

**Extracts from the Minutes of the Cabinet Meetings at which the Tri-borough
Proposals Report was considered**

Westminster City Council Cabinet Meeting held on 21 February 2011

- 5. TRI-BOROUGH WORKING – SHARED SERVICE PROPOSALS (see report of the Chief Executive)**
- 5.1 The Chief Executive introduced the report. He explained that in the current economic circumstances all Councils were examining the option of sharing services. The report before the Cabinet was an outline report setting out options for greater examination and scrutiny. For each of the Boroughs involved the sovereignty guarantee was a guiding principle. The first services to be progressed to the detailed stage were Children's Services, Adult Services and Libraries.
- 5.2 Councillor Paul Dimoldenberg addressed the meeting. He expressed surprise at the small amount of savings identified in the first year. He questioned if the Council had the money needed to invest in upgrading the IT equipment.
- 5.3 The Leader responded to the points made by Councillor Dimoldenberg. He explained that it was right for the Council to adopt a cautious approach. The savings available would continue on an annual basis and more would become available on a case-by-case basis as more services emerged.
- 5.4 Councillors Argar and Connell spoke in favour of moving forward to the next stage which was the development of a specific business plan for each of the services proposed for merger.
- 5.5 Councillor Aiken spoke explaining that proposals for the Education service were more advanced than other services and the merger was expected to commence in April. She sought and obtained confirmation from the Chief Executive that a single Director of Adult Social Services and a single Director of Children's Services would be appointed across the three boroughs.
- 5.6 Councillor Melvyn Caplan welcomed the report which mapped out a direction which was clearly required. He spoke about what was needed at the next stage and suggested some changes to the recommendations for the Cabinet's consideration. It was necessary for detailed timetables, business plans showing the specific business case for each service to enable informed decisions to be taken on a service-by-service basis.

Resolved:

That the Cabinet:

- (i) Welcomes the proposals as a means of protecting vital front line services at a time of necessary financial adjustment and supports the aims of integration which it is intended will combine services and:
 - a. Lead to a 50% reduction in the number of middle and senior managers.
 - b. Lead to a 50% reduction in the overheads attached to frontline services to the public.
 - c. Ensure that in 2014/15, the costs of overheads and middle and senior management will be a smaller proportion of total spend than in 2010/11.
- (ii) Agrees to support the proposals in principle but recognises that these will benefit from full discussion by Scrutiny Members and with trade unions and staff and a clear specific timetable, Business Case and Business Plan including how savings will be attained and allocated and how the governance arrangements for the future be developed.
- (iii) Recognises that local residents will judge these proposals in terms of whether they represent value for money and whether service quality and the public's influence on services are affected.
- (iv) Confirms that it is supporting the proposals on the basis that they represent a better way of making the budget reductions necessary and that the "sovereignty guarantee" is a clear commitment to continuing localised control.
- (v) Agrees to a public information strategy to communicate the proposals and to invite public comment.

Reasons for Decision

The three boroughs face a £100m gap between current budget commitments and future likely resources, measured between 2011/12 and 2014/15.

These proposals come in the midst of other changes already being executed by the three councils. In particular, they are being put forward in the context of a shared commitment to bear down on the costs of management and general overheads.

Royal Borough of Kensington & Chelsea Cabinet Meeting held on 17 February 2011

A4. TRI-BOROUGH WORKING

Cabinet considered the recommendations set out in the joint report prepared between this Authority, the London Borough of Hammersmith and Fulham and Westminster City Council entitled '*Bold Ideas for Challenging Times*'.

In introducing the report, the Town Clerk and Chief Executive stated that the work represented preliminary thinking about savings arising from collaborative working and integrated provision of services across the three boroughs. Work was now at the stage where discussions could be opened up to a wider audience, test support and look for further ideas to be explored and reported on in May. He reported that he had met with the trade unions and briefed the minority parties. He was in middle of holding a series of meetings with staff and Management Board colleagues were meeting with their staff. He was pleased with the response from staff so far, which demonstrated an understanding of the Council's need to make changes and that the proposals represented a realistic choice. Tri-borough staff survey headline results indicated that only ten percent of staff were of the view that the Councils should not offer services jointly. The London Borough of Hammersmith and Fulham's Cabinet meeting had met the previous evening and adopted the recommendations in the report, without amendment. Westminster City Council's Cabinet would be considering the report at their meeting on 21 February.

