

# **Westmorland and Furness Shadow Authority Cabinet Meeting**

**Date: 22 July 2022**

**Title: Service Baseline Blueprints**

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<b>Report from:</b>	LGR Programme Director
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<b>Wards:</b>	All
<b>Key Decision:</b>	Yes

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## **1.0 Purpose/Summary of report**

- 1.1. This report presents the draft Service Baseline Blueprints for Westmorland and Furness Council. It outlines what services will be inherited from the current seven sovereign Councils and how services are expected to be organised at vesting day (1 April 2023) as well as providing an overview of any transitional arrangements envisaged, where the recommended medium/long term approach for a service area cannot be achieved on vesting day. The report does not deal with what the Westmorland and Furness Council will do to transform services from vesting day. This will be the subject of future reports.
- 1.2. The report also provides details of areas that need consideration in the next stage of implementation.

## **2.0 Recommendation**

### **2.1 It is recommended that the Shadow Authority Cabinet:-**

- (1) Agrees, in principle, the draft Service Baseline Blueprints attached at Appendix 1 as the basis for further work in the Implementation phase of the programme, including the development of an operating model for the new unitary Council from vesting day;**
- (2) Agrees, in principle, the list of service areas to be provided on a separate basis by Westmorland and**

**Furness Council from 1 April 2023, as set out in column 1 of slides 2-7 in Appendix 2;**

- (3) Agrees to grant delegated authority to the Interim Head of Paid Service in consultation with the Portfolio Holder, to take all steps required to implement the recommendations of this report, including undertaking any necessary formal and informal contractual discussions with service providers;**
- (4) Notes the list of service areas with the potential to be hosted as set out in column 2 of slides 2-7 in Appendix 2, and those areas in columns 3 and 4, where transitional arrangements are likely to be needed, or where arrangements are not yet defined, and agrees to receive final recommendations on each service as more detailed work is completed, including in relation to the timescales envisaged for any hosted or transitional arrangements;**
- (5) Requests that officers prepare a draft Memorandum of Understanding in relation to the provision of hosted services and/or hosted contracts for consideration by the two Shadow Authorities;**
- (6) Notes that material budget pressures and potential savings arising from the draft Service Baseline Blueprints will be identified and included for consideration within the wider strategic planning process;**
- (7) Notes that the draft Service Baseline Blueprints have been shared with staff, Trades Unions and all Councillors in advance of publication of this report;**
- (8) Requests that the Overview and Scrutiny Committee considers the draft Service Baseline Blueprints at their next meeting and provides agreed comments for consideration during the strategic planning process; and**
- (9) Agrees that the comments received arising from (7) and (8) above are reported to the next appropriate meeting of the Shadow Authority Cabinet.**

## **Background and Proposals**

- 3.1 In July 2021 the Secretary of State announced his decision, subject to Parliamentary approval, to implement a two unitary pattern of Local Government in Cumbria based on an East-West geography. The Cumbria (Structural Changes) Order 2022 (SCO) gave effect to that decision and came into force on 18 March 2022.
- 3.2 The Shadow Authority Cabinet adopted an Implementation Plan at its meeting on 10 June 2021 to deliver the requirements of the SCO. This Plan includes the development of draft Service Baseline Blueprints as presented with this report.
- 3.3 Since the announcement in July 2021, preparations have continued to enable the smooth operation of the two new Councils from vesting day (1 April 2023).
- 3.4 The priority is to ensure that two sustainable Councils, together with a sustainable Fire and Rescue Service, are delivered from vesting day in an economic, efficient, effective, safe, legal, and seamless fashion, delivering both benefits from vesting day along with the foundation for further future transformation.
- 3.5 The draft Service Baseline Blueprints have been developed during the design phase of the programme since October 2021. This has included analysis of current service provision across district and county services and the options for the delivery of services with a focus on day 1 operation.

## **Service Baseline Blueprint Approach**

- 3.6 The draft Service Baseline Blueprints at Appendix 1 summarise information about the services that the unitary Councils will have from vesting day, and officers' recommendations as to how the services can best operate from this point. The document is not designed to determine the organisational structure for the new Council, but rather represent a view of services that will transfer and provide the building blocks for the new authorities.
- 3.7 Where necessary, the Service Baseline Blueprints also identify any likely post vesting day transition requirements to take the service to the proposed service model – noting that these can be subject to further review following the creation of the new Councils.
- 3.8 The working assumption for the programme is that we will create two new unitary Councils, each with their own services. To achieve this a range of service delivery model options have been considered by officers in the development of the draft Service Baseline Blueprints. These include:
  - **Aggregation** - this is where the services currently delivered by districts and boroughs will combine into the new Council. For

Westmorland and Furness this means Eden, Barrow and South Lakeland district and borough services.

