

Collaborative Working: broadening our approach to and moving towards a confederation

Management Principles and Requirements

1. Introduction

This paper outlines the requirements for management principles for CDC and SNC to ensure the effective implementation of organisational transformation as set out in the business case for collaborative working. The business case covers all council services with the potential to ultimately move towards a confederation governance structure that will enable the councils to sell services and share services with additional partners. This model will be achieved through the use of alternative service delivery vehicles such as council owned companies, employee mutuals and joint ventures.

The scope of the management principles set out covers CDC and SNC and not Stratford on Avon DC as the business case for joint working will not be extended to encompass Stratford until their democratic decision making process is completed.

The move towards new ways of working will be on an incremental basis, as set out in the business case. As business transformation is implemented it is recognised that senior management arrangements will be required for two distinct but essential functions. The first of these is delivery of services and on-going projects, regulatory functions, managing performance and budgets: ensuring that core council services are maintained through a period of change. The second requirement is the implementation of a coherent and managed transformation programme. This will encompass all services, moving them into new (collaborative) operating arrangements over the medium term, implementation of business process change and systems harmonisation. It will also include the commercialisation of services if, where and when this is appropriate.

The magnitude of the task and the risk associated with change requires both the delivery of business as usual and the leadership of change to benefit from clear lines of accountability, strategic input and focus on transformation. It is anticipated that the new arrangements will be implemented in the first half of 2015/16 and will be underpinned by an organisational development plan.

2. Strategic Context

The business case for joint working (both the consultation draft December 2014 and the final draft February 2015) set out a strategic and financial context for collaborative working. The wider financial benefits that can be realised through shared services are well understood across Cherwell and South Northamptonshire Councils with in excess of £3 million saved across the two councils on an annual basis. As part of the financial case (February 2015) there is an assumption that there will be fewer senior managers and that those who remain will have more strategic and corporate roles. It will also follow that service managers who report into senior managers will have much clearer operational responsibility for service delivery.

There are a number of strategic drivers that have informed the development of these management proposals that are important to note.

- Strategic Commissioning: Service commissioning is a well-established approach to the development and delivery of services within the health and social care sectors and the approach (which is focused on commissioning for clear service outcomes) can offer a wider diversity of service delivery arrangements including collaboration with the voluntary sector, outsourcing establishing joint ventures and council owned companies.

What does a Commissioning Council look like?

- Slim/lean in terms of management structures, senior responsibility for strategy and commissioning
 - An inclusive council that works with service users and stakeholders to determine outcomes, plans and designs services and reviews services
 - Focusses on leadership and managing outcomes as opposed to operational processes and output management
 - Separates strategic commissioning from service delivery (but service delivery may be retained as an in house function). Commissioning is driven by a clear understanding of customer needs and the strategic objectives of the organisation. This is underpinned by knowledge management.
 - Focusses on customer and community outcomes and service quality
 - Good at performance and contract management, has a clear understanding of service costs and a focus on value
- Income generation and innovation: CDC and SNC already have a track record of the delivery of major projects to support income generation and innovation to provide new or improved services. Managing income flows (through investment or disposal of assets, generating economic growth or maximising income through fees, charges and added

value services) is increasingly seen as a way of financial self-reliance. Likewise the opportunity to sell services is also becoming a reality with opportunities for councils to maximise flexibility through the use of alternative service delivery models (such as council owned companies).

- Across the sector there are moves towards horizontal integration through the use of combined authorities and economic prosperity boards. These groupings aim to drive sub regional collaboration (and efficiencies) through forms of joint working specifically in relation to economic growth and infrastructure - there are also similar moves in the health and social care sectors, for example the Better Care Fund. The CDC/SNC confederation model proposed in the business case could work well within the context of the Buckinghamshire, Northamptonshire and Oxfordshire Combined Authority proposals as district co-operation would serve to complement any cross-county collaboration. The ability to collaborate within this wider context is a key management requirement.

3. Management Principles and Requirements

As noted above, the delivery of business as usual (i.e. the councils' services and business plans) is essential. However, as the joint working transformation programme progresses it is clear that some form of senior management arrangements are required to ensure that the programme meets its objectives including a contribution to resolving the deficits as set out in both council's medium term financial strategies.

Transformation Programme Objectives

- Reduction in the costs of senior management
- Implementation of joint working arrangements (all services are in scope)
- Implementation of business process and policy change to ensure joint working is effective, service delivery performance is maintained and efficiency savings are realised
- That the management team is also able to explore options for income generation and further collaborative opportunities with potential partners to widen the confederation.

To meet both councils' business as usual and transformational objectives outlined above the following design principles are proposed:

- **Corporate:** All frontline services would be grouped together, as would support services.
- **Commercial:** There is a clear role for commercial development, asset management, innovation and income generation. Management of transition, transformation, organisational development and major (change) projects also falls within this area.

- **Strategic capacity:** enhanced capacity with a role to focus on strategy and commissioning. This ensures the councils remain policy driven and focused on their objectives; the role leads on reputation management, advocacy for the councils, strategic partnerships and the key policy areas within the councils.
- **Flatter and flexible:** this will ensure spans of control will be maximised with fewer hierarchical tiers of management in place. The structure remains familiar and easily understood.

4. Implementation

If the general principles and proposals as set out within this document are agreed, an implementation plan would be developed (including a management structure) and the process led by the Joint Personnel Committee/Joint Committee in line with the existing organisational change policy. There is an immediate need for additional management resources to provide additional capacity and to bring in the skills as identified in the workforce development plan. Two appointments will be made on a temporary basis, the first appointment to provide commercial experience and focus and the second to contribute to the leadership of transformation. Funding for these posts is available from existing budgets.

5. Conclusion

This paper outlines the key principles required to underpin a new joint management structure that will increase the pace of the transformation agenda and enable the delivery of the business case whilst retaining a strong focus on current service delivery.