Cabinet members concurred with the view that the proposals represented an excellent opportunity for joint working with the potential for improved services at reduced cost.

Councillor Lightfoot stated that members would need to be candid to ensure that as the proposals developed, the full level of expected savings would be achieved. Comments were made about the need to keep track of redundancy costs and to avoid expensive rebranding. Councillor Ritchie expressed regret at the proposal to move to two Chief Executives covering the three boroughs instead of one, and highlighted the need to include safeguarding implications, both across children and adults services. With regard to commissioning, due regard to 'home and shared territory' would need to be given, as well as ensuring that new structures remained accountable to the borough's residents.

The Town Clerk and Chief Executive responded that the report in May would include detail on the level of savings to be achieved, together with the costs and a better indication of the timelines.

In concluding the discussion, the Chairman placed on record his thanks to staff for their willingness and enthusiasm in considering and progressing the proposals for joint working. There was a strong likelihood that this new way of working would be replicated elsewhere, as illustrated by the South East Seven partnership of mainly county authorities who were committed to working together to improve the quality of services and to achieve savings.

The report to be considered by Cabinet in May would reflect the views and evidence of others and make final recommendations on the way forward.

RESOLVED – Cabinet agreed to endorse the report in full and in particular:

- (i) agreed to proceed with tri-borough working on the basis outlined at paragraph 2.1-2.8 of the report;
- (ii) agreed in principle to funding any necessary change management work as referred to in paragraph 2.9 of the report; and
- (iii) agreed to the establishment of a working group as set out at paragraph 2.20 of the report.

Hammersmith & Fulham Cabinet Meeting held on 16 February 2011

1. TRI-BOROUGH WORKING

The Leader welcomed Members to the meeting. He outlined the vision of Tri-Borough working and noted that both Members and Officers had worked hard to draft the proposals. He invited comments and questions from Opposition Councillors.

Councillor Cowan stated that he was opened minded to proposals to merge services with the Royal Borough of Kensington and Chelsea but had concerns about Westminster City Council's financial position. He requested assurance that resources would not be concentrated on resolving Westminster issues at the expense of the others. He asked what controls had been put in place to ensure that the Council will receive a fair share of officers' time and resources.

He further queried whether the Council had undertaken due diligence, in-depth risk analysis and assessment of the proposal. He concluded he could only support a tri-borough relationship which was beneficial for the Council. He questioned why these two boroughs rather than other neighbouring ones.

In response, the Leader stated that the integration would lead to a 50% reduction in the number of middle and senior managers and a 50% reduction in the overall "overheads", cutting down the management costs and general overheads. There was a common political will and ambition amongst the three Councils to work together. The boroughs have geographical and social commonalities which allowed it to progress the proposals. These factors were important to bring together the groups successfully. The three Councils' intent is to localise where they can and aggregate where they should. The proposals are not recommending homogeneous blocks. The boroughs will only combine services where it makes sense. The workforce will focus on local areas. None of the proposals will put vulnerable children at risk.

The Leader reiterated that the Council was not at the point where exhaustive due diligence had been undertaken. The report was a framework document outlining the principles and way forward. Each service would be looked at in detail. The next step would be to draw up implementation plans which will be fully costed. These plans will be considered and approved by each borough's Cabinet (or Cabinet Member) according to each borough's Constitution. The detailed control would be in the service level agreements and implementation plans.

He concluded that the sovereignty guarantee addressed the democratic accountability issues. This is the beginning of the consultation process. The full report will be consulted on widely from February to April 2011.

RESOLVED:

That the recommendations set out in section 2 to this report be approved.

Reason for decision:

As set out in the report.

Alternative options considered and rejected:

As outlined in the report.

Record of any conflict of interest:

None.

Note of dispensation in respect of any declared conflict of interest:

None.