

To:

Members of Scrutiny Committee

(Councillors P H Murphy (Chairman), N Thwaites (Vice Chairman), I Aldridge, R Clifford, G S Dowding, B Leaker, B Maitland-Walker, J Parbrook, and R Woods)

Members of Cabinet

(Councillor A Trollope-Bellew (Leader), M Chilcott (Deputy Leader), M Dewdney, K J Mills, C Morgan, S J Pugsley, K H Turner, D J Westcott)

Our Ref CS

Contact Emily McGuinness emcguinness@westsomerset.gov.uk

Date 04 July 2016

**THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THE MEETING
THIS DOCUMENT CAN BE MADE AVAILABLE IN LARGE PRINT, BRAILLE, TAPE FORMAT
OR IN OTHER LANGUAGES ON REQUEST**

Dear Councillor

I hereby give you notice to attend the following meeting:

SCRUTINY COMMITTEE

Date: Tuesday 12 July 2016

Time: 3.30 pm

Venue: Council Chamber, Council Offices, Williton

Please note that this meeting may be recorded. At the start of the meeting the Chairman will confirm if all or part of the meeting is being recorded.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during the recording will be retained in accordance with the Council's policy.

Therefore unless you advise otherwise, by entering the Council Chamber and speaking during Public Participation you are consenting to being recorded and to the possible use of the sound recording for access via the website or for training purposes. If you have any queries regarding this please contact Committee Services on 01643 703704.

Yours sincerely



BRUCE LANG
Proper Officer

RISK SCORING MATRIX

Report writers score risks in reports uses the scoring matrix below

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

- Mitigating actions for high ('High' or above) scoring risks are to be reflected in Service Plans, managed by the Group Manager and implemented by Service Lead Officers;
- Lower scoring risks will either be accepted with no mitigating actions or included in work plans with appropriate mitigating actions that are managed by Service Lead Officers.

SCRUTINY COMMITTEE

Meeting to be held on Tuesday 12 July 2016 at 3.30 pm

Council Chamber, Williton

AGENDA

1. Apologies for Absence

2. Minutes

Minutes of the Scrutiny Committee held on 16 June 2016, to be approved and signed as a correct record – **TO FOLLOW.**

3. Declarations of Interest

To receive and record any declarations of interest in respect of any matters included on the Agenda for consideration at this Meeting.

4. Public Participation

The Chairman to advise the Committee of any items on which members of the public have requested to speak and advise those members of the public present of the details of the Council's public participation scheme.

For those members of the public wishing to speak at this meeting there are a few points you might like to note.

A three-minute time limit applies to each speaker and you will be asked to speak before Councillors debate the issue. There will be no further opportunity for comment at a later stage. Your comments should be addressed to the Chairman and any ruling made by the Chair is not open to discussion. If a response is needed it will be given either orally at the meeting or a written reply made within five working days of the meeting.

5. Chairman's Announcements

An opportunity to update the Committee on any matters of interest or matters arising.

6. High Level Transformation Business Case

To consider Report No. WSC 86/16 to be presented by Councillor Trollope-Bellew – **SEE ATTACHED.**

The purpose of the report is to set out how the transformation vision could be delivered, and the key areas needing investment to enable change. The report set out the likely one-off costs of achieving this and the likely ongoing savings it could deliver for the Council.

COUNCILLORS ARE REMINDED TO CHECK THEIR POST TRAYS

The Council's Vision:

To enable people to live, work and prosper in West Somerset

The Council's Corporate Priorities:

- Local Democracy:
Securing local democracy and accountability in West Somerset, based in West Somerset, elected by the people of West Somerset and responsible to the people of West Somerset.
- New Nuclear Development at Hinkley Point
Maximising opportunities for West Somerset communities and businesses to benefit from the development whilst protecting local communities and the environment.

West Somerset Council

Scrutiny Committee – 12 July 2016.

HIGH LEVEL TRANSFORMATION BUSINESS CASE

Report of the Leader of the Council

1 EXECUTIVE SUMMARY/PURPOSE OF REPORT

1.1 In March 2016, our Councils confirmed commitment to a core, and on-going JMASS Partnership and authorised that we prioritise the development of high level Transformation Business Case that tested the following sequential options:-

- ONE Team supporting two Councils (TDBC and WSC);
- ONE Team supporting a merged Council (TBC and WSC);
- Two Councils progressing their own transformation agendas

1.1 Since then we have shared progress updates at the “Making A Difference” Member events and have undertaken an external Assurance Review on our draft proposal. This has now concluded and we are comfortable to share the High Level Transformation Business Case for discussion at Scrutiny meetings in both Councils.

1.2 The proposal for transformation is radical and will bring change on a scale not seen before (whatever option is progressed) for our community, our customers, our staff and ourselves as Members.

1.3 The document sets out how our transformation vision could be delivered, and the key areas where we would need to invest in change. It sets out the likely one-off costs of achieving this and the likely ongoing savings it could deliver for our Councils. This is Option 1 – a transformation programme jointly delivered for 2 separate Councils. The document then looks at what additional costs and savings could be delivered should we deliver this transformation programme to a new merged Council – this is Option 2. And finally, the document shares the Option 3(a and b) scenario where each Council has a different stand-alone future.

1.4 The potential savings are significant and we share the headline financials from the document again here for clarity.

OPTION 1 Joint Transformation	TOTAL £m	WSC £m	TDBC £m	<i>TDBC Gfd</i>	<i>TDBC HRA</i>
Ongoing Savings	2.6	0.4	2.2	1.5	0.7
<i>Further potential savings:</i>	?	?	?	?	?
One-Off Costs	6.8	1.1	5.7	3.8	1.9
Payback	2.59	2.59	2.59	2.59	2.59

OPTION 2 Merged Council	TOTAL £m
Ongoing Savings	3.1
<i>Further potential savings</i>	?
One-Off Costs	7.1
Payback	2.29

OPTION 3 Stand Alone Futures		WSC £m	TDBC £m	<i>TDBC Gfd</i>	<i>TDBC HRA</i>
Ongoing Savings		To Meet MTFP	1.9	1.3	0.6
<i>Further potential savings:</i>		-	?	?	?
One-Off Costs		Unknown	6.7	4.5	2.2
Payback		-	3.5 Yrs	3.5 Yrs	3.5 Yrs

- 1.5 Councillors are requested to review and comment on the High Level Transformation Business Case and the options therein. Following debate at Scrutiny, we will then present our final proposal to our Full Council meetings on 26th July 2016.

2 RECOMMENDATIONS

- 2.1 Scrutiny is requested to consider the High Level Transformation Business Case and offer comment on the proposals therein.

3 RISK ASSESSMENT

- 3.1 The JMASS project maintains a risk register which is updated regularly. Pending the decisions on 26th July the key risks for the JMASS partnership are shared below.

3.2 Risk Matrix

Description	Likelihood	Impact	Overall
There is a risk to TDBC being unable to continue to fund its growth ambitions at a satisfactory level and a risk to WSC being unable to continue to operate as an ongoing concern	5	5	25
<i>The mitigation for this is to identify ways of significantly reducing operating costs and increasing income and this is met in large part through this business case although more will need to be done</i>	3	5	15

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
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5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 BACKGROUND

- 4.1 The background and context to this transformation ambition is set out in the Mandate Report of March 2016. We have achieved a great deal since our initial partnership discussions of 2013 and now share the potential for further change.
- 4.2 It is important that we remember why we are doing this, and not lose sight of the need for our Councils to make savings. This is essential to allow Taunton Deane to continue to invest in Growth – our top priority. For West Somerset, we know from the Affordability Project (and Bill Roots report), we have significant financial viability challenges. The subsequent approach to Government has shaped the work approved by us all in the Mandate Report of March 2016.
- 4.3 This Business Case is the produce of the request we made in March 2016, and shows us what *could* be delivered from transformation, in various democratic scenarios.
- 4.4 We know that transformation alone isn't enough to balance the books for either Council. It will be for us as Members to consider what means in terms of other savings that could be made to become sustainable over the longer term.

5. THE HIGH LEVEL TRANSFORMATION BUSINESS CASE

- 5.1 The proposal is shared as an Appendix to this report. It is a comprehensive report and we encourage you all to review thoroughly as the decision ahead is crucial for services to our community, our staff and our democratic arrangements.

6. LINKS TO CORPORATE AIMS / PRIORITIES

- 6.1 The High Level Transformation Business Case meets the request of our Full Councils (Mandate Report 2016).

7. FINANCE/RESOURCE IMPLICATIONS

- 7.1 The business case clearly sets out the financial implications of the 3 sequential variants. Funding plans are being developed for both Councils and will be included in the final report to Full Council alongside the recommendations.

8. LEGAL IMPLICATIONS

- 8.1 The legal and governance arrangements for the JMASS partnership are set out in the Inter Authority Agreement approved by both Full Councils in November 2013.
- 8.2 There are a raft of legal implications associated with each of the three options outlined in the High Level Transformation Business Case. When Members have determined their preferred option the legal implications will be scoped and form a key element of the transformation implementation programme.

9. ENVIRONMENTAL IMPACT IMPLICATIONS

- 9.1 None in respect of this report.

10. SAFEGUARDING AND/OR COMMUNITY SAFETY IMPLICATIONS

10.1 None in respect of this report.

11. EQUALITY AND DIVERSITY IMPLICATIONS

11.1 Please see equality impact assessment attached as appendix F of the Business Case.

12. SOCIAL VALUE IMPLICATIONS

12.1 None in respect of this report. This will need to be considered in the delivery of the transformation business plan (should it ultimately be acceptable to both Councils).

13. PARTNERSHIP IMPLICATIONS

13.1 As mentioned in the risk assessment (section 3) the decisions made from this proposal could have a fundamental impact on the future of the existing ONE Team arrangement. Should either Council feel unable to agree to commit to an exclusive and on-going partnership then the exit arrangements set out in the Inter Authority Agreement will be enacted.

13.2 Whilst Taunton Deane and West Somerset are the core partners for JMASS, both Councils shall continue to seek further partnership opportunities where they help deliver against the Council(s) Corporate Priorities.

14. HEALTH & WELLBEING IMPLICATIONS

14.1 None in respect of this report.

15. ASSET MANAGEMENT IMPLICATIONS

15.1 None in respect of this high level business case report.

16. CONSULTATION IMPLICATIONS

16.1 The headlines from the business case were shared informally at the very well attended Member Briefing on 29th June 2016.

16.2 The business case has been shared with UNISON and formal consultation is underway.

16.3 Staff briefings are being held to ensure the transformation proposals are well understood and staff are informed of the scale of change ahead. Formal letters are also being sent to all staff to ensure our consultation is robust.

Democratic Path:

- **Member Workshops & Development Sessions on Transformation – (2014 – 2015)**
- **All Member Briefings - Jan 2016**
- **Briefing Note (Mandate Report & Next Steps) to JPAG Members - Feb 2016**
- **Closedown Reports (Vision & Priorities and Affordability Review) to JPAG Members – Feb 2016**
- **Mandate Report – March 2016**
- **All Member Briefing – 8th June 2016**
- **All Member Briefing – 29th June 2016**

List of Appendices

Appendix 1	High Level Transformation Business Case
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Taunton Deane Borough Council
West Somerset Council

V1.1 July 2016

High Level Business Case – Transformation

Joint Management and Shared Services – Phase 2

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Appendix A Governance Framework for Transformation Implementation Programme.

Appendix B Process Review Team – Transformation Programme Implementation.

Appendix C Merger Process.

Appendix D Assurance Review Report (Report will be appended following Assurance review being undertaken on 28/29 October 2016).

Appendix E Risk Register.

Appendix F Equality Impact Assessment Form and Action Plan.

Appendix G Basic Facts about Taunton Deane and West Somerset Council.

Foreword

Having delivered on our earlier commitment to join up our officer structures, (and saving over £1.8m per annum for our taxpayers) we now need to look at the next stage of our joint working. We cannot afford to simply stop at driving out efficiency savings by joining up our management and services, we must go on to challenge how we deliver services in the future as well. We need to change and we need to save money. For Taunton Deane, we need to do this to allow us to continue to invest in our growth ambitions. For West Somerset, we need to do this to become financially viable.

Our Councils have a clear vision for the future, and we set out our Design Principles for transformation in our Corporate Strategies earlier this year. This clarified what we want for our communities, our Councils and our staff.

Both Councils recently reaffirmed their commitment to partnership working and asked that work be done to explore what transformation could deliver, and the high level costs and savings that could be achieved. We asked this be done over 3 sequential options as follows:-

- Looking at new ways of working, together as planned, with the two councils remaining as separate, democratically independent authorities
- Looking at new ways of working, but in a merged council, meaning one set of councillors could serve the entire geographical area of the merged councils.
- Looking at how the two councils could progress change on their own, a separation of the two councils, offering different outcomes for the communities they serve. This means the services for the communities may be very different and based on what individual councils can afford.

The remainder of this document sets out the findings and headline potential of a programme of transformation.

It will be for Members to decide which option they wish to pursue. Members are at the heart of this proposal; we simply seek to derive benefits that will enable us to continue to serve our communities and business well in the future.

This is a fantastic opportunity for all members to influence what this looks like in the future, ensuring we protect what is really important to our residents and businesses while opening ourselves up to new ideas and new ways of delivery.

As community leaders, we have a responsibility to the people we serve in Taunton Deane and West Somerset to do what is right for them.



**Cllr John Williams
Leader TDBC**



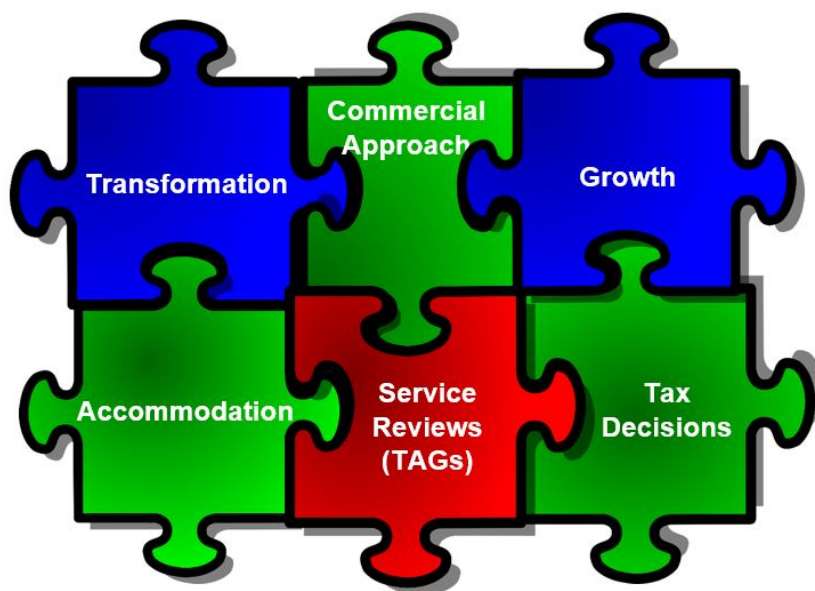
**Cllr Anthony Trollope-Bellew
Leader WSC**

1 Executive Summary

- 1.1 This document summarises the work undertaken to develop a high level transformation business case, as recommended in the Mandate Report approved by both Full Council meetings in March 2016.
- 1.2 Members need to be clear at the outset of the scale of change that Transformation will involve. The degree of change both required and proposed **far exceeds** that for JMASS phase 1, which involved delivering the ONE Team of officers to support both councils but did little to change attitudes, behaviours, technology, processes, systems, customer access channels nor the traditional service silo structures to which our officers are allocated.
- 1.3 Although the natural progression from JMASS Phase 1, Transformation goes **far beyond** this and proposes **radical** changes to the way in which services are delivered, the councils are staffed and organised and the technology, systems and processes required to support these. It also has direct implications to democratic representation and governance. In short, every aspect of our operation will be encompassed by this programme of change.
- 1.4 The business case firstly looks at the implementation route to deliver our transformation vision, before looking at what additional savings and costs would be incurred through the alternative democratic and delivery options. The transformation vision is constant for all options reviewed, apart from option 3b (West Somerset Council stand-alone).
- 1.5 Having explored two very different implementation solutions for this vision, we recommend that we progress the “future model” approach supplemented by additional work on eliminating failure demand. This approach reflects our agreed Design Principles and will deliver our transformation vision and ambitions. By implementing a whole Council(s) approach to change, the benefits to our organisation, our community and to our staff and members are significant.
- 1.6 The business case demonstrates that the transformation programme can deliver a major contribution to bridging the budget gap faced by both Councils. This proof of concept work has confirmed that significant annual revenue savings can be achieved through transformation as illustrated below:-

	TOTAL £m	WSC £m	TDBC £m	<i>TDBC Gfd</i>	<i>TDBC HRA</i>
Ongoing Savings	2.6	0.4	2.2	1.5	0.7
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery	?	?	?	?	?
One-Off Costs	6.8	1.1	5.7	3.8	1.9

- 1.7 Confidence in the ability to deliver the savings is such that this could be built into the Councils' MTFPs (Medium Term Financial Plans)
- 1.8 The Councils recognise that transformation alone will not resolve the financial challenges we face. This document also shares concepts on commercial approach, service delivery reviews, and accommodation reviews that will bring further savings. We are confident through our work on these areas to date, that these can and will deliver savings, but we don't yet have confidence on the level or timing of these to formalise them into our plans. Should Members support the approach suggested, then further work will be done to provide assurance on these matters and the net savings can be captured formally in our plans. Needless to say, they will only improve the headline business case position.
- 1.9 As always, each Council will need to look to a range of measures to close the budget gap.



- 1.10 These savings make a major contribution towards the predicted budget gaps shown below.

	2017/18	2018/19	2019/20	2020/21	2021/22
TDBC Cumulative Gap	0.527m	1.401m	2.128m	2.327m	2.532m
WSC Cumulative Gap	0.120m	0.618m	0.945m	1.104m	1.227m

- 1.11 In order to achieve these savings, there is a need for significant one-off investment. This is largely on staff termination costs, additional technology to support the changes to process, additional support to help us deliver the process and people change necessary, and the programme costs of supporting the implementation of this change.
- 1.12 The indicative one-off transition costs required, on an “invest to save” basis, are projected to be:

Total	WSC	TDBC	TDBC	£m
£	£	GF	HRA	
		£	£	
6.8m	1.1m	3.8m	1.9m	3.5m Staff termination and other staff costs
				1.2m Technology
				1.6m Transition/Programme costs
				0.5m People/OD
				6.8m Total

- 1.13 This business case offers both Councils significant savings. The payback period is within acceptable “invest to save” parameters.
- 1.14 Our External Auditor is briefed on the intended approach, and the governance arrangements proposed for this programme of change. As with the 2013 JMASS Business Case we have adopted a deliberately cautious but realistic approach to the implementation timescales.
- 1.15 The high level business case also explores the impact of creating a new merged Council. From our due diligence work we believe this delivers a net ongoing additional revenue saving of £551k (in addition to the transformation savings outlined above). Clearly the issues to consider on this go beyond pure financials.
- 1.16 And finally the high level business case also shares the impact on each Council of them progressing stand-alone “futures”. The transformation savings outlined above would reduce to £1.886m for TDBC and the future is radically different for WSC and its community.
- 1.17 Financial Summary of Business Case Options**
- 1.17.1 More detail is shared in section 13 and then in the Options sections 17, 18, and 19.

OPTION 1 Joint Transformation	TOTAL £m	WSC £m	TDBC £m	<i>TDBC Gfd</i>	<i>TDBC HRA</i>
Ongoing Savings	2.6	0.4	2.2	1.5	0.7
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery	?	?	?	?	?
One-Off Costs	6.8	1.1	5.7	3.8	1.9
Payback	2.59	2.59	2.59	2.59	2.59

OPTION 2 Merged Council	TOTAL £m
Ongoing Savings	3.1
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery	?
One-Off Costs	7.1
Payback	2.29

OPTION 3 Stand Alone Futures		WSC £m	TDBC £m	<i>TDBC Gfd</i>	<i>TDBC HRA</i>
Ongoing Savings		To Meet MTFP	1.9	1.3	0.6
Further potential savings: - Commercialism - Accommodation - Growth - Service delivery		-	?	?	?
One-Off Costs		Unknown	6.7	4.5	2.2
Payback		-	3.5 Yrs	3.5 Yrs	3.5 Yrs

1.18 Before the November 2013 JMASS phase 1 business case was signed off, it was subject to an assurance review by Local Partnerships (a company that is jointly owned by HM Treasury and the Local Government Association). This review proved invaluable in providing both officers and members with assurance that the approach taken and conclusions included in the business case were realistic and credible.

1.19 We have chosen to take the same approach with this business case and a draft of the business case has recently been subject to an independent assurance review by Local Partnerships. The final report from this process will be issued to all Members as soon as possible.

1.20 Conclusion

1.20.1 This Business Case will be shared for discussion at Scrutiny in both Councils in early July 2016 before being presented at Full Council meetings on 26 July 2016 for a decision.

2. Background

2.1 National Context and Drivers for Change

- 2.1.1 Local government has faced significant challenges for a number of years and will continue to do so for the foreseeable future. The funding cuts of recent years have been substantial, and further change is on the horizon. We know the **Funding** arrangement for local government is changing, with Revenue Support Grant (RSG) being phased out, leaving the main source of funding being locally generated income from fees and charges, council tax and business rates and new homes bonus. The Government is currently reviewing the business rates regime, and the new homes bonus regime, so their remains considerable uncertainty. The key message is clear though, that in the future Councils will effectively be “self-financing” and not reliant on Government support.
- 2.1.2 The **Devolution** agenda has provided us with the opportunity and ability to consider delivering priorities and services in a much broader way, both geographically and across the whole public sector. The Government is encouraging greater collaboration and in some cases, combined arrangements to better serve customers, and deliver improved outcomes for communities (regionally and nationally) rather than be restrained by geography and local sector.
- 2.1.3 The pace of change and advances in **technology** have provided opportunities to deliver services and work in a way that we could not have envisaged, even ten years ago. These advances that effect all of our lives has meant that **customer expectations** have shifted to expect access to services and information in a way, at a time, and at a location that suits their individual needs. The customer expects to be able to access services using smart interactive technology and the public sector will need to shift to respond to this.
- 2.1.4 All of the above have started to shape the way that councils are delivering their priorities and local services. The “traditional” approach is no longer viable and leading councils are moving to more radical approaches to transform the way they work and how they deliver services. Many are focussing on technology change to develop 24/7 digital solutions for customers. Some are going further, and are altering their organisational models to be better placed to changing agendas and remain agile, responsive and current.
- 2.1.5 Leadership is key to any change programme in the public sector; investment in technology alone will not reap the potential rewards. Investment in leadership and behaviours is crucial to secure change at a transformational level. This is supported by the recent iESE (Improvement and Efficiency Social Enterprise) report (July 15) emphasising the importance of leadership and the right mind-set needed for successful change.

2.1.6 Councils that do not respond positively to this new local government/public sector environment will find the financial pressures and changes to their surrounding environment, at a political, local and customer level will marginalise their ability to be an effective influencer and deliverer of local government and services.

2.2 Local Context and Financial Position

2.2.1 Both councils continue to face challenging financial futures but for very different reasons.

2.2.2 **Taunton Deane** has committed to continue to invest its new homes bonus funding towards a programme of local growth. This means that the Council will need to reduce its net budget position (by reducing costs and/ or increasing income). The latest MTFP (medium term financial plan) predicts a budget gap of around **£2.5m by 2021/22** should no action be taken. The plan also assumes that the forthcoming changes to the business rates retention scheme bring no financial benefit (as any additional income will be lost through additional responsibilities). Whilst the scheme changes may not bring benefits to our councils, growth in our area certainly will. In addition TDBC's retained housing stock is financed through the ring-fenced Housing Revenue Account (HRA) due to a range of changes in the HRA's operating environment and in particular national policy changes, there has been a substantial impact on the financial position of the HRA since it became self-financing in 2012. The 30 year forecasted income position for the service is projected to decrease by 39% compared to the 2012 position. A fundamental review of the 30 year business plan is currently concluding, and the establishment of a new balanced business plan requires substantial savings to be delivered over a 5 year period in key service areas. Therefore efficiencies derived through wider transformation are equally important for the HRA along with the rest of the Council.

2.2.3 Growth is Taunton Deane's top priority and there is already an ambitious programme in place, supported by key partners, to deliver transformational growth in jobs, productivity and new homes. Whilst forthcoming changes to the business rates retention scheme may be financially neutral based on past levels of growth, the level of ambition is beyond recent trends and will therefore bring additional income. Changes are also being made in the way that the Growth and Development function is funded, meaning that funding will increasingly be sourced from the proceeds of growth, such as New Homes Bonus, Planning Agreements and Community Infrastructure Levy.

2.2.4 **West Somerset** has, following the business rates appeal on Hinkley B last year, financial viability challenges. In order to become financial sustainable, the Council needs to reduce its net budget position (by reducing costs and/ or increasing income). The latest MTFP predicts a budget gap of around **£1.2m by 2021/22** should no action be taken. Again the plan assumes no financial benefit from 100% business rates retention.

