

Report of	Meeting	Date
Project Director	Council	24 November 2015

FUTURE GOVERNANCE MODELS: FINAL REPORT

PURPOSE OF REPORT

1. To present the final report into the future governance models for the council and public services in Chorley.

RECOMMENDATION(S)

2. That the council adopts the clear statement of purpose set out at paragraph 18.
3. That the council states a clear ambition to achieve the integrated public services governance model for Chorley, using the integrated district model as a foundation for change
4. That the council should adopt the principles set out at paragraph 24 in reshaping the organisation and the development of new services and governance models.
5. That approval is given to the development of an integrated community wellbeing service for Chorley, as described in the outline business case.
6. That, subject to final council approval once a detailed scheme and service model for the integrated community wellbeing service is developed, the council agree:
 - a. To establish a special purpose vehicle jointly between Chorley Council and LCFT to manage and deliver an integrated community wellbeing service
 - b. To transfer the management and delivery of identified services to the special purpose vehicle
 - c. To adopting joint management and oversight arrangements for the new service
 - d. To contract with the new special purpose vehicle for the resourcing, delivery and performance management of services.
7. That work is undertaken to engage with neighbouring areas to explore the development of opportunities for radical public service reform.
8. That the council should work with partners, including schools, to create a vision for education in the borough.
9. That the Chief Executive be asked to make arrangements for the resourcing of the required work, making use of up to £70k.

EXECUTIVE SUMMARY OF REPORT

10. The report summarises the final report on future governance models for public services in Chorley and sets out the recommendations. It proposes a statement of purpose for the

council, and that the council should seek to develop a model of integrated public services in the coming years, using the integrated district model as a foundation for change.

11. The report proposes that the next steps in public service reform should include the development of proposals for an integrated community wellbeing service, and a combined authority for Lancashire. A transformation strategy will be developed and presented to the Executive Cabinet for approval to set out the plan for implementing the future governance models.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

12. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	✓

BACKGROUND

13. At its meeting on the 4 September 2014, the council considered a report on a proposal to investigate the business case and viability of developing a unitary authority for the borough. The council agreed to the establishment of a nine-member working group to oversee the work, with membership open to all the political groups.
14. The future governance viability working group has met regularly over the last 12 months to consider a developing evidence base and consider options for alternative ways of working with other partners and future governance models. The group has overseen the development of the final report and recommendations on future governance models that is attached as an appendix to this report.
15. This report sets out an overview of the final report and its recommendations.

CONTEXT AND CASE FOR CHANGE

16. The report sets out the challenges facing Chorley in the coming years. They include:
 - An increasing and ageing population
 - Pockets of deprivation in the borough
 - The economic footprint of the borough spanning different administrative areas
 - A changing legislative and policy context
17. A critical driver for change is identified as the budgetary pressures faced by all public services in the coming years. The report identifies potential impacts of the changes forecast. They include:
 - An ageing population will lead to a change and likely increase in demand for public services. People aged over 85 are more likely to live with multiple and complex conditions, which require support from public services
 - Economic links to neighbouring areas, particularly those outside Lancashire, need to be considered to ensure that administrative boundaries do not constrain Chorley's future economic growth by making other areas more attractive because of policy differences between areas.

- Services will be prioritised on the basis of need. As Chorley is relatively affluent compared to other areas of the county, resources may be focussed elsewhere in Lancashire. Chorley's relative affluence may mean that its more deprived areas are 'hidden' and may be significantly more adversely affected.
- As individual organisations take decisions to meet budget pressures, the reductions or changes in some services are likely to lead to increased costs elsewhere; cost shunting one other parts of the system
- Services will become more fragmented. As organisations focus on their core purpose, service provide will become more fragmented and separated with less common-ground between public services, and more gaps in services

PURPOSE OF CHORLEY COUNCIL

18. The final report argues that in considering future governance models, the council needs to understand its purpose. The proposed purpose of the council is:

Chorley Council will provide leadership and services which protect vulnerable people and are focussed on preventing the need for a reliance on more expensive service provision.

