely to meet the outcomes. How the partners will approach collaboration with other organisations.
Process	Governance: how democratic decisions and delegated decision-making are organised.
People	Interim management arrangements , i.e. how employees will be organised during the transition to any new arrangements. Implications for the future culture of the organisation. Implications for the terms and conditions of staff.
Finance	How costs and savings will be distributed between the partners. The potential for income generation .
Information	How performance management data will be managed for the new arrangements.
Infrastructure	The technology that will enable the new arrangements to function smoothly and efficiently.

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

Do - Implementing the Shared Service through Service Level Agreements

For the initial shared services it has been agreed that these would be shared through a section 101 agreement as in the case of GO Shared Services. These agreements tend to be uniform across all partners with individual councils being able to specify any additional requirements through an individual schedule.

Service level agreements will be used for specifying the service levels, performance measures and agreed length for the shared service.

Monitor & Review – Shared Client Arrangements

Once the partnership venture is established there will be a requirement to ensure that the service is delivering the specified outcomes within the agreed framework. There will be a requirement to provide the commissioners with up to date information about how well the service is performing. For GO shared services it is assumed that current arrangements will continue in the short term. For other shared services the approach to managing performance should be agreed at the time the service is sourced from the 2020 Partnership Venture. It is anticipated that a framework would be developed that satisfies all partner requirements.

The Joint Committee will have a responsibility for monitoring service delivery as stated in their terms of reference. They will 'receive reports on the performance of the Partnership at such intervals as may be provided by the s101 Agreement[s] or as the Joint Committee may require; make recommendations for service change as appropriate and to generally monitor the delivery of the Partnership in accordance with the s101 Agreement[s] for the Partnership'. Individual councils will also have their own scrutiny arrangements. It is also anticipated informal shared scrutiny arrangements may be developed if considered appropriate.

It is also recognised it would be more effective (and cheaper) if some or all of the commissioning functions are shared for example, by pooling the client side of some the partners' contracts, it will be possible to ensure that they are overseen by a specialist, dedicated resource. As other shared service joint ventures have found, some co-ordination of clients' requirements and expectations also allows for a stronger and more coherent approach to be taken to the relationship with a shared service provider. Sharing could help to provide access to the specialist expertise (e.g. to manage contracts with commercial providers), it may also help to reduce the overall costs of commissioning.

The group have agreed to identify any quick wins in this area and once established put together proposals for sharing.

Longer Term Commissioning Strategy & Framework Design

Longer term the plan is to develop a Commissioning Strategy covering commissioning arrangements across all partners. This strategy will include the design of a flexible, commissioning framework which operates across all partnership organisations. The organisation of commissioning activity within the partnership will also require consideration and would be designed in accordance with the shared principles agreed by each Council.

Addressing the organisational design of commissioning in the partnership will involve the following:

1. A deeper understanding of the key characteristics of each individual councils approach to commissioning and seeking alignment on approach
2. An assessment of the organisational commissioning competencies across the partnership
3. An assessment of the readiness to undertake commissioning
4. Embedding challenge and innovation in finding the most effective and efficient ways of meeting shared and individual outcomes.
5. Ensuring effective political oversight and scrutiny of the commissioning process.
6. Understanding the implications for organisational structures and design related to commissioning
7. Drawing on the assessment of the readiness of the partnership councils to meet the requirements of strategic commissioning investment in staff development may be a key requirement

Commissioning Plan / Activities

Short Term to September 2015	
Activity	Progress
Agree individual partner services which are initially going to be commissioned from partnership venture	100%
Agree collective (all four partners) commissioning approach to joint venture services.	100%
Produce a report to form appendix to the Business Case covering approach to commissioning and future approach to designing a longer term commissioning framework	100%

Medium Term to April 2016	
Activity	Progress
Develop short term commissioner/client arrangements for partnership venture services	
Identify principal outcomes, solution design and functions for each service that will be sourced from the 2020 joint partnership venture, identifying any retained functions.	
Develop detailed shared service specifications joint venture services.	

Develop and get sign off for detailed service level agreements including performance framework for service provision	
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Long term from April 2016	
Activity	Progress
Design and agree long term, flexible, commissioning framework which operates across all partnership organisations	
Develop Commissioning Strategy covering long term commissioning arrangements across all partners (utilising framework) and programme of commissioning reviews based on individual partner business requirements and contract end dates	

APPENDIX 1

Service	Cheltenham	Cotswold	Forest	West Ox
Go Shared Services	✓	✓	✓	✓
ICT	✓	✓	✓	✓
Public Protection	✗	✓	✓	✓
Customer Services	✓	✓	✓	✓
Revenues & Benefits	✓	✓	✓*	✓
Legal	✗ [#]	✓	✓	✓
Land & Property	✓	✓	✓	✓
Building Control	✓	✓	✓	✓

✓ - agreed to share

✗ - not being shared

* - interested in possibility but already have a partnership with Gloucester City Council and Civica

[#] - at this time

2020 Vision for Joint Working: *Business case*

Version 1.3, 21st August 2015

Version history

Version	Date issued	Summary of change	Version owner
0.3a	21 st July 2015	First draft released to programme team for review	Jon Hyde
1.0	3 rd August 2015	Incorporates feedback from the programme team	Jon Hyde
1.1	4 th August 2015	Feedback from CFOs	Jon Hyde
1.2	17 th August 2015	Feedback from programme team	Jon Hyde
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1 Executive summary

Local government is undergoing rapid transformation in order to respond to the challenges associated with reduced government grants and growing pension costs. With 2015 Spending Review cuts potentially ranging from 25-40%, and annual pension contributions projected to double over the next two decades, there is a *'burning bridge'* case for the delivery of further savings, increased efficiencies and revenues.

This business case sets out a collaborative and innovative response by four councils – Cheltenham Borough Council (CBC), Cotswold District Council (CDC), Forest of Dean District Council (FODDC), and West Oxfordshire District Council (WODC). Their proposal delivers a financially sustainable platform for the medium to long term delivery of local services (£10.1m investment delivers **£5.7m annual revenue savings**), *and* provides the foundation for improved customer service.

Their approach has been validated by external experts, is based on a proven track record of similar business change successes, and is mindful of key member requirements:

- Respects each Council's separate identity
- Ensures decision making will remain locally accountable
- Strengthens ability to exercise community leadership on behalf of localities
- Retains strong local knowledge in frontline services
- Ensures each authority has impartial commissioning and client side advice from people they trust

2 Strategic case

2.1 Organisational overview

The **strategic priorities** set out in each authority's corporate plan are set out below:

Table 1: Partners' strategic priorities

Authority	Priorities
Cheltenham	<ul style="list-style-type: none"> • Enhancing and protecting our environment • Strengthening our economy • Strengthening our communities • Enhancing the provision of arts and culture • Delivering value for money services
Cotswold	<ul style="list-style-type: none"> • Freeze Council Tax until 2016 whilst protecting front line services that matter to our residents • Maintain and protect our environment as one of the best places to live, work and visit • Work with local communities to help them help themselves
Forest of Dean	<ul style="list-style-type: none"> • Provide value for money services • Promote thriving communities • Encourage a thriving economy • Protect and improve our environment
West Oxfordshire	<ul style="list-style-type: none"> • Protect and enhance the environment of West Oxfordshire and maintain the district as a clean, beautiful place with low levels of crime and nuisance • Work in partnership to sustain vibrant, healthy and economically prosperous towns and villages with full employment • Be recognised as a leading council that provides efficient, value for money services

The priorities demonstrate many similarities, including:

- The importance of value for money and efficiency;
- A commitment to the environment;
- Working with and supporting their communities.

There are some significant differences in emphasis and policies that are likely to be a reflection of differences in political control, but also in the nature of the locality. They also have differences in their size, population and prosperity. However, while there are differences between the authorities and the areas they serve, these are greatly outweighed by the similarities.

The four authorities share a focus on efficiency and on achieving value for money for council tax payers. This concern for efficiency goes hand-in-hand with the partner authorities' shared vision of a council having a wider responsibility for what is often characterised as '*place-shaping*'. The authorities play a community leadership role - looking after the long-term environmental, social and economic needs of their localities, their citizens and businesses - and must act as champions of their communities on behalf of their citizens.

A key shared challenge is in addressing the year-on-year reductions in central government grant to local authorities. Each of the councils' medium term financial strategies have significant savings requirements - even before any further reductions in funds for local government that are expected following the 2015 Spending Review. Additionally, all four councils face a longer-term challenge - how to deal with the increasing costs of funding the employers' contributions to the Local Government Pension Scheme.

The authorities have made it clear that they would prefer not to make reductions in service levels, or cut non-statutory services if at all possible.

2.2 Summary of drivers for 2020 Vision

- **Financial:** the need to respond to long-term financial pressures on the four Councils.
- **Efficiency:** the need to continue to find ways of delivering value for money (even if the Councils were not facing the current financial pressures).
- **Resilience:** each authority needs a wider pool of expertise and greater capacity to respond to events.
- **Impact:** more depth in strategic capacity is needed to support the drive towards service improvement and wider social and economic benefits in each locality.
- **Democracy:** each authority needs to have sufficient resources to be able to exercise choice and community leadership so that it can champion local needs and priorities.

2.3 Investment objectives and benefits

The investment objectives and benefits for the programme are as follows:

Table 2: Investment objectives and benefits

Investment objectives	Benefits
Savings	<ul style="list-style-type: none"> • Delivers realistic and sustainable revenue savings. • Provides a positive return on investment in the medium term. <ul style="list-style-type: none"> ○ Cheltenham Borough Council savings to council tax payers of £1.2m ○ Cotswold District Council savings to council tax payers of £1.7m

Investment objectives	Benefits
	<ul style="list-style-type: none"> ○ Forest of Dean District Council savings to council tax payers of £1.3m ○ West Oxfordshire District Council savings to council tax payers of £1.5m ○ Total estimated financial savings of £5.7m • Enables further savings to be delivered through partnership and better asset management. • Enables opportunities for income generation.
Influence	<ul style="list-style-type: none"> • Respects each Council's separate identity as individual authorities. • Ensures decision making will remain locally accountable. • Strengthens ability to exercise community leadership on behalf of localities. • Retains strong local knowledge in 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 Councils to nurture partnerships and take advantage of new ones. • Creates organisations which 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 commitment to a public service that responds to and empowers local communities. • Fosters and rewards an innovative, can-do approach to delivering services.

2.4 Existing arrangements

The 2020 partners have long experience of working together, including:

- GO Shared Services in which the four partners share Finance, HR and procurement services, enabled by integrated ERP software.
- Cotswold and West Oxfordshire's shared management structures and teams.
- Ubico, the environmental services company jointly owned by Cheltenham, Cotswold, Forest of Dean, West Oxfordshire, and Tewkesbury.
- Audit Cotswolds, which provides audit services to Cheltenham, Cotswold and West Oxfordshire (among others).

- The shared IT services for Forest of Dean and Cheltenham, and Cotswold and West Oxfordshire.

