



## Lewes District Council

### Cabinet

**Minutes** of a Special Meeting of the **Cabinet** held in the **Ditchling Room, Southover House, Southover Road, Lewes** on **Wednesday, 25 May 2016** at 1.00pm

#### **Present:**

Councillor A Smith (Chair)

Councillors R Maskell, E Merry and T Nicholson

#### **In Attendance:**

Councillor M Chartier (Chair of the Audit and Standards Committee)

Councillor P Gardiner (Chair of the Scrutiny Committee)

Councillor S Osborne (Leader of the Liberal Democrat Group)

Ms D Twitchen (Tenants' Representative)

#### **Apologies received:**

Councillor P Franklin, B Giles and T Jones

### Minutes

#### **1 Minutes**

The Minutes of the meeting held on 28 April 2016 were approved as a correct record and signed by the Chair.

#### **2 “Stronger Together” Joint Transformation Programme Business Case and Implementation**

The Cabinet considered Report No 70/16 which related to the proposed detailed business case, high level plan and technology arrangements for the implementation of the Joint Transformation Programme between the Council

#### Action

(LDC) and Eastbourne Borough Council (EBC).

In September 2015, Cabinet had approved a strategy for the development of shared services between those councils based on the integration of the majority of council services. Both had significant savings to deliver over the next four years and therefore needed to find new ways to deliver public services for less money. They had a strong established relationship having shared senior posts and services since 2012.

There were four strategic objectives of the Programme namely:

- **Protect services**

to protect services that were delivered to local residents while at the same time reducing costs for both councils to together save £2.8m annually;

- **Greater strategic presence**

to create two stronger organisations which could operate more strategically within the region while still retaining the sovereignty of each council;

- **High quality, modern services**

to meet communities and individual customers' expectations to receive high quality, modern services focused on local needs and making best use of modern technology; and

- **Resilient services**

to build resilience by combining skills and infrastructure across both councils.

The total estimated savings of the Programme was £2.797m with an equivalent reduction of 79 Full Time Equivalent (FTE) posts across both councils. LDC would achieve a higher share of the benefits than EBC because EBC had already delivered significant savings through its Future Model programme and the Joint Transformation Programme inherited the savings target from LDC's cancelled New Service Delivery Model programme.

The budget for the Programme amounted to £6.878m of which £1.275m had been allocated for technology investment that would be required in any event. Therefore, the investment that was required specifically to deliver the Programme was £5.603m which met the financial business case test. Costs and benefits would be shared in the same proportion.

The Programme would be managed in accordance with standard programme and project management methodologies. The Joint Transformation Board would oversee delivery, monitor risks and be consulted on key deliverables and decisions, and the Cabinets would receive regular updates.

It was recommended that the employment model would take the form of a shared services model with EBC acting as the host authority.

The Programme depended on a common approach to information and communications technology (ICT) strategy and service provision, in respect of which a number of options had been considered. It was recommended that application management be performed by a joint internal team and the varying of EBC's contract with SopraSteria Ltd to provide infrastructure management services to LDC. It was further recommended that the Digital 360 platform that was in use at EBC be extended to LDC, subject to commercial and procurement matters being settled satisfactorily. If implemented, it would result in LDC benefitting from the significant investment that EBC had previously made therein.

A joint team of officers across the two councils namely, the Core Team, had worked with Ignite Consulting Ltd to develop the business case which was set out at Appendix 1 to the Report. The work had included some workshops which comprised staff from different teams and levels of both councils in the exploration of the vision, opportunities, similarities, differences and risks of the Programme. The engagement with staff that had started during the development of the business case would continue and increase throughout the implementation of the Programme.

Improvement and Efficiency Social Enterprise (iESE), which was the author of the outline business case that had been considered in September 2015, had also contributed to the work around the employment model. It was a non-profit company which comprised members and directors in local authorities including LDC and EBC. That meant that the two councils were working with a trusted partner which had an excellent insight into how councils across the United Kingdom had delivered shared services using a range of models.

The work on the business case had been monitored and steered by the Joint Transformation Programme Board which comprised the leaders and deputy leaders and the leaders of the main opposition groups of both councils. Such cross-party approach was key to ensuring the maximum degree of consensus in the way the work was directed and minimised the risk of a radical shift in direction part way through implementation of the Programme.

In line with the Treasury's Green Book Guidance for public sector Programmes, both the business case and Report No 70/16 were divided into sections which outlined:

- **The Strategic Case** – which demonstrated how the Programme fitted with the local and national strategic context and how it met business needs (paragraph 3 on pages 6 to 8 inclusive of the Agenda referred);
- **The Financial Case** – which outlined the costs and benefits of the Programme, the capital and revenue implications and the funding required (paragraph 4 on pages 8 to 11 inclusive of the Agenda referred); and
- **The Management Case** – which outlined how the Programme would be managed, including governance, risk, change management, external support and benefits realisation (paragraph 5 on pages 11 to part way down page 21 inclusive of the Agenda referred).

Details relating to the national context of the strategic case were set out in paragraph 3.1 of the Report whilst information in respect of the local context was outlined in paragraph 3.2. Details in respect of the projected savings that were associated with the Programme were set out in paragraph 4.1 of the Report with information relating to the costs thereof being set out in paragraph 4.3. The Management Case set out information relating to several issues which included governance; programme management and plan; the employment model; change management; external support; risk; and benefits realisation.

