

**SHARED AND INTEGRATED SERVICES PROGRAMME**

**To:** Communities & Partnership Committee

**Meeting Date:** 31 May 2018

**From:** Amanda Askham, Head of Transformation

**Electoral division(s):** All

**Forward Plan ref:** **Key decision:** No

**Purpose:** To provide an overview of the work on the Shared and Integrated Services Programme.

To seek endorsement for the opportunities identified and the vision and direction of the Programme.

To seek endorsement from Committee to the proposed scope and approach for the programme.

**Recommendation:** Communities and Partnerships Committee is asked to:

a) Comment on and endorse the principles of the Shared and Integrated Services Programme as set out in section 2.2

b) Comment on and endorse the work to date on the Programme and the opportunities identified in section 2.3

c) Comment on and endorse the projected programme benefits as set out in section 2.5

d) Endorse the proposals that it is a whole-Council initiative, led by the Communities and Partnership Committee but supported by all directorates and committees and developed as a joint programme with Peterborough City Council.

e) Note that resource requirements for each work stream are still to be determined and that it is likely that General Purposes Committee will receive a proposal for investment from the Transformation Fund to facilitate the delivery of benefits.

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## 1. BACKGROUND

- 1.1 Cambridgeshire County Council and Peterborough City Council have come together with the support of their Members to explore the merits of shared and integrated services, looking at how we might further develop our close working relationship to reduce cost to serve, avoid duplication and ensure that we put outcomes for people at the heart of service delivery.
- 1.2 In November 2017, General Purposes Committee noted Peterborough City Council's request to the Chief Executive to explore delivery of further shared services with other local authorities to protect front line services and asked that these opportunities were also explored on behalf of Cambridgeshire County Council.

The proposed scope of the programme is to identify and maximise opportunities in the following areas:

- Sharing back office functions
- Reducing leadership costs
- Maximising purchasing power
- Reducing duplication of systems and processes
- Reducing estate costs
- Building resilience through shared teams, shared systems and processes

Opportunities could take a number of forms but principally the aim is to save money, make efficiencies and manage demand on Council services.

- 1.3 In January 2018, members in Cambridgeshire County Council and in Peterborough City Council approved the following opportunity areas for year one of the Shared and Integrated Services Programme:
- *Work stream one:* opportunities for shared services in corporate and 'back office' functions.
  - *Work stream two:* further integration of services in the People and Communities Directorates of each council.
  - *Work stream three:* additional opportunities for shared or integrated service delivery across both councils, with a particular focus on placed based services in year one.

Each of these work streams has been broken into work packages to enable clear governance, robust monitoring and reporting and timely benefits realisation.

In addition to these work streams, work will continue across both Councils to identify additional areas where integration, shared services or closer collaboration will deliver a range of financial and non-financial benefits. It is anticipated that additional work packages will be added to the programme during year one.

## 2. DEVELOPING THE MODEL FOR SHARED AND INTEGRATED SERVICES

- 2.1 Over the last 2 years, Cambridgeshire and Peterborough Councils have been working closely and already have several shared senior roles - including the Chief Executive - and an increasing number of shared or fully integrated functions and services:

Public Health including a joint commissioning unit  
Children – MASH, Counselling Service  
Adults - Delayed transfers of Care, Mental Health, Carers  
Domestic Abuse Service  
Joint Adult and Children Safeguarding Boards  
Trading Standards  
Minerals and waste planning  
Registration services

The relationship has been fruitful and positive, delivering savings for both councils and improving outcomes for citizens in both places.

Both councils have similar strategic goals and offer many of the same core services to their communities. Although there are fundamental differences in the profile, size and scale of the councils and diverse communities exist within and across current council areas, these factors support rather than preclude closer integration.

Each council has been successful to date in meeting budget challenges without significant service reductions however, the predicted increase in complexity and demand over the next three years means that situation is becoming unsustainable for both councils and particularly for Peterborough as a smaller, unitary council.

	<b>Peterborough</b>	<b>Cambridgeshire</b>
Population	198,000	652,000
Gross Budget	£433m	£781m
Net Budget 17/18	£142m	£356m
FTE	1,115	3,518

- 2.2 As part of the scoping and feasibility work, a cross council workshop of Directors and key officers agreed the design principles for the initial stages of the programme. The group agreed that **all areas of both Councils** should be considered in scope and that the following principles should be applied when considering all options:

- be outcomes focused not organisation focused;
- put people at the heart of a system that makes sense to them;
- maximise opportunities for generating income and reducing costs;
- be bold and innovative;
- manage demand to meet future needs;
- preserve and maintain local representation
- use evidence and best practice to ensure that what we deliver has the best chance of success.

Participants also focused on the system leadership behaviours, well planned communication and engagement and clear governance that will all be essential to the success of the programme.

