

# WIRRAL COUNCIL

## CABINET

13 MARCH 2014

<b>SUBJECT:</b>	<b>FUTURE COUNCIL</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR OF TRANSFORMATION AND RESOURCES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>LEADER OF THE COUNCIL</b>
<b>KEY DECISION</b>	<b>YES</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Cabinet with a proposal for transforming Wirral Council during the next financial year, delivering the major savings targets which are required of us while ensuring that our remaining, significant resources are used effectively at achieving the outcomes needed by residents and the Councils priorities.
- 1.2 Contained within this proposal is an indicative timeline as well as a strategy for ensuring effective, meaningful and comprehensive engagement with Elected Members, external experts and stakeholders, partners, people who use services, the Council workforce and Wirral residents.
- 1.3 This is an opportunity to fully reconsider how we invest the remaining £250M to meet the vision of our agreed Corporate Plan, whilst ensuring we streamline the Council and its processes, ensuring value for money and targeting our resources at those most in need.

### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The role of Local Government is changing at the most rapid pace in living memory. Significant reductions in the grant funding we receive from Central Government combined with increasing demand for our services, present an unprecedented challenge. The Council faces a forecast budget gap of £30.7 million in 2015/2016 and £25.1 million in 2016/2017 from its revenue budget, in addition to the savings already agreed and being currently delivered.
- 2.2 However, by the end of this period Wirral Council will still invest major resources, at the end of 2017 the Council will still spend £250 million on services across Wirral. Therefore the focus must be on how this money will be invested in the future. In addition, the Council has a vital leadership role to discharge on behalf of residents, bringing together other partners from across the public, private and voluntary sectors, to ensure all public money (the Wirral pound) is spent in the most effective way possible. As the Council's funding declines, we will want to demonstrate even greater rigour to our available resources, be clear about the impact and outcome of our expenditure and ensure that we focus on what works.
- 2.3 The Future Council conversation will enable Members, partners, residents and staff to be involved in shaping the future of our public services. We must totally re-evaluate

the way we do things to ensure our collective resources are focussed on delivering the most sustainable, effective, targeted services for our communities possible.

- 2.4 The Council commissioned support from Ernst Young (EY) in October 2013 to conduct a full review into the structure, design and function of the Council. This review has provided Council with a proposal for remodelling of the organisation. Work is now underway to implement this new organisational structure, and with it a new system of job profiles and pay grades, enabling the organisation to become much more modern and flexible.
- 2.5 This review has further proposed a business-case based system which will see every Council service which is currently delivered, either to internal or external customers, be fundamentally reviewed according to a stringent set of principles in order to determine a robust proposal as to the most appropriate future delivery model for that service; this could be either directly delivered by the Council, a 'public-public' shared model, a form of third party delivery or decommissioned entirely. This process shifts the emphasis away from traditional service delivery towards a broader emphasis on outcomes as opposed to outputs.
- 2.6 Extensive engagement with Members and other stakeholders led to the development of a series of three principles, described within the Corporate Plan which was agreed by Council in December 2013, which would guide the future development of the Council. These principles have been used to guide the work completed by EY, and it is within these thematic areas described by these principles that proposals for transforming the Council will be presented for debate, consultation and engagement.
- 2.7 As highlighted at the Elected Members' event on 18<sup>th</sup> February 2014, it is imperative that we make further progress in developing our commissioning approach. We know that we have a real issue in terms of managing rising demand and public expectations against a backdrop of continuous reductions in both our grant and our ability to raise local income. The historic response to such matters (reducing the back office, raising access thresholds, budget freezes) no longer provide solutions to long term problems. We do have some emerging solutions (community budgets, system thinking) but only by a concerted focus on whole system commissioning will we achieve the desired outcomes of our vision and corporate plan.
- 2.8 Significant work is underway to develop this new Commissioning Strategy for the Council. This means that we will be much clearer about how the things we invest in link to the needs of residents, and will lead to better outcomes. This isn't just about individual need, but will help us think about the environment and opportunities that would support people being able to live the best possible life they can, throughout their lives.
- 2.9 Led by the Strategic Director Families and Wellbeing, this new outcome based approach also presents the opportunity to ensure the Future Council conversation is joined up across the public sector. We know that as a whole the public sector is looking for ways in which we can strengthen what we provide for our community by working together. The health and social care sector is an example of this, where we have been working hard to develop much more integrated services to benefit those who need them.

