



**> FUTURE  
GOVERNANCE  
MODELS  
FOR CHORLEY**

# Executive Summary

Public services must change. Decreasing public resources, coupled with changing and increasing demand for services give an immediate need for reform.

However, in planning and implementing reform of public services, there is significant evidence that a radically different approach to the way in which services are managed and delivered would provide a basis for public services that are sustainable and able to meet the long term needs of the borough and its residents.

This report is based on a year's work in generating an evidence base that examines the challenges facing public services, the context for Chorley and proposals for the future. The existing governance models and structures do not lend themselves easily to transformation, and so it has been necessary to examine a series of potential governance models for public services, assessing them against their ability to deliver against identified objectives.

The report concludes with a series of recommendations for the council. They are:

1. 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.
2. Chorley Council should have a clear ambition to achieve integrated public services in Chorley, using the integrated district governance model as a foundation
3. Chorley Council should reshape its structure and organisation to enable and support change
4. 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
5. The council should work with Lancashire Care NHS Foundation Trust and other willing partners to develop an integrated community wellbeing service
6. Chorley should support the development of a combined authority for Lancashire, particularly for functions that are best based at the pan-Lancashire level
7. Chorley Council should work with neighbouring areas to explore the development of opportunities for radical public service reform across a wider geographic area
8. Chorley Council should work with others to create a vision for education in the borough



## Structure of the report

This report is split into the following key sections:

- The challenges for Chorley
- Evidence and supporting information
- Options-appraisal of future governance models
- Service design principles, business models and scale
- Recommendations and next steps

In addition to the information presented in this report, each of the elements summarised and discussed in the evidence and supporting information section is supported by full reports and associated documents. These are available as background papers.

## Background and context

In September 2014, Chorley Council decided to investigate possible future governance models for the council and public services in the borough. This decision was taken in response to the pressures faced by public services, and the opportunities and risks posed by those pressures, in terms of the changing nature and scope of services available to residents and the local area.

Public services need to change. The challenges presented by reducing budgets and increasing and changing demand are widely acknowledged; it is important to recognise that if public services are to continue to meet the needs of Chorley residents, a fundamental shift in thinking about how services are managed and delivered is required.

In starting this work, the council took the view that a unique opportunity was available to radically change the way public services operate, working in partnership to explore new ways to deliver outcomes for local residents by overcoming organisational barriers to achieve improved health outcomes, sustained economic growth and stronger, more resilient local communities.

The council established a working group of councillors to oversee the work, and to guide and challenge the process. The working group agreed a vision that set out what the council was seeking to achieve:

*To identify and establish realistic options for the delivery of public services in the borough in the future that are; sustainable, accountable, properly integrated and targeted towards early intervention.*

The work that has been undertaken over the last year has aimed to:

- examine the challenges facing public services;
- establish an evidence base for taking decisions about the future;
- engage the council's public service partners; and,
- identify and assess potential future governance models.

This report provides an overview of the context and evidence base, and then examines potential future governance models available before making recommendations to the council with an aim of making public services sustainable and fit for purpose into the future.

# The council's purpose and vision

In considering the future governance models that the council would like to pursue and adopt for public services in Chorley, a critical step is to clearly identify and articulate the council's vision for the borough, and what the purpose of Chorley Council is.

The council's corporate strategy sets out the organisation's vision:

## Vision – our ambition for the future

A proactive community leader, supporting the borough and all its residents to reach their full potential through working in partnership to deliver services that achieve the best outcomes and protect vulnerable people.

In addition to the council's vision, in considering potential future governance models, the council needs to understand and agree its purpose. That is, what role Chorley Council should play in controlling, delivering and shaping public services for the borough. The proposed purpose of the council is:

## Purpose - the role of the council in achieving the vision

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.

# > THE CHALLENGES FOR CHORLEY



> SECTION

# 01

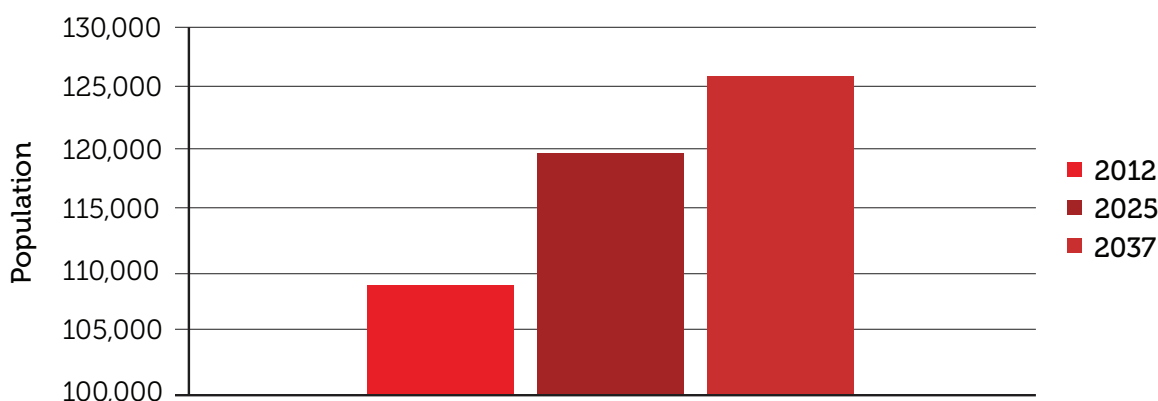
Given that this work has been undertaken as part of the council's response to a changing public service environment, it is important to set out the context in which services will operate within. This section sets out this context and challenges, and is split into the following areas:

1. A brief profile of Chorley
2. Legislative and policy context
3. Budgetary pressures

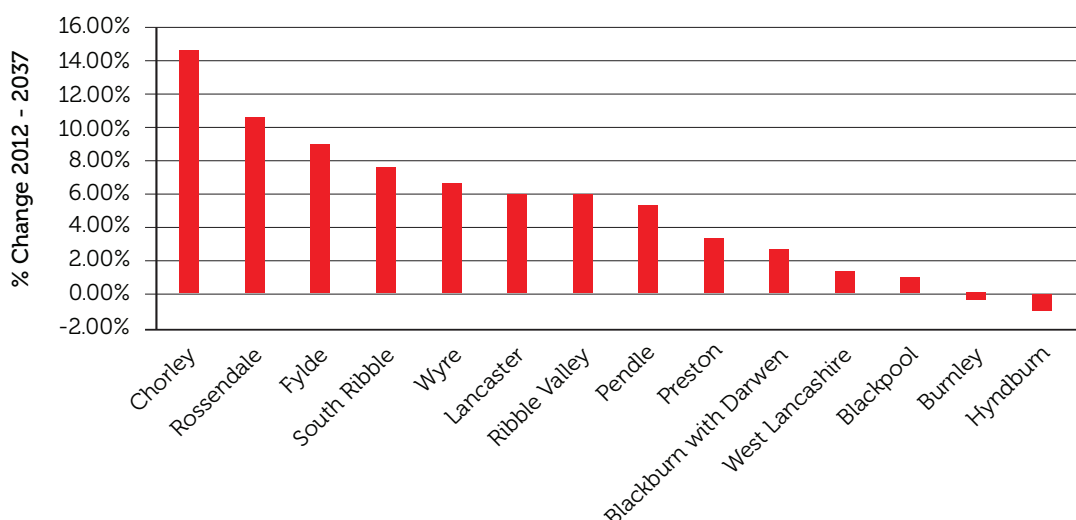
## A brief profile of Chorley

### Population

Chorley's population is 111,400<sup>1</sup>, and is projected to continue to increase over the coming decades to reach 125,400 by 2037, as illustrated in the following graph<sup>2</sup>.



This projected growth represents the fastest rate of population growth of any Lancashire district, as is demonstrated by the graph below<sup>3</sup>:



In addition to a growing population, Chorley's population will grow older, with the percentage of the population aged 75 years and older increasing from 7.2% in 2012 to 14.4% in 2037, and those aged over 85 increasing to 5.6% of the population<sup>4</sup>.

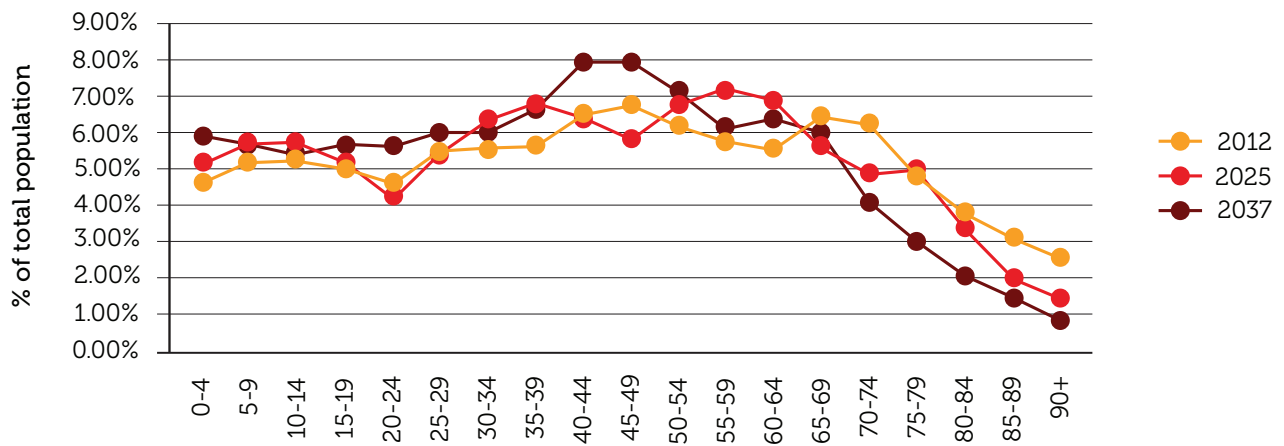
<sup>1</sup>ONS2014 mid-year estimate

<sup>2</sup>ONS sub-national population projections, 2012 based projections

<sup>3</sup>ONS sub-national population projections, 2012 based projections

<sup>4</sup>Source: ONS sub-national population projections, 2012 based projections





The number of households in the borough will also increase in the coming years at a faster rate than other Lancashire district. Between 2012 and 2021, there is a projected increase in household number of 8.07% in Chorley.<sup>5</sup>

## Deprivation in Chorley<sup>6</sup>

In the Indices of Multiple Deprivation, the borough ranks as 156th out of 326 authorities in terms of levels of deprivation (where a rank of 1 is the most deprived area of the country). In relation to the 12 district councils in Lancashire, Chorley is the eighth most deprived.

There are 8 lower super output areas (areas of around 650 households) in the borough within the 20% most deprived in the country, with four of those in the 10% most deprived.

The areas of the borough that are in the 20% most deprived in the country are in the following wards:

- Clayton-le-Woods North
- Chorley East
- Chorley South East
- Chorley North East

## Jobs, economy and business

Chorley's employment and skills rates generally perform better than the regional and sub-regional average. Its economy is robust, although it could contribute more to the regional and national economy.

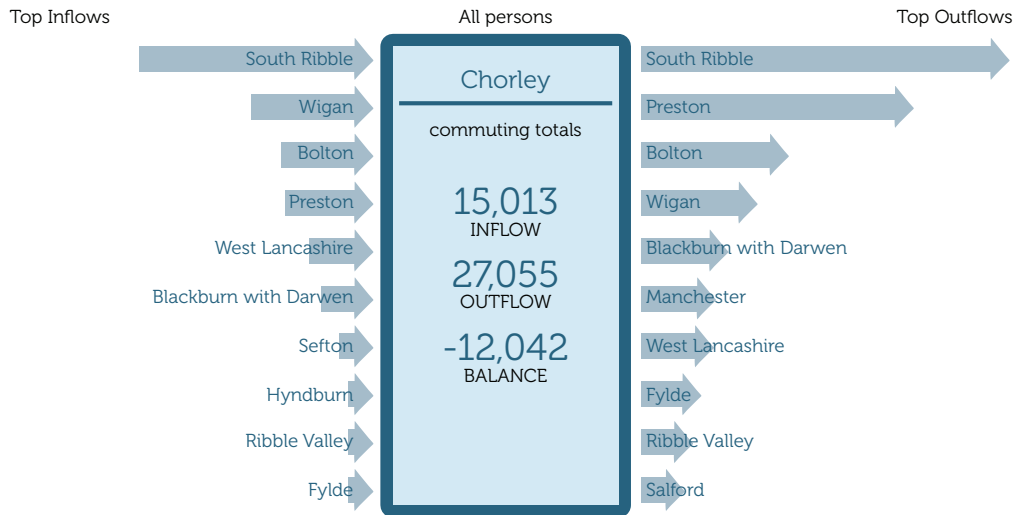
<sup>5</sup>Source: DCLG Live tables on household projections November 2012

<sup>6</sup>Source: DCLG English indices of deprivation 2015, <http://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

**Links to other areas**

Chorley's economy is not matched to administrative boundaries. This is covered in more detail in the background evidence section of the report, although the key context is outlined below.

Chorley's economic area extends to surrounding areas. 60% of the borough's working residents commute out of the borough to work, with South Ribble, Preston, Wigan and Bolton being the top destinations, as illustrated in the following diagram.

