

Public Document Pack



COTSWOLD
DISTRICT COUNCIL

Wednesday, 8 November 2023

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OVERVIEW AND SCRUTINY COMMITTEE

A meeting of the Overview and Scrutiny Committee may be held at Council Chamber - Trinity Road on **Thursday, 16 November 2023 at 5.00 pm**. Please note that this meeting will be confirmed or cancelled on the morning of the meeting. Members of the public are advised to check the Council's website before travelling to this meeting.

Rob Weaver
Chief Executive

To: Members of the Overview and Scrutiny Committee
(Councillors Gina Blomefield, Gary Selwyn, David Cunningham, Roly Hughes, Angus Jenkinson, Dilys Neill, Michael Vann, Tony Slater, Clare Turner and Jon Wareing)

Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Committee Administrator know prior to the date of the meeting.

AGENDA

1. **Apologies**

To receive any apologies for absence.

The quorum for the Overview and Scrutiny Committee is three members.

2. **Substitute Members**

To note details of any substitution arrangements in place for the Meeting.

3. **Declarations of Interest**

To receive any declarations of interest from Members and Officers, relating to items to be considered at the meeting.

4. **Publica Review (Pages 3 - 62)**

Purpose

To scrutinise the decision taken by Cabinet on 2 November 2023 on the Publica Review. Cabinet resolved to:

AGREE to recommend to Full Council to:

1. APPROVE the recommendations set out in the Human Engine report (that the majority of services are returned to the Council as per the detail provided on page 12 of the Human Engine report)
2. AGREE That the Chief Executive oversees the creation of a detailed transition plan for subsequent agreement by Cabinet and Council
3. ENDORSE the approach to the further due diligence outlined in the financial implications of the report including analysis of the detailed payroll data required, which will be essential to calculate the short and long-term costs associated with the recommendations set out in the Human Engine report.

Recommendation

That the Overview and Scrutiny Committee scrutinises the Publica Review and agrees any recommendations it wishes to submit to the Council meeting on 22 November 2023.

Invited

Councillor Joe Harris, Leader of the Council
Robert Weaver, Chief Executive Officer
David Stanley, Deputy Chief Executive Officer

(END)

Agenda Item 4



COTSWOLD
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET 2ND NOVEMBER 2023
Subject	PUBLICA REVIEW
Wards affected	All
Accountable member	Cllr Joe Harris, Leader of the Council Email: joe.harris@cotswold.gov.uk
Accountable officer	Robert Weaver, Chief Executive Email: Robert.weaver@cotswold.gov.uk
Report author	Robert Weaver, Chief Executive Email: Robert.weaver@cotswold.gov.uk
Summary/Purpose	To consider the Human Engine Consultants report and to approve the recommendations therein.
Annexes	Annex A - Peer Review report and recommendations Annex B - Human Engine report and recommendations
Recommendation(s)	<i>That Cabinet resolves to:</i> Recommend to Full Council to: <ol style="list-style-type: none">1. Approve the recommendations set out in the Human Engine report (that the majority of services are returned to the Council as per the detail provided on page 12 of the Human Engine report)2. That the Chief Executive oversees the creation of a detailed transition plan for subsequent agreement by Cabinet and Council3. Endorses the approach to the further due diligence outlined in the financial implications of the report including analysis of the detailed payroll data required, which will be essential to calculate the short and long-term costs associated with the recommendations set out in the Human Engine report.



Corporate priorities	Ensure that all services delivered by the Council are delivered to the highest standard.
Key Decision	YES
Exempt	NO
Consultees/ Consultation	The relevant staff consultation process will commence following the decision making process (if applicable).



I. EXECUTIVE SUMMARY

- I.1** Since 2017, Cotswold District Council, along with Forest of Dean District Council, West Oxfordshire District Council and Cheltenham borough Council have worked in partnership with Publica, a teckal company owned by the Councils and created to deliver day to day services. Since 2017, Publica has delivered a number of efficiencies and savings but due to the pressures and the local aspirations that the councils are focussed on, an independent review was undertaken to look at whether Publica's company model was still able to meet the current and future needs of its council owners.
- I.2** For Cotswold District Council, a Local Government Association Peer Review in 2022 highlighted the need to ensure the council was best placed to maximise opportunities associated with an ambitious Administration and Corporate Plan. It recommended that an options appraisal be undertaken, considering the appropriateness of some services remaining within Publica.
- I.3** An options appraisal review was undertaken by a company called Human Engine. The final report recommends that a significant number of services should move from Publica and return to being under greater control of the councils. This would leave Publica delivering a range of back office and customer services for the Councils.
- I.4** This represents a fundamentally different future for the councils and for Publica. The Publica of the future will be smaller, leaner, and principally a vehicle for sharing services rather than an entity with its own management, cultural identity, and high-profile brand. If the recommendations of the Human Engine report are approved, each of the four councils will then work in partnership to create a phased plan for the transfer of services.
- I.5** It is important to note that this recommendation is not a commentary on the performance of staff. Staff in Publica have worked diligently and professionally to deliver services on behalf of the shareholder councils. They are passionate about public service and there is every reason to believe they would be equally passionate in direct employment.
- I.6** The recommended option reflects a view that returning services to direct management by the council will provide the council with greater autonomy over service delivery, recruitment, service performance and creating a sustainable financial future.
- I.7** The company Directors are responsible for the management of the company's business and have indicated they will work with the Councils to ensure that the revisions set out in the



Human Engine report are in the best interests of the Company following the review. However, Article 7.2 of the company's Articles of Association gives members, by Special Resolution, the power to direct the Directors to take or refrain from taking specified action provided that no such Special Resolution invalidates anything which the Directors have done before the passing of the Special Resolution.

- 1.8** Section 6 of the report sets out the initial view on the financial projections arising from the recommendations from the review of Publica services. Whilst Human Engine have undertaken modelling and provided high-level financial projections of returning the majority of services to the councils these should be seen as indicative given the limited availability of relevant and detailed data. Sections 6.1 to 6.7 set out the further due diligence requirements including the provision and analysis of detailed payroll data required to enable the S151 officers to calculate the short and long-term financial implications.
- 1.9** The councils retained teams do not have the internal capacity to project manage a change of this scale and complexity. The Human Engine report refers to a number of options in terms of how the Councils could manage the transition process. In addition, it is likely that independent Human Resources and legal support will be needed to complement the Publica and in-house teams, respectively.
- 1.10** Should members be minded to approve the recommendations, the Chief Executives, and their retained management teams will work with Leaders and the Publica Board and Executive to consider in detail the requirements for a smooth transition, via preparing and presenting a detailed transition plan for subsequent approval by Cabinet and Council.

2. BACKGROUND

- 2.1** In October 2022, the Council invited the Local Government Association (LGA) to conduct a corporate peer challenge. A corporate peer challenge provides for an external review of how a council functions and its ability to deliver on its plans, proposals, and ambitions. The review was undertaken by a team that is knowledgeable and experienced in local government and includes both officer and councillor representatives. The team acts as a 'critical friend' and produces feedback that provides a health check and commentary on areas of strength and potential areas for further consideration.
- 2.2** The corporate peer challenge team gathered information from a wide range of sources and attended various meetings, whilst also conducting interviews with staff, councillors, and some of the Council's key partner organisations. In addition to covering the core assessment areas

associated with all peer challenges (including leadership, financial management, corporate priorities, and governance) the Council requested that the peer challenge team also consider the following questions:

- How well equipped the Council is to respond to the challenges and opportunities that are facing local government now and into the future?
- How well does the Council ensure it delivers its ambitions and priorities through its existing partnership arrangements with Publica?

3. MAIN POINTS

3.1 Following the Corporate Peer Challenge 2023 feedback report (which sets out the team's findings and recommendations – **Annex A**) the Chief Executive oversaw the creation of an action plan that set out how the recommendations would be implemented. This action plan was approved at full Council in January 2023.

The action plan reproduced the recommendations made by the corporate peer challenge team, the measures that will be implemented to embed the recommendations, commencement dates and the lead officers assigned to oversee delivery.

3.2 The peer review team identified that there was work to do to improve the effectiveness of the Publica partnership and help drive the Councils priorities. One of the recommendations set out and subsequently agreed by Council in the action plan was to:

'Give consideration to reviewing service delivery options,' namely the continued appropriateness of some services remaining within Publica.'

The peer review recommendation referred in particular to Democratic Services, Elections, Planning, Strategic Finance, Commissioning and Procurement.

3.3 The Peer Review team felt this was important, given the Councils ambition, leadership, Corporate Plan and a desire to be more 'fleet of foot' when it came to setting the direction to deliver services. It noted in their feedback that Publica had been set up in 2017 when circumstances, politics and drivers were different.

3.4 Whilst the peer review was specific to Cotswold District Council, a discussion with the other partner councils in relation to the recommendation to undertake an options appraisal regarding service delivery took place. Publica Executives also agreed that it would be beneficial



to undertake an options appraisal once, collectively, rather than individually. This approach was agreed at the Publica's Shareholder Forum (Chair of the Board, Publica Executive Officers, Council Leaders, and Chief Executives). As such the CEO's (Cotswold District Council, West Oxfordshire, Forest of Dean and Cheltenham Borough Council) agreed to jointly commission an options appraisal.

- 3.5** The peer review report and recommendations formed the basis of a brief and the starting point for the options appraisal. Two consultancies with experience in this field were approached (Local Partnerships and Human Engine). After reviewing the submissions (based on quality, cost, timescales and an interview with the Chief Executives, all CEO's agreed that Human Engine be commissioned to undertake the options appraisal.
- 3.6** The approach adopted by Human Engine was similar in format to that of an LGA peer review. This entailed a review of relevant documents, and a number of one to one and group interviews (including interviews with key Council and Publica senior staff, the Leaders of each Council, the senior management teams of each Council and the Chair of the Publica Board) and then triangulation and assessment of this information. The Human Engine report and recommendations are set out at **Annex B**.
- 3.7** The key recommendation is that the majority of services are returned to the Councils. The report sets out the proposed service area groupings.
- 3.8** The Human Engine report sets out the benefits associated with returning the majority of services to the Council. In summary these include providing greater flexibility for councils in their approach to delivering individual strategic objectives and greater responsibility in doing so; the return of a critical mass of strategic oversight to councils, enabling councils to better manage the strategic direction of the organisation; increasing capacity within each Council's core operating team(s); greater ownership to deliver and 'own' savings plans, through a range of different service arrangements that best align to each council's priorities; reducing the risk of recruitment challenges for local government specific roles and a reduction in corporate overheads of services retained in the Publica model.
- 3.9** The Human Engine report sets out that in their worst-case scenario, the net cost associated with in-sourcing would be approximately £150k per Council. This has been estimated on the data provided to date by Publica in relation to the pension liabilities the councils could inherit and assumptions on mitigation through management and structure savings. Human Engine's assessment of the worst-case scenario is predicated on limited cost and staffing information

and should be viewed as indicative at this stage. This information will be reviewed by the S151 officers as part of the due diligence process.

