

<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">LEADER'S URGENCY DECISION</p> <p align="center">DECEMBER 2018</p>	
<p align="center">CREATING A SOVEREIGN LBHF RESIDENTS' SERVICES</p>	
<p align="center">Report of the Leader of the Council – Cllr Stephen Cowan</p>	
<p>Open Report</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Consultation Strategic Leadership Team, Corporate, Finance, Growth & Place</p>	
<p>Wards Affected: All</p>	
<p>Accountable Director: Kim Dero, Chief Executive</p>	
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AUTHORISED BY:

The Leader has signed this report.
DATE: 11 December 2018.....

REASON FOR URGENCY:

The Council is keen to progress its ambition to ramp up standards and accountability in environment services. These services are currently shared with Kensington & Chelsea (RBKC) and this report seeks authority to progress a sovereign model in light of the failings of the Bi-borough shared service.

1. EXECUTIVE SUMMARY

- 1.1. Shared services established with RBKC and Westminster City Council (WCC) in 2012 have not achieved their stated aims and this report seeks to re-establish a sovereign H&F Residents' Services department as from 1st April 2019.
- 1.2. Tri (H&F, WCC, RBKC) and Bi (H&F, RBKC) borough services sought to achieve efficiency savings from reduced management costs and cross-borough commissioning arrangements. However, these arrangements have not delivered the financial savings envisaged, and have not met the specific needs of H&F Council, for example managed services (finance, HR and payroll), facilities management whilst service quality and effectiveness has diminished in many service areas. The inability of these shared services to respond to H&F residents' needs in a flexible, timely and value for money way led to the safe and on-target disaggregation of adults, children's, public health and legal services in 2018.
- 1.3. This report seeks to further disaggregate Bi-borough residents' services to better meet the specific needs of H&F citizens. Currently shared services comprise highways and parks, regulatory services, cleaner greener, cultural services and tri-borough Library Services. In order to achieve a sovereign Residents' Services, it is necessary to serve notice on the section 113 arrangements with the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council (WCC).

2. RECOMMENDATIONS

- 2.1. That notice be served on the Royal Borough of Kensington and Chelsea and Westminster City Council to end the Section 113 agreement for Residents' Services.
- 2.2. That the 12 months' notice period required to end the agreements with the Royal Borough of Kensington and Chelsea and Westminster City Council be waived by agreement between the parties.
- 2.3. That authority be delegated to the Director of Residents' Services, in consultation with the Cabinet Member for Environment, to finalise the terms and conditions and take any other necessary steps to implement the decision in 2.1 above.
- 2.4. That it be noted that the disaggregation of services shared with RBKC is to be completed within the cash envelope available for Residents' Services as proposed in the 3-year Medium Term Financial Strategy 2019-2022.

3. REASONS FOR DECISION

- 3.1. The Administration has given direction that from 1st April 2019 they wish to end the Bi-Borough and Tri-Borough arrangements for Residents' Services and that subsequently Residents' Services for the London Borough of Hammersmith and Fulham (LBHF) would become sovereign services reporting solely to the LBHF.
- 3.2. In order to have a sovereign service the three Councils must therefore bring the Section 113 agreement to an end. All Councils are agreed that Residents' Services is no longer to be a Bi-Borough and Tri-Borough Service and accordingly the 12month notice period can be waived to bring the Section 113 agreement for Residents' Services to an end on 31st March 2019. Disaggregating the tri-borough Library Service will not affect the rights of LBHF residents to visit any library within the boundary of the three Boroughs in line with existing arrangements in London where residents have the opportunity to make use of any library within the 32 Boroughs and the City of London.

4. PROPOSAL AND ISSUES

- 4.1. All three councils have agreed that there is no merit in continuing a Bi-Borough and Tri-Borough Resident Services beyond 31st March 2019. Notice is therefore required to be served and the 12month notice period waived in order that the section 113 agreement for Residents' Services can conclude on 31st March 2019.

5. OPTIONS AND ANALYSIS OF OPTIONS

Other options for delivery of Residents Services

Option 1

- 5.1. Remain in a shared service arrangement for delivery of resident services
- 5.2. This option will not deliver LBHF Cabinet's direction for more focused ruthlessly efficient services that deliver improved outcomes for the residents of LBHF.

Option 2

- 5.3. Externally commission all Residents' Services and thereby contract out all resident services to an external provider.
- 5.4. This is not the recommended option as it does not provide Members with value for money, influence and direction over vital resident services that are high priority for the residents of the Borough.

Option 3

- 5.5. Develop a new sovereign Residents' Services organisation for the LBHF that meets all the Borough's statutory obligations, cabinet priorities and is affordable and sustainable for future years.

