

SUBJECT:	Transformation Support
REPORT OF:	Prepared by - Chief Executive (CDC) - Directors of Resources and Services (SBDC)

1. Purpose of Report

- 1.1 To seek agreement from the Joint Committee to the proposal for providing external support to assist with the development of a shared senior management for the two authorities.

2. Links to Council Policy Objectives

- 2.1 The two authorities have committed to a joint project to share management as a means of improving the resilience and quality of services and reducing costs for the council tax payer.

3. Information

- 3.1 Chiltern and South Bucks DCs have agreed to share their senior management, as an enabling step to closer working at service levels. To achieve this objective the authorities have identified that they will require support for the following:

- Team building for the new management structure, establish a shared management vision.
- Identifying and help implement the ways of working needed to enable the support of two separate district councils. This could involve some work around developing a common approach to service planning.
- Effective communications with staff, members, outside bodies on the changes occurring.
- Identification of the “culture” issues for each council, and how they might impact on the development of shared services.
- Member development to cope with the changing culture and ways of working.

- 3.2 It is envisaged that the support would come from organisations with a range of skills to meet the various elements of the brief. To deliver the requirements it is anticipated that the support will:

- Be experienced in the field of helping local authorities change.
- Need to draw on lessons from other authorities who have gone down this route, in particular what has worked elsewhere.
- Have a practical focus on what is appropriate to the Chiltern/South Bucks situation, and not be just an exposition of management/organisational theory.
- Need to be flexible to be able to adapt and respond to issues that emerge.
- Identify the risks with the project and keep them under review.

- Need to set out a clear timetable of what would be expected to be done over the period of the engagement, expected to be Summer 2012 to Spring 2013.
- Ensure there is a consistent key contact overseeing the overall delivery of the brief, and responding to any major issues.
- Provide regular, concise feedback on progress and issues to the C/Executive, and when required the Joint Committee.
- Ensure knowledge transfer so that the two councils can cope with Stage II changes with minimal or no external support.

4. Resources and Other Policy Implications

Finance

- 4.1 It is difficult to estimate accurately in advance of a procurement exercise what the cost of the proposed support would be. However on the assumption that it will involve between 100 and 120 day work the potential cost could be up to £75,000. The work, and therefore the budget would be broken down into a number of elements.
- 4.2 The business case approved by the two Council's made allowance for the costs of external support of up to £250,000 for the project and the cost of this proposal would be met from within that total figure.
- 4.3 The payment under any contract let would be linked to milestones, so that the Councils can be satisfied it is delivering what they require.

Procurement

- 4.4 There are potentially three elements to the work programme:
 - Initial work with senior staff on aims, objectives, approach which will need to be in parallel with the formal process of consultation on the structure and selection processes - ie ensuring the two organisations move forward together and do not reach a hiatus. This may need external facilitation, though the scope and extent will need to be determined as we progress. Suggested budget not to exceed £15,000.
 - Developing a common vision, strategic risks, appreciation of goals and objectives with Members. Certainly indications at Chiltern are that we will need to invest time and energy in this. Much can be done by the senior officer team but it would be prudent to make an allowance for this. Members' views on what would be most helpful will be sought at the meeting. Suggested budget not to exceed £15,000.
 - The detailed work of service reviews, setting up shared services. This links in with work carried out or underway at both Councils. What is needed in future is joint service reviews not individual ones.

It is proposed all three areas would be procured through Chiltern's contract requirements. The proposed contracts would be below EU limits. In terms of the larger area of service

reviews, the basic approach would be to circulate a brief, including the business case, for what is required with a PQQ¹ to chosen firms, for them to respond to by a specified date.

- 4.5 The PQQ information would be reviewed first and those organisations with satisfactory PQQ would have their proposals and prices considered. Recommendations would then be made to the Joint Committee for how to proceed.
- 4.6 Suggested organisations to invite could include the following all of whom have experience in working in the area of local authority change management:
- CPC Ltd
 - PA Consulting
 - Tribal
 - RedQuadrant
 - Alexander Consultants

Indicative Timetable

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|--|-----------------|
| ■ Approval of business case by Councils | Jan 2012 |
| ■ Seek J Cmm approval to proposal for support | Jan 2012 |
| ■ Issue proposal to selected organisations | Feb 2012 |
| ■ Proposals returned | Apr 2012 |
| ■ Evaluation of proposals and recommendation made to J Cmm | May - June 2012 |
| ■ Complete contract details | June 2012 |
| ■ Commence work | Jul 2012 |

Personnel

- 4.7 The larger service review contract would commence once the appointment process to the senior management structure has been completed. It is expected that there will be a sharing of the outcomes, techniques used with in-house personnel staff in order that the benefits can be extended to future shared services work.

Risks

- 4.8 The key risks are:
- Failure for new senior management team to work effectively together will significantly impact on the success of the overall project.
 - Failure to adopt new ways of working to cope with the requirements of supporting two authorities, will impact on the efficiency and effectiveness of the arrangements.

¹ Prequalification Questionnaire, this collects information on the finances, probity, experience etc of any organisation invited to tender.

5. Recommendation

The Joint Committee is recommended to:

1. Members' views on the proposed approach, particularly to Member engagement, are given.
2. Agree to allocate £75,000 from the programme budget to fund the external support described in the report, to be allocated to the three elements described in the report.
3. Agree that officers undertake a procurement exercise and report the outcomes back to the Joint Committee for decision.

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Background Papers:	