3.10 It is likely that further opportunities to mitigate the additional pension cost pressure will arise through the detailed due diligence and transition period. (For example, support requirements for services that continue to be delivered by Publica such as ICT, Customer Services will be reduced). However, detailed payroll data will need to be provided and analysed to establish the short and long-term impact. This analysis will be undertaken by each partner Council's S151 officer in due course, as the detailed payroll data could not be requested until the outcome of the review had been agreed and made known. The financial implications set out in this report make it clear that extensive further due diligence is required to give members confidence in the likely financial impact of the HE recommendations.

4. NEXT STEPS – Transition Arrangements

4.1 Reference is made within the Human Engine report to options for the process of returning services (the transition) to the Councils. If the report is approved, the Council Chief Executives will work with Leaders, the Publica Executives and Board, if necessary, to prepare a detailed transition plan for subsequent submission to the Cabinet and Council. A key aim of the transition plan would be to seek agreement between the Leaders on the order in which services are returned.

4.2 A transition team will be established first to oversee the entire process. Channels for clear communications with the staff who might be impacted by the transition will be put in place. Cooperation with Publica leadership will be essential for aligning the transition with the Council's goals and objectives and we expect to work closely with our Publica colleagues to make a success of the transition process. Transition governance arrangements will be established to provide structure and oversight and will set out the relevant staff consultation process that will be followed where applicable. Agreement on phased services will be made to determine the scope and timeline of the transition.

5. ALTERNATIVE OPTIONS

5.1 The Human Engine review considered a range of options from 'doubling down' (Option 1) and investing more resources in Publica, through to the complete dismantling of the company. (Option 7). This report recommends that Option 6 (returning the majority of services to the

partner councils) is adopted. Members may decide not to approve the recommendations to return to the partner councils the majority of services and instead decide that there is merit in the other options considered. However, in light of the recommendation from the 2022 Peer Review and the outcomes of the Human Engine report, these options are not recommended.

6. FINANCIAL IMPLICATIONS

Due diligence requirements

- 6.1** As set out earlier in this report, the indicative financial projections set out in the Human Engine review are based on limited information. The financial impact of the proposals set out in this report will need to be developed as part of the due diligence process over the coming weeks and included in the Transition Plan that will be considered by Cabinet and Council in January 2024.
- 6.2** In considering the recommendations from the Human Engine review of Publica and those set out in this report, members should be aware of the difficulty in providing precise estimates at this stage.
- Decision around structure, composition of services and management arrangements has not yet been considered.
 - High-level assumptions are subject to degrees of estimation and judgement
 - Detailed payroll data is required to provide timely and accurate modelling of options which has not been undertaken at this stage of the process
 - Affordability of options will need to be part of the decision-making process
- 6.3** Estimates as to the additional cost and mitigation options will be subject to variation throughout the due diligence and transition periods. Members should therefore expect variations on the estimates to be reported regularly to ensure they are appraised on the likely financial impact and mitigation options should costs increase or benefits are not able to be realised.
- 6.4** The Council must undertake further and extensive due diligence on the recommendations from the Human Engine review. This will be a complex process with consideration of a number of workforce planning issues (e.g., Pensions, TUPE arrangements).

- 6.5** Detailed salary and payroll information will need to be provided by Publica to partner Councils to calculate the financial impact of changes to service delivery.
- 6.6** Partner Councils will need to undertake detailed modelling of the potential impact on their respective LGPS (Local Government Pension Scheme) funds with Gloucestershire County Council and the actuary to determine the short-term and longer-term impact on the pension fund liability and contribution levels.
- 6.7** Members will need to consider the longer-term financial implications as highlighted through the due diligence. It is anticipated that further resources will be required as part of this process. These costs could be significant covering workstreams such as:
- External/independent legal advice (to consider contractual matters)
 - External/independent HR (Human Resources) advice (to consider employment matters and TUPE)
 - Detailed LGPS modelling undertaken in conjunction with Gloucestershire County Council and the pension fund actuary, Hymans Robertson

Transition period

- 6.8** The estimated cost over the duration of the transition period for option ii is £236k which is shared between the partner councils. On that basis, Cotswold District Council's share would be £78k over the 18-month transition period.
- 2023/24: £22k
 - 2024/25: £56k
- 6.9** For costs incurred during 2023/24 it is proposed that this is funded from the Council Priorities Fund in line with the position set out in the Budget Strategy and MTFS (Medium Term Financial Strategies) Update report being considered by Cabinet at their meeting on 02 November 2023 (paragraph 5.34).
- The recommended approach funding additional transition costs would be to set aside adequate funding in the Savings and Transformation Reserve. A review of the Council's Balances and Reserves is being undertaken by the Council's Section 151 Officer as part of the 2024/25 budget setting process and will be included in the 2024/25 Revenue Budget, Capital Programme, and Medium-Term Financial Strategy report to be considered by Cabinet and Council in February 2024.



6.10 For the purposes of this report it would be prudent to notionally set aside £0.200m in the Savings and Transformation reserve (transferred from the Council Priorities Fund) to recognise the commitments outlined above.

Monitoring and reporting

6.11 It is important that members are kept apprised on the outcomes from the due diligence and the financial implications throughout the transition period. The estimated cost outlined in the report of £236k (CDC (Cotswold District Council) £78k) only covers the project management costs associated with the programme of returning services to partner councils. As set out earlier in the financial implications, there will be significant additional costs associated from the due diligence work and there will be costs arising from implementing change.

6.12 Whilst the Human Engine report and this covering report set out some of the potential opportunities that will mitigate some of these costs, these have not been developed in full and are therefore subject to variation. Members should be cognisant of the risk that

- timing of additional expenditure and availability of resources may not align
- additional one-off costs associated with change may increase pressure on the Council's revenue budget requiring savings to be identified and delivered from other Council services
- cost mitigation actions may not be delivered in full or on time
- impact of redundancy and recruitment costs if staff do not wish to TUPE across

6.13 Although there will be further reports to Cabinet and Council throughout the transition period, it is recommended that the quarterly financial performance reports to Cabinet include timely and relevant financial updates.

7. LEGAL IMPLICATIONS

7.1 Prima Facie, the Legal Implications of transferring services back to the Council, fall into three principal areas:

- Contractual Obligations
- Governance and vires issues
- Employment law

All are complex and require further detailed specialist advice, as did the establishment of Publica and its relationship with its creator councils six years ago. However, the following issues are immediately apparent.

7.2 Contractual arrangements

The Human Engine Report briefly refers to the contractual implications of its proposal. The contractual relationship between the Council and Publica Group Ltd is in fact the subject of various legal agreements including:

- A members' agreement dated 25 May 2017 between CDC, FoDDC (Forest of Dean District Council) and WODC (West Oxford District Council)
- An admission Agreement in relation to the Gloucestershire County Council Local Government Pension Scheme dated 14 November 2017
- A Revolving Credit Facility Agreement between CDC and Publica Group Ltd dated 31 October 2017
- A Services Agreement dated 31 October 2017

Clauses 37 of the Services Agreement provides:

“Without prejudice to the Council’s rights of early termination under this Agreement, or otherwise at law or equity, the Company hereby irrevocably grants to the Council a break option in respect of all or any part of its services which may be exercised by the Council by giving not less than 12 months’ prior written notice expiring on 31 March in the following Contract Year.”

This is the basis upon which services might be taken back in-house within an existing contractual term. In addition, the Council might decide against extending the contract beyond the original expiry dates or the expiry date of any extension. The Human Engine Report correctly identifies that the 7-year term for provision of General Services expires in October 2024.

The consequences of termination under Clause 37 are set out in Clause 38 and include obligations to (inter alia) agree an exit strategy, agree the disaggregation and division of assets, and deliver data.

As well as cessation of existing contractual arrangements, the report’s recommendations appear to envisage the creation of new ones to provide for shared working arrangements are proposed and ongoing provision of limited services by Publica.

7.3 Governance

The Council will need to evaluate its existing non-executive scheme of delegation and satisfy itself that it either employs or has available to it (for example through shared services) the



officers empowered to discharge delegated powers. In some areas (for example, Environmental and Regulatory functions) one officer currently holds delegated powers for all three councils.

7.4 Employment Law

The process of bringing services back in-house is highly likely to amount to a service provision change under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”) which will trigger obligations to transferring staff and careful consideration of how best to apportion liabilities between the transferring employer (Publica) and the new employer (the Council).

8. RISK ASSESSMENT

- 8.1** The options appraisal undertaken by Human Engine sets out a recommendation to return the majority of services back to the Council. It also sets out the benefits and risks associated with doing so. The financial and legal implications in this covering report refer to the need for the Council to undertake appropriate due diligence, particularly in relation to the costs associated with pension liability, to ensure it is fully informed. The covering report also refers to the need for a detailed transition plan to support the return of services to the Council should members be minded to approve the recommendation to do so. This plan will ensure the Council has the information required to successfully manage the transition of the services identified in the Human Engine report. Clarity around the transition plan will also help to minimise risks associated with staff feeling unsettled and unsure of their future, which in turn should minimise risks around day to day service delivery.

9. EQUALITIES IMPACT

- 9.1** Under equality legislation, the Council has a legal duty to pay ‘due regard’ to the need to eliminate discrimination and promote equality in relation to:
- Race
 - Disability
 - Gender, including gender reassignment
 - Age
 - Sexual Orientation
 - Pregnancy and maternity
 - Religion or belief

When considering this recommendation, no barriers or impact on any of the above groups has been identified.

10. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

10.1 This recommendation has no climate change implications.

11. BACKGROUND PAPERS

- Annex A Peer Review report and recommendations
- Annex B Human Engine report and recommendations

(END)

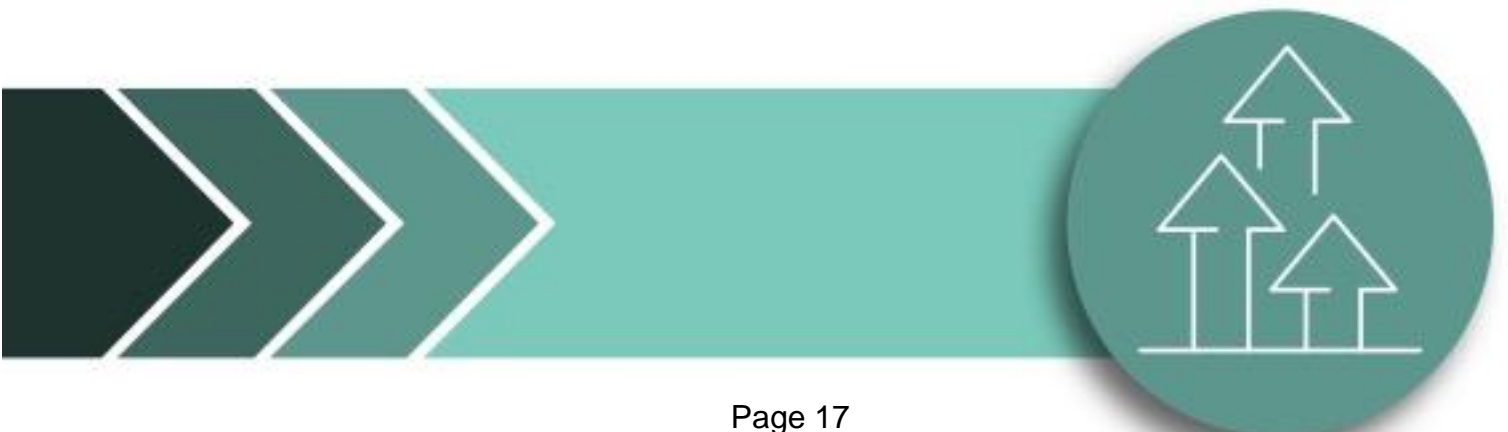
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LGA Corporate Peer Challenge

Cotswold District Council

Tuesday 11th to Thursday 13th October 2022

Feedback report





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1. Executive summary

External partners reflected having seen a fundamental shift in the council over the last three years. It has become an organisation, and with a leadership, that is ambitious and outward looking. The drive, energy and passion of the Administration and Chief Executive are clear to see.

The Cabinet is highly regarded both internally and externally and strong leadership is being demonstrated on the agendas that form the council's priorities. What the Administration stands for and is seeking to achieve is very clear. There is tremendous pride on the part of the Administration and officers in relation to what has been achieved in the period since 2019 and the agenda going forward is both exciting and compelling.

The Leader, Cabinet Members and the Chief Executive are visible and proactive with partners across a range of geographies. Partners highlighted the efforts being made by the council in the last few years and months to establish or reinforce key relationships. It is important to highlight, though, that the experiences of some local authority partners when they are engaged with the senior political leadership of the council can be mixed, with a need for the council to refine and adapt the approach sometimes going forward.

Since 2019, a number of changes to the council's Constitution have been agreed by elected members. Councillors recently requested that a comprehensive review be undertaken in light of it becoming apparent that no single overview has been maintained of how the Constitution should now read. There are additional aspects to the approach to governance which, whilst more mundane, can, when aggregated, easily escalate into undermining trust and confidence amongst stakeholders internally and externally. These different elements combined has led to the peer team's recommendation around the council reassuring itself that its governance arrangements are robust.

There are different views around the effectiveness of Overview and Scrutiny in the council. People reflected that the Chair is driven and keen to see the fulfilment of the valuable role that this important governance function can provide. Another key part

of the jigsaw is also already in place, with the Leader and Cabinet being very clear that they wish to be held to account more by Overview and Scrutiny. There is a strong sense of members of the Overview and Scrutiny Committee valuing it currently as a mechanism for being kept informed of key developments across the district. The fundamental consideration in relation to Overview and Scrutiny is determining, as a council, what it is there to do.

There is an absence of training and development provision for elected members which needs to be addressed. The council needs to ensure that an effective and timely induction programme is prepared for implementation following the elections in May next year. This should be supplemented with a rolling programme of elected member training and development covering all of the key elements of councillors' roles and weaving in regular all member briefings on key issues.

The Medium-Term Financial Strategy from February outlined a budget gap over the period up to and including 2025/26 of £8.9m – with just under £4m of this relating to the financial year starting in April next year. However, in the period since February, the council is confident that the gap for next year has reduced significantly. Ensuring an accurate understanding is maintained of the financial situation facing the council, through the guidance of the new permanent Section 151 Officer, will be crucial.

Cabinet has been demonstrating leadership around the financial challenge that exists for the council – reflected in the development of the Recovery Investment Strategy (RIS) produced in September 2020 and updated in July this year. This is designed as a framework within which the council can operate to deliver on its priorities whilst simultaneously closing the budget gap without having to look at cuts to services. Thinking around the refreshed RIS has developed since July in response to the fluid context the council is operating in. Given the state of flux being experienced, we recommend that the council takes stock again now of the strategy and what it can deliver.

Cabinet needs to continue to demonstrate the required leadership and collective responsibility for addressing the financial challenge. Proposals for addressing the financial gap are currently being developed and these will enter the public domain over the coming months. Cabinet and the managerial leadership need to ensure that

all necessary due diligence around the proposals is undertaken and that they are realisable and that a strong financial grip overall is applied.

In 2017 Cotswold District Council, West Oxfordshire District Council, Forest of Dean District Council and Cheltenham Borough Council became equal shareholders in a newly created company, known as 'Publica', delivering council services. The majority of the staff that had previously worked for one or other of the partner councils transferred into the employment of the new company.

It is clear that there are contrasting perspectives in the council and Publica regarding how effectively things are working in the partnership. There is much that Publica is delivering, including increased resilience in certain services and functions; fulfilment of the agreed financial objectives; and savings that go beyond the financial targets set out for Publica when the company was established. However, the contrasting perspectives remain and there is a fundamental set of considerations that need to be explored. Either clarity for now, or planning for the future, is required around these if the partnership is to be felt to be successful on all levels and, crucially, to be helping to drive the council's priorities. They include the continued appropriateness of some functions remaining with Publica; where direction is set from, clarity of roles and where accountability sits; whose 'people' officers within Publica are; and how performance and value for money are understood and managed.

It was clear from our discussions with staff at various levels of both organisations that capacity pressures are increasingly being felt and are impacting on both the delivery of council priorities and the well-being of staff. Ensuring the clear political objectives of the Administration are translated into manageable deliverables is a key managerial responsibility that sits across both the council and Publica.

Whilst Publica acts as the 'Chief of Staff', their employees are also "the council's people". It is in both organisations' interests to look after people's physical and mental well-being. Staff that we spoke to reflected concerns about the way they are treated by some senior leaders within the council and Publica. It is important for there to be a focus on organisational culture and behaviours and the well-being of staff and it is vital to ensure that people feel valued and respected and able to cope. What we gleaned from our discussions with staff regarding levels of stress, low morale and well-being should represent a major concern for the leadership of both

organisations.

Whilst the vast majority of officers delivering for the council in the Cotswolds are employed by Publica, there is also work to be done by the council in enabling the small core group of staff it has retained to have a greater sense of identity and belonging and feel better informed and engaged.

There needs to be more direct dialogue between the senior leadership of the two organisations in order to address issues. Steps have been made in this regard since the Cotswold District Council Chief Executive arrived in January 2021. This is positive but the sense is that there is a long way to go still in enabling the necessary dialogue to take place. Making sure it happens is fundamental to mutual success.

2. Key recommendations

There are a number of observations and suggestions within the main section of the report. The following are the peer team's key recommendations to the council:

- The council needs to reassure itself that its governance arrangements are robust
- Refine and adapt the leadership approach in engaging local authority partners in order to ensure shared objectives can be achieved
- Determine what Overview and Scrutiny is there to do and provide the appropriate support to it
- Establish a training and development programme for elected members and ensure good induction arrangements are in place for after the election
- Cabinet continue to be cognisant of the financial challenge that exists and demonstrate the required leadership and collective responsibility for addressing it
- Take stock of the Recovery Investment Strategy and what it can deliver
- Ensure all necessary due diligence is undertaken in relation to the budget proposals and that the proposals are realisable

- Address the concerns of staff about the way they are treated by some senior leaders within the council and the Publica organisation
- Undertake more direct dialogue between the senior leadership of the council and Publica in order to address the following issues:
 - The continued appropriateness of some functions remaining with Publica
 - Where direction is set from, clarity of roles and where accountability sits
 - How increased strategic capacity is provided to support the council
 - Translating the political objectives into manageable deliverables
 - Developing a focus on organisational culture and behaviours and staff well-being

3. Summary of the peer challenge approach

3.1. The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected on the basis of their relevant expertise. The peers were:

- John Robinson, Chief Executive, Newark and Sherwood District Council
- Councillor Alan Connett, Leader, Teignbridge District Council
- Sarah Pennelli, Strategic Director and S151 Officer, Blaby District Council
- Deborah Poole, Head of Business Transformation and Organisational Development, Redditch Borough Council and Bromsgrove District Council
- Bev Thomas, Relationship and Commissioning Manager, Harlow District Council
- Chris Bowron, Peer Challenge Manager, LGA

3.2. Scope and focus

The peer team considered the following five themes which form the core components

of all corporate peer challenges. These areas are critical to councils' performance and improvement.

1. **Local priorities and outcomes** – Are the council's priorities clear and informed by the local context? Is the council delivering effectively on its priorities?
2. **Organisational and place leadership** – Does the council provide effective local leadership? Are there good relationships with partner organisations and local communities?
3. **Governance and culture** – Are there clear and robust governance arrangements? Is there a culture of challenge and scrutiny?
4. **Financial planning and management** – Does the council have a grip on its current financial position? Does the council have a strategy and a plan to address its financial challenges?
5. **Capacity for improvement** – Is the organisation able to support delivery of local priorities? Does the council have the capacity to improve?