- 2.2.4 Both MTFPs will continue to be refined over the coming months to better reflect issues identified in the outturn position for 2015/16, and to ensure we share the latest position on key areas of uncertainty (for example the impact of Welfare Reform Bill and the 100% Localisation of Business Rates). Within the context of all these uncertainties, we are comfortable that the overall position and forecast is unlikely to change significantly in scale.
- 2.2.5 Growth is also a top priority for West Somerset, in particular to ensure that maximum economic and community benefit is secured from the new nuclear build at Hinkley C. The impending 'Final Investment Decision' (FID) of EDF Energy will provide welcome security of funding for the Hinkley Team at West Somerset, enabling them to continue pursuing economic and community development projects into the longer term, augmenting the reduced level of revenue funding that the Council itself is able to provide. The team at West Somerset have been particularly adept in securing external funding for key projects, such as Coastal Communities Funding, and this approach will continue.
- 2.2.6 Both Councils are looking at how they can deal with the budget gaps forecast, and recognise that transformation could bring benefits to both – financial and otherwise. Although this won't be the entire answer it is expected it could form a large part of the solution. Through organisational and technology change, significant savings can be made which otherwise would have to come from existing services to our communities.
- 2.2.7 This high level business case focusses on transformation. The Councils have set a clear vision for transformation and this document explores how this could be delivered and what the potential outcomes and benefits could be.
- 2.2.8 The Councils will need to continue to explore other avenues alongside transformation to close the budget gap. These include levels of Council Tax increases, predictions on new homes bonus levels, predictions on business rates growth and decline over the next 5 years, as well as decisions on the level of future services to the community.
- 2.2.9 Members will need to take a view on the areas above, and whether simply closing the budget gap is enough or whether they wish to go further to allow new initiatives to progress. The MTFP will be updated in the autumn to reflect the decisions made on transformation, and to outline the overall financial strategy for the next 5 years.

2.3. JMASS (Joint Management and Shared Services) The Story So Far

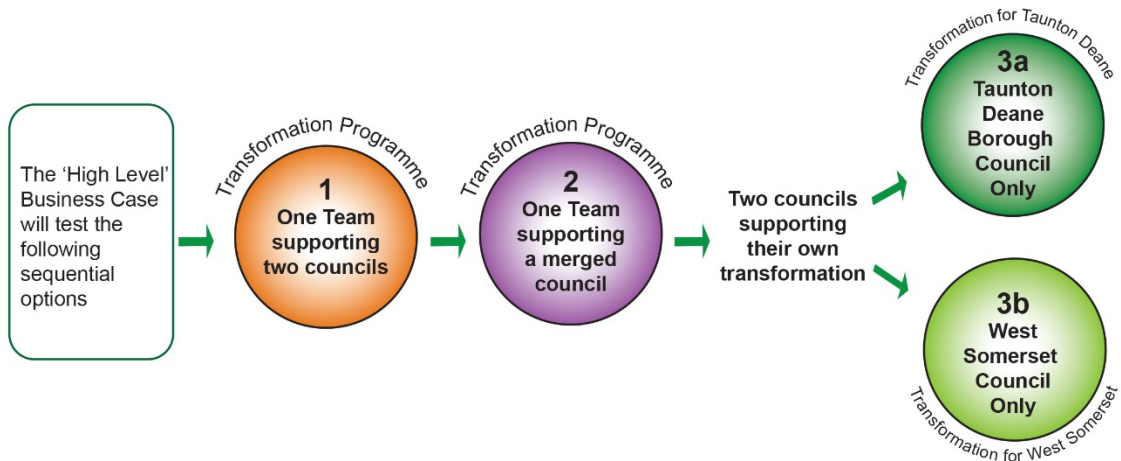
- 2.3.1 In July 2013, whilst the Councils were developing their JMASS business case, they took the decision to appoint a shared Chief Executive, showing their commitment to partnership working.
- 2.3.2 In November 2013 both Taunton Deane Borough Council and West Somerset Council approved the adoption and implementation of the

Business Case for JMASS. The Business Case described the JMASS ambitions being progressed in a couple of phases.

- 2.3.3 The initial phase, of delivering the “ONE Team” of Officers to support both democratic bodies, was set out in detail in the original business case. The predicted savings totalled £1.8m per annum and required up-front investment of £2.7m. The implementation resulted in all staff being employed by Taunton Deane and a cost-sharing mechanism being put in place to ensure staffing costs are shared based on the basis of job roles. The scale of change delivered was significant, but the implementation was eased by ensuring learning from others who had done similar partnerships was captured and embedded in our plans. The business case was delivered, organisationally and financially ahead of time by Feb 2015 within the approved budget. The formal closedown reports for the initial phase of JMASS were shared in Spring 2015 and the early planning work on phase 2 then began.
- 2.3.4 The review of Terms and Conditions concluded earlier this year, and implementation is underway.
- 2.3.5 The second phase, described simply as “Transformation” set out the potential for further financial savings to be delivered to both Councils. The detailed business case was not developed in November 2013 for this phase, as although confidence levels were high on the potential to deliver savings, the unknown at that point was the appetite or ambition for change in either Council.
- 2.3.6 During the latter stages of phase 1 implementation the Councils started early planning and enrolment for the next phase, initially simply aiming to clarify what ambition and appetite for transformation existed in both Councils before any further resources were committed. This involved learning from others who had embarked on transformation and engaging “member to member” discussions and briefings to support the officer learning. There are many examples that helped the Councils shape their local ambition, including Eastbourne, Aylesbury Vale, North Dorset, West Dorset and Weymouth, and South Hams and West Devon.
- 2.3.7 By summer 2015 the Councils were in a position to start work on transformation. Before launching into the delivery of a major change programme, the Councils needed to test out two things – their Vision and Priorities for the future, and their Affordability. Two projects were agreed to progress this work.
- 2.3.8 The “**Vision and Priorities**” project was led by the Chief Executive and was key to engaging all Councillors in discussions on the future. A series of workshops were held with TDBC and WSC members during July to September 2015 that really shaped not only the role and purpose of the Council(s) but articulated a set of “Design Principles” for transformation that both Councils approved as part of their Corporate Strategies recently. The

Design Principles are fundamental to our transformation vision and give real clarity on what kind of organisation(s) we are aiming to be.

- 2.3.9 The “**Affordability Review**” was led by the section 151 Officer and tested out the financial modelling assumptions in our MTFPs and whether a transformation programme would deliver sufficient savings to achieve financial sustainability for either or both Councils. This was particularly relevant for West Somerset who had, over the summer of 2015, dealt with a business rates appeal on the nuclear power station Hinkley B. The impact of this appeal was significant on both the reserves position (due to the refund) and the ongoing budget position (due to the reduction in rateable value) of West Somerset. The LGA supported this review and a senior and experienced consultant (**Bill Roots**) reported back on his findings.
- 2.3.10 The key messages from his report were that
- Taunton Deane will need to take tough decisions to balance its budget and fund growth but this together with transformation should enable it to do so;
 - West Somerset are running on minimum reserves and the impact of the Hinkley B business rates appeal means that West Somerset is not considered viable going forward unless special measures are implemented;
 - Both Councils need to progress with their transformation ambitions to achieve financial sustainability.
- 2.3.11 The key action from this was a meeting with the Local Government Minister Marcus Jones MP in January 2016. He confirmed that the Government is currently unwilling to offer additional financial support and that other options, including a merger should be explored.
- 2.3.12 Following the conclusions of these projects and establishing the financial facts a **Mandate Report** was presented to both councils in March 2016 to move forward and develop a high level Business Case. This articulated the Transformation Vision, and looked at how this could be achieved within our existing partnership, in a different political arrangement for our community, and finally stand-alone for each Council.
- 2.3.13 The recommendations of that report were approved by both Councils and confirmed:-
- Their continued commitment to their JMASS partnership in accordance with the terms and conditions set out in the inter-authority agreement of 15 Nov 2013.
 - To authorise the development of a high level transformation business case to test the 3 sequential options as follows:-
 - As now, with two separate Councils supported by the ONE Team.
 - In one merged Council (TDBC and WSC), supported by the ONE Team
 - As two separate Councils with their own transformation agendas.



2.3.14 The remainder of this document sets out the findings from this work.

3. Our Transformation Vision

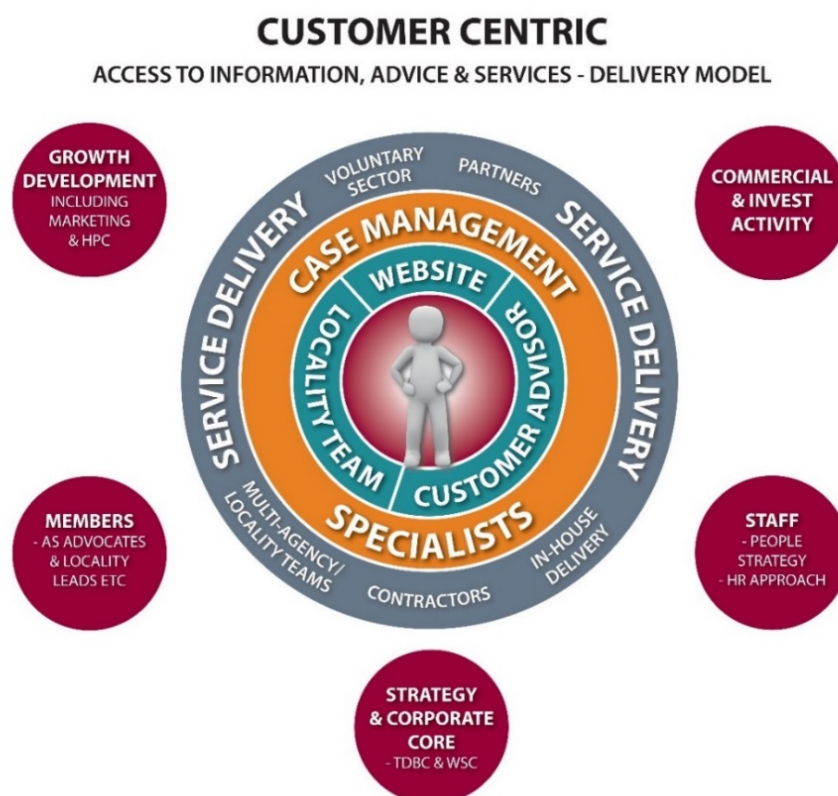
- 3.1.1 The Vision and Priorities Project articulated the “Design Principles” for transformation. These have been reproduced in the table below.
- 3.1.2 Members, through approving these Design Principles, set a clear guiding framework for our transformation programme. The Design Principles have driven our transformation vision (described in the following sections of this document) and helped us articulate a new operating model to support our ambitions.

Our Design Principles



- The Councils will embrace the principles of a Social Enterprise acting commercially to deliver surplus to reinvest in the delivery of our priority outcomes and services;
- We will solely focus on agreed priority outcomes and be customer centric/focussed;
- Our customer access arrangements will **maximise self-service**;
- We will deliver a ‘**case management**’ approach to dealing with customers that sees one point of contact take responsibility for customers’ issues to the point of resolution. This negates the need for the customer to know how the system operates, which tier of government is responsible and who does what within the Councils;
- We will develop an organisation where **work is an activity and not a place**. The Councils will go to the community rather than require the customer to physically come to it;
- Wherever possible, we should work with partners in our locality to collectively commission locally important services using our combined resources and avoiding duplication;
- The Councils’ role will be to help deliver outcomes and will use a wide range of **service delivery options** and providers to achieve this;
- All services should offer **value for money and be business-like in** their approach;
- Councillors should be supported to be active advocates, champions and lobbyists to challenge partners on issues that affect their wards or wider areas;
- We will minimise **governance** (internal bureaucracy /’red tape’) whilst protecting the principles of transparency, probity, good leadership and management;
- We will recruit, retrain, redeploy and reward our people to ensure we have the right skills, attitudes and behaviours needed to deliver our ambitions;
- We will provide a **transparent**, open and accessible performance management system that enables effective and timely information to members, staff and customers.

- 3.1.3 Both councils also have some further key priorities specific to their areas.
- 3.1.4 Taunton Deane Borough Council have further principles that relate directly to their Growth agenda and their role as Landlord for their Housing Stock.
- Provide a growth and development function that delivers growth, inward investment and economic, social and cultural prosperity. The function must return a net increase in resources to the Councils;
 - Provide a Housing function that delivers value for money, customer focussed services to our tenants and others living on our estates;
 - provide an ability to trade and specifically to deliver housing outside of the Housing Revenue Account and maximise the return on our own assets and investments the Councils seek to make
- 3.1.5 For West Somerset Council their focus is to maximise the local economic benefits from Hinkley Point C and ensuring that the negative impacts on the community from the construction phase are mitigated.
- 3.1.6 To achieve our transformation vision, we recognise we need to completely review what we do, how we do it and who will do it. The desired outcome for our communities, our organisation, our members and staff can only be achieved by radical change to our current operations.
- 3.1.7 Our new “operating model” is based on the Design Principles set by Members, and largely reflects the learning and good practice from other Councils experiences of transformation, in particular the “future model” implemented successfully at Eastbourne and South Hams and West Devon.
- 3.1.8 The graphic below represents our new operating model.



3.1.9 The key elements to note from this operating model are:-

- It focuses on reducing customer demand.
- It will deliver as much customer service as possible through a universal contact method.
- It will draw on expert skills and knowledge only where appropriate.
- It manages the organisation in an efficient and streamlined way.
- It reflects how we want our relationship to be with our customers and community.
- It moves away from the “service” based structures common in local government. Service “silos” are eliminated, and resources are arranged to fulfil customer needs rather than organisational convenience.
- It will enable us to remove work from our processes that do not add value to our customers.
- It will enable us to support customers in accessing information and services at a time that suits them, in a simple and convenient manner.
- It will support our desire to have a flexible workforce that can (with the right skills, attitudes behaviours and technology support) deliver “one and done” services to customers and across the organisation avoiding duplication, hand overs etc.

3.1.10 Before considering how we could deliver this operating model, it is important to capture the key benefits that will be achieved by this radical change, for our customers, our staff, our members and our wider communities.

3.2 Benefits for Customers

3.2.1 Early in the development of our transformation programme we recognised the need to improve and transform our approach to customer access.

3.2.2 A Customer Access Strategy has been developed which will ensure that the customer experience and service delivery is improved. To achieve this we need to understand who are our customers, what they require, what matters to them and then deliver it in the most efficient and appropriate way. We have also considered how this will be implemented across the organisation to meet the objectives and deliver the required savings.

3.2.3 Our Design Principles and the new organisational model to deliver on these, reflect that the customer is at the heart of everything we do, be it public, colleague, councillor, business, potential investor etc.

3.2.4 **Customers** will be able to access services in a way most appropriate to their needs:

- Services will be available via the website and apps with an increasing number of services available online. This will maximise the opportunity for customers to self-serve whether it be to access information, to book or request services, and to pay their council tax or for services. This

will provide customers that can and choose to access services this way with 24x7 access from anywhere

or

- Contacting their locality team based in their area developing the approach already successfully introduced via our three One Teams in the TDBC area (Halcon, North Taunton and Wellington).

or

- Phone a customer advisor if the customer does not have access to online facilities, the service is not available online or the service is more complex

or

- If the service query is complex or cross cutting *ie. opening a new restaurant (planning, building control, licensing, environmental health, Economic development. etc)* a case manager will be the single point of contact joining everything up for the customer and calling on specialists to assist and advise as necessary. This case manager will take responsibility for the customer's issues until it is resolved. This approach negates the need for customers to have to understand how the system operates or who does what and have contact with multiple people across the organisation.
- There will be a 'feedback loop' so the customer always knows what has happened and is updated pro-actively.

3.2.5 All of the above will seek to support the organisation in its overriding principles of being customer centric/focussed in everything that we do. If this is achieved then we should see it reflected in:

- Improved understanding of our customers and what matters to them;
- Improved customer satisfaction;
- Improved reputation with customers;
- Improved access to services for customers;
- Reduction in the number of customer complaints and consequent time saving;
- Reduction in the number of returning contacts for same issues, thus reducing failure demand;
- Significant reduction in the cost of service delivery;
- Improved resilience across the organisation through the move to more generic roles and cross-skilling;
- Greater staff satisfaction through the ability to own issues through to resolution.

3.3 Benefits for Communities

3.3.1 The Councils will be dispersed in the community rather than expecting the customer to physically come to them.

3.3.2 Customers will receive services at a place that is convenient and local to them including directly contacting the Locality Team in their area and we will work with partners to better serve our vulnerable communities.

3.3.3 We will work with other service delivery partners in the locality (i.e. Town and Parish Councils) to co-ordinate and co-design the delivery of services. Wherever possible we will collectively commission locally important services avoiding duplication of effort and making better use of the resources invested in the services provided to communities.

3.3.4 All of the above will be improving the services customers receive while making the most effective use of our resources

3.4 Benefits for Business (Existing and New)

3.4.1 New operating model will support business customers both existing and those considering the setting up of new businesses in the area.

3.4.2 The New Operating Model will ensure we are offering support to the communities affected by Hinkley Point C and maximising the opportunities from this.

3.5 Benefits for the Organisation

3.5.1 The operating model will deliver the following benefits:-

- A combined annual saving of £2.8m, offering a major contribution towards closing the budget gaps of the Councils. This brings West Somerset closer to medium term sustainability, and supports Taunton Deane's ambition to continue to invest in Growth.
- Better placed to meet the demands of customers and communities by reorganising our resources to enable locality and neighbourhood working, by investing in technology to support better information provision and self-service across a variety of digital channels.
- More investment in the customer, ensuring we take care of their requests and take responsibility for timely resolution and communication.
- By reorganising our resources, and by eliminating the majority of failure demand we will ensure our limited resources are directed at key priority areas that add value to our customers.
- The governance changes are designed to support the transformation vision, providing Members and Officers a more efficient and cost effective framework within which to operate.
 - A flexible workforce with empowered roles
 - An improved work/life balance for our staff
 - Commissioning options for future delivery of services
 - Flexible design to ensure future partnership opportunities are not lost.

3.6 Benefits for Members

- 3.6.1 Members are a key element in the success of the transformation of the councils, both in their support of the significant changes to the organisations and the development of their leadership role as advocates of their communities and the wider areas.
- 3.6.2 Members will be able to play a key role in making considered judgements about how change should be planned and implemented in view of the potential impact on people in their communities.
- 3.6.3 Members will be supported to play a central role in considering how resources can be best utilised, reducing waste and the duplication of services in their areas.
- 3.6.4 Members will be able to develop their understanding of the community's needs and aspirations, putting forward creative ideas about how services are delivered.
- 3.6.5 To enable members to be effective in this there will be investment in support provided to elected members to enable them to develop their own approaches when dealing with issues in their localities including access to information and ICT solutions.
- 3.6.6 Members will have access to information/data including ward profiles and partners and organisations working in their area.
- 3.6.7 Members will have mobile access to information and services to respond to customer queries.
- 3.6.8 Members will have opportunities to learn from other good practice regards supporting their localities.

3.7 Benefits for Staff

- 3.7.1 The transformation programme will mean a significant change for the whole organisation and will impact every member of staff, in the services they deliver, how they deliver them and the way they work within the organisation.
- 3.7.2 The new organisational model and ways of working will need new behaviours among staff at all levels and a new culture to meet the challenges. The way that staff are recruited, managed, trained and supported will be aligned to the new organisational model.
- 3.7.3 Staff will have a role in co-designing these new attitudes and behaviours. People will be measured not just on *what they do*, but equally on *how they do it*. Performance will be managed on outcomes and not attendance.
- 3.7.4 There are great opportunities for staff to work in a more productive, rewarding environment where they can take ownership and be empowered to deliver efficient, customer focussed services and the corporate priorities for the organisation and the councils.

4. Approach to Delivery of Transformation

- 4.1 The Mandate Report of March 2016 outlined the areas where further work was required in order to deliver the high level business case, including Customer Access, Systems and Processes, People, Members and Governance, Accommodation and Commercial Approach. All are important to achieve our transformation vision and new operating model.
- 4.2 A series of work-streams was put in place to investigate each of these areas and work began to translate our transformation vision into high level costs and savings to support the business case. For some of the more “major” ingredients of transformation, we engaged external support. We worked with a couple of organisations, who advocate very different approaches to transformational change. This “dual running” of implementation solutions helped us not only triangulate and challenge the outcomes they delivered, but helped us think through the most appropriate implementation solution for our councils.
- 4.3 We have worked with iESE (Improvement and Efficiency Social Enterprise) who are experienced change consultants and whose approach is based on “Systems Thinking”. They focus strongly on customers, and aim to improve customer experience and outcomes at reduced costs through the removal of unnecessary demand for service (failure demand), caused by inefficient processes, unclear communications and poor websites, and by ‘channel shifting’ the majority of the remaining demand (value demand) to the website.
- 4.4 We have also worked with Ignite and Civica (who delivered the Eastbourne and South Hams and West Devon transformation). Ignite are change consultants who specialise in transformational reorganisation, and Civica are a major supplier of technology. They have reviewed how the “future model” solution they have deployed elsewhere (based on organisational change plus investment in technology to support process improvement and channel shift), and which aligns with our local transformation vision, could be delivered for our Councils.
- 4.5 By dual running the implementation thinking with these very different approaches we have learnt a lot about our organisation and our readiness for change, and also have more confidence in the deliverability of our final business case proposal.
- 4.6 Both approaches offer a technology platform that will enable wider working with partners and other organisations to enable service delivery on our behalf. A summary of the approach taken and headline proposals by each is shared below.
- 4.7 iESE Approach and Headline Proposals**
- 4.7.1 Having worked with our organisation previously, to develop a Customer Access Strategy, iESE understood our current contact levels with customers

at a corporate level. As part of their recent work, they spent some time looking in detail at 3 “high volume contact” service areas (Housing Repairs, Planning, Revenues and Benefits) to better understand our existing processes. They also spent time in some Support Services (HR and Finance) to understand the internal processes in place. They spent time with the teams and gained a good understanding of the “as is” position, and therefore the potential for change. They are well versed in our transformation vision.

- 4.7.2 From this work they have identified a high level of “failure demand/waste” in how we do things currently, of approx. 74%. They have used this knowledge to make some broad assumptions across the remainder of what we do, and assume we can, through process re-modelling to remove unnecessary contacts, enabling channel shift to the website and implementing a new operating model make savings in the order of 50% of our staff (around 167 fte of those in scope) over a 4 year period.
- 4.7.3 They advocate that ICT investment is focused on a new high quality public-facing website platform, and a relatively low-complexity contact management and ticketing platform. Case management would be used for more complex service requests, possibly utilising the case management capabilities of existing individual business systems. Efforts should be focussed on eliminating “waste” and non-value activity from our processes. An incremental rather than a big bang approach is recommended to the deployment of these solutions.
- 4.7.4 The main area of investment is in consultancy to support us to deliver the change in processes and ways of working (systems and people).
- 4.7.5 In terms of timescale their proposal suggests the changes can be delivered over a 4-year period.

4.8 Ignite/Civica Approach and Headline Proposals

- 4.8.1 Having delivered the “Future Model” solution elsewhere, Ignite and Civica have a good understanding of what we are trying to achieve. They also spent time in our organisation, with staff from our service areas getting to know our local position, and understanding the potential for change.
- 4.8.2 They hosted a series of workshops involving staff from our high volume customer contact service areas. From the data gathered at these workshops, together with their assessment of our organisational “maturity level” (i.e. readiness for change), and their experience from other similar transformation programmes delivered, they have identified the potential for savings.
- 4.8.3 Their approach includes significant investment in new technology as well as systems and people change. The technology includes a comprehensive suite of software to provide Customer Relationship Management (CRM), Electronic Document Management (EDM), case management, workflow and

mobile working technology as well as a Portal to integrate these system with our websites. The technology also provides for end-to-end integration with back office (line of business) systems. Additionally, we will need to implement new website content management systems. As a precursor to implementing the software this approach recommends a comprehensive business process reengineering phase to review all of our processes prior to their being created within the technology platform. This combination is what they believe will drive out the savings.

4.8.4 The headlines from their proposal are suggesting we could make savings in the order of 22% of our staff.

4.8.5 In terms of timescale their proposal suggests the changes can be delivered in an 18 to 24 month timeframe.

4.9 Conclusions

4.9.1 Implementation Proposals

4.9.1.1 Both proposals are at a high level, sufficient to support “proof of concept” and would require further work to take us to detailed implementation stage. Both implementation solutions would ultimately deliver our transformation vision, and would:-

- take us to a place where we are organised in a way that supports the Design Principles,
- deliver the required outcomes for our customers.
- mean we reorganise our resources to focus on our customers and we eliminate service silos.

4.9.1.2 Where they differ is in the level of savings they deliver, the implementation approach and timescales, their focus on technology enablers and evidence of the approach being delivered elsewhere.

4.9.1.3 Our Joint Management Team have been involved in both proposals and have evaluated the results against key criteria including alignment with our Corporate Design Principles, proven track record of delivery, cost, savings, staffing/cultural fit, ICT solutions etc. The conclusion of this review is that we progress the best elements of both proposals to maximise the savings potential, whilst reducing risk on delivery.

