

Report of Interim Chief Executive

ALTERNATIVE SERVICE DELIVERY

1 Purpose of Report

- 1.1 This report takes forward the Council's decision to review, rationalise and explore proposals for alternative delivery models.

2 Executive Summary

- 2.1 Members agreed to review, rationalise and explore alternative service delivery models in an effort to secure sustainable finances into the medium term and to be able to deliver effective and high quality services. Preferred models of shared management arrangements and outsourcing were agreed for more detailed consideration. Exploration of these options was to be developed through site visits to other authorities who had experience of operating the alternative service delivery model.

3 Appendices

There are none.

4. Proposed Action:

- 4.1 The Committee is invited to RESOLVE that the alternative service delivery options of a shared management team and outsourcing continue to be under consideration in the context of the delivery of the transformation programme.**

5 Background

- 5.1 The Council is faced with significant financial challenges over the next few years, with the Medium Term Financial Strategy predicting that within four years the Council must achieve a reduction in its expenditure of £3 million, a 25% reduction. In this context, the Council needs to develop alternative strategies, including better ways of working with other authorities, public sector bodies and perhaps the private sector, to achieve efficiencies and streamlining.
- 5.2 In order to move forward the Council commissioned a report to assist Members in determining appropriate strategies for Wellingborough to adopt as a response to the demanding savings target. This report dealt with the options of outsourcing, integrated management teams, joint venture and wholly owned companies, which were considered as most likely to be of benefit:
- 5.3 This analysis was to be supplemented by two accompanied visits for Members and Officers of the Alternative Delivery Working Group to certain organisations who have implemented proposed options. Visits to Bromsgrove and Redditch District Councils who offered experience of the preferred alternative delivery options of a Shared Chief Executive and Management Team together with a

phased introduction of shared services and to Chesterfield Borough Council who offered experience of the outsourcing corporate services were to be undertaken.

6 Discussion

- 6.1 The visit to Bromsgrove and Redditch evidenced the viability of this option and set out the key parameters required for a successful integration of the management team and further development of a shared service arrangement between the councils with the potential for making significant ongoing savings. It was also apparent that this option relied upon strong political will and leadership and is usually facilitated by vacancies at the Chief Executive level.
- 6.2 Local opportunities to pursue this model are being explored although with little positive response at this time. It is proposed to continue to explore local potential and not to rule out developing this model.
- 6.3 The visit to Chesterfield has unfortunately had to be postponed and an early rearrangement has not proved to be possible in the short term. However, given the recent scoping of the transformation programme to include back office rationalisation, front line service and procurement efficiencies, it is felt that further exploration of this option can be remitted to that programme and again not to rule out further development of this option at this time.
- 6.4 It is recognised that the preferred outcome is inconclusive at this stage though the solution to the sustainable future of the Council cannot lie with any one option rather with a 'mixed economy' of solutions. It is recommended that both the shared management team and outsourcing options continue to be considered in the context of the transformation programme.

7 Legal Powers

- 7.1 Local Government Acts 1972 and 2000.

8 Financial and Value For Money Implications

- 8.1 There are no immediate arising financial implications and/or risks arising from the proposed decision. The requirement for the Council to realise significant savings over the short to medium term remains.

9 Risk Analysis

| Nature of risk | Consequences if realised | Likelihood of occurrence | Control measures |
|---|--|---------------------------------|---|
| Discounting one or both of the alternative service delivery options | Reduced opportunity to rationalise and make required savings | Likely | Retain both options within the transformation programme |

10 Implications for Resources

- 10.1 There are none immediately arising. A Transformation Programme team has been established through internal secondment to develop options to meet the required savings.

11 Implications for Stronger and Safer Communities

11.1 There are none arising.

12 Implications for Equalities

12.1 There are none arising at this time.

13 Author and Contact Officer

Joe Hubbard

Interim Chief Executive

14 Consultees

Corporate Management Team

15 Background Papers

None.