In exploring the above, the council asked us also to consider:

- How well equipped is the council to respond to the challenges and opportunities that are facing local government now and into the future?
- How well does the council ensure it delivers its ambitions and priorities through its existing partnership arrangement with Publica?

3.3. The peer challenge process

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by

people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information in order to ensure that they were familiar with the council and the challenges it is facing. The team then spent three days onsite, during which they:

- Gathered information and views from more than 25 meetings, in addition to further research and reading
- Spoke to more than 100 people including a range of council staff, elected members and external stakeholders

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

4. Feedback

4.1. Local priorities and outcomes

The peer team met a wide range of external partners during the corporate peer challenge, at both the local and regional level. They reflected having seen a fundamental shift in the council over the last three years. It has become an organisation, and with a leadership, that is ambitious and outward looking. The drive, energy and passion of the Administration and Chief Executive are clear to see.

The council generally, and the Cabinet specifically, reflect a good knowledge and understanding of the place that the organisation serves. This includes median house prices being more than 13 times gross median earnings (which is the highest in the county); the district having double the national average of people working from home; the existence of pockets of deprivation within what is a relatively prosperous district; challenges for those residents reliant on public transport when it comes to accessing services, amenities, training and education; and 80% of the district being within an Area of Outstanding Natural Beauty (AONB).

The ambition, drive and knowledge and understanding of place are translated into

the Corporate Plan 2020 to 2024 – updated in the spring of this year – and reflected in the priorities and principles that are the focus of the organisation:

Council Priorities

- Deliver the highest standards of services
- Respond to the climate crisis
- Provide socially rented homes
- Make the Local Plan ‘Green to the Core’
- Support health and well-being
- Enable a vibrant economy

Principles

- Rebuilding trust and confidence in the council
- Providing value for money for residents and businesses
- Listening to the needs of the community and acting on what is heard

What the Administration stands for and is seeking to achieve is very clear and this is crystallised further by the political leadership who consistently cite ‘affordable housing, the climate agenda and the economy’ as the primary drivers. The agenda going forward is both exciting and compelling and there is tremendous pride on the part of the Administration and officers in relation to what has been achieved in the period since 2019, with the following providing just a flavour of this:

- Led the response in the Cotswolds to the pandemic, including the creation of the ‘Help Hub’ to support over 700 residents, particularly the elderly and the vulnerable, and the disbursement of £73m of Local Business Grant from government
- Driven forward affordable housing provision focused on social rented accommodation – with 2020/21 seeing 114 affordable houses built, thus exceeding the council’s target of 100, and a range of other initiatives with both the private sector and social landlords to boost further the provision of social, affordable and low-carbon housing over the coming months and years

- Rolled out a new waste and recycling service during the pandemic with the council's partner Ubico, with 144,000 containers now being emptied every week
- Established the Green Economic Growth Strategy and Cotswold Economic Advisory Group
- Commissioned a Framework Master Plan for Cirencester town centre
- Established 'Cotswold New Start' to support young people not in education, employment or training
- Drawn in funding to provide accessible toilet facilities for people with severe disabilities
- Established the 'Crowdfund Cotswolds' grants funding platform as a way to help communities raise money for local projects, generating over £400,000 funding thus far in support of more than 20 community-led initiatives. The approach won the 'Community Involvement Award' at this year's Local Government Chronicle Awards.
- Developed an innovative tourism charge scheme to benefit local communities, involving an extra 50p levy on car parking in Bourton-on-the-Water which is mainly used by visitors to this popular village. In 2021/22 this generated an additional £60,000 which has been used to fund a Village Warden, extra waste bins, parking control bollards and an accessibility audit looking at how the needs of disabled residents and visitors can be better met.
- Created the Green Investment Bond scheme – the first in Gloucestershire and only the fifth such scheme nationally – generating over £500,000
- Established the 'Clean and Green Cotswolds' environmental initiative
- Drawn in funding to enhance energy efficiency and reduce carbon in key council facilities including leisure centres

- Secured enhanced electric vehicle charging point provision, with more to be rolled out in the coming months
- Designed the Carbon Net Zero Toolkit with Forest of Dean and West Oxfordshire District Councils, as two of the key partners in the Publica arrangement, plus technical expert partner organisations – designed to show builders, architects, developers and homeowners how to make new build or retrofit projects ‘green to the core’. The toolkit has been made openly available as a resource for private and public sector organisations to adopt, in order to help others reach net zero and to speed up the UK’s collective response to the climate emergency.
- Exemplar areas of work ‘on the ground’, cited by partners, including around the climate agenda and through the Community Team which have impacted positively in areas such as health and well-being, frailty and social isolation – delivered in conjunction with partners including the voluntary and community sector

In service delivery terms, the council’s performance can be seen to be mixed when compared to councils serving similar areas. The following reflects performance information drawn from the LG Inform system that the Local Government Association hosts for the sector. The data is the latest available, which is from either 2020/21 or 2021/22 depending on the measure, and the comparator group (‘nearest neighbours’) are the fifteen other district or borough councils nationally that Cotswold District Council is deemed by the Chartered Institute of Public Finance and Accountancy (CIPFA) to be most similar to.

Areas where the council can be seen to be performing well are:

- The amount of residual waste per household – with it being the third best performing (2020/21)
- The percentage of household waste sent for reuse, recycling or composting – with it being the second best performing (2020/21)

Areas that the council needs to be mindful of include:

- The percentage of council tax not collected – with it being the second highest behind West Oxfordshire (2021/22)
- The percentage of non-domestic rates not collected – with it again being the second highest behind West Oxfordshire (2021/22)
- The percentage of vacant dwellings in the area (2020/21)
- The percentage of Planning applications (major and ‘other’) decided in time (2021/22)

On most other performance measures recorded within the LG Inform system, Cotswold District Council appears around the middle within its ‘nearest neighbours’ group – including the time taken to process housing benefit new claims and change events (2021/22); the percentage of Planning applications (minor) decided in time (2021/22); and the number of households living in temporary accommodation (2021/22).

The following is a link to the LG Inform system - [Home | LG Inform \(local.gov.uk\)](https://www.local.gov.uk)

4.2. Organisational and place leadership

The Leader, Cabinet Members and the Chief Executive are visible and proactive with partners across a range of geographies, whether that be locally within the Cotswolds; across Gloucestershire; or on a wider regional footprint. The proactive element here is of particular note, with partners highlighting the efforts being made by the council in the last few years and months to establish or reinforce key relationships.

The Cabinet is highly regarded both internally and externally and seen to be of a high calibre and to be leading the place. Strong leadership is being demonstrated on the agendas that form the council’s priorities, reflected in the types of innovative examples already cited such as the work with partners to boost the level of affordable, social and low-carbon housing; the development of the Carbon Net Zero Toolkit; and the Green Investment Bond scheme.

Another area where leadership has been shown is the commissioning, with partners including the Town Council, of a Framework Master Plan for Cirencester town centre.

The creation of the 'Green Economic Growth Strategy' for the Cotswolds and the establishment of the Cotswold Economic Advisory Group are both good examples of strong place-based leadership, spearheaded at Cabinet level. The Economic Advisory Group draws together representatives from partners at different spatial levels, including the local Chamber of Commerce; Cirencester College; the Gloucestershire First LEP; and the Federation of Small Businesses with its reach across the West Midlands. Cabinet has also been showing leadership around, and demonstrating that it is cognisant of, the financial challenge that exists for the council. This is reflected in the development of the Recovery Investment Strategy (RIS) produced in September 2020 and updated in July this year. This is designed as a framework within which the council can operate to deliver on its priorities whilst simultaneously closing the budget gap without having to look at cuts to services.

It is important to highlight that the experiences of some local authority partners when they are engaged with the senior political leadership of the council can be mixed. Moving forward, it will be important for the leadership in Cotswold to refine and adapt the approach, according to the circumstances and context, in order to ensure shared objectives with local authority partners can be achieved.

The council's approach to external communications is seen to have improved significantly and to be engaging people across the district much more effectively now. Digital communications are playing a key role here, with social media channels reaching nearly 30,000 residents and businesses and more than 4,000 people having signed-up to receive the recently launched 'Cotswold Round-Up' E-newsletter. Digital consultation is also being undertaken, with it having been used in relation to the budget and the Local Plan, and all council meetings are now being livestreamed to make them more accessible.

Progress has also been made in 're-asserting' a council brand in a context of the Publica partnership, with examples including frontline staff returning to having council e-mail addresses and identity badges and the council logo re-appearing on adverts, letterheads and correspondence generally. There is still a way to go, though, in ensuring the public are clear that it is the council that is engaging and contacting them even where it is being undertaken by the Publica organisation.

By way of context, in November 2017 Cotswold District Council, West Oxfordshire District Council, Forest of Dean District Council and Cheltenham Borough Council became equal shareholders in a newly created Teckal company, known as 'Publica', delivering council services. The majority of the staff that had previously worked for one or other of the partner councils transferred into the employment of the new company, which now has around 650 employees. Cotswold, Forest of Dean and West Oxfordshire buy into all the services available from Publica whilst Cheltenham have opted only to receive support around HR, ICT and some financial services. Publica also provides HR and ICT services for Cheltenham Borough Homes, Cheltenham Leisure Trust and Ubico, which is the waste and environmental services Teckal company owned by the seven district/borough and county councils in Gloucestershire.

'Organisational leadership' is complex in this context – with the overwhelming majority of "the council's people" sitting in another organisation. This key corporate peer challenge theme feels inextricably linked to that of 'Capacity for improvement' and we have therefore opted to consider them together later in that section of the report.