- 2.10 One of the most important factors within the development of the commissioning strategy is 'co-production'. This means that we will be looking to make sure that people are able to shape the services we put in place on their behalf. A series of questions are being prepared that will help shape commissioning outcomes required in the future. Using these questions to drive the consultation of the future of the Council will ensure an integrated approach can be taken, and will deliver a tangible outcome at the end of the process.
- 2.11 A "concordat" for a shared corporate service was signed by Cheshire West and Chester Council and Wirral Council in July 2013. This was the first step towards exploring a shared service including HR, Payroll, Legal, IT, Procurement and Finance. The ultimate aim was to establish a single corporate service for both councils which could enable both authorities to be more efficient which in turn will create cash savings and improved performance.
- 2.12 In order to review whether setting up a shared corporate service between Wirral Council and Cheshire West and Chester would provide efficiencies and savings, a programme team on behalf of both councils came together to review their current operating model and identify opportunities for improvement that would result from the partnership. A key element of their work was to develop a business case, identifying the potential cost benefit of such a development.
- 2.13 In February 2014, a draft business case document provided by the joint team was shared with the CEX and senior representatives of both Councils.
- 2.14 Regrettably, the business case as is currently articulated does not provide a sound basis for Wirral to recommend to Members that we proceed at this moment in time. Whilst the level of eventual benefit (£4m estimated) is attractive, the level of investment (over £8m) means that the payback period (three to four years) is not fast enough to meet our budget timescales.
- 2.15 This has been an incredibly useful piece of work to get us to this position as it will be vitally important for our Future Council work. All logic points to there must be a saving accrued when two organisations share. However, at this point in time there remain too many assumptions made requiring further evidence. Generally, the return on investment and the ultimate payback period of up to four years reduces scope for early savings.
- 2.16 Shared services is an opportunity we should still actively consider, especially around schools traded services and leisure functions, but in light of the above and the identified savings opportunities in our Future Council Model, it is recommended that further work on sharing services with Cheshire West and Chester / CoSocius are put on hold until October 2014 and then re-examined.

### **3.0 PROPOSAL AND METHODOLOGY**

- 3.1 To meet the financial and demographic challenges we face we cannot continue to propose and implement cuts, efficiencies and reductions of services. We must, and will as part of this project, instead conduct a root and branch review of what our residents need and find ways of meeting those needs through the most appropriate method across the entire public sector.

- 3.2 We also cannot lose sight of the fact that, despite the reductions in our funding that are forcing us to change so radically, we remain the leader of public services in the borough, and still have the opportunity to invest significant funds into improving the borough and the quality of life residents enjoy. Therefore we will use this project to have a full and frank debate with all stakeholders on where that funding should be invested, ensuring all Council resources are directed at outcomes defined by residents.
- 3.3 Building on the work with EY, coupled with our commissioning model, we will make sure we truly focus on outcomes by conducting a full, robust and timely review of every service area within the organisation. This review will provide Members with a clear recommendation for the future of all services currently funded by the Council, in terms of their relationship and contribution to the outcomes residents' need, their cost effectiveness and a proposal for the most appropriate delivery model going forward.
- 3.4 The results of these service reviews will be presented to Members and external stakeholders according to the three principles described within the Corporate Plan 2014-2016, which has been subject to extensive engagement with Members and will then drive the delivery of the Future Council project, which will run in 4 distinct stages:
- Stage One: Pre Scrutiny (Member and Stakeholder)
  - Stage Two: Review Proposals
  - Stage Three: Consultation and Engagement
  - Stage Four: Refine Proposals and Feedback
- 3.6 This process will run until Autumn 2014, giving Members and other stakeholders opportunity to scrutinise, influence and shape the proposals and resulting new Council model at every step of the process – through developing proposals, to consultation and engagement, and finally reviewing the feedback received and refining proposals before their recommendation to Cabinet and Council.

