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| | Westminster Scrutiny Commission |
| Date: | 15 March 2011 |
| Subject: | Tri- borough Proposals Report – Scrutinising the Proposals |

Summary

This paper provides a brief overview of the Tri-borough Proposals Report and outlines a number of areas and issues which the Commission may wish to consider.

The Cabinets of each of the three Boroughs have now met to consider the proposals in outline and agreed that these should proceed to the detailed design stage on a service by service basis. It is therefore appropriate for the Commission to consider how this major proposal should be dealt with. An outline proposal is set out in paragraph 3.7 for the Commission's consideration.

The Leader and Chief Executive will be in attendance.

Recommendations

1. That Members of the Commission note the Tri-borough Proposals Report and provide comments where appropriate.
2. That the Commission considers future arrangements for the effective scrutiny of tri-borough developments an outline for which is set out in paragraph 3.7.



City of Westminster

Committee Report

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| Item No: | 3 |
| Date: | 15 March 2011 |
| Classification: | For General Release |
| Title of Report: | Tri- borough Proposals Report – Scrutinising the Proposals |
| Report of: | Head of Member Services |
| Wards involved: | All |
| Policy context: | Management of the Council |
| Financial summary: | There are no financial issues arising directly from this report. |
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1 Background

- 1.1 Against the backdrop of the government's priority to reduce the structural deficit in the UK economy and the associated real terms reduction in national local government spending the Leaders of the City of Westminster, Hammersmith and Fulham, and Kensington and Chelsea have called for a radical re-invention of their Councils. Part of this re-invention is represented by the Tri-borough proposals.
- 1.2 The concept of sharing services with other London boroughs was previously raised in Westminster by the independent Education Commission in its final report of September 2009, which proposed the amalgamation of secondary education support functions with neighbouring authorities where appropriate.
- 1.3 At the Cabinet Committee on 6th July 2010 an outline of initial proposals to develop shared education services across Westminster City Council (WCC) and the London Borough of Hammersmith and Fulham (LBHF) was presented.
- 1.4 Following this a more detailed plan was agreed at Cabinet Committee in November to share education, youth offending, and fostering and adoption services as well as the Local Safeguarding Children Board (LSCB) across the three boroughs of WCC, H&F and the Royal Borough of Kensington and Chelsea (RBKC).
- 1.5 These developments were accompanied by an announcement by the Leaders of the three boroughs that they would be investigating other areas in which services could be shared. Subsequently the three Chief Executives formulated more detailed proposals which were published in early February 2011.
- 1.6 The Tri-borough Proposals Report was presented to Westminster City Council's Cabinet on 21st February. At that meeting the Cabinet agreed to support the proposals in principle but recognised that they would benefit from full discussion by Scrutiny Members and with trade unions and staff. Cabinet also requested that a clear detailed timetable and business plans, showing the specific business case for each service, be developed in order to enable informed decisions to be taken on a service-by-service basis. A copy of the minutes of Westminster's Cabinet meeting and the corresponding meetings of Kensington and Chelsea's and Hammersmith and Fulham's Cabinets are included at appendix A to this report (to follow).
- 1.7 Given the significance of the proposals, the decision was taken to call a special meeting of the Scrutiny Commission to offer initial views on the proposals and consider how developments can be effectively scrutinised in the future.

2 The Tri-Borough Proposals Report

- 2.1 In order to reduce the cost of bureaucratic overheads and save management costs the Report proposes that some current council services can be more efficiently managed at greater scale. In order to ensure that the most locally sensitive services remain wholly local and to respect existing outsourced contracts it also recommends that a set of services stay managed on a single borough basis. A summary of the broad proposals can be found on page 7 of the Proposals Report which is circulated at appendix B to this report for Members of the Commission.
- 2.2 The aims of combining services are partly to reduce management costs and other overheads, in a way which still leaves a set of arrangements that are safe and resilient. In addition it is argued that working collaboratively will promote better procurement of external

services and allow more detailed comparisons and challenge to drive best practice. It is hoped that through such new working it will be possible to achieve more for less.