Whilst the vast majority of officers delivering for the council in the Cotswolds are employed by Publica, it was important that we met a cross-section of those who are in the direct employment of the council. It was clear from those discussions that there is work to be done by the council in relation to this small core group of staff. The shift of so many colleagues to Publica, and the very strong brand and identity that was created in the early years of that partnership, means that some of those who have remained are seeking a greater sense of identity and belonging as part of the council. They also wish to feel better informed and engaged, which we would anticipate being relatively straightforward given the small number of people involved – although recognising that 'hybrid working' throws up some new challenges around this that will need to be overcome. As a simple example, the staff we met highlighted to us that they hadn't received any communications about the corporate peer challenge happening, beyond their being invited to participate in the focus group activity.

4.3. Governance and culture

The week prior to the corporate peer challenge, on Wednesday 5th October, an Extraordinary Council meeting was held dedicated to the Constitution of the Council. Since 2019, a number of changes to the Constitution have been agreed by elected members. Those councillors forming the Constitution Working Group recently requested that a comprehensive review be undertaken in light of it becoming apparent that no single overview has been maintained of how the Constitution should now read. Essentially the purpose of the meeting was to “authorise the Monitoring Officer to publish a final clean version of the Constitution”, ensuring that all revisions agreed since May 2019 have been incorporated.

This is one example of why the peer team are recommending that the council seeks to reassure itself that its governance arrangements are robust. During the course of our time in the Cotswolds we heard of issues around committee papers being published late; such papers being sent to members of the wrong committee or forum; and a lack of precision in reports, with the incorrect ‘Accountable member(s)’ or ‘Wards affected’ being shown. Aspects of what we are reflecting here may, in isolation, be seen as relatively mundane. However, when aggregated and seen repeatedly, which appears to be the case, at the very least the council’s reputation is negatively impacted upon. This can easily escalate into undermining trust and confidence on the part of elected members, the public and other stakeholders and start to prompt questions about the council’s attitude towards good governance, democracy and matters of openness and transparency. Given the scale of the types of decisions that are facing the council in the current financial context and the levels of complexity it is managing in the agendas it is facing, it is vital that all key stakeholders internally and externally have maximum confidence in the governance of the authority – hence the peer team’s recommendation around the council reassuring itself that its governance arrangements are robust.

There are a number of elected member working groups and forums in place which provide cross-party involvement. One of these is the Capital Programme Investment Board and this provides, through the challenge that is brought to bear there, an excellent example of the way in which the council can capitalise upon experience and knowledge across the wider elected membership. Other examples of cross-party engagement are the Constitution Working Group already highlighted and a joint working group with officers undertaking a review of Planning.

There are different views around the effectiveness of Overview and Scrutiny in the council. The Constitutional change that has been made which sees the Opposition chairing the Overview and Scrutiny Committee is a mature one that provides a good foundation. People reflected that the Chair is driven and keen to see the fulfilment of the valuable role that this important governance function can provide. Another key part of the jigsaw is also already in place, with the Leader and Cabinet being very clear that they wish to be held to account more by Overview and Scrutiny. They recognise this as a key element of leadership and ensuring the council is seen to be open, transparent and driving delivery and improvement. The fundamental consideration in relation to Overview and Scrutiny is determining, as a council, what it is there to do.

Based on our discussions and a look back at some agendas of previous meetings, there is a strong sense of members of the Overview and Scrutiny Committee valuing it at this point in time as a mechanism for being kept informed of key developments across the district – with most agenda items being badged as an ‘update’ for councillors. Looking at alternative ways of facilitating this information sharing and extending it to the wider elected membership, which currently is not accustomed to the concept of ‘all member briefings’, would seem appropriate. This would enable the efforts and focus of the Overview and Scrutiny Committee to be applied to both holding the Executive to account more and contributing to policy development. Whatever approach is applied going forward, it needs to be supported appropriately, with there currently being no designated lead officer for overview and scrutiny designated in the council and little in the way of guidance and support for the Chair.

There is an absence of training and development provision for elected members which needs to be addressed. When asked about this area, both councillors and officers highlighted that an induction programme was delivered following the 2019 elections. However, that is the extent of what people could indicate as being in place, although we know there has been input provided by the Local Government Association around overview and scrutiny training and development at certain points.

The 2019 induction is seen to have been late in taking effect. Councillors also felt it was limited in both scope and the extent of the insights provided, which came from an officer perspective. In the short term, the council needs to ensure that an effective and timely induction programme is prepared for implementation following the

elections in May next year. This should be supplemented with a rolling programme of elected member training and development covering all of the key elements of councillors' roles and weaving in regular all member briefings that fulfil the role that overview and scrutiny is currently partly fulfilling.

Some of the staff that we spoke to reflected concerns about the way they are treated by some senior leaders within the council and Publica. They spoke of an environment in which mistakes are focused upon in a way which feels neither proportionate nor constructive whilst, on the other hand, they felt there is seldom thanks for people's hard work and effort or recognition of the things that go well. There were some instances cited of staff being addressed very directly by elected members and staff talked of feeling anxious and stressed sometimes when being contacted by Publica's senior leadership. These experiences speak of a culture that needs to be addressed across the two organisations. The senior leadership of both the council and Publica need to reflect on the best ways to care for and motivate people. First and foremost, ensuring their well-being is the right thing to do. Secondly, in a context of councils finding themselves increasingly operating on the goodwill of their staff, and with the capacity pressures already being experienced, they cannot risk the debilitating effect of the council's people potentially experiencing the leadership of the two organisations negatively.

4.4. Financial planning and management

The council has a current net revenue budget this year of £12.5m. The Medium-Term Financial Strategy (MTFS) from February outlined a budget gap over the period up to and including 2025/26 of £8.9m – with just under £4m of this relating to the financial year starting in April next year. However, in the period since February, and despite pressures emerging through the global and national context, including cost inflation; demand on services; a lack of clarity around central government funding; and uncertainty around being able to maintain or increase income, the council is confident that the gap for next year has reduced significantly. Ensuring an accurate understanding is maintained of the financial situation facing the council, through the guidance of the new permanent Section 151 Officer, will be crucial.

The opening General Fund balance this financial year of £2.5m represents around 20 per cent of the council's net budget. The current budget was set to increase this balance to around £4m by the end of 2022/23 but this is under review given the context referred to above. Usable reserves total around £25m, which is seen to be a reasonable level, and work is taking place with elected members to review earmarked reserves to potentially provide increased scope. The council is debt free.

The council has consistently achieved a clean audit opinion on its accounts from the External Auditors. The council's budget monitoring process sees a quarterly report presented to both the Overview and Scrutiny Committee and Cabinet, with any variances over £10,000 highlighted along with the mitigating actions being undertaken.

Whilst a refreshed Recovery Investment Strategy was agreed in July this year, the thinking around it has developed since in response to the fluid context the council is operating in. As an example, we understand that the proposed 'Climate Change and Green Energy Investments' relating to solar provision, which were to be funded through borrowing, are now being reconsidered. Given the state of flux being experienced, and whilst recognising that the context means establishing certainty is difficult, we recommend that the council takes stock again now of the strategy and what it can deliver.

Cabinet needs to continue both to be cognisant of the financial challenge that exists and to demonstrate the required leadership and collective responsibility for addressing it. Obviously, proposals for addressing the financial gap are currently being developed and these will enter the public domain and be considered by the wider elected membership over the coming months, ahead of budget-setting in February. Cabinet and the managerial leadership need to ensure that all necessary due diligence around the proposals is undertaken and that they are realisable and that a strong financial grip overall is applied.

4.5. Capacity for improvement

As we outlined earlier in this report under 'Organisational leadership', aspects of that theme and the one of 'Capacity for improvement' feel inextricably linked in a context

of the overwhelming majority of officers sitting in another organisation. To contextualise this, well over 90% of officers linked to Cotswold sit within the Publica organisation.

Whilst, looking purely contractually, most officers in Cotswold are employees of Publica, they are also “the council’s people” – reflected in the way the political and managerial leadership of the council speak; the nature of what they are delivering – namely council services and functions; and the emotional bond with the organisation that exists for many, particularly those previously employed by the council.

It is clear that there are contrasting perspectives in the council and Publica regarding how effectively things are working in the partnership. The bottom line is that it is in everybody’s interests to ensure that the partnership works, in a context of the contract running until 2027.

Benefits being delivered through the Publica arrangement include increased resilience in certain services and functions as a result of having the staffing complement for at least three councils to call upon and deploy relatively flexibly; instances of the exchange of learning and cross-fertilisation of ideas across the partner organisations; and fulfilment of the agreed financial objectives.

The shared cyber security function provided by Publica for the four councils in the partnership is a good example of where economies of scale and resilience have been provided – with the existence of a specialist team that would most likely be beyond the resources of one of the partner councils acting alone.

Between April 2019 and March 2022, Publica delivered recurring annual core contract savings of £702,000 in respect of the Cotswold District Council contract which has a net annual value of £9.2m – representing savings of around eight per cent per annum. There have also been savings realised that go beyond the targets set out for Publica when the company was established. This includes £475,000 of one-off savings in the form of underspends, which have been returned to the council to reinvest. Other examples are Publica having enabled the council to secure accommodation savings through the letting of office space; a negotiated reduction in licensing costs for Revenues and Benefits software; and supporting the automation and rationalisation of green waste licensing – assisting the council to generate in

excess of £400,000 of additional income.

Publica as an organisation has recently received Investors In People accreditation. It has also established a learning and development programme for managers delivered through Oxford Brookes University. Officers directly employed by the council have been given the opportunity to engage in this programme too, alongside Publica colleagues.

Thus, there is much that Publica is delivering. However, the contrasting perspectives on how effectively things are working in the partnership remain and there is a fundamental set of considerations that need to be explored. Either clarity for now, or planning for the future, is required around these if the partnership is to be felt to be successful on all levels and, crucially, to be helping to drive the council's priorities:

- The continued appropriateness of some functions remaining with Publica
- Where direction is set from, clarity of roles and where accountability sits
- Whose 'people' officers within Publica are
- How performance in service delivery and organisational effectiveness is understood and managed
- How value for money is understood and demonstrated

Whilst Publica describes itself as 'Chief of Staff' when it comes to the employees working to support Cotswold, there is inevitably engagement between those staff and Cabinet members, ward councillors, the Chief Executive and other senior figures in the council. Equally inevitably, such engagement generates elements of direction-setting for those staff. At the same time, staff will be being directed by Publica's managerial leadership and a proportion of officers also have the demands of other partner council/s to consider. The different considerations, drivers, priorities and timescales of the different organisations will inevitably not always be aligned – sometimes leaving staff wondering where to take their direction from, what and how to prioritise and whose 'people' they are.