The council will:

- deliver high quality services that meet the needs of its residents and communities
- work with its partners to integrate services regardless of existing organisational boundaries
- focus on preventative services, and services which support communities and individuals to remain independent and self-sufficient
- promote Chorley as a great place to live, work and do business.

EVIDENCE AND SUPPORTING INFORMATION

19. A summary of the background evidence and supporting information is presented in the final report, and the full documents have been published as background papers.
20. Councillors were given the opportunity to receive a briefing on the evidence in sessions held on 5 and 10 October. 34 Members attended the sessions. In addition, the full reports were then published to all Members on 13 October.

OPTIONS FOR FUTURE GOVERNANCE MODELS

21. Five high-level governance models were identified and assessed as part of the final report. They are:

	Option title	Option summary
1	Status quo	No significant change to governance models. A continuation of partnership working through the public service reform partnership, with functional responsibilities remaining with current organisations.
2	'Traditional' unitary authority	A unitary authority created for Chorley, a local authority that has responsibility for all local government functions, with a continuation of existing partnership arrangements, but which does not integrate working with other public services either in commissioning or provision.
3	Integrated district council	Local government functions remain within the existing structures. Appropriate district council functions are integrated with other public service providers (for example through an integrated community wellbeing service).
4	Integrated district councils across wider geography	Local government functions remain within the existing structures. Appropriate district council functions are integrated with other public service providers (for example through an integrated community wellbeing service), with a network of integrated districts across a wider geography to provide greater scope for service reform.
5	Integrated public services	Local government functions are brought together through a unitary authority, but the establishment of a new organisation is based on integrating commissioning and provision of services with other public service organisations.

22. The conclusion of the options-appraisal undertaken is that the integrated public services model is the most likely governance model to achieve the objectives and vision of the council in public service reform.

23. Consideration is also given in the report to the how deliverable each of the options are. That section of the report concludes that, while the integrated public services model best achieves the aims of the work, it will face considerable challenges in its implementation. The models identified as being the most deliverable are to maintain the status quo or develop an integrated district council model.

SERVICE DESIGN PRINCIPLES

24. Based on the supporting information and the work undertaken, the final report outlines principles that the council should use across the services it provides or commissions, and new services it develops. The principles are:
- a. Services, however complex, should be dealt with as far as possible at the first point of contact
 - b. Customers who can should prefer to use digital channels as a straightforward and efficient way of managing services
 - c. The management and delivery of customer-related services should be managed end-to-end with as few hand-overs of requests as possible
 - d. Management information should be actively used to target resources
 - e. Customers should be able to access information and manage their service requests without having to interact with the council
 - f. Everyone involved in delivering public services in Chorley should recognise people as assets.
 - g. Every service should provide opportunities for people to contribute and add value in their lives and local area.
 - h. Public services in Chorley should invest in building social networks and community capability

- i. Services being reformed or redesigned should be designed with coproduction and community action as a central aim
- j. Frontline workers will be empowered to work within localities and tailor services to the needs of the communities and individuals
- k. Issues and problems faced by individuals, families or communities will be dealt with as far as possible without the need for a formal referral process
- l. Self-management and peer support will be promoted and supported
- m. Services will be codesigned and coproduced
- n. There will be a focus on prevention and early intervention across all public services

RECOMMENDATIONS OF THE FUTURE GOVERNANCE VIABILITY WORKING GROUP

25. The Future Governance Viability Working Group unanimously agreed the recommendations in the final report they are:
- a. Chorley Council should adopt a clear statement of purpose that it sees itself as a community leader that will work across organisational boundaries to improve and protect public services.
 - b. Chorley Council should have a clear ambition to achieve integrated public services in Chorley, using the integrated district governance model as a foundation
 - c. Chorley Council should reshape its structure and organisation to enable and support change
 - d. Chorley Council should use the principles outlined in this report in its service delivery and to guide the development of new services and governance models
 - e. The council should work with Lancashire Care NHS Foundation Trust and other willing partners to develop an integrated community wellbeing service
 - f. Chorley should support the development of a combined authority for Lancashire, particularly for functions that are best based at the pan-Lancashire level
 - g. Chorley Council should work with neighbouring areas to explore the development of opportunities for radical public service reform across a wider geographic area
 - h. Chorley Council should work with others to create a vision for education in the borough
26. These recommendations have been used as the basis for the recommendations in this report, and the other reports elsewhere on the agenda concerning the combined authority for Lancashire and review of the council's senior management structure.