The partners also have a number of shared service partnerships with other authorities outside the 2020 partners, e.g. Forest of Dean's participation in South West Audit Partnership, and their Revenues and Benefits partnership with Gloucester City Council and Civica; Cheltenham's participation in One Legal with Tewkesbury Borough Council and Gloucester City Council; and the three Gloucestershire partners' participation in the Gloucestershire Joint Waste Partnership with the county and other district councils.

However, there are many services which continue to be provided individually on behalf of each partner council. By joining up these services, the Councils would be able to realise efficiency gains as well as improving capacity and resilience.

2.5 Business needs

Despite all of the savings generated by sharing services to date, the partner councils continue to share a challenge in adapting to the year-on-year reductions in central government grant to local authorities. The savings targets for the period 2015/16 to 2018/19 as per each Council's Medium Term Financial Strategy are set out in the table below, together with each Council's plans to deliver the savings.

Table 3: Partnership savings targets

	CBC (£000)	CDC (£000)	FODDC (£000)	WODC (£000)
Total Annual Savings Target	3,727	1,644	2,112	1,110
2020 Vision Savings included within published MTFS [#]	394	1,055	1,143	1,110
Other Identified Savings	1,791	589	941	0
Shortfall (Surplus)	1,542	0	28	0

[#] The Strategic Outline Case indicated that the financial benefits from the 2020 Vision over a ten year basis amounted to £1.3m per annum per council. Cheltenham Borough Council have not incorporated the full value of the potential savings within the MTFS.

All four councils face a longer-term challenge - how to deal with the increasing costs of funding the employers' contributions to the Local Government Pension Scheme (LGPS). Even though the scheme has recently been renegotiated to make it more sustainable, it is a growing burden.

The formation of a Teckal Company would enable the Councils to mitigate against this increasing cost burden by introducing a stakeholder pension scheme for new employees, however, further works needs to be carried out in order to understand more fully the implications of establishing a Teckal company on the LGPS costs. In addition, certain changes to the LGPS Regulations would help to avoid increased cost of the LGPS as a direct result of the move to a Teckal company. The 2020 programme is working with the two pensions authorities (Gloucestershire County Council and Oxfordshire County Council), and nationally with the Department of Communities and Local

Government on these issues. The outcome of this work will be incorporated within the business case for the creation of a Teckal company, which is due to be completed in the summer of 2016.

2.6 Potential business scope and key service requirements

Given the financial challenges faced, there are three principal options open to each authority to make the savings needed:

- Achieving **economies of scale**: through sharing services and management across the partnership; and additionally considering running the shared services through a Teckal company.
- **Re-designing the service**: finding new ways of delivering a service; making more use of technology; streamlining processes; or redesigning jobs.
- **Re-defining the service**: this could include making reductions in service levels; cutting non-statutory services; or transferring responsibilities to citizens and communities.

The authorities have made it clear that they would prefer not to make reductions in service levels or cut non-statutory services if at all possible. Making savings through encouraging greater customer self-reliance is an objective for a number of councils, but this can involve a lengthy process of transition and can result in failure where a council withdraws too quickly before the local community has the capacity to take on a greater share of responsibility.

Service redesign can take many forms: Job enlargement, i.e. asking managers and staff to multi-task has already been pursued in each authority, but this has its limits. Asking managers and staff to take on broader spans of control is likely to produce savings but is also likely to dilute the expertise needed for complex, technical issues. Technology driven change has an investment cost which may be prohibitive if carried out by a single authority. Fundamentally, any worthwhile service redesign is likely to generate even greater returns if shared.

In the past, the starting point for councils to achieve economies of scale was to centralise back office functions, and indeed most support services have been centralised and shared, e.g. through GO and shared IT, legal and audit partnerships. Few economies are likely to flow from sharing closely with a county council as they do not have services in common apart from support services and since most county councils' support services rely on sophisticated (and more expensive) enterprise resource planning (ERP) software (i.e. finance, HR and procurement) the cost of changing from GO's Unit 4 software is likely to be unaffordable. Sharing with a different group of district councils will also prove challenging due to these conversion costs.

Set against these constraints, each authority will need to decide whether there are alternatives to 2020 Vision that could provide savings on the scale required. The 2020 Vision is anticipated to make a major contribution to each Council's Medium Term Financial Strategies - *see Table 3: Partnership savings targets*.

2.7 Main risks

See Appendix A

2.8 Constraints

The project is subject to the following constraints:

- Political decision making;
- Statutory legislative change;
- Pensions, amendments would be required to the LGPS Pension Regulations to enable the Councils to fully benefit from pension savings available through the Teckal or Trading Company options.

2.9 Dependencies

The project is subject to the following dependencies that will be carefully monitored and managed throughout the lifespan of the scheme.

- That the partner councils approve the recommendations in September/October
- That the Councils are able to recruit/second officers to manage the implementation of the various projects underpinning the programme. Funding for backfilling has been provided for within the business case.

3 Economic case

3.1 Introduction

This section of the Business Case documents the wide range of options that have been considered in response to the potential scope identified within the strategic case.

3.2 Critical success factors

The critical success factors (CSFs) shown within the Strategic Outline Case (SOC) were as follows:

- a) The commitment of all partner councils to the programme;
- b) The successful implementation of the ICT systems to support the efficiency gains envisaged in this business case;
- c) The successful realisation of the benefits of shared working to a level envisaged in the vision of the programme.

These have been re-visited in the context of the Business Case and remain valid.

3.3 The long-listed options

There are numerous choices available for securing the sourcing model best able to meet the outcomes expected for 2020 Vision. Whereas in the past, the choice could be represented as a simple '*make or buy*' decision, there is now a much greater variety of sourcing options in use by local authorities. Each model has particular strengths and weaknesses and the choice of model will depend on what the commissioner is trying to achieve.

Table 4: Sourcing options

Make	Buy	Share	Divest
<ul style="list-style-type: none"> In-house transformation Continuous improvement Arms-length company 	<ul style="list-style-type: none"> Outsourcing to the private sector Outsource to the third sector Private-sector joint venture 	<ul style="list-style-type: none"> Shared services Shared management Public Sector joint ventures 	<ul style="list-style-type: none"> Transfer to community management Mutualisation Devolve to parish Closure

From the spectrum of sourcing options summarised in the table above, a long-list of options was identified in discussion with members and senior managers that are more likely to meet the needs of the partners, given the ambitions set out in 2020 Vision and the outcomes framework. Three of the main options above were easily eliminated:

- Large scale outsourcing for four authorities would be extremely time-consuming and expensive and would be unlikely to secure general support. The procurement process for services on this scale would also introduce a substantial delay and unacceptable risk to the delivery of savings;
- Transferring services to community management or devolving them to parishes would be too complex and impractical for the range of services under consideration;
- Cessation of services is precisely what 2020 Vision is designed to avoid.

The Long-list of Sourcing Options for 2020 Vision is set out in the table below:

Table 5: Long-list of options

Type	Potential Option
Make	As is (or suggested as ' <i>in-house transformation</i> ').
Buy	Private sector joint venture.
Share	Arms-length company (Teckal) jointly owned by partner authorities (i.e. a public sector joint venture). Jointly owned trading company. Shared services model (lead authority or joint committee).
Divest	Spin out to mutual or charitable trust.

An option appraisal to identify the sourcing options most likely to meet the outcomes framework has been carried out. Each of the long-listed models has been evaluated for its contribution to each of the outcomes using a simple rating of high, medium and low; no weightings have been applied.

Table 6: Options appraisal

	Outcomes					
Model	Savings	Influence	Quality	Creativity	Shortlist?	Key Issues
In-house transformation	L	H	M	L	No	Lacks scale economies
Private sector joint venture	L	M	L	M	No	Poor Return On Investment Long lead-in
Sharing	H	H	M	M	Yes	Tried and tested
Local authority company	H	H	M	M	Yes	Local experience
Spin-out to mutual or trust	L	M	M	M	No	Long lead-in Not at this stage

As a result of the shortlisting process, two broad strategic options were recommended for consideration on the shortlist:

- Traditional Sharing (s101 and s102)
- Teckal and Trading Companies.

3.4 Shortlisted options and preferred way forward

Traditional Sharing, Teckal and/or Trading Companies all have the merit of being able to deliver significant savings, but without the delays incurred through an expensive procurement exercise. They also have the merit of using partnership models that are tried, tested and trusted already among the partner authorities (e.g. GOSS, SWAP and Ubico).

Given the partners' interest in being able to expand the partnership and to trade, a Teckal company route is likely to provide the most effective and flexible approach. It would also open up the potential to employ new starters on different terms and conditions, including a stakeholder pension scheme rather than the LGPS. However, at this stage, further work is required to confirm the

approach on pensions, including establishing a consensus within all four authorities and confirming the financial affordability of such a move.

In the meantime and to avoid delays in progressing joint projects, it is recommended that the new **Partnership Venture (PV)** is established at an early stage under the control of a member-led **Joint Committee (JC)**.

The JC would manage the PV and begin to embed the new philosophy and approach wanted in the long-term:

- **Managerial leadership:** the JC would appoint an interim Partnership Managing Director and management team to lead and develop the PV and prepare for the transition to the long-term model;
- **Management culture:** a more commercially-minded and socially responsible entrepreneurial ethos would be fostered;
- **Business development:** a planned approach would be developed to pursuing opportunities to extend the partnership and secure new business.

As a result, it is recommended that the partners consider the following as a preferred way forward:

Table 7: Preferred way forward

Step	Sourcing Model	Rationale
1 – Short term (January 2016 to March 2017)	<p>The preferred sourcing model for 2020 Vision is a PV. This would initially function as a shared service arrangement operating under a JC made up of elected members from each authority.</p> <p>JC goes live Feb 2016</p> <p>Proposed operating model implemented April 2016</p> <p>First tranche of PV shared services operational April 2016</p> <p>New employee contracts implemented</p> <p>While the PV is maturing and the benefits are being realised, the partner authorities would decide on</p>	<p>Members' direct oversight would be retained using a well-established local government governance model, allowing shared co-ordination and control.</p> <p>Allows progress in delivering shared efficiencies to be made while key issues (e.g. pensions) are resolved.</p> <p>The need for a separate company for trading purposes will need to be considered if a move to company is not agreed or is delayed.</p> <p>Allows a joint decision by the authorities to be made on whether and when to progress to a different model.</p>

Step	Sourcing Model	Rationale
	whether to continue operating as a JC or moving to a company model (June 2016).	The new PV operating under a JC would develop some of the characteristics needed for a more commercial, income-generating model.
2 – Medium term (April 2017 to April 2021)	Teckal company operating (April 2017 at earliest) Commissioning review of all services (2020/2021)	To deliver savings as set out in the financial case.
3 – Long term (2020 onwards)	The potential for conversion to a mutual could be explored if the option commands support and the partnership venture has developed the expertise needed to win the contract in competition.	The move to a mutual model would be a major step involving significant risks. Any new shared entity needs time to develop its skills, systems, relationship management and initial customer base before it can compete confidently.

3.5 Economic appraisal

3.5.1 Introduction

The costs and benefits of the Programme have been used to populate a cost/benefit model which adjusts for “optimism bias” on both programme costs and financial benefits.