- **Disaggregation** – this relates to Cumbria County Council county-wide services that can clearly be split on Day 1 into one of the new unitary authorities.
- **Integration** – this relates to services currently provided by all Councils that will need to be integrated. This relates in the main to corporate and enabling services such as ICT, Finance and Human Resources.
- **Hosted/Shared** – These are services that will need to be hosted by one unitary Council, and will either be:
  - provided to the other for a time until any dependencies are resolved to support a future split, or
  - hosted in the medium-longer term, (both under a Service Level Agreement), because splitting them is impractical or undesirable from a cost or service delivery perspective.
- **Strategic** – Provided via a Sub-Regional Governance Model, (although timescales for establishing these mean that such models are outside the scope for vesting day).
- **Provided by others** – This is where services are provided through specific arrangements for example outsourcing, a separate entity, a Local Authority Trading Company (LATC) or Teckal arrangement.
- **Hybrid** – for some service areas, a hybrid of options may be appropriate and transitional arrangements may be required from vesting day.

- 3.9 A hosted service would involve a partnership between the two Councils, involving appropriate Member oversight, where one Council employs the staff and holds the related assets and delivers the service needed by both authorities, to agreed levels. The host authority would manage the service on behalf of both Councils. Supported by a joint financial arrangement, legally, service delivery is the sole responsibility of one authority and provided to the other authority under delegated powers and/or a Service Level Agreement (SLA). Each Authority retains its statutory responsibilities and duties. There may (but not necessarily) be a joint committee set up to oversee arrangements. Different arrangements will relate to hosted contracts.

The proposed delivery models, at this stage in the process, for services are included in the draft Service Baseline Blueprint document at Appendix 1 and are summarised at Appendix 2. At this time, the blueprints are structured as a composite of proposals for individual services. The draft Service Baseline Blueprints have been discussed and disseminated to all staff and unions, and briefings

provided prior to publication of this report, and an update will be provided on any comments received before the meeting.

### **Next steps**

- 3.10 The Service Baseline Blueprints provide the foundation for the implementation phase of the programme and for the development of the future design and plans for the new Councils.
- 3.11 Whilst the focus of these documents is on ensuring that services will operate effectively from vesting day, opportunities to transform post vesting day are also being considered during the current phase of work.
- 3.12 As such, the intention is that these Service Baseline Blueprints now progress to the next stage of the Programme to enable further development over the summer and beyond as part of the overall Strategic Planning process - integrating corporate planning, financial planning and service planning milestones. Agreement to the recommendations of the report will enable the draft Service Baseline Blueprints to form the basis of further work, including that on operating models, service design and service delivery plans. Where additional material budget pressures and/or savings are identified as part of the proposed Service Baseline Blueprints, these will be considered as part of the overall budget setting process. Further debate may be required about the provision of services including challenging current levels of service and whether current service levels can be re-calibrated to meet the overall funding envelope, as the Shadow Authority has a statutory duty to approve a balanced budget for 2023/24.
- 3.13 Work has been on-going to provide information on service budgets and staff resources based on dis-aggregation principles and current year budgets. This will then be followed by another piece of work to correlate the budget costing with the funding available. Over the summer, Finance officers will work with officers and Members to review service budgets so that they align to the funding control totals by also considering savings gaps, opportunities for savings and incorporating work on benefits realisation.
- 3.14 In terms of the process for allocating staff at the current seven Councils to the two new Councils, decisions can only be taken once the decisions around Service Baseline Blueprints have been made so that staff can be allocated to reflect the requirements of the new Councils.
- 3.15 To guide this process a staff allocation decision making framework has been co designed in partnership with the Trade Unions. This is not a formula which will generate predictable answers based on data inputted. It is a set of questions that provide a framework to guide those tasked with allocating staff to the new Councils to help them

find solutions that meet the needs of the new Council and individual members of staff where possible.

- 3.16 In some cases, decisions will be simple. For example, if someone works for a service in a specific area, doing work that will continue to be needed in that area, then they will be allocated to the new Council for that area. By contrast, in some cases the decision will be more difficult. For example, if there is only one person with a specific skillset that both Councils need, or if the Councils decide to share/host a service.
- 3.17 The allocation process will be of high interest to staff and there will be meaningful consultation individually with the right to be represented coupled with collective genuine consultation utilising the JNCG framework.
- 3.18 The framework is based around four themes of questions i.e. role purpose, current delivery model, new Council delivery model, personal circumstances. For some colleagues, once the new Councils have made their decisions about how the services will operate it will become quite clear quickly which Council they are going to work for. For others it will take longer. It is our intention that all staff will know which Council they will work for and in what role by November.
- 3.19 Appendix 2 summarises the current recommendations in terms of services that should be separate, hosted or have transitional arrangements attached from vesting day. In some instances, the recommended approach is still being given consideration and the timescales and timespan for transition/hosting arrangements are being refined. Over the summer this work will be finalised, along with recommendations as to which of the two unitary Councils will host which services where this is proposed, in discussion with Senior Members of both Authorities through the recently established Member Liaison Group.