- 2.3 During December 2017, a piece of work was undertaken to identify areas of opportunity to be proposed for further exploration and analysis. This work was commissioned by the Shared and Integrated Services Programme Board (comprised of members of the Strategic Management Team in Cambridgeshire CC and the Corporate Management Team in Peterborough CC) and carried out by a working group comprising officers from both councils. The working group provided access to management information held by each of the councils and assisted in the compilation and analysis of the data.

From this work, three areas of opportunity were identified:

1. Shared services in corporate and 'back office' functions.
2. Further integration of services in the People and Communities Directorates of each council.
3. Integration of a range of place based services and functions

The initial desktop analysis of opportunity areas will be tested, refined and validated in the next phase of the programme with detailed analysis and development of business cases to confirm the benefits and delivery methods. Feasibility studies will be completed for each area of potential, taking into consideration:

- operational and financial efficiency
- strategic fit
- local identity, diversity and demography
- potential economies of scale
- transition plans including governance and cost
- potential for quality improvement

- 2.4 Governance and reporting for the Programme has been established with the Communities and Partnership Committee setting the scope, vision and overarching principles, monitoring progress and ensuring that the work under this programme supports outcomes for communities and positively contributes to the way the system works across a range of partnerships. As part of the programme plan, business cases for change will be brought to Service Committees for decision making and these business cases will clearly show how each initiative supports the overall programme outcomes and agreed principles.

Monthly meetings of the Programme Board will ensure pace and progress on all work streams. The Senior Responsible Officer (SRO) for each work package will be accountable for providing a monthly highlight report to the Programme Board and will be supported by a Programme Team.

Regular meetings and workshops will be programmed for the SROs to develop their areas of transformation and provide opportunities for collaboration, shared learning. Additional support from corporate and service colleagues in both councils will be made available as required to drive delivery of the three priority work streams. Members will be involved in these.

A Programme Delivery Group has been established to make formal links between Finance, ICT, HR, Communications, Transformation and Business Intelligence colleagues across both Councils. This group will also ensure SRO highlight reports are quality assured and provide the necessary information required by the Programme Board. This group is supported by the Programme Team.

- 2.5 A Programme benefits tracker will be updated monthly and monitored through the Programme Board and an urgent and critical work package has been initiated to develop the financial and legal protocols which will underpin the Programme.

The financial benefits of the Shared and Integrated Services Programme are being built into the Business Planning process of each Council as they emerge. In Cambridgeshire the savings from Shared and Integrated services which are already built into the 5 year Business Plan are in 2018/19:

C/R.6.101	Shared Arrangements with Peterborough City Council -savings from specific opportunities to share activities and learn from best practice.	-£300k
A/R.6.227	Strategic Review of the LA's ongoing statutory role in Learning	-£324k
F/R.6.109	Outcome focused review of Property Services Delivery (efficiencies within business processes, space sharing and sharing teams across partner organisation)	-£200k
C/R.6.102 A/R.6.001 B/R.6.002 F/R.6.001	Organisational review savings (reviewing spans of management controls and amendments to terms and conditions, achieving more common and standard arrangements across Councils)	-£800k
<b>Subtotal</b>		<b>£1,624k</b>

- 2.6 As this is a developing programme of work, where opportunities continue to be quantified, Cambridgeshire has not yet assigned specific spending reductions solely from Shared and Integrated Services after the 2018-19 plans. However,

- With unidentified savings gaps of £12m in 2019-20 and a further £15.7m in 2020-21 at CCC, it is clear that the Councils will need to be ambitious about savings delivery from this programme in terms of cost reduction. This is about spending less through working together, such that some further (as yet unquantified) contribution can be made to those savings gaps.
- In addition, it has been estimated that already planned and identified Council-wide savings in the region of £5.5m the period 2019-2023 will be best enabled through the benefits and alignment that the programme delivers. In other words the strategic capacity and scale detailed below will be crucial to our cost management, this will mean Cambridgeshire's service delivery costs less due to the wider organisational benefits of integration.

- 2.7 In addition to financial benefits, the significant benefit of the Shared and Integrated Services is the opportunity to enhance strategic capacity, which includes:

*Scope to undertake new functions and major projects to enhance collaboration across public services in Cambridgeshire and Peterborough*

The two councils have already have taken steps to enhance regional collaboration, through the Combined Authority, the NHS Sustainability and Transformation Partnership and community lead projects. Further integration of the two councils would have the ability to directly increase this regional collaboration.

*A more robust revenue base for both Councils*

Savings for both Councils would mean an increased revenue base across the region - to support growth, employment and living standards - and by having a more stable revenue base, the impact of any adverse growth effects is minimised.

*Ability to employ and retain a wider range of skilled staff*

As the two Councils join services, there will be increased opportunity for development and progression for the workforce in both PCC and CCC. This will lead to better recruitment and retention and encourages a diverse range of professional skills and qualities.