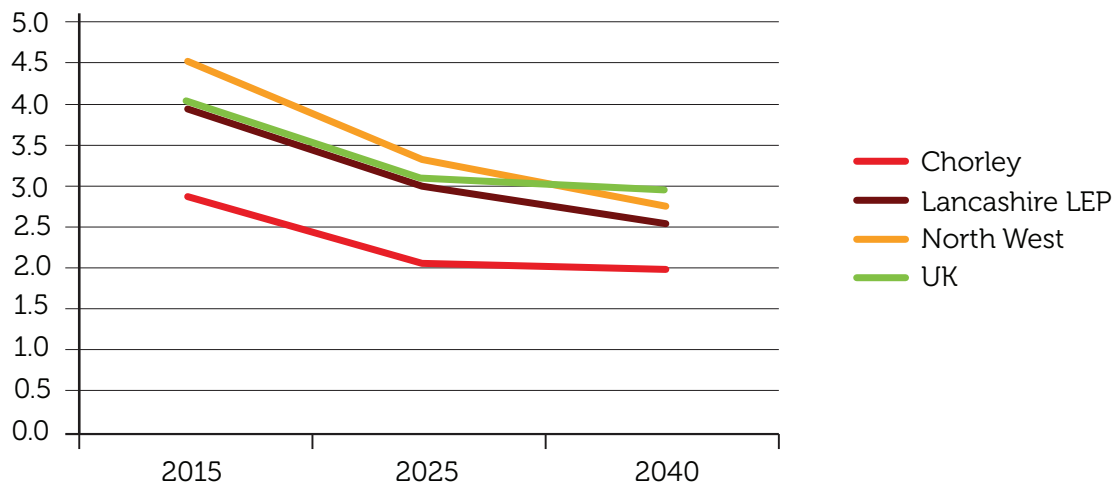


Inflow and outflow of workers for Chorley, at the 2011 Census<sup>7</sup>

**Employment**

Chorley is projected to continue to have an unemployment rate that is lower than national and regional averages, and that trend will continue to follow that of the national economy, as shown in the graph below:

Unemployment, claimant count (% of working age)



<sup>7</sup>SQW (2015) 'An analysis of Chorley's functional economic area: A report to Chorley Borough Council', published as part of the background evidence base to the future governance models work.





## Education and skills

Education in Chorley is strong. Chorley has a well-qualified workforce: 35.9% of the population are qualified to Level 4 (Higher Education) or above (compared with 31% regionally and 35.2% nationally). Only 6.9% of the population has no qualifications (compared with 11% regionally and 9.3% nationally). In 2012/13 66.8% of pupils achieved five or more GCSE A\*-C (including English and Maths), ahead of the Lancashire average of 60.4%.

### Employment and business sectors

Business administration and support services are particularly important in Chorley compared to other areas of the North West, employing over 6,000 people in 2013. The health sector is also more prominent in Chorley employing more than 7,000 people in 2013.

The concentration of managers, directors and senior officials in Chorley is notable and this category of occupations achieved the strongest growth during the period 2010 to 2014, rising from 3,600 to 6,200 workers. In absolute terms, professional occupations accounted for the largest cohort of workers in Chorley in 2014, with more than 7,000 people.

### Earnings

Residency-based earnings are projected to continue to be higher than workplace earnings. Residency based earnings are projected to remain the same as the north-west average; while workplace based earnings will continue to be below the Lancashire, North West and national averages.

	2015	2025	2040
Workplace based earnings	£431.8	£662.1	£1,216.1
Residency based earnings	£482.9	£736.5	£1,346.4

## Health

The health of Chorley's population is generally better than the Lancashire average, and similar or slightly worse than the national average. There are, however, areas and conditions where Chorley's health is an outlier.

### Life expectancy

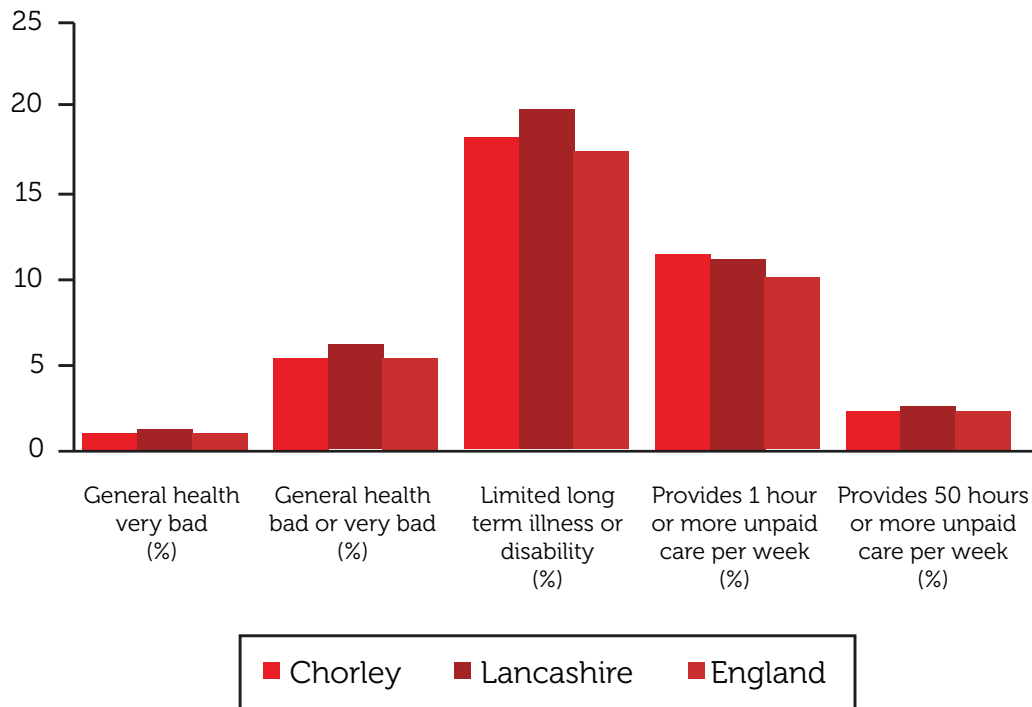
Overall, life expectancy in Chorley is similar to the rest of Lancashire and England. However, life expectancy is 9.6 years lower for men and 6.7 years lower for women in the most deprived areas of the borough compared to the least deprived areas.<sup>8</sup>

	Chorley	Lancashire	England
<b>Life expectancy (years)</b>			
<b>Males</b>	79.3	78.3	79.4
<b>Females</b>	82.2	82.0	80.0

<sup>8</sup>Public Health England, Local Health Profiles 2015: [http://www.apho.org.uk/default.aspx?QN=HP\\_FINDSEARCH2012](http://www.apho.org.uk/default.aspx?QN=HP_FINDSEARCH2012)

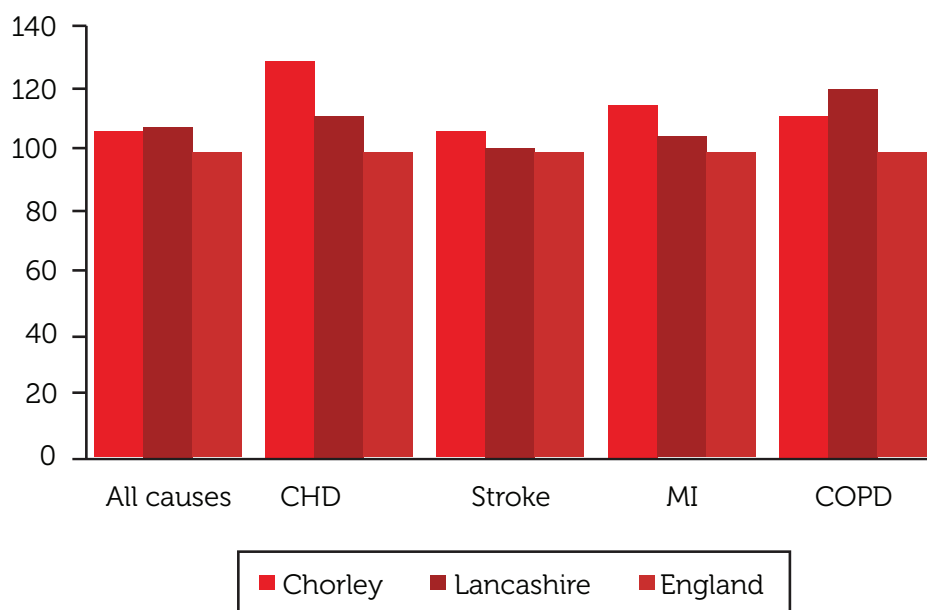
## General health

According to the 2011 census results, 5.5% of the population in Chorley have bad or very bad health, and 18.4% have a long term illness or disability. In addition 11.5% of the population provide one hour or more unpaid care per week, with 2.5% providing 50 hours or more.<sup>9</sup>



## Emergency hospital admissions

The emergency hospital admissions rates in Chorley are higher than the all-England rate. As can be seen from the graph, COPD (Chronic Obstructive Pulmonary Disease) is 13.2% higher, MI (Myocardial Infarction (heart attack)) is 17.1% higher and CHD (Coronary Heart Disease) is 31% higher.

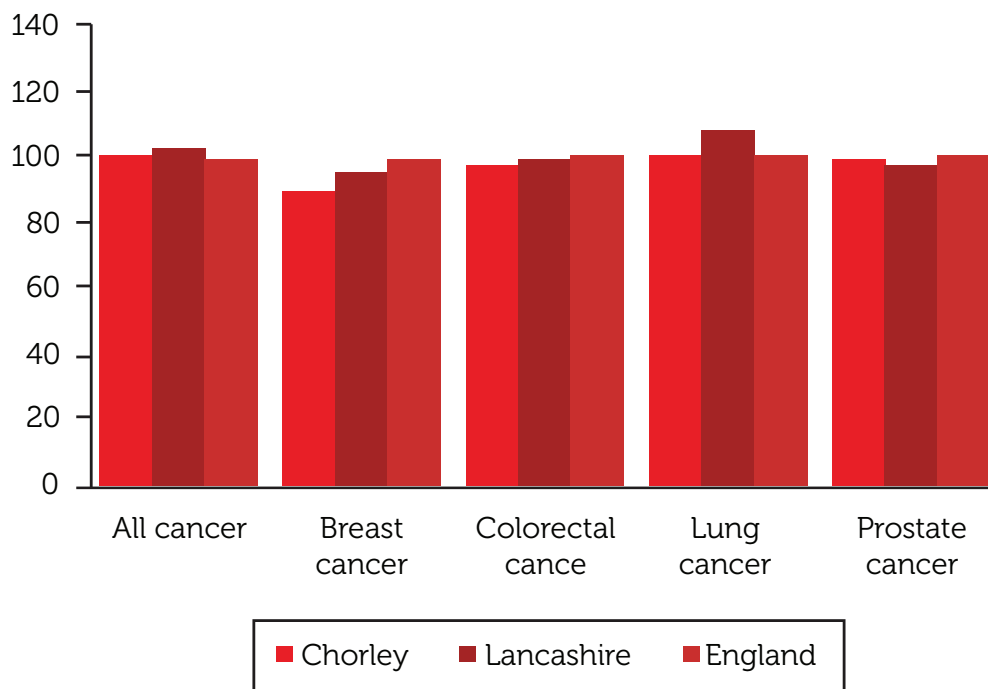


<sup>9</sup>ONS, 2011 Census, <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-286348>



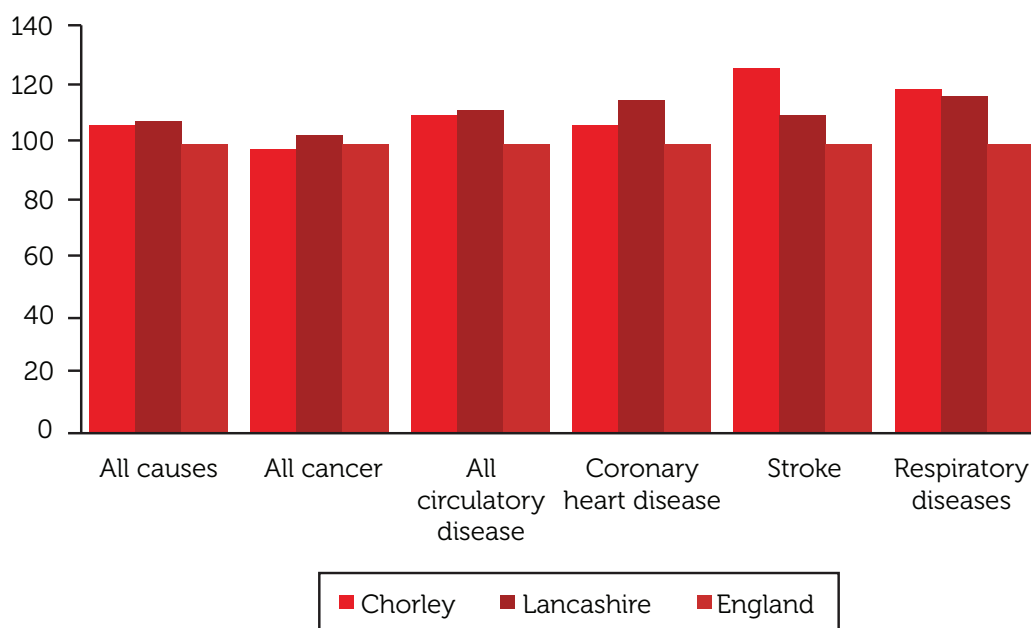
## Incidences of Cancer

The incidences of cancer rates in Chorley are very similar to Lancashire and lower than all England.



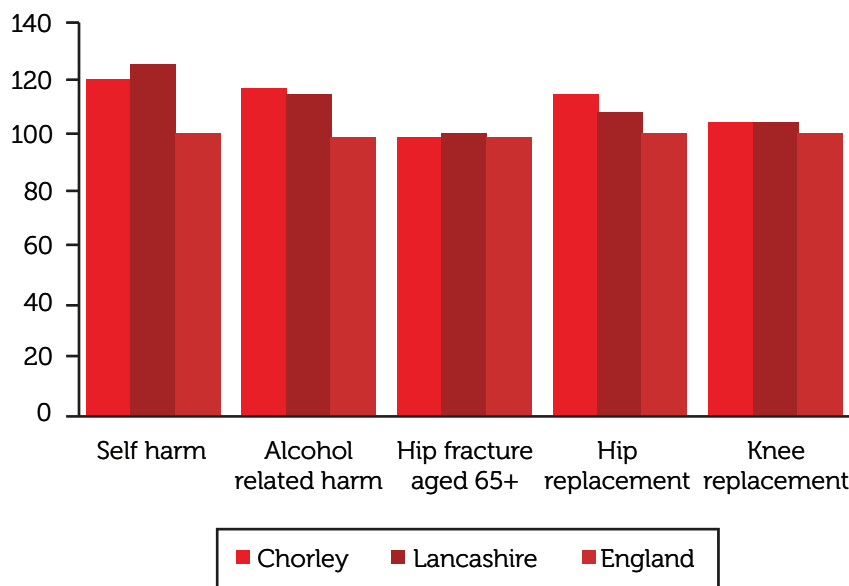
## Cause of Death

The rate of deaths from stroke in Chorley is significantly higher than both Lancashire and all of England, followed closely by respiratory diseases.