4.9.1.4 The recommendation is therefore that:-

- we implement using the approach shared by Ignite and Civica (the future model solution used by Eastbourne and South Hams and West Devon);
- we capture the potential to maximise savings by focussing on removing failure demand (i.e. unnecessary contacts) and we focus on developing the case management ethos and culture.

- 4.9.1.5 The headline new ongoing saving is forecast to be a minimum of £2.628m. The headline investment in technology and people change and process mapping will be around £6.8m.
- 4.9.1.6 In addition, the Council will need to consider the cost of associated redundancies. Our suggested people approach is driven by behaviours and attitudes. It is crucial that the Councils have a staffing cohort who want to be here, and want to be part of this exciting future. This means modelling redundancies at a high level.
- 4.9.1.7 We know that whatever proposal we progress, we have further change issues to consider, and the next section of this document will share our key findings on each. We will set out our proposals that sit alongside this transformation implementation solution – for our people, our governance arrangements, our commercial approach and our technology approach.
- 4.9.1.8 A summary of the overall financial forecast is shared in section 13.
- 4.9.1.9 The following sections consider the key enablers for our transformation and the intended approach including:
- People.
 - Systems and processes.
 - Governance and members.
 - Technology.

5. People – Outline Strategy

5.1 Introduction

5.1.1 This section of the Business Case focusses on:-

- the outline approach we intend to follow for implementing the changes to our structures;
- outline thinking on corporate management requirement for the new operating model;
- early thinking on phasing of implementation
- our approach to ensuring there is sufficient support for our staff before, during and after these changes – the organisational development requirement.

5.1.2 The “people change” elements of this programme are the most important and we will need to ensure leadership and capacity efforts are directed to this during implementation.

5.1.3 As outlined earlier, the change ahead is radical and we need to ensure we have an approach that is appropriate to this outcome, rather than assume the “usual” way of dealing with change and restructures will apply. The changes will impact every member of staff in the services they deliver, how and where they deliver them and the way they work within the organisation.

5.1.4 No area is out of scope for this change - an important point to note and a different message from JMASS Phase 1.

5.2 HR Approach – The Process and Other HR Policy Matters

The Councils have traditionally favoured a managed implementation using slot-in and ring fencing mechanisms. This has the benefit of minimising disruption and service continuity risks and tends to be cheaper to introduce as there are less redundancies, but it also leads to the least change in terms of introducing new knowledge, skills, experience and above all the attitudes and behaviours needed to make the new operating model a success.

5.2.1 There are example of other Councils undertaking similar transformation programmes and using very different HR approaches. Some have required all, or the majority, of staff to re-apply for all of the roles within the new operating model.

5.2.2 This kind of approach has the advantage of ensuring that the Council recruits exactly what it needs. Individuals that don't match the competencies needed for new roles in the new operating model, or, who don't want a role in the new operating model, will leave the organisation. This approach would also increase the number and overall costs of redundancy. It could also mean potentially losing skilled experienced people in key areas that maybe difficult

to replace in an increasingly competitive market for some professions i.e. planning, strategic finance, property etc.

5.2.3 On balance it is recommended that we design our implementation on the more radical approach, but build in some flexibility to help mitigate the risks highlighted above, in terms of delivering our priorities and/or service continuity. This approach will require investment in a temporary “Transition” team to again mitigate the risks highlighted above.

5.2.4 There are other HR issues that will need to be reviewed as part of this change and early thinking on each is set out below.

5.3 Job Evaluation (JE) and Pay Model

5.3.1 The current JE scheme, whilst keeping the Council predominantly risk free in terms of equal pay claims, does inhibit our ability to pay the right rate for some of the skills, knowledge and experience we need now and will need in the future. This will need to be addressed and we will need more flexibility to ensure that we pay appropriate market rates for some of the functions important to delivering the Councils priorities.

5.4 Performance management

5.4.1 Performance management will be key. If we are to have less management and supervision to free up the organisation and save money we must give those remaining the tools they need to manage. With a more mobile and dispersed workforce, managed on what they deliver and not by attendance, we must be clear on our expectations, targets and how we will measure outcomes. The more this can be systemised using technology the better. The more transparent and ‘real time’ this data is the less time we will spend addressing performance queries from Members and our customers.

5.5 Governance

5.5.1 The significant slimming down of corporate and line management, supervision and administration can only be achieved and be sustainable if there is a commensurate slimming down of the overall governance system. This will have an impact on all Members, staff, partners and our customers in terms of how they engage with the Councils through its governance system and on the new operating model staff in terms of the levels of responsibility, accountability and transparency they will be required to work to. More details are shared in the section on Governance later in this document.

5.6 Corporate Management Arrangements

5.6.1 The new operating model is a radical departure from the current way the One Team is organised to deliver services. At the same time the priorities of the Councils have broadly stayed the same. The biggest areas of change are the way that we organise and do our work as well as the drive to greater

customer focus, ownership of issues, responsibility and autonomy across the piece.

5.6.2 This model will require significantly less management, supervision and centralised administration. It will still require strong leadership, strategic development and delivery of priorities, and solid performance management.

5.6.3 The investment required in staff will be significant to develop the right attitudes and behaviours, to develop business acumen and to ensure maximum utilisation of ICT investment and mobile working. This will be achieved by a strong link to the People and Organisational Development work stream, and initially thinking of this support is set out later in this section.

5.6.4 The new operating model is customer driven, and therefore, it makes sense that the organisational structure should reflect this, both in its design and its implementation.

5.7 What's in scope?

5.7.1 Focus on corporate priorities and customers

5.7.1.1 Traditionally a Corporate Management re-structure would simply concentrate on the 'upper tiers' of the Council. The new operating model moves away from tiers into functions that are designed around the Councils priorities (Growth and Development, including HPC, and Commercial Development) and Customers.

5.7.2 The need for retained and enhanced strategic capacity

5.7.2.1 Strategic leadership capacity remains important and neither Council has indicated that it wishes to invest less in its priorities. In fact, given the way that Councils will be funded in the future growth and commercialism are key. For TDBC there is no indication that it wishes to divest itself of its landlord function, in fact, the development ambitions remain high. The Councils also need to provide a strategic/corporate core including the functions that will always be needed irrespective of what priorities or services are delivered.

5.7.2.2 Therefore the current JMT roles are in scope with recognition that much of what is delivered in terms of strategic leadership remains important and necessary. The Council must identify individuals to carry out the functions of Head of Paid Service, Section 151 Officer and Monitoring Officer.

5.7.3 The diminishing requirement for management, supervision and administration

5.7.3.1 The Tier 4 and 5 managers and supervisors should also be in scope when considering corporate leadership and management arrangements. The connection between the strategic leadership and corporate management to the rest of the organisation is critical as we transform from a traditional tiered organisation to the new operating model. There will be a lesser requirement

for traditional supervision and centralised administration and a significant amount of the current capacity for this function sits in Tiers 4 and 5. In some areas of the One Team some individuals also manage staff and these supervisors/managers may also need to be bought in scope.

5.8 Functions and roles

5.8.1 Strategic leadership remains key given the current priorities of the Councils.

5.8.2 The Council needs Strategic leadership in the following areas: -

- Growth and Development – to lead the significant growth agenda of TDBC and to maximise the benefits that could potentially accrue from HPC. The primary focus will be on business partners and customers.
- Customer and Service Delivery – to lead on customer access, case management, locality working and service delivery. The primary focus will be on residents and tenants
- Corporate – corporate strategy and oversight, strategic finance, HR, IT and property, performance management, transformation, member relationships, statutory roles of S151 and MO. The primary focus will be on internal customers.
- Commercialism – to lead the commercialisation agenda including direct investment, creation of new companies and trading organisations, and, driving business acumen across the organisation.

5.8.3 The Council could choose to have a Chief Executive that had sole responsibility for the oversight and leadership of the One Team (including the Head of Paid Service role) or this role could be added into one of the strategic roles mentioned above.

5.8.4 The new operating model focuses on the customer and different customer types and not services. The corporate leadership and management arrangements need to do the same.

5.8.5 The Council needs Corporate Management in the following areas: -

- Customer Service (including website, customer advisors, case management and specialists).
- Locality working with partners in support of our vulnerable communities.
- Locality working in support of pro-active action, and service delivery where it could be co-designed with customers/Town Councils/Parish Councils/other partners).
- Corporate (including the functions any Council must have to 'exist').
- Service Delivery (front line service deliver to our residents and business either by the Councils directly or through contracts or other arrangements).
- Physical regeneration (including Hinkley Point C, housing and employment growth).

- Business regeneration and growth (including inward investment, marketing and promotion of our places).

5.8.6 The Councils needs high level technical input to deliver its ambitions:-

5.8.6.1 High-level technical knowledge, skills and experience will still be needed in key areas such as the delivery of our growth ambitions, commercialisation, housing and project management. The council will still require lead practitioners or high-level specialists.

5.9 Design, Implementation and Phasing

5.9.1 By customer type

5.9.1.1 The new operating model needs to be designed as a 'whole' so that we have an entire picture of what the future will look like before we commence implementation. Therefore this design stage will be completed prior to any implementation.

5.9.1.2 Implementation is traditionally done tier by tier. This is not possible with the new operating model and neither would it be desirable if we want to reinforce the focus on customer.

5.9.1.3 It would make sense for the implementation to be organisation wide and to be done by customer type i.e. business, tenants, general public, internal customers etc.

5.9.1.4 The implementation would in practice need to be phased and carefully managed. We would need to be clear on the HR approach to be applied across the whole of the new operating model. Early thinking on phasing is shared below.

5.9.2 Timing of change to the corporate management arrangements

5.9.2.1 There is a need to balance getting the new structure in quickly versus leading and managing the change and transition period. Arguably starting 'at the top' means those currently in JMT are 'going first' or 'leading by example' and you get your 'top team' in place quickly. This was the case for JMASS phase 1.

5.9.2.2 The risk is that you cause major disruption to the tier that will provide leadership of the change. Ensuring adequate 'transition' resources could mitigate this risk and provide 'change leadership' capacity whilst the new management team is being recruited. This could be achieved by keeping people choosing to leave a little longer to secure leadership and safe handovers and/or by the use of interims. The Councils have experience of doing this successfully for example the transfer and hand over from the old WSC CEO to the current CEO, the retention of capacity on the TDBC Core Strategy, and, the current use of interims in 2 of our AD positions.

5.9.3 Scope and Financial Impact

- 5.9.3.1 Initial work suggests there are over 100 people in the “management” grouping (Tiers 1 to 5 managers/supervisors).
- 5.9.3.2 The overall ambition is to remove between 20-25% of costs across the two Councils, including management. The proposal recommended in this high level business case offers savings in that order (and includes management in its scope). The savings will fall across the various funds of the Councils, and depending on our final design on strategic and corporate management will be delivered within globally within our management scope.
- 5.9.3.3. It is important that there is flexibility, unlike in JMASS 1 to allow each Council to decide how much (if at all) it wants to ‘buy into’ the Growth and Development and Commercial function outlined above. These functions should aim to be self-financing through income returned directly or indirectly.

5.9.4 The Indicative Phasing Plan

- 5.9.4.1 A phased approach to implementation across our wider organisation is recommended, potentially starting with:-

5.9.4.2 **Phase 1** – with Tiers 1-5 in scope

All “management” staff currently on these tiers will be at risk at the same time and the implementation of the new operating model and will then be implemented in a couple of stages, likely to be :-

- CEO and Strategic Directors
Followed by:
- Assistant Directors and Corporate Managers (Tier 4 and 5) for key priorities and functions

5.9.4.3 **Phase 2** – with Tiers 6 and below in scope

All staff currently on these tiers will be at risk at the same time and the implementation of the new operating model will then be implemented in 3 stages likely to be:-

- Business customers
Followed by:
- Internal Customers including members
Followed by:
- General public/residents and tenants

- 5.9.4.4 This means that all of the staff currently in the broad Phases described above will be able to compete for any new role in the new operating model in their phase, creating greater flexibility and opportunity for all. If roles cannot be filled internally they will be advertised externally. Staff not wishing to compete for a new role will by default be opting for redundancy.

5.9.4.5 As with JMASS 1 it may prove necessary to depart from this outline approach to phasing and redundancies if it is practical to do so from a delivery of priorities, customer or service continuity perspective. We will engage with UNISON as we design the detail of this approach.

5.9.5 Organisational Development

5.9.5.1 As stated at the beginning of this section the transformation programme that is planned to deliver the vision and supporting organisational model is a significant change for the whole organisation. It is essential that we provide support to all staff in the lead up to the change, during the transition and then on a sustainable basis over the long term.

5.9.5.2 It will be vitally important to promote behaviours and ways of working among staff, at all levels, to support the transformation programme and help to build a lasting legacy for a successful organisation.

5.9.5.3 Specifically we need to:

- raise awareness and engagement with the vision for the transformed organisation and 'end destination';
- engage staff in active discussion about the ways of working, attitudes and behaviours required for success in the transformed organisation;
- enable staff to be 'change ready' and as prepared as possible for roles in a transformed organisation, with an emphasis on customer care, attitudes and behaviours. Focus on generic skills for all, complemented by more targeted skills for different parts of the organisation;
- enable staff to make informed choices about their role in the transformed organisation, e.g. career planning and transition, building self-awareness, understanding attitudes and behaviours;
- provide support for teams and individuals at key stages through the 'change journey', e.g. recruitment and assessment, understanding new ways of working.

5.9.5.4 The 'fit for purpose' organisation of the future will need to be agile, able to respond and flex to ever-changing customer expectations as well as be able to meet the constantly changing local government environment. The staff supporting this organisation will need to be ready, willing and skilled to accept this as their new working environment and their ongoing training and development needs to help them with this and for them to be able to deliver the best for the organisation, the customer and communities.

5.9.5.5 The staff communications plan to support the transformation programme includes a wide variety of methods which include;

- staff briefings (all staff sessions and more focussed sessions by service area);
- use of the monthly newsletter and noticeboards throughout the offices and depots;
- use of the new intranet that can be accessed by all staff;
- use of social media (currently in test).

5.10 Work underway with Timewise

- 5.10.1 Timewise Councils is a continuous improvement programme to help local authorities identify, adopt and share best practice in flexible working. We will seek, when appropriate, to incorporate the Timewise programme into our approach to our new ways of working as appropriate as it complements a results only work environment, and the Design Principle of “work is an activity and not a place”.

5.11 UNISON

- 5.11.1 As in JMASS phase 1, we are keen to continue with the ongoing communication and consultation with the local branch of UNISON and the UNISON Regional Office.
- 5.11.3 Updates on the progress of JMASS phase 2 transformation are included on the agenda of their bi-monthly meetings and we will continue to consult and negotiate with UNISON throughout the transformation programme on matters which directly affect staff.

5.12 Staff Design Panel

- 5.12.1 A **staff design panel** has also been established ready to support implementation. This is made up of volunteers from across the organisation. The staff design panel provides an opportunity for staff and managers to meet and discuss ideas, issues, drafts of new policies, organisational change etc, openly and in a spirit of free exchange of views. This will enable staff to be actively involved in shaping the future direction of the organisation. Staff on the panel will also be a ‘barometer’ for the mood and current state of morale in One Team. The Terms of Reference have been drafted and the initial meeting will take place in June/July 2016

5.13 Summary of key tasks that need to be undertaken:

- Undertake staff readiness and familiarisation.
- Finalise proposed new operating model.
- Determine what further changes are needed to terms and conditions
- Make linkages to Timewise and potentially to Result Only Working Environment model.
- Review and finalise behaviours and competencies.
- Assess impact on staff numbers.
- Assess and identify action for JE and Pay Model.
- Consider Approach To Redundancies.
- Design Criteria for selecting and recruiting staff into the new model.
- Trade Union Consultation.
- Review all existing development, training content and people policies and procedures to align with plans.

Resource requirement	Anticipated one-off cost £'000	Anticipated ongoing cost £'000
HR support (backfill for BAU) for the redundancy and recruitment processes Year 1	75	
HR support (backfill for BAU) for the redundancy and recruitment processes Year 2	56.25	
Training for Implementation over first two years development	200	
On-going training		
Year 2		100
Year 3		100
Year 4		75
Year 5		50
JE/Pay Model Consultancy Costs (excludes resource costs if significant implementation is needed)	20	
Recruitment Support/Engagement/Consultation	160	
TOTAL	511.25	325

5.13.1 The above indicative costs have been built into the financial summary for “Transformation” as outline in section 13 of this document.

5.14 For modelling purposes we have completed various scenarios for redundancy assumptions and have gone for a prudent provision of costs. This gives us contingency for other potential items required which cannot currently be quantified, for example customer engagement and finance resources.

	Anticipated one-off cost £'000	Anticipated ongoing costs £'000
Staff termination and other staff costs	3,500	0

6. Systems and Processes

- 6.1 It will be essential to our Transformation ambitions to develop solutions **to reduce the demand** coming in to the council (by addressing the root cause regards people needing to contact the council in person, by telephone or in writing) and to **reduce the cost** of the remaining service demand by shifting customer to their most appropriate channel (often referred to as 'channel shift').
- 6.2 Implementing this change will require significant business process re-engineering (BPR) where we will challenge existing end-to-end processes in order that we do not preserve current inefficiencies but instead design out inefficiencies and failure demand at the outset and provide accurate, relevant and readily financed.
- 6.3 We will ensure that the focus is on delivering outcomes for customers and not adherence to our existing internal policies or ways of working i.e. we need to put the customer first, not the process.
- 6.4 The aim is for the customer experience to be as streamlined and simple as possible so that the customer will use that channel again.
- 6.5 Simplification and standardisation of all customer management processes to support self-service or customer contact led service provision and a focus on 'end to end' process resolution will be key in driving out savings.
- 6.6 New process will be designed to make best use of the capabilities of the supporting technology, processes which are complex or impossible to implement using the technology platform will be avoided.
- 6.7 Where the customer is unable or unwilling to self-serve call scripts and processes to enable most requests to be dealt with there and then by generic officers will be introduced. This ensures a consistent approach to similar types of enquiries and an efficient service for the customer, where customers can resolve issues at the first point of contact with informed and structured processes, without the need for either party having to make a repeat call for additional clarification/information. Scripts can also kick off automated processes to improve the customer experience and improve call processing times.
- 6.8 Similarly, data should be retained on the call and if there is a need to pass the customer on, which should be infrequent, this can be accessed by other officers reducing the need to customer to repeat their requests and identification.
- 6.9 Regardless of the customer access channel, workflows will be built in to end-to-end processes which automatically trigger actions in other systems in order to minimise processing times and enable a single customer contact (such as to report a change of name or change of address) to be used across

the Council, reducing demand on officers and importantly allowing the customer to tell us just the once rather than having to separately provide the same information to several different services.

6.10 Integration will be built between the contact centre/portal to enable processes automation to further enhance the transaction by passing key data into in-house and third party back office systems or creating a workflow process to ensure actions are picked by particular officers allocated to a specialist role.

6.11 Process mapping and reengineering will be just as important for internal customer transactions as it is for external customer driven activities as each have a cost and impact on the overall efficiency of the organisation.

6.12 Bringing about Customer Behaviour Change

6.12.1 The required change in customer behaviour, to move customer enquiries and service requests to the most appropriate channel, will not just happen by itself. Change will need to be managed and customers engaged and supported.

6.12.2 We must encourage people to use our digital service instead of non-digital routes, like post, email, telephone or face to face, wherever appropriate in order to help us manage demand through behaviour change and in turn release efficiency savings.

6.12.3 To make this happen, we need more people to go online and hence be able to access information and services that is important to them.

6.12.4 Working with customers to design, test and refine online services is also important to successfully shift customers to online services. We can't assume that we know what customers want but we need to get them actively involved in the design of services throughout the process and how they use and access services. This approach means that our services are truly customer-centric, it also means that customers feel a sense of ownership in the online capability we provide and that they have the ability to feedback, influence and improve how we present online services to them

6.12.5 The first key building block to this change in behaviour is to develop easy to use web tools to transact across appropriate high volume and key services.

6.12.6 The website must be accessible regardless of what Internet-enabled device the customer chooses to use (smartphone, tablet, laptop or PC) and provide the right level of accessible information and advice in order to establish this as the preferred information tool for the majority of our citizens.

6.12.7 There are currently a number of issues with accessing information or services via the Councils' websites. These include some outdated information, difficulty finding or navigating to the required pages, inefficient

search facilities, limited online services and a lack of clear information about key services.

- 6.12.8 If this is the first point of contact for someone needing information about a specific service, they are currently unlikely to find the relevant information easily (particularly for TDBC).
- 6.12.9 There are a large number of services that are not currently represented online apart from a page showing contact numbers; there is potential to consider offering many of these as web transactions.
- 6.12.10 Many of our customers are already online and have digital skills and confidence. This group should willing and able to transact with the Council digitally with little support. For this group promotion of the online offering, together with making available a suitable range of information and services, will be the key activity in order to bring about the required change.
- 6.12.11 We should use all opportunities to promote the benefits of using the web including literature within outgoing mail (eg Council Tax bills, rent statements etc), greetings messages on incoming calls, posters as well as our staff advising those who make a personal visits to our offices of the range of services available online. Similarly Members have a role to play in their communities promoting awareness of online services and also capturing any feedback about the services and information available online in order to help improve the offering and customer journey/experience.
- 6.12.12 There is another group of our customers that, in addition to promotion of our online information and services, also need some support and encouragement in order to make the switch. These are typically those who have access to the internet (either through a laptop, tablet, PC or smart phone) but have little or no experience of transacting online with the Council and/or lack the digital skills to use a particular service.
- 6.12.13 We need to understand why this group have been unwilling to transact digitally with the Council and provide appropriate support to encourage a change in the transactional habits. This might for example, include officers supporting customers carry out their initial online transactions through providing guidance over the telephone or by providing face to face support while on Council premises or indeed in the community. This meditated approach proved very successful at Taunton Deane when the cash office closed and was replaced with payment kiosks. Whilst initially sceptical, through temporarily having an officer nearby to help with any queries and explain how to use the machine, the public were quickly able to move to this new way of making payment and were soon confident enough to accept it as the norm and no longer required support. A similar approach is employed in many high street banks where staff will proactively support customers use automated paying in machines for example. This will need resourcing but to what level and for how long will become apparent as we plan implementation to a greater level of detail.

- 6.12.14 There will be a further group who are willing to transact digitally but lack the IT equipment to enable them to do so. The solution is to provide PCs or laptops in suitable locations, such as the Council HQs or outreach offices. Such a system is already working well with Homefinder/choice based lettings, where equipment is made available.
- 6.12.15 By encouraging staff to help customers to help themselves, frontline staff will be able to spend more time with those customer who are unable to transact digitally, perhaps as a consequence of disability or social exclusion imposed by the rurality issues which especially affect some areas within both Taunton Deane and West Somerset.
- 6.12.16 Developing the online capability and driving take-up will be an ongoing iterative process, using data available to know the customer and proactively improve services based on findings and insight.
- 6.12.17 Website analytics tells us what services customer are accessing, how they are using the site, what devices they are using to access online services etc and all of this can provide the necessary insight to tailor and improve the customer experience. This data is also invaluable in providing a benchmark for the councils to measure their success in moving customers to the most appropriate channels for them.

7. Technology

7.1 Information Technology (IT) will play a key role in enabling and underpinning the delivery of the Corporate Design principles and new operating model.

7.2 Specifically our new IT Strategy will support and facilitate:

- Business Process Reengineering (BPR), for both internal and external processes, to enable us to remove unnecessary processes and thereby significantly reduce unnecessary contact (failure demand) for both internal and external customers.
- Self-service via the customer's device of choice (increasingly smart phones or tablets) – again this will remove unnecessary telephone or face-to-face contact and provide greater customer satisfaction.
- Channel shift to our websites for the majority of transactions releasing savings, but also allowing us to invest more time in providing a face-to-face or telephone service in the areas of greatest need.
- Flexible or 'smart' working allowing us to realise our ambition for work to become "an activity and not a place". This includes providing for locality working and access, both on and offline, for both staff and Members.
- The provision of real-time performance information for staff, Members and the public. This will help to reduce unnecessary contacts from customers, provide staff and managers with the information they need to successfully run the business and provide real time performance information for Members.
- The implementation of appropriate information security arrangements that provide adequate safeguards for the data we hold whilst maximising flexibility of service delivery.

7.3 To achieve these outcomes we need to implement modern, flexible and adaptable information technology solutions. This relates to both the software solutions implemented as well as our IT infrastructure.

7.4 In addition the requirements and reliance upon IT of the organisation is changing and increasing. Consequently we also need to review and evolve the role of our IT Service to ensure that it aligns with and supports the development of the broader organisation.

7.5 Enabling Improved Customer Service

7.5.1 Implementing the right IT solutions will be critical in delivering our ambitions to improve service delivery to our customers and in moving to being genuinely 'customer centric' councils.

7.5.2 The key elements of the IT support for enabling improved customer services are as follows:

- *New websites* - which become both councils main communication channels and consequently which are customer friendly, intuitive,

accessible via multiple devices (i.e. including smart phones and tablets), facilitate end-to-end self-service, are trusted and secure.

