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| Committee: | Executive | Agenda Item No.: | 14 |
| Date: | 17 March 2014 | Status | Open |
| Subject: | Delivering Differently | | |
| Report by: | Executive Director - Operations | | |
| Other Officers Involved | Chief Executive, Executive Director - Transformation | | |
| Director | Executive Director - Operations | | |
| Relevant Portfolio Holder | Leader of the Council | | |

RELEVANT CORPORATE AIMS

STRATEGIC ORGANISATIONAL DEVELOPMENT – to continually improve the efficiency and effectiveness of all Council Services by maximising the potential use of Council resources.

TARGETS

VALUE FOR MONEY

The work outlined within this report is designed to help ensure that shared services are utilised as a mechanism to provide good value for money to local residents.

1 Background Information

- 1.1 The Council has a well established Strategic Alliance with North East Derbyshire District Council which has secured significant financial savings for Bolsover District Council whilst assisting in protecting service delivery. In addition to the Strategic Alliance the Council participates in a range of partnership working with other local authorities including Bassetlaw, Chesterfield, Derbyshire County Council and Derbyshire Dales District Council. Given the ongoing financial pressures which face local authorities it seems appropriate that the Council should continue to explore all opportunities for joint services or partnership arrangements to secure both financial savings and improved service resilience.
- 1.2 Over recent weeks Officers have been exploring two options for extending the advantages of joint working. The first of these options is that we look to reach agreement to undertake procurement jointly with the Chesterfield Royal Hospital based at Calow in response to the fact that the current procurement consortium has lost some of its key Officers. The second concerns an application to a Government programme Delivering Differently which would have facilitated Bolsover District Council developing opportunities arising from enhanced partnership working with

North East Derbyshire District Council, Chesterfield Borough Council and Derbyshire County Council in order to progress Shared Services / Joint Working as a means of securing financial efficiencies whilst protecting and where possible enhancing services to local residents.

3 Procurement Arrangements

- 3.1 For a number of years the Council has operated within a shared Procurement function with other District Councils. The original host authority for this Joint Working was Bolsover District Council but from July 2013 the host role moved to Bassetlaw. While these arrangements have worked well neither host authority has been able to retain its qualified and experienced procurement staff. This reflects the fact that in the current market qualified and experienced procurement officers are able to command a salary which is significantly above local authority pay scales. Together with North East Derbyshire District Council we are now in the process of moving away from our current procurement arrangements with effect from 31 March 2014.
- 3.2 Officers have explored the available options but at this point in time the favoured option is that we enter Joint Procurement Arrangements with the Chesterfield Royal Hospital at Calow. The Royal Hospital has appropriately qualified and experienced procurement officers including staff with recent local government experience. Given that we are in the final stages of ending our arrangements with Bassetlaw District Council Officers are looking to agree contractual arrangements with the Royal Hospital which would commence with effect from the 1 April 2014. These negotiations are currently being undertaken jointly with North East Derbyshire District Council and it is intended that the contractual arrangements will cover a five year period. Cabinet should however note that Chesterfield Borough Council – which left the current consortium when the host role moved away from Bolsover – is considering whether to become a part of the new arrangements. While it is intended that the consortium with the Royal Hospital will be at the centre of our arrangements from 1 April 2014 we would seek to continue to work closely with a range of other authorities such as Chesterfield – if they decide not to become formal members – Bassetlaw, other Derbyshire Districts and Derbyshire County Council. These informal arrangements would both enhance our purchasing power with suppliers and ensure that the most effective use was made of the limited procurement resource currently available to local authorities.
- 3.3 Given the importance of securing appropriate procurement support at the earliest opportunity both to ensure value for money and to ensure compliance with the procurement legal framework it is recommended that delegated powers be granted to the Chief Executive in consultation with the Leader of the Council to enter into appropriate arrangements with the Chesterfield Royal Hospital. The costs arising from any proposed arrangements will be contained within existing budgets.

4 Enhanced Partnership Working with Chesterfield Borough Council, North East Derbyshire District Council and Derbyshire County Council

- 4.1 Bolsover District Council has significant experience of joint working with other local authorities. Whilst the most high profile of these is the Strategic Alliance with North East Derbyshire District Council there are a range of arrangements which also include Chesterfield Borough Council including the Crematorium, Building Control

and Internal Audit. ICT is shared with Derbyshire Dales District Council, Derbyshire County Council provides Emergency Planning. Our Partnership Team delivers a wide range of activities by operating with local organisations and securing a range of external funding.