The peer team also heard of challenges and complexity in the processes across the two organisations to determine whether and how resource can be redeployed as priorities shift. One example was the liaison over who would be able to take a lead on developing the council's Corporate Plan produced earlier this year – with this being a priority for the council but Publica having the responsibility for identifying and deploying the resource. Another example relates to the project management support required to help drive the council priorities around climate change and the economy – with the council ultimately needing to provide further investment to Publica in order to secure the necessary capacity. A further example is that which we cited earlier of committee papers being published late; such papers being sent to members of the wrong committee or forum; and a lack of precision in reports. Responsibility for the production of committee papers sits with Democratic Services, within Publica, but clearly the issues are played out in 'the shop window' of the local authority and the reputational damage accrues to Cotswold District Council.

Aspects of what we have outlined here suggest the need for conversations between the council and its partner around the continued appropriateness of some functions remaining with Publica, such as strategic financial advice, Democratic Services and those that relate directly to the council's community leadership role such as strategic housing and Planning policy.

Another dimension and question here is whether and how 'internal' communication should take place directly between the council's senior political and managerial leadership and Publica staff. Staff we met conveyed a desire to hear at key junctures from the council's Leader and Chief Executive through the equivalent of what would be staff forums or Facebook Live sessions in many councils. This doesn't seem to take place currently but would be both beneficial and valued – returning us to the question of whose people Publica staff are.

All of the above serves to highlight what we see as a blurring of clarity both around respective roles at the senior levels of Cotswold District Council and Publica and where accountability sits. This needs to be addressed if delivery of the council's priorities is to be driven to best effect.

When asking how performance around service delivery is overseen by the council,

people generally pointed to the 'Financial, Council Priority and Service Performance Report' considered quarterly at both Cabinet and Overview and Scrutiny Committee. This report features an extensive narrative around key achievements, service delivery, project delivery and progress against council priorities; data relating to performance metrics; and a financial overview.

One of the council's priorities is 'Delivering the highest standards of service'. This raised for us a question as to how those standards are determined and delivery against them is assessed. Based on the content of the report, the answer would seem primarily to be how the Publica council partners compare with one another and whether delivery is on target – although how targets are determined is unclear. Through the use of LG Inform, and as outlined in section 4.1 of this report, comparative analysis can be undertaken on a broader basis, including with the fifteen other district or borough councils nationally that Cotswold District Council is deemed by the Chartered Institute of Public Finance and Accountancy (CIPFA) to be most similar to. From this, it can be seen that in the last financial year, collection of council tax and national non-domestic rates in Cotswold was the second lowest performing behind West Oxfordshire in that CIPFA group. Another example would be the number of affordable homes delivered in 2020/21 being the sixth lowest in the family group and yet Cotswold's own ambitions were exceeded with 114 delivered against a target of 100.

We highlight the above examples not as a judgement but as a means of prompting consideration within Cotswold around how targets are set and performance is measured and understood – all in a context of the council aspiring to deliver on its priority of the 'highest standards'. It may be that there are aspects of the Cotswold context that mean comparisons with elsewhere have less value. For example, delivering housing growth in a district where 80 per cent of it exists within an Area of Outstanding Natural Beauty clearly brings its challenges. The question is simply whether the council is clear on how targets are set and how effectively performance management is driving delivery of the highest standards. We understand that there is a working group in place, including elected members, looking at the development of a new suite of performance metrics – which would suggest the council is keen to develop a stronger focus in this area.

These matters in relation to how performance in the delivery of council services and

priorities is understood in turn raises a question of how value for money is understood and demonstrated. This is amplified when the subject of 'organisational effectiveness' in Publica is considered. The quarterly performance report to Cabinet and Overview and Scrutiny Committee doesn't cover this element, which raises the question of how the council, and indeed Publica itself, understand key people issues across the organisation. Many councils have been undertaking regular 'temperature checks' during and since the pandemic to keep abreast of how people are, for example, coping in both their professional and personal lives; adapting to changing working arrangements; and feeling about the 'return to the workplace'. Staff turnover; vacancy rates; sickness absence levels and the related causal factors; and the findings from exit interviews are insights and measures that many councils will commonly be measuring and responding to.

As we previously touched on, whilst Publica acts as the 'Chief of Staff', their employees are also "the council's people". It is in both organisations' interests to look after people's physical and mental well-being and there can therefore be a legitimate interest on the part of the council in understanding core aspects of 'organisational effectiveness'.

It was clear from our discussions with staff at various levels of both organisations that capacity pressures are increasingly being felt and are impacting on both the delivery of council priorities and the well-being of staff. There would seem to be a number of issues that need to be considered in order to manage these pressures as effectively as possible and address resulting emerging tensions:

- In terms of an overall context, it is important to highlight that what is being experienced in the Cotswolds, in terms of the increasing, unrelenting and constantly changing demands on the council, is mirrored across all local authorities. Whilst recognising this doesn't in any way help to address the issue or reduce the impact, it is beneficial for people to understand that there are many causal factors outside anybody's control in the Cotswolds and that the experience elsewhere is unlikely to be much different. What the situation highlights is the importance of organisational adaptability, responsiveness and being 'fleet of foot' in order to cope as best as possible – which links back to our point from before around the processes to shape how Publica resources come to be re/deployed.

- In the current climate of unprecedented demands on councils, in terms of both their scale and nature, creativity and proactivity are at a premium. The same applies to strategic capacity to help organisations ‘horizon scan’; navigate emerging challenges and opportunities; and draw in learning. There is a key question around the extent to which these aspects are factored into the partnership both contractually and in terms of the approach within Publica and can therefore be drawn upon to support the work of the council. An obvious example would be the area of strategic financial advice, which is very different in nature to the more traditional and transactional aspects of financial management and support. Another example would be that of ensuring the Planning function operates as ‘an enabler’ to support, to the greatest extent possible, the council’s ambitions around the economy and housing whilst also continuing to protect all that is special about the district.
- We highlighted at the outset of this report that what the Administration in Cotswold stands for and is seeking to achieve is very clear. Ensuring the clear political objectives act as the driver and are translated into manageable deliverables is a key managerial responsibility that sits across both the council and Publica and requires good work programming. Alongside this, and given the scale of the ambitions the Administration holds and the demands that exist upon the people working for the Cotswolds, there is an essential requirement for senior officer liaison with elected members that involves mature dialogue, and probably negotiation too, around what is deliverable and when – with the outcomes from this then needing to be respected by all.
- Progressing casework issues for their residents is obviously a key priority for councillors. The means by which elected members bring these to the attention of officers are many and varied. It is also unclear how the response to them is prioritised and what the timescales for dealing with them are. This links to themes we have already outlined around where direction is set from, where accountability sits and whose ‘people’ officers within Publica are and it is generating ‘heat in the system’. Establishing greater clarity around the avenues that elected members should utilise, how prioritisation takes place and the timescales for responses would be very positive steps.

- Given what we have highlighted elsewhere in this report linked to themes such as capacity, organisational leadership and organisational effectiveness, it is important for there to be a focus on organisational culture and behaviours and the well-being of staff within Publica. It is vital to ensure that people feel valued and respected and able to cope in a context of the demands being faced. What we gleaned from our discussions with staff regarding levels of stress and low morale should represent a major concern for the leadership of both organisations.
- Recruitment and retention challenges are really impacting on organisational capacity. This, again, is not a situation unique to Cotswold and the situation is currently only worsening and being felt in many more services and functions within councils than before. There are no easy or quick answers here but ensuring that Cotswold is as attractive an employment proposition as possible will be beneficial.

There needs to be more direct dialogue between the senior leadership of the two organisations in order to address these issues. Steps have been made in this regard since the Cotswold District Council Chief Executive arrived in January 2021. One of the measures has been the development of a revised structure and membership for the Shareholder Engagement Forum, which acts as the key conduit between the Publica Shareholders (the Leaders of each council) and Publica's managerial leadership. This includes having broadened the forum membership to include the councils' Chief Executives. Another measure has been a re-focussing of the roles of the Publica Executive Directors, in the form of a locality lead being assigned for each of the partner councils, which is seen to have helped to create a more localised and direct link between Publica and the council in question and a better understanding of respective roles and responsibilities. This is positive but the sense is that there is a long way to go still in enabling the necessary dialogue to take place, in the right way, across the two organisations. Making sure it happens is fundamental to future mutual success.

5. Next steps

It is recognised that the council's senior political and managerial leadership will want to consider, discuss and reflect on these findings.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The corporate peer challenge process includes a 'progress review' session around six months on from the initial activity, with this providing the opportunity for the council's senior leadership to update the peers on its progress against the related improvement planning. In a context of local elections being held in the Cotswolds in May next year we will liaise closely with you to ensure the progress review is scheduled for an appropriate point in time.

In the meantime, Paul Clarke, Principal Adviser for the region within which the council sits, is the main contact between your authority and the Local Government Association. Paul is available to discuss any further support the council requires – paul.clarke@local.gov.uk

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Strategic Review of Publica Services

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1. Context and Background

- 1.1. Publica, a not-for-profit Teckal company was established in 2017. The company delivers the majority of public services on behalf of Cotswold District Council (CDC), Forest of Dean Council (FoDC) and West Oxfordshire District Council (WODC) and delivers some services on behalf of Cheltenham Borough Council (CBC). The company is owned by the four councils listed above as equal shareholders.
- 1.2. Since Publica was formed the context for the shareholder authorities has changed at both Member level with changes in political control and officer level with all of the shareholder councils now having reinstated Chief Executive positions.
- 1.3. A recent LGA peer review at CDC recommended that the council review the future delivery options for some services (including whether they should remain with Publica) and revisit the relationship between the council and Publica, particularly around effective commissioner/provider roles. CDC has accepted the recommendations of the peer review and incorporated these into an action plan which has been agreed by Full Council.
- 1.4. Off the back of the LGA peer review, the councils commissioned a more detailed review that considers the future of a number of specific services; Democratic Services, Elections, Planning, Strategic Finance, Commissioning and Procurement.
- 1.5. The review has set out to add depth to the lines of enquiry opened by the LGA peer review and provide an options appraisal for the future of service delivery.