## Hospital Admissions – Harm and Injury

The rate of hospital stays for self-harm and alcohol related harm in Chorley is significantly higher than All England. Although emergency admissions for hip fracture aged 65+ are similar to Lancashire and England, the rate of elective hospital admissions for hip replacement are significantly higher.



### Impact on the case for change

The demographic, health and economic background set out above provides an important context in terms of the future demands for public services. This includes:

- 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 services.<sup>10</sup>
- While Chorley overall is relatively affluent, particularly in relation to the rest of Lancashire, there are pockets of significant deprivation. Changes in the way that public services are delivered, particularly if there are restrictions and a greater degree of targeting of resources may mean that Chorley receives significantly less service that it currently does as resources are targeted elsewhere
- 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.

## Legislative and policy context

The legislative and policy context in which the council and public services operate is important in considering future governance models. Whatever approach is pursued will need to fit with the external policy and legislative environment. This section provides an overview of some of the relevant developments.

### Health and Social Care Integration and Reform

The Health and Social Care Act 2012 - introduced a number of key changes to the NHS in England which came into effect in 2013. The changes included:

- giving groups of GP practices and other professionals – clinical commissioning groups (CCGs) – ‘real’ budgets to buy care on behalf of their local communities;
- shifting many of the responsibilities historically located in the Department of Health to NHS England

<sup>10</sup>Oliver, D; Foot, C and Humphries, R (2014), Making our health and care systems fit for an ageing population', The King's Fund' [http://www.kingsfund.org.uk/sites/files/kf/field/publication\\_file/making-health-care-systems-fit-ageing-population-oliver-foot-humphries-mar14.pdf](http://www.kingsfund.org.uk/sites/files/kf/field/publication_file/making-health-care-systems-fit-ageing-population-oliver-foot-humphries-mar14.pdf)

The Act aimed to improve the quality of services provided for individuals and their experience of the services they access. It outlined the duty of bodies such as NHS England, clinical commissioning groups, Monitor and health and wellbeing boards with an aim of making it easier for health and social care services to work together. The Act saw the transfer of responsibility for public health from the NHS to local government – allowing local authorities to both commission and provide public health services.

**The Care Act 2014** - provides the legal framework for changes to the social care system. The legislation sets out how people's care and support needs should be met and introduces the right to an assessment for anyone, including carers and self-funders, in need of support.<sup>11</sup> The Act's wellbeing principle spells out a local authorities' duty to promote wellbeing and there is more emphasis on helping people to connect to their local community. Eligibility for services will now be the same across England rather than each authority having their own assessment of need. Councils are now able to contract out social work functions such as assessment.

**NHS 5 year forward view**<sup>12</sup> - The Forward View argues that if the NHS received flat real terms funding over the next five years, and made no further efficiency savings, then growing demand for healthcare would lead to a national NHS shortfall of £30bn a year by 2020/21, (The Lancashire share of this shortfall would be in the order of £830m)<sup>13</sup>.

The review outlines seven models of care:<sup>14</sup>

- Multi-specialty community providers (MCP)
- Primary and acute care systems
- Urgent and emergency care networks
- Viable Smaller Hospitals
- Specialised Care
- Modern maternity services
- Enhanced health in care homes

In response to this, Healthier Lancashire produced their purpose document. The report outlines Lancashire's direction of travel for the health and social care changes in the county with emerging themes such as working together, social movement and change should be revolutionary not evolutionary.<sup>15</sup>

**Healthier Lancashire** – The Healthier Lancashire programme has been established to support the health economy in Lancashire to better understand and tackle the collective challenges it faces. As part of the programme, work has been undertaken to draw both on existing information and new analysis, with the following aims:

- Articulate key population needs, workforce and estates challenges
- Identify the size of the financial challenge over the next five years under existing service models.
- Consolidate a Lancashire wide view of the current plans in place and how far they go to addressing the challenges faced.
- Develop possible options that the Lancashire health and care system could explore further to close remaining service, financial and quality gaps.

The findings in the work identified issues in terms of population, workforce and financial challenges. The key drivers of health and care needs that were identified included:

- Lancashire has an ageing population, proportionally age categories over 50 are growing at a faster rate than nationally, with complex and multiple long term conditions
- Lancashire has a high prevalence of damaging behaviours, such as smoking, poor diet and increased alcohol use
- There are a number of services, such as mental health, neurological, cancer and respiratory services, which across Lancashire deliver below average outcomes and below average value for money against national benchmarks

<sup>11</sup>LGA, Guide to the Care Act 2014 and the implications for providers, [http://www.local.gov.uk/documents/10180/6869714/L14\\_767+Summary+Guide+to+the+Care+Act+2014+and+implications+for+providers.pdf/2d618a16-19e5-44fe-8833-8bcd57bd7ec4](http://www.local.gov.uk/documents/10180/6869714/L14_767+Summary+Guide+to+the+Care+Act+2014+and+implications+for+providers.pdf/2d618a16-19e5-44fe-8833-8bcd57bd7ec4)

<sup>12</sup>NHS England [Accessed Sept 2015] <http://www.england.nhs.uk/ourwork/futurehns/5yfv-exec-sum/>

<sup>13</sup>Healthier Lancashire programme (2014), Purpose document

<sup>14</sup>The Kings Fund [Accessed Sept 2015] <http://www.kingsfund.org.uk/projects/nhs-five-year-forward-view>

<sup>15</sup>Healthier Lancashire Programme (2014), Purpose Document

Key workforce challenges across Lancashire relate to skills shortages, recruitment and retention and investment in training and education to both create new roles and redistribute the existing workforce across all sectors.

Finally, the study concluded that the Healthier Lancashire organisations face a collective financial challenge of £804.8m over five years, which represents 23% of the forecast funding for health and adult social care in Lancashire in 2020.

**Better Care Fund (BCF)** - The £5.3 billion fund was established “to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people.” The BCF aims to create a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their wellbeing as the focus of health and care services, shifting resources into social care and community services for the benefit of the people, communities and health and care systems.<sup>16</sup> The BCF should form an important part of NHS two year operational plans and the five year strategic view alongside local government planning.

### **Combined authorities**

A Combined Authority is a formal legal arrangement which supports and enables collaboration and co-ordination between two or more local government areas on transport, regeneration and economic growth. It supports increased democratic accountability and transparency to a major area of local government policy making.

Creation of Local Enterprise Partnerships and combined authorities has changed the focus of strategic economic development work. The Devo Manc deal between the Greater Manchester Combined Authority and central government and other devolution deals that have followed in other areas provide a potential example of how further devolution and freedoms for local areas may take place in the future.

A combined authority has been proposed for Lancashire, involving the two unitary councils, county council and district councils. The proposal for a combined authority will be discussed by each of the Lancashire council at meetings in November and December with a view to undertaking a consultation exercise in January 2016, and an aim to establish a combined authority by spring 2016.

## **Impact on the case for change**

All of the above policy changes will continue to have a huge impact on the way that public services are delivered, and the way in which local government must work in close collaboration with its public sector partners to meet future demands. For instance,

- the NHS five year forward view sets out opportunities and options for change in health care, with new models that would change the way in which the NHS works
- the creation of combined authorities also provide opportunities and challenges – with opportunities to better influence decisions across the sub-region, and a need to ensure that new structural arrangements recognise that Chorley’s economic area spans Lancashire and Greater Manchester.
- The legislation and policies identified, including for example the Care Act, recognise the importance of better integrating public services and prioritising overall wellbeing of individuals and communities.

## **Budgetary pressures**

While the population change and policy context should provide impetus for public services in Chorley to change over time, a key immediate driver to change are the budgetary challenges that are faced across all of the public service organisations serving Chorley. These are caused by two key factors:

- reductions to funding
- increasing demand for services

<sup>16</sup>LGA, Better Care Fund [Accessed Sept 2015] [http://www.local.gov.uk/web/guest/health/-/journal\\_content/56/10180/4096799/ARTICLE](http://www.local.gov.uk/web/guest/health/-/journal_content/56/10180/4096799/ARTICLE)



Public finances have reduced significantly over the past few years and will continue to do so for coming years. At the same time, costs of delivering services and the demand for them continues to increase.

This pressure is expected to increase in future years, with public sector organisations anticipating significant budget gaps. The table below sets out the likely budget saving requirements that are faced by organisations. It is based on the available information. This is not always consistent as organisations do not publish plans to the same timescales or level of detail. It does, however, give a clear indication of the level of challenge and change that will be needed over the medium term.

Organisation	Budget projection	Planned approach
<b>Chorley Council</b>	Needs to make savings of £2.5 million by 2017/18, and £3.4 million by 2018/19	The council's medium term financial strategy identifies a range of options to meet the identified budget gap, from increasing income generation to making staffing savings.
<b>Lancashire County Council</b>	The county council's most recently published forecast projects that the county council needs to make savings of £223 million by 2020/21.	The council has commenced a base budget review to identify statutory services against a narrow definition. It is likely that county council services will be scaled-back considerably in the coming years.
<b>Health services</b>	The Healthier Lancashire work has identified a budget gap of £455.8 million for NHS providers in the health economy across Lancashire by 2019/20.	Each of the individual organisations involved in the Healthier Lancashire programme have individual plans for achieving their savings. The Healthier Lancashire programme aims to develop collective responses across Lancashire over the medium term that would see services reconfigured and transformed.
<b>Lancashire Fire and Rescue</b>	A budget gap of £6.7 million by 2018/19	The Fire Service has financial plans that will see changes in the way services (such as the prevention and protection teams) are delivered.
<b>Lancashire Police</b>	£20 million by 2017/18, and potentially a further £87 million by 2020/21.	Lancashire Police have already reduced their staffing by 16%. If the budget reduces by £87 million by 2020/21, the constabulary have stated that the impact would include moving to being a reactive force dealing with emergency and priority call, with no neighbourhood policing or public enquiry desks at police stations.

## Impact on the case for change

Reductions to budgets across public services, coupled with increasing demand, is a primary driver for examining future governance models for services in Chorley. The potential impact cannot be exactly identified, but is likely to include:

- 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' by the surrounding affluence 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 on to other parts of the system
- services focussed on prevention and early intervention will reduce or disappear. As organisations focus on core and statutory services, those which are non-statutory (such as many prevention and early intervention) will reduce. This will lead to significant issues over the medium and long term as the lack of those services are likely to lead to increased demand for statutory, demand-led services
- services will become more fragmented. As organisations focus on their core purpose, service provision will become more fragmented and separated with less common-ground between public services, and more gaps in services.





➤ EVIDENCE AND SUPPORTING INFORMATION



The council and partners have produced and commissioned a significant amount of work to support decision making around the future governance arrangements for the council and public services in Chorley more generally. All of the information, documents and data is available as background evidence and has been drawn upon in the options-appraisal section. However, a summary of each of the key elements of the evidence base is presented below.

## Commission on the future of public services in Chorley

The independent commission, established by Chorley Council and supported by most public service partners, consisted of seven senior figures drawn from around the country with expertise in public services. They received evidence from over 20 organisations and heard evidence in open sessions over two days.

The terms of reference set out the key questions for the commission to consider. These were:

- What are the key challenges facing public services in Chorley over the medium to long term?
- How should public services be delivered in Chorley to make them sustainable and to meet the future needs of the borough? Particular reference could be given to:
  - the needs of older people
  - individuals and families with complex needs
  - supporting people to stay healthy, have the right skills and find the right job
  - economic development and business growth
- What are the key enablers that will make radical change in the delivery of public services in Chorley possible?
- What are the barriers to reaching the vision for this work?

The commission used the information and evidence that was presented to them, and their own experiences and knowledge to develop a final report with key findings and recommendations. The key messages from the commission to public services in Chorley were:

- Change in public services is coming. All public services must swiftly innovate and change. Without action, a decline in service quality and outcomes is inevitable
- The current system is fragmented, cumbersome and clunky. It does not work well for service users
- Partnerships will need real commitment to deliver the change that is needed
- There is a need to act now, to develop new and deeper relationships, between public service organisations and different geographies
- There needs to be a clear vision for change
- Coproduction and codesign of services need to become central in services to engage service users and residents
- Public services need to work for Chorley, not individual organisations
- Services need to focus on early intervention and be centred around individuals and communities
- Decision making and service delivery should be based at the lowest possible level – not on organisational boundaries
- Chorley is well-placed to respond, in terms of acumen and drive, but there are significant barriers to change
- A step change is needed to deliver the change required

The commission made ten recommendations to public services:

1. Articulate a new collective vision for public services in Chorley
2. Strengthen and empower partnership working to act collectively
3. Hold a 'Chorley conversation' to talk about the future with residents and service users
4. Information and intelligence should be freely shared
5. 'Test-beds' for action and transformation should be identified
6. Public services should agree a model of locality-based working



7. Discuss and decide which neighbouring areas to work with to benefit Chorley
8. Embed a single culture across public services
9. Focus on early intervention and prevention
10. All partners must fully engage

## Chorley conversation

The Chorley Conversation followed the recommendation from the commission on the future of public services in Chorley. The aim was to hold a 'conversation' with individuals and service users so that their lived experiences could be used to redesign public services. The Chorley conversation was undertaken by Spice on behalf of the council, to provide a degree of independence and encourage people to provide open accounts of their experiences.

The conversation has consisted of three elements. The first was a survey sent to a large sample of residents to gauge general views and levels of satisfaction. The second and third elements were much more focussed and consisted on a series of workshops with groups and in-depth interviews with individuals. These workshops and interviews were planned around four thematic areas: people who regularly use services, young people, people from rural areas and people who live in low income areas.