*Fostering learning, creativity and innovation*

Research shows that 'cross pollination' of staff between organisations and sharing of skills, knowledge and behaviours fosters a culture of creativity and increased innovation. In the current technology-led era, contemporary service delivery models and innovative practice can radically improve services to communities, especially in remote rural areas.

*Advancing skills in strategic planning and policy development*

These higher order conceptual skills increasingly demand well developed research, analysis and community engagement. With centralised services and targeted resource, both Councils will have more scope to invest in staff and external specialists and to build the engagement of Councillors and communities in these processes.

*Enhancing credibility for more effective advocacy*

Closer working between the two authorities will give both Councils a louder voice when it comes to working with local and national government, public and third sector partners and business leaders. This can help to influence outcomes and bring about change that may otherwise be lost against competing demands from other regions.

*Stronger partners for other public sector organisations*

As we align Council services across the Peterborough and Cambridgeshire footprint, it will be easier for partner organisations – Health, Police, Fire, and District authorities – to engage with us to meet common goals for communities.

*Better equipped to cope with complex and unexpected changes*

Sharing or fully integrating services will give both Councils greater resilience against challenging circumstances, allowing us to deploy resource effectively to cope with sudden or complex change.

### *Potential for higher quality political and managerial leadership*

Larger, stronger councils have a greater ability to attract, remunerate and retain more highly skilled and experienced leaders, both at the political and executive management levels.

Delivery of these strategic benefits will be reliant on political leadership, good governance and effective management arrangements as well as the compatibility of Cambridgeshire and Peterborough Councils in relation to their scope of services and strategic direction.

- 2.8 During May and June, business cases and implementation plans will be developed for all work packages and resourcing requirements for each work stream will be identified as part of project plans. Investment from the Transformation Fund will be required to support the ambitious change programme and business cases and bids will be submitted to the General Purposes Committee to be evaluated against the fund criteria at the appropriate time. As part of the initial opportunities appraisal, Peterborough City Council also committed to funding for the Programme which will be consider through appropriate Member governance.

## **3. ALIGNMENT WITH CORPORATE PRIORITIES**

### **3.1 Developing the local economy for the benefit of all**

### **3.2 Helping people live healthy and independent lives**

### **3.3 Supporting and protecting vulnerable people**

The Programme will be outcomes focused, ensuring that all corporate priorities are taken into account when developing proposals for every service and function.

## **4. SIGNIFICANT IMPLICATIONS**

### **4.1 Resource Implications**

As with all major change programmes, additional corporate and service resource will be required during the discovery, design and implementation phases. As reported in section 2.6, a bid to the Transformation Fund in Cambridgeshire CC and a business case for funding in Peterborough CC will be submitted once programme resource requirements and financial protocols have been fully developed.

### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

All work streams of the programme will consider whether changes to policy and practice across procurement and contractual areas will have a positive impact on delivery of benefits and outcomes for citizens in Cambridgeshire and Peterborough. Any proposed changes will go through the programme governance framework.

#### **4.3 Statutory, Legal and Risk Implications**

The legal arrangements for sharing services between Councils are being developed and will be proposed to the Programme Board in May for recommendation to Members in both Councils by July.

There are existing service pressures and financial targets in both Councils which will have to be managed alongside the roll-out of new shared and integrated models. SROs and the Programme Team will need to ensure that short-term action to deliver cash savings do not undermine the longer term vision but equally that the work progresses as quickly as possible so as to deliver in year savings.

#### **4.4 Equality and Diversity Implications**

Community Impact Assessments will be undertaken when changes are being proposed to existing service, policy, strategy or function through the Shared and Integrated Services Programme.

#### **4.5 Engagement and Communications Implications**

The communications and engagement work stream will be critical to the success of the programme. An initial briefing was published on Camweb in March and partner briefings have started in a number of forums.

<https://camweb.cambridgeshire.gov.uk/our-organisation/where-we-work-how-we-work-who-we-work-with/shared-services/>

#### **4.6 Localism and Local Member Involvement**

Member engagement will also be critical to the success of the programme and work through the Communities and Partnerships Committee will explore local engagement around design of new services and functions.

#### **4.7 Public Health Implications**

The Programme will be outcomes focused, ensuring that all corporate priorities and public health implications are taken into account when developing proposals.



<b>Implications</b>	<b>Officer Clearance</b>
<b>Have the resource implications been cleared by Finance?</b>	Yes Tom Kelly
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?</b>	No implications at this stage - proposals still in development.
<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	No implications at this stage - proposals still in development.
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	No implications at this stage - proposals still in development.
<b>Have any engagement and communication implications been cleared by Communications?</b>	Yes Christine Birchall
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Yes Adrian Chapman
<b>Have any Public Health implications been cleared by Public Health</b>	No implications at this stage - proposals still in development.

<b>Source Documents</b>	<b>Location</b>
None	