



City of Westminster Committee Report

Meeting:	Westminster Scrutiny Commission
Date:	13 April 2011
Status:	General Release
Title:	Update on Tri-Borough
Wards Affected:	All
Financial Summary:	N/A
Report of:	Head of Legal & Democratic Services

1. Executive Summary

- 1.1 An additional meeting of the Westminster Scrutiny Commission was held on 15th March 2011 to consider the tri-borough proposals report and future arrangements for the effective scrutiny of future developments. At this meeting Members discussed a number of issues including HR principles and the 'shape' of the workforce, the potential issues caused by the differing cultures of each of the Councils, the project management office costs and the importance of maintaining accountability. The Commission requested that a work programme be developed for further scrutiny of proposals by both the Commission and the individual Policy and Scrutiny Committees and that consideration be given as to when it would be appropriate for the Commission Members to engage with counterparts from Royal Borough of Kensington and Chelsea and London Borough of Hammersmith and Fulham.
- 1.2 This report updates the Commission on developments with tri-borough working which have taken place since the last Commission meeting on 15th March, namely, the establishment of a programme governance structure and the agreement of a Memorandum of Understanding between the three Chief Executives.
- 1.3 This report also briefly outlines scrutiny activity relating to tri-borough working which has been undertaken by individual Policy and Scrutiny Committees.
- 1.4 Subject to sufficient cross-borough progress being made, further, more detailed, business case proposals and timescales are due to be submitted to Cabinet meetings from early May. The precise timings of consideration for business cases depends on progress for each area. It is suggested that a more detailed work programme for both the Commission and individual Policy

and Scrutiny Committees be developed following the publication of these more detailed proposals.

2. Recommendations

1. That the Commission notes the update and provides comments as appropriate.
2. That the Commission agrees to develop a work programme for the scrutiny of tri-borough proposals following the publication of detailed business cases and timescales from May.

3. Programme Governance Structure

- 3.1 It has been acknowledged that the commitment to produce combined service business case proposals for presentation at Cabinet meetings from May is a challenging deadline. The intention is that business cases should be undertaken in a phased manner with Children's and Adults being the most advanced. In order to help achieve this deadline and the future development of tri-borough services, a programme governance structure for the formulation of proposals has now been agreed by the three boroughs. An outline of the agreed governance structure is attached at appendix A.
- 3.2 Each of the four existing programmes (Adult Services, Children's Services, Environmental Services and Corporate Services) will have a borough Chief Executive as a Senior Responsible Officer (SRO):
 - Corporate Services and Libraries – Mike More, Westminster City Council
 - Adult Social Care – Geoff Alltimes, London Borough Hammersmith & Fulham
 - Children's Services (including education) – Derek Myers, Royal Borough Kensington & Chelsea

The Environment Services programme SRO has not yet been appointed. Early work is likely to focus on LBH&F and RBK&C as much of the environmental functions in Westminster are needing to give priority to 2012 readiness.

The detailed business case for Children Adults and Library Services will contain proposals for costed structures. The Corporate Service programme will cover proposals for a combined managed service procurement.

- 3.3 The SRO will chair a Programme Board comprising, among others, relevant Directors and programme support staff. These programme boards will feed into an over arching Portfolio Board which will have responsibility for agreeing expectations and timescales for each work strand, monitoring progress and unblocking barriers to progress. Above the Portfolio Board will sit Members' working groups for each of the service areas which will include the relevant Cabinet Members. The Members' groups will be responsible agreeing and

endorsing work strand proposals and recommendations to the Cabinets. A Leaders Board which will maintain responsibility for the overall strategy will be meeting every 6 weeks with weekly conference calls.

- 3.4 The Chief Executives have agreed that it will not be possible to deliver work by following borough siloed chains of command. They have therefore mandated each other and those acting on their behalf to direct activity across all three boroughs.

