



City of Westminster

Adults & Health Policy & Scrutiny Committee

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Title: **Tri-Borough to Bi-Borough Programme:
ASC & Public Health Update**

Report of: Bernie Flaherty

Wards Involved: All

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1. Executive Summary

- 1.1. This report updates the committee on progress in establishing a Bi-Borough agreement with the Royal Borough of Kensington and Chelsea for the delivery of Adult Social Care and Public Health. These proposals are being put forward as a result of the decision (made by Cabinet on 27 March 2017) to serve notice on London Borough of Hammersmith & Fulham to terminate the Tri-Borough s113 agreements currently in place to deliver these services
- 1.2. A plan is in place to ensure a smooth transition to minimise any risk to on-going service delivery. The majority of changes will 'go live' by 1 April 2018. Where this is not the case, there are sound business reasons and agreement has been reached with LBHF in respect of timings.
- 1.3. The new structures have sought to retain the principles that underpinned the original Tri-Borough agreement. These have been agreed with the relevant Cabinet Members and were approved by Cabinet in December 2017.
- 1.4. The structures were subject to consultation with staff. Considerable effort has been spent mitigating the potential financial impact of the move to a Bi-Borough service, as well as ensuring that current service provision does not suffer as a result of the uncertainty being experienced by staff.
- 1.5. The Committee last received a detailed update on the new structures and a general update on the Programme's progress on 22 November 2017.
- 1.6. Since the final structures were shared with staff, officers have been working closely with staff to inform them of the changes and affected staff received a personal letter confirming their individual position in November 2017.

- 1.7. This paper provides an update on the one-to-one meetings that took place after the consultation outcome was shared with staff, as well as any interviews / assessments (where required) that took place in December with affected staff in ASC and Public Health.

2. Recommendations

- 2.1. That the Committee notes the progress being made in moving from a Tri-Borough to Bi-Borough structure in Adult Social Care & Public Health

3. Background

- 3.1 In March 2017, Cabinet endorsed a recommendation to service notice to London Borough of Hammersmith and Fulham (LBHF) to terminate the s113 agreements that have been in place since 2012 to share Children's Services, Adult Social Care & Public Health. LBHF had signalled their intent to withdraw but with no indication of when they would serve notice. In order to reduce the uncertainty for staff and the potential impact this might have on service delivery, Westminster City Council (WCC) and the Royal Borough of Kensington and Chelsea (RBKC) agreed to issue termination notices. Both Councils were keen to ensure that new arrangements were in place by April 2018.
- 3.2 Since that time, officers have worked to develop alternative structures that maintain the principles of the original Tri-Borough proposition of collaborative working and delivering efficiencies through scale whilst retaining sovereignty. New agreements must be established with RBKC, setting out the new sharing arrangements. A small number of services in both Adult Social Care and Children's Services will continue to be shared with both RBKC and LBHF.
- 3.3 Significant and sustained cuts in local authority funding have posed unprecedented challenges for local government. In response to this, in 2010, LBHF, RBKC and WCC initiated the Tri-Borough arrangement and agreed to share certain services. The three councils entered into agreements to share staff under s113 of the Local Government Act 1972. This was supported by a comprehensive legal agreement for the sharing arrangements based on a high-trust model.
- 3.4 The model for collaborative working provided maximum flexibility for the three Councils to maintain sovereignty. The aim was to enable the three Councils to do more with less, sharing resources and management, and reducing costs whilst improving services. Both WCC and RBKC consider these arrangements to have been an outstanding success based on the significant financial savings the three Councils have achieved as well as non-cashable efficiencies and improvements to the quality of services.
- 3.5 Since entering into sharing arrangements, each council generates an estimated gross average of £14m in annual ongoing savings across the shared services. In addition, working at scale the Tri-Borough services have been able to innovate and transform at scale to improve efficiency and quality of services. It is acknowledged that sharing services has not always worked well, but where

problems have occurred, the shared service concept has generally not been at the root of the problem and there has been significant learning as a result of these experiences.

4 Programme Update

4.1 The following paragraphs provide an update on the programme to implement changes in response to the need to withdraw from the partnership with LBHF. This programme is being led by the Bi-Borough Director of Adult Social Care.

4.1.1. HR Update – ASC & Public Health

The move to a Bi-Borough service represents a significant restructure of resources across ASC, Public Health and Children’s Services. However, in practice, the majority of staff (83% in WCC) will be unaffected. Their employing borough will remain the same as will their job description.