3.5.2 Estimating financial benefits

Detailed salary budgets have been provided for each of the partner councils. The Councils have previous experience of implementing shared services and the experience of savings delivered has been applied to this business case. Where services are in scope for sharing, the following principles were applied in order to estimate the potential level of financial savings:

- Transactional savings of 15% can be realised where services have not been shared before;
- The level of management savings will vary according to the degree of sharing of management resources currently in place (savings from 0% to 10% depending upon the degree of sharing);
- Costs for officers to be shared will increase by 5% (on average) to reflect the cost of additional responsibilities;
- Savings reduced by 3% to reflect the fact that each Council currently has an annual ‘vacancy’ savings factor within the base budget. This vacancy factor will need to reduce to reflect a reduced employee budget;

With regard to the Trusted Advice and the managers of Shared Service positions, detailed modelling was carried out on the costs of the officer positions which would be ring-fenced into these positions. Where certain positions were vacant, it was assumed these posts would remain unfilled and the savings are available to the programme.

There is the potential for further financial benefits to be realised as a result of implementing this programme. It is possible that the Councils could spread overheads or generate income by trading (for example, by enabling the building control service to operate in a commercial arrangement or by selling support services). The proposal is to create a flexible entity where it is possible for other public sector bodies to buy services, or indeed to join as partners in the future.

The programme has commenced a piece of work to ascertain the scale of the market opportunities, identify potential clients and assess how prepared the shared services are for entering into a more commercial environment. The business case has not assumed financial benefits from these wider aspirations.

3.5.3 Estimating costs

Where costs are known these have been included within the business case (e.g. certain costs for external advice which has already been procured, redundancy costs already incurred, programme office costs as a recruitment process has been completed).

As the Councils have experience of creating shared services and forming new entities (Ubico Ltd and The Cheltenham Trust), provision for one-off specialist external advice has been based upon that previous experience.

Redundancy costs have been estimated by quantifying the number of officer posts which are likely to become redundant and applying an estimated redundancy and strain on pension fund cost. The estimates have been ascertained by using data from the creation of previous shared services.

The costs of investment in ICT have been provided by the CDC/WODC Head of Service based upon soft market testing.

It has been assumed that the resource requirements of the Monitoring Officer and the Chief Finance Officer support for the Joint Committee will be provided within existing capacity. Therefore, as the additional costs of operating under a JC arrangement are minimal, the business case has not included any additional costs for operating under a JC arrangement. The support costs for a Teckal company have been based upon experience from the operation of Ubico Ltd and The Cheltenham Trust.

3.5.4 Net present value findings

A summary of the financial benefits from the programme is set out in the table below:

2020 Vision Summary of Savings	Savings	CBC	CDC	FoDDC	WODC
<u>Savings Already Delivered – In Base Budgets</u>					
Ubico - TBC/FoDDC/WODC	326,000	89,000	165,000	11,000	61,000
Joint Working - Legal and Prop/IT	247,000	90,000	57,000	60,000	40,000
Procurement	57,000	15,000	34,000	8,000	0
Savings Already Delivered	630,000	194,000	256,000	79,000	101,000
<u>Shared Services Phase 1 – Savings Deliverable 2016/17 – 2017/18</u>					
Savings from:					
Trusted Advisors, Legal, Property, Revenues and Benefits, Customer Services, Public Protection and procurement savings related to supplies and services budgets.					
Gross Savings	2,156,000	405,000	627,000	497,000	627,000
Vacancy Factor/Joint Working Increases	(166,000)	(30,000)	(49,000)	(38,000)	(49,000)
Net Future Shared Services Savings	1,990,000	375,000	578,000	459,000	578,000
<u>Shared Services Phase 2 – Savings expected to be delivered 2018/19</u>					
Savings from:					
Commissioning/Policy Support, Planning, Procurement savings related to supplies and services budgets, Housing Support.					
Gross Savings	987,000	133,000	273,000	237,000	344,000
Vacancy Factor/Joint Working Increases	(72,000)	(9,000)	(20,000)	(17,000)	(26,000)
Net Future Shared Services Savings	915,000	124,000	253,000	220,000	318,000
<u>Shared Services Phase 3 – Savings expected to be delivered 2019/20 Onwards</u>					
Savings from:					
GO Shared Services, IT, Audit Services, Building Control, Procurement savings related to supplies and services budgets. For building control this could be income generation or cost savings - net impact is shown					
Gross Savings	360,000	88,000	90,000	94,000	88,000
Vacancy Factor/Joint Working Increases	(26,000)	(6,000)	(7,000)	(7,000)	(6,000)
Net Future Shared Services Savings	334,000	82,000	83,000	87,000	82,000

2020 Vision Summary of Savings	Savings	CBC	CDC	FoDDC	WODC
<u>Other 2020 Vision Savings</u>					
Waste Services - FoDDC/WODC/CDC	530,000	0	200,000	150,000	180,000
Leisure FoDDC	75,000	0	0	75,000	0
Shared Property Resources	560,000	250,000	110,000	100,000	100,000
Total Other Savings	1,165,000	250,000	310,000	325,000	280,000
Company Model – Savings to be delivered 2017/18 Onwards through staff turnover					
Forming Company Model	709,000	227,000	177,000	168,000	137,000
Total 2020 Vision Net Savings	5,743,000	1,252,000	1,657,000	1,338,000	1,496,000
Gross Programme Costs	10,140,000	2,174,000	2,628,000	2,656,000	2,682,000
Less TCA Grant	(3,800,000)	(950,000)	(950,000)	(950,000)	(950,000)
Net Programme Costs	6,340,000	1,224,000	1,678,000	1,706,000	1,732,000
Payback period		1 year	1 year	1.3 years	1.2 years

In general, savings have been allocated according to the 2015/16 baseline funding position for each partner council that is part of a shared service. The costs of the new structure for Trusted Advisers has been compared to each Council's baseline funding position and savings calculated accordingly. Some savings have been assumed by bringing some contracted out services into the 2020 Vision delivery model.

The Net Present Value (NPV) of the programme has been calculated using a cost benefit analysis model which incorporates adjustments for optimism bias (financial benefits could be overstated) and optimistic costs (costs understated). The model has been used to calculate NPV both with and without the Transformation Challenge Award Grant funding. The optimism bias adjustments mean that the payback period is different than that shown in Table 7: Preferred way forward. In both cases there is a positive NPV of the Programme, as set out below:

Table 8: NPV findings

	Net Present Value	Payback Period
	£	Years
Without TCA Grant	19,276,824	6
With TCA Grant	22,939,919	4

3.6 Sensitivity analysis

The cost benefit model has applied the following optimism bias adjustments to the costs and financial benefits from the programme:

- ICT Costs – 5% adjustment (assumes optimistic costs in business case);
- Redundancy Costs – 5% adjustment (assumes optimistic costs in business case);
- External adviser support – 10% adjustment (assumes optimistic costs in business case);
- Programme office/backfill requirements - 5% adjustment (assumes optimistic costs in business case);
- Financial Benefits – 5% (assumes savings optimistic in business case);
- On-going support costs for Teckal company – 5% (assumes optimistic costs in business case).

3.6.1 Results of scenario planning

The net present value and payback period for the programme are very positive. No concerns over the financial viability of the programme have been identified.

3.7 Preferred option

The preferred option as set out in detail at 3.4 can be summarised as:

- forming a Joint Committee early in 2016,
- transferring responsibility for the initial shared services to the Joint Committee from April 2016.
- the business case for a Teckal company to be considered during Summer 2016.

4 Commercial case

4.1 Introduction

In order to progress shared services savings quickly, it is proposed to initially operate them under a JC with the Councils continuing to act as employers. This will allow progress in achieving shared efficiencies whilst developing the detailed arrangements for the establishment of the new sourcing model.

4.2 Required services

The joint committee will focus upon providing strategic direction and overseeing the performance, development and continued operation of the Partnership on behalf of the Councils.

The JC will have the following **roles**:

Strategic Direction

- Responsible for the on-going strategic delivery and governance of the Partnership Venture Shared Services to the required standards.

Financial

- Develop and approve the Partnership Financial Case from time to time and to make recommendations to the Partner Councils accordingly for adoption.

- Receive reports on and monitor the Partnership Financial Case.
- Oversee the delivery of the financial savings and benefits as set out in the Partnership Financial Case.

Delivery

- Responsible for the delivery of the Partnership Venture in accordance with the Business Case (timescales, costs and performance) and to agree tolerances, identify and manage risks, issues or concerns as necessary.

Monitoring

- Approve annual service plans and performance reports for each of the Partnership Venture Services
- Receive reports on the performance of the Partnership Venture Services at such intervals as may be provided by the s101 Agreement[s] or as the Joint Committee may require; to make recommendations for service improvements as appropriate and to generally monitor the delivery of the Partnership in accordance with the s101 Agreement[s] for the Partnership Venture.

Improvement

- Responsible for the on-going enhancement of the Partnership Venture and the Partnership Venture Services.
- Receive reports on improvements or changes to service delivery of the Partnership Venture Services from the Partnership Managing Director and to recommend for approval major changes to the service delivery to the Partner Councils as necessary.
- Receive reports on any potential expansion of the Partnership Venture and to make recommendations to the Partner Councils accordingly.
- Receive reports on any requests for service contracts outside of the existing Partner Councils from the Partnership Managing Director and to make recommendations to the Partner Councils accordingly.

Disputes

- Receive reports on cases where conflicts between the interests of the Partner Councils have arisen or are likely to arise and to agree the manner in which such conflicts will be managed or resolved if possible.

The interim joint committee will oversee development of a report to the partner authorities on Teckal company recommendations, which will be presented in the summer of 2016. Should they be approved, as the plans for a move to a company model take effect, it may be helpful to create a shadow company board which would represent the company in negotiating the service contracts with the partner authorities. This will help to avoid the new company having to work to a contract that it had no part in negotiating and so had not been able to satisfy itself was realistic.

4.3 Potential for risk transfer

At this stage, Programme risks are overseen by the Member Governance Board and are escalated to the partner authorities as necessary. Ultimately all risks remain with the partner councils.

4.4 Proposed charging mechanisms

The partner councils have approved the principles under which costs and benefits will be shared.

4.5 HR implications (including TUPE)

It is anticipated that the TUPE – Transfer of Undertakings (Protection of Employment) Regulations – will not apply to this investment at this stage. Under the JC model, the staff will remain employed by their existing employers. Employment issues will be considered as part of the Teckal report to councils in the Summer of 2016. It is anticipated that the staff employed by each of the authorities will share common terms and conditions, in order to develop closer working and sharing. This will be done through consultation and discussion with employees. Further work will be undertaken to align rewards and benefits for all staff working for the authorities through a Total Reward Strategy. Reduction in staff numbers will be carried out in accordance with the policies in each authority and where possible where there are job losses, natural wastage and volunteers will be sought.

5 Financial case

5.1 Introduction

The purpose of this section is to set out the financial implications of the preferred option (as set out in the economic case section) and the proposed deal (as described in the commercial case section).