The full report details the findings of the conversation, and makes a series of recommendations to public services in Chorley. They are:

- People with complex lives need whole person support to enable them to deal with immediate needs but also to live well, reducing the need to access services with multiple and complex issues as they get older
- There is a community development gap in Chorley and local people want to have increased power and control over local decision making especially around provision in their neighbourhood
- Chorley Council needs to exert its influence across housing providers to standardise how they work with local people.
- There is potential for the Council to provide increased leadership with large services and to advocate for local people with LCC and the NHS.
- The Council needs to target funding at key issues which are both evidence based and decided with local people. Elements of current provision do not match what people need and want
- Clayton Brook and other areas of the borough, needs a root and branch process of listening and community building, starting with local people not services.

## Financial modelling to test the viability of a unitary authority for Chorley

To investigate the viability of a unitary authority as a potential future governance model, a financial model was created to estimate the resources and expenditure of a unitary authority in Chorley. The modelling is based on building the likely resourcing base for a unitary, and the likely costs of delivering services that are currently split between the borough and county councils for the borough. This gives an overall view of whether a unitary authority may be a viable option, but does not take into consideration how services would be provided or how they may integrate with other public services.

To establish the costs of delivering services, the modelling was based on the RA form published in November 2014<sup>17</sup>, which was the most recently published when the work was undertaken. A series of factors were then used to disaggregate service budgets and apportion the relevant amount of service costs to the borough. For example, where 10% of service users for a service provided across the county come from Chorley, 10% of the costs of delivering that service were apportioned in the model to a Chorley unitary.

<sup>17</sup>The RA form is the revenue budget form all local authorities have to complete that sets out each authority's budget against set service categories

The results of the modelling indicate that a Chorley unitary authority would have a surplus of £5.8 million, which is equivalent to 7.5% of the overall budget requirement. The impact on the residual Lancashire would be a £5.8 million deficit, or 0.8% of the overall budget requirement for the remaining county council.

The full report then examines breakeven scenarios, to test how much the resourcing or expenditure position would need to deteriorate by before there would be no surplus.

For expenditure, an increase in demand for the two key demand-led service areas of Children's Services and Adult Social Care was modelled. Both services would need to see an increase in demand of 14% to use the full surplus. An increase in spend to this degree would mean that Chorley's expenditure per head would increase above the rest of the county per head spend. Needs in Chorley are lower than the county average (as demonstrated in all the available data such as the Census and service use information), and so this scenario was deemed to be unlikely.

In an alternative analysis, modelling reduced the resources available to the unitary by reducing the Settlement Funding Assessment. This would need to reduce from £362 per head to £308 per head, which would mean that Chorley's funding position would need to deteriorate significantly more quickly than its statistical nearest neighbours.

The financial modelling also projects the likely financial positions of a Chorley unitary and the residual Lancashire to 2017/18. Based on the information available, the modelling suggests that the Chorley unitary would remain in surplus, albeit reduced to £1.5 million. The modelling suggests that both of the organisations would remain viable. However, the report does note that it is inevitable that there will be some concern about whether proposed financial plans and service proposals are viable in the medium and long term.

The report concludes that a Chorley unitary authority is a viable option, but also that further work will be required to ensure that public services are sustainable in the future.

It is important to note that the aim of the financial modelling was to assess whether a unitary authority for the borough is viable, but also to assess whether it would put the borough in a worse position than remaining in the status quo. It does not assess the medium or long term viability of local government as a sector or public services as a whole. The modelling indicates that a unitary authority would be viable in Chorley. The potential options for protecting and sustaining public services over the long term are discussed elsewhere in the evidence base and the options-appraisal.

## Chorley's functional economic area

In considering future governance models for the borough, it was important that the council developed a clear understanding of Chorley's economy so that it is able to take decisions around how it should engage with sub-regional partnerships, such as Greater Manchester and Lancashire combined authorities, and where links need to be made across administrative boundaries.

The whole of the borough of Chorley was within the Preston Travel to Work Area (TTWA). However, although Chorley forms part of the Preston TTWA, the borough directly borders the Bolton, and Warrington & Wigan TTWAs, and it is evident from the 2011 Census data that significant commuting takes place across these boundaries.

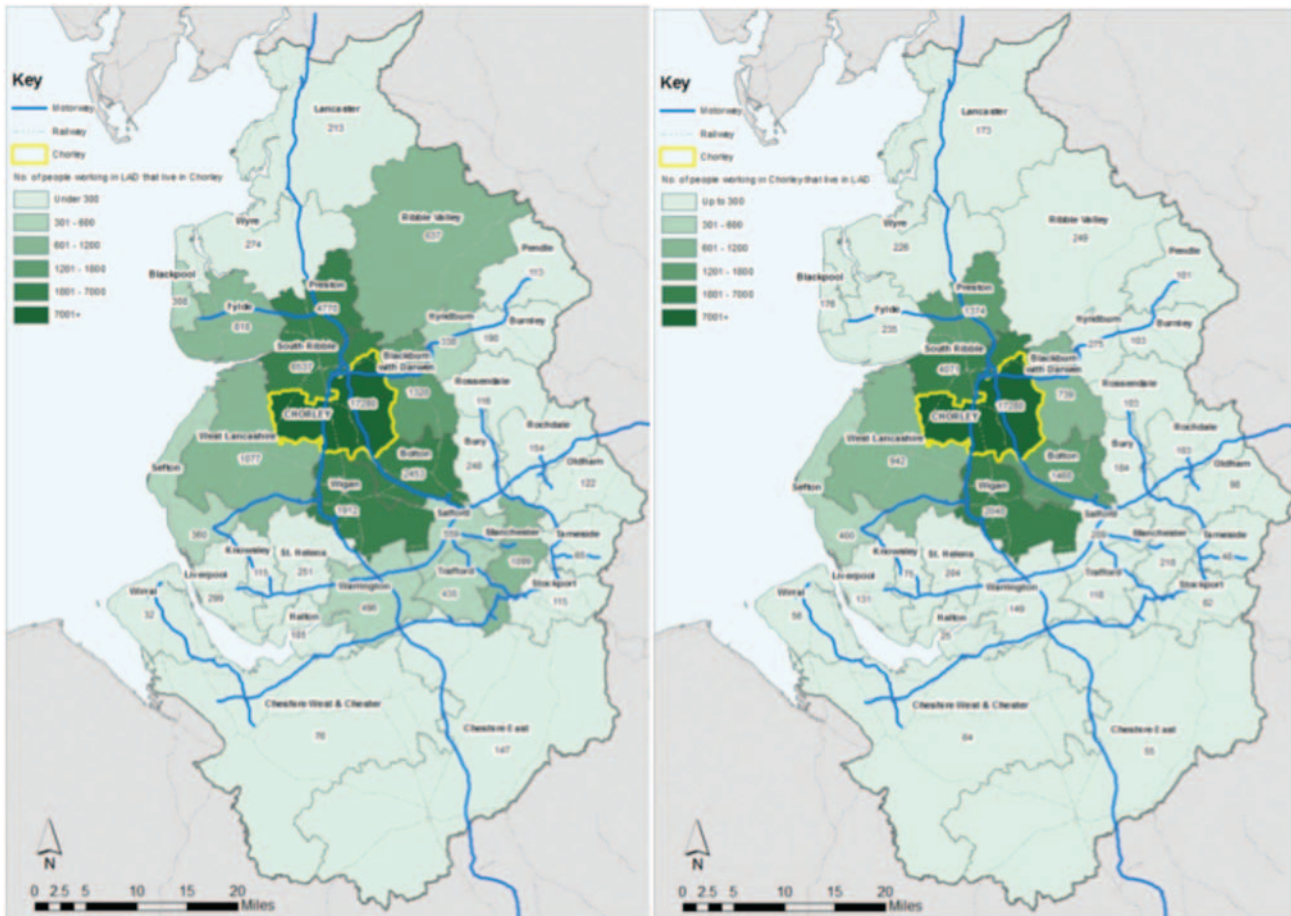




2001 Travel to Work Areas

40% of Chorley residents work within the borough, and 54% of Chorley’s workers live there. For those residents of Chorley who work outside of the borough, South Ribble and Preston are the two most significant locations.

There is a distinct pattern of commuting along the M61 corridor. This includes Preston and South Ribble in the north with by far the largest net outflows, but also substantial net outflows of workers to local authority areas to the south east, predominantly Wigan, Bolton and Manchester, as demonstrated in the maps below



The report on Chorley’s functional economic area highlights a series of conclusions and potential implications for Chorley. They include:

- The most important single direct local influence on the functional economic area of Chorley is what happens in Chorley itself.
- It is along the north-south axis in particular that Chorley has its strongest economic linkages. Preston and South Ribble in Lancashire are particularly important. As a result, outside of the borough itself, these are the local areas where economic growth or contraction would potentially have the greatest impact on Chorley.
- Bolton and Wigan are also important, with significant commuter flows notable. It is therefore also important that the potential implications for Chorley of economic change in these places are also fully understood
- Chorley is well-positioned to exploit the economic opportunities presented by its proximity to two Core Cities of Manchester and Liverpool
- Given the prominent role that the M62/M56 corridor(s) has played in recent years in growth terms, it is important that Chorley is able to maximise local benefits from this activity. This calls for an increasingly outward facing approach, supporting an economic development agenda that embraces the concept of porous borders – particularly to the south.

## Review of the council’s approach to customer-related functions

The council has had a consistent strategy to migrate customer contact to the front office for a number of years. The rationale behind this approach has been to ensure that customer requests are handled more effectively and efficiently, to improve the customer experience and to improve productivity for the organisation.



The full report includes a review of the current approach to managing customer-related functions, and tests whether the benefits that were anticipated have been achieved. Those benefits included:

- To increase productivity in the front office
- To use information effectively to anticipate and better manage peaks and troughs in workload
- To increase the digital take-up of services
- To reduce demand, and particularly failure demand for services

The review defines the characteristics of customer functions using the definitions developed in the establishment of the single front office:

	<b>Characteristics</b>
<b>Customer Processes</b>	Those customer driven processes which are; <ul style="list-style-type: none"> <li>• capable of being dealt with at first point of contact</li> <li>• high volume of demand</li> </ul>
<b>Transactional Processes</b>	Those processes which are driven by customer demand, <ul style="list-style-type: none"> <li>• which cannot be dealt on first point of contact,</li> <li>• which can be dealt with in a short period of time and limited number of interactions with the customer.</li> </ul>

In addition to these functions, there are other functions delivered by the council which are closely associated with customer demand and requests, particularly those which are regulatory and asset-based in nature. The following broad characteristics have been developed to define the functions:

	<b>Characteristics</b>
<b>Regulatory Processes</b>	Those processes which may have contact with the customer, but which are driven by statutory duties or powers. <ul style="list-style-type: none"> <li>• More likely to involve case management</li> <li>• Interaction with large number of customers or stakeholders</li> </ul>
<b>Assets and infrastructure processes</b>	Processes which are delivered to the benefit of the community, rather than a particular customer or customer group. Often related to land or assets

These processes are closely linked to customer functions, either because they have high levels of customer contact, or because they have the potential to produce high levels of failure demand<sup>18</sup> if they are not delivered effectively.

The review of the council's approach to customer services indicates that levels of customer satisfaction are generally higher in services that are delivered through the front office and that productivity has improved in services migrated into the single front office.

<sup>18</sup>Failure demand is a demand for services or a response caused by the organisation's (or public service's) failure to do something right for the customer, meaning that further demand for response or action is caused.

It also identifies evidence from elsewhere that indicates that the experience that residents and customers have when they request a service from the council is important in the overall view they form of the organisation. The approach that the council has taken to customer functions has strong links with principles that are advocated by various business improvement techniques, such as Lean. There is extensive research that Lean can bring significant benefits to organisations including; a reduction in processing or waiting times, a reduction in costs, increases in customer satisfaction and increased staff engagement.

Based on the learning and experience gained from the development of the single front office, and the evidence from elsewhere, the following principles should guide the council's approach to managing customer-related services:

- that services, however complex, should be dealt with as far as possible at the first point of contact
- that customers who can should prefer to use digital channels as an straightforward and efficient way of managing services
- that the management and delivery of customer-related services should be managed end-to-end with as few hand-overs of requests as possible
- that management information should be actively used to target resources
- that customers should be able to access information and manage their service requests without having to interact with the council

## The case for coproduction and community action

Evidence from the Commission on the Future of Public Services in Chorley, the Chorley Conversation and elsewhere strongly suggests that the relationship between public services and communities and services users needs to be reshaped. Too often, service users feel that they have no control or power in the services they receive and communities feel that they do not have a role to play.

It is useful to define what is meant by coproduction and community action and the distinction between the two. Coproduction has been given the following definition:

*“Coproduction means delivering public services in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours.”<sup>19</sup>*

Community action has less of a focus on the joint delivery of services and a wider aim of encouraging individuals to be more involved in their communities, using the assets that everyone has to be more active participants in their local area.

A central idea in coproduction is that everyone holds assets (for example, in skills, time, experience or enthusiasm) that could be used in delivering services and improved outcomes. If services are truly efficient, they should be making use of these assets rather than ignoring them.

Within Chorley, a key programme for encouraging greater involvement in community is the Time Credits programme. The programme has been in place since 2011. It had an initial focus on health and social care, but was widened in 2013 to provide a testbed for how volunteering and community activity could provide a basis for improved outcomes and better public services. A recent independent evaluation<sup>20</sup> has concluded:

- Greater involvement in the community and volunteering through Time Credits has a positive impact on health and wellbeing and is a key tool for prevention and enabling people to live healthier lives in the community.
- Time Credits are supporting the development of stronger communities, creating networks and enabling people to form new groups to meet local needs.

<sup>19</sup>Boyle, D and Harris, M (2009) 'The Challenge of Coproduction: How equal partnerships between professionals and the public are crucial to improving public services', NESTA, p 11

<sup>20</sup>Apteligen (2015) 'Spice Time Credits: Impact Summer 2015 findings, Chorley Impact'





The full report proposes that in considering how coproduction may fit with the future governance models for Chorley, the focus should be on how a greater involvement in services and communities could benefit individuals and communities, rather than how the activity could replace public services.