Staff in scope of change – next steps:

4.1.2 All staff affected have had an opportunity to have a one to one with their manager (22 Nov - 1 Dec) to discuss how the proposals impact them, along with their next steps. Where requested, HR officers attended this meeting. Interview skills training workshops were arranged to support staff before the interviews took place between 4 – 15 December.

4.1.3 Following completion of competitive assimilation and ring-fenced interview, work is on-going to explore alternative roles that could be suitable within the Directorate for any displaced Members of Staff

4.1.4 Recruitment to vacant senior posts

4.1.5 Recruitment for vacant senior posts within Adult Social Care is on-going. These were advertised before the Christmas period with a closing date in early 2018.

Directorate	Post
Adult Social Care	Director of Integrated Commissioning
	Director of Health Partnerships
	Head of Service Learning Disabilities

4.1.6 All Senior Public Health Positions have been recruited to.

4.2 Integrated Commissioning

4.2.1 Recruitment for the Head of the Integrated Commissioning Service is on-going and should complete in early 2018.

4.3 LBHF Consultation

4.3.1 The LBHF Consultation ran from 8 November – 22 December. Their proposals have been developed based upon their own priorities and requirements for service delivery. However, joint-working has taken place to look at the

continuation of some shared services. LBHF continues to work to the same overall March 2018 completion date for the transition as the Bi-borough and there remains an important dependency between the service and the outcomes of the LBHF consultation, particularly pertaining to the available opportunities for staff across the boroughs.

4.4 Contracts

- 4.4.1 Members will be aware from the detailed outline of the risks and issues surrounding multi-borough contracts included in the previous update that current WCC practice is to let sovereign contracts continue. However, there are a number of legacy contracts that were let by one authority on behalf of all three Councils.
- 4.4.2 A Tri- to Bi-Borough Contracts Working Group (chaired by the Chief Procurement Officer) has been established to mitigate the risks around contracts governing multi-borough services. The Working Group has completed an analysis of contracts in the Councils Contract Register on capitalSourcing. All services have reviewed all contract data in capitalSourcing and made significant updates to the data in order to understand the impact of the move to Bi-Borough. There is now a significant improvement in the quality of data and a focus on understanding the risks and issues.
- 4.4.3 At the end of 2017, there is only one contract in each Service that needs action so that sovereign contracts are put in place. Subject to Cabinet Member agreement, Officers will move to sovereign contracts in the New Year.

5. Financial and Resources Implications

- 5.1. In agreeing to serve notice on the s113 agreement with LBHF, WCC agreed to set aside a small budget to resource the restructure of the services.
- 5.2. At the pre-consultation stage the budget impact of moving from Tri-borough to Bi-borough structures in financial terms for ASC amounted to £464k increase in cost. After consultation, the revised financial impact is £440k, split £299k to Westminster and £141K to RBKC. The financial costs are largely associated with the increased senior management costs that come with the loss of the tri-borough economy of scale and the need to better assure management capacity in adult social care operations.
- 5.3. Pre-consultation, the budgetary impact for PH was an increase of £110k. After consultation, the revised financial impact is £159k (split £74k to Westminster and £85k to RBKC). The financial costs for PH are largely associated with increased senior management costs that come with the loss of the tri-borough economy of scale and the cost of an additional support role.

6. Legal Update

- 6.1. The Cooperative Agreement, which will provide the legal framework for the new Bi-Borough services and structures, is being finalised ahead of the launch of the new Bi-Borough Services in April 2018. There is provision for third

parties to join the agreement, including any continued shared services with LBHF. Officers are liaising with LBHF to agree the legal arrangement for these continued shared services.

7. Next Steps

- 7.1. The substantive HR aspect of the programme has largely been completed, with formal 1-2-1s having taken place in November and any competitive interviews having taken place prior to Christmas.
- 7.2. In January 2018, the programme will start preparing for completing transition by March 2018.
- 7.3. A launch event for the new services is being organised and will take place in the new year, as well as a series of workshops to develop further the vision for each service.
- 7.4. Q4 will also focus on staff moves, logistical management of Tri to Bi-Borough services (including updating Agresso) and recruitment to any remaining vacancies within the new structures.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact Anne Pollock x2757
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