2. Review Methodology

2.1 Engagement throughout the review was thorough, with stakeholders from across each council and Publica engaged as part of the process. This included:

- i. Council chief executives
- ii. Retained officer teams at all four councils
- iii. Political leadership, including 1:1s with each council Leader
- iv. Publica leadership, including Managing Director, Finance Director and Board Chair
- v. Assistant Directors and Business Managers for services considered in scope

2.2 In addition to stakeholder engagement the review undertook analysis of service data provided by Publica and councils.

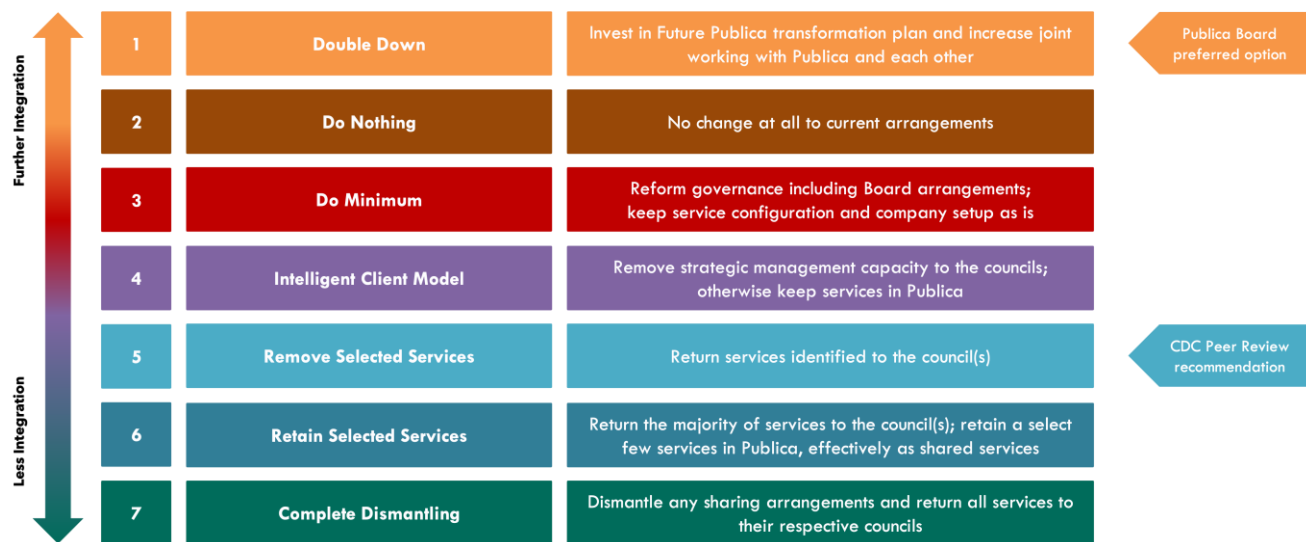
3. Summary of Findings

- 3.1 Findings from stakeholder engagement provided some areas of agreement and disparity of thought in others.
- 3.2 Stakeholders within Publica and the shareholder councils agreed that staff have done a remarkable job over a period of many challenging years for the local government sector. These efforts are recognised and greatly appreciated.
- 3.3 Chief among the areas of disagreement is a fundamental difference in perspective about the sovereignty and control that shareholder councils experience. Publica sees this an essential feature and benefit of the model, whereas some of the councils feel they have very little control at all.
- 3.4 Local Authority Trading Companies provide a compliant mechanism to undertake commercial trading activities that councils themselves may not lawfully do, and this is their primary purpose. At some point in time, councils became aware that they also create an opportunity to employ staff on alternative terms and conditions. Several councils have used this to reduce their employment costs, typically for specific sections of their workforces, particularly by reducing membership over time in the Local Government Pension Scheme (LGPS). This appears to be the main driver for the transition from the GO Shared Services model to the council-owned company, Publica.
- 3.5 The company was set up as a vehicle for cost savings – to provide an acceptable level of service at the lowest possible cost. It is now being asked to be a ‘turn-key’ operation – flexible, adaptable and responsive to changing priorities, providing more project management expertise and not just traditional back office services.
- 3.6 Improvement plans have been developed since the Peer Review and stakeholders have noted improvements in some aspects of service delivery. Transformation plans and projects have also been developed but these are not always agreed by shareholders.
- 3.7 Governance was routinely raised by stakeholders. Significant improvements have been made since the Campbell-Tickell Board Effectiveness Review in 2020, with the introduction of the Shareholder Forum.
- 3.8 No officers, in Publica or the councils, or Elected Members expressed any strong desire for the company to trade commercially. This means that the company is under-utilising the potential it has as a trading company. The only reason to retain Publica as a separate company (rather than some other shared service arrangement) is because around 50% of staff are now on a cost-saving pension scheme.
- 3.9 Stakeholders have provided anecdotal evidence that that not offering LGPS is a challenge for recruitment to public sector-specific professions, e.g., Electoral Services and Planning. There is also evidence of a failure to recruit to certain positions and the need to repeat recruitment processes, although there are different accounts of the reasons for this.

- 3.10 Future Publica sets out an ambitious but achievable target operating model for service delivery in common with many councils across the country. However, there is not a need for a trading company to deliver the savings attributed to the Future Publica plan.
- 3.11 For these reasons, repatriating the services in scope of the CDC Peer Review will not address the underlying issue(s). The purpose of Publica needs to be fundamentally reconsidered in the context of the councils' priorities.

4. Options for Future Delivery

4.1 Having set out the need to fundamentally reconsider what Publica should deliver, and how it should be configured, the full range of options were presented to the shareholder councils. This included the option proposed by the Publica Board to ‘double down’ on the current model (Option 1), a complete dismantling of the company and any shared service arrangements (Option 7) and a spectrum of options in between.



4.2 Benefits and disbenefits for each options were considered by the councils as part of workshops with the retained officer teams. The conclusions can be summarised as:

	Option	Benefits	Disbenefits
1	Double Down	Potential opportunities for income generation, although there is no serious appetite among partners to do this in the near future and lack of consensus over whether Publica is the right vehicle.	This will not address the underlying issue of a perceived lack of control. Confidence among councils in the model has eroded to the point where it is not feasible to commit further.
2	Do Nothing	This would cause minimal disruption in the short term but will almost certainly lead to a breakdown of stakeholder relationships in the long term.	Current arrangements are not working for any party; the councils are frustrated by a lack of control but Publica considers itself “shackled”.

3	Do Minimum	A change in governance arrangements may resolve some of the issues around perceived lack of control. Governance should be reformed in the short term, regardless of which option is pursued in the long term.	This will not address the recruitment issues that have been identified, nor the question of why the councils would continue to operate a trading company with no intention that it will trade.
4	Intelligent Client	This may resolve some of the issues around perceived lack of control and restore the 'strategic thinking' capability of the councils. CBC has indicated that this has been crucial to making the model work for them.	This risks creating a complex commissioner / provider split that could create additional cost and bureaucracy. It is likely that management costs will be duplicated rather than shared.
5	Remove Selected Services	This would address the issue of lack of control and allow the councils to test the putative barriers to recruitment for certain services.	This risks creating a smaller Publica with broadly the same overheads, impairing value for taxpayers. The underlying perceived lack of control of other services would not be resolved.
6	Retain Selected Services	This would address the issue of lack of control and allow the councils to test the putative barriers to recruitment. Services can be shared, via Publica or some other model, on a case by case basis.	The costs of this model will be higher than the current model, including pensions and the cost of future transformation. This option will be disruptive for staff and the change will need to be carefully managed.
7	Complete Dismantling	This would address the issue of lack of control and allow the councils to test the putative barriers to recruitment.	There is no obvious advantage to unpicking services that are working well. Economies of scale would be lost. This option would be maximally disruptive for all parties.

4.3 The conclusion of the options appraisal is that, while the Publica model may have been right for a certain point in time, the needs of the councils have fundamentally changed and a different model is required to deliver their future priorities. Specific consideration was given to the following points:

- i. The Publica model was set up to provide an acceptable level of service at the lowest possible cost. Since then, there have been a number of changes in the leadership of the shareholder councils and a more 'turn key' style of operation is required to deliver their objectives.
- ii. It was anticipated at the time that the company might undertake a level of trading, subject to the limitations of the Teckal exemption. Since there is no current desire among partners that the company should seek out trading opportunities, there is no need to operate a trading company with the associated overheads.
- iii. The main financial driver for continuing to operate a company structure is the saving in pension contributions, but evidence was offered that this is leading to recruitment difficulties (accepting a measure of disagreement about this).
- iv. There are fundamental differences in opinion over the level of influence councils have; whatever the rights and wrongs of this, it must be resolved in order to move forward productively and it is unlikely to be resolved in the current model.
- v. Moving away from a company model will allow the councils to lead and shape services with the autonomy they feel is needed, while still being minimising the overheads involved in delivering public services by sharing some management costs.

4.4 For this reason, the preferred option is Option 6. **The councils are recommended to return the majority of services to be managed directly by the councils, with selected services to be retained within the Publica model on a case by case basis.**

4.5 This represents a fundamentally different future for the councils and for Publica. The Publica of the future will be smaller, leaner and principally a vehicle for sharing services rather than an entity with its own management, cultural identity and high profile brand.

4.6 It is important to note that this recommendation is not a commentary on the performance of Publica staff. Staff in Publica have worked diligently and professionally to deliver services on behalf of the shareholder councils during a time of unprecedented challenge for local government. They are passionate about public service and there is every reason to believe they would be equally passionate in direct employment by the councils.

4.7 The recommended option reflects a view that, on balance of a complex set of considerations, returning services to direct management by the councils will achieve the desired balance of cost effectiveness and control.