The following principles should be used to promote and encourage coproduction and community action in Chorley:

1. Everyone involved in delivering public services in Chorley should recognise people as assets. Everyone has something to contribute, rather than being a drain or demand on services.
2. Every service should provide opportunities for people to contribute and add value in their lives and local area. This could range from individuals having the opportunity to control care packages to communities being able to manage land and assets.
3. Public services in Chorley should invest in building social networks and community capability to promote greater coproduction and involvement in the community.
4. Services being reformed or redesigned should be designed with coproduction and community action as a central aim.

## Challenges for public services in education

As part of the work to examine the challenges facing public services and the future potential governance models for the borough, the council asked Professor John Diamond (Director of the Institute of Public Policy and Professional Practice, Edge Hill University) to provide

- a precis of changes in the management of education over the past two decades,
- a view of the challenges facing education in the context of wider challenges to public services
- suggestions for how the local area could respond collectively to those challenges.

The context within which education policy and practice is shaped by locally determined needs has undergone profound change over the last 25 years. Schools have much more independence and autonomy than was the case in the 1980s, and the FE sector has experienced a number of reforms. The cumulative effect of the changes over the past few decades has been to develop a more fragmented local system and a weakened role of the local education authority. Local authorities now have a very limited role in the day-to-day management of schools. The role will continue to change in the coming years as reducing budgets and the continuation of education changes (such as the academy programme) mean that councils will no longer have the scale or capacity to fulfil the role in the same way as they did in the past.

The education system has similar challenges to the rest of public services. Schools are affected by demographic change, and by changes to the services provided by other organisations. For example, when families struggle to access support that they need, it is often at school where issues are first identified.

In addition, schools and education play an important part in the wider system of public services – in ensuring that people are ready for employment, in promoting health and wellbeing and in providing a focus for the community.

The report makes a recommendation that Chorley should seek to ensure that education is involved in public service reform, and define a vision for education provision within the locality and aims for how the vision could be made real. This could include:

- Engaging and involving schools in public service reform
- Developing a partnership to link schools and further education into wider employment and economic development
- Supporting school networks and educational institutions in developing peer support and improvement

The governance model that is in place for the council and public services in the borough plays a key role in enabling or constraining the transformation of the way in which services are managed and delivered.

## Developing an integrated community wellbeing service

An outline business case has been developed that sets out a proposal to create a service that integrates functions that are focussed on prevention and early intervention. The case details the strategic rationale, an economic assessment of the potential benefits it could realise and outlines potential operating models.

There is a significant body of evidence that services focusing on prevention and early intervention have a beneficial impact on individuals, communities and public services. This is because individuals and communities experience better outcomes by receiving appropriate support, and the delivery of these services generally tend to be less expensive than services provided in crisis situations or over a long period.

The proposal examined in the business case is to integrate public services that:

- relate to promoting the health and wellbeing of individuals and communities, or
- that are aimed towards early intervention and prevention, managing future demand on the system caused by ill-health, anti-social behaviour or crises

The service will work under a single identity and management and work to the following principles:

- Frontline workers will be empowered to work within localities and tailor services to the needs of the communities and individuals
- 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
- Self-management and peer support will be promoted and supported
- Services will be codesigned and coproduced
- A focus on prevention and early intervention across all public services

The service will initially include functions currently delivered by Chorley Council and LCFT. The services in the way they are currently delivered account for around 390 FTE, and £15.8 million budget. While the business case is based on functions from two organisations, the premise of the proposal, and the operating models are designed to be able to work across more organisations and services.

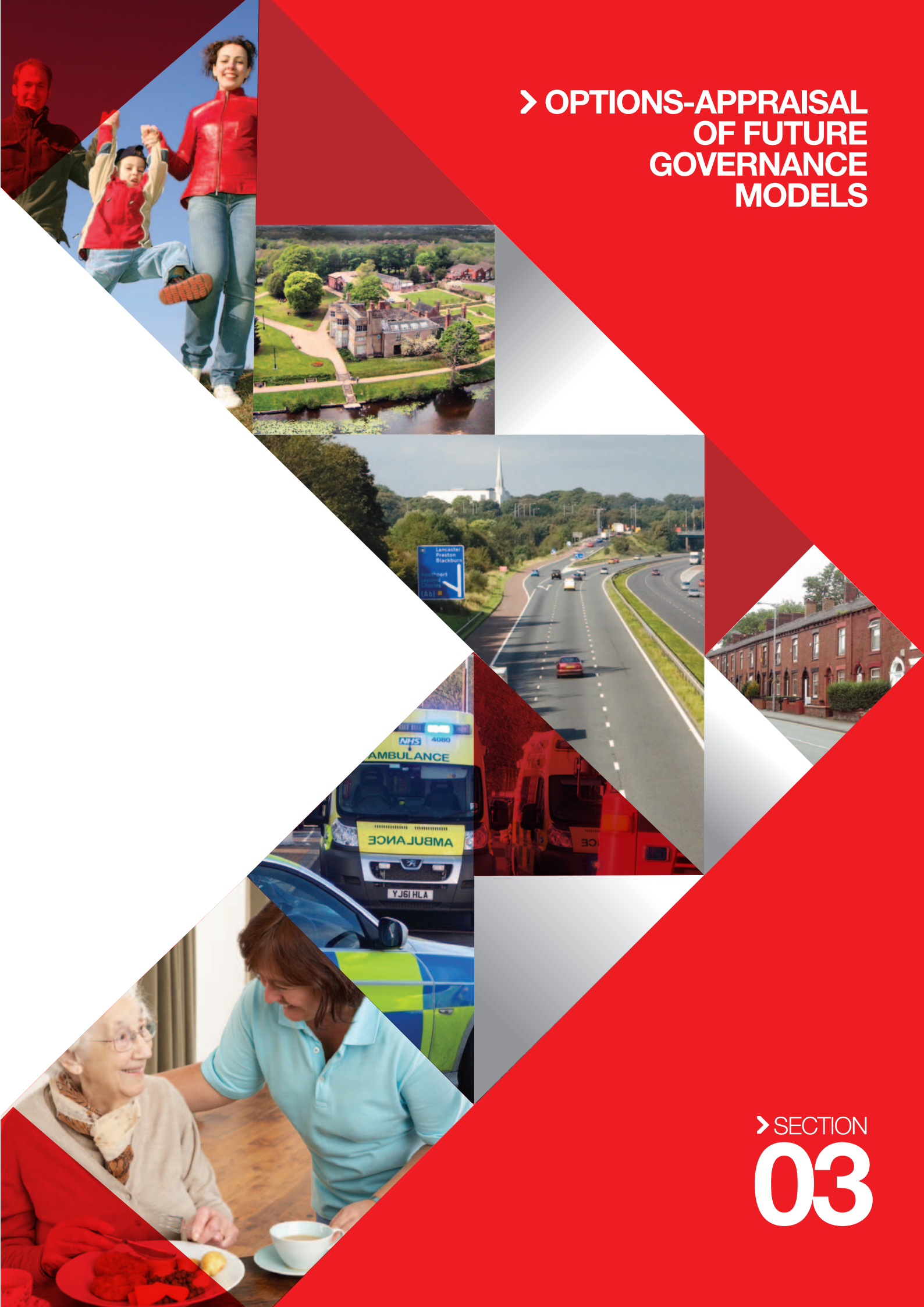
By integrating and reshaping services already provided by Lancashire Care Foundation Trust and Chorley Council to focus more on prevention and early intervention, there is potential to save the 'system' of public services 10% over 15 years.

This provides an opportunity to make public services more sustainable and better at meeting the needs of our residents.

To achieve true integration and a change in the way that services are delivered, the business case proposes developing a prime provider model for the management and delivery of services. This would then have the potential to provide the base for the development of an accountable care system that could truly transform the way that public services are sustained and improved in the long term.



> OPTIONS-APPRAISAL  
OF FUTURE  
GOVERNANCE  
MODELS



Five broad governance models that could be pursued to achieve the council’s ambitions for public service reform in the borough have been considered through an options-appraisal. The governance models 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.

The diagrams at appendix A set out to illustrate how the different models would lead to new organisational arrangements and changing responsibility for the management and delivery of functions.



## The approach to the appraisal

The options-appraisal is based on a qualitative approach that examines the advantages and disadvantages of each model and the likelihood of it enabling the achievement of the following criteria, which have been developed from the original vision agreed by the working group and the recommendations from the independent commission on the future of public services:

- To make public services less fragmented to customers, residents and service users
- The model is capable of delivering sustainable public services in the short and long term
- The leadership of public services will be strengthened
- Public accountability will be maintained or strengthened
- The model will support public services to meet future needs and demands

Although the options appraisal is primarily a qualitative approach, to aid some differentiation of the models, the following scoring matrix has been applied to each against the criteria above:

Score	Criteria
4	Option would strongly support achieving the objective
3	Option would support achieving the objective
2	Option would partially support achieving the objective
1	Option would not support achieving the objective

The assessment of each of the governance models is set out in the following tables.

## Option 1: Status quo

### Summary

No significant change to governance models. A continuation of partnership working through the public service reform partnership, with functional responsibilities remaining with current organisations.

### Advantages

- No disruption caused by reorganisation of services
- No need to seek permission of central government or support of partners
- Organisations work within established and recognised boundaries.

### Disadvantages

- Disruption is likely to occur anyway with financial gaps faced by public services
- Continued fragmentation of local government – lacking clear leadership to other public services.
- Continued inability of Chorley Council to drive and influence decision making at a local level because of split decision making
- Chorley is likely to be adversely affected by public services ‘rationing’ services and prioritising other areas of the county
- Joined up and integrated approaches to working is likely to be ad-hoc and inconsistent

### Objectives and scoring

To make public services less fragmented to customers, residents and service users	The model is capable of delivering sustainable public services in the short and long term	The leadership of public services will be strengthened	Public accountability will be maintained or strengthened	The model will support public services to meet future needs and demands
Unlikely to deliver against this objective – the existing structures would continue the existing fragmentation. Fragmentation likely to increase in time as service provision is reduced or rationed.	Little impact in the short term, although individual organisations are increasingly having to take more fundamental decisions to meet financial challenges.  Long term sustainability of public services not supported by this option	Refocused public service reform partnership may provide some degree of improved leadership, as might the combined authority.	Public accountability for district council services will be maintained. Similarly with county council services. No promotion of accountability in other public services	Unlikely to support the delivery of this objective – current plans across public service partners focus on meeting financial challenges, not reshaping to meet future demands
<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>



## Option 2: 'Traditional' unitary authority

### Summary

A unitary authority created for Chorley, a local authority that has responsibility for 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.

### Advantages

- Decision making and community leadership would be simplified and strengthened
- Financial modelling demonstrates that it is a viable option and does not significantly impact on the viability of the residual county area.
- An established model of governance for local government, with examples of public service reform elsewhere.

### Disadvantages

- Likely to cause significant disruption to public services, particularly local government in the short and medium term
- Model does not address the fragmentation of public services
- Authority would be sustainable in the short to medium term, but may be less sustainable in the long term as a small authority
- Some services (particularly specialist services) would better delivered at a scale larger than the borough, although the combined authority would provide some mechanism for this.

### Objectives and scoring

To make public services less fragmented to customers, residents and service users	The model is capable of delivering sustainable public services in the short and long term	The leadership of public services will be strengthened	Public accountability will be maintained or strengthened	The model will support public services to meet future needs and demands
Addresses fragmentation of local government, however the model on its own would not address the fragmentation of public services (for example, across health and social care)	This model is likely to be able to provide an opportunity for sustainable local government (through a redesign of services, and based on financial modelling). However, does not address long term sustainability of wider public services and in small in absolute terms	The unification of local government would provide an opportunity to strengthen local government leadership. However, it does not address system-wide leadership	Public accountability for local government would potentially be increased with more straightforward structures. However, it does not address other parts of public services	The model may support the development different local government services, but not addressing the need for integration of health and social care and other public services would make it more difficult to meet future needs.
<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>

## Option 3: Integrated district council

### Summary

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).

### Advantages

- No need to seek permission of central government
- Addresses long term issues in managing demand for services through demographic change.
- Addresses some of the issues of fragmentation in public services
- Builds on current partnership working through the public service reform partnership

### Disadvantages

- Continued fragmentation of local government – lacking clear leadership to other public services.
- Risk of commissioning and service provision decisions undermining public service reform.
- Proposals would be limited to on certain parts of the public service system, and changes to services or systems would not include all relevant services.

### Objectives and scoring

To make public services less fragmented to customers, residents and service users	The model is capable of delivering sustainable public services in the short and long term	The leadership of public services will be strengthened	Public accountability will be maintained or strengthened	The model will support public services to meet future needs and demands
Addresses some fragmentation issues, but not local government or health and social care.	Would promote Chorley Council's sustainability in the medium term by increasing remit, and would support longer term sustainability of public services.  Unclear on the short term how it would support short term sustainability	Will provide some strengthened leadership through creation of integrated services and combined authority, but does not address the fragmentation of local government or health and social care commissioning	Public accountability is likely to be more complex as services are integrated across different sectors without addressing the fragmentation of key elements of the system	The approach will support a reshaping of services to meet future needs in terms of an ageing population with increasing complex and multiple needs through prevention and early intervention. It will not address issues in the management of health and social care
<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>





## Option 4: Integrated district councils across a wider geography

### Summary

Local government functions remain within the existing structures. Appropriate district council functions are integrated with other public service providers (for example through an community wellbeing service), with a network of integrated districts across a wider geography to provide opportunities for wider service reform.

### Advantages

- No need to seek permission of central government
- Addresses long term issues in managing demand for services through demographic change.
- Addresses some of the issues of fragmentation in public services
- Builds on current partnership working through the public service reform partnership
- Network of integrated districts could enable greater change and sustainability, and provide a scale to deliver a wider range of integrated services across a larger population

### Disadvantages

- Continued fragmentation of local overnment – lacking clear leadership to other public services.
- Risk of commissioning and service provision decisions undermining public service reform.
- Proposals would be limited to on certain parts of the public service system, and changes to services or systems would not include all relevant services.