- 4.2 Over recent weeks there have been a number of outline in principle discussions between officers of Bolsover, Chesterfield and North East Derbyshire with the County Council concerning opportunities for collaboration on shared property occupation, on a range of specialist support services such as Occupational Health and some operational facilities management work. These discussions are part of a wider process across Derbyshire where consideration is being given as to what benefits could arise from partnership working and joint services in order to meet a range of increasingly challenging financial targets. While a number of areas have been subject to an in principle discussion no firm proposals concerning new initiatives have at this stage been made between the District and County Council operating within Derbyshire.
- 4.3 At the outset of the current year the Government announced the introduction of a programme of work entitled Delivering Differently which was designed to support initiatives which will enable local authorities to explore options for delivering services in a different way to reflect the tighter financial constraints that local authorities are now operating within. The Programme was offering up to 10 local authorities – either individually or in partnership – the opportunity to submit proposals which could secure up to £100,000 of consultancy support to support implementation of such proposals. In response officers at Bolsover District Council, Chesterfield Borough Council, Derbyshire County Council and North East Derbyshire District Council submitted a bid for Delivering Differently funding. While this bid was unsuccessful Officers have continued to undertake work around developing a range of proposals which could secure reductions in costs and improvements in services.
- 4.4. Bolsover District Council in particular has identified a number of opportunities for property sharing arrangements with the County Council. While Members will be aware that we already work with a range of other agencies at South Normanton and Bolsover Contact Centre there are significant further opportunities for property sharing arrangements which should secure significant cost savings for all participants. The opportunities which are currently being explored are as follows:
- The Arc: Chesterfield College who have remained in partial occupation since Bolsover bought the Clowne Building are now in the process of completing their move away from the Clowne Campus and this move will be completed in the near future. Derbyshire County Council has viewed the building and see it as an ideal location for delivering services in this area of the County. Officers are currently in the process of commencing detailed negotiations the outcome of which will be reported back to Executive.
 - Shirebrook Contact Centre : Officers have been aware for some time that the current contact centre at Shirebrook has a range of limitations and requires extensive refurbishment. The main limitation is the amount of space available to accommodate the service which creates issues for effective service delivery. Officers are exploring a number of options for relocating the contact centre and there would be significant advantages arising from a co-location with other public sector agencies if this can be secured.

- DoeLea Depot: As part of the preliminary discussions with Derbyshire County Council we have identified an opportunity to allow access to the stores facility with the County. For the County this would offer significant advantages as there are very limited facilities in the Bolsover area for acquiring general building and related materials. For Bolsover a more intensive use of the facility would lead to reduced costs.
- 4.5. While the bid for Delivering Differently grant support may have been unsuccessful officers have identified a number of areas where shared working around property rationalisation should secure advantages for both Bolsover and our public sector partners. Further detailed work is clearly necessary to fully develop these schemes but on the basis that the current options are progressed Officers are of the view that these could be in place by the summer of 2014. Given the extent of the resources that will be required to be committed to these schemes it is important that Executive is supportive of the broad principles as set out within this report. Executive should note that in addition to committing staff time there will be significant financial investment required to deliver these schemes. In particular securing the County as a tenant at the Arc will require that a significant refurbishment be undertaken of the workshop building currently occupied by the College, while other work – although of a more minor nature – will be required in the main block. Given the nature of the work that it proposed around property rationalisation and property sharing there is a good fit with the objectives of Efficiency Grant and it is therefore proposed that any remaining Efficiency Grant at the end of the current financial year is placed in a reserve to cover the cost of the work as outlined above. A further call of the 2014/15 Efficiency Grant will also be required, however, the options outlined above will result in ongoing revenue savings for Bolsover District Council and will assist in meeting the savings target in the current financial plan. On the basis that Executive are supportive of the broad principles of property rationalisation Officers will continue to progress these workstreams and will bring a further update report back to the next meeting of this Executive. In order to allow work to progress it is, however, recommended that Executive allocate up to £15,000 of Efficiency grant to be allocated to support the undertaking of feasibility work and surveys.
- 4.6 While much of the progress made to date has been around the issue of property rationalisation there is also a willingness amongst all four Councils to explore the opportunities that may be achievable through wider partnership working. In part this arises from the recognition that while property rationalisation will secure efficiencies from the more efficient use of space there would be greater opportunities for efficiency savings if there was agreement to use this to secure joint reception facilities, exploring the options of mobile working from local bases, etc. It is also clear that by pooling staffing resources and expertise that all authorities should benefit from improved service resilience whilst protecting service delivery to local residents. It is, however, clear that to secure these options will require the development of an ethos of partnership working so that each Council is in a better position to specify and negotiate the level of service that it seeks to achieve.
- 4.7 Work to date has identified a potential range of wider opportunities which could be opened up as a result of sharing property. These include the following:
- Sharing of reception facilities, administrative support and facilities management within particular buildings. There are clearly opportunities for the avoidance of duplication and the sharing of costs.

- An option which needs to be considered is that of shared customer services within a building so that local residents can benefit from accessing the full range of local government services from a single point of contact. Clearly there would be significant work involved in achieving this outcome but equally there are realisable efficiency gains together with the potential for offering improved access to services for local residents.
- Working with the County to develop a more joined up service for unemployed local residents which would cover the payment of benefits and help residents back into work. Given that the general thrust of welfare reform is to weaken the role of District Councils this is an important initiative towards ensuring that services continue to be delivered locally.