#### **Stage One: Pre-Scrutiny (Member and Stakeholder)**

- 3.7 Position papers are in development which will be structured according to the overarching principles contained within the Council's Corporate Plan 2014-2016: Local Solutions, Local Decisions; Promoting Independence; Driving Growth and Aspiration. Within these papers will be detailed information on the Council services which currently contribute towards that principle.
- 3.8 The papers will contain financial information, in terms of operating budgets, staff budgets and workforce levels, as well as performance data and other background information.
- 3.9 These papers will then be subject to comprehensive pre-scrutiny from Members and from Partners and stakeholders. Members will be asked to consider the contents of the papers in the context of the challenges the Council is facing, both financial and demographic. This will provide the opportunity for Members to effectively pre-scrutinise and inform the proposals which will be put forward for wider consultation with residents, staff and other stakeholders. The papers will be debated by the following Committees at this stage:

Local Solutions, Local Decisions:

Policy and Performance Coordinating Committee  
Public Service Board

Promoting Independence:

Families and Wellbeing Policy and Performance Committee  
Health and Wellbeing Board

Driving Growth and Aspiration

Regeneration and Environment Policy and Performance Committee  
Investment Board

- 3.10 The boards and committees will be asked to consider the contents of the papers and make suggestions as to how those services and the associated investment could be more effectively utilised to achieve better outcomes for residents.

**Stage Two: Review Proposals**

- 3.11 Following this initial stage of Member / Stakeholder engagement and pre-scrutiny, the feedback received from Members and external stakeholders will be used to inform the development of a series of 'Options' for consultation.
- 3.12 These options will be developed based on this information, and based on the information collated by the aforementioned 'Service Review' process, which will analyse the effectiveness and appropriate delivery model of every service currently funded by the Council.
- 3.13 The 'Options' will then once again be debated by the appropriate Committees and external boards to provide Members with further opportunities to debate and influence the proposals. This will be done through a series of full day workshops with the Committees outlined in 3.8, which will be used to scrutinise the proposals for consultation.

**Stage Three: Consultation and Engagement**

- 3.14 Once Members have 'agreed' the Options, they will then be published for wider consultation with staff, partners and residents. An extensive communications and engagement schedule is in development to ensure this consultation reaches the widest possible audience.
- 3.15 Specific targeting will further take place to ensure effective engagement with those groups defined as sharing 'protected' characteristics, including BME communities, older people, people with disabilities, and younger people.
- 3.16 Specific areas of disinvestment which are identified as part of this process will be subject to robust statutory consultation with those staff and residents who are directly affected by any change to service provision.

**Stage Four: Refine Proposals and Feedback**

- 3.17 All feedback received as part of the consultation and engagement with all stakeholders will be collated, analysed and reported back through the same mechanisms of Council committees as completed the pre-scrutiny stage of this process.
- 3.18 Those committees will then be offered a final opportunity to influence and debate the proposals before they are reviewed in the light of the feedback and proposed to Cabinet.