5.2 Impact on the organisation's income and expenditure account

The financial case for the **overall programme** is set out below:

Table 9: Financial case for the overall programme

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

The financial case for **Cheltenham Borough Council** is set out below:

	2014/15 £0	2015/16 £0	2016/17 £0	2017/18 £0	2018/19 £0	2019/20 £0	April 2020- March 2024 £0	Total £0
Programme Costs	66	592	822	357	327	10	0	2,174
Funded by:								
TCA Grant	66	592	292	0	0	0	0	950
Council	0	0	530	357	327	10	0	1,224
Total	66	592	822	357	327	10	0	2,174
Savings Annual	0	155	303	330	166	124	174	1,252
Savings Cumulative	0	155	458	788	954	1,078	4,744	8,177

The financial case for **Cotswold District Council** is set out below:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	April 2020- March 2024	Total
	£0	£0	£0	£0	£0	£0	£0	£0
Programme Costs	132	689	965	505	327	10	0	2,628
Funded by:								
TCA Grant	132	689	129	0	0	0	0	950
Council	0	0	836	505	327	10	0	1,678
Total	132	689	965	505	327	10	0	2,628
Savings Annual	0	215	597	294	288	119	145	1,657
Savings Cumulative	0	215	812	1,106	1,394	1,512	6,406	11,445

The financial case for **Forest of Dean District Council** is set out below:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	April 2020- March 2024	Total
	£0	£0	£0	£0	£0	£0	£0	£0
Programme Costs	90	759	965	505	327	10	0	2,656
Funded by:								
TCA Grant	90	759	101	0	0	0	0	950
Council	0	0	864	505	327	10	0	1,706
Total	90	759	965	505	327	10	0	2,656
Savings Annual	0	19	509	146	404	121	139	1,338
Savings Cumulative	0	19	528	674	1,078	1,199	5,133	8,631

The financial case for **West Oxfordshire District Council** is set out below:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	April 2020- March 2024	Total
	£0	£0	£0	£0	£0	£0	£0	£0
Programme Costs	142	734	965	505	326	10	0	2,682
Funded by:								
TCA Grant	142	734	74	0	0	0	0	950
Council	0	0	891	505	326	10	0	1,732
Total	142	734	965	505	326	10	0	2,682
Savings Annual	0	101	419	181	561	111	122	1,497
Savings Cumulative	0	101	521	702	1,264	1,375	5,797	9,760

In section 2.5 table 3 set out each Council's financial savings targets for the period 2015/16 to 2018/19 and the respective plans for delivering the savings. The table has been updated below to show the revised contribution from the 2020 Vision.

Table 10: Revised financial contribution from 2020 Vision to Councils' savings targets

	CBC (£000)	CDC (£000)	FODDC (£000)	WODC (£000)
Total Annual Savings Target	3,727	1,644	2,112	1,110
Potential 2020 Vision Savings	1,252	1,657	1,338	1,496
Other Identified Savings	1,791	589	941	0
Shortfall (Surplus)	684	(602)	(167)	(386)

5.3 Impact on the balance sheet

Investment in ICT will increase the value of intangible assets held across the partnership. Funding of one-off revenue costs will either reduce the partner authorities' revenue reserves, or will utilise in year funding.

5.4 Overall affordability

The proposed cost of the project is £10.1m over the 5 years of the expected lifetime of the programme. The Councils have already significantly provided for the programme costs within their Medium Term Financial Strategies. The Member Governance Board / Joint Committee will keep the programme finances under review, any additional funding request will be recommended to the

Councils as the programme progresses and actual costs become known. Funding of core programme expenditure (i.e. of benefit to all partner authorities) will be initially funded from the £3.8m award of Transformation Challenge Award Funding.

6 Management case

6.1 Introduction

This section of the Business Case addresses the 'achievability' of the scheme. Its purpose therefore, is to build on the Strategic Outline Case by setting out in more detail the actions that will be required to ensure the successful delivery of the scheme in accordance with best practice.

6.2 Programme management arrangements

The programme is managed using a MSP (Managing Successful Programmes) structure incorporating a Programme Board (the Member Governance Board) and Programme Team supported by a pool of specialist resource and advisors responsible to the Programme Director. The programme organisation can be summarised as follows:

- **Member Governance Board** – made up of the Leader and Portfolio Holder from each partner Council. The board has delegated authority on behalf of the partner Councils to deliver the 2020 programme including oversight of the setup of the PV and commissioning framework in line with the 2020 Vision. Programme delivery is subject to a series of decision points by Partner authorities.
- **Programme Team** – made up of the three senior managers appointed by the Member Governance Board to deliver the 2020 Vision supported by a strategic programme manager; strategic advisors and programme resources (see programme office). The Head of Paid Service at FoDDC and the acting Heads of Paid Service for the other Councils sit on the programme team in order to co-create programme development and to enable business as usual to be maintained in the partner Councils, however they do not report into the Member Governance Board.
- **Programme Office** – the programme team is supported by a pool of people including a number of strategic advisors, programme managers, a change and engagement officer, a communications officer and specialist resource such as HR, finance, legal and audit.

The programme management arrangements are built to ensure strong governance and proactive stakeholder engagement; both of these being critical to the successful delivery of the 2020 Vision and the associated Benefits.

6.3 Project management arrangements

Projects are managed using a Prince 2 framework with an Agile project management approach, providing robust, responsive governance. Projects vary greatly in size and complexity, so the project management put in place is tailored accordingly.

Programme and project management organisation and processes have been designed to ensure that there are good links between each project and the programme, whilst allowing each project to run autonomously within the programme framework.

Programme and projects links include:

- Project sponsors drawn from senior managers on the Programme Team
- A programme manager is assigned to each project to act as a liaison between the programme and the project. Their role is to manage interdependencies between projects; help resolve issues that are not entirely within the project’s control; continuously improve the programme management approach to better support effective and efficient project delivery, risk management , benefits realisation, stakeholder communications and engagement. In addition the programme manager is an effective escalation route to the programme as and when needed.
- Project and programme plans, risk registers, communications and engagement plans, and benefits realisation plans are coordinated, regularly reviewed and changes are highlighted through monthly status reports.

6.4 Use of special advisers

Special advisers have been used in a timely and cost-effective manner. Details are set out in the table below:

Table 11: Special advisers

Specialist Area	Adviser
Financial	AON Hewitt – pensions advice CIPFA – external assurance of the business case
Technical	Activist Group, Eunomia Ltd
Legal	Bevan Brittan

6.5 Outline arrangements for change and contract management

At the project level, any proposed change to project objectives, deliverables, scope or timescales must be raised with the project manager. Change request implications are evaluated by the project manager and project board. The project sponsors have final say on changes. If a change is approved, the project manager will update relevant sections of the Project Initiation Document, project plans, and the risk and issue logs.

Where changes impact upon programme interdependencies, these must be raised with the programme manager for consideration. If a solution cannot be established between project and programme managers, this will be escalated to the programme team for resolution.

6.6 Outline arrangements for benefits realisation

The programme uses standard MSP and Prince 2 based approaches to benefits realisation. Programme benefits are shown in section 2.3 of this document, and progress towards their realisation is monitored by the Programme Team and Member Governance Board via status reporting.

Progress towards benefits realisation is also monitored at the project level, and a business change manager is identified for each project to ensure that project outputs are converted into business benefits.

6.7 Outline arrangements for risk management

The programme uses standard MSP and Prince 2 based approaches to risk management. Risk registers are held at project and programme level, and any project level risks identified which pose a broader threat or opportunity to the programme are escalated up to the programme register. Individual partner authorities also hold risks to their own organisations relating to the programme, in their own corporate risk logs.

Reviews of risk occur on a regular basis at all levels of project and programme governance – risk is a standing agenda item at project progress meetings.

6.8 Outline arrangements for post project and programme evaluation

After project and programme completion, an end of project or programme review will take place to consider the following points:

- Achievement of the project's/programme's objectives
- Performance against planned time and cost
- Did the project/programme deliver the intended benefits?
- Lessons learned – What went well?; What went badly?; What advice would you give to future project/programme managers and team members?

This objective review of project/programme performance will enable useful organisational learning which can be carried forward into future programmes and projects. There is a good track record of this happening in previous programmes and projects and the learning has been used to design the current programme and project management arrangements.

Reviews are held regularly throughout the lifecycle of the programme as well as on completion, to ensure learning happens within the programme and not just for future programmes.

6.9 Gateway review arrangements

This Business Case has been subject to a number of gate reviews to reach this point. To date, these have comprised:

- A legal gate review
- A high level gate review involving all of the major contributors (HR, legal, ICT, finance)
- A detailed financial gate review by the Chief Finance Officers

The gateway review provides assurance as to the robustness of key documents governing the programme and the ability to move forward. The output of the gate reviews inform programme office and are used to provide assurance to the Member Governance Board and councils.

Partner councils may also undertake their own gate reviews to satisfy themselves that the business case is right for their organisation. Going forward, formal Gateway reviews will be carried out before each key decision point.

6.10 Contingency plans

Should this programme fail to secure the buy in of all four partner councils, work would be undertaken to see whether there was sufficient merit in proceeding with three, or even two partners. At the same time, options for bringing other organisations into the partnership would be explored.

7 Appendix A: Programme risk log

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
4	If there is failure to reach agreement between members across all four Councils the programme may not be delivered	01/09/2014	03/08/2015	SRO (Andrew North)	5	3	15	Reduce	Member Governance Board, widespread engagement and shared management arrangement.	Autumn 2015
22	Programme does not progress as Members do not have their concerns properly addressed	01/09/2014	03/08/2015	SRO (Andrew North)	5	3	15	Reduce	Ensure Members are able to share their ideas and expectations – disagreements are aired and debated. Expressly discuss issues of control and sovereignty. Establish clear understanding of each council's appetite for change and their commitment to a shared vision. Member values and priorities made integral to investment objectives.	Autumn 2015

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
7	If there is a lack of employee support and significant resistance to change the programme delivery and realization of benefits will be delayed	01/09/2014	03/08/2015	DN	4	3	12	Reduce	Proactive engagement and communication with staff is crucial. 'Leading through change' programme being developed for roll out to all staff Direction of travel is well known Need to engage with employees at the appropriate time and employee and stakeholder engagement would be a key strand within the programme. Employee sessions have shown that they are concerned about pace of change, uncertainty and resources.	Ongoing
11	If the programme is too difficult to reverse once fully implemented there may be a reticence to make a full commitment to its delivery	01/09/2014	03/08/2015	SRO (Andrew North)	4	3	12	Reduce	Councillors need to fully understand proposals so important to have good member engagement from an early stage Contract length and phasing may need to be considered	Ongoing
12	If any part of the new organisation fails there will be a negative impact on the reputation of all four councils	01/09/2014	03/08/2015	HoPS	4	3	12	Avoid	The Councils need to ensure that robust governance arrangements are in place to manage the partnership venture.	Ongoing
20	Changes to Local Government from external factors (e.g. outcomes from future Comprehensive Spending Review, new legislation, devolution) impact upon ability to resource the programme	01/09/2014	03/08/2015	HoPS	3	4	12	Reduce	To be managed by partner councils as part of performance management arrangements. Interim management arrangements to be put in place to manage business as usual.	Ongoing