### Objectives and scoring

To make public services less fragmented to customers, residents and service users	The model is capable of delivering sustainable public services in the short and long term	The leadership of public services will be strengthened	Public accountability will be maintained or strengthened	The model will support public services to meet future needs and demands
Addresses some fragmentation issues, but not local government or health and social care.	Would promote involved district councils' sustainability in the medium term by increasing remit, and would support longer term sustainability of public services.	Will provide some strengthened leadership through creation of integrated services and combined authority, but does not address the fragmentation of local government or health and social care commissioning	Public accountability is likely to be more complex as services are integrated across different sectors without addressing the fragmentation of key elements of the system	The approach will support a reshaping of services to meet future needs in terms of an ageing population with increasing complex and multiple needs through prevention and early intervention. It will not address issues in the management of health and social care
<b>3</b>	<b>3.5</b>	<b>3.5</b>	<b>3</b>	<b>3</b>

## Option 5: Integrated public services

### Summary

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.

### Advantages

- Decision making and community leadership would be simplified and strengthened.
- Could potentially work across a wider geographic area
- Would make public services more sustainable by building an integrated model public services instead of adding them on to existing organisational structures
- Would provide an opportunity to better manage the disruption in public services that is already being caused by budget gaps.

### Disadvantages

- Would take time to develop and deliver
- Would cause disruption within public services and need permission from others (such as central government)

### Objectives and scoring

To make public services less fragmented to customers, residents and service users	The model is capable of delivering sustainable public services in the short and long term	The leadership of public services will be strengthened	Public accountability will be maintained or strengthened	The model will support public services to meet future needs and demands
Should promote integrated public services – from commissioning to provision, and enable redesign of service provision around the needs of individuals and communities	Model is capable of delivering sustainable services in the long term, by better managing demand across the system and over time, and by tailoring services to needs.	Public services should be promoted through the integration of local government, and the creation of integrated approaches to commissioning and service provision	Public accountability should be maintained or strengthened in the development of new services, but it is likely to be different and more complex as services are integrated across different sectors	The model would support public services in meeting future needs and demands by shifting emphasis on prevention and early intervention, and on the management of demand across the system rather than within organisations
<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>



## Summary of the scoring

A summary of the scoring applied in the options-appraisal is set out in the table below. This provides some level of indication about the potential for each of the models to reach the objectives and vision that the council has set out to achieve.

Objective	Status quo	Traditional unitary	Integrated district council	Integrated district councils on wider area	Integrated public services
To make public services less fragmented to customers, residents and service users	1	2	3	3	4
The model is capable of delivering sustainable public services in the short and long term	1	2	3	3.5	4
The leadership of public services will be strengthened	2	3	3	3.5	4
Public accountability will be maintained or strengthened	1	3	3	3	3
The model will support public services to meet future needs and demands	1	2	3	3	4
<b>Total</b>	<b>6</b>	<b>13</b>	<b>15</b>	<b>16</b>	<b>19</b>

The options appraisal indicates that the integrated public services model is the most likely governance model to achieve the objectives and vision of the work. The model which is least likely to achieve the council's aims is to remain with the status quo.

## Deliverability of the models

The options-appraisal examines each of the models against the identified objectives. However, a separate issue is how possible it is to deliver the governance models when external factors, such as other organisations' decision making is taken into account. In this section, consideration is given to how deliverable each of the models are.

	Option title	Issues for delivery
1	Status quo	No real issues in potential to deliver this model, as the existing arrangements continue. The only new arrangement is the development of a combined authority for Lancashire. Although this will pose some issues for the Lancashire local authorities, it should be relatively straightforward to develop and deliver and similar models are in place in other areas of the country.
2	'Traditional' unitary authority	The government would need to agree to the reorganisation of local government arrangements for Chorley to create a single tier authority. At present, the government's stated approach is that they will consider this when there is a unanimous agreement among local partners. For Chorley, this would mean that the agreement of Lancashire County Council would need to be secured. At this point, this would seem unlikely. An alternative approach would be to secure a mandate from local residents to further lobby the government and county council.
3	Integrated district council	This option would require formal transfers of the management of functions to new organisations, but the relevant decisions could be made by the council and its partners and would not require legislation or permission from government or others. In addition, the extent of the integrated working, for example through the integrated community wellbeing service, could take a narrow or wide approach depending upon the level of engagement from partners. Similar approaches (albeit generally not with district councils) are developing across the country to better integrate health and social care.
4	Integrated district councils across wider geography	This option would have similar challenges in terms of deliverability to option 3, but would need to develop agreement across multiple areas, including governance arrangements although it would still not require legislation or permission from others.
5	Integrated public services	<p>The delivery of this option would be challenging. One approach to delivering this would be to secure local government reorganisation to start the process. This would encounter the same issues that are identified for option 2 above.</p> <p>In addition, the opportunity would need to be taken to deliver different governance models across local government and the health sector – meaning that multiple partners would need to be engaged and actively involved. This would be easier to undertake during the reorganisation of local government, but would still be challenging.</p> <p>An alternative approach would be to develop some of the foundations to this approach through before reorganisation, by developing the model described in option 3 before reorganising local government as described in option 5.</p>

The most deliverable options are either continuing with the status quo, or to develop the integrated district council model.

## Conclusion

The future governance model that is most likely to support the council and public services to achieve the vision and objectives is the integrated public services model; utilising the opportunity of reorganisation of local government to drive change through the system of public services and create new and sustainable models.

However, there would be significant challenges in implementing that model, so it would take time to deliver.

The integrated district model provides an opportunity to achieve much of the vision for public service reform, and is achievable. In a similar way, working to extend the model across multiple districts may present further opportunities. However, as identified in the options appraisal, the model carries risks in terms of long term sustainability as commissioning functions would not be included within integrated governance structures.



> SERVICE DESIGN  
PRINCIPLES,  
BUSINESS  
MODELS AND  
SCALE



Across all of the services the council provides or commissions, or new services that the council develops with public service partners, the following principles should apply.

## Providing excellent customer services

1. Services, however complex, should be dealt with as far as possible at the first point of contact
2. Customers who can should prefer to use digital channels as a straightforward and efficient way of managing services
3. The management and delivery of customer-related services should be managed end-to-end with as few hand-overs of requests as possible
4. Management information should be actively used to target resources
5. Customers should be able to access information and manage their service requests without having to interact with the council

## Encouraging community action and coproduction

6. Everyone involved in delivering public services in Chorley should recognise people as assets.
7. Every service should provide opportunities for people to contribute and add value in their lives and local area.
8. Public services in Chorley should invest in building social networks and community capability
9. Services being reformed or redesigned should be designed with coproduction and community action as a central aim

## Prevention and early intervention

10. Frontline workers will be empowered to work within localities and tailor services to the needs of the communities and individuals
11. 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
12. Self-management and peer support will be promoted and supported
13. Services will be codesigned and coproduced
14. There will be a focus on prevention and early intervention across all public services

## Council organisational business models

Chorley Council has utilised functional analysis over a number of years to support its work in reshaping and transforming the organisation. For example, in the business process architecture work undertaken as part of the National Process Improvement Project in 2007 identified a blueprint for a district council based around key customer groups. More recently, the council has identified functional groups based on processes identified in rough-cut activity based costing exercises to drive change, for example through the development of a single front office.

Alongside the overall governance models outlined and assessed in earlier sections, it is important to consider how the council's current core functions may be delivered in the future; what business models will best support the organisation in delivering its core services and purpose, and in leading public service reform.

Using the principles and background evidence in the report, the following table sets out functional groupings for the services provided by the council. It also does not suggest a structure for the council. It is a way to identify and distinguish processes.



Function	Characteristics
Strategic	Those processes which are central to the decision making of the organisation; <ul style="list-style-type: none"> <li>• closely linked to the decision making core;</li> <li>• involved in long term organisational planning.</li> </ul>
Resourcing	Those processes which provide support to the running of the organisation through support services.
Customer	Those customer driven processes which are; <ul style="list-style-type: none"> <li>• capable of being dealt with at first point of contact</li> <li>• high volume of demand</li> </ul> or <ul style="list-style-type: none"> <li>• cannot be dealt with at first point of contact, but can be dealt with in a short period of time and limited number of interactions with the customer</li> </ul>
Regulatory	Those processes which may have contact with the customer, but which are driven by statutory duties or powers. <ul style="list-style-type: none"> <li>• More likely to involve case management</li> <li>• Interaction with large number of customers or stakeholders</li> </ul>
Early intervention and well-being	These processes may provide universal services that promote better living and community involvement. They may also be targeted at vulnerable people who are at risk of becoming more dependent if there is no intervention.
Economic development	Processes which: <ul style="list-style-type: none"> <li>• drive economic growth</li> <li>• related to business growth</li> <li>• related to long-term spatial planning</li> </ul>
Community assets and infrastructure	Processes which are delivered to the benefit of the community, rather than a particular customer or customer group. Often related to land or assets

The table below shows the business models that will be associated with each of the functional groupings. It is important to note that these demonstrate the key business model approaches for each, but they will need to continue to develop and respond to the external and internal context

Function	Business model
Strategic	Delivered by the organisation, with some scope for shared services if an opportunity arises. Provides strategic direction to the organisation, and forms the policy making and democratic core. Also development of collective capacity with partners for reform work.
Resourcing	Consider shared services, use of technology and potentially outsourcing to reduce costs.
Customer	Consolidation of functions into the front office. Delivery of digital strategy should provide scope to refocus services and reduce costs.
Regulatory	Linked closely to customer services function. Consider shared services and outsourcing on a business case basis.
Early intervention and well-being	Full integration with public service providers –through an integrated community wellbeing organisation. Delivered with coproduction and volunteering at its heart, encouraging community involvement.
Economic development	Close / joint working with sub-regional partners. Potential outsourcing of some work with those partners.
Community assets and infrastructure	Close links with customer services. Work with volunteers / community groups / parish council to encourage coproduction and community action.

These business models should be used in developing a reshaped organisation and in developing a transformation strategy. The business models identified in the table above fit with the service principles identified in the earlier section. In addition, they fit and support the governance models identified around an integrated district council and integrated public services. For example, the model for early intervention and well-being is supported by an integrated community wellbeing service, the model for economic development links with a combined authority and customer, regulatory and community assets are supported by the background evidence for customer principles, coproduction and community action.

## A note on geographies

The focus of this report is on creating sustainable public services for Chorley and the potential role of Chorley Council. However, the principles outlined in the previous section, as well as the proposal for an integrated community wellbeing service would be suitable to fit within a system of transformed public services across a wider geographic area.

The report from the commission argued that there is no single right spatial level to deliver all public services, that some are best suited to large populations and spatial areas, whereas others are suited to smaller areas. An example used in the commission report is that the integration of health and social care works best at populations of 20,000 to 70,000.

Set out below is a broad illustration for how different public services could be suited to different population sizes and geographic areas

Impact on the case for change	
Regional – 5 million +	<ul style="list-style-type: none"> <li>• Specialised services</li> <li>• Strategic transport and infrastructure planning</li> </ul>
Pan Lancashire – 1 million	<ul style="list-style-type: none"> <li>• Tertiary services</li> <li>• Strategic economic growth planning</li> <li>• Transport planning and infrastructure</li> <li>• Serious and organised crime</li> <li>• Regional trauma centres</li> <li>• Regional specialised services</li> <li>• Support for education</li> </ul>
Clustered district – 200,000 to 300,000	<ul style="list-style-type: none"> <li>• Type One and Type Two urgent care services</li> <li>• Emergency service response</li> <li>• Health and social care commissioning</li> <li>• Planned healthcare</li> </ul>
District level and smaller – 100,000 and smaller	<ul style="list-style-type: none"> <li>• Design and provision of community services – including prevention and early intervention</li> <li>• Community health and primary care services</li> <li>• Community and asset-based services</li> </ul>

A key issue in identifying future governance models for public services is to ensure that local accountability is maintain and strengthened, so that residents can clearly influence the management and delivery of services, and hold their representatives to account. It is likely that this is best achieved by maintaining links to community identify and links to the delivery of frontline services. Within the proposals outlined above, this would appear to be best served through democratic arrangements at a district level, with a population of around 100,000.





# > RECOMMENDATIONS AND NEXT STEPS



1. 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.

The purpose set out in the earlier section of this report should be used as a basis for future decision making.

2. Chorley Council should have a clear ambition to achieve integrated public services in Chorley, using the integrated district governance model as a foundation for change

The council should continue to work towards, and press for, fundamental change in public services for Chorley over the medium term. This will need support from others, particularly central government and the NHS. However, it would be significantly more secure and more sustainable if all parts of public services are involved rather than leaving elements fragmented and unconnected.

Rather than waiting for enormous disruption to be caused as local public service organisations take individual decisions to manage their budget challenges, the unification of local government for Chorley would provide an opportunity to reshape and redefine services that are sustainable and fit for the future.

The integrated district council model provides an opportunity to build strong foundations relatively quickly by concentrating on developing models that do not need external support or permission to implement. However, a key issue in this approach is that it does not address fundamental weaknesses in the existing public service governance models.

3. Chorley Council should reshape its structure and organisation to enable and support change

The council should ensure that its structure supports the principles set out in this report and the adoption of future governance models, and should commence the process by reshaping itself, using the business models outlined in this report.

4. 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

In reshaping itself and developing new services and governance models, the council should use the principles around customer services, coproduction and prevention and early intervention to guide its work. A transformation plan should be developed in the coming months to support this change.



5. The council should work with Lancashire Care NHS Foundation Trust and other willing partners to develop an integrated community wellbeing service

As a potential key foundation in the development of integrated public services, the council should develop an integrated community wellbeing service.

6. Chorley should support the development of a combined authority for Lancashire, particularly for functions that are best based at the pan-Lancashire level

A combined authority for Lancashire provides potential opportunities for Chorley in terms of greater influence and accountability over economic development, and to strengthen Lancashire as a whole in sub-regional, regional and national discussions.