4. Memorandum of Understanding

- 4.1 In addition to the governance structure, a memorandum of understanding has also been agreed by the three Chief Executives. This sets out a shared commitment to tri-borough working proposals to ensure that political decision-makers have options available to them and advice on the merits and risks, to advise if and when new options exist or new decisions are required, to share information regularly, commit to deadlines and ensure a timely response to correspondence. There is also an agreement that collaborative behaviours will be encouraged across the three boroughs.

- 4.2 Each Chief Executive has committed to:

- Supervise work to agree revised management arrangements to show how target cost savings can be made
- Sign off a preliminary plan to show how non management overheads might be reduced
- Model how other collaborative savings might be made
- Show what new investment in IT might be needed
- Model what savings are possible over what years
- Show any other costs which are particular to Tri-borough working which are extra to single borough budget adjustments
- Show how savings might be modelled across the three boroughs

5. Agreed Workplans

- 5.1 The Portfolio Board has agreed with each Senior Responsible Officer a programme of work which will be included in the reports which will be presented in the submission of Business Plans to the Cabinet meetings. These are attached at appendix B to this report.

6. Policy and Scrutiny Committee Activity Relating to Tri-borough Working

- 6.1 The *Children and Young People Policy and Scrutiny Committee* briefly discussed the tri-borough proposals at its meeting on 22nd March as part of a question and answer session with the Cabinet Member for Children's Services. It was acknowledged that clarity was still needed for issues including execution and risk, political governance, managerial structure and how commissioning would broadly work. The Committee asked the Cabinet Member to pass on the Committee's concerns regarding delays in submitting proposals for the governance and management of tri-borough working,

together with concerns that implementation of shared children's services in September may cause problems for Westminster's schools and colleges. It was also suggested that the Cabinet take into account the range of experience and expertise among Members of Policy & Scrutiny Committees which could be utilised when developing shared services.

- 6.2 The *Finance and Resources Policy and Scrutiny Committee* has not yet considered proposals but has agreed to receive updates on services within its remit at future meetings.
- 6.3 The *Built Environment and Business, Enterprise and Skills Policy and Scrutiny Committee* is due to discuss a paper on the tri-borough proposals report in so far as it relates to services relevant to the Committees terms of reference at its meeting on 5th April. The only service area from the committee's portfolio currently under consideration is Building Control.
- 6.4 The *Housing and Community Services Policy Scrutiny Committee*, at its meeting on 12th April, will consider a report on the future development of library services, which will include an update on tri-borough.
- 6.5 As it met early in the meeting cycle the *City Management and Transport Policy and Scrutiny Committee* has not yet had the opportunity to consider proposals.
- 6.6 The *Society, Families and Adult Services Policy and Scrutiny Committee* is due to consider at least an update on the proposals at its next meeting which has been rescheduled to take place on 11th May

If you have any queries about this Report or wish to inspect any of the Background Papers please contact: Ellie Simpkin, Senior Committee & Scrutiny Officer, 020 7641 7056, esimpkin@westminster.gov.uk

APPENDICES

Appendix A – Governance Structure

Appendix B – Agreed Workplan for May Cabinet Reports

BACKGROUND PAPERS

Message to Staff from Chief Executives March 2011

Memorandum of Understanding between Chief Executives of City of Westminster, Hammersmith and Fulham and Kensington and Chelsea.

Governance Structure

Leaders Board
Meets: every 6 weeks / weekly telekit

ASC Members' working group	Children's Services Members' working group	Corporate Services Members' working group	Environmental Services Members' working group	Libraries Members' working group	Central policy Members' working group
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Portfolio board
Meets weekly
CEOs and Deputies

Central Policy programme board
Meets fortnightly SRO: Derek Myers
- Directors from each programme
- Nominated leads for HR, Finance, Legal, IT, Project Management, Esprit de Corps
Lead and Chair: Ben Llewellyn