#### **4.0 ENGAGEMENT STRATEGY**

- 4.1 In addition to the scrutiny process, Members will be further engaged and invited to participate in this process through constituency committees, which will be one of the primary avenues for consultation within this process. Constituency Committees will be provided the same opportunities as P&P and other constituted committees (such as H&WB board) to influence, debate and inform proposals.
- 4.2 We will again run a full engagement programme across all communities to ensure every Wirral resident has the opportunity to take part in the Future Council debate. We will utilise ours and our partner and affiliated websites extensively, as well as social media and e-mail. We will once again develop a full programme of presentations, focus groups and targeted sessions within every community and ward, and with every demographic group to make sure that all residents can influence the future of this council and the way their services are delivered in the future.
- 4.3 In addition to the extensive, comprehensive, stakeholder engagement already explained we will do further, targeted work with stakeholder groups and individual people who use services – particularly if proposals would result in a change to the service they currently receive. We will do this on a concurrent, ongoing basis and will continually report feedback into Members through the various P&P and constituency committees. Once again, we will go over and above the statutory requirement for staff consultation and conduct extensive work with our workforce – through a series of briefings, focus groups, surveys and round table discussions throughout the organisation.
- 4.4 Further engagement will take place with stakeholder groups throughout the borough, particularly those groups with an interest in particular areas of Council business and investment; such as the Schools' Forum, the Wirral Chamber of Commerce, Clinical Commissioning Groups and Environmental Forums. The Council will further schedule a series of detailed workshops with organisations in the community, voluntary and faith sector to ensure their involvement in this process is fully recognised and maximised.

#### **5.0 RELEVANT RISKS**

- 5.1 A Governance Board and project team has been established and will meet regularly to develop and deliver the project plan for the Future Council debate, and will employ robust risk management arrangements. The key risk for this project is that failure to deliver a successful project will leave the Council unable to develop a corporate or financial plan and make the budget savings required up to 2016.

#### **6.0 OTHER OPTIONS CONSIDERED**

- 6.1 Council has made a commitment that all decisions related to the budget setting process should be underpinned by comprehensive, genuine and robust consultation with all stakeholders. Therefore no further options have been considered.

## **7.0 CONSULTATION**

- 7.1 The Council has agreed with the voluntary, community and faith sector to define and strengthen relationships between these sectors for the benefit of all Wirral communities. There is a commitment to extensive consultation with local communities. The legal responsibilities regarding consultation and engagement are set out below.

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 8.1 Engagement with organisations within the voluntary, community and faith sector has taken place and this work will continue to ensure that, where applicable, the sector is fully engaged and able to provide those services where a commissioning need may arise.

## **9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 9.1 This project will be delivered through existing resources, and will be informed by the work completed by EY as part of the 'Transforming Wirral Council' budget option agreed by Council on December 16 2013.

## **10.0 LEGAL IMPLICATIONS**

- 10.1 Recent case law has made it clear that any consultation undertaken must be meaningful, informed and reasonable. Failure to ensure this could lead to legal challenge and any decision taken which takes into account the consultation could be undermined and open to challenge by way of Judicial Review. The Local Government and Public Involvement in Health Act 2007 came into force in April 2009 and introduced a duty for local authorities to involve, inform and consult with their communities. The duty is wide-ranging and applies to the delivery of services, policy and decision making and means the Council must consult relevant individuals, groups, businesses, organisations and other stakeholders that the Authority considers likely to be affected by, or have an interest in, their actions and functions.

## **11.0 EQUALITIES IMPLICATIONS**

- 11.1 Yes and Impact Review is attached: [INSERT LINK WHEN DONE](#).

## **12.0 CARBON REDUCTION IMPLICATIONS**

- 12.1 A number of potential service changes, including the changed use of buildings across the borough, could bring benefits in terms of carbon reductions.

## **13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 13.1 Potential community safety implications based on service re-design and other associated changes.

## **14.0 RECOMMENDATION/S**

- 14.1 That Cabinet authorises the Chief Executive to proceed with the project outlined within the report, engaging with Members and External stakeholders as proposals for the 'Future Council' are developed.
- 14.2 That Cabinet requests further progress reports to be developed at regular stages throughout the project.
- 14.3 That Cabinet notes the completion of the work around the development of the Shared Services Business Case, and having taken into account the details in paragraphs 2.11 to 2.16, Cabinet agrees to pause further work in this regard and that this be integrated into our Future Council developments.

## **15.0 REASON/S FOR RECOMMENDATION/S**

- 15.1 The recommendations respond to the Cabinet and Council commitment that budget and major service change decisions should be taken on the basis of robust, comprehensive and genuine consultation with Wirral residents, Council staff and all stakeholders.

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## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>