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
25	Lack of clarity on scope of engagement, leading to confused messages	01/09/2014	03/08/2015	SRO (Andrew North)	4	3	12	Reduce	All members of programme and engagement team are aware of and confident in the engagement plan. Consistent key messages are used in communications with stakeholder groups. All engagement work across programme co-ordinated and consistent.	Ongoing
26	ICT - availability / capacities of technical resources required to fully research and understand the current configuration of the existing networks and systems used across the 4 partner Councils.	01/09/2014	03/08/2015	HoPS	4	3	12	Reduce	This to some extent has been mitigated by commissioning external ICT support, and partnership working with WODC/CDC but will be monitored throughout the project.	Ongoing
27	ICT - scope will creep as technical problems / challenges continue to be uncovered.	01/09/2014	03/08/2015	ICT Managers	4	3	12	Reduce	This is being addressed by working closely with Andy Barge / Giles Rothwell who are responsible for the FoD / CBC ICT shared service and Phil Martin / John Chorlton who are responsible for WODC / CBC ICT shared service . Initial work is identifying the strengths and weaknesses of how the 4 Councils current infrastructure support current needs with a view to shaping how best to support the needs of the new structure in future.	Ongoing

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
28	During the programme there may be a reduction in performance due to the impact of the programme on capacity within the four Councils.	14/10/2014	03/08/2015	HoPS	4	3	12	Reduce	Ensure communication about any changes and the reasons for them is clear and understood. Provide support for problematic areas at the appropriate time. Ensure sufficient resources are available to backfill capacity where appropriate	Ongoing
30	If projects are not aligned, we may inadvertently limit future sharing options e.g. REST and shared public protection.	20/11/2014	03/08/2015	Programme Director	4	3	12	Reduce	Rigorous programme management practice (including reporting) and regular communication between project and programme managers.	Ongoing
33	The 2020 programme requires effective collaboration between officers and members drawn from four councils. If officers and members are unable to collaborate effectively, this could impact significantly upon achievement of the programme's objectives.	09/02/2015	03/08/2015	SRO (Andrew North)	4	3	12	Reduce	Deborah Bainbridge developing a team building programme. Member and senior officer collaboration events held	Ongoing
14	If the pensions liability advice is not accurate, all 4 Councils' existing pension schemes may be adversely affected.	01/09/2014	03/08/2015	JP	5	2	10	Reduce	Advice from the actuary says that pensions savings are realistic in the 10 year period. Work stream being led by Jenny Poole from GOSS – programme board received report and advice from actuary. Further action to be taken to feed into workstream about company options Dec '15 to June '16	Ongoing
8	If there is the perception of "Takeover, level of employee support will be reduced	01/09/2014	03/08/2015	DN	3	3	9	Reduce	Establishment of a new employment vehicle and shared management arrangement can reduce risk	Ongoing

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
9	If staff are opposed to transfer to new employment body and revised T&Cs there may be an increase in staff turnover and loss off skills	01/09/2014	03/08/2015	DN	3	3	9	Reduce	Initial employee sessions have not demonstrated that there is staff opposition. Unions broadly supportive T & Cs will need to developed as part of a new reward and recognition package	Ongoing
13	If there are future political changes (nationally or locally) there may not be the political support that is currently available	01/09/2014	03/08/2015	HoPS	3	3	9	Accept	Governance models will need to be robust Proposal could be scalable to other councils or functions Cross party advisory group will build political consensus.	Ongoing
15	If there was trade union opposition then the project delivery may be more difficult or delayed	01/09/2014	03/08/2015	HoPS	3	3	9	Reduce	Trade union engagement is on-going	Ongoing
19	Pension savings are not deliverable due to LGPS regulations or application of regulations by administering authorities	01/09/2014	03/08/2015	DN	3	3	9	Reduce	Lobby DCLG for changes to LGPS pension regulations to enable the partner councils to under-write the LGPS pension liabilities and continue to make contributions as in the existing delivery model. Use of professional advisers to find solutions.	Ongoing
29	Contracts with third parties may not be transferrable into the new partnership. Some contracts cannot be transferred to the new partnership so either they cannot be part of the scope or there could be considerable costs to terminate.	14/10/2014	03/08/2015	HoPS	3	3	9	Reduce	Ensure a full contracts register is drawn up, including termination dates and conditions, and factor into the plan.	Ongoing

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
6	If Programme resources / costs are insufficient the programme delivery and realization of benefits will be delayed	01/09/2014	03/08/2015	SRO (Andrew North)	4	2	8	Avoid	Previous programme experience used to estimate programme costs. Programme Management processes will identify issues to be addressed. If resources insufficient - Re-scope the Programme plan so that workload is manageable. Increase investment in resources to meet timescales. Input to partner council financial planning process.	Ongoing
24	Programme progressing too quickly resulting in demotivated staff which has an adverse impact on service delivery	01/09/2014	03/08/2015	SRO (Andrew North)	4	2	8	Reduce	Produce and communicate clear, phased timetable for programme. Key messages are consistent and feedback is prompt. Test stakeholders' readiness to move on to next phase of engagement.	Ongoing
31	As partnership working develops and/or individual council's reduce the size of their labour force it may not be possible for individual councils to sustain a response to a civil emergency beyond a short initial period – the more so if the emergency affects more than one District	16/12/2014	03/08/2015	HoPS	4	2	8	Reduce	Project in development to address this. Proposed Measures Review existing emergency response structures Review scope to 'pool' resources and develop revised response arrangements Ensure any new employed arrangements include a contractual requirement to respond in an emergency	Ongoing

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
2	If risk is measured and managed differently across the four Councils there may be a conflict of priorities within the programme	01/09/2014	03/08/2015	HoPS	3	2	6	Avoid	Co-ordinated approach through joint discussions between risk owners. Regular sharing and review of corporate and programme risk registers. Any conflict in risk priorities to be raised with Programme Team for resolution. Proposal to align risk management methodologies across partners to be considered as a candidate project.	Ongoing
5	If expected benefits are not realised there may be a move to return to previous organisational structures	01/09/2014	03/08/2015	SRO (Andrew North)	3	2	6	Reduce	Programme resources and clear benefits realisation plan must be in place	Ongoing
34	The cost of the programme may exceed the allocated programme budget	20/03/2015	03/08/2015	Programme Director	3	2	6	Reduce	Ensure rigorous financial monitoring and control is exercised through programme governance arrangements. Programme Board to request individual Councils to provide additional funding if required.	Ongoing
36	A crisis in one partner organisation could affect service delivery in partner organisations if capacity diverted across the partnership to help address crisis	03/07/15	03/08/2015	HoPS	3	2	6	Reduce	Controls to be built into future governance of partnership.	Ongoing
35	Discussions about the devolution agenda could divert/distract from discussion required to reach agreement on 2020 vision development	03/07/15	03/08/2015	HoPS	2	1	2	Accept	Clear briefing required to show that the 2020 vision is aligned with devolution agenda	Ongoing

2020 Vision Joint Committee

The Constitution

First draft

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Definitions used in this Constitution shall be the same as those set out in the Agreement, unless the context otherwise requires.

[Note for the purposes of this document the following definitions:

Accounting Authority: the Partner Authority which provides the Joint Committee's Section 151 Officer and which maintains the Joint Committee's accounts

Annual Action Plan: means a plan for the performance by the Joint Committee of its functions and activities in any Financial Year to be contained in the Business Plan prepared for that Financial Year and including an audit plan and risk register;

Annual Budget: means the annual budget of the Joint Committee for a Financial Year approved or amended by the Partner Authorities

Business Plan: means the rolling three year business plan approved by the Joint Committee on an annual basis

Clerk: means the clerk of the Joint Committee

Commissioning Officers' Group: the Partnership Managing Director and the Partner Authorities Heads of Paid Service

Delegating Authorities: those of the Partner Authorities which delegate a particular Function or activity to a Delivering Authority

Delivering Authority: the Partner Authority which delivers a particular Function or activity on behalf of itself and the Delegating Authorities

Executive: each Partner Authority's Cabinet

Financial Year: means a calendar year commencing on 1 April in any year;

Functions: means the functions set out in Appendix 1 below

Material Change: means a change proposed to the Agreement between the Partner Authorities or to the operation of the Joint Committee which a Partner Authority (acting reasonably) considers to be a material change to the nature of the Joint Committee including a change which has a material impact on service design or the cost of the services provided or the operation of the Joint Committee and which it considers must be subject to approval by elected members of the Partner

Authority

Partner Authorities: Cheltenham BC, Cotswold DC, Forest of Dean DC and West Oxfordshire DC

Providing Authority: the Partner Authority which provides the following to the Joint Committee:

- The Joint Committee's Clerk and administration
- The Joint Committee's Monitoring Officer
- Legal advice
- Human Resources advice
- Section 151 officer
- [Employing/contracting body]

[NB: there may be different Providing Authorities for the various roles and responsibilities]

Purpose and Terms of Reference: means the purpose and terms of reference of the Joint Committee set out in Appendix 2 below

Scrutiny Arrangements: means the overview and scrutiny arrangements at each Partner Authority as required by the Local Government Act 2000 Act

Scrutiny Committee: means the overview and scrutiny committees at each Partner Authority established in accordance with the Scrutiny Arrangements

Standing Orders and Rules of Procedure: means the standing orders and rules of procedure for meetings of the Joint Committee and its sub-committees which shall be those of one of the Partner Authorities (as agreed) (subject to any such amendments or additions as the Joint Committee sees fit) together with the financial regulations and contract procedure rules for the Joint Committee which shall be the regulations and rules of one of the Partner Authorities (as agreed) (subject to any such amendments or additions as the Joint Committee sees fit) which apply from time to time

Substitute Member : has its usual meaning]

2. FUNCTIONS AND ACTIVITIES TO BE UNDERTAKEN BY THE JOINT COMMITTEE ON BEHALF OF THE PARTNER AUTHORITIES

- 2.1 The Partner Authorities have each agreed and resolved that the Joint Committee should discharge the Functions.
- 2.2 The Partner Authorities acknowledge that any decision taken by the Accounting Authority or a Providing Authority that puts a Partner Authority in breach of any contract shall not be implemented and any costs or losses incurred by a Partner Authority arising from any such decision shall be apportioned equally between the Partner Authorities in accordance with the cost sharing principles [agreed by the Partner Authorities].

