

Westminster Scrutiny Commission Report

Date: 18 May 2011

Subject: Scrutiny of Tri-borough Proposals

1. Executive Summary

- 1.1 Since the presentation of the Tri-borough Proposals Report to Cabinet in February 2011 and its subsequent scrutiny by the Commission on 15th March, Chief Executives have worked up the proposals in more detail, including costed business plans for each service, and developed service operating models consistent with the sovereignty guarantee.
- 1.2 Since March individual scrutiny committees have been scrutinising tri-borough proposals and plans for their future scrutiny have been put in place. A more detailed overview of the plans for tri-borough scrutiny is set out in Part B of this report.
- 1.3 A Tri-borough Progress Report and Cabinet Report were presented to a meeting of Westminster City Council's Cabinet on 9th May. These two documents are included in the papers for this meeting and members are advised to familiarise themselves with them, particularly the Cabinet Report which provides a more concise summary of the nature of recent developments and proposed plans. Committee chairmen may also wish to pay particular attention to the details within the Progress Report that relate to their committee portfolio areas.
- 1.4 Members are recommended to consider the discussion points set out in Part A of this report and to note the plans for future scrutiny in Part B.
- 1.5 As plans are either in place or being developed to subject service area business plans to detailed scrutiny, Members are advised to keep the Commission's focus on maintaining a strategic oversight of the key issues relating to tri-borough proposals.

2. PART A: Tri-borough Progress

General Progress

- 2.1 Since February, Chief Executives have been tasked with writing detailed implementation plans, validating cost savings, but also flushing out transitional and investment requirements, so as to form an overall business case for each service change.
- 2.2 As the Tri-borough Progress Report notes: “This work has proved to be quite complicated, because the three Councils have separately evolved different patterns of organising services, labelling activities, arranging terms and conditions and allocating responsibilities across management tiers” (p6).
- 2.3 In recognition of the significance of the proposals, the great deal of interest tri-borough has created, and the many questions that still exist, the Tri-borough Progress Report was released in early May and presented to Cabinet on 9th May. The rationale for this update was to allow a wider range of comment on the working papers so as to better inform the recommendations and proposals for implementation that will be put to Cabinet on 27 June.
- 2.4 In summary the Progress Report is divided into three sections. Part One comprises a summary by the three Chief Executives, Part Two provides an analysis of the key issues and findings from proposals to date, and Part Three provides:
 - Detailed proposals for combined Fostering and Adoption, Youth Offending, Environment and Libraries Services and for the creation of a single Local Safeguarding Children’s Board (LSCB).
 - Progress papers on Adult Social Care, Corporate Services and other parts of a proposed Children’s Tri-borough service.
- 2.5 Ten recommendations on developing tri-borough were presented to and agreed by Cabinet on 9th May. These are included in the Cabinet Report but are attached here for ease of reference, as Appendix 1.
- 2.6 In summary the agreed recommendations:
 - Note the positive public response and endorse work to continue developing robust business cases for presentation in June and July.
 - Highlight the continued confidence in achieving the £35 million savings target. Chief Executives believe the Progress Report illustrates savings which have been validated to a firmer level of assurance.
 - Propose to develop more detailed plans and business cases for the sharing of services in children’s services, adult social care, corporate services and libraries.

- Note the first stage proposals for sharing environmental services between Kensington & Chelsea and Hammersmith and Fulham with an invitation to Westminster to later combine as contractual arrangements allow.

2.7 **Discussion Points:** In relation to general developments, Scrutiny Commission Members may wish to seek information and assurances on the following issues:

