



Briefing Paper 6

**COMPASS WORKSHOP 2:
Report of the Central Bedfordshire Simulation 6th June 2008**

Introduction

A tailored simulation designed by IDeA was run for members, officers and partners of the three authorities who will be merging to form the new Central Bedfordshire unitary authority. Participants were provided with a datapack about the simulated authority and were asked to undertake a number of tasks that will need to be done when the new authority is established. The start date for the simulation was 6th June 2009 (which was assumed to be 2 days after the elections for the new members for the authority which had been created on 1st April 2009). The Chief executive of Mid Beds welcomed participants to the Council Chamber, and the facilitator then introduced the simulation and explained the initial tasks.

The tasks

Task 1 - Agreeing structures and processes

The elected members were asked to form a Cabinet and Overview and Scrutiny, and were then asked to sign off the management and governance structures that had been agreed by the predecessor authorities (the management structure was the basis for recruiting Chief Officers to the new authority). The managers were asked to sort out who was in the Senior Management Team, and were then asked to focus on preparing a budget process to recommend to members for the next financial year. (The budget for 2009-10 had already been set by the shadow authorities, but the new Council still has to realise the benefits and efficiencies that they indicated would be forthcoming when the new unitary was created).

The members formed Cabinet and Scrutiny arrangements fairly rapidly (although the Cabinet was largely made up of members who had not previously had the experience of being Cabinet members – this was done deliberately to give a wider set of members the chance to experience these leadership roles). Members then broke down into smaller groupings to review the proposed management and political governance structures that had been proposed. There was a difference of opinion here, with some members wanting to revise the proposed management structure to reduce the numbers of Directors by combining the posts of Director Safer/Stronger Communities and Director Sustainable Development. A compromise was reached as members realised that to change the structure at this point would delay the final appointments of senior



managers, members requested that officers look at the potential for merging these posts by 2011 (which tied to the next election dates).

The Executive and the Scrutiny teams then spent some time thinking through what style of operation they would want to adopt, and how they saw themselves operating and interfacing with other parts of the political and managerial governance structure.

The managers group rapidly sorted themselves into an SMT, a financial sub group and a core officers group. The SMT and Core Officers group spent some time discussing what the main pressures would be:

- Member expectations around keeping Council Tax down, achieving savings and providing excellent services.
- Implications of the new LAA.
- Implications of Central Government initiatives e.g. transformation of Social Care, Community Empowerment White paper, Schools and exam initiatives.
- Implications of demographics.
- Implications of Growth across the authority.
- Changes to the Audit and Inspection regime.
- Members desire to be a flagship authority by 2012.
- Economic climate and the credit crunch – implications for employment levels, benefits payments and property and housing development.
- Implications of Olympics.
- Implications of developments such as Center Parks, Wixhams, Nirah.
- Potential problem of delivering the savings outlined in the bid in the period leading up to the General Election in 2010 and the new Council elections in 2011, could be a real issue that members facing political pressure become risk averse and become very concerned with reputation and PR.

Given this members may find it difficult to give clear priorities or to say that some things are not priorities and therefore do not get funded.

The officers developed a budget timeline and process based on developing a three year budget aligned to the LAA agreement:

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| June 09 | Executive decide Principles to govern the budget and outline their ambitions. A star chamber process agrees these. (Receive 08-09 out turn figures). |
| July 09 | ESF. Star Chamber examines Service Plans in terms of how they address Choice, Efficiency Savings and Transformation. (Receive first quarter Performance and Budget Monitoring report). |



August 09	Publish Corporate Plan 2010/11 – 2012/13. Consult on these priorities and Plans. Publish 3 year Strategic Plan which takes account of shared services.
Sept 09	Consult on Corporate Plan and Strategic Plan. Receive 2 nd quarter .performance and budget monitoring reports.
Oct 09	Scrutiny examines service proposals and budget proposals.
Nov 09	Publish and consult on draft budget.
Dec 09	Scrutiny reviews draft budget. Executive signs off budget.
Jan 09	Working up detailed service plans in line with budget.
Feb 09	Council approves budget and sets Council Tax.