The following comments were made in response to Councillors questions that were asked at the meeting:

- it was anticipated that, whilst there might be a need for fewer Officers who had specialist/complex knowledge and skills in the new shared service provision, it was likely that those Officers would have an enhanced specialist role and, additionally, would benefit from improved career path opportunities compared with those that currently existed within the two individual councils. Whilst there would be a general move away from Officers working in 'silos', there would remain a need for some Officers to retain specialist knowledge in aspects of the Council's work such as planning, environmental health, housing and benefits ;
- the joint information technology (IT) strategy that was proposed as part of the Joint Transformation Programme required the use of common IT provision across the two councils. However, full implementation of that proposal would not occur during the three years operation of the Programme but, instead, would be developed on an incremental basis as such opportunities arose. The 'Digital 360' information technology platform which was currently used at EBC featured tracked work-flow technology that could link to the line of business applications for example UNIFORM which was used by LDC's Planning Services section;
- an additional existing LDC Officer would be appointed to the Joint Transformation Programme Board to maintain proportionality;
- the Business Case that was set out at Appendix 1 to the Report was a statement of the two council's position at a given point in time. Additional discussion would be undertaken during the progression and development of the Programme during which further consultation would be conducted with staff; and
- there was a need to engage with local community stakeholders in respect of relevant elements of the Programme, as detailed in paragraph 5.3 of the Report on pages 21 and 22 of the Agenda.

The Chair drew Cabinet's attention to an anonymous letter that had been received which set out details of concerns in respect of the Programme. At the invitation of the Chair, the Chief Executive indicated that he respected and understood the concerns that had been expressed in the letter and reaffirmed that it was important for the Council to continue with its enhanced

communication strategy with staff.

The Chief Executive then reported details of some inaccuracies that existed in the letter the first of which had indicated that no LDC Officers served on the combined Corporate Management Team. However, he stated that the Director of Business Strategy and Development and the Assistant Director of Corporate Services were both LDC Officers who served on that Team. He further reported that, contrary to the view that was expressed in the letter that all of LDC's service provision was going to be led by EBC, the Legal shared service and the Property and Facilities shared service were both currently led by LDC officers.

In response to some further points that were raised in the letter, it was reported that:

- the financial calculations that were outlined in the Programme had been carefully reviewed and tested in order that they would deliver the anticipated savings as set out therein, they would be refined and routinely reported to the Joint Transformation Programme Board as the programme developed;
- both councils were required to save approximately a recurring £3m in the next three years in respect of which, the Programme represented approximately 50%. The remaining savings would be achieved through other means such as new income streams and procurement.
- both councils operated the same staff pension conditions and were both members of the East Sussex Local Government Pension Scheme; and
- the Joint Transformation Programme would take account of the comments that were set out in the letter.

Resolved:

- |            |  |                      |
|------------|--|----------------------|
| <b>2.1</b> | That the business case for the Joint Transformation Programme between the Council and Eastbourne Borough Council, as detailed in Report No 70/16, be approved, and that a total of £6.878m across both councils be provisionally allocated to the programme, as detailed in paragraph 4.4 of the Report;   | CE/<br>SHPPT         |
| <b>2.2</b> | That authority be delegated to the Director of Corporate Services to determine the appropriate allocation of costs against revenue and capital funds, as detailed in paragraph 4.5 of the Report;  | DCS                  |
| <b>2.3</b> | That authority be delegated to the Director of Corporate Services, in consultation with the Joint Transformation Programme Board, to determine the methodology for cost and benefits sharing with an overriding principle that joint costs are allocated on the basis of the benefits realisation ratio, as detailed in paragraph 4.6 of the Report; | DCS/<br>CE/<br>SHPPT |
| <b>2.4</b> | That authority be delegated to the Chief Executive, in consultation with the Joint Transformation Programme Board, to run the Programme within the allocated resources, with regular Reports being considered  | CE                   |

- by the Cabinets, as detailed in paragraph 5.1 of the Report on pages 11 and 12 of the Agenda;
- 2.5** That the high level programme plan, as detailed in paragraph 5.3 of the Report on pages 12 and 13 of the Agenda, be approved; CE/  
SHPPT
- 2.6** That the procurement approach and contract variation outlined in Report No 70/16 including the exceptions to contract procedure rules and the proposed changes to information and communications technology service provision, be approved, and that authority be delegated to the Director of Corporate Services, in consultation with the Joint Transformation Programme Board, to negotiate the associated cost of pension protection with the service provider, as detailed in paragraphs 5.10 to 5.13 of the Report; CE/  
SHPPT  
/DCS
- 2.7** That the adoption of the proven 'Digital 360' platform be approved as the basis for the Joint Transformation Programme, subject to procurement, as detailed in paragraph 5.12 of the Report; and CE/  
SHPPT
- 2.8** That engagement be undertaken with local community stakeholders in respect of relevant elements of the Programme, as detailed in paragraph 5.3 of the Report on pages 21 and 22 of the Agenda. CE/  
SHPPT

It was further

Recommended:

- 2.9** That the shared services employment model be approved with Eastbourne Borough Council acting as host authority, as detailed in paragraph 5.4 of the Report. CE/  
SHPPT  
(to  
note)

Reasons for the Decisions:

To approve the Business Case and implementation of the Joint Transformation Programme.

The meeting ended at 1.46pm.

A Smith  
Chair