4.8. Finally, discussions are taking place around joint working in areas such as Occupational Health, building maintenance and related professional skills where sharing resources, or utilising the skills of public sector partners could secure both financial savings and improved service resilience.

4.9. While initial discussions have highlighted a number of areas for joint working the intention is that joint working or shared services would develop on an incremental basis and that each proposal would be the subject of a business case for consideration by Members. Given the financial position facing all public sector organisations operating in our area there is, however, a view that enhanced partnership working is a key opportunity for managing the ongoing financial constraints whilst protecting the level of services to local residents.

5 Other Options Considered and Rejected

5.1 With respect to procurement the Council needs to secure appropriately qualified and experienced support in order to ensure value for money in our procurement arrangements and continued compliance with the legal and best practice framework. At this point in time there is no realistic option other than a Partnership with the Chesterfield Royal Hospital as neither any of the local Districts or the County Council has arrangements in place which could meet our requirements. We will, however, continue to co-operate with a range of local authorities to ensure that we continue to achieve best value from procurement arrangements.

5.2 With respect to the enhanced Partnership working with Chesterfield, North East Derbyshire and Derbyshire County Council it should be noted that this report is to inform Executive of the work that is currently taking place. While the report is requesting that officers be granted delegated powers with respect to Occupational Health and some facilities management contractual work these are currently services which this Council purchases from outside suppliers. Provided that officers work to ensure that this Council secures value for money these are routine procurement arrangements where a clear benefit to this Council of working with the County may be available. The partnership working arrangements in particular would allow this Council to discuss issues around service standards thereby allowing greater flexibility than current arrangements.

6 Risk

6.1 Issues concerning risk are covered throughout this report. Given the level of financial savings which this and other authorities need to secure over the period of

the current Medium Term Financial Plan there will clearly be risks that the authority will be unable to secure the necessary level of savings to balance its budget, or that the savings necessary will have a major detrimental impact upon the services to local residents. The proposals set out within this report are essentially intended to assist in managing these risks by way of partnership working. They are therefore perhaps best viewed as a way of mitigating the risks that the Council faces.

- 6.2 Executive should also note that while the proposals in this report may ultimately require a significant changes to the way in which our services are delivered that the risk arising from these changes will be minimised by the fact that the process is an incremental one underpinned by service reviews and business cases. Elected Members will be required to consider each case of partnership working on its own merits.

7 Financial Implications

- 7.1 There are no additional financial implications arising out of this report at this stage as all proposals and any agreements for Joint Working or Shared Services will be met from within existing Approved Budgets. In order to progress these initiatives it is, however, recommended that an amount of £15,000 to further the progress of these initiatives be allocated from the Efficiency Grant. Executive should note that the use of such funding will be restricted to feasibility type work.

- 7.2 At this stage it is envisaged that the workstreams outlined within this report will secure ongoing financial efficiencies whilst protecting service resilience for all the Council's involved. The property savings in particular are already part of the savings strategy agreed as part of the Council's Medium Term Financial Plan. Any major proposals will be brought back to this Executive for approval prior to entering into any formal arrangements. Such proposals will be supported by detailed Business Cases demonstrating the prospective level of financial efficiencies that are achievable whilst outlining the associated potential impact upon service delivery.

8 Legal Aspects

- 8.1 The Council's legal team will be consulted upon any proposals prior to entering into any arrangements concerning partnership working as outlined within this report.

9 Risk Management Issues

- 9.1 Risk Management Issues are covered throughout the body of the main report.

10 Equalities Issues

- 10.1 There are no equalities issues arising directly out of this report.

11 Human Resource Implications

- 11.1 The Council's HR team will be consulted upon any proposals prior to entering into any arrangements concerning partnership working as outlined within this report.

12 Environmental Considerations

12.1 There are no Environmental Considerations arising directly out of this report.

13 Crime and Disorder/Community Safety Implications

13.1 There are no Crime and Disorder / Community Safety issues arising directly out of this report.

14 Recommendations

14.1 That Members note the report and request that further reports be brought back to consider opportunities for Partnership Working between the District Councils of Bolsover, Chesterfield and North East Derbyshire together with Derbyshire County Council. Such proposals to be considered within the context of a service review and Business Case.

14.2 That Executive notes that discussions with respect to entering into service level agreements with Derbyshire County Council are progressing concerning both certain property management activities and the Occupational Health service and that delegated powers be granted to the Chief Executive in consultation with the Leader of the Council to enter into such arrangements as will secure value for money for this Council.

14.3 That Executive agrees to allow an amount of £15,000 from Efficiency Grant in order to enable feasibility work to be undertaken in order to progress the joint working opportunities identified within this report.

14.4 That any unspent money expenditure from the 2014/15 Efficiency Grant be 'earmarked' towards meeting the cost of the investment necessary in order to secure the savings achievable from enhanced partnership working.

14.5 That delegated powers be granted to the Chief Executive in consultation with the Leader of the Council to enter into contractual arrangements concerning joint working in respect of procurement with the Chesterfield Royal Hospital.

Background Papers

Location

Delivering Differently Submission.

Room 215