- *Case Management* – software to support and enable the delivery of a case management approach to dealing with customers including the provision of linked document management and workflow.
- *Enabling process enhancement* – easily configurable software solutions, which allow us to cost effectively and quickly enhance and develop processes and access to information and self-service.
- *Performance information* – to provide easy access to real time performance information for customers, Members and staff.

7.5.3 There are different approaches to delivering the IT support required to enable improved customer access. These range from working with a variety of different software providers and incrementally developing an approach over a three to four year period to working with a single supplier for the provision of integrated Case Management, Customer Relationship Management (CRM) and Document Management functionality. The latter can be delivered over a shorter timeframe, but is likely to require a larger resource commitment at the outset.

7.5.4 The websites will in the future become our key communication channels. In view of this they need to be, as described above, customer friendly, intuitive, accessible etc. i.e. far more interactive and usable than they currently are. Recognising this we will in future need to ensure senior level leadership to provide the appropriate ongoing focus and ownership of the development and maintenance of the website within the organisation. This role needs to be in place from the outset to manage the development of the new websites.

7.5.5 Additionally, it is essential to understand that, to be successful, the implementation of these technology solutions has to be coupled with comprehensive training for staff (technical and crucially also behavioural) and effective communications with our customers to encourage channel shift.

7.6 Enabling Flexible Working

7.6.1 Unlocking our ability to deliver a flexible working approach in the future will be key to the successful delivery of the transformation programme. This includes the flexibility of staff to be able to easily work from different locations, enabling our more flexible use of our existing accommodation to allow us to reduce our space requirements, enabling locality working on or offline and enabling access for Members.

7.6.2 This will be delivered by the implementation of:

- Cloud hosted telephony which provides ‘follow me’ or mobile capability i.e. the phone is where the officer is.
- Electronic case management.
- Electronic document management capability to reduce storage requirements, enable work flow and remote access to documents.

- Business process re-engineering of back office processes – to minimise unnecessary administrative processes and enable staff to self-serve.
- Enabling the use of other devices (i.e. smart phones and tablets) to facilitate remote working either on or offline.
- Secure web based solutions to provide easier access.

7.6.3 Again, it is critical for the successful delivery of flexible working, that the delivery of technology enablers is coupled with appropriate training and communications.

7.7 Future ICT Operating Model

7.7.1 The ICT Service will become increasingly focussed on supporting the business in delivering services as efficiently as possible and extracting maximum value from ICT investments. It will be agile and responsive to changing business requirements, and on evolving technology innovations. Commodity and cloud based technologies will be utilised to minimise or eliminate local infrastructure and associated support costs.

7.8 Resourcing

7.8.1 The IT changes will, as outlined above, play a key role in enabling the delivery of the transformation objectives and Corporate Design Principles. Significant up-front investment will be required in IT solutions in order to facilitate longer term savings. It is critical that the delivery of IT solutions is aligned with the delivery of the wider transformation programme and consequently we need to ensure that this element of the programme is resourced accordingly.

7.9 Indicative Technology Costs

7.9.1 Implementing the required technology changes to support our ability to deliver the Transformation Programme will require significant up-front funding.

7.9.2 Detailed below is a summary of the technology requirements with indicative costs.

Technology requirement	Indicative implementation costs £'000	Indicative ongoing revenue cost £'000
Digital Service Delivery – Case Management, CRM, Document Management, Mobile Working etc.		
<ul style="list-style-type: none"> • Software costs • Implementation costs • Additional server requirements • Contingency 	<p>340</p> <p>727</p> <p>25</p> <p>100</p>	69
Website development	80	

Technology requirement	Indicative implementation costs £'000	Indicative ongoing revenue cost £'000
Video conferencing	40	
Single IP telephony	75	
Members Technology Transformation	45	15
'Follow me' printing	25	
Centralised printing and dispatch	10	
Kiosks/self-service access points	50	
Desktop services (Thin Client) alignment	100	
Single Security Domain	35	
Business Systems Integration Connectors and Consolidation (Development Control, Environmental Services, Payments)	250	
Funding already approved in JMASS Phase 1	-710	
TOTAL	1,192	84

- 7.9.3 Costs for consolidating business systems to single platforms are included to ensure that integrations from the new Digital Services Platform are only needed to one instance of each business system. Also, there may be additional costs incurred that would be payable to the suppliers of those business systems to enable the required integration.
- 7.9.4 Excluded from the above list are any costs for a comprehensive move to cloud hosting for our existing systems. This is not a priority area for delivering transformation. In due course individual business cases will be developed on an invest to save basis and brought forward to members for consideration.
- 7.9.5 £710k of the IT projects detailed above are already covered by existing budgets from JMASS 1. Additional funding has been incorporated into the investment costs for JMASS 2

8. Governance and Members

- 8.1 Developing the support for the role of Elected Members to truly empower work in localities and to fully operate as advocates for the Council will be crucial to the success of our programme. The Governance arrangements need to be reframed to ensure they are appropriate to the requirements and ambitions of the post transformation Councils.
- 8.2 One of the design principles adopted by both Councils is to ‘minimise governance whilst protecting the principles of transparency, probity and good leadership and management.’
- 8.3 The difficult funding situation for local government means that Councillors are increasingly having to make decisions that will have profound, far-reaching implications for the way that West Somerset and Taunton Deane Borough Councils deliver services to residents. These changes will require a permanent shift both internally and externally in expectations of what local government does, and more importantly, does not do.
- 8.4 However, local people must at all times have confidence that decisions taken in their name are high-quality, evidenced based and considered openly and accountably.
- 8.5 This is why now, more so than ever, good governance is vital – West Somerset and Taunton Deane councils have a responsibility to ensure that decision making is as effective as possible within available resources.
- 8.6 Both councils currently operate the Leader – Cabinet model and all options going forward have assumed a continuation of this model. This system was brought in by the Local Government Act 2000 and in order to operate each sovereign council must:
- Appoint a Leader for 1 four year term.
 - Appoint a deputy leader for a four year term.
 - The Leader must appoint a Cabinet of at least 2 other elected members.
 - Appoint at least one Overview and Scrutiny Committee.
- 8.7 Governance is about much more than member activity in Committees, it’s about operating according to the principles of open and accountable decision making and upholding standards of ethics and probity.
- 8.8 Some initial ‘light touch’ review work has identified that there is work to do across both authorities to ensure decision making processes are as efficient as possible whilst making the best use of diminishing resources. These measures are outlined below and will be addressed whichever business case members chose to pursue.
- 8.9 As with many local authorities, practices have evolved over time at both authorities, with little consideration given as to why. The current position

provides a shared imperative to review governance arrangements with a view to streamlining processes, increasing capacity and reducing costs. All proposals for change will need to be seen against this back drop.

8.10 Meaningful member engagement in the democratic decision making process is vital and every effort should be made to enhance this rather than to minimise it. However, member engagement need not always be through formal democratic structures, more use needs to be made of pre-decision member involvement in policy development.

8.11 Whilst recognising the advantages in terms of cost and efficiency of streamlining the formal decision making process in regard of any future operating models, a balance needs to be struck in terms of not creating a 'democratic deficit' through the reduction of opportunities for people to petition the Council and less formal opportunities for the opposition to challenge the policy of the governing party. What is clear, is that for the councils to be sustainable and keep pace with the changing needs and expectations of its customers and the wider community, the current governance processes will need to be refreshed.

8.12 Whatever governance structures are agreed upon, there will be a need for an authority wide 'awareness' programme to re-evaluate organisational approaches to decision making, increased delegation arrangements (to both officers and members), a commitment to Forward Planning to avoid duplication and support a more planned approach to member and community involvement, all underpinned by an organisational acknowledgement that elected members are the ultimate decision makers.

8.13 Minimum requirements

8.13.1 Having established that meaningful member engagement need not be equated to the amount of time spent in committee meetings, it's helpful to know what are the minimum requirements for number and frequency of meetings.

8.13.2 At its most basic, a 'functioning' local authority operating the Leader-Cabinet model must establish the following member level bodies in order to transact the basic legal duties:

- Full Council – (to sign off Council budget, to appoint any Council Committees (including the appointment of the Leader and to transact any business reserved in law for Full Council).
- Cabinet.
- Overview and Scrutiny Committee(s).
- Audit Committee (It is proposed to establish an Audit and Governance Committee to also pick up standards issues).

8.13.3 For the other committees mentioned above, if there is a requirement that the Committee exists (as specified in the relevant legislation) but there is no specification about its duties, it is assumed that such bodies must meet at

least annually. Being pragmatic whilst still striving for the most streamlined governance structure, it is proposed that the full council and key committees would be scheduled to meet quarterly.

- 8.13.4 In terms of Planning/Development Control there must be an appropriate number of committee meetings to allow the authority to discharge the requirements of the Town and Country Planning Act. Similarly, there must be adequate provision for the discharge of duties under the Licensing Act 2003.
- 8.13.5 Currently, West Somerset holds on average 12 Planning Committee meetings a year. Taunton Deane holds on average 14 (every 3 weeks). West Somerset holds on average 4 Licensing Committee meetings (as well as an average of 10 sub committees) a year with similar figures for Taunton Deane. It is assumed that these are the appropriate number of meetings needed to allow each authority to discharge their statutory functions.
- 8.13.6 Both councils currently operate Standards Advisory Committees; since the Localism Act 2011, the operation of such committees is at the discretion of individual local authorities and so, following the principle of minimising bureaucracy it is assumed that whatever option is chosen, such committees will cease to exist, with the key decision making powers being delegated to the Monitoring Officer in consultation with an Independent Person (still required to be appointed by law) with the option of establishing a member panel (selected from the members of the Audit and Governance Committee) to consider any formal hearings into code of conduct member complaints.
- 8.13.7 Both Councils may also choose to have a Local Development Panel, Tenant Panel (for TDBC) and other, some ad hoc, member task and finish groups to deliberate on specific topics and utilise such vehicles as member briefings (TDBC) and Policy Advisory Groups (WSC) to assist member engagement, development and policy formulation.
- 8.13.8 In terms of establishing a decision making process, the starting point should be the size (number of councillors) of the two councils. Helpfully an Electoral Review of TDBC is currently being undertaken by the Local Government Boundary Commission for England (LGBCE), and at the time of writing this report, the current size of 56 is expected to be reduced to 43 for implementation from the 2019 local elections. (See key reference document of TDBC submission to the LGBCE in April 2016.)
- 8.13.9 As part of transformation, it would be sensible to initiate an Electoral Review of WSC and based on similar proportionate reduction figures emerging from TDBC review, which could see the size of WSC reduced from 28 to in the region of 21, ideally also to be introduced from the 2019 local elections although this would be subject to completing the review work in time with the co-operation of the LGBCE

8.14 In summary, for this option, the member decision making structure would be modelled as follows:

West Somerset Council

- 4 x Council Meetings (21 members).
- 4 x Cabinet Meetings (6 members).
- 4 x Scrutiny Meetings (7 members).
- 4 x Audit and governance Meetings (7 members).
- 12 x Planning Meetings (10 members).
- 4 x Licensing Meetings (7 members).

Taunton Deane

- 4 x Council Meetings (43 members).
- 4 x Executive Meeting (7 members).
- 4 x Corporate Scrutiny Meeting (10 members).
- 4 x Community Scrutiny Meetings (10 members).
- 4 x Audit and Governance Meeting (10 members).
- 12 x Planning Meetings (10 members).
- 4 x Licensing Meetings (10 members).

- 8.14.1 Moving towards this radically more streamlined model would lead to an estimated reduction within the One Team Democratic Services Team and a significant 'freeing up' of capacity at senior officer level with a reduced need to produce reports and attend committees.
- 8.14.2 Even with such a reduced democratic structure in place, there needs to be demonstrable commitment to the principles of open and accountable decision making and time will need to be spend on effective delegated decision making arrangements.
- 8.14.3 To work effectively, the above decision making structure would need to be underpinned by maximising the use of Executive decisions by individual portfolio holders, extending the use of delegated powers to officers including, for example, increasing the thresholds in delegated officer powers under financial regulations for authorising spend and where at all possible, aligning the Constitution with the ambition of becoming one rule book to be used by the One Team for both Councils.
- 8.14.4 Any **delegation arrangements** would need to reflect the legal requirement (a) that certain functions are only to be exercised by Full Council i.e. to sign off the budget, to agree membership of committees and to transact business reserved in law for full council (b) that certain functions are not to be exercised by Full Council, i.e. planning functions not related to policy.
- 8.14.5 The Members Technology Transformation will support these changes by enabling true paperless operation of the committee agendas and reports process. Tablet based hardware will enable viewing and annotation of electronic versions of papers, and a streamlined workflow process will support officers in the efficient production of individual reports and agenda packs. It is acknowledged this new technology won't be appropriate for all

members, and so suitable alternatives will be made available, but it is expected that the new technology platform will be used by the vast majority of members.

- 8.14.6 As part of the process in setting out the proposals set out below all members of both authorities were canvassed for their views including the holding of two workshops on governance (the notes of which are available for reference. Whilst, not surprisingly, there was not a clear consensus on precise numbers in terms of what the size of councils should be, cycles of meetings etc, there was general agreement that things need to change and staying as 'we are' is not an option.

8.15 Internal Governance

- 8.15.1 As well as considering how our democratic arrangements operate, we also need to consider our internal “ways of working” and “rule books”. The ambition, set by Members in our Design Principles is to “minimise governance whilst protecting the principles of transparency, probity, good leadership and management.
- 8.15.2 We know that the transformation solution will require significant work on our processes, and it is through this process revamp that we will challenge the levels of bureaucracy in place. We need to consider why we require levels of authorisation in many areas of our business and eliminate unnecessary control and bureaucracy. This will mean taking more risk in certain areas (eg self-certification of some processes), and putting in place more realistic and affordable control measures to protect public funds. For example, the Councils could redirect existing audit resource to carry out random checks on processes where self-certification is in place.
- 8.15.3 The other area we recommend is included in the implementation plan is a review of existing Financial Regulations for both Councils. There are very different levels of delegation to Officers currently and the ambition would be to increase these limits and to align across the Councils. This will ensure Member meetings are not populated with items that require their approval, simply as a rubber stamping exercise due to the “rule book”. We need the Financial Regulations to add value to the operations of both Councils.
- 8.15.4 The performance management arrangements will be reviewed to ensure we embrace the new technology potential, and that we are really sure we are measuring the right things. We need to challenge the “value” of what we are measuring and ensure we focus on the right issues.
- 8.15.5 The internal governance changes will release further efficiency savings above that captured by the proposal outlined in this business case.

8.16 Financial Implications

- 8.16.1 For the purpose of developing the business case, 'governance' covers the areas of democratic services, external and internal audit and elections and electoral registration.
- 8.16.2 Any staff savings from these services will be picked up as part of the overall percentage savings set for the high level business case as a whole. There will also be some direct savings in respect of the cost of members, with the precise figures in this regard to be determined in the next stage of developing the details of the business case.

8.17 Further potential

- 8.17.1 Whilst the above governance proposals are radical, there is still scope to explore further efficiencies. For example, by considering having one Overview and Scrutiny Committee (instead of two) making more use of the Trask and Finish Group way of working. This would need to be further detailed discussion with TDBC to seek consensus before implementation.
- 8.17.2 The possible establishment of Joint Committees to serve both Councils with perhaps using a Joint Audit and Governance Committee as a pilot to be rolled out elsewhere should it prove successful. A more detailed piece of work would need to be undertaken to clarify any legal implications and prepare draft terms of reference, membership rules and operational guidelines.

9. Service Delivery

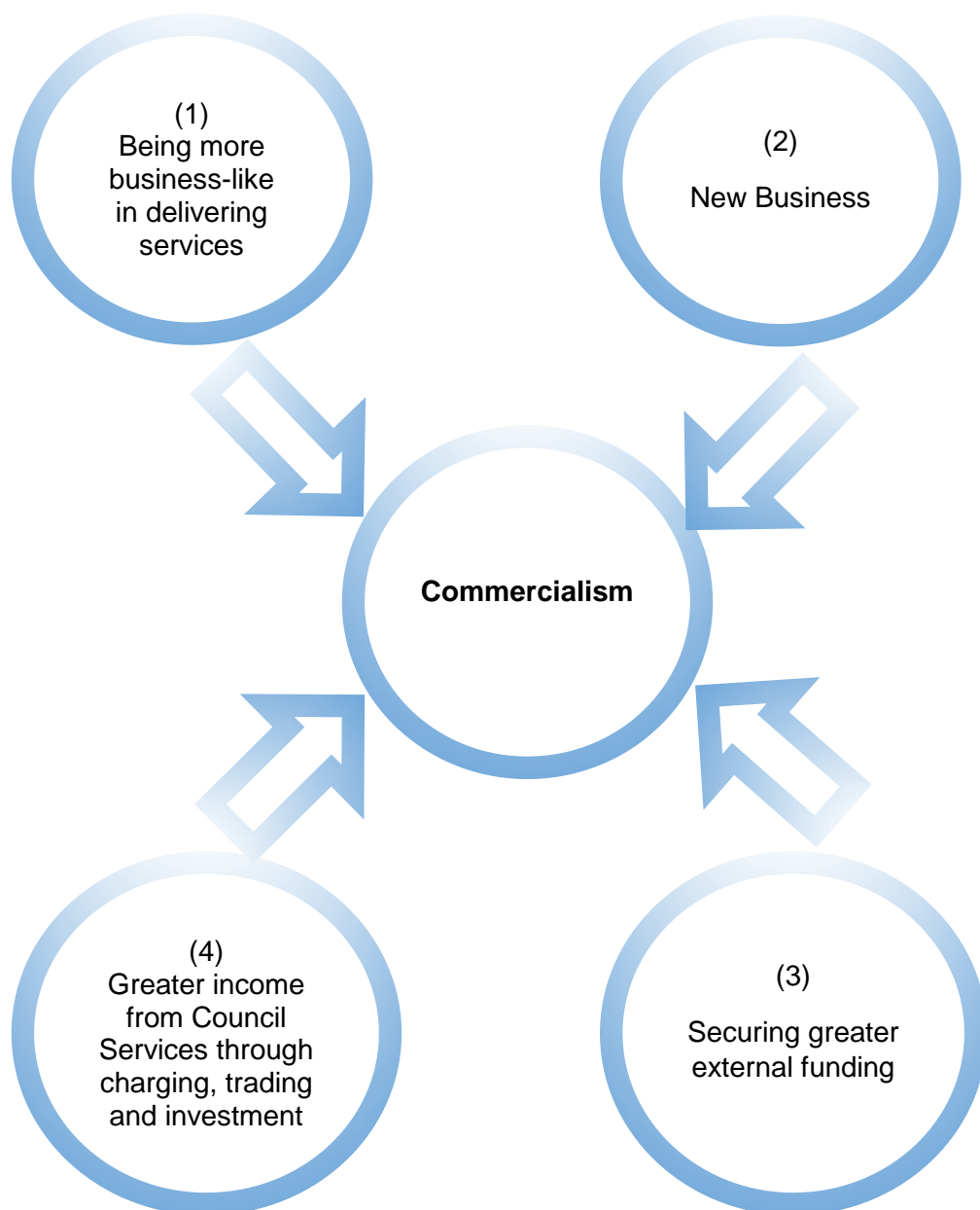
- 9.1 This section shares the thinking on service delivery reviews, commercial approach and accommodation. We are confident through the work undertaken to date that these can deliver savings but will need to undertake further work in these areas to provide assurance in these areas
- 9.2 It is important to recognise that the Councils have choices about the range of services they deliver, how they are delivered and to what standard.
- 9.3 These choices have direct implications for any additional savings, over and above those achieved through structural or technological improvements that can be achieved.
- 9.4 It is very much the role of members to shape service provision, based on agreed priorities and available resources.
- 9.5 It is proposed therefore to create a number of Transformation Action Groups (TAGS) to focus on service delivery (as recommended in Vision and Priorities work last year).
- 9.6 TAGs should collaboratively explore options, examine best practice and develop new ideas to inform the design of services going forwards rather than be a platform for officers to present recommendations for approval, as would have traditionally been the case.
- 9.7 TAGs should be used to develop new ways of working, which both enhance the effectiveness of delivering those priorities within the financial framework that has been established. Outcome focussed, TAGs should develop service priorities and standards delivering reductions in cost, increased income and or establish returns on investment to meet the financial challenges we face while meeting the agreed priorities of the Councils.
- 9.8 To enable collaborative thinking the TAGs are not service area limited in their scope and are not designed around existing portfolios or directorates – there are deliberately a number of overlaps since our customers themselves interact across the Council.
- 9.9 TAGs will be open to all Members who have an interest in the particular subject matter being considered and the ‘Making a Difference’ workshop sessions will be used to bring common thinking and cross-cutting issues to the widest forum. It is suggested that each TAG would have a Member and an officer lead, to be nominated by the Leaders and Chief Executive respectively.
- 9.10 Once formed, each TAG should decide on how its business will be conducted. It will be important for the TAG to take the time to create the kind of working environment that stimulates creative thinking. What is vitally important is that the TAGs create an atmosphere within which all Members

and officers of the group feel able to make a full and equally valued contribution.

- 9.11 It would be prudent to set aside £5k for costs associated with this element of the programme to include any external venues or facilitators and incidentals that may be required in order to progress TAGs.

10. Commercialism

- 10.1 The design principles of both Councils feature requirements for our transformation to include operating in a more commercial way, for example for services to be more business-like to be as efficient as they can be to provide good value for money, and utilising the principles of Social Enterprise to deliver surpluses from commercial activity and re-invest these in our core services and priorities.
- 10.2 In practice being more commercial could mean many different things, the following diagram and text seeks to articulate what is meant by the term and these areas will form themes for our work in this area in future.



10.3 Being more business-like in delivering services

10.3.1 We will need to provide the support, systems and skills to ensure our services and activities are undertaken in a more commercial or business-like way to ensure they can be as efficient as possible and provide the best possible value for money.

10.4 New Business

10.4.1 Many councils are entering a variety of new commercial ventures and frequently generating new income streams from business ventures. A range of opportunities are available to us and we must create systems to ensure commercial ideas and opportunities are tested and progressed if viable.

10.5 Securing greater external funding

10.5.1 There still exists a number of routes for communities to seek and receive external funding for projects and activities. Whilst the Councils have a reasonable track record in this regard, there are greater opportunities for us to work with partners and communities to secure funding to support shared objectives. In order to do this we need to be fleet of foot with “oven ready” relationships and projects to be able to secure opportunities when they arise.

10.6 Greater income from Council Services through charging, trading and investment

10.6.1 Whilst we undertake some trading activity our approach is not advanced and we frequently are not aware of our real costs and therefore profit. We have a range of services where we perform well, with some investment and application of greater commercial thinking these services could be expanded to derive greater return.

10.7 Analysis of Commercial Opportunities

10.7.1 A range of appraisal tools can be applied to consider the Councils in their respective environments to scan for commercial opportunities, key questions include whether we know our customers and future customers, our markets and our competitors. Crucially do we understand what our commercial advantage is, this could be described as a USP or Unique Selling Point although in practice there are few truly unique propositions likely to be available to us. But as Councils do we have a commercial edge derived from any of the following, for example:

- Council reputation.
- Informal Credit rating.
- Borrowing power.
- Governance.
- Land/Assets.
- Buying power etc.

10.7.2 Research from other Councils adopting this approach has suggested that the best commercial projects arise from a situation where commercial value from a project or activity also fulfils a key priority or objective for the Council, i.e. ticking two boxes. An example in our areas could be our growth ambitions and plans, and how they might link with our assets and land and our ability to borrow and invest in asset related projects. As such, a number of desk top appraisals are underway to assess known asset/growth related projects. What is clear from discussion with other Councils who are more advanced in this area of work is that there are more than enough opportunities to warrant the further investigation of and investment in being more commercial with some confidence that overall this approach can deliver greater levels of income.

10.8 Approach and Investment

10.8.1 The successful delivery of greater efficiency and additional income is imperative for the sustainable future of both Councils, however there are inherent issues and risks with pursuing a more commercial approach so it is important the necessary consideration, knowledge and skills and systems are in place to make good decisions and mitigate the risk of financial loss.

10.8.2 Crucially questions around risk and return will need to be addressed, how much are we prepared to invest and how much are we prepared to potentially lose, and what return would be deemed a success. What is clear is that our current approach and attitudes (both from Members and Officers) to these issues will have to shift substantially in order for us all to become more commercial.

10.8.3 Both Councils have a strong position on their current treasury management activity, evidenced by benchmarking by our advisors Arlingclose. The agreed treasury policy is designed to ensure preservation of capital rather than maximising return on investments. Should Members wish to revise this, then additional returns could be achieved, but with this comes additional risk and with public funds this is a challenge that all Councils face. We currently achieve a return on our cash investments of around 0.5% for West Somerset and 0.9% for Taunton Deane, which is broadly in line with others nationally. The Council has in recent years started to broaden its investment horizon to place funds in a managed property fund which is showing increased returns (alongside the risk of reduction in capital value of the investment). This, along with further “non-traditional” routes of investment (eg, loan to Somerset County Cricket Club and loan to Somerset Waste Partnership) is perhaps a step towards the kind of portfolio we want to achieve. We have made a start but could go further, and will explore opportunities as part of the next phase of this commercial work-stream.