7. Chorley Council should work with neighbouring areas to explore the development of opportunities for radical public service reform across a wider geographic area

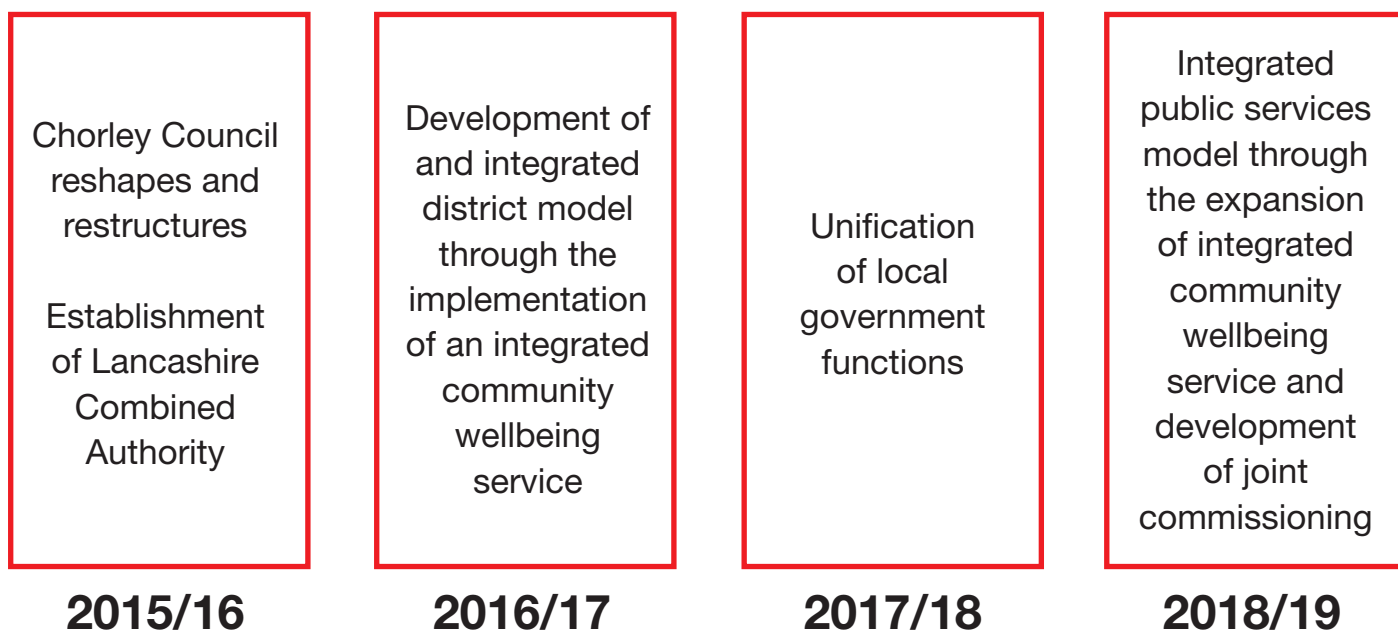
Sustainable public services need to be based on full system public service reform. This will be more achievable over the medium and long term if reform can include neighbouring areas which receive services from the same organisations (such as in the NHS) as Chorley.

8. Chorley Council should work with others to create a vision for education in the borough

The council should ensure that education organisations are recognised for the role they play in public services and the community. They should be involved in work around public service reform, particularly in developing links between schools and further education into wider employment and economic development issues.

## Pathways for change

The diagram below illustrates the likely path from the current position to a new model of integrated public services by 2018/19.



As outlined in the recommendations, the aim is to use the integrated district model as a foundation for change. The diagram below illustrates some of the key aspects of the model.

In the model opposite, the local government structures remain unchanged, with the creation of a combined authority for collective pan-Lancashire decision making. Some borough council services, with a focus on prevention and early intervention, are transferred to an integrated service with LCFT and other willing partners.

The council will also have a series of identified business models for its service delivery.

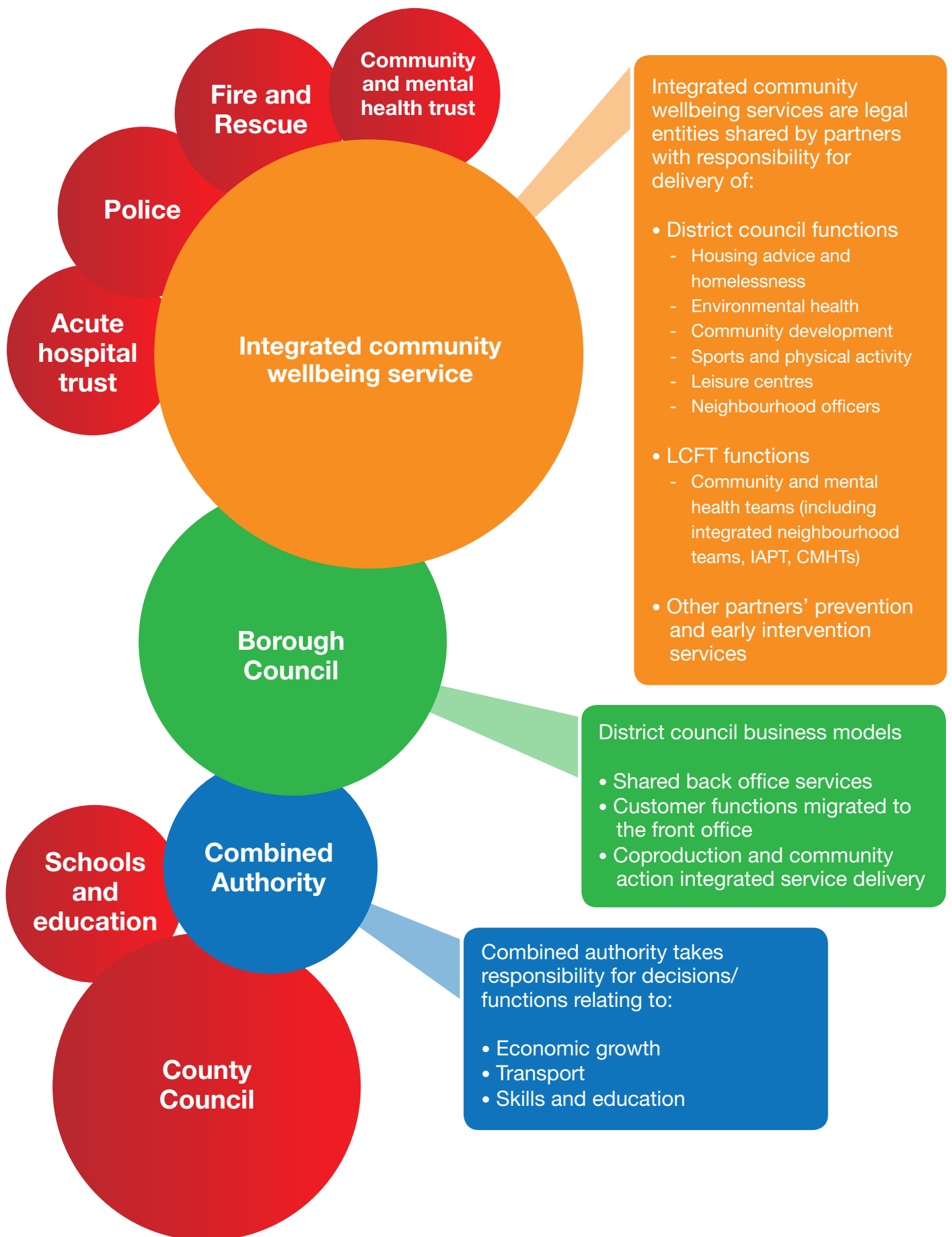
These include:

- Developing shared back office services
- Integrating coproduction and community action into service design and delivery
- Migrating the management of customer-related functions to the front office

As discussed in the earlier section, other areas could move towards a similar integrated district model, which would provide opportunities to increase scale and sustainability.

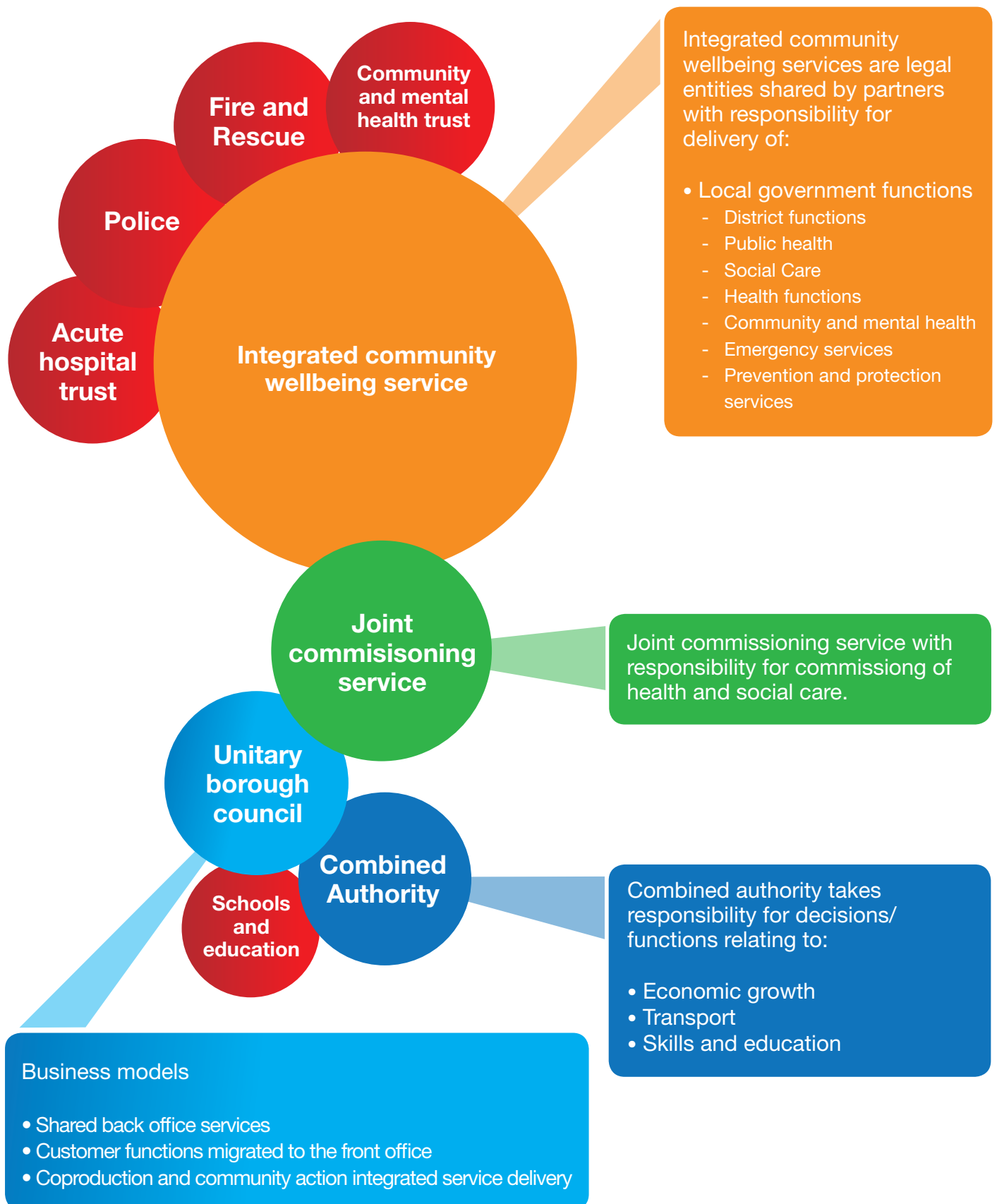


# Integrated district council



The ambition is to create a model of integrated public services, which are illustrated in the diagram below.

## Integrated public services



Local government functions are unified through the creation of a unitary authority for the borough. This enables the creation of integrated public services by expanding the integrated community wellbeing services and creating a joint commissioning service for the boroughs.

## Next steps

In reshaping and preparing to transform public services in the borough, the council will need to ensure that it has in place a plan for change that will support the organisation in leading the change in public services. A transformation strategy will be developed and presented to Executive Cabinet in January 2016 for approval. It 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.