- 2.3 It is estimated that proposals to share services could save in the region of £35 million by 2014/15. The breakdown of savings can be found on pages 9 and 10 of the report.
- 2.4 The Report welcomes comments on the proposals. Next steps are set out on page 11 where it is stated that, “the Proposals, if supported in principle, at Cabinet meetings of the three Councils in February 2011 are then available for Scrutiny and wider discussion... After a suitable period, the three Councils will consider again at further Cabinet meetings in April or May 2011 and then finally decide whether to go ahead”.

3. Issues for the Scrutiny Commission’s Consideration

- 3.1 Members are invited to comment on the proposals outlined in the document and specifically on the recommendations set out on pages 95-97 of the report. The minutes of the Cabinet meeting on 21st February 2011 should also be taken into account, particularly the request to develop a detailed timetable and business plans, showing the business case for proposals on a service-by-service basis.
- 3.2 The Report on page 94 makes reference to seeking public comments on the following four areas:
- Collaboration as a means to reduce back office costs and protect services.
 - The ‘Sovereignty Guarantee’ as a means to ensure local decision making and accountability.
 - Where collaboration could improve our offer e.g. through providing cross-borough services.
 - Where the public or organisations might want to offer new approaches (mutuals, charity, co-operative provision) to the delivery of services.

3.3 The ‘Sovereignty Guarantee’

The principles underpinning the ‘sovereignty guarantee’ can be found on pages 15 and 16 of the Proposals Report. The rationale behind it is that “to safeguard local autonomy each Council will agree a sovereignty guarantee showing how each authority will retain its own constitution, setting out how it makes decisions, organises scrutiny and delegates authority” (Foreword, page 4).

The Commission is invited to give particular attention to the ‘sovereignty guarantee’ in so far as it directly relates to the issue of local accountability, which scrutiny plays a key role in upholding and promoting.

3.4 Joint Scrutiny Working

Scrutiny and accountability arrangements are specifically referred to on page 27 under points 15 and 16. Those sections read as follows:

“15. Councillors with scrutiny responsibilities will continue to have the right to call for reports and consider and call-in decisions. These reports may be service-specific or borough-specific. Where a particular service is being scrutinised it may be appropriate for scrutiny councillors to sit in a joint session, but this would be entirely a voluntary option and there is no requirement in these new arrangements for scrutiny systems to be changed

16. As a matter of diary practicality the officer attendance at either Cabinet or Scrutiny meetings will need to be based on a team approach”.

The resource implications of having shared service management teams scrutinised by individual borough scrutiny committees may be something the Commission would wish to consider. Under the specific proposals on children’s services (page 39) the suggestion is made that “over time, scrutiny committees might work more together”.

Informal discussions with counterparts in neighbouring boroughs have begun and there is already a history of joint informal scrutiny across boroughs in areas such as health. Members are invited to give consideration to how they may wish to approach the issue in relation to their particular scrutiny committees.

3.5 Reversibility

The issue of reversibility has previously been raised by the Children and Young People Policy and Scrutiny Committee. This issue is given particular attention on pages 80-81.

3.6 Portfolio Management Office

The Report refers to the establishment of a Portfolio Management Office which would oversee the overall delivery of the Tri-borough initiative (page 91). It subsequently states that proposals relating to the roles in this Office will be developed between February and April.

The Commission may wish to seek clarification as to how scrutiny will have the opportunity to feed into the future development of the plans and proposals.

3.7 Future Scrutiny

The Commission is advised to consider the most appropriate forums for the future scrutiny of the tri-borough proposals. Whilst the Commission is likely to want to retain oversight of developments, specific proposals relating to particular services might benefit from more detailed scrutiny in individual Committee sessions. Accordingly it is expected that each of the relevant Policy and Scrutiny Committees will receive regular updates on the services which are the subject of the tri-borough proposals.

Each Committee may want to consider the extent to which it undertakes scrutiny jointly with the other Boroughs and this will no doubt be impacted by the complexity of the proposals and potential impact on the specific service.

The Finance and Resources Policy and Scrutiny Committee will be responsible for the Corporate Services being considered for example HR and ICT. IT may also wish to consider the way in which the savings arising from the proposals are being allocated.

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Background Papers

None