10.8.4 Ultimately a structured approach will be implemented to test and monitor commercial projects and funding choices as they come forward. However early activity will include putting the necessary foundations in place, for example key appointments of the right skills will need to be made, new governance and decision making arrangements established and

comprehensive engagement of staff and elected members to ensure a common understanding and commitment is established. This will require significant up-front investment in particular to bring the right skills and capacity into the organisation.

- 10.8.5 In summary with suitable investment in skills and systems it is believed that more successful customer oriented commercial propositions can be created to derive greater financial return for both Councils.
- 10.8.6 In conclusion with suitable investment in skills and systems and appropriate changes in service operations, staff behaviours and Governance arrangements, it is believed that greater service efficiency and more customer orientated commercial propositions can be created to derive greater and potentially substantial financial return for both Councils.

11. Accommodation

- 11.1 The approach to future Accommodation needs for the organisation will need to reflect the transformation vision for change and support the approach and findings from the work done on Customer Access and the organisational development and ways of working as summarised below
- 11.2 Our transformation plans set out a significant change in the way we will work in future and our accommodation plans will need to reflect this as far as possible. Reshaping demand will lead to a significant reduction in the numbers of face to face enquiries, with some face to face demand that remains taking place in the community. Likewise the staff accommodation requirement will change with many staff working in an agile and remote way, either in the community or from home. The scale of “head office” accommodation will simply not be necessary in future and create an expensive overhead for both Councils. Consequently work is underway to review our accommodation requirements. In Taunton currently options are under review to determine whether relocating to smaller premises or remaining at Deane House but sharing occupation with other partner tenants is most appropriate. In Williton a live project to share West Somerset House with multiple public sector partners in order to derive income and offset premises running costs is well advanced. These projects also present opportunities for greater collaborative working with partners.
- 11.3 In our communities, a review of customer contact provision in Minehead is underway with the aim to reduce running costs. In Taunton Deane plans progress to create suitable accommodation hubs to support multi-agency “One Teams” in our more deprived communities, and a review of Council owned underutilised housing Meeting Halls is underway to explore greater use and possible income creation by partner organisations such as health services and the possible use of touch down locations for staff working remotely.
- 11.4 These activities and projects provide us with some flexibility and options to adjust our accommodation needs and cost as our transformation plans progress and as our methods of service delivery and staff ways of working change over the coming years.
- 11.5 In conclusion, more effective and flexible use of our accommodation can both generate greater income for both Councils to offset against our running costs and be an enabler for customer channel shift, delivery of services in our communities and support new more agile ways of working for our staff.

12. Transformation Programme Governance

12.1 Programme governance arrangements were set out at the beginning of the JMASS programme have remained largely unchanged throughout the implementation of Phase 1 and the development of this business case.

12.2 Throughout the programme, having a robust programme and supporting project governance framework in place has proved vital to ensure that there is an understanding and ownership of the programme by both members (see JPAG details below) and at senior management level (see JPB details below). As we progress into the implementation phase there will be additional support required to undertake discreet elements of the work. Proposals are outlined below for how we provide this additional support. We will continue to review the governance framework to ensure it remains fit for purpose.

12.3 Joint Partnership Advisory Group (JPAG)

12.3.1 The main role of JPAG is to oversee and drive forward the joint arrangements and associated transformation of services. JPAG will monitor delivery of the transformation programme and ensure it is delivering the required outcomes and benefits.

12.3.2 The membership and terms of reference for the JPAG were detailed as part of the Inter-Authority agreement presented and approved by both TDBC and WSC in November 2013 and these remain relevant/current for the next phase of transformation. Membership details are shown in the Corporate Transformation Programme Governance diagram attached as Appendix A.

12.3.3 The democratic processes at both TDBC and WSC will remain as is. Any recommendations requiring approval from each Council will be referred by the JPAG to the respective meetings at each council. The Constitution at each council will continue to determine the terms of reference for the various committees.

12.3.4 JPAG Membership includes the Leaders and Portfolio Holder for Resources from each council plus 3 councillor representatives from each council, as selected by the leader. Officers attend JPAG as required to support JPAG members.

12.3.5 The operating protocol included in the inter-authority agreement detail that JPAG will meet a minimum of 4x/year. Throughout the JMASS programme to-date, the member group has generally met on a monthly basis

12.4 Member Working Groups

12.4.1 The JPAG may from time to time create time limited task and finish groups of Members from each Authority ("Member Working Groups") to advise the JPAG on specific issues.

12.5 Joint Programme Board (JPB)

12.5.1 The format and membership of the Joint Programme Board (JPB) provides consistency of personnel from JMaSS Phase 1 through to the development and implementation of the transformation programme.

12.5.2 The Programme Board:

- Provides clear leadership and direction during the course of the programme;
- Supports and enables the Joint Policy Advisory Group (JPAG) to carry out its Terms of Reference;
- Receives reports on the progress of the programme from work-stream and project sponsors/managers as appropriate;
- Monitors delivery of the outcomes and benefits of the programme and its associated projects;
- Monitors programme spend and provides regular reports to JPAG regarding progress of the programme, programme spend, delivery of the savings, outcomes and benefits; and
- Monitors and manages the key strategic risks facing the programme via the programme risk register

12.5.3 JPB provides progress reports to JPAG regarding progress on the projects and work-streams delivering the transformation programme and updates on financial spend and savings plus HR, ICT and Communication updates as required.

12.5.4 JPB will also present specific proposals to JPAG for their consideration and advice.

12.5.5 Details of the Programme Board Membership are reflected in the Corporate Transformation Programme Governance diagram attached as Appendix A Programme Board meet on a monthly basis

12.6 UNISON Change Forum

12.6.1 UNISON representatives at both local and regional level have played an invaluable role throughout the JMaSS programme to date and have ensured the processes followed have been robust, and that the voice of the union has been heard. As during the JMaSS phase 1, UNISON will be consulted and updated on matters which directly affect staff.

12.7 Staff Design Panel

12.7.1 The staff design panel has been launched during May and a request for volunteers has prompted a good response from staff right across the organisation. The staff design panel provides an opportunity for staff and managers to meet and discuss ideas, issues, drafts of new policies, organisational change etc, openly and in a spirit of free exchange of views

and enables staff to be actively involved in shaping the future direction of the organisation.

12.8 Transformation Delivery Programme Team

- 12.8.1 The core transformation programme team, comprising the Corporate Transformation Programme Manager and part-time Transformation Programme Assistant, remains in place to support the programme management, coordination, monitoring and reporting. However, as with phase 1, we will need to supplement the team with additional specialist resource to enable the procurement and delivery of the transformation element of the programme. This resource will be provided through a mixture of existing roles plus additional funding to either backfill or buy-in specialist support.
- 12.8.2 Resource will also need to be invested in the setting up of a Process review team who will review all our business processes. To provide expertise and robust challenge this work will need to be undertaken by a mixture of external resource and staff from across the council.
- 12.8.3 The resource requirements and additional funding required are summarised below:

Resource requirement	Anticipated one-off cost £'000
Programme Leadership	132
HR support	120
Financial support	Existing resources
Communications	60
Additional admin support	52
Process review team	540
Strategic ICT advice and technical support	40
Specialist procurement support	10
Implementation of Digital Services support	50
Change and Transition Management	300
Service Redesign	300
Transformation Action Groups (refer to para 9.11)	5
TOTAL	1,609

13. Financials

13.1 Modelling Assumptions

- 13.1.1 The JMASS1 Business Case was based on an agreed methodology for sharing costs and savings. The default assumption was 80:20 (TDBC:WSC) unless other more detailed information was available.
- 13.1.2 The JMASS 2 Business Case is “organisation wide” and includes areas previously excluded from our financial modelling (eg where there was no opportunity to join services together). We have therefore used a slightly updated sharing proportion, to reflect the impact of these areas being in scope. This is important and ensures that the costs, and benefits are shared fairly across the Councils and within the funds.
- 13.1.3 It is important to remember this is a financial model and, as such, is making broad assumptions (eg levels and costs of redundancy). Whilst these assumptions are reasonable for modelling purposes, they may need to be updated and changed during the implementation phase of this programme.
- 13.1.4 The model gives a good overview of the likely position, sufficient to give Members confidence to take a decision on the next steps.
- 13.1.5 The cost and savings assumptions will be tested for reasonableness as part of the External Assurance Review. The project team have briefed the external auditor on our approach.

13.2 Financial Summaries

- 13.2.1 The following table illustrates the likely spread of costs and savings by year which accrue from the proposals within this Business Case.

TOTAL Costs and Savings - (£,000's)						
	2017/18	2018/19	2019/20	2020/21	2021/22	Cumulative One-off Costs
One-Off Costs						
Staff termination and other staff costs (Refer to para 5.14)	1,750	1,750	0	0	0	3,500
Technology (Refer to para 7.9.2)	766	426	0	0	0	1,192
Transition/Programme costs (Refer to para 12.8.3)	807	802	0	0	0	1,609
People/OD (Refer to para 5.13)	275	236	0	0	0	511
Total one-off costs	3,598	3,214	0	0	0	6,812
Net Ongoing Savings						
Net Savings Position	-294	-1,389	-2,628	-2,653	-2,678	
Annual cost/-saving	3,304	1,825	-2,628	-2,653	-2,678	
Cumulative cost/-saving	3,304	5,129	2,501	-152	-2,830	

13.2.2 The table below shows the position for Taunton Deane Borough Council only (and then further divides this across the General Fund and HRA)

TAUNTON DEANE TOTAL Costs and Savings - (£,000's)						
	2017/18	2018/19	2019/20	2020/21	2021/22	Cumulative One-off Costs
One-Off Costs						
Staff termination and other staff costs	1,462	1,462	0	0	0	2,924
Technology	640	356	0	0	0	996
Transition/Programme costs	674	670	0	0	0	1,344
People/OD	230	197	0	0		427
Total one-off costs	3,006	2,686	0	0	0	5,691
Net Ongoing Savings						
Net Savings Position	-245	-1,161	-2,195	-2,216	-2,237	
Annual cost/-saving	2,761	1,524	-2,195	-2,216	-2,237	
Cumulative cost/-saving	2,760	4,285	2,090	-126	-2,363	

TAUNTON DEANE GENERAL FUND Costs and Savings - (£,000's)						
	2017/18	2018/19	2019/20	2020/21	2021/22	Cumulative One-off Costs
One-Off Costs						
Staff termination and other staff costs	976	976	0	0	0	1,951
Technology	427	238	0	0	0	665
Transition/Programme costs	450	447	0	0	0	897
People/OD	153	131	0	0	0	284
Total one-off costs	2,006	1,792	0	0	0	3,798
Net Ongoing Savings						
Net Savings Position	-164	-775	-1,465	-1,479	-1,493	
Annual cost/-saving	1,842	1,017	-1,465	-1,479	-1,493	
Cumulative cost/-saving	1,842	2,859	1,394	-85	-1,578	

TAUNTON DEANE HRA Costs and Savings - (£,000's)						
	2017/18	2018/19	2019/20	2020/21	2021/22	Cumulative One-off Costs
One-Off Costs						
Staff termination and other staff costs	486	486	0	0	0	972
Technology	213	118	0	0	0	331
Transition/Programme costs	224	223	0	0	0	446
People/OD	77	66	0	0	0	143
Total one-off costs	1,000	893	0	0	0	1,892
Net Ongoing Savings						
Net Savings Position	-82	-386	-730	-737	-744	
Annual cost/-saving	918	507	-730	-737	-744	
Cumulative cost/-saving	918	1,425	695	-42	-786	

13.2.3 The table below shows the position for West Somerset Council only.

WEST SOMERSET Costs and Savings - (£,000's)						
	2017/18	2018/19	2019/20	2020/21	2021/22	Cumulative One-off Costs
One-Off Costs						
Staff termination and other staff costs	288	288	0	0	00	576
Technology	126	70	0	0	0	196
Transition/Programme costs	133	132	0	0	0	265
People/OD	45	39	0	0	0	84
Total one-off costs	592	529	0	0	0	1,121
Net Ongoing Savings						
Net Savings Position	-48	-229	-432	-436	-441	
Annual cost/-saving	544	300	-432	-436	-441	
Cumulative cost/-saving	544	844	412	-24	-465	

13.2.4 Taking account of this investment, the project payback period is 2.59 years.

13.2.5 However, were all of the one-off costs to be funded up-front, then by 2017/18 the programme will start making annual net savings for both Councils rising to £432k for West Somerset and £2,195k for Taunton Deane by 2019/20.

13.3 Transition Costs

13.3.1 In order to safely and successfully bring about the changes required within this high level Business Case and to realise the significant annual savings forecast, certain one-off costs will be necessary.

13.3.2 Our best estimate of the costs associated with the change programme is £6.8m (£3.5m Termination costs, £1.2m ICT, £1.6m Programme and Transition costs and £0.5m People/OD costs). This will cover the following areas:-

- Officer termination costs;
- Investment in new technology and associated support for implementation;
- Investment in our people;
- Programme costs (e.g. driving the implementation, process change support).

13.3.3 It is impossible at this stage to accurately detail each element of expenditure that will be incurred as there will be many variables which will come into play. For example, with termination costs the age, salary and length of service of the individuals concerned will directly impact on the final cost; for ICT tenders and negotiations will determine the final cost. These two areas are, by far, where expenditure will be highest. Our model uses our best estimates.

13.4 Funding Requirement

13.4.1 In the early part of the programme, simply due to timing differences, there will be likely deficits between savings delivered and expenditure incurred. A total of £6.8m is projected to be required in order to meet the one-off costs necessary to support this programme of change, on an 'invest to save' basis.

13.4.2 This investment would be £5.7m from TDBC (£3.8m for GFd and £1.9m for HRA) and £1.1m from WSC.

13.4.3 For TDBC, the options for funding include:-

- General Fund Reserves.
- Unallocated Capital.
- New Homes Bonus (by shifting agreed priorities).
- Earmarked Reserves (by shifting agreed priorities).
- Borrowing.
- Asset Sales.

13.4.4 For West Somerset the options include:-

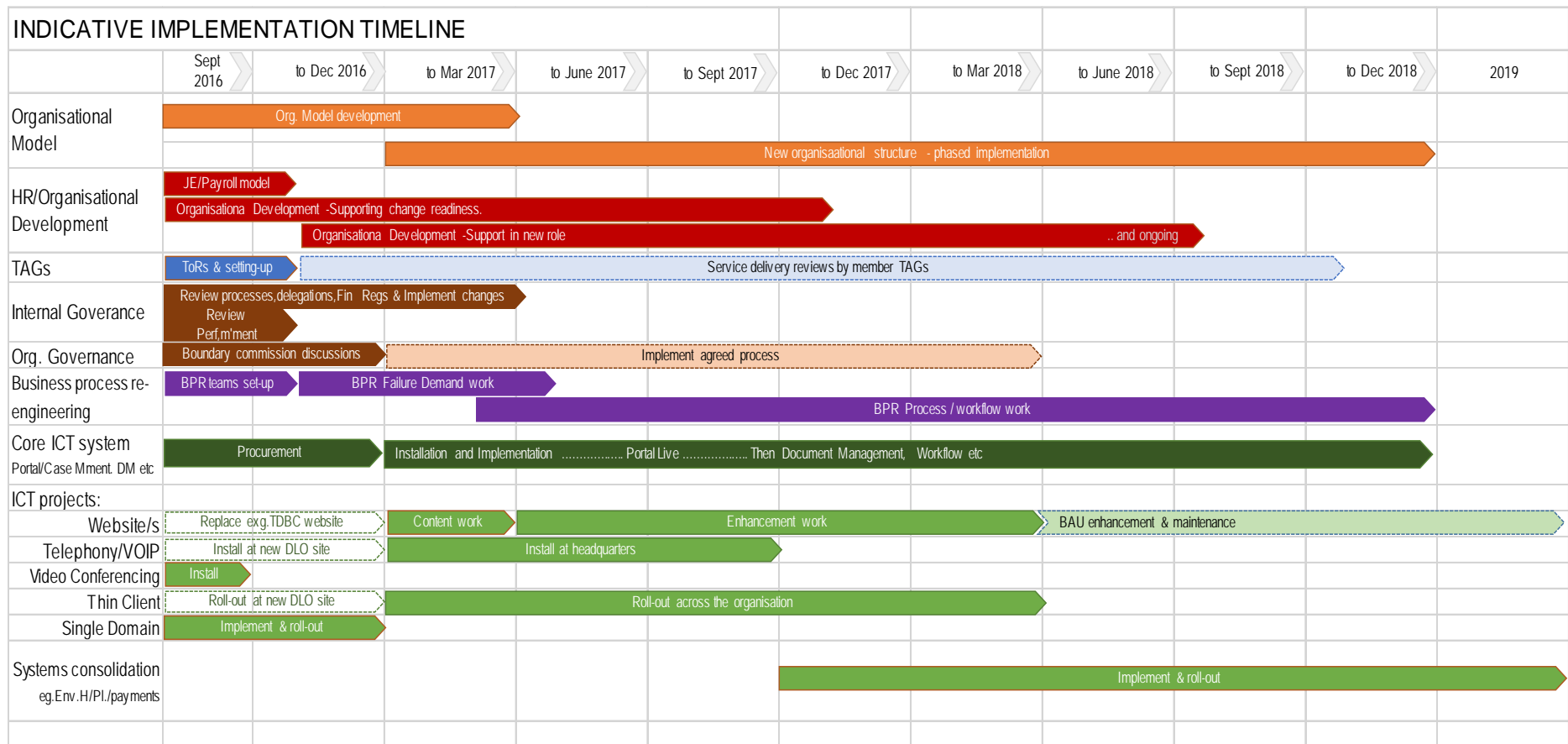
- General Fund Reserves.
- Unallocated Capital.
- Earmarked Reserves.
- Borrowing.
- Asset Sales.

13.4.5 Both Councils could also choose to take advantage of the new policy introduced by central Government this year, whereby an asset disposals during the year can be used to fund transformational spend (ie a way of turning capital into revenue).

13.4.6 The funding proposal for each Council will be developed as the high level business case is shared for discussion.

14. Implementation Plan/Timeline

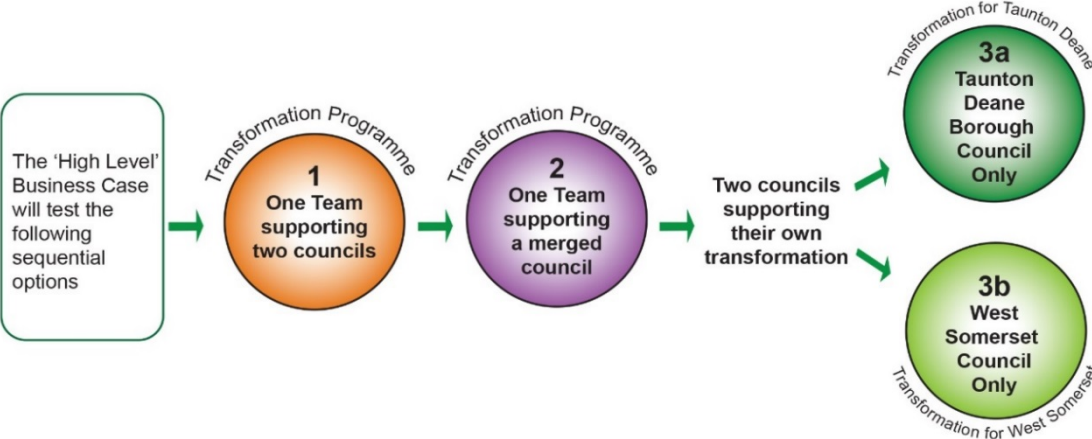
- 14.1 The indicative timeline below provides an overview of the proposed transformation programme. The purpose of the plan is to provide a high level overview of the timescales associated with the various elements and to demonstrate the complexity of the overall programme.
- 14.2 A key driver of the implementation is the technology that will support the overall operational model and ways of working. Based on the experience of other councils that have undertaken a similar approach, the core technology (portal, Document management, Workflow, etc) will take 18-24 months to implement. Other key technology projects are already underway (DLO relocation) and being planned (South West One return of service).
- 14.3 As well as dependencies across the projects it is essential to consider the conflicting demands on resource such as ICT therefore timing and phasing of projects is essential to manage the resources available and minimise the risk.
- 14.4 Phasing of the organisational model implementation is also key to ensure that disruption to service delivery is minimised whilst the organisation is undergoing significant change.
- 14.5 There are also other corporate projects, underway and in development where we need to be aware of the detail as their business cases emerge. This will ensure that we maintain a corporate overview and are able to identify dependencies between the various projects and the transformation programme. These projects include:
- the Growth and Development programme;
 - Commercialism;
 - Accommodation;
 - South West One return of services.
- 14.6 This timeline is indicative at this stage and based on the information available on the key work streams. This timeline will be refined and finalised as the detailed business case and implementation plan are developed and will form the basis of the detailed programme plan on which progress will be monitored.



Note: Dotted actions (as example below) indicate TDBC specific actions that will be completed as a pre-cursor to transformation projects

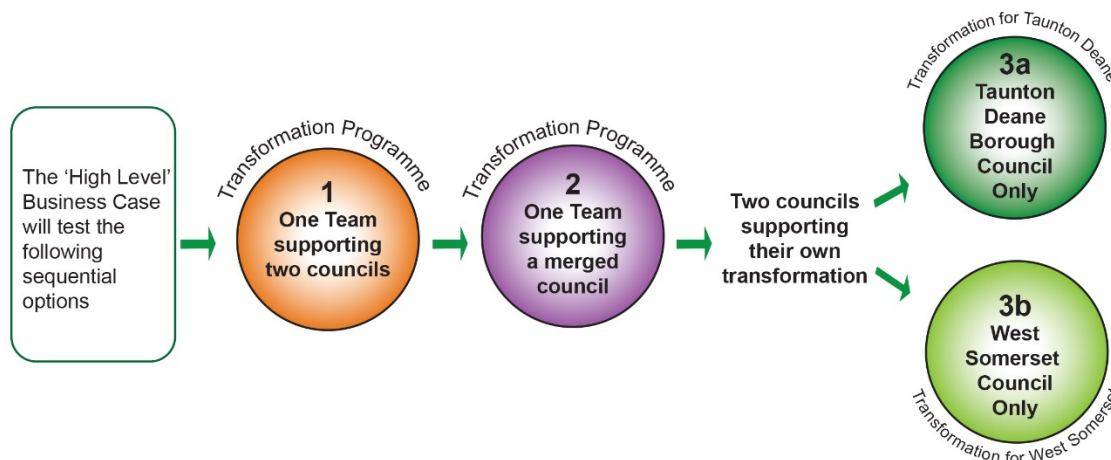


The Three Options



15. Options

15.1 Options Introduction



15.1.1 The transformation vision set out earlier in this document applies to variants

1 - As now, with two separate Councils supported by the ONE Team.

2 - In one merged Council (TDBC and WSC), supported by the ONE Team

3a - A standalone

A different transformation vision for variant 3b (West Somerset Council stand-alone) has been developed.

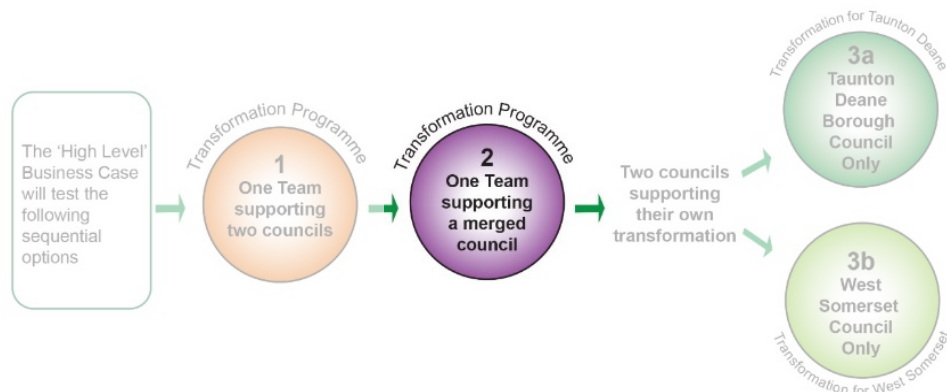
15.1.2 It is recognised that transformation on its own will not resolve the full financial challenge facing the Councils and that further change, through service delivery changes, commercial projects and other changes will be required to achieve financial sustainability over the medium term.

15.1.3 On the basis that Option 1 delivers the transformation vision, has a positive payback period of 2.59 years, and is affordable by both Councils then it would appear to be a reasonable way forward.

15.1.4 The financial summary shared in the previous section is the "starting point" for other variants with adjustments made to this base to reflect what would be different. The remainder of this chapter focuses on options 2 and 3 and sets out, at a high level, the financial assumptions on each. Much of the work is desktop and "untested", as there have been no formal mergers of District Councils actually delivered to date. Likewise, the unwinding of a joint staffing partnership would be quite unique and the process and costs we have outlined are best on our understanding of the legal arrangement underpinning out partnership.