## **4.0 Consultation**

- 4.1 The Structural Change Order requires us to establish two new authorities by 1 April 2023. Consultation on the proposed model of local government was undertaken by national government during the decision-making process leading to this SCO.
- 4.2 There is no formal consultation planned on the Service Baseline Blueprints as we are required by the SCO to transfer services from their current sovereign Councils to the new authorities. However, it is important to note that there have been over 200 staff from sovereign Councils working across the programme, leading and supporting the development of the draft Service Baseline Blueprints. The draft

blueprints and the proposed framework for making decisions about placing staff in the new Councils have been shared for information with staff and unions and briefings undertaken in advance of publication of this report.

- 4.3 Future discussions with staff and unions on how staff will be designated to the two new councils are to be timetabled later this year. This will be through a future formal consultation process on future plans and TUPE arrangements.

## **5.0 Alternative Options**

- 5.1 Options for service delivery were considered in formulating the Service Baseline Blueprints. However, the process is underpinned by legislation requiring the creation of two unitary Councils by 1 April 2023.

## **6.0 Implications**

### **Financial, Resources and Procurement**

- 6.1 Any material budget pressures and potential savings arising from the Service Baseline Blueprints will be identified and included for consideration within the wider strategic planning process. A process of detailed identification and evaluation of those contracts that may not be disaggregated or may be recommended to be hosted is underway. At this point of time expectation is that, for the most part, any hosting arrangements would be on a short-medium term basis, while the two new unitary Councils agree their future needs. All other contract areas will be disaggregated by the County Council and aggregated by the three district Councils.

### **Human Resources**

- 6.2 The Service Baseline Blueprints provide a generic outline of service delivery options and will inform how services will transfer to the new councils but do not provide the detail of staff allocation. As detailed in paragraphs 3.14-3.18 above, the staff allocation process will commence in August. This important part of the programme will form part of on-going formal consultation with staff, their representatives and recognised Trades Unions. The consultation will be managed through the LGR JNCG framework, where high-level sharing of the blueprints has taken place. Further development of the underpinning consultation process will be managed through the LGR JNCG. Final decisions will be made by November.

## Legal

- 6.3 As the work develops legal advice will be provided at all stages and across all themes and work streams. Each service area which is proposed to be disaggregated or hosted will be supported by a number of contracts and legal agreements, each of which needs to be given consideration to inform the way forward. General legal advice has been provided however tailored advice will be needed on each specific blueprint areas. Inter authority agreements are likely to be required and will be developed on a service-by-service basis. The memorandum of understanding will be the starting point for this work. A decision needs to be reached on hosted service areas before 31st December 2022. After that date, if it has not been agreed which authority will host the contract, the Secretary of State may appoint a caretaker council. This needs to be taken into account when determining the timetable for decision making.

## Health and Sustainability Impact Assessment

- 6.4 Have you completed a Health and Sustainability Impact Assessment? No
- 6.5 If you have not completed an Impact Assessment, please explain your reasons:
- There are no health and sustainability impact assessments at this stage as these are high level blueprints about future service delivery.

## Equality and Diversity

- 6.7 Have you completed an Equality Impact Analysis? No
- 6.8 If you have not completed an Impact Analysis, please explain your reasons:
- Initial Equalities screening of draft Service Baseline Blueprints has been undertaken and there is no requirement for equality impact assessments at this stage as these are high level blueprints.

Risk Management	Consequence	Controls required
	The new authority will not have a	The proposed work around the MTFP /



<b>Risk Management</b>	<b>Consequence</b>	<b>Controls required</b>
Affordability of services across the two Unitary councils	sustainable financial position from vesting day	Strategic planning process. This will look at future budgets and affordability of services to feed into the development of draft budget in October.


## Contact Officers

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## Appendices Attached to this Report

<b>Appendix No.</b>	<b>Name of Appendix</b>
1	Draft Service Baseline Blueprints – Westmorland and Furness
2	Summary of Proposed Service Arrangements

## Background Documents Available

<b>Name of Background document</b>	<b>Where it is available</b>
Implementation Plan	 20220222 LGR Programme Implemei
Cumbria (Structural Changes) Order 2022 (SCO)	<a href="https://www.legislation.gov.uk">The Cumbria (Structural Changes) Order 2022 (legislation.gov.uk)</a>