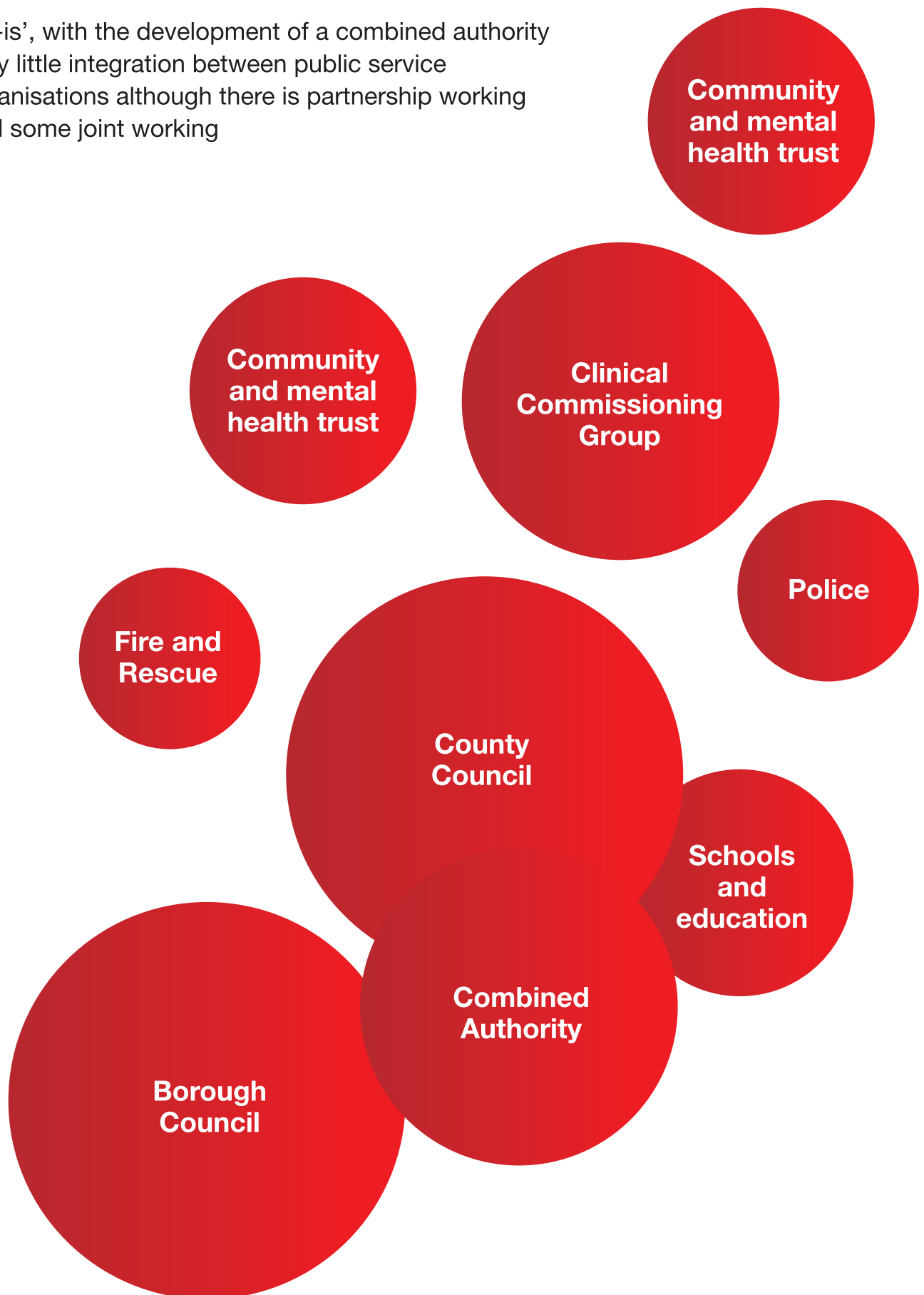


> APPENDIX A



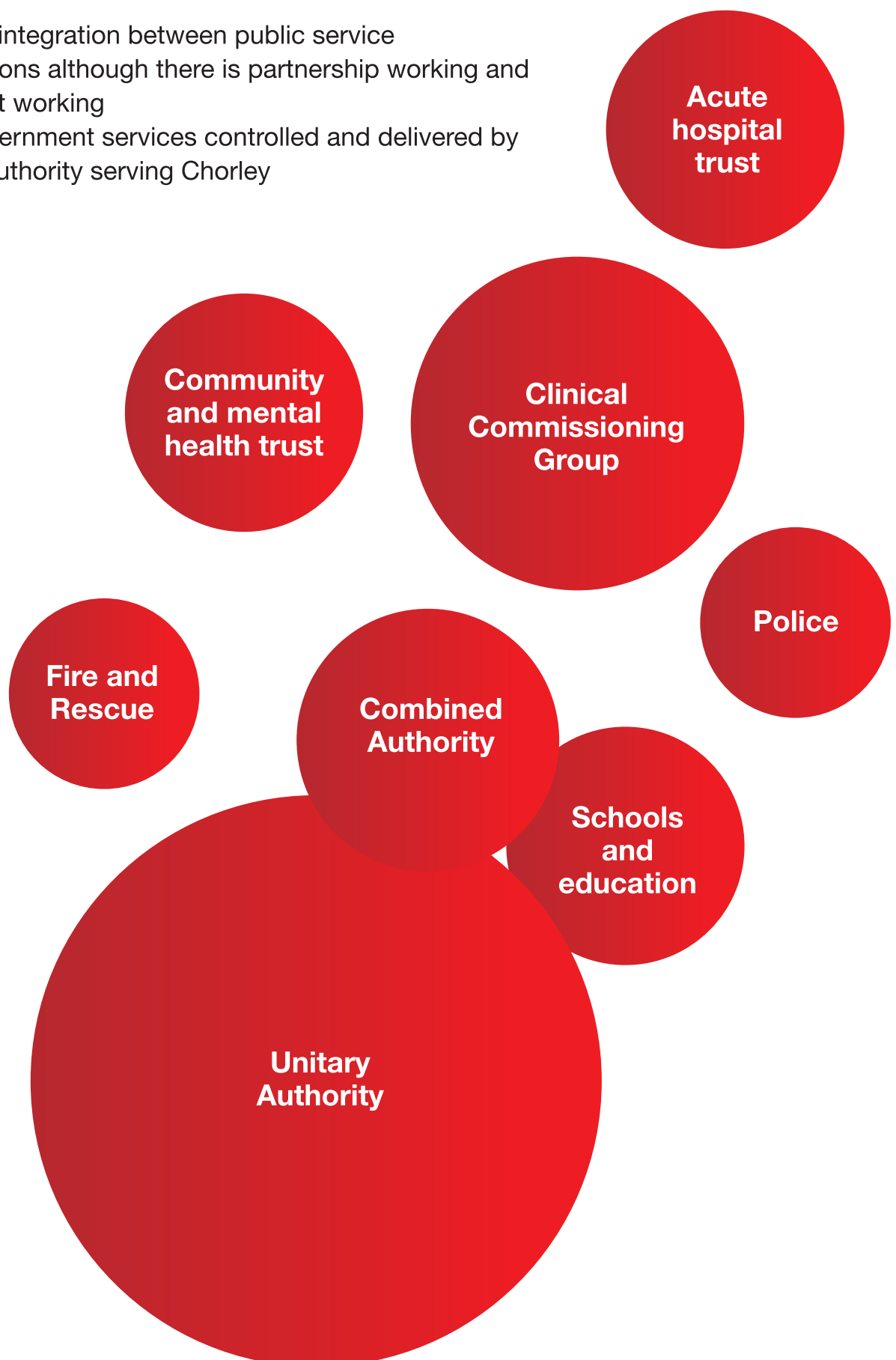
## Option 1: **Status quo**

- 'as-is', with the development of a combined authority
- Very little integration between public service organisations although there is partnership working and some joint working



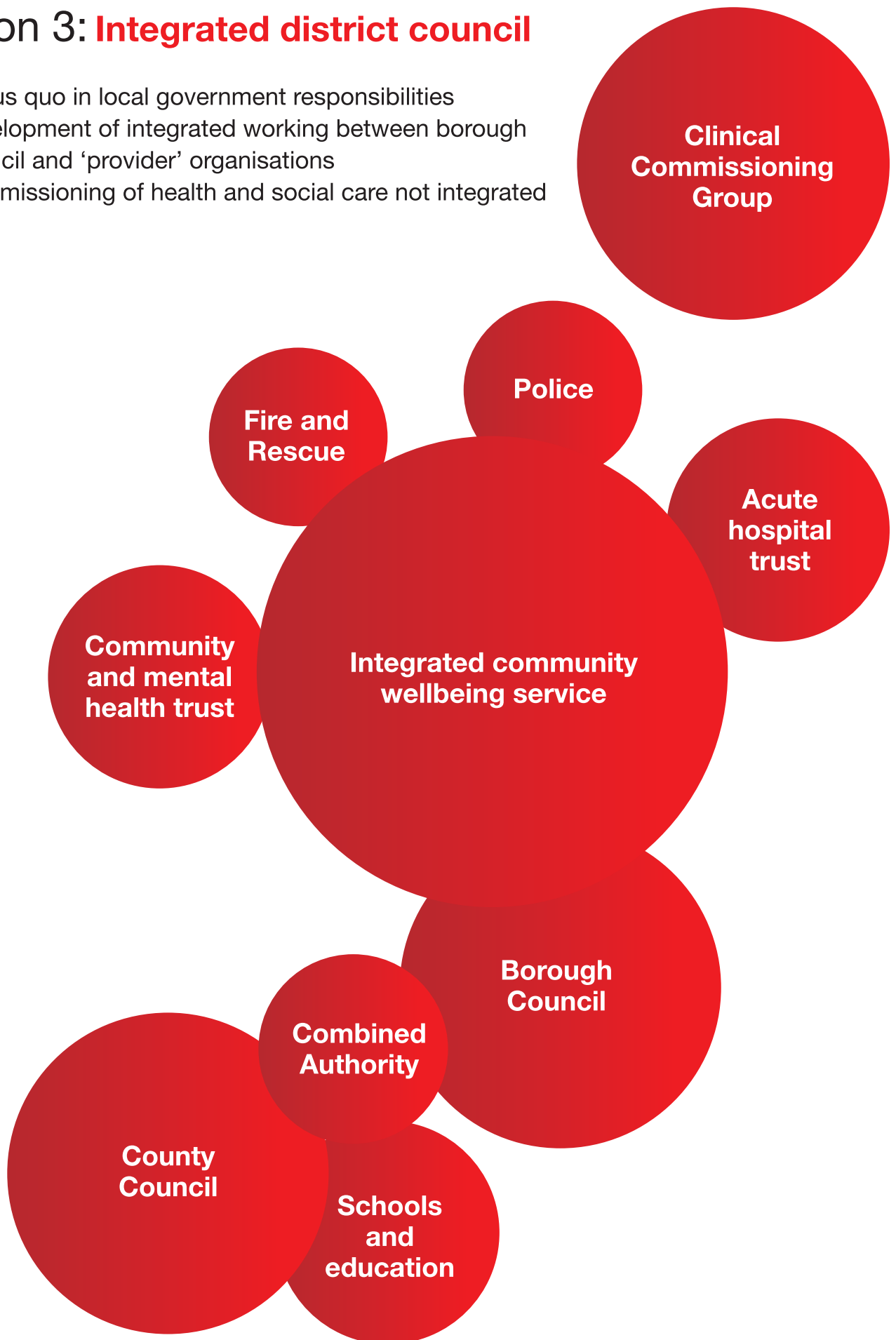
## Option 2: 'Traditional' unitary

- Very little integration between public service organisations although there is partnership working and some joint working
- Local government services controlled and delivered by a single authority serving Chorley



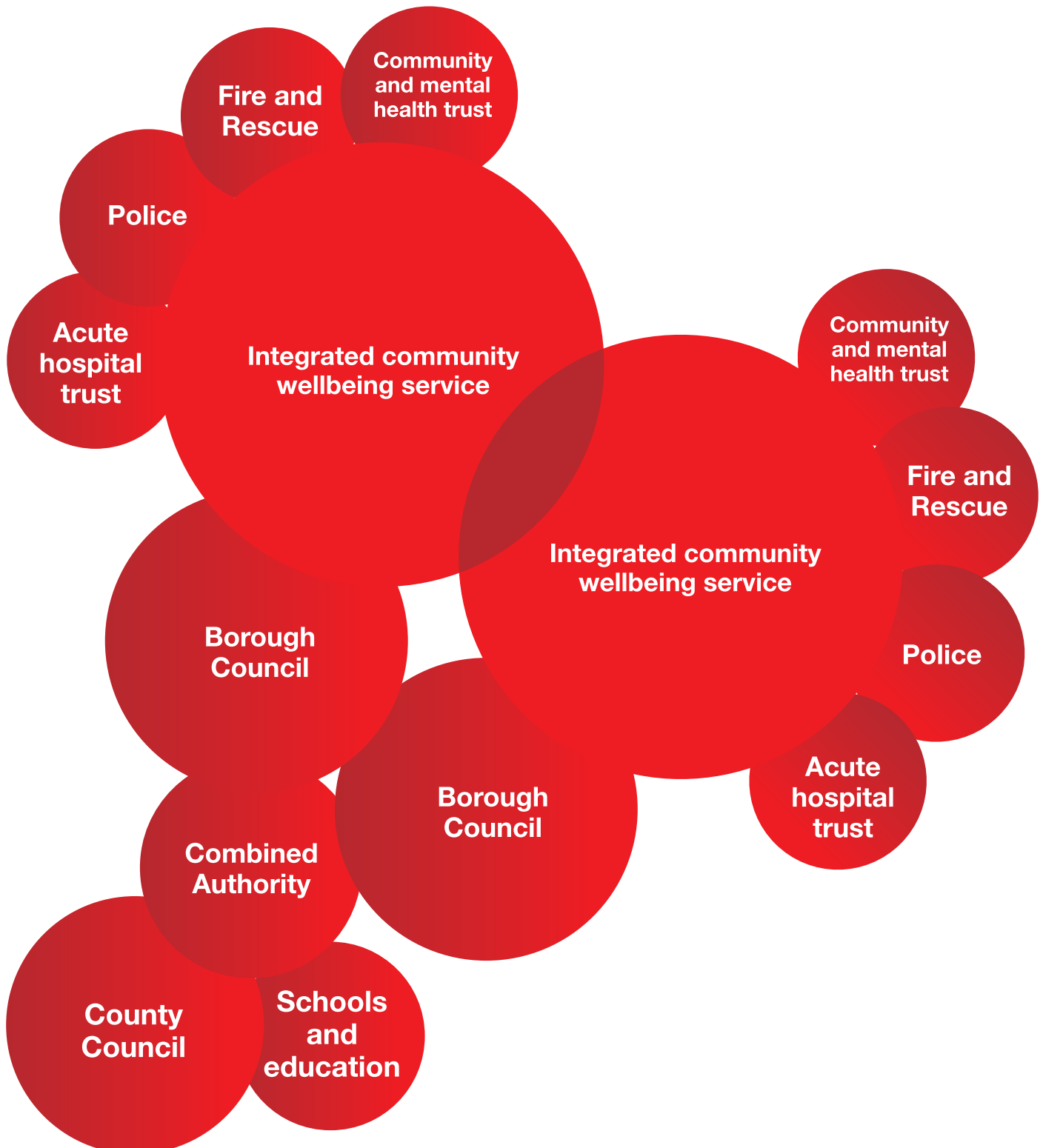
## Option 3: **Integrated district council**

- Status quo in local government responsibilities
- Development of integrated working between borough council and 'provider' organisations
- Commissioning of health and social care not integrated



## Option 4: **Integrated district councils**

- Status quo in local government responsibilities
- Development of integrated working between borough council and 'provider' organisations
- Commissioning of health and social care not integrated
- A network of districts provides opportunities for greater integration of services



## Option 5: Integrated public services

- Development of a unitary authority which is integrated in the provision and commissioning of services