- 5.6. This is the recommended option. There are a number of benefits, as follows, to the Council:
- The Council will have certainty of its spend on Residents' Services for employees, contracts and procurement.
 - A more responsive service to residents and a professional and reliable service will be provided once the sovereign arrangements are in place.
 - Continuity of service removes the risk of having to share staff resources with two other Boroughs.
 - No additional overheads, admin or management costs for Resident Services
 - Opportunities to be ruthlessly financially efficient, for example:
 - Officers with a single remit to work for the residents of LBHF with a greater focus and commitment to be more focused and accountable delivery.
 - More regular updates and support to Elected Members rather than the dilution of officer support when working for three individual Boroughs
 - The Council would obtain greater synergy and join up of services across LBHF to reduce the silo working that has been a feature and an unhelpful consequence of the previous arrangements.

6. CONSULTATION

- 6.1. Employee and Trade Union consultation will take place in line with our contractual obligation to affected staff.
- 6.2. Resident consultation is not applicable as one the key benefits for residents of H&F, Tri-borough working for Libraries will be maintained and residents will further benefit and enjoy more focused support from its own team of sovereign staff.

7. EQUALITY IMPLICATIONS

- 7.1. The ending of this Section 113 agreement will have no negative impact on any groups with protected characteristics, under the terms of the Equality Act 2010.
- 7.2 Implications verified/completed by: Peter Smith, Head of Policy and Strategy, tel. 020 8753 2206.

8. LEGAL IMPLICATIONS

- 8.1. The Council has statutory powers under its constitution to provide for suitable staff and resources to facilitate discharge of its functions including provision of services to Residents.

- 8.2. The Section 113 agreement requires a Council to provide 12 months' notice to terminate the arrangements. If however the Councils agree it is open to them to waive such notice and agree an exit date.
- 8.3. *Implications completed by Rhian Davies Assistant Director of Legal and Democratic Services*

9. FINANCIAL IMPLICATIONS

- 9.1. The recommendations in this report will need to be contained within the cash envelope available for Residents' Services in 19/20 and each subsequent financial year after that. The budget for any one-off costs from these proposals will need to be considered in line with the Council's financial regulations.
- 9.2. *Implications verified/completed by: Hitesh Jolapara, Strategic Director Finance and Governance, tel 0208 753 2501*

10. COMMERCIAL IMPLICATIONS

- 10.1 The new Residents' Services organisation includes a new role of Programme Director for Commercial and Contracts to ensure an improved commercial approach in commissioning and managing Residents' Services contracts.

11. RISK MANAGEMENT

- 11.1. Officers have identified a preferred option which is intended to deliver on the administration's priority and to ensure control over the quality and cost of customer facing and statutory-based services and that the new model will be managed within the existing cost envelope.
- 11.2. In proposing the termination of the s113 agreement and establishing a sovereign model, officers will need to consider what transitional arrangements will need to be put in place (particularly if early termination is progressed) that will lead to a permanent sovereign structure being fully implemented. Officers should ensure that all operations risks associated with this process are identified and appropriate mitigations put in place.
- 11.3. It is essential that appropriate project management resource and governance arrangements are put in place and that the project risks are reviewed and owned by the relevant governance board. The project risk register needs to include key interdependencies with other change programmes taking place across the Council over the coming months and the mitigations which need to be put in place to minimise impact on meeting the objectives of this and other programmes.
- 11.4. *Implications verified by: - David Hughes, Director of Audit, Fraud, Risk and Insurance on 0207 361 2389.*

12. HR MANAGEMENT

- 12.1. The initial phase would be to review the existing Resident Services Structure. This would involve an initial assessment of the existing structure and role profiles against the proposed new structure and requirements in order to identify;
- roles which directly transfer
 - roles which do not directly map to the new structure and are at risk of redundancy but where a suitable alternative role is identified,
 - roles which do not directly map and are at risk of redundancy but there is no suitable alternative role identified,
 - roles no longer required in the new structure and redundancy.
 - No of posts affected
- 12.2. Once this has been undertaken the next step would be to commence consultation with the unions and the affected employees, outlining the current and proposed structure, inviting feedback and discussing any counter proposals before agreeing and implementing the new structure i.e. moving employees into the new structure, serving notice of redundancy where appropriate, ending fixed term contracts and secondments etc. This piece of work outlined above will require a detailed plan and timeframe which will be scoped out over the coming weeks.
- 12.3. Implications *verified/completed by: Kay Odubanjo, HR Advisor, 07554 222607.*

13. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None