Managers highlighted some of the implications of this sort of process/timescale:

- Need members to set out their ambitions and to agree priorities across the board as without this it will be difficult to agree budget.
- Need to be clear what we mean by ‘flagship’ what is it we want Central Beds to be famous for.
- Need to build into budget ways of providing some ‘quick wins’ for the members, but which clearly link to the vision and priorities.
- Need close management of the close down of holding and other accounts in order to deliver a final out turn in June 2009.
- Need to monitor and test FFP 09/10.
- A Star Chamber process would be needed, this would involve officers and members focussing down Directorate by Directorate to:
 - Test the priorities agreed by members
 - Test and adjust performance
 - Pay close attention to out turn figures and progress of savings generation in the current financial year
 - Keep track of Transitional issues and costs arising
 - Seek further opportunities for improvement
 - To review efficiency options and savings
 - To ensure standards are set and applied across all budgets

This will require a star chamber process which is robust, which can enforce member’s priorities, is corporate in approach, which is predicated on delivering the same more effectively, which can highlight likely areas for efficiencies, and which focuses and monitors benefits realisation.

- There may be a tension between having a mature corporate process informed by democratic priorities and being open and transparent and consultative, involving local communities in these budget discussions.



- Need budget principles that recognise need to build in budget flexibility in the early years of the new authority. But this may not be possible if the focus is on keeping Council Tax down.
- Further thought needs to be given to how Partners and Communities will be involved and can influence the budget process.
- Recognition that we need to think through how we communicate decisions once they've been taken – across senior managers and members, with middle managers and front line staff, with the external world.

Task 1 feedback

The facilitator reformed the groups into mixed tables of members and officers and asked each table to reflect on what learning points had come out of the first round of simulation activity. The key points that were widely shared were:

- We need to get going now to avoid hitting these issues next year.
- We will need to work hard to keep ourselves open and to involve the outside world in planning the new authority – we'll need to plan this through all of the budget and service planning processes.
- In Year 1 members will want to make an impact and for local residents and businesses to notice improvements, but there will be real financial constraints that will create a tension in trying to make this a reality.
- It is critical that members and officers work together to determine the priorities and vision for the new authority – as the organisational structure and the budget need to be based on this vision.
- Need members to articulate clear priorities in order to build a fit for purpose budget.
- Choosing a cabinet will need sensitive handling to ensure a balance between predecessor authorities, geographical spread, experience and talent. Similarly with Scrutiny and other governance arrangements. Need to think through how to handle this in light of potential for new members to be elected as well.
- It is really important that we make the right decisions on structures now (June 08) in order to avoid hitting problems of trying to renegotiate the structures late in the day, which would cause chaos.

Task 2 – Budget priorities

The simulation restarted and the facilitator asked members to agree on a process and priorities for the 2010-11 budget. The CE and Dir of Resources briefed Cabinet and the wider membership about the officer's ideas for the budget process. The Cabinet then started a process of discussing their priorities for the budget. Some Cabinet members sought meetings with their respective Director.



The members involved in Scrutiny moved to start to consider how they should be involved in the budget process, and asked for some officer support during this discussion. SMT and the Core Council Officers group continued to think through how the budget process would be rolled out and how Service Plans would reflect the new Council's priorities. Whilst the financial sub group looked in more detail at how the budget process and timeline would work.

Task 2- Feedback

The facilitator asked each group (Cabinet, Scrutiny, SMT, Core Officers and Financial sub group) to reflect on what had been happening in terms of what had they done well, what did they feel they still needed to do, and what actions did they need to take, and finally how effectively did they interface with the other parts of the Council (as represented in the simulation).

Cabinet feedback: Had agreed that they wanted the new authority to be a flagship. Agreed they needed to set a vision and priorities to inform service plans, but had struggled to agree what these priorities should be. They were clear that they need a full understanding of what all the merging authorities are bringing e.g. staff, assets, need a better understanding about what they are taking on. Cabinet members were keen to look in more detail at potential to integrate development especially around housing issues. They noted that they hadn't really interfaced with Scrutiny.