3. COMPOSITION OF THE JOINT COMMITTEE

- 3.1 Each Partner Authority shall appoint two of its elected members as its representatives on the Joint Committee one of whom will be a member of that Partner Authority's Executive, and the other may be either a member of the Partner Authority's Executive or Council.
- 3.2 Each Joint Committee Member shall have one vote at meetings of the Joint Committee.
- 3.3 Each Joint Committee Member shall remain in office until removed or replaced by his appointing Partner Authority, or in the case of a Joint Committee member who is a member of an Executive until he ceases to be a member of the Executive of his appointing Partner Authority. Notice of the removal or replacement of a Joint Committee Member shall be given to the Clerk [to the Joint Committee].
- 3.4 The proceedings of the Joint Committee shall not be invalidated by any vacancy or any defect or purported defect in the appointment of any Joint Committee Member.
- 3.5 Any Partner Authority may, by giving written notice to the Clerk, nominate a Substitute Member to attend a meeting of the Joint Committee.
- 3.6 Where a Substitute Member takes the place of a Joint Committee Member who is a member of his appointing Partner Authority's Executive then such Substitute Member must also be a member of his appointing Partner Authority's Executive.
- 3.7 A Substitute Member shall have the same rights of speaking and voting at meetings of the Joint Committee as the Joint Committee Member for whom he is substituting.
- 3.8 The Partnership Managing Director, the Partner Authorities' Heads of Paid Service, together with the Joint Committee's s151 Officer, Monitoring Officer / Legal Advisor and the Clerk, shall be entitled to attend meetings of the Joint Committee to advise the Joint Committee on matters relevant to the functions and activities of the Joint Committee but shall have no voting rights.
- 3.9 Each Partner Authority may send any of its officers (as it considers to be appropriate) to meetings of the Joint Committee, or any sub-committee of it, to support its Joint Committee Members or those invited to observe the meetings.

4. ROLE OF JOINT COMMITTEE MEMBERS

- 4.1 The responsibilities of a Joint Committee Member shall be as follows:
 - 4.1.1 to act in the interests of the Joint Committee as a whole except where this would result in a breach of statutory or other legal duty to their Partner Authority or would be in breach of their Partner Authority's adopted code of conduct for elected members;
 - 4.1.2 to be committed to, and act as a champion for, the achievement of the Joint Committee's Purpose and Terms of Reference;
 - 4.1.3 to be a good ambassador for the Joint Committee and to encourage other councils to join the Joint Committee;
 - 4.1.4 to attend Joint Committee meetings regularly, vote on items of business and make a positive contribution to the achievement of the Joint Committee's Purpose and Terms of

Reference;

- 4.1.5 to act as an advocate for the Joint Committee in seeking any necessary approval from their Partner Authority to the draft Business Plan and the Annual Budget

5. RESPONSIBILITIES OF THE CHAIRMAN AND VICE-CHAIRMAN

5.1 The responsibilities of the Chairman are as follows:

- 5.1.1 to act as an ambassador for the Joint Committee and to represent the views of the Joint Committee to the general public and other organisations;
- 5.1.2 to ensure that the meetings of the Joint Committee are conducted efficiently and in accordance with the Standing Orders and Rules of Procedures;
- 5.1.3 to encourage the Joint Committee to delegate sufficient authority to the Partnership Managing Director, the Accounting Authority and each Providing Authority to enable the Joint Committee's functions and activities to be carried out efficiently between meetings of the Joint Committee;
- 5.1.4 to monitor the performance of the Partnership Managing Director;
- 5.1.5 to establish a constructive working relationship with, and to provide support for any sub-committees and to the Partnership Managing Director, the Commissioning Officers' Group, the Accounting Authority and each Providing Authority or any other officers to whom the Joint Committee have delegated any of its powers and functions;
- 5.1.6 to ensure that the Joint Committee monitors and controls the use of delegated powers; and
- 5.1.7 to liaise with the Clerk to the Joint Committee regarding the Joint Committee's meetings and the conduct of its business.

5.2 The role of the Vice-Chairman is to deputise for the Chairman during any period of the Chairman's absence or at other times as appropriate and his responsibilities shall be the same as those of the Chairman.

5.3 Subject to the protocol set out in Appendix 3 below, the Chairman shall have a second or casting vote when presiding at a meeting of the Joint Committee.

6. MEETINGS OF THE JOINT COMMITTEE

6.1 Part I of Schedule 12 of the Local Government Act 1972 shall apply to meetings of the Joint Committee.

6.2 At its first meeting and at each Annual General Meeting thereafter the Joint Committee shall:

- 6.2.1 elect from among the Joint Committee Members the first Chairman and Vice-Chairman by a simple majority of votes provided that if a deadlock occurs between two or more Joint Committee Members a second secret ballot shall immediately be conducted for the election of the Chairman and Vice-Chairman;

- 6.2.2 adopt a Scheme of Delegation; and
- 6.2.3 approve the schedule of meetings for the remainder of the year.
- 6.3 Subject to paragraph 6.5 below, and the need exceptionally to call additional meetings, the Joint Committee shall meet at least [four] times each year. The Chairman shall decide the venue, date and time of all meetings of the Joint Committee. Wherever practicable, at least 10 Business Days' notice of such meetings shall be given to each Joint Committee Member, the Partnership Managing Director, the Joint Committee's s151 Officer, the Monitoring Officer, the Legal Advisor and to each Partner Authority's Head of Paid Service by the Clerk.
- 6.4 Meetings of the Joint Committee shall be open to the public and press except during consideration of items containing confidential or exempt information in accordance with the provisions of sections 100 to 100K of the Local Government Act 1972; and reports to and the minutes of the Joint Committee shall (subject to the provisions of sections 100 to 100K of the Local Government Act 1972) be available to the public and press as though they were the reports or minutes of a meeting of a Partner Authority.
- 6.5 Any Joint Committee Member may requisition a meeting of the Joint Committee by giving notice of such requisition to the Chairman and to the Clerk. Immediately upon receipt of such requisition, the Chairman shall call a meeting of the Joint Committee in accordance with paragraph 6.3 which shall be no later than 10 Business Days after the receipt by the Clerk of the notice of requisition.
- 6.6 The Standing Orders and Rules of Procedure shall be applicable to meetings of the Joint Committee. The Standing Orders and Rules of Procedure may only be amended or replaced if the amendment or replacement is agreed by not less than three-quarters of the Joint Committee Members.
- 6.7 The quorum for a meeting of the Joint Committee shall be [4] Joint Committee Members, which shall include at least one Joint Committee Member appointed by each Partner Authority; no business may be transacted at a meeting of the Joint Committee unless a quorum is present.
- 6.8 If a quorum is not present within 30 minutes of the time set for the commencement of a meeting of the Joint Committee (or a quorum ceases to be present during a meeting) the meeting shall be adjourned to the same time and venue five Business Days later or to such other date, time and venue as the Chairman (or other person who is chairing the meeting) shall determine.
- 6.9 The Chairman or Vice-Chairman may be removed by a majority vote of all of the Joint Committee Members present at a meeting of the Joint Committee subject to the Chairman or the Vice-Chairman being given the opportunity to address the meeting before the vote is taken to put his case as to why he should not be removed.
- 6.10 If the Chairman or the Vice-Chairman is removed by a majority vote of the Joint Committee or resigns or is otherwise unable to continue as Chairman or Vice-Chairman he may be replaced by the election of another Joint Committee Member as Chairman or Vice-Chairman as the case may be by a majority vote of the Joint Committee (in accordance with the provisions of paragraph 6.2).
- 6.11 The Chairman shall normally preside at all meetings of the Joint Committee. If the Chairman is not present within 15 minutes of the time for the commencement of a meeting, or being present does

not wish to preside or is unable to do so, then the Vice-Chairman shall preside at that meeting. If (in the event of the absence or non-availability of the Chairman) the Vice-Chairman is not present within 15 minutes of the time for the commencement of the meeting or does not wish to preside or is unable to do so, the meeting shall appoint another Joint Committee Member to chair the meeting.

7. DELEGATION TO SUB COMMITTEES AND OFFICERS

7.1 The Joint Committee may arrange for any of its functions to be discharged in accordance with the provisions of a Scheme of Delegation as approved by the Joint Committee.

7.2 The Joint Committee may appoint working groups to consider specific matters and report back to the Joint Committee or any sub-committee with recommendations.

8. SCRUTINY ARRANGEMENTS

8.1 Subject as set out in this paragraph 8 the decisions made by the Joint Committee shall for the time being be subject to the Scrutiny Arrangements of each Partner Authority and each Partner Authority acknowledges the requirements in paragraph 8.8 below for cooperation between the respective Scrutiny Committees of each Partner Authority.

8.2 Any decision of the Joint Committee, except those agreed as urgent in accordance with paragraph 8.3 shall not be implemented until the Scrutiny Arrangements of the Partner Authority whose membership has called in the decision or action has been completed.

8.3 Where a decision of the Joint Committee must be implemented without delay and as a matter of urgency the Clerk shall ensure that the chairmen of the Partner Authorities' Scrutiny Committees are immediately advised of the proposed urgent decision and their approval sought for call-in not to apply to that decision. Where such approval is given confirmation of that approval and the reasons for the decision being urgent shall be stated in the minutes of the Joint Committee meeting.

8.4 A summary record of decisions made by the Joint Committee will be made available to the public via the website of the Providing Authority which provides the Clerk within two Business Days of the decision being made. At the same time the Providing Authority which provides the Clerk will provide a copy of the summary record of decisions to all Partner Authorities for them to make available to their members as they see fit. The summary record will indicate which of the decisions are subject to the urgency provision and therefore are not available to be 'called in' prior to implementation.

8.5 Decisions of the Joint Committee (unless the Partner Authorities' Scrutiny Committees' chairmen agree otherwise in accordance with paragraph 8.3) shall be subject to call-in processes of each Partner Authority. If not called in during that period any decision shall then be available for implementation.

8.6 The Joint Committee Members and the relevant officers from each Partner Authority shall fully cooperate with the relevant Scrutiny Committee of any of the Partner Authorities and attend as directed by the Scrutiny Committee. The Partnership Managing Director may identify the appropriate officer(s) to attend a Scrutiny Committee. The Joint Committee Chairman may

nominate the Joint Committee Member(s).

- 8.7 Where a decision is called in by more than one Partner Authority, the Scrutiny Committee of each of the Partner Authorities calling in the decision will be invited to meet jointly to hear evidence, views, options considered, reasons for decision and to ask questions of appropriate Joint Committee Member(s) and the Partnership Managing Director and others invited to participate.
- 8.8 After these "hearings", each relevant Scrutiny Committee will meet separately to decide on what comment, view or recommendations (if any) it wishes to make to the Joint Committee.
- 8.9 Where the account to be given to the Scrutiny Committee requires the production of a report, then the Joint Committee Member or officer concerned will be given sufficient notice to prepare the documentation.
- 8.10 Once it has formed recommendations on a call-in (or proposals for development in accordance with paragraph 8.14) a Scrutiny Committee shall prepare a formal report and submit it for consideration by the Joint Committee.
- 8.11 The Joint Committee shall consider the report of a Scrutiny Committee at its next suitable meeting and shall issue a formal response to such a report.
- 8.12 The Clerk shall monitor the operation of the provisions relating to call-in and urgency annually, and submit a report to the Joint Committee with proposals for review if necessary.
- 8.13 A Scrutiny Committee should notify one of the Joint Committee Members for its Partner Authority if it includes in its work programme any aspect of policy development or review relating to the work or functions of the Joint Committee.