- i. **Robustness of savings:** What is the view on the robustness of the savings case being presented for Tri-borough? Is it currently sufficient to warrant proceeding with business cases, when presented, for the sharing of services?
- ii. **Portfolio Management Office:** The original Tri-borough Proposals Report, published in February 2011, made reference under implementation plans to the need for the establishment of a Portfolio Management Office. This Office was to be tasked with overseeing the overall delivery of Tri-borough including ensuring effective governance arrangements, clarifying and tracking savings delivery, providing programme support and managing risk. Specific proposals were to be developed between February and April but the Progress Report makes no reference to it. What is the current status regarding the Portfolio Management Office? Has it been established, how does or will it report to members and what are the costs attached to it? If it has not been established then is it leaving a hole in terms of ensuring effective governance and delivery of savings?
- iii. **Cost of developing plans and effect on services:** The Progress Report illustrates the significant work that has already gone into investigating possibilities for sharing services. Has this use of resources been factored into the savings case and what assurances can be provided that it has not and will not distract from the critical priority of providing high quality front line services?
- iv. **Support for proposals:** The Cabinet noted the positive public response to proposals. What contingencies are in place in the event that general support for the proposals declines?
- v. **Proposals not being taken forward:** Since the initial announcement in October 2011 that the three councils would look to share services, what proposals are now unlikely to progress and for what reasons? Furthermore, how is this likely to impact upon overall savings?
- vi. **Appropriateness of services for sharing:** Are the services currently selected for tri-borough the most appropriate ones and are there others that should be included in taking forward proposals?

- vii. **Challenges:** What are the current and expected challenges in terms of progressing plans to share services? What are the barriers that have been raised to date, both in specific areas and more generally, and how are they being overcome?
- viii. **Organisational differences:** How are cultural/organisational differences affecting the development of plans and what are the implications of moving to share services before they have been streamlined on an individual borough basis first?
- ix. **Forward timetable:** Much reference is made to preparing business cases for the June Cabinet. Can a timetable be provided which outlines developments beyond June?

Expected Progress by June Cabinet

- 2.8 It is expected that the following information will be presented to Westminster City Council's Cabinet meeting on 27th June:

Children's Services

- Detailed business plans for combined Fostering and Adoption and Youth Offending Services and a single Local Safeguarding Children's Board (LSCB).

Adult Social Care

- Full costed outline of a combined Adult Social Care commissioning hub, with savings attributed on a borough basis.
- Further details and analysis of proposals around integrated provider services.
- Detailed timelines outlining key decision points.

Libraries

- A detailed business plan for the creation of a single integrated library service, with local branding and delivery in line with local community needs and requirements. This will include the creation of a single joint management structure.

Corporate Services

- Business plan for the procurement of an out-sourced managed service in key corporate services – known as Project Athena.

- 2.9 Scrutiny committees should therefore be in a situation to review business plans, as outlined above, around the time of the 27th June Cabinet meeting. Please see Part B for a more detailed overview of arrangements for scrutiny of tri-borough proposals.

- 2.10 **Discussion Point:** Much reference is made to the need to prepare business plans for Cabinet meetings. Are committee chairmen satisfied that scrutiny committees have been given and will have the opportunity to feed into developments and adequately scrutinise business plans?

Furthermore, in terms of the need to develop a programme of scrutiny of tri-borough, what assurances are there that timetables will not be put back further.

- 2.11 The significance of putting back timescales is set out on page 35 of the Progress Report which highlights issues including periods of uncertainty affecting staff retention and motivation, delaying savings leading to the need for more significant savings in the future and the need to align with the timescales of partner organisations.

Sovereignty Guarantee and Member Protocol

- 2.12 The Progress Report makes numerous references to the development of proposals in line with the Sovereignty Guarantee. A set of principles to ensure residents, service users and Members benefit fully from the move to combined services is outlined on page 13 of the Progress Report.
- 2.13 Of particular note is the Member Protocol which commits departments with combined services to providing Members with an accountable, flexible and responsive service. This includes agreeing a regular pattern of meetings with Cabinet Members and arrangements on which officials may most appropriately represent the service at events such as scrutiny meetings.
- 2.14 **Discussion Point:** Scrutiny committees will want firm guarantees that any proposals to develop shared services will not adversely impact on their ability to hold services to account. Allocation of time/resources in business plans and/or job profiles to such responsibilities would be one such consideration.

