

Report to Cabinet

Title:	The Operating Framework
Date:	8 December 2014
Date can be implemented:	16 December 2014
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Local members affected:	All
Portfolio areas affected:	All

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

Cabinet approval is sought for the Operating Framework. The Operating Framework sets out the overarching rules on how the Headquarters and Business Units will work together in the new Future Shape Model. The document has been developed to deliver the Future Shape Business Case as agreed by Cabinet on 24th March 2014. It is a core governance document to enable the organisation to work effectively as one organisation and complements the Council's Constitution which sets out the high-level legal runs on how the organisation is run.

Recommendation

- 1. That the Council's Operating Framework is agreed and comes into force on 1st April 2015.**
- 2. That any subsequent changes to the Operating Framework are either a key decision of Cabinet or the Leader in consultation with relevant Cabinet Members as appropriate.**



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A. Narrative setting out the reasons for the decision

1. Cabinet agreed the Future Shape Business Case on the 24th March 2014 to enable the Council to be more financially self-reliant, whilst continuing to improve outcomes and deliver high quality services for the people of Buckinghamshire in tough financial times. The new organisational model comprises a lean Headquarters (HQ) and commercially focused Business Units (BUs).
2. The Operating Framework is an essential governance document to enable the new HQ and Business Units to function and go live on 1st April 2015. The document sets out the core accountabilities and responsibilities between HQ and Business Units, and how the two parts will work together to deliver a one council approach.
3. Having an Operating Framework is innovative for a local authority and draws upon best practice in the private sector on company governance. The document for the first time sets out in one place the mandatory requirements on how Council employees should operate to help achieve the priorities of Members.
4. The key benefits of the Operating Framework are:
 - It provides greater clarity on the mandatory organisational requirements for employees, for example in relation to the Council's branding
 - It establishes that there will be a single policy register and that Members will agree all Council Strategies and Policies going forward.
 - It enables a reduction in unnecessary mandatory requirements where greater flexibility is needed, for example the number of human resources procedures.
 - It provides greater flexibility within this framework for Business Units to be incentivised to innovate and generate income, for example via the retention of 75% of any revenue surpluses at the year-end in line with the rules set out in Financial Regulations.
5. The content of the Operating Framework is aligned to the recently agreed Constitutional changes considered by Full Council on 20th November 2014.

B. Other options available, and their pros and cons

Do nothing

6. The alternative option available would be to not have an Operating Framework. It would be possible to go ahead with the structural staffing changes without such a document. The possible advantage of this is that it would maintain the status quo so there would be no need for employees to be engaged in doing things differently or implementing the new future shape approach as agreed by Cabinet.
7. The key disadvantages of not having an Operating Framework are:

- Organisational fragmentation, as there would be no clear rules on how the HQ and BUs should work together.
- Weaker governance and corporate oversight for both Members and the HQ as each Business Unit may develop its own individual approach to different issues such as support services, intelligence and data gathering in isolation.
- Weaker organisational value for money as the Operating Framework sets out the high-level rules for how value for money will be supported through the business planning process; new strategic options appraisals to undertake cross-cutting strategic reviews; and provision of support services.
- Potential duplication and lack of officer accountability as the respective remits between the HQ and BUs may not be clear.

C. Resource implications

8. The content of this document has been developed in conjunction with the organisational redesign work. The staffing resource implications of the Operating Framework have been built into the staffing proposals for the HQ and BUs. The staffing implications for implementation are also set out at the beginning of the Operating Framework.

D. Value for Money (VfM) Self-Assessment

9. The Operating Framework aims to enable the Council to achieve maximum value for money through establishing the high-level rules under which the HQ and BUs will operate. All of the rules set out in the document have been designed to deliver value for money. Particular chapters of the report focus on different aspects of value for money. Chapter 3 sets out the strategic commissioning and business planning process for the Council including developing a Commissioning Framework to maximise value for money from commissioning and the delivery of Strategic Options Appraisals. Chapter 4 on Financial Management sets out the robust processes across the Council. Chapter 5 focuses on the supplier and contract management requirements to manage the Council's diverse Delivery Units.

E. Legal implications

10. There are no specific legal implications arising from this document.

F. Property implications

11. The property implications are set out in the chapter of the Operating Framework entitled 'Property Assets and Services'.

G. Other implications/issues

12. None identified.

H. Feedback from consultation, Local Area Forums and Local Member views

13. The content of the Operating Framework has been developed in consultation with Members via a number of different forums. This includes feedback from the Regulatory and Audit Committee, Future Shape Member Steering Group and Finance & Resources Select Committee on different aspects of the future shape model.
14. The document has also been developed via extensive engagement and debate with officers across the organisation to ensure the new arrangements reflect the right balance of robust assurance for Members and democratic control within a commercial environment whereby Business Units have the incentive and freedoms to innovate and to generate income. The content of the document also reflects wider feedback from staff received as part of the work in developing the Future Shape Business Case.

I. Communication issues

15. The document is primarily aimed as an internally-facing document for Council employees to use and understand the new environment. To maximise organisational transparency it is published. Following a Cabinet decision, the HQ will ensure that the content of the Operating Framework is effectively communicated to Council employees, as well as shared with external Delivery Units. An easy to use online designed version will be published following Cabinet's agreement of the document contents.

J. Progress Monitoring

16. Progress monitoring arrangements are set out in the section of the Operating Framework entitled 'Implementation'.

K. Review

17. The Operating Framework will be reviewed on an annual basis.

Background Papers

Appendix 1: The Operating Framework

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Democratic Services Team by 5.00pm on 5 December 2014. This can be done by telephone (to 01296 383627 or 383610), Fax (to 01296 382421), or e-mail to cabinet@buckscc.gov.uk