9. BUSINESS PLAN

- 9.1 No later than [31 July] in each year the Partnership Managing Director shall submit a draft Business Plan to the Head of Paid Service of each Partner Authority in respect of the next ensuing three Financial Years (covering that Financial Year and the following two Financial Years) (which draft Business Plan shall include a draft Annual Action Plan for the next Financial Year).
- 9.2 The Heads of Paid Service of the Partner Authorities shall within [20 Business Days] of receipt of the draft Business Plan consider and provide comments on or suggest amendments to the Partnership Managing Director to be included in a revised draft Business Plan and/or draft Annual Action Plan.
- 9.3 Subject to having considered any comments or suggested amendments from the Heads of Paid Service by no later than [30 September] in each year the Partnership Managing Director shall submit to the Joint Committee the draft Business Plan in respect of the next ensuing three Financial Years (covering that Financial Year and the following two Financial Years) (which draft Business Plan shall include a draft Annual Action Plan for the next Financial Year).
- 9.4 The Joint Committee shall consider the suitability of the draft Business Plan and draft Annual Action Plan for the performance during the next three Financial Years of the functions and activities delegated to it by the Partner Authorities (together with the contractual commitments of the Partner Authorities under any relevant contracts) in accordance with the Joint Committee's

Purpose and terms of Reference and shall use its reasonable endeavours to approve the draft Business Plan and draft Annual Action Plan (subject to such amendments as the Joint Committee may require) by no later than [30 November] in each year.

- 9.5 The Joint Committee shall perform the statutory functions delegated to it by the Partner Authorities and the activities referred to in paragraph 2 in conformity with the approved Business Plan (including the Annual Action Plan).
- 9.6 At any time within a Financial Year the Joint Committee may agree by a majority vote of the Joint Committee Members a proposal to amend the Business Plan (including the Annual Action Plan) for that Financial Year to accommodate any unforeseen circumstances and to assist the Joint Committee in achieving its Purpose and Terms of Reference.
- 9.7 Where the Joint Committee is to consider amendments to the Business Plan (including the Annual Action Plan) in accordance with paragraph 9.6 above, the Partnership Managing Director shall forthwith notify the Heads of Paid Service of each of the Partner Authorities of the proposed amendments. Each Partner Authority shall have a period of [20 Business Days] from receipt of the proposed amendments in which to consider them and where a Partner Authority (acting reasonably) considers the proposed amendments to be a Material Change that Partner Authority shall forthwith (and in any event within five Business Days of expiry of the [20 Business Day] notice period) notify the Partnership Managing Director that such amendments constitute a Material Change that requires the approval of the Partner Authority.
- 9.8 Where no Partner Authorities serve notice (in accordance with paragraph 9.7) on the Partnership Managing Director, the Joint Committee may implement such proposed amendments subject where necessary to having secured any necessary change in the budget in accordance with paragraphs 10.3 to 10.7 inclusive.
- 9.9 Where one or more of the Partner Authorities has notified the Partnership Managing Director that it considers the proposed amendments to be a Material Change, the Joint Committee shall not implement such proposed amendment unless and until the notifying Partner Authority has approved the proposed amendments and informed the Partnership Managing Director that it has approved such proposed amendments. Until such time as the proposed amendments have been approved, the current approved Business Plan (as may have been amended from time to time in accordance with this Constitution) shall apply.

10. ANNUAL BUDGET

- 10.1 The Joint Committee and the Partner Authorities will prepare the Annual Budget for future Financial Years in accordance with the following deadlines:
- 10.1.1 No later than [31 July] in each Financial year the Partnership Managing Director shall submit a draft Annual Budget to the Heads of Paid Service of the Partner Authorities in respect of the next Financial Year.
- 10.1.2 The Heads of Paid Service of the Partner Authorities shall within [20 Business Days] of receipt of the draft Annual Budget consider and provide comments on or suggest amendments to the Partnership Managing Director to be included in a revised draft

Annual Budget..

- 10.1.3 No later than [30 September] in each Financial Year the Joint Committee will approve the draft Annual Budget;
 - 10.1.4 No later than [31 October] in each Financial Year each Partner Authority will submit a report to its elected members to obtain approval for the draft Annual Budget and consider whether the draft Annual Budget should be included in its medium term financial plan;
 - 10.1.5 No later than [30 November] in each Financial Year each Partner Authority will provide any comments or proposed amendments to the draft Annual Budget to the Joint Committee;
 - 10.1.6 No later than [15 January] in each Financial Year the Joint Committee's s151 Officer will insert the actual costs to the Joint Committee into the draft Annual Budget and circulate it to the section 151 officer and Head of Paid Service of each Partner Authority and to the Joint Committee;
 - 10.1.7 No later than [15 February] in each Financial Year each Partner Authority will approve any amendments to the draft Annual Budget; and
 - 10.1.8 The Joint Committee will approve the Annual Budget by no later than [28 February] in each Financial Year.
- 10.2 If the Partner Authorities or the Joint Committee are unable to approve the draft Annual Budget for a Financial Year before [26 February] in any year, the Joint Committee shall perform its delegated functions and activities set out in paragraph 2 in conformity with the approved Annual Budget for the previous Financial Year subject to such adjustment for inflation as is reasonably required and to meet any increased costs of employment until such time as an Annual Budget is approved in accordance with this Paragraph 10.
- 10.3 At any time within a Financial Year the Joint Committee may agree by a majority vote amendments to the Annual Budget for that Financial Year to accommodate any unforeseen change in circumstances and to assist the Joint Committee in achieving the performance of its functions and other activities in accordance with the Joint Committee's Purpose and Terms of Reference.
- 10.4 Where the Joint Committee is to consider amendments in accordance with paragraph 10.3 above, the Partnership Managing Director shall forthwith notify the Head of Paid Service of each of the Partner Authorities of the proposed amendments to the Annual Budget. Each Partner Authority shall have a period of [20 Business Days] from receipt of the proposed amendments in which to consider them and to notify the Partnership Managing Director that such amendments require the approval of the Partner Authority.
- 10.5 Where no Partner Authorities serve notice (in accordance with paragraph 10.4) on the Partnership Managing Director the Joint Committee may implement such proposed amendment.
- 10.6 Where one or more of the Partner Authorities has notified the Partnership Managing Director that it needs to approve the proposed amendments, the Joint Committee shall not implement such proposed amendments unless and until the notifying Partner Authority has approved the

proposed amendments and informed the Partnership Managing Director that it has approved such proposed amendments.

- 10.7 The Partner Authorities shall each pay their contribution of the Annual Budget to the Accounting Authority in accordance with clause 13 and Schedule 5 of the Agreement and any additional contributions which may arise as a result of the operation of paragraphs 10.3 to 10.6 above shall be paid in accordance with clause 6.2.1 of the Agreement.

11. JOINT COMMITTEE MEMBER CONDUCT

- 11.1 Joint Committee Members shall be subject to the code of conduct for elected members adopted by the Partner Authority that nominated them to be a Joint Committee Member.

12. LIABILITY OF JOINT COMMITTEE MEMBERS

A Joint Committee Member shall have the same responsibilities and liabilities as those that apply when sitting on other committees and bodies as an appointed representative of his nominating Partner Authority.

13. DISSOLUTION AND RE-FORMING OF JOINT COMMITTEE ON ANOTHER LOCAL AUTHORITY JOINING

- 13.1 If it is agreed by all the Partner Authorities that should another local authority be permitted to join the Joint Committee , then the Joint Committee shall be dissolved with a view to a new Joint Committee being established, the constitution of which being on similar terms to this Constitution (as varied by the proposed Partner Authorities).

APPENDIX 1

Functions and activities delegated to the Joint Committee

The role of the 2020 Vision Partnership Joint Committee (“the Joint Committee”) is (subject as follows) to:

1. Provide strategic direction for the continued improvement and development of the Partnership Venture; and
Direction, development and performance management of the Partnership Venture Services delegated to it by the delegating authorities

2. Secure the delivery of the following Functions and activities delegated to it by the Partner Authorities:
 - Human Resources policies and procedures (see Appendix i).
 - ICT network infrastructure, applications policies and procedures.
 - Finance and Procurement Rules, procedures, administration and best practice.
3. Undertake the functions set out in Appendix ii (which are currently delegated under the existing shared services arrangements (GOSS and ICT))
4. Provide strategic direction and oversee the performance, development and continued operation of the Partnership Venture on behalf of the Partner Councils and in accordance with the standards and specifications set out by those Partner Councils.

Appendix i

Delegated Employment Matters

Each Partner Council delegates the following functions to the Joint Committee to apply to all staff employed by those Councils:

- HR Policies and Procedures
- Pay and Grading Policy
- Total Reward Policy (including financial and non-financial benefits)

Each Partner Council delegates the following functions in relation to Shared Services to the Joint Committee to undertake in accordance with approved policies:

- Appointment of Shared Service Heads
- To agree the staffing establishment required for each Service to meet the needs of the Partner Councils
- To determine pay and grading of staff
- To appoint and discipline staff
- To pay honoraria and acting up allowances
- To determine other benefits and allowances as are agreed
- To ensure that staff are appropriately skilled and trained

Note: It is agreed that in relation to the following posts:

- Cheltenham wish to exclude: Head of Paid Service; Managing Director REST; Deputy Chief Executive; Director Cheltenham Development Taskforce; Director of Resources; [Section 151 officer]; Monitoring Officer.
- Other Councils to consider this for themselves

Whilst the Joint Committee will make recommendations as to the terms and conditions of employment for the post in question to the Partner Council in question the final determination of those terms and conditions shall be made by the Partner Council making the appointment.