15.1.5 It is accepted that the decision facing Councils has to be politically acceptable as well as financially sound.

16. Option 2 – One Team Supporting a Merged Council



- 16.1 This option explores the opportunity and the process required to merge the two currently sovereign councils of TDBC and WSC, in response to the visit to DCLG in Jan '16 and discussions with the local government minister. In summary this means that the two existing councils of TDBC and WSC would be stood down and the creation of a new single council with its own identity, functions, budget, policy framework, political and organisational structure.
- 16.2 The transformation programme would progress for this option in the same detail as for option 1; The ambitions reflected in the design principles apply whether the one organisation is served two separate sovereign councils or for one newly created council.
- 16.3 The remainder of this section looks at the process and financial implications of a merger.
- 16.4 The Merger Process**
- 16.4.1 If this option is chosen then it will be necessary to seek formal approval, probably via a formal business case, from the Secretary of State regarding the Merger. As part of the business planning process a detailed research document has been produced entitled 'Merger Insight Report' which sets out the detail behind the assumptions made in this section of the report. The obvious target date for implementation would be 2019 as use could be made of the scheduled May 2019 local elections thereby saving the extra expense of holding an additional election and it would also provide a 'clean break' from the existing arrangements. The definite timeline for the merger process will only be known once a decision is made but for the purpose of the business case it makes sense to outline how the May 2019 target date could be achieved.
- 16.4.2 Under the current arrangements, the Boundary Commission Principal Area Boundary Review process can take up to 18 months and then normally a year needs to be allowed for the formal establishment of the new area. Therefore this would need to be completed by April, 2018. It may be possible for this process to be expedited, but it is best to assume that if the merger

option is chosen, then discussions with Boundary Commission should commence immediately so whatever process is required can get underway without delay.

- 16.4.3 Having received the decision to progress to a merger, the two existing councils would then establish a Transitional Executive or cabinet of members assembled from the existing councillors to act on behalf of the new (but not yet formed) merged authority. These members will then make decisions during the transitional process. This should be done about a year before the implementation date, so say in April/May 2018.
- 16.4.4 The Transitional Executive then has to establish a recruitment process and appoint the senior officers. These include the statutory officers such as the Head of Paid Services, The Monitoring Officer and Section 151 officer who, working with the Transitional Executive, operate as a joint implementation board and oversee on-going running of services. This Board should be established by about January 2019.
- 16.4.5 An implementation date needs to be set, say 1 April 2019, when the two old local authorities stand down and on the same date the new merged authority is formally established via a statutory instrument. All the members stand down and the new Local Authority takes control of all services.
- 16.4.6 During the standing down period of the two former authorities, the members stand down and accounts are closed. The assets of each authority are in some way, shape or form transferred to the new authority and the process for staff is agreed, although it is assumed that TUPE transfer will be the most likely option. Contracts and Partnerships are re-negotiated for the new Organisation. The ICT infrastructure is also looked at with a decision to be made in regards to a single system implementation. The equalisation of the council tax needs to be undertaken and the appropriate branding and communications taking effect. The accounts, budgets and a new Medium Term Financial Plan are then established. A new corporate Strategy is drawn up. New contracts and partnership agreements are drawn up. A new constitution is drawn up. A new IT infrastructure is put into place. The head of Paid Service defines the new structure and staff are either transferred, stood down or recruited to the new structure.
- 16.4.7 More detailed work is required to define the exact detail of some of these processes.
- 16.4.8 Once the Boundary Commission has concluded its principal boundary review and established the ward boundaries through the electoral review, the elections will take place a month or so after the new implementation date, and/or in accordance to the statutory instrument that has made the merger legal, the elections for the members of the newly established wards. Therefore, if all goes to plan and timescale, such elections should be held in May/June 2019 to ensure a smooth transition.

- 16.4.9 A diagram summarising this process is included as Appendix C to this report (as an extract from Merger Insight Report)
- 16.4.10 Initial advice from SHAPE Partnership Services – Law and Governance on the legal requirements relating to the merging of authorities indicates that the current legal position is regulated by the new Cities and Local Government Devolution Act 2016, and also by the previous Local Democracy Economic Development and Construction Act 2009 (with the 2009 Act having been significantly amended by the 2016 Act). There are also a number of relevant provisions in the Local Government and Public Involvement in Health Act 2007
- 16.4.11 The relevant provisions (effectively SS 103-113 of the 2009 Act, as amended by the 2016 Act) refer to combined authorities, which are a legal structure which may be established via an Order made by the Secretary of State at the request of two (or more) local authorities.
- 16.4.12 Following the introduction of the 2016 Act, combined authorities and merged authorities can be established via
- The original 2009 Act process, where the authorities carry out a governance review, which leads to the production of a scheme recommending the creation of a combined authority, following which the Secretary of State by Order may agree the creation of the combined authority.
 - The provisions in the 2016 Act, under which the Secretary of State may by order create a combined authority with the consent of the councils concerned (following public consultation and the publication of a “scheme). The Secretary of State is required to be satisfied that the combination is likely to improve the exercise of statutory functions in the area in question.
- 16.4.13 Following the 2016 Act, there is now no effective limit (as there was previously under the 2009 Act) on the functions which can be “transferred” to the combined authority. The general expectation (and the strong preference of Government) is that the combined authority will operate under a Mayor (Section 107A of the 2009 Act allows the Secretary of State to provide for there to be a mayor in the area of a combined authority), but authorities are able to propose alternative governance arrangements, which in the WSC/TDBC case would place emphasis on the merger and would also refer to proposed member numbers, frequency of elections etc.
- 16.4.14 In operational terms, the general power of competence for local authorities, as per Section 10 of the Localism Act 2011, will need to be applied to combined authorities by regulations to be made by the Secretary of State. (At present combined authorities only have a general power of competence in relation to economic development).
- 16.4.15 As stated above, an Order of the Secretary of State is required and prior to making any such Order the Secretary of State would need to be satisfied as

to the decision making arrangements in any lead-in period. Without detailed Regulations in place, it is slightly difficult to identify what would be required at this stage, although it is envisaged, as suggested above, that a specific jointly appointed shared Committee of senior Members being established, supported by (a) subject-related sub committees and (b) officers.

- 16.4.16 Council contracts will ordinarily contain provisions which allow the assignment of contracts to a “successor in duties”, which would encompass transfer following a merger. There would be a practical difficulty, in that in some cases services delivered under a contract would only be directed at one of the two authorities, but this would be a matter of detail rather than a fundamental obstacle.
- 16.4.17 There will be specific cases in which more complex situations will arise, e.g. the leisure services provision in Taunton, but in such cases the services as provided will presumably remain the same i.e. exclusive to TDBC, with the only change being the identity of the contracting authority.
- 16.4.18 Existing partnership arrangements (e.g. building control, private sector housing) also allow for the possibility of a succession to duties. In the case of building control, the position would remain largely the same, as Sedgemoor are the host authority and TDBC and WSC are merely participating authorities. The private sector housing partnership is also effectively led by Sedgemoor.
- 16.4.19 Another factor which benefits any merger proposal would be the fact that WSC has no staff directly employed by the authority, with all staff providing services to the two authorities already being employed by TDBC.
- 16.4.20 It must be stressed that any merger proposals will require far more detailed legal analysis, and that there will be a need for a clearly defined set of transitional arrangements covering elections, governance and finance in the main, as well as all operational measures which can be procured should this be the chosen option to pursue.

16.5 Governance of a merged council

- 16.5.1 If this option was chosen, there would need to be an Electoral Review covering the existing Taunton Deane and West Somerset administrative areas. This process would determine the size (number) that would be elected to the new merged authority. Research into the size of councils with a similar number of electors to the proposed new merged authority suggest that an estimate of a size of Council consisting of 53 members would seem reasonable.
- 16.5.2 On this basis and reflecting the same streamlined governance principles as adopted in option 1 and set out in section 8.14 of this report would lead to a member decision making structure being modelled as follows:

- 4 x Council meetings (53 members).
- 4 x Cabinet Meetings (7 members).
- 4 x Scrutiny Meetings (14 members).
- 4 x Audit and governance meetings (10 members).
- 12 x Planning meetings (14 members).
- 4 x Licensing meetings (10 members).

16.5.3 Even with such a reduced democratic structure in place, there needs to be demonstrable commitment to the principles of open and accountable decision making and time will need to be spend on effective delegated decision making arrangements.

16.5.4 Whilst the additional financial savings in respect of governance compared to option 1 are limited, the advantage that merged option delivers under this heading is that automatically all processes will be aligned (being one organisation) to maximise efficiency. There will also be less meetings to be serviced overall for one set of members compared to two under option 1. Finally, it is far easier to set the culture in a new organisation for how a more minimal, light touch form of governance, which still protects the principles of transparency, probity, good leadership and management can be introduced and embedded.

16.6 Option 2 – Financial Position

16.6.1 Based on recent experience and evidence in other councils the table below provides a very rough indication of the Ongoing Savings/ Costs and One-off Transition Costs that could potentially be expected as a result of the creation of a new merged authority. Taunton Deane and West Somerset have already achieved a high degree of integration and savings from joint management and shared services and consequently in the management and delivery of services, and consequently, the bulk of further savings that could be generated as a result of merger are largely related to elimination of relatively fixed costs associated with existence of separate legal bodies. The following notes provide some very brief information on the basis of these estimates.

16.7 Members Allowances

16.7.1 Based on an analysis of the member arrangements across the country, it has been assumed that a review of ward boundaries could reduce the number of members within option 1 of the business case from 43 for Taunton Deane and 21 for West Somerset Council to around 53 (an average of 2100 electors per Councillor). It has been assumed that there would be no additional increase in allowances from the increases assumed in option 1 of this business case.

16.8 External and Internal Audit

- 16.8.1 Savings could be anticipated on external and internal audit fees as a result of the need to only audit one set of accounts, statements, etc. and from one set of policies and practices and one set of meetings.

16.9 Further Service Integration/Savings

- 16.9.1 A very cautious approach has been taken to estimates of ongoing savings, which have been confined to those Support Service areas where the authorities being separate bodies generates a degree of additional work. In practice in the event of a merger and full integration, including the managing and maintaining one set of strategies and policies some further savings might also reasonably be expected in the management and delivery of other services. In the table below a prudent approach has been taken and only savings within those Support Services has been included, with these savings coming on stream the year following the creation of the new merged body due to support required for enabling a smooth transition.
- 16.9.2 There is the expectation that we can take out further costs and efficiencies by unnecessary duplication, for example when drafting policies for one council rather than two. Also, the opportunity to co-locate service provision when operating across a single administrative area.

16.10 Office Accommodation/HQ

- 16.10.1 Although it is recognised that a presence within the locality is critical to the success of public services there is a presumption that a new merged authority would wish to rationalise accommodation and occupy one main head office.

16.11 Transition Costs

- 16.11.1 Rough estimates of one-off transition costs have been largely based on experience and evidence in other councils although they are estimated at this stage, with some figures still to be worked up in detail. There is estimated to be only small level termination costs estimated due to the reduced number of resources as a result of transformation (option 1).

16.12 Financial position

- 16.12.1 Overall, the table below indicates approximate ongoing savings of £551k assuming there is no need for an additional election. It can be seen that payback is delivered the year following the merger.

16.12.2 Financial Model - 'One Merged Council'

	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 4 2020/21 £'000	Year 5 2021/22 £'000
Saving Area					
Democratic and Elections					
All out elections - over 4 years			(25)	(25)	(25)
Members Allowances			(113)	(113)	(113)
Reduce in Corporate Subs			(6)	(6)	(6)
Reduce in Support – Leader/Chair			(25)	(25)	(25)
Efficiencies – 1 Exec/Cabinet			??	??	??
Reduce Democratic Support			(25)	(25)	(25)
Building/HQ					
Notional sum identified for one HQ				(60)	(60)
Financial Services					
Reduction in staffing				(46)	(46)
External Audit Fees			(39)	(39)	(39)
Internal Audit Fees			(39)	(39)	(39)
Bank Fees (1 set of bank accounts instead of 2)			(45)	(45)	(45)
Corporate Issues					
Potential change of Terms and Conditions			??	??	??
Reduce Public Relations Support			??	??	??
Reduce Cost of Local Plan Process			(33)	(33)	(33)
Reduce IT Subs					(85)
Procurement – 1 Process/1 Contract			??	??	??
Efficiencies – 1HQ			??	??	??
Reduce Travel Budget – 1HQ			(10)	(10)	(10)
Savings from maintaining one set of Strategies, Policies, etc			??	??	??
	0	0	(360)	(466)	(551)
Costs					
Democratic and Elections					
Electoral Review (sunk cost?)	??	??			
Shadow Authority set up and running costs		50	25		
Cost of additional election if date other than May 2019 (assume not required)				??	

	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 4 2020/21 £'000	Year 5 2021/22 £'000
Corporate Issues					
Termination/redundancies (redundancies made by new authority)			30		
Branding			54		
Legal costs (changing bi-laws, licences, novation of contracts)			20	??	
Cost of re-billing (Council Tax and NNDR)			100		
Cost of CEO appointment (and 2nd and 3rd tier?)			50		
Potential change of Terms and Conditions			??		
	0	50	279	0	0
Net Annual Saving	0	50	(81)	(466)	(551)
Net Cumulative Saving	0	50	31	(497)	(1,048)

16.12.3 Additional Financial Benefits and Efficiencies

As well as the financial benefits identified above, there are significant efficiency benefits that would be achieved by supporting only one democratic body. For example, having one set of policies and strategies, having one set of Members and PFHs to brief, having one HQ to provide services from – will all bring financial and efficiencies benefits. At this stage, it is difficult to assess these with any certainty.

16.12.4 The table above shares our assessment to date, which concludes that – **in addition to the savings delivered by Option1, there are additional financial benefits of at least £551k from merging the Councils.** Where there are question marks, these are areas where we know there will be savings and costs but we cannot ascertain the value at this stage.

16.13 Council Tax Equalisation

16.13.1 If the councils merge it would be necessary to set the Band D council tax to one figure that applies to all households within the boundaries of the new council. Taunton Deane's 2016/17 Band D figure is £142.88 and West Somerset Council's 2016/17 Band D figure is £145.56, a difference of £2.68 which is less than 2% of the Band D council tax figures. Taunton Deane's tax base (number of Band D equivalent properties) is 39,072.9, and West Somerset Council's is 13,482. The total council tax requirement of the two councils in 2016/17 is shown below.

	Tax Base	Band D	Council Tax Income
		£	£'000
Taunton Deane	39072.9	142.88	5,583
West Somerset Council	13482.0	145.56	1,962
Total	52,554.9		7,545

- 16.13.2 The new council will need to decide at what level it wishes to set council tax. The decision is likely to be based upon a combination of the cost and what is deemed to be acceptable to the residents of the new council.
- 16.13.3 A factor which may have an impact upon the level at which council tax is equalised is the principle for local referendums for excessive council tax rises, which is currently 2% or £5 for Shire Districts. For the purposes of this note, it is assumed that this limit would be in place at the time of merger.
- 16.13.3 The 2016/17 Local Government Finance Settlement marked a change in Government policy towards Council Tax – Council Tax Freeze Grant is no longer payable and is not a consideration for Council Tax levels.
- 16.13.4 The difference between the two council taxes is at a level that significantly reduces the financial risks of equalisation, in terms of the magnitude of potential reductions. Council tax equalisation does not have to be achieved in one year, but a strategy needs to be adopted to achieve it over a defined period of time. The margin between the two tax levels is so small that it points to equalisation in one year because the level of change would not trigger a referendum.
- 16.13.5 At current levels, the taxes of the two authorities are so close that council tax equalisation would not be a particularly material issue in respect of the transition costs or ongoing costs/savings of a merged authority.

16.14 Business Rates Pooling

- 16.14.1 Taunton Deane is currently part of an NNDR Pooling arrangement with other authorities across Somerset namely Bath and North East Somerset, North Somerset, Somerset, South Somerset, Mendip and Sedgemoor. Annually these authorities have to agree to continue in this arrangement and confirm to DCLG (Department of Communities and Local Government) if they are not wishing to carry on with this arrangement. It would need to be decided whether the new body would be part of this pooling arrangement and the financial implications of this arrangement and the options would need to be assessed and considered. This is not currently built into the financial table above.

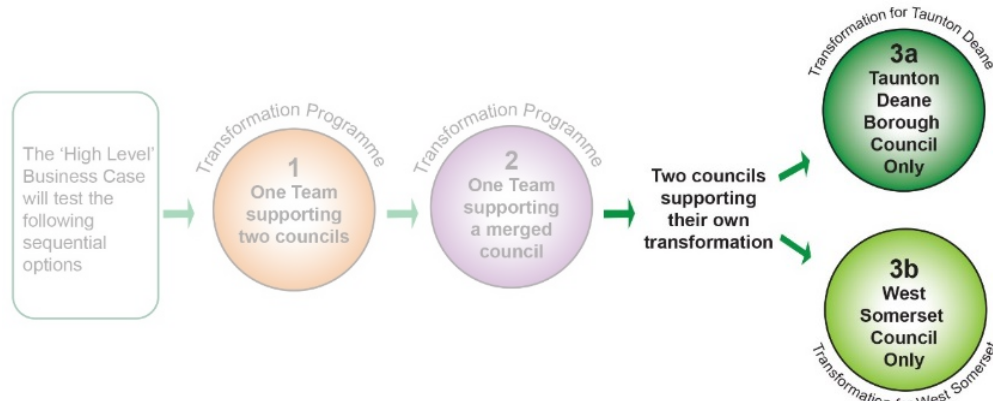
16.15 Resource equalisation

- 16.15.1 If the Councils were to merge their collective resources, now and in the future, will be available to be deployed and spent equally across the new Council area.
- 16.15.2 In reality TDBC has enjoyed and will continue to enjoy more growth over the medium term than WSC. TDBC currently has £16m of NHB allocated to Growth that would become available to spend across the new and wider Council area. In the longer term WSC has the potential to benefit significantly from Business Rate retention and growth associated with the Hinkley Point C. Again these resources would become available to spend across the new and wider Council area.
- 16.15.3 In effect all of the resources and income flowing currently into TDBC and WSC would be 'equalised' across the new geographical area, and become available to benefit all of the communities then served by the new Council.

16.16 Conclusions

- 16.16.1 The merger option will contain many of the transformation benefits of the other options, for example of having streamlined governance arrangements, and so will not produce significant additional tangible cashable savings over and above those which have been identified in the financial details section
- 16.16.2 Also identified are costs which are specific to this option. There are, nevertheless other qualitative benefits from the merger option such as maintaining one set of strategies and policies, allowing greater compliance, enhanced political influence of being a bigger player, reduced risk of challenge, general resource efficiency, no post code lottery for the public, etc which need to be taken into account.
- 16.16.3 The merger option could be implemented alongside the transformation work required to establish the new operating model for the new Council based on the same approach as option 1.

17. Option 3 - The two councils supporting their own transformation agenda



- 17.1 **Option 3** considers the process associated with the decoupling of the joint management and shared services partnership and the implications of the two councils progressing their own transformation agenda.
- 17.2 **Detail the process associated with a split**
- 17.2.1 The legal agreement governing the partnership is the Inter Authority Agreement (IAA) which was approved by both Councils in November, 2013 and was formulated as a long-term partnership agreement.
- 17.2.3 There is a separate legal agreement governing the Joint Chief Executive (CX) which approves TDBC sharing their CX with WSC and WSC giving the Joint CX the powers of the Head of Paid service for WSC.
- 17.2.4 The IAA provides for the Joint Partnership Advisory Group (JPAG) to have a role by having any proposal to decouple the partnership being first referred to it.
- 17.2.5 The process will vary depending on how the decoupling is initiated by one partner on a contractual basis or by mutual consent allowing a negotiated exit.
- 17.2.6 The contractual route enables either TDBC or WSC to initiate the decoupling process. To unilaterally break the IAA the initiating council must give 12 months' notice, and the notice period must end on the 31st May, therefore the earliest either party could unilaterally and contractually decouple from the partnership would be the 31 May 2018.
- 17.2.7 **The initiating council who are requesting the exit under this route would be responsible for the majority of the costs of decoupling.**
- 17.2.8 As an alternative to the contractual route, the IAA makes provision for a **mutually agreed route** whereby if both Councils agree their future lays elsewhere they can negotiate the decoupling of the IAA. The IAA does not

prescribe any detail in this regard but presumably would this would entail a termination on agreed terms on a date which would not necessarily need to meet the 31 May/12 month notice requirements stipulated under the contractual route option.

- 17.2.9 A formal Exit Strategy (ES) must be worked up and approved whether the decoupling is mutually agreed or comes from a formal contractual request. The ES should deal with issues including employment, staff consultation, staff and service disaggregation (including the elements of the ICT infrastructure, contract novation and the transfer of assets) and have regard to continuity of service delivery and fair treatment of staff.
- 17.2.10 Impact on the staffing/organisational structure is described in the two options 3a and 3b in the following sections.

17.3 ICT Impact on separating the two councils

17.3.1 Shared Core Infrastructure

- 17.3.1.1 Some core infrastructure is shared between the two organisations and would need to be decommissioned and alternative arrangements put in place where necessary.

17.3.2 Private network connection

- 17.3.2.1 The network connection between DH and WSH provides the transport over which other services run. The contract was initially let for a three year term and will expire in March 2017. If the contract is terminated prior to this date then an early termination fee will be payable – up to £10k depending on how early the termination is.

17.3.3 WiFi Service

- 17.3.3.1 The corporate WiFi services are shared such that the WSC WiFi is available at TDBC sites, and the TDBC WiFi is available at WSC sites. Decommissioning the service would require WSC to invest in some additional infrastructure to replace some TDBC infrastructure the WSC service is dependent on. The cost would be up to £2k including installation.

17.3.4 Shared Calendars/Contacts

- 17.3.4.1 The shared calendar/contacts service would need to be decommissioned. No cost other than ICT resource time.

17.3.5 OneTeam Intranet

- 17.3.5.1 WSC would no longer have access to the OneTeam Intranet and so would have to revert to sharing documents via the W:\drive or invest in a new Intranet platform. Use of the W:\drive would incur no cost other than resource time.

17.3.6 Thin Client/Access to Applications

17.3.6.1 Local Thin Client infrastructure would continue to work independently, but there would be no access to WSC ICT systems from TDBC devices or vice versa.

17.3.7 Shared Business Systems

17.3.7.1 Two services have merged back office systems to deliver services to both councils from a single system:

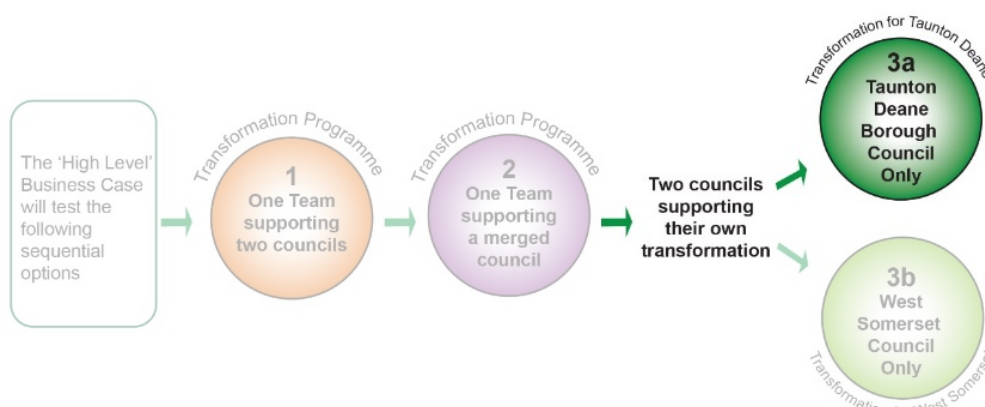
- Electoral Services – hosted by WSC
- Revenues and Benefits – hosted by TDBC

17.3.7.2 In both cases, if arrangements for a continued shared service could not be made then new systems would be needed for the 'non-hosting' partner along with potentially complex projects to split the systems. If these shared services continue then decisions on decommissioning the shared core infrastructure could be reviewed.

17.3.8 ICT Service Skill and Capacity

17.3.9 ICT skills and knowledge have been shared between the two organisations. Separation would leave some gaps in those skills which would need to be supplemented, at least on a temporary basis. Also the joint team has provided resilience to cover unexpected absences, which would also present problems in the event of a separation. These apply primarily to the smaller organisation.

18. Option 3a – Transformation for Taunton Deane Borough Council



18.1 Option 3a – Two councils supporting their own transformation agenda - Taunton Deane Borough Council

18.1.1 It is important to note that Option 3a (as a standalone future for TDBC) will deliver the same transformation vision as outlined earlier in this high level business case. Therefore the starting point for the financial implications on this option is as set out in section 13, then adjusted to reflect this being delivered by only one Council.

18.1.2 As described earlier, the costs of “unpicking” the JMASS partnership are potentially significant. The impact on each Council will depend on how the decision to separate has been taken. In a mutually agreed situation, the costs are distributed in a way that represents each Council’s “fair share”. In a situation where one Council triggers the exit, then they will pick up the costs of separation.