5. Preferred Option

5.1 Benefits and Risks

5.1.1 Benefits of Option 6 are diverse and broad but must be balanced against the risks associated with the model.

5.1.2 Benefits can be summarised as:

- i. Provide flexibility for councils in their approach to delivering individual strategic objectives and greater responsibility in doing so.
- ii. Return a critical mass of strategic oversight to councils, enabling councils to better manage the strategic direction of the organisation.
- iii. Increasing capacity within each council's core operating team(s).
- iv. Greater ownership to deliver own savings plans, through a range of different service arrangements that best align to each council's priorities.
- v. Provides individual council identity for services where this is not currently the case and ensuring council identity where services are delivered through Publica hosted but council specific teams (for example, Planning Services).
- vi. Maintain services within the current model where there is agreement that the service is working well – and therefore removing risk of performance reduction during transition.
- vii. Maintain economies of scale and resilience in back-office services where there is less need for a council-specific USP.
- viii. Reduce the risk of recruitment challenges for local government specific roles.
- ix. Minimising risk disruption to large stakeholder groups (staff, residents, businesses) through the ability to prioritise (or deprioritise) services to be retained.
- x. Reduction in corporate overheads of services retained in the Publica model.

5.1.3 Risks are demonstrated below with scores and initial mitigations. Risks are scores on a likelihood / impact matrix, both scored out of five and multiplied to give overall risk score.

Impact	5	Yellow	Orange	Red	Red	Red
	4	Green	Yellow	Orange	Red	Red
	3	Green	Yellow	Orange	Orange	Red
	2	Green	Yellow	Yellow	Yellow	Orange
	1	Green	Green	Green	Green	Yellow
			1	2	3	4
		Likelihood				

	Risk (IF/THEN Statement)	Risk Score			Mitigation(s)
		Likelihood	Impact	Score	
1	IF some services are retained within Publica, THEN there will be a two-tier staffing model	5	1	5	Two tier of staffing already in play as part of current model
2	IF some services are retained within Publica, THEN existing challenges with accountability and oversight remain	3	3	9	Implementing governance quick-win changes Improved reporting Increasing role of shareholder forum
3	IF some services are repatriated, THEN there is likely to be increased costs to councils	4	4	16	Ownership of transformation agenda and accountability of savings delivery See section 5.3
4	IF number of services remaining in Publica is significantly reduced THEN costs of leadership may be too high	4	1	4	Suitable restructuring to support remaining services Ensuring best use of staff maintained in Publica
5	IF repatriation of services requires high resource change management requirements, THEN this could distract from political priorities	2	2	4	Phased approach to minimise impact on stakeholders Prioritisation of services based on effort and impact
6	IF change process is complex, THEN key staff could be lost	2	4	8	Strong change management and leadership Transparency and engagement with staff throughout any change
7	IF councils chose to repatriate different services, THEN cost of change needs to be agreed	2	5	10	High level transition plan completed with detailed service-by-service transition plan to be completed

5.2 Proposed Structures

5.2.1 Services should be returned to the councils in a phased way. A transition plan showing this phasing is provided in Section 6. When services are returned, the councils will have a choice over whether to keep them wholly sovereign or to share them with other councils. This could include councils in the existing partnership and/or others. Below is an indication of how services could operate.

Retained in Publica	Sovereign	Opportunities to Share
<ul style="list-style-type: none"> • Customer Services • Complaints • Revenues and Benefits • Housing Services • ICT • Data Protection • Freedom of Information • Subject Access Requests • Procurement • Transactional Finance • Transactional HR including Payroll 	<ul style="list-style-type: none"> • Strategic Finance • Accountancy • Insurance • Economic Development • Tourism • Parking • Property and Estates • Communications • Community Safety and Engagement • Business Intelligence • Corporate Performance • Organisational Development • Electoral Services • Democratic Services • Members Services • Waste • Grounds Maintenance • Leisure 	<ul style="list-style-type: none"> • Strategic Housing • Development Management • Building Control • Land Charges • Risk Management • Health and Safety • Emergency Planning and BCP • Flood Risk • HR Policy and Employee Relations • Legal Services • Commercial Contract Management (could include Waste, Grounds and Leisure) • Environmental Health • Food Safety & Licensing

- 5.2.2 The following shows an indicative to-be structure for the councils, for the purpose of assessing the cost of change and planning for the transition. Further work will need to be considered to refine structures within each service grouping.
- 5.2.3 Councils do not have to agree to adopt the same organisational structures and Forest of Dean Council has indicated it may adopt a different version of the below. However, the councils will benefit from sharing as many senior posts as possible and this will necessarily produce a level of standardisation across structures.
- 5.2.4 The below structure aims to show the majority of services and where they will sit but it is possible that not every team and activity is shown. Where an area of activity does not explicitly appear on the chart, it can be assumed that will sit with the councils.



5.3 Cost considerations

- 5.3.1 The exact costs associated with the proposed change are difficult to isolate at this stage, because they depend on a complex set of considerations particularly concerning pensions. The figures in this section should therefore be read as estimates in order to give a broad indication of cost. Figures could change significantly, although the estimates given err on the side of a higher cost of change in order that councils can plan accordingly.
- 5.3.2 The following shows the difference between the costs of the current model and the proposed model:

Cost / Saving Item	£Value	Notes
Additional pension costs	1,000,000	High level estimate – see paragraph 5.3.3 below
Management savings	- 500,000	Based on the proposed structure shown above
Corporate overheads	- 50,000	Reduction in some (but not all) company costs
Net additional cost	450,000	
Per authority	150,000	

- 5.3.3 Pension costs are both the single biggest line item and the biggest variable in the cost considerations. An approximate figure of £1m has been used based on a figure provided by Publica for the annual saving from moving some staff to the Royal London Pension Scheme. However, there are a complex set of additional considerations. This figure represents savings across the whole company whereas in the proposed model, a number of services will remain within the limited company structure. There are some legacy arrangements from which councils hosted which posts under the former GO Shared Service. Some councils are paying more in pension contributions than the payroll data indicates they should at face value, because of the difference in the actuary estimate of the contributions required to fund the scheme. The pensions cost figure will need to be refined with an actuary estimate based on the final list of staff that will transfer to the councils.
- 5.3.4 With these very important points of clarification noted, the net additional cost to the councils of the proposed model is approximately £150k per year. This does not yet factor in any savings that can be made from changes to how teams operate as only the proposed senior management structures have been modelled at this stage. All of the councils have savings targets over the next three years so will need to undergo significant transformation, in any case.
- 5.3.5 In addition to the ongoing difference in cost between the operating models, there are one-off costs associated with the transition. These are made up of:
- i. One-off staffing related costs
 - ii. The cost of managing the transition

- 5.3.6 One-off staffing related costs include possible redundancy and pension costs. It is not yet known whether there will be any redundancies or how many people may be affected. The councils have a duty to avoid any compulsory redundancies if at all possible and they will comply with this duty – to protect both the welfare of staff and the public purse. This does not mean that there will be no redundancies, but that all reasonable steps will be taken to avoid redundancies where suitable alternative employment can be found for staff. In this first instance, the possible risk of redundancy or redeployment will apply only to senior managers, who will be consulted on proposals that affect them.
- 5.3.7 The councils do not have the internal capacity to project management a change of this scale and complexity, the key activities for which are set out in Section 6 – Transition Plan. There are three viable options for managing the transition:
- i. Appoint an Interim Programme Manager or Director. One of the councils would employ this post on behalf of all, who would lead and manage the transition over an 18 month period.
 - ii. Appoint an Interim Programme Director and an external consultancy or project management organisation.
 - iii. Appoint only an external consultancy or project management organisation.
- 5.3.8 The recommended option is (ii), the blended delivery model. The benefit of this option is a single accountable lead employed by the councils to lead the transition, with hands-on support for project management. Having an external partner on board will also provide cover and resilience in case of absence. Costs associated with this option will be obtained through market research once CEOs have taken advice on procurement options.
- 5.3.9 Whichever option is ultimately preferred, the councils are recommended to choose the same model in order to share costs and effectively manage the transition in a single, joined up way.
- 5.3.10 The councils should also set aside funds to commission specialist HR and Legal advice, working alongside the HR team in Publica.
- 5.3.11 This does not overlook work that will need to take place by individual councils to determine council specific requirements on a service by service basis, and to give thought to what the future transformation requirements of those services might be.

5.4 Contractual implications

- 5.4.1 Services are provided through three contracts which are of different lengths and have different end dates. The structure of each contract is set in the table below.

5.4.2 There is a clause within each contract that enables councils to remove a service from Publica at any point throughout the period of the contract with an agreed notice period.

5.4.3 This means that shareholder councils can take a service-by-service decision and use a phased approach to any repatriation of services. This will reduce disruption to service delivery, staff and residents throughout any change.

	Commissioning	General	Support
Length of contract	10 years	7 years	5 years
Next Renewal Date	1 st November 2027	1 st November 2024	1 st November 2027
Services	<ul style="list-style-type: none"> • Democratic Services • Electoral Services • Post/Print Room • Communities and Community Engagement • Leisure • Tourism • Waste and Recycling • Parking • Communications • Corporate Functions 	<ul style="list-style-type: none"> • Customer Services • Building Control • Public Protection • Revs & Bens • Housing Services • Development Management • Regeneration, Business and Economy • Planning Policy & Local Plan • Ecology, Heritage & Design • Strategic Housing • Community Alarms • Pest Control 	<ul style="list-style-type: none"> • ICT • Finance • HR & Payroll • Procurement • Property Services • Land Charges • Flood Engineering

6. Transition Plan

Phase and Activity	2023/24						2024/25											
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
1.0 Mobilisation and Preparation																		
Decision making process at each council (Cabinet, Executive and Scrutiny (TBC))	■	■																
Creation of transition team; programme director, programme manager, HR, OD, Finance, Communication, Legal		■	■															
Communication with impacted staff of agreed timelines	■	■	■	■														
Agreement of future service arrangements (shared vs sovereign)			■	■														
Agreement of phased approach			■															
Liaise with Publica leadership	■	■	■	■	■	■	■											
Staff consultation					■	■	M											
Assessment of company governance and introduction of transition governance arrangements			■	■	■	■	■	M										
Development of detailed transition plan for Round I and Round II						■	■	M										
1.0 Transition Round I (first wave of services)																		
Creation of full structure charts based on consultation outcomes								■	■									
Ringfencing and job matching for existing staff								■	■	■	■							
Recruitment to vacant leadership roles										■	■	■						
Implement interim management for transition													■					
Go live Round I services													M					
3.0 Transition Round II (second wave of services)																		

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