LOCAL POLL

27. In the report presented to council last year, there was a proposal to hold a local poll to seek the views of local residents if the council decided to seek unitary status. Given the recommendations made in the final report, it is not appropriate at this point to hold a local poll, as the council is not seeking unitary status to start the process.

NEXT STEPS

28. In agreeing to the recommendations in this report, the council will set a clear ambition for how it believes public services should be managed and delivered in the future. It also agrees to further work with partners in developing a combined authority and an integrated community wellbeing service.
29. To ensure that the full recommendations of the final report are implemented and properly coordinated, a transformation strategy will be developed and considered by the Executive Cabinet in January. The strategy will work to:
- develop an organisational culture which is able to meet the challenges ahead and changed ways of working
 - support councillors in changing roles and a changed decision making environment

- implement the service design principles identified in this report and supporting evidence
 - make best use of technology and information management
 - implement a changed management structure and new business models.
30. There are likely to be costs (both staffing and in external support) to implement the recommendations of the report. For example, in developing the integrated community wellbeing service, work required will include:
- Engagement with public service providers (including, for example, GPs) in the service design
 - Engagement with service users and residents in service design
 - Establishment and agreement of a special purpose vehicle between LCFT and Chorley Council, including
 - governance structures and arrangements,
 - purpose and scope of the service,
 - staffing arrangements (including how staff would be employed)
 - operational and strategic management arrangements
 - an exit strategy
 - reporting arrangements.
31. The resources that will be required over the medium term will be considered as part of the council's budget setting process and in the review of the senior management structure. However, in the interim, it is proposed to make use of up to £70k to continue the work undertaken over the last year.

IMPLICATIONS OF REPORT

32. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

33. The immediate financial implications of this report is the resource required to continue the delivery of the work proposed pending the completion of the restructure of the council's management structure. The £70,000 proposed can be met through changing the use of the money set aside to pay for the local poll or in-year underspend on staffing budgets.
34. Further costs that may be incurred in the implementation of the recommendations will be subject to further reports to Council or Executive Cabinet, where consideration of financial implications will be made.

COMMENTS OF THE MONITORING OFFICER

35. The adoption of the recommendations do not have in themselves legal implications, however there are clear legal implications in the consequences of the future implementation of the recommendations. These implications will need to be considered as the development of the proposals progresses and will be reported to the Council at the appropriate time.

CHRIS SINNOTT
PROJECT DIRECTOR

Background Papers			
Document	Date	File	Place of Inspection
The report of the commission on the future of public services in Chorley	10 May 2015	Commission final report	http://chorley.gov.uk/Pages/Public-Service-Reform.aspx
Chorley unitary council financial viability report	13 November 2015	Chorley unitary council financial viability report	Can be found in the mod.gov library: https://democracy.chorley.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13424&path=0%2c326
The final report of the Chorley Conversation		The final report of the Chorley Conversation	
Paper on the principles and benefits of coproduction and community action		Paper on the principles and benefits of coproduction and community action	
Chorley functional economic area analysis		Chorley functional economic area analysis	
Paper on approach to customer services		Paper on approach to customer services	
Outline business case for an integrated community wellbeing service for Chorley		Outline business case for an integrated community wellbeing service for Chorley	
Report of the Lancashire authorities' statutory governance review	2 November 2015	Governance Review	Appendix to combined authority report on council agenda

Report Author	Ext	Date	Doc ID
Chris Sinnott	5337	5 November 2015	Council covering report – final report