Public and Community Views on Tri-borough

- 2.15 Residents, stakeholders and staff across all three boroughs have been surveyed in order to ensure the Tri-borough proposals take into account the views of key groups. In February-March 2011 boroughs carried out a telephone survey of residents aged 16 and over from across the three authorities, from which 1,500 responses were received.
- 2.16 The full details and results of the research are set out in the Tri-borough Online Survey Report (May 2011), the Tri-borough Resident Survey (April 2011), and Tri-borough Staff Survey (March 2011), which are named as background papers to this report.
- 2.17 In summary the research across the three boroughs shows the majority of residents, stakeholders and staff, support the principle of sharing all or some council services. Around three quarters feel at least some services should be shared (residents 77%, staff 77% and stakeholders 75%).

- 2.18 Awareness of discussions on Tri-borough among staff and stakeholders is high, with over nine in ten saying they have heard of this. Around half of residents say they have heard discussions on Tri-borough. However, few across all groups have in-depth knowledge about Tri-borough and all three councils need to ensure residents, stakeholders and staff are informed about and engaged in discussions around Tri-borough proposals.
- 2.19 Expectations around what Tri-borough could achieve are particularly high among residents and stakeholders. A significant proportion of both groups expect the range of services the council offers to increase, expect the quality of services the council offers to increase and expect value for money to increase. Staff however do not expect Tri-borough to make as significant a difference to the quality and range of services.
- 2.20 Residents and stakeholders are also more optimistic about the financial benefits of Tri-borough. Around two thirds feel the sharing of services will help their council meet the financial challenges it faces. Staff are less convinced Tri-borough can deliver this.
- 2.21 According to residents and staff, the most important things Tri-borough should achieve are reduced costs and provision of higher quality services. Staff however are concerned that this will not be achieved due to the logistics of aligning services.
- 2.22 **Discussion Point:** Given that staff are more aware of Tri-borough proposals, what is the significance of staff being less convinced as to the reality of making savings and providing higher quality services?

Adult Social Care

- 2.23 A detailed progress report on adult social care is set out from page 40 in the Progress Report. In terms of taking proposals forward page 42 states that: "Boroughs need to move rapidly in order to make early savings and thus protect front line services. Other parts of the healthcare landscape are moving to different timescales. This means taking an incremental approach towards achieving our goal".
- 2.24 **Discussion Point:** The current 'listening exercise' on Government proposals to restructure the provision of health services presents an interesting case in terms of effects on tri-borough plans. Similar issues are referenced in relation to the progression of plans for a tri-borough education service. To what extent are tri-borough plans future-proofed against national policy changes and where is the right balance in relation to making early savings and taking an incremental approach to align with the wider policy landscape?
- 2.25 Page 44 includes principles 6 and 7 which read as follows:

“6. Sovereignty discussions, like now, are likely to be a product of conversation between senior staff and the Cabinet Members and the Cabinet Member and her/his colleagues.

7. These discussions need to be – again as now – diared and predictable so that Cabinet members are not left frustrated that they cannot get traction for their thinking, and problems, once identified, get appropriate discussion time”.

- 2.26 **Discussion Point:** Principle 1 does refer to the need for a senior manager at director level in each authority to represent the department within the core functions of the Councils. However, the principles include limited reference to the role that scrutiny can play both in terms of reviewing performance and proactively developing policy.

Children’s Services

- 2.27 Timescales for implementation for combining Fostering and Adoption (page 61 of the Progress Report), the Local Safeguarding Children Board (page 71) and Youth Offending Services (page 80) all include reference to having Cabinet approval granted in May 2011.
- 2.28 **Discussion Point:** Given that business plans have not yet been agreed, what are the implications for longer term implementation timescales? Will the whole process be put back or is there flexibility built into the timescales?
- 2.29 Pages 17-24 of the Progress Report outline the savings by programme of tri-borough proposals. Approximately £11.6 million of savings by 2014/15 are identified as being achievable within children’s services, making up 32% of the total savings. A major element of these savings is categorised as “potential savings from remaining services”, which makes up £5.6 million of the £11.6 to be saved by 2014/15 (or 15% of the total savings).
- 2.30 **Discussion Point:** Given the scale of the savings identified as existing within remaining services (those not already being progressed for tri-borough arrangements), is there any more information on exactly where and how those savings might be made.