Scrutiny feedback: Had agreed that they wanted a process of exec and sub group scrutiny. They wanted scrutiny to have a role in policy development. They felt a need for more officer support for scrutiny. They would like to develop more opportunities to involve partners in helping them to undertake scrutiny. They noted that they had had very little interaction with any other part of the Council.

SMT feedback: Had reflected that the exercise was useful in focusing thinking and bringing all the key people together giving better realisation re the lead in times for establishing the new authority, the funding position and constraints. They also reported that it had highlighted the balance between managing risk and transformation. Officers had a good discussion with Leader, Cabinet and scrutiny and felt everyone was listening. They recognised they needed to better understand the funding constraints that the new authority would operate under. They noted the tension between not taking action before 1st April 2009 on service transformation vs the effect of not taking action in terms of just transferring legacy and short period of time to then try and transform services whilst driving out efficiencies. They also recognised the need to manage the Council's reputation in this period and the likely expectations of the public and other partners. SMT noted that we need more time like this to come together to reach a



common understanding of the issues, to educate each other, to move up a gear, to plan the budget process, to manage expectations.

SMT suggested that on the budget the process really needs to start in June 08, with the next phase involving TTFs identifying savings, with members setting priorities and non priorities, in order to set the 2009-10 budget.

Officer feedback: Recognised need to develop a forward plan for the budget process, and the need to think through how to consult the community about budget proposals. Felt that members and officers had to clearly articulate what was meant by 'flagship' as without a clear definition it will be difficult to deliver. Recognise need to really manage communications inside and outside the new authority, in order to help manage the new authority's reputation.

Financial manager's feedback: Need to use member's priorities list to make further reductions (to generate cash savings) or to guide reductions in service standards in line with these priorities. To achieve savings it will be important to keep some things together (shared services) rather than disaggregating them to individual authority level. Recognised there may be scope to generate income by becoming a Centre of Excellence/provider of specific service e.g. for the sub region (potential for reducing costs and increasing income). But also need to identify what to stop delivering. Recognised there was potential to generate income through fees and charges, need to think through timetable and when to apply to increase fees. Recognised there was also an opportunity to save by not charging where it costs more to administer a charge than is generated from the charge. Could also look to increase Council Tax, and could seek additional income e.g. through Housing and Planning Development Grant as economic recovery. In terms of using Capital effectively could look to sale of assets or use of assets, could also restructure debt, or could have a moratorium or defer projects in the Capital Programme which could also ease the revenue budget.

Task 3 – Partners and stakeholders

After lunch a number of representatives from Community Groups, Voluntary Organisations and Partner Agencies joined the simulation, and the participants were asked to focus on how they would want to consult on the Council's priorities and budget process. In feeding back from this part of the simulation the following points were made:

Partners feedback: partners would like to be more involved (for example by being invited to the earlier part of the simulation), they don't just want the Council talking to them when there is a crisis. They want the Council to recognise that the creation of the new authority is also an opportunity for partners to review their



own practices. For example, it would be helpful if the Council and Partners had a shared consultation procedure and process and consulted the public in unison. Similarly if joint planning of services can be established then partners have the potential to contribute and can change how their services interface with Council delivered services. They want to see joint thinking, joint planning and joint working. Partners would also be interested in hearing more about how they could be involved in scrutiny. Partners felt that LSP partners should be involved in helping the Council agree its priorities and budget from the outset, and want to move to one Central Beds LSP as soon as possible. They are looking for real consultation and the potential to influence the Council. They also felt strongly that the Council should build on existing relationships and knowledge and should avoid reinventing the wheel.

Final reflections

Participants were asked what they were going to do differently following the day's activities.

- Need to create other opportunities (like today) to bring key officers, members and partners together.
- Build consultation into milestone plan.
- Plan now for O&S to include partners .
- Think about how to involve key contractors.
- Involve officer groups in service planning – think through internal consultation arrangements.
- Must decide what we want to be known for (e.g. customer empowerment), plan this into all our activities, and start work on reputation management with this in mind.
- Need to ensure member priorities e.g. climate change underpin everything the new authority does.

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