Appendix ii

Functions delegated under existing shared service arrangements

GO Shared Services

The following services:

FINANCE AND PROCUREMENT

Finance

- Accounts payable
- Purchase ordering
- Accounts receivable
- General ledger management
- Cash and bank input
- VAT
- Bank reconciliation
- Cheltenham Box Office Reconciliation
- Trust Funds
- Mortgages, Car Loans and Loans to Third Parties
- Freedom of Information Requests
- Mayor's/Chairman's Charity
- Leasing (Financial aspects) – Employee cars/pooled cars
- Leasing – Other Leases
- Support services costing
- Journals
- Statement of Accounts
- Collection Fund Accounting
- Fixed Asset accounting
- Financial Strategy/Budget Preparation
- Business Partnering
- Cheltenham Borough Homes Ltd
- Gloucestershire Airport
- Government returns – RO, RA, QRO, CO etc.
- Technical Accounting support
- Council Tax insert note
- Benchmarking
- Statistical reporting
- Treasury Management
- Insurance Support and advice
- Collate Precept data from Parish Council, Upper Tier Authorities, Police Authorities

Procurement

- Common Procurement Strategy, reflecting local flexibility
- Common Contract Rules
- Common suite of Standard Documentation
- Standardised procurement web pages
- Common Contract Register
- Full tender/quotation process
- Contract Management
- Contract Monitoring
- Spend Analysis, Reporting and identification of procurement savings
- Common Work Plan
- Supplier Adoption on E-portal where in use
- Category Management
- Purchase Order Management
- Purchase Cards
- Procurement Training provided by Shared Service

HR AND PAYROLL

Human Resources (HR)

- Workforce Intelligence
- Recruitment
- Leavers
- Induction
- CRB, Vetting and Barring Scheme, Independent Safeguarding Authority
- Employee Relations/Case work
- Grievance, Disciplinary & Capability
- Absence Management
- Change Management
- Redundancy
- Job Evaluation
- HR Procedure & Policy Development
- Health, Fire and Safety
- Benefits
- Employee Job Cycle
- Maternity/Paternity
- Pensions
- Long Service Awards
- Retirements and Flexible Retirements
- Death in Service
- Annual Leave and Flexi Leave
- Performance and appraisals
- Reward and recognition
- Apprenticeships, future jobs fund, backing young Britain
- Structure Charts

- Periodic staff communications
- Organisational HR Strategy
- Learning & organisational development, learning skills, knowledge, behaviours
- Other

Payroll

- Payroll Function

Business Systems Support and Maintenance

All as more particularly described in Schedule 1 of the s101 Agreements dated 1st April 2012 made between: Cheltenham Borough Council (1) and Cotswold District Council (2) (as subsequently amended by Variation Deed dated 29th April 2014); Forest of Dean District Council (1) and Cotswold District Council (2) (as subsequently amended by Variation Deed dated 14th April 2014); and West Oxfordshire District Council (1) and Cotswold District Council (2) (as subsequently amended by Variation Deed dated 29th April 2014)

GO Support and Hosting

The following ICT support and maintenance services (but specifically excluding Business Systems Support and Maintenance):

- Service Desk
- Data Centre Services (Server Hosting and Administration)
- Applications Support
- Data Communications and Network Management
- Network/Desktop Integration
- Interfaces
- ERP Service Continuity and Disaster Recovery
- Service Management and Evolution
- Configuration Management
- Security Management
- Printing/Scanning
- Procurement/Replacement of Hardware
- Recycling/Disposal of Hardware

All as more particularly described in Schedule 1 of the s101 Agreement dated 26th March 2013 made between Forest of Dean District Council (1), Cheltenham Borough Council (2), Cotswold District Council (3) and West Oxfordshire District Council (4) as amended by a Variation Deed dated 29th April 2014 made between the same parties

ICT

The provision of:

- ICT Business Solutions
- ICT Operations

APPENDIX 2

Terms of Reference of the Joint Committee

Strategic Direction

- To be responsible for the on-going strategic delivery and governance of the Partnership Venture Shared Services to the required standards set out in the s101 Agreement[s].

Financial

- To develop and approve the Partnership Financial Case from time to time and to make recommendations to the Partner Councils accordingly for adoption.
- To receive reports on and monitor the Partnership Financial Case.
- To oversee the delivery of the financial savings and benefits as set out in the Partnership Financial Case

Delivery

- To be responsible for the delivery of the Partnership Venture in accordance with the Business Case (timescales, costs and performance) and to agree tolerances, identify and manage risks, issues or concerns as necessary.

Monitoring

- To approve annual service plans and performance reports for each of the Partnership Venture Services
- To receive reports on the performance of the Partnership Venture Services at such intervals as may be provided by the s101 Agreement[s] or as the Joint Committee may require; to make recommendations for service improvements as appropriate and to generally monitor the delivery of the Partnership in accordance with the s101 Agreement[s] for the Partnership Venture.

Improvement

- To be responsible for the on-going enhancement of the Partnership Venture and the Partnership Venture Services.
- To receive reports on improvements or changes to service delivery of the Partnership Venture Services from the Partnership Managing Director and to recommend for approval major changes to the service delivery to the Partner Councils as necessary.
- To receive reports on any potential expansion of the Partnership Venture and to make recommendations to the Partner Councils accordingly.
- To receive reports on any requests for service contracts outside of the existing Partner Councils from the Partnership Managing Director and to make recommendations to the Partner Councils accordingly.

Disputes

- To receive reports on cases where conflicts between the interests of the Partner Councils have arisen or are likely to arise and to agree the manner in which such conflicts will be managed or resolved if possible.

APPENDIX 3

Protocol in respect of the Chairman's Casting Vote

The Joint Committee agrees the following Protocol in respect of the Chairman's right to cast a second or casting vote in the event of an equality of votes at a Joint Committee meeting:

Deferral Vote

In the event of an equality of votes the Joint Committee Members agree to proceed as follows:

- the Chairman shall move to defer the agenda item ('Deferral Vote')
- If the Deferral Vote is passed by a majority the item shall be deferred and the deferral process will be triggered
- If the Deferral Vote is tied, the Chairman shall have a casting vote to decide whether to defer the item or not
- If the Deferral Vote is lost then the agenda item shall stand and be voted on, with the Chairman having a casting vote.

Deferral Process

The deferral process shall be as follows:

- The agenda item shall be deferred for a period of not less than five Business Days ("Deferral Period") and the Joint Committee meeting shall be adjourned to a date beyond the expiry of the Deferral Period as determined by the person chairing the meeting. During the Deferral Period the Joint Committee Members shall be able to consult their Partner Authorities and discuss the agenda item with other Joint Committee Members.
- At the adjourned Joint Committee meeting the agenda item shall be discussed again and any written views received from Partner Authorities shall be reported to the Joint Committee for consideration by the meeting.
- If, at the adjourned meeting, there is an equality of votes in relation to that agenda item the person chairing that meeting shall have a casting vote.



COTSWOLD
DISTRICT COUNCIL



Forest of Dean
DISTRICT COUNCIL



WEST OXFORDSHIRE
DISTRICT COUNCIL

Appendix E

Equality Impact Assessment

1. Person responsible for this assessment:

Name: Mike Clark	Telephone: 01285 623565
Service: Corporate Planning, Cotswold and West Oxfordshire District Councils	E-Mail: mike.clark@cotswold.gov.uk
	Period over which analysis carried out: July 2015

2. Name of the policy, service, strategy, procedure or function:

2020 Vision for Joint Working

3. Briefly describe its aims and objectives

<p>Cheltenham Borough and Cotswold, Forest of Dean and West Oxfordshire District Councils agreed, in June 2014, a Vision statement for the 2020 Vision for Joint Working, as follows:</p> <p><i>“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”.</i></p> <p>This was described as 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.</p> <p>Work is in progress on developing models and approaches to achieve this vision. The objectives currently are to:</p> <p>Respect and retain the political independence of each council. Deliver annual savings of £5.7m after 5 years. Create new employment arrangements for staff across the four member authorities.</p>
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Move to interim shared management arrangements

Posts relating to the management of the project have been established (eg Managing Director, Lead Commissioner, Programme Director and others).

Consultation on the proposal has started, as described below, and the Cabinets of the four councils will be asked to agree principles and an organisational model, including those services which will be shared and retained by each council, at their meetings in September 2015.

4. Who is intended to benefit from it and in what way?

The benefits are considered to be as follows:

- Financial: there is a need to respond to long-term financial pressures on the four councils. This proposal is expected to achieve annual savings for the four partner authorities of £5.7m after five years.
- Efficiency: there is a need to continue to find ways of delivering value for money (even without the current financial pressures).
- Resilience: each authority needs a wider pool of expertise and greater capacity to respond to events.
- Impact: more depth in strategic capacity is needed to support the drive towards service improvement and wider social and economic benefits in each locality.
- Democracy: each authority needs to have sufficient resources to be able to exercise choice and community leadership so that it can champion local needs and priorities.

In summary, whilst the benefits as stated in the proposal are organisational, this will be reflected as a benefit to the public in the level of Council Tax and the efficient operation of services.

For staff, the proposal may result in career development and better ways of working. One of the challenges of shared working is the accessibility of managers. Whilst technology will enable managers to be available when they are not on the same site as their staff, it is envisaged that the proposal will lead to greater empowerment of those in management positions and non - management staff being more empowered to make their own decisions. Training will be provided to allow this to happen.

5. What outcomes are expected?

The proposal relates to the way in which services are provided, not to the type or level of service provided to the public. It is the councils' intention that the public will not notice any adverse effect on services and that each council will retain its own identity and branding, and determine their own policies, priorities and decisions.

The proposals will, however, impact on staff. Whilst some services are proposed to be retained by the councils, at least in the short term, others will be shared across the councils. This will result in some staff in the shared services working for a larger number of councils than at present (some are already shared

across two or all four councils). It is likely that the proposal will create career development opportunities for staff. It is too early to assess whether the proposals will result in the relocation of staff or any compulsory redundancies.

The proposals also include the standardisation of Human Resources policies and procedures, including job evaluation, grading and benefits packages across the partner authorities.

6. Please describe how you have engaged with others, including staff, on this policy, service, strategy, procedure or function? In particular please describe your engagement with Protected Groups.

Details of engagement:

Staff have been engaged in the proposal as it has developed through briefing sessions, team briefing arrangements in each council and information on the Connect shared service portal. An engagement team has been created, charged with keeping staff informed and gathering feedback.

A 10-week public consultation has started, seeking views about the Programme and the shared services that are being considered. This will run until 15 September 2015.

Consultation has also started with the Trade Union and also consideration is being given to engaging councillors who have not been involved so far.

There is also a proposal to recruit 30 engagement champions across the partner councils, to discuss issues with their colleagues and pick up issues. All staff will have an opportunity to become an engagement champion and it is hoped that this will be a further means of picking up equalities issues.

7. Please outline the evidence you have used for this analysis

e.g. Results of recent consultations, surveys or other engagement

Demographic data and other statistics

Feedback from engagement with protected groups

This is an initial Equality Impact Assessment and is based on the feedback received so far. This Assessment will be updated as the proposal develops and in the light of the results of consultations with staff and the public.

8. What effect could your policy, service, strategy, procedure or function have on different groups ?

	Negative	Neutral	Positive	Please explain the effect	If there is an adverse effect, what mitigating actions are in place or could be taken ? What additional actions can be taken to advance equality of opportunity and foster good relations?
Age		x		It is not considered that the 2020 Vision proposals will result in any changes in services received by the public. It is too early to assess the effect on staff at present.	
Disability		x		As above	
Gender Re-assignment		x		As above	
Marriage and Civil Partnership <i>(Note: analysis only required for elimination of discrimination)</i>		x		As above	
Pregnancy and Maternity		x		As above	

Race including Gypsy & Traveller		x		As above	
Religion or Belief		x		As above	
Sex		x		As above	
Sexual Orientation		x		As above	
Other groups/issues <i>(eg Long term unemployed, Rural Isolation)</i>		x		As above	

9. Where actions have been identified, please complete the table below.

Future Action	Timescale	Who will deliver?	Resource implications	Comments
None identified as a result of this Assessment. This Assessment will, however, be updated as the proposal develops and in the light of the results of consultations with staff and public.				

Declaration

We are satisfied that an Equality Impact Assessment has been properly carried out on this policy, service, strategy, procedure or function. We understand that the Analysis is required by the Council and we take responsibility for the completion and quality of this analysis.

Completed by: Mike Clark

Date: 20th July 2015

Role: Corporate Planning Manager, Cotswold and West Oxfordshire District Councils

Date for Review: To be determined