Libraries

- 2.31 Page 84 of the Progress Report notes that possible savings could be made by harmonising salaries across authorities which would include all employees having the same terms and conditions. Specifically, it is identified that up to £425,000 could be saved if all staff across the tri-borough library service are harmonised to the lowest salary point for their role. However, it is noted that “it is not appropriate to do this just for libraries so would need to be implemented in line with overall tri-borough procedures and timescales” (p84).

- 2.32 **Discussion Point:** In the short term, most front line staff will still be employed on their existing borough's terms and conditions. However, as the Progress Report highlights (on page 85) there is a question as to whether harmonisation is realisable. Seeing as it is being initially allocated to make a saving of £425,000 in 2013/14, what are the implications if such a saving is not achievable? Furthermore, if harmonisation does occur, have factors such as staff morale and the impacts on recruitment and retention been considered?

Corporate Services

- 2.33 The Progress Report provides an update on approaches in relation to Finance, HR, IT, Property and Facilities Management and Legal. This information can be found on pages 104-106 of the Progress Report and pages 26-27 of the Cabinet Report.
- 2.34 Initial work has begun on Project Athena (see page 117 of the Progress Report) to look at a fully outsourced managed solution for a number of corporate managed services that could provide a route to the three boroughs sharing these key support services.

Discussion Point: It has been noted that different ways of working in the three boroughs, particularly around IT systems, Finance, Procurement and HR procedures, present challenges in successfully supporting and facilitating moves to combined arrangements. To what extent may such issues hold back moves toward tri-borough services, or is it possible to progress and work out issues as they arise?

3. PART B: Scrutiny of Tri-borough Proposals

- 3.1 The scrutiny of tri-borough proposals is a standing item on all committees with a portfolio that would be directly affected by the plans – this is every committee apart from City Management and Transportation. However, at the time of writing, it is expected that scrutiny committee portfolios will change to reflect the alterations to Cabinet Member portfolios. Committee work plans will be amended accordingly.
- 3.2 Committees have already been scrutinising proposals and monitoring developments and the Scrutiny Commission held a special session on 15 March 2011 to review the Tri-borough Proposals Report and begin the discussion at a higher strategic level. The minutes from that meeting were included in the papers that went to Cabinet on 9th May.
- 3.3 One issue is that the pre-arranged timetable of scrutiny committee meetings does not necessarily align with the timescales for bringing business cases and further updates to Cabinet meetings for sign-off and discussion. In such cases where timetables do not effectively align, members are advised to consider holding a special committee meeting, particularly if business plans are to be presented. Scrutiny also has the power of 'call-in' in the event that a committee feels it has not had the opportunity to adequately scrutinise proposals.
- 3.4 The following update highlights how tri-borough is due to be scrutinised by each committee.

Westminster Scrutiny Commission

- 3.5 The next commission is scheduled for Tuesday 5th July. This will provide an opportunity to review any business plans and updates submitted to Cabinet on Monday 27th June as well as the outcomes of that meeting. As each committee is focusing on its respective area the commission will review general progress and issues surrounding sovereignty, reversibility, local accountability and governance.

Children and Young People Policy and Scrutiny Committee

- 3.6 The committee has been reviewing progress since 2010 and included tri-borough as a major item on its agenda on 22nd March 2011. The committee intends to hold a dedicated meeting on Tri-borough on 14th June where it is hoped it will be possible to scrutinise the business plans that will be presented to Cabinet.
- 3.7 Work is ongoing on the creation of a Shared Children's Services Task Group to monitor developments and it is the intention to invite all committee members to a tri-borough meeting with counterparts in the other boroughs.

Society, Families and Adult Services Policy and Scrutiny Committee

- 3.8 An update on Tri-borough Proposals was presented to the committee on Wednesday 11th May. The update stated that in June, Cabinet will make a decision on the plans for joining up commissioning and integrating provider services.
- 3.9 The committee will be in a position to scrutinise plans at its next meeting on 18th July but is considering setting up a meeting nearer to the Cabinet on 27th June to specifically look at tri-borough.

Housing and Community Services Policy and Scrutiny Committee

- 3.10 Libraries, including Tri-borough proposals, were the subject of detailed scrutiny on 12th April 2011. As a result, committee members have decided to visit libraries across the three boroughs to familiarise themselves with the services provided.
- 3.11 The committee is due to scrutinise the more detailed plans being presented to the Cabinet on 27th June at its next meeting on 11th July.