18.2 Governance

18.2.1 The governance arrangements under this option for TDBC are unlikely to vary greatly from those proposed under Option 1 as the size (number of councillors) of the council would be the same, modelled at 43 members, as that referred to in section 8 of the report and set out again below:-

Taunton Deane

- 4 x Council Meetings (43 members).
- 4 x Executive Meeting (7 members).
- 4 x Corporate Scrutiny Meeting (10 members).
- 4 x Community Scrutiny Meetings (10 members).
- 4 x Audit and Governance Meeting (10 members).
- 12 x Planning Meetings (10 members).
- 4 x Licensing Meetings (10 members).

18.2.3 To work effectively, the above decision making structure would need to be underpinned by maximising the use of Executive decisions by individual portfolio holders, extending the use of delegated powers to officers including,

for example, increasing the thresholds in delegated officer powers under financial regulations for authorising spend.

18.3 People Implications

- 18.3.1 The final and new operating model for TDBC would look the same as for Option 1.
- 18.3.2 The staffing numbers for this option, based on a mutually agreed/negotiated route between the two councils and with TUPE applying to the breaking up of the One Team staff structure, would see a relative higher starting point for the number of staff funded by Taunton Deane than the shared service. These additional costs (redundancy) would need to be built into the costs of this option, but are quite complex to model.
- 18.3.3 Based on TUPE it is assessed that 31 FTE staff would transfer to West Somerset and based on which services these staff are from this would not cause any business continuity issues for Taunton Deane.
- 18.3.4 The Option 1 transformation plans could be applied.
- 18.3.5 Should this option be chosen there are, of course, a range of risks and potential implications that would need to be managed. These include:-
 - Consultation and management of the TUPE process;
 - Potential reduction of staff morale with impact on service delivery;
 - Potential increased staff turnover;
 - Potential increase in sickness absence and stress due to uncertainty;

18.4 Potential savings and costs

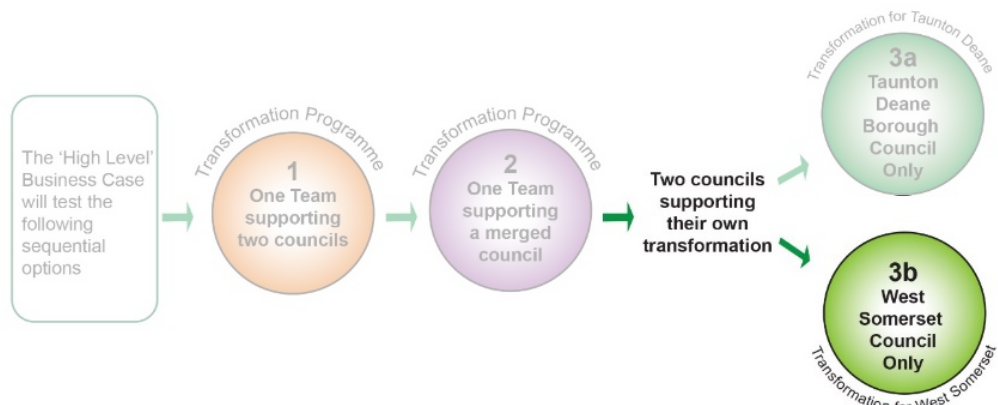
- 18.4.1 Expected share of overall savings allocated to Taunton Deane in option 1 Transformation Programme amount to £2.2m. The advice we have received from Ignite and Civica is that this would reduce to £1.9m for a stand-alone transformed TDBC.
- 18.4.2 For the technology solution supporting this transformation would not change. The total cost of this solution in option 1 is £6.8m and TDBC's share amounts to £5.6m. In the scenario where TDBC are creating a stand-alone future, then the total costs of the IT solution would reduce by only £70k. This would mean that TDBC would pick up 100% of the reduced cost of this option, which amounts to £6.7m (£1.1m higher than under the joint solution).
- 18.4.3 In summary the financial position of this Option 3a is as follows:-

	Option 3A £'000
One-Off Costs	6,742
Ongoing Net Savings	1,886

The payback period for this option is 3.5 years, again within acceptable levels.

- 18.4.4 The above costs and saving adjustments do not take into account the costs implications of a “non-mutually agreed” split which would be considerable for the Council making this decision.
- 18.4.5 Clearly the advantages of working in partnership are more than actual financials and the original principles for entering into the partnership in November 2013 are still relevant. These advantages would potentially be lost through this option 3 being applied where the two councils pursue their own transformation agendas.

19. Option 3b – Transformation for West Somerset Council



19.1 What transformation for a standalone WSC looks like

19.1.1 The following option details a future vision and transformation for West Somerset Council if members chose to disassemble the partnership with Taunton Deane and the two councils support their own transformation agendas.

19.1.2 For West Somerset Council to remain as a single financially viable sovereign body it will need to adopt a very different transformation strategy to the approach being pursued jointly with Taunton Deane. The strategy will be built around a number of principles to reduce operating costs, which are explained in further detail below, along with their potential benefits and risks. The principles also make the assumption that governance of the council, in terms of member numbers and roles, does not change. However, it would be inevitable that, as West Somerset has the smallest ratio of elected members to residents in England that an electoral review would need to be discussed.

19.2 Organisational Downsizing

19.2.1 Finally, a number of assumptions are made to consider the potential operating cost of the future council. It is, in effect, a strategy for organisational downsizing. Downsizing does not refer to organisational decline, but instead a strategic management decision to improve and clarify the organisation's intent, personnel, efficiency and outcomes.

19.3 Cost reduction downsizing principles

- West Somerset adopts a commissioning only delivery strategy.
- Minimum numbers of staff are directly employed.
- Services are commissioned on an outcome only basis.
- All remaining statutory services are delivered by third parties.
- All non statutory services cease or the community are enabled to deliver them.

- Service levels are reviewed and in all cases minimised. Fees and charges are maximised.
 - Members will delegate decisions on operational delivery to the delivery providers.
 - The majority of remaining council decisions and activities will be community and parish based, with minimum council meetings and committees.
 - Customers will deal directly with providers on operational issues, and with members on strategy issues.
 - A strategy of asset divestment will be implemented with disposal or transfer of all possible assets, including offices and council chamber.
- 19.3.1 To deliver against these principles, which allow West Somerset to remain as a sustainable single entity, the council will need to rigorously apply a three pronged action plan: efficiency actions; investment actions; and retrenchment actions.
- Efficiency Actions - which aim to reduce costs of council services without changing outcomes as far as the public are concerned.
 - Investment Actions - which aim to reduce the need for council services/reduce the cost of future services.
 - Retrenchment Actions - which reduce the council's role in terms of the services it provides and for whom.
- 19.3.2 The council has pursued an effective efficiency strategy over a number of years and has successfully made significant savings and reduced internal costs. To achieve further reductions there will need to be focus to a much greater extent on investment and retrenchment actions. The areas to be considered will be much more challenging and will require a number of bold and radical decisions.
- 19.4 A commissioning Council**
- 19.4.1 The numbers of directly employed staff would be reduced to a minimum, with the council only maintaining sufficient staff to deliver a commissioning function and delivering this through a commissioning strategy. Commissioners then use the commissioning strategies to develop specifications for the services that will deliver these outcomes; and to identify the capability to execute the specification in the most efficient and effective way possible.
- 19.4.2 Whilst this is an efficient way to deliver services, it relies on attracting an exceptionally high quality of commissioning staff. As well as capability issues there may also be issues around capacity to deliver with such a small core team. In addition to the commissioning team there is also likely to be a core team to support the democratic and governance processes.

19.5 Outcome based delivery

- 19.5.1 To control costs the support to the democratic process and indeed the role members would play would need to be significantly different. The role of members would be entirely to set the direction for the commissioners of the services. There would be maximum levels of delegation to the deliverers of services. An outcome based approach will be applied, where the commissioner does not specify what the intervention should be and how the services should be delivered; they simply agree to pay for outcomes if they are delivered.
- 19.5.2 This would include all remaining statutory services, such as planning, environmental health and housing. The risk to this approach is relying on the relationship with the contracted deliverers to ensure adequate levels of customer satisfaction are delivered. A further consequence of this approach is a lack of flexibility in delivery, there will be no internal capacity and flexibility within contractual arrangements come at a cost.

19.6 Review and reduction of delivery standards

- 19.6.1 To deliver financial sustainability the services being commissioned will need to be to the absolute minimum affordable standard. The position should be that receiving services from the council should be a 'last resort' and delivered only to those who need the service and when they need it. Whilst this is financially achievable this will mean only targeting service provision on the most vulnerable/needy.
- 19.6.2 Focusing services on a narrow, disadvantaged fraction of the population can increase the risk of 'residualisation' – services once used by a cross-section of the population are now only for the few. Evidence also suggests that residualised services are often poor quality. Existing contracts will need to be rigorously reviewed and a reduction to their delivery standards considered. For example consideration should be given for changes to waste collection. There will still be a requirement for compliance and audit to be delivered within the council and this may be more costly than current arrangements.

19.7 Cessation of non-statutory functions

- 19.7.1 All non-statutory services will cease to be delivered by the council. Where the community feel there is value in a service, West Somerset will become an enabler for voluntary and community sector self delivery within the District and champion the value of community led solutions to local issues. However, there will be no available funding to accompany this transfer. The council will proactively implement this plan and agree a number of principles that will govern the approach taken to delivering the changes required in the implementation of this model and with which all future services must align:

- Enabling – and developing markets/providers to deliver public services. This includes withdrawing Council competition if there is an effective local market that would continue to operate without the Council.
- Early intervention – linked to the above, where appropriate models should demonstrate a move towards proactive not reactive approaches to better manage demand for more costly services. This insight will be gained through local member groups.
- Digital by default – similarly, models should demonstrate how channel shift will be achieved where appropriate.

19.8 Community based decisions

19.8.1 Role of members would change to adapt to this way of working. Members will become commissioning champions, active within their communities, working with parishes to understand local needs. They will become primarily community focused and not chamber based. Informal policy groups would cease and area panels would be reviewed as these would become the responsibility of parishes. A minimalist approach will be taken to council meetings and committees, with full Council meeting no more than quarterly (potentially twice a year). There would also be the need for a scrutiny committee and an audit committee, and these would work on a similar timetable as full council. There would also be the need to retain a licensing committee and a planning committee, but with maximum delegation to the service deliverers.

19.9 Digital by default

19.9.1 Many councils, when considering the management of how residents contact them, allow for choices (face to face, telephone, website) whilst trying to make web contact the first choice as it is the most cost effective. In West Somerset web contact will be strongly promoted, with proactive action taken to discourage face to face or telephone contact. As the majority of remaining services will be outsourced, customer contact will be direct with the providers. The role of members and of the commissioning team will be oversight of delivery and performance monitoring. Members will primarily work remotely and in a paperless way. As the majority of information will be held by third parties on a contractual basis the requirements on Freedom of Information will reduce. Any information held by the council will be stored in an open data way where possible, allowing those wanting information to 'self serve'.

19.10 Income policy reviewed

19.10.1 Whilst opportunities for income generation will be limited, these will be maximised where ever possible. The General Power of Competency states that councils have the power to do anything an individual may do unless specifically prohibited. This has allowed councils additional flexibility but there are still substantial constraints as under the GPC they are only allowed to charge for discretionary services and fees must be limited to recovering costs and not to generate a profit or surplus. However, outsourcing of

services will mean that any areas that generate a profit can affectively be fed back into the council's general fund.

19.10.2 A new income policy based on moving away from the use of historical prices to inform fees and charges, to understanding the true cost of providing or commissioning services and pricing accordingly, whilst recognising the service user's need for the services being charged for, and their ability to pay. These actions may not be popular with all, but will be essential for financial security.

19.10.3 For those commissioned services, the following elements should be considered in the cost of the service and the fees, charges and income that can be derived:

- Full Cost – Any fees and charges should cover, as a minimum, the full costs of the service (including capital and revenue investment and overheads) unless there are contrary policies, strategy, legal or contractual reasons.
- Market Rates – Where fees and charges are in place they should reflect market rates subject to meeting full cost.
- Inflation Rise – All fees and charges will rise in line with inflation in order to avoid sharp increases in prices.
- Benchmarking – All fees and charges should be benchmarked with neighbouring local authorities and the voluntary and private sector delivering similar services. Charges should not be below comparator organisations.
- Understanding Demand – Demand analysis must be undertaken to understand the impact of fees and charges on service and non-service users. This should include the elasticity of demand.
- Concessions – Any concessionary scheme should be that the very least minimised and based on ability to pay or promote a strategic objective and be applied in a consistent and transparent way across all council services.
- Collection – All fees and charges should be collected rigorously and in the most efficient form. All fees and charges should be collected through automated electronic means and prior to the service being delivered.
- Targeting Charges – Providers should actively consider the use of alternative pricing structures to take advantage of opportunities to segment markets, and to target and promote take-up of services to specific target groups as appropriate to strategy objectives.

19.11 Asset divestment

19.11.1 There needs to be an aggressive asset divestment strategy. Like many other authorities West Somerset Council do not hold any housing stock. The Council's remaining land and property assets are held for both operational and non-operational purposes. Those held as operational assets are used for the delivery of services such as civic buildings, car parks, public conveniences and depots. Non-operational assets include infrastructure,

assets that are surplus, vacant or awaiting disposal, assets held for investment and assets held for community use.

- 19.11.2 As at 31 March 2011, the Council had 40 operational buildings and 35 operational land assets. In addition, the Council held 168 other assets. This is a combination of owned and leased assets. The book value of all assets was £18.94 million.
- 19.11.3 The income on these assets is insignificant and the council should adopt a 'nil asset' approach. Where possible assets should be sold and where not a rigorous simple community asset transfer policy should be pursued. Many assets will have their value locked in to a particular use or a particular group of people. The council should recognise that changing ownership or management opportunities offers opportunities to extend the use of a building or piece of land, increasing its value in relation to the numbers of people that benefit and the range of opportunities it offers.
- 19.11.4 This will deliver efficiency savings for Council tax payers, by using asset transfer as one of the options for dealing with under utilised or surplus property assets. Additionally it may secure more investment for the area, by recognising that with Asset Transfer there can be more opportunities to lever in additional resources which would be unavailable to the Council acting independently. This approach will include all office space and council chamber. The council should consider working in a more agile way, leasing space for the occasions it needs it.

19.12 Governance

- 19.12.1 The governance arrangements under this option for WSC are unlikely to vary greatly from those proposed under Option 1 as the size (number of councillors) of the council would be the same, modelled at 21 members, as that referred to in section 8.14 of the report and set out again below:-
- 4 x Council Meetings (21 members).
 - 4 x Cabinet Meetings (6 members).
 - 4 x Scrutiny Meetings (7 members).
 - 4 x Audit and governance Meetings (7 members).
 - 12 x Planning Meetings (10 members).
 - 4 x Licensing Meetings (7 members).
- 19.12.2 To work effectively, the above decision making structure would need to be underpinned by maximising the use of Executive decisions by individual portfolio holders, extending the use of delegated powers to officers including, for example, increasing the thresholds in delegated officer powers under financial regulations for authorising spend.

19.13 People Implications

- 19.13.1 The final staffing and organisational structure for WSC is not yet known but the basis on which this could be drawn up is set out above.

- 19.13.2 The staffing numbers for this option, based on a mutually agreed/negotiated route between the two councils and with TUPE applying to the breaking up of the One Team staff structure, would see an estimated 31 FTE staff transfer to West Somerset.
- 19.13.3 Based on which services these 31 staff are from this would present West Somerset with immediate business continuity issues.
- 19.13.4 The Exit Strategy from One Team would need to be developed alongside the development and creation of the new operating model.
- 19.13.5 Should this option be chosen there are, of course, a range of risks and potential implications that would need to be managed. These include:-
- Consultation and management of the TUPE process;
 - Consultation on and management of the new operating model including the passporting of transferring staff to other providers;
 - Potential reduction of staff morale with impacts on service delivery;
 - Potential increased staff turnover;
 - Potential increase in sickness absence and stress due to uncertainty;
 - Assessment of the ability of West Somerset to attract and retain staff within the new operating model.

19.14 Corporate Management Arrangements West Somerset Council stand-alone arrangements

- 19.14.1 The arrangements for a WSC stand-alone solution will vary significantly.
- 19.14.2 In this model the Council will be focusing solely on the safe delivery of the HPC development in line with the external resources secured and minimal service delivery. It is likely that many services will be contracted out or delivered through other partners/the voluntary sector/community self-help. This is often described as a 'commissioning model'.
- 19.14.3 West Somerset Council needs Corporate Management in the following areas: -**
- A Managing Director with the Head of Paid service role – this could be a stand-alone function, commissioned in or shared
 - Customer and Service Delivery – to lead on customer access and service delivery and contract management
 - Corporate – corporate strategy and oversight, commissioning, strategic finance, HR, and IT, performance management, member relationships, statutory roles of S151 and Monitoring Officer

19.15 Cost implications of the model

- 19.15.1 There are a number of services currently provided under contract. The table below lists the services currently subject to existing contract commitments.

	£'000
Main contracts	
- Legal	106
- IT	117
- Parking	79
- Public Conveniences	113
- Waste	1,160
- Street Cleaning	386
- Insurance	70
- Dog Services	18
- Pension lump sum	310
TOTAL:	2,917

19.15.2 The services currently under contract would have to be re-negotiated or could only be considered when the contracts come to an end. WSC also have to take into account the pension lump sum that commit the council to £310k year on year and is reviewed by the actuary every 3 years.

19.15.2 Providing a minimum level of service

The precise cost implications of this model would be very difficult to assess without a full business case, but the summary below gives indicative figures of what it may take to run the Council taking this very radical approach. The figures are set against a total revenue budget.

Business Area	Core Cost £'000	Commissioned Cost £'000	Income £'000	£'000
Democratic and member support	416	110		
Core staff, including commissioning function	190			
Delivery services and support	110	329	- 615	
Total	716	439	- 615	
Total				540

19.15.3 The minimum budget reflected above means that many of the internal services will be reduced, these include finance, printing, customer services and ICT.

- 19.15.4 External services are again reduced, such as housing options, environmental health and planning policy. There is also an assumption that some fees and charges (including parking) would be increased.
- 19.15.5 In summary, of the 2016/17 budget (used for modelling purposes), of the £4.63m total revenue budget, £2.917M would be allocated to current commitments and £540K to provide minimum cover supporting the democratic core, core staff to support commissioning and delivering essential services.
- 19.15.6 The remaining budget of £1.17m would be for members to make decisions about their priorities and investment in the services not covered above including economic development, tourism, housing enabling, public conveniences, open spaces, community development and management other than statutory roles.
- 19.15.7 It must be noted that this modelling has been done as a snapshot on the 2016/17 budget to give an indication of the impact of the 3b approach. The funds available over the MTFP period reduce year on year with the cumulative budget gap being £1.23m in year 2021/22.
- 19.15.8 The summary above takes no account of the cost and time to outsource services, to re-negotiate existing contracts or for the council to divest itself of its assets. In reality this could take up to two or three years to achieve.

19.16 Conclusion

- 19.16.1 This option is radical beyond anything that has been seen in local government. It is a plan for survival and it may be doubtful if the residents of West Somerset would consider it to be a desirable or viable option. It is not an option that can be 'cherry picked' and would need wholehearted commitment in, more or less, all areas. The role of members would be transformed, with West Somerset being run along the lines of a private equity company – a minimal core, focused on performance and return on investment. Nonetheless, should West Somerset choose to transform alone, this model provides a useful outline to begin the process.

20. Supporting Information

20.1 Communication and Consultation

- 20.1.1 There has been a need for effective and on-going communications throughout the project.
- 20.1.2 It is important to provide regular, honest and timely information, in and appropriate format, to all staff, Members and key partners and our communities setting out the key messages throughout the process
- 20.1.3 A Communications Strategy has been developed and implemented, covering the period up to the presentation of the Business Case for approval. Should the Business Case be approved there will be further communication requirements relevant to implementation and the strategy will need to be refreshed at this time.
- 20.1.4 The supporting **governance** framework established for the programme (Item 12), provides a key role in communicating the key messages and progress of the project as well as providing a forum to review proposals made.
- 20.1.5 Key events are being held throughout the process to keep all Members and staff informed of progress at key stages.
- 20.1.6 All **Member** briefings are being held respectively at WSC and TDBC at important stages of the project. These include two “Making a Difference” events in June followed by “drop-in” sessions during the first two weeks of July.
- 20.1.7 **For staff**, Assistant Directors’ briefings for staff in their areas are being held in May and July as well as staff “drop-in” sessions during July. These provide an opportunity for key messages to be relayed to staff as well as providing an opportunity for staff to raise questions regarding the project.
- 20.1.8 Monthly One Team newsletters are circulated to both staff and Members and are an effective mechanism to ensure everyone is kept informed.
- 20.1.9 We are now able to provide staff with a common Intranet, where project/change related information can be accessed easily by staff as change can often bring uncertainty and worry so it will be vital that all staff are aware of what is planned, when and why.
- 20.1.10 We are at an early stage of introducing social media for internal communication between teams. It is hoped that this will help to build a culture of trust and transparency and create an opportunity for staff to communicate, collaborate and share ideas as they go through the change process.

20.1.11 The **press and media** are kept up to date at key stages of the project via media briefings and press releases.

20.1.12 We will consider several different communication channels to keep our **residents and stakeholders** informed and engaged, these will include:

- Printed Media;
- Press releases, statements and briefings;
- Annual Council Tax booklets;
- Corporate publications - Tenants Talk (for TDBC housing tenants), Deane Dispatch (monthly paid-for section of the County Gazette)
- Weekly Bulletin (TDBC) and Community Matters (WSC - emailed to Members, Parishes and Community Groups);
- E-newsletters for key partners;
- News articles on our websites;
- Agenda and minutes published on our websites;
- Transformation news section of the new One Team Intranet;
- Internal social media
- Broadcast Media;
- Arranging television and radio interviews where necessary.

20.1.13 As we move closer to implementation of the Business Case, the importance of keeping customers and partners informed of progress will take on even greater prominence. Our Councils touch the lives of thousands of people every day and, during an economic downturn, Councils, and the services they provide, become more important to people as change can cause concern or uncertainty.

20.1.14 When people feel well informed by their Council, they are likely to be more satisfied with their Council and feel more engaged in the Councils decision making.

20.2 Customer engagement and consultation

20.2.1 As reflected in the corporate design principles and confirmed in the detail of the business case, the customer is at the heart of everything we do.

20.2.2 To ensure that the work we will be undertaking to improve service delivery and access to services, reflects the needs and aspirations of the customer, we will seek the views of these customers throughout the process. We will also encourage ongoing feedback from our communities and customers to ensure continued improvement to service delivery, and access to services remain relevant and current for our customers.

20.1.3 We will utilise existing relationships that we have with customers and customer groups throughout the organisation, eg. housing tenant group planning agent groups, business groups. We will also seek to develop new opportunities for customer involvement and new ways that customers can provide feedback using traditional and new channels such as online, social media etc to encourage customer feedback and interaction across all sectors of our communities.

21. Assurance Review

- 21.1 Before the Nov 2013 JMASS phase 1 business case was signed off, it was subject to an assurance review by Local partnership (a company that is jointly owned by HM Treasury and the Local Government Association). This review proved invaluable in providing both officers and members with assurance that the approach taken and conclusions included in the business case were realistic and credible
- 21.2 We have chosen to take the same approach with this business case and a draft of the business case will be subject to an independent assurance review by Local Partnerships prior to its progress through the democratic process.

On completion of the review – update sections below and attach the report as an appendix.

Feedback from the assurance review informed the final version of the business case. The report of their observations is included as Appendix D.

Add a summary of the review process undertaken and headlines from the findings of the assurance review.

22. Reference to Appendices

Appendix A Governance Framework for Transformation Implementation Programme.

Appendix B Process Review Team – Transformation Programme Implementation.

Appendix C Merger Process.

Appendix D Assurance Review Report (Report will be appended following Assurance review being undertaken on 28/29 October 2016).