<p style="text-align: center;">ASC programme board Meets fortnightly</p> <p><i>SRO and chair: Geoff Alltimes</i></p> <p><i>Lead Director and Deputy chair: TBD</i></p>	<p style="text-align: center;">Children's Services programme board Meets fortnightly</p> <p><i>SRO and Chair: Derek Myers</i></p> <p><i>Lead Director and Deputy Chair: Andrew Christie</i></p>	<p style="text-align: center;">Corporate Services programme board Meets fortnightly</p> <p><i>SRO and Chair: Mike More</i></p> <p><i>Lead Director and Deputy Chair: Jane West</i></p>	<p style="text-align: center;">Environmental Services programme board Meets fortnightly</p> <p><i>SRO and Chair: TBD after consideration of forward work programme</i></p> <p><i>Lead Director and Deputy Chair: TBD</i></p>	<p style="text-align: center;">Libraries programme Board Meets fortnightly</p> <p><i>SRO and Chair: Mike More</i></p> <p><i>Lead Director and Deputy Chair: TBD</i></p>	<p style="text-align: center;">Community Budgets Programme Board</p> <p>SRO and Chair: Mike More</p>
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<p style="text-align: center;">ASC Programme</p> <p>Programme Manager</p> <p>Nominated leads for each project Accountable to Lead Director</p> <p>e.g: - Provider side commissionin g</p>	<p style="text-align: center;">Children's Services Programme</p> <p>Programme Manager</p> <p>Nominated leads for each project Accountable to Lead Director</p> <p>e.g: -Management configuration - Education services</p>	<p style="text-align: center;">Corporate Programme</p> <p>Programme Manager</p> <p>Nominated leads for each project Accountable to Lead Director</p> <p>e.g: - IT - Building management - Finance</p>	<p style="text-align: center;">Environmental services Programme</p> <p>Programme Manager</p> <p>Nominated leads for each project Accountable to Lead Director</p> <p>e.g: - Parking - Senior management configuration</p>	<p style="text-align: center;">Library Programme</p> <p>Programme Manager</p> <p>Nominated leads for each Project Accountable to Lead Director</p> <p>e.g. - Senior management structures</p>	<p style="text-align: center;">Community Budgets Programme</p> <p>Programme Manager Nominated leads for each project</p> <p>- TBD</p>
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Agreed Workplan for May Cabinet Reports

Children's services

- Settled costed senior and middle management structure proposals
- Firm delivery plan for Education proposals
- Costed implementation plans for Education, Fostering and Adoption, LSC and Youth Offending Teams.
- Initial proposals devised for remaining services.
- Proposals for how other savings, beyond management savings, are likely to be realised – both from service transformation and wider corporate overheads.
- Articulation along a clear project path towards integration the specific gateways left to clear

Adult services

- As children's on the commissioning side
- Clear proposals from the boroughs' perspective on the provider side
- Articulation along a clear project path towards integration the specific gateways left to clear

Corporate services

- Routemap outlining:
 - A costed delivery plan for integrated finance IT / HR under managed service procurement
 - Broad timelines for remaining services inc. facilities management, outlining any interim phases and what and when decisions need to be taken

Environmental services

- Agreed vision for environmental services, which, due to contractual positions and operating models will mean in the first instance K&C and H&F integration. The design process will ensure WCC Members are engaged and structures allow for WCC's later integration.
- Broad timelines for getting there, including any interim phases and what and when decisions need to be taken.
- Better idea around benefits / costs

Libraries Service

- Comprehensive integration routemap, setting out the costs and benefits of integration and the timescales for getting there.

Central programme / policy group

- Take responsibility for pulling together the next iteration of the proposals report

- Lead business transformation inc. esprit de corps and provision of capacity support to workstrands.
- Handle cross cutting policy issues including:
 - Pensions: inc. impact on staff transferrals on borough schemes
 - Identification of any approvals issues e.g. Senior staff appointment process that need constitutional approval.
 - Hosting new staff in single services
 - Apportionment of costs and benefits – reach an agreed methodology, including through worked examples.
 - IT: Ensuring sufficient interoperability across borough for combined services
 - Any overarching design principles e.g. management spans / preferred integration / outsourcing models
 - Better articulation of officer engagement with Members inc. through worked examples
 - Better articulation around how unique borough services can be provided / commissioned via a single back office inc. through worked examples