Finance and Resources Policy and Scrutiny Committee

- 3.12 The committee heard a verbal update on Tri-Borough at its last meeting on 29 March from the chairman Cllr Havery, who fed back his thoughts on the Westminster Scrutiny Commission.
- 3.13 The committee will have a major role to play in scrutinising the Tri-borough Proposals, and it has therefore been added as a standing item to the work programme. It will be looked at on 8 June 2011, 19 September 2011, 14 December 2011 and 19 March 2012.
- 3.14 The committee will look in detail at the Finance, IT, HR, organisational transformation legal and facilities management proposals which are all expected to be taken forward through tri-borough.
- 3.15 Service areas not being considered because they are being maintained on an individual borough basis for the moment include corporate procurement, property services, committee support, electoral services, external communications, policy and business support.

Built Environment, Business, Enterprise and Skills Policy and Scrutiny Committee

- 3.16 The committee received a report on Tri-Borough at its meeting on 5 April, outlining that there are very few direct references to services within the Built Environment and Business Enterprise and Skills portfolios in the Tri-Borough proposals, and of those that are

mentioned, they are generally not being taken forward as part of these proposals.

- 3.17 Next steps as outlined in the Tri-Borough report agreed that while the potential savings are small, the three councils agree in principle to the amalgamation of the dangerous structures service of the building service, and look at further integration across the service as opportunities arise. The three Councils also agreed to commission further detailed work to explore the amalgamation of Environmental Health.
- 3.18 The Tri-borough Proposals have been added as a standing item to the work programme for the committee. It will therefore be considered on 7 June 2011, 13 September 2011, 6 December 2012 and 5 March 2012.

City Management and Transport Policy and Scrutiny Committee

- 3.19 The committee will look at Tri-borough on 21 June 2011. The only elements covered are Parks, Transport and Highways and Parking Back office (called 'Environmental services' in the Tri-Borough proposals report). Current proposals only include K&C and H&F, with an invitation to WCC to later combine as contractual arrangements allow. More detailed plans are also expected at the 27 June Cabinet meeting.

Background Papers

Report to Cabinet: Tri-borough Proposals Update – 9 May 2011

Tri-borough Online Survey Report – May 2011

Tri-borough Progress Report – May 2011

Tri-borough Proposals Report – February 2011

Tri-borough Resident Survey – April 2011

Tri-borough Staff Survey – March 2011

Appendix 1: Recommendations presented to and agreed by Cabinet on 9th May 2011

RECOMMENDATIONS

General

1. To note the positive public response to proposals and endorse work to continue developing robust business cases for presentation in June and July for approval.
2. To note that draft business cases highlight continued confidence in achieving the £35m savings target

Adult Social Care

3. To mandate formal negotiations with Central London Community Health around integrated health and social care services, with a view to putting firm proposals before Cabinets later in the year.
4. To mandate continued discussions with GP consortia around joint commissioning arrangements
5. To note the intention to put proposals for a single Director of Adults' Commissioning and for the creation of a combined commissioning hub to June Cabinets.

Children's Services

6. To agree firm proposals for combined Fostering and Adoption and Youth Offending services, and for a single Local Safeguarding Children's Board; with further recommendations to be put to June Cabinets.
7. To note the intention for firm proposals around a single management team to be recommended to June Cabinets. To note that proposals for a combined Education Service are being reviewed to ensure they reflect current policy requirements and that a further report will be brought to June Cabinets.

Corporate services

8. To note the progress in developing proposals and the intention to bring more detailed cases particularly for combined HR, IT and Finance services to June Cabinets.

Libraries

9. To note the firmer proposals around a combined library service and to invite public comment and views from scrutiny committees. Recommendations to endorse further developed proposals to be put to June Cabinets

Environmental services

10. To note the first stage proposals for a combined Kensington and Chelsea and Hammersmith and Fulham senior management team and plans to begin the process of reconfiguring services; with an invitation to WCC to later combine as contractual arrangements allow. To bring a more detailed implementation plan to June Cabinets.