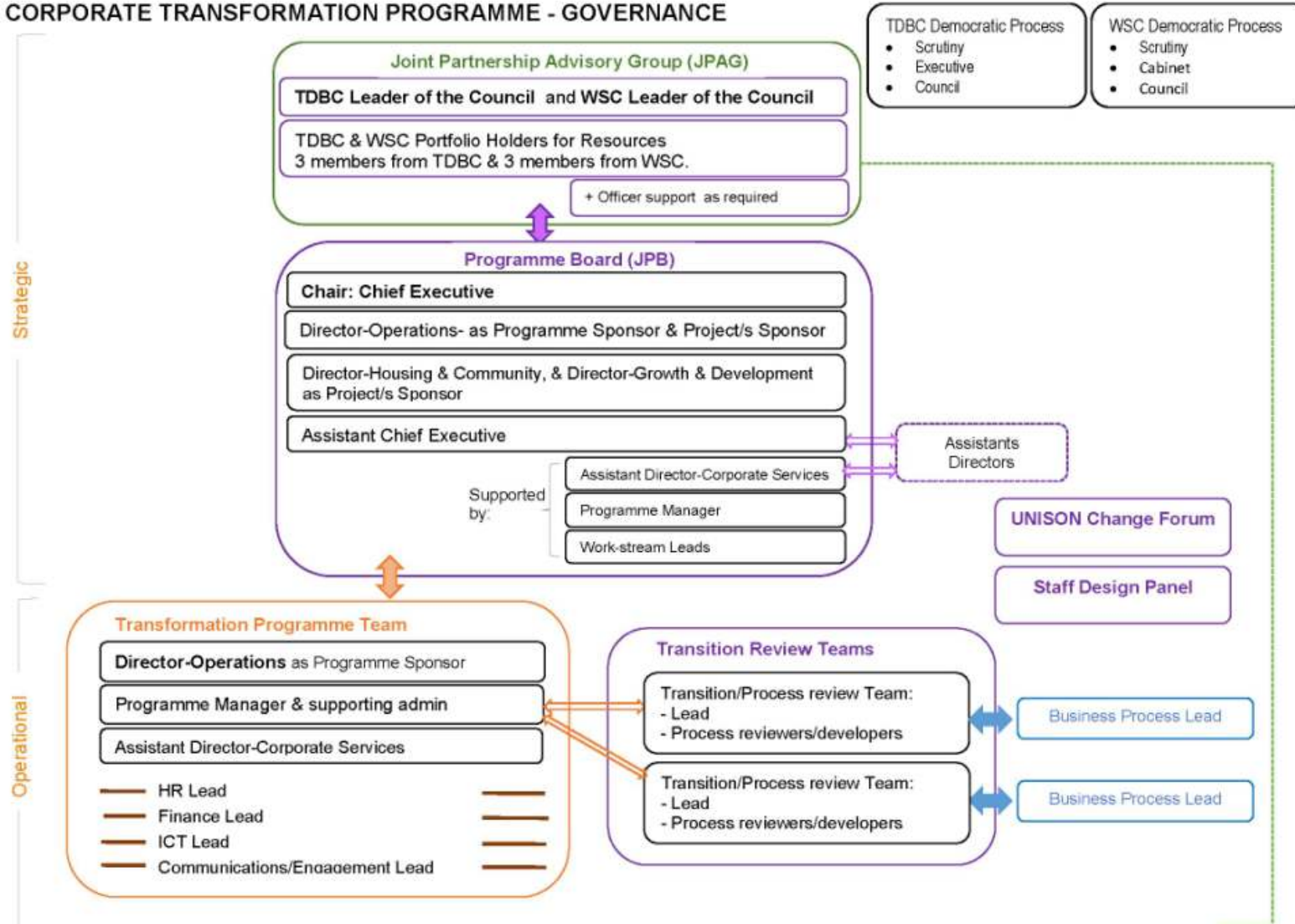
Appendix E Risk Register.

Appendix F Equality Impact Assessment Form and Action Plan.

Appendix G Basic Facts about Taunton Deane and West Somerset Council.

Appendix A Governance Framework for Transformation Implementation Programme

CORPORATE TRANSFORMATION PROGRAMME - GOVERNANCE



Appendix B Process Review Team – Transformation Programme Implementation

Making the new corporate Design Principles a reality and delivering the outcomes of the transformation programme will require a fundamental redesign of how both councils deliver services to our customers.

This fundamental redesigning of service delivery will require a detailed review of all of our individual business processes. The purpose of this review is twofold; firstly, to identify and remove unnecessary processes in order to significantly reduce the volume of customer contact and secondly, to 'business process reengineer' the remaining processes to make them more time efficient i.e. 'lean' processes. These new processes together with the appropriate user scripts will then need to be built into the new case management and workflow system.

The review process is a significant exercise, which will need to be undertaken by a mixture of external resource, to provide expertise and challenge, and staff from across the council. Experience elsewhere indicates that this process will take between 18 and 24 months to complete and is best undertaken by running 2 teams (of 6 people in each) running in parallel. The teams will comprise of:

- Team lead
- Process reviewers
- Business analysts
- Support/coordination

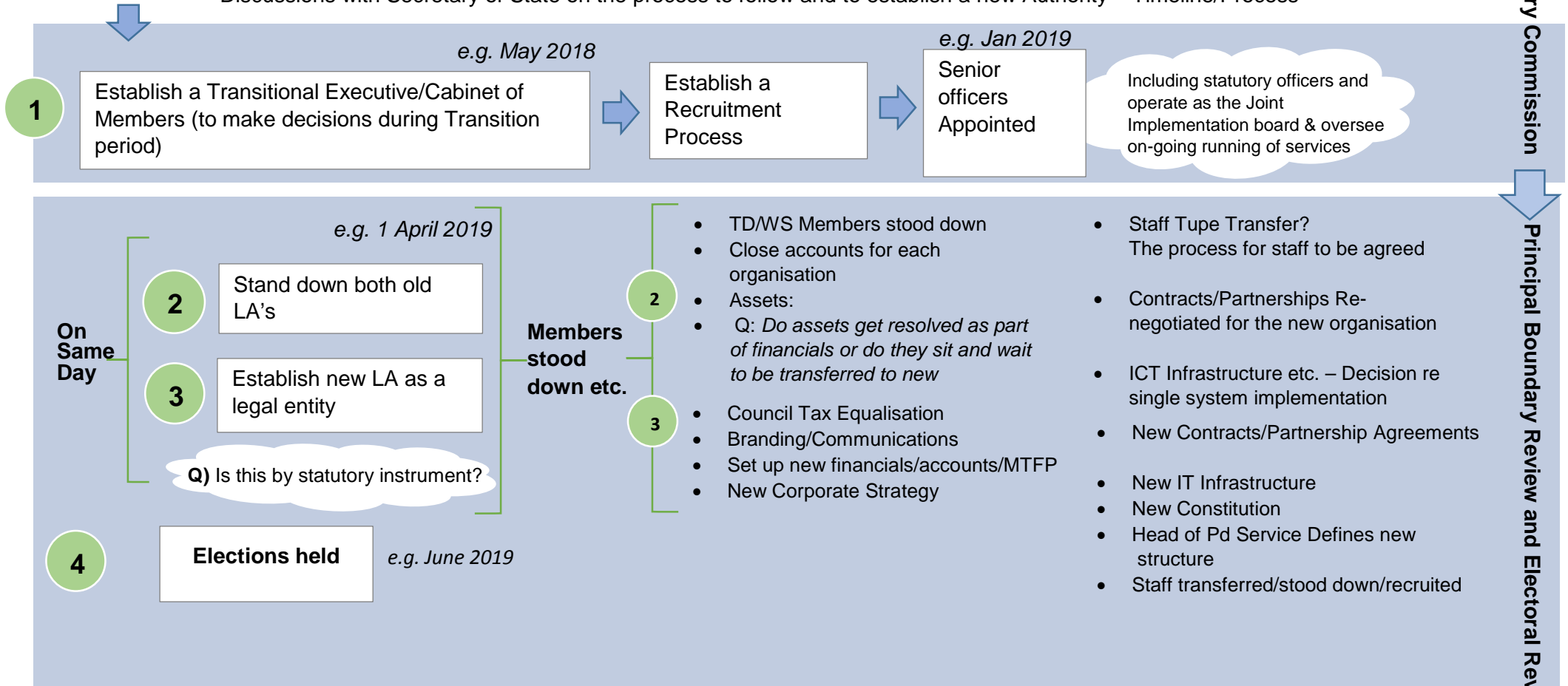
It is crucial that the teams and staff within them are able to focus solely on the business process reengineering role. Consequently it is not realistic for this work to be undertaken in addition to the day job. Therefore we need to be able to second staff from services across the organisation and backfill where necessary. Therefore, the cost of running these 2 teams, based on experience elsewhere, will be £400k per annum, which is a mixture of funding for external resource and backfill costs.

Appendix C Merger Process

Decision by the Secretary of State

into Transitional Period

Discussions with Secretary of State on the process to follow and to establish a new Authority – Timeline/Process



Appendix D Assurance Review Report

Report will be appended following Assurance review being undertaken on 28/29 October 2016.

Appendix E Risk Register for: JMASS Phase 2 - Business Case

Option 1 – Transformation



No	Risk Title	Risk/Opportunity Description	Mitigating and Management Actions
	HIGH RISKS		
1	Financial Risk	Not meeting the business case savings target and/or are not delivered in the expected timescale	Ongoing monitoring of costs, savings and timescales throughout the programme by JPAG & JPB. Programme plan identifies the key saving milestones and aligns with project delivery milestones
2	Staffing Risk	The levels of staff/resource directly supporting the programme is not adequate to maintain the pace of the programme and provide adequate/the required support to external suppliers and consultants. Delay in the delivery of the programme and consequent savings	Implementation plan is reasonable in its timescales and resource allocated to the programme is adequate and consistent in its support to the programme. Funding allocated in programme costs. Agreement upfront with consultants and suppliers regards the key milestones and resource commitments required
3	Cultural Risk	Staff attitude and behaviours are not aligned to the programme requirements leading to failure to maximise efficiencies and benefits from the new operating model and delivery of the design principles	Ensure that the investment in change management and organisational development reflects the significant cultural change required for the transformation to be successful. Creation of a Staff Design Panel Ongoing liaison with UNISON HR support/ mechanisms in place
4	Political Risk	Members fail to agree a common approach based on the current business case leading to prolonged uncertainty regarding the future for the councils	Ensure that Members are continually engaged and briefed on the Business Case through Member Briefings Ongoing Communications plan/briefings, including member briefings, newsletter etc.

No	Risk Title	Risk/Opportunity Description	Mitigating and Management Actions
	MEDIUM RISKS		
5	Customer Risk	Staff morale drops due to concerns around change and staff reduction leading to service delivery and performance being impacted during the implementation phase causing complaints and reputational damage.	<p>Review the programme plan, associated project plans and resource allocation to ensure phasing of the proposed changes to structure and systems minimises impact on business as usual service delivery.</p> <p>Ongoing liaison with UNISON</p> <p>HR support/ mechanisms in place</p> <p>Ongoing Communications plan/briefings, including staff briefings, newsletter, and staff design Panel.</p>
6	Staffing Risk	UNISON become actively against the programme leading to delays in implementation.	UNISON continue to be included and informed early on in major decisions.
7	Comms. Risk	Lack of ongoing support for the programme from Members, Staff and public.	

Risk Register for: JMASS Phase 2 - Business Case - Option 2 – Merger

No	Risk Title	Risk/Opportunity Description	Mitigating and Management Actions
	HIGH RISK		
1	Management Risk	No Districts have merged before so there is no template to follow and if we get it wrong this would lead to delay in delivery of the merger.	Learn from Unitary authorities who do have experience of setting up merged authorities which have replaced existing councils (albeit on a two tier basis).
2	Political Risk	Secretary of State does not authorise the merger leading to delay in finding a sustainable future for the councils	The Business Case for the Merger option must be carefully put together and must effectively put across all the savings the Merger will make and make a sound argument that it will be in the best interest for everyone involved.
3	Political Risk	That members do not fully appreciate what the merger options entails' and retract from a decision to merge causing uncertainty and reputational damage.	Provide a detailed explanation of precisely what merger is and what it will involve.
	MEDIUM RISK		
4	Community Risk	Remoteness of some customers from the administrative centre lead to loss of identity and customer satisfaction	Work from the Customer Access Strategy must be finalised.
5	Community Risk	Lack of public support could be a factor which prevent s merger	External communications and engagement plan drafted once the business case decision finalised.

Risk Register For: JMASS Phase 2 - Business Case - Option 3 – Split



No	Risk Title	Risk/Opportunity Description	Mitigating and Management Actions
	HIGH RISK		
1	Financial Risk	West Somerset Council is not financially sustainable to continue on its own after the split.	West Somerset's finances/MTFP will need to be carefully monitored and appropriate action will be needed on the financial state becoming untenable.
2	Partnership Risk	Risk that the councils no longer wish to work together and a mutual agreement cannot be reached leading to financial implications as per the inter authority agreement	Member briefings Developing options that are mutually acceptable and working on our established good relationships.
	MEDIUM RISK		
3	Staffing Risk	Due to the application of TUPE, some services for one or both Authorities insufficiently equipped to provide satisfactory service delivery or are allocated too many staff for their needs leading unnecessary costs.	Review service delivery options and resource requirements if continuing to deliver the service in-house. Learn from other who have split and how they have managed the transition,
4	Political Risk	Negative perception by Central Government leading to reputational damage and possible government repercussions.	If a split is favoured by Members, Central Government will need to be contacted and informed of the circumstances of the decision.
5	Community Risk	Complaints and reputation risk if only providing basic level of service to the community (WSC).	External Communications regarding a split must be planned for.

Appendix F Equality Impact Assessment Form and Action Plan

<p><i>"I shall try to explain what "due regard" means and how the courts interpret it. The courts have made it clear that having due regard is more than having a cursory glance at a document before arriving at a preconceived conclusion. Due regard requires public authorities, in formulating a policy, to give equality considerations the weight which is proportionate in the circumstances, given the potential impact of the policy on equality. It is not a question of box-ticking; it requires the equality impact to be considered rigorously and with an open mind."¹</i></p>			
Officer completing EIA form:	Job Title:	Team/Service:	
Paul Harding	Corporate Strategy and Performance Manager	Corporate Services	
Why are you completing the impact assessment? <i>Please ✓ as appropriate</i>			
Proposed new policy or service	Change to policy or service	New or Change to Budget	Service review
	✓		✓
1 Description of policy, service or decision being impact assessed:			
<p>Joint Management and Shared Services Programme – Transformation</p> <p>The transformation programme will deliver the structure and processes necessary to transform our Council services through a series of connected projects. The primary driver is to significantly reduce the Councils' operating costs, largely through reducing failure demand, duplication and unnecessary processes, to encourage channel shift and to refocus and re-energise staff so that they can enhance the service delivered to our customers.</p>			
2 People who could be affected, with particular regard to the legally defined protected characteristics ² :			
<p>No protected groups are 'targeted' by this proposal. The proposal covers the shared workforce for both Councils which will, by the nature of the two organisations, include individuals who are covered by one or more of the full range of protected characteristics, as defined within the Equalities Act 2010 and include:</p> <ul style="list-style-type: none"> • Age • Disability • Gender Reassignment 			

¹ Baroness Thornton, March 2010

² For protected characteristics, please visit:

<http://www.equalityhumanrights.com/private-and-public-sector-guidance/guidance-all/protected-characteristics>

- Marriage and Civil Partnership
- Pregnancy and Maternity
- Race
- Religion and belief
- Gender
- Sexual orientation

The way in which Council services are organised and delivered could affect **our Customers** (Residents, Business & Visitors) who will similarly include individuals who are covered by one or more of the full range of protected characteristics

3 People and Service Area who are delivering the decision:

The Leaders of West Somerset District Council and Taunton Deane Borough Council through the JMASS Programme team following full Council decision will be delivering the changes set out in the Transformation Business Case.

4 Evidence used to assess impact:

- 2010 Census information for demographics for our customers.
- SAP HR and Payroll system for numbers and declared protected characteristics information in respect of our workforce.
- WSC/TDBC Workforce Equalities Report 2014-15.

5 Conclusions on impact of proposed decision or new policy/service change:

1. For **our staff**

No significant detrimental impacts have been identified which cannot be readily mitigated through existing HR policies, enhancements to existing policies and protocols or through involving our Staff Design Panel at the outset.

This Transformation Business Case may be all or part of the solution to ensuring the long term viability of the two Councils, which is in the best interest of all staff, whether they have a protected characteristic or not.

There are however some potential inequalities which may stem from these proposals if not proactively addressed:

Generic Issues

A generic concern is the change itself – moving people and teams into new structures can unsettle staff and cause stress.

Age – Older and younger employees may have concerns that they will be ‘target’ for redundancy for differing reasons which may manifest in additional stress and anxiety.

Younger members of staff, who are often within the lower salary bands, may have concerns that they will be seen cheaper to be made redundant. However, existing HR policies should ensure equitable treatment of employees in cases of redundancies.

Older members of staff, who are often on higher salaries due to length of service or seniority within the organisation may have concerns that they will be targeted for cost savings because of this. However, existing HR policies should ensure equitable treatment of employees in cases of redundancies.

Individuals who had been doing a job for a long time, might find having to adopt new ways of working in new teams more challenging than more recent recruits and may require additional support arrangements to be put in place.

Disability – Although no detailed plans to hot-desk are in place, it is likely that such arrangements will form part of the transformation.

Any such arrangements would have to be thought through carefully to avoid impacting negatively on staff with a disability or with specific workstation adjustment needs.

Staff who suffer from mental health issues may find a change of routine or role or the uncertainty around their retaining employment disruptive and cause additional stress/anxiety. The ONE TEAM have 8% of its workforce that have self-declared a disability.

Gender – hot-desking could have a negative impact on staff with caring responsibilities, of whom a greater proportion are female, through arriving later in the morning than those with no such responsibilities and experiencing daily pressures locating a vacant desk.

Pregnancy and Maternity – given the scale of the organisational changes proposed, and the training necessary in order to equip the workforce with the skills necessary for the new ways of working, there is a risk that those staff away from the working environment due to maternity may miss opportunities for job applications and /or training or could be overlooked. The programme team will need to think about how we engage with those on maternity leave and keep them informed and involved and ensure that ‘keeping in touch days’ are fully utilised and enhanced with other ways of communicating with, and involving, this group.

Race, Sexual Orientation, Ethnicity, Gender Reassignment, Marriage and Civil Partnership, Religion and belief – it is not felt that the transformation programme would directly or indirectly have a negative effect on these groups to any greater extent than staff who do not share these characteristics.

Possible Opportunities (staff)

Whilst there are the above concerns around some potential adverse impacts on groups of people, there are also potential opportunities which the transformation programme could bring.

Specifically, if handled correctly, it would be a chance for all members of staff to see positive changes with respect to training opportunities, IT resources and being able to work in more challenging roles.

Staff with **disabilities** may benefit from being part of larger teams which are likely to contain greater diversity than the existing silo organisational model, which may help reduce the sense of isolation which some employees with protected characteristics might experience within small teams, and allow them to benefit from a greater support network.

This benefit may also equally apply in relation to **Sexual Orientation and Gender Re-assignment**, where again being part of a larger and more diverse team may lessen the sense of isolation and may provide a greater support network.

Some officers may also benefit from the greater opportunity to work from home or closer to home, embracing the ‘work is an activity and not a place’ ethos which is at the heart of the approach to organisational design. Those with childcare or other caring responsibilities, who are predominantly female, may benefit from additional flexibility in this regard.

Some existing teams have been stable for many years with few changes in personnel and limited diversity within the team. As part of integrating into a larger delivery teams all staff may benefit from working within a more diverse team of people.

2. For our customers

No significant detrimental impacts have been identified at this stage, although we will regularly assess the customer experiences involved both during and subsequent to implementation.

More detailed service-specific EIAs will be necessary should proposals be made which would lead to the withdrawal of an existing service or a significant reduction in the standard of service to be provided.

There are however benefits which we believe will be felt by our customers through the proposals set out in this high-level business case.

Customers will be able to access services in a way and at a time, most appropriate to their needs.

This programme will deliver a greater range of Council transactions (services) electronically via a range of digital devices connected to the Internet i.e. mobile telephones, tablets, personal computers etc thus providing choice and flexibility.

It will benefit anyone who is able to access the Internet no matter what their protected characteristic or socio-economic status.

It will specifically benefit customers who:

- may find it difficult to access the Council offices during usual working hours i.e. carers,
- have certain faiths. For example, the intrinsic values of some religions such as Judaism (Sabbath) and Islam (Ramadan) limit times of the day or week when a visit to the Council offices may be possible. The 24/7 availability of a greater range of services and information may assist in transacting with the Council during these times,
- may have physical access or mobility difficulties, (providing they have access to digital technology)

It is recognised that rurality may be an issue for some, particularly in West Somerset where some communities are physically remote from the current administrative HQs and also they are not well provisioned with reliable broadband connections.

Some socio-economic groups too may find it more difficult to access the technology necessary in order to transact online.

However, the online customer experience will be provided in addition to the existing traditional means of contacting the Council i.e. face to face, via telephone, or in writing and therefore any impact will be minimal. The greater provision of online capabilities is intended to support the majority of customers. Where it is not practical for customers to use the tools themselves, staff will use the same capabilities to provide supported access either via the telephone or in person.

The customer experience is intended to be enhanced through the creation of locality based teams, bringing the Council closer to the customer rather than requiring the customer to come to the Council.

6 Recommendation based on findings. These need to be outlined in the attached action plan.

Equality Impact Assessment Action Plan

Group Affected	Action required	Expected outcome of action	Person to undertake action	Service Plan - for monitoring	Expected Completion date
Age (Staff)	Support should be made available for those who need advice or are concerned about the impact of the transformation on their jobs, either through or outside of the line management chain.	Staff, particularly young and old, feel supported through the redeployment process and are confident that selection for posts is based entirely on merit via an open and transparent process.	HR	HR workstream	
Disability (Staff)	Any hot-desking arrangements should be thought through thoroughly to avoid impacting negatively on staff with a disability or with specific workstation adjustment needs.	Staff with a disability or with a specific workstation adjustment need are not disadvantaged through a move to hot-desking.	Project Manager	Accommodation workstream	
Gender Re-assignment (Staff)	None				
Marriage and Civil Partnership (Staff)	None				
Pregnancy and Maternity (Staff)	Need to think about how we engage staff who are away from the office on maternity leave.	Those staff on maternity leave are kept fully informed regarding progress of the Transformation Programme and have equal opportunity to	Programme Team	Communications	

Equality Impact Assessment Action Plan

Group Affected	Action required	Expected outcome of action	Person to undertake action	Service Plan - for monitoring	Expected Completion date		
		apply for positions as other staff.					
Race ³ (Staff)	None						
Religion and Belief (Staff)	None						
Sex (Staff)	None						
Sexual Orientation (Staff)	None						
Rurality (Staff)	None						
Author's Signature:	Paul Harding	Ref/Report Title:	JMASS – Transformation Business Case	Date:	20/06/2016	EIA Version:	1.0
Contact Details:	Tel: 01823 356309	Extn: 2216	Email:	p.harding@tauntondeane.gov.uk			

³ Including ethnicity, national origin, colour, nationality, gypsies and travellers.

Appendix G Basic Facts about Taunton Deane Borough Council and West Somerset Council

Political Make-Up

Taunton Deane Borough Council – 56 Members

Cons	Lib Dem	Labour	UKIP	Ind
36	14	2	1	3

West Somerset Council – 28 Members

Cons	Lib Dem	Labour	UKIP	Ind
21	0	1	3	3

Key Partnerships

Both Councils are members of the following key partnerships:

- Southwest Audit Partnership (SWAP)
- Somerset Waste Partnership (SWP)
- Somerset West Private Sector Housing Partnership

TDBC only is a founding Member of Southwest One - a strategic partnership with IBM, Avon and Somerset Constabulary and Somerset County Council providing back office services – currently ICT, Accounts Payable, Accounts receivable, Customer Contact, Procurement and Recruitment and Payroll

Basic facts about Taunton Deane

The below provides a summary of the latest available information on the demographic and socio- economic make-up of the 26 Wards in Taunton Deane. It looks at the population structure and provides information on the economic, housing and educational achievement of each Ward.



Geography and Population

Here is a breakdown of Taunton Deane giving the area, population size and gender split of each Ward. In terms of area, Taunton Deane is ranked 5 out of the 5 Districts within the Somerset County, and is ranked 17 out of all 25 Districts in South West (with 1 being the largest).

The total area of Taunton Deane District is 46,236 hectares. The Ward with the largest area is Wiveliscombe and West Deane, representing 14.86% of the total area of the District.

The most densely populated Ward is Taunton Eastgate with 60.30 persons per hectare, the least densely populated Ward is Neroche with 0.40 persons per hectare.

The total resident population of Taunton Deane is 112,116. The Ward with the largest population is Taunton Halcon, representing 5.87% of the total resident population of Taunton Deane.

In terms of population there is roughly a 47% to 53% split between rural and urban population.

Basic facts about West Somerset

The below provides a summary of the latest available information on the demographic and socio-economic make-up of the 16 Wards in West Somerset. It looks at the population structure and provides information on the economic, housing and educational achievement of each Ward.



- West Somerset is the least populous district in England.
- The population of West Somerset has the oldest average age in the United Kingdom at 52 (ONS 2009).
- 30% of WSC population is 65+ compared to 21% for the Somerset average. 16% of UK population is 65+ (census 2011).
- 5% of the West Somerset population is over 85 years.

Geography and Population

Here is a breakdown of West Somerset giving the area, population size and gender split of each Ward.

In terms of area, West Somerset is ranked 2 out of the 5 Districts within the Somerset County, and is ranked 10 out of all 25 Districts in South West (with 1 being the largest).

The total area of West Somerset District is 72,535 hectares.

The Ward with the largest area is Greater Exmoor, representing 22.94% of the total area of the District.

The most densely populated Ward is Minehead Central with 22.30 persons per hectare, the least densely populated Ward is Greater Exmoor with 0.10 persons per hectare.

The total resident population of West Somerset is 34,320. The ward with the largest population is Minehead Central, representing 14.11% of the total resident population of West Somerset.