



A Detailed Transition Plan for Council Services and Publica

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Appendix I – Project Initiation Document

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1.0 Background

In February 2024, Local Partnerships was asked to support the shareholders of Publica through the Local Government Association's South West transformation grant funding programme. The brief was to further develop an initial study delivered by Human Engine in Autumn 2023 as a bridging document to inform the preparation and implementation of a Detailed Transition Plan to repatriate the majority of services from Publica to the District Councils in 2024 and onwards. In their report, Local Partnerships confirmed that doing so would improve control, accountability, and delivery of the Councils' corporate objectives.

In consideration of a Detailed Transition Plan, Local Partnerships stated: *"Each council will need to articulate its ambitions for success and consider if this aligns with other councils. Corporate plans will need to be assessed in terms of their alignment to one another and the shared ambition. This should assist in embedding the councils to a new organisational culture into the ways of working, rather than creating a like-for-like structure"*.

In future the district Councils will directly drive the provision of the majority of services through holding the majority of the resources, with some retained through Publica. This contrasts with the position currently where the service delivery vehicle holds the principal resource with which to do this. It is this change which is central to this Transition.

The Local Partnerships' report, published on 16 February 2024 was approved by the Councils and:

- Built on the work of the Human Engine report and verified much of the early stages work carried out there.
- Clarified the portfolio of Publica services to remain; the sovereign services to be carved out and the services that may be jointly shared in future.
- Set the design guidelines.
- Confirmed the target to extract key services in 6 months from April 2024
- Confirmed the need for a Programme Management Office to drive the transition.

This Detailed Transition Plan builds on the earlier work of Local Partnerships and Human Engine through detailed discussion, analysis, and fieldwork, involving a significant number of Publica and Council officers. In particular, it references the detailed financial modelling that has taken place.

Executive sponsors for this work are:

Rob Weaver, Chief Executive, Cotswold District Council
Nigel Brinn, Chief Executive, Forest of Dean District Council
Giles Hughes, Chief Executive, West Oxfordshire District Council.

Links to the Human Engine Report and the Local Partnerships Report are here:

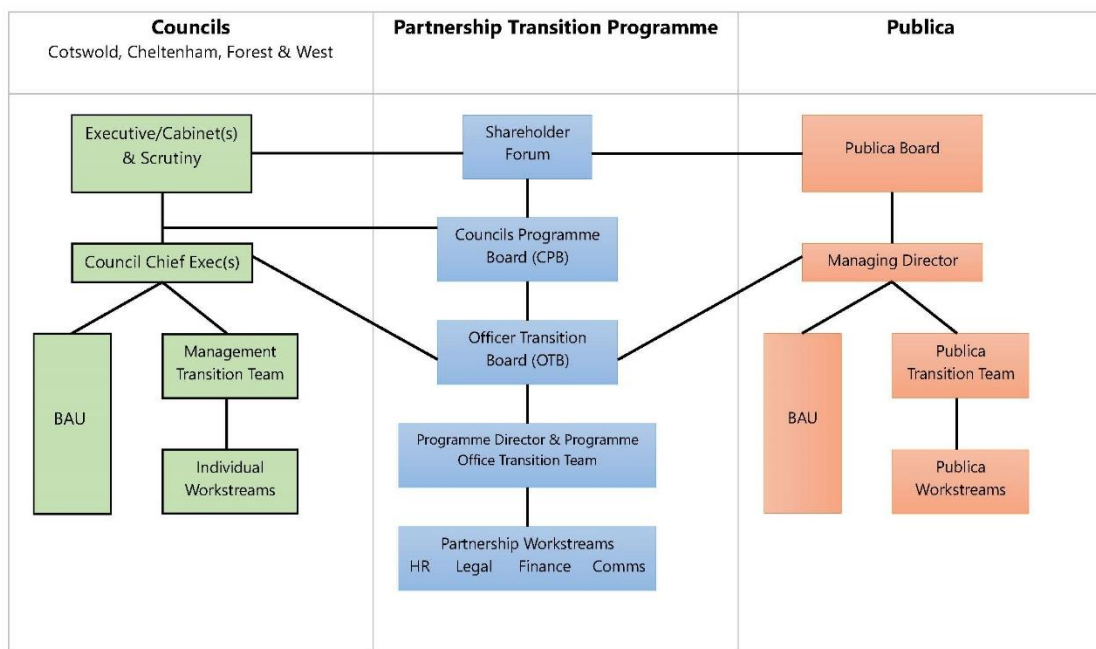
- [Human Engine Report: Strategic Review of Publica Services](#)
- [Local Partnerships Report: Insourcing from Publica](#)

2.0 Transition Planning

A small Programme Management Office (PMO) was established in February 2024 in support of the transition comprising an Interim Programme Director plus two Publica employees; one a HR specialist; the other a chartered accountant/modelling specialist. The PMO was set up to operate on ‘hub and spoke’ principles, with the spokes being a set of subject area workstreams: Finance, Legal, Communications, ICT and HR comprising subject matter experts from Publica and the Retained Officer Group.

These workstreams have formed part of a comprehensive Transition Programme Governance Framework, shown below.

Transition Programme Governance Framework



A Programme Initiation Document was created by Publica with progress monitored monthly (see **Appendix I**). The workstreams have provided significant support to the development of the Programme. By way of example, the ICT workstream informed the Programme on key operational elements and risks, as well as providing the basis for consideration of additional infrastructure to support the new Councils’ operations in the form of employee portal development. In addition, statutory officers have contributed to a critical friend brief which, with the output of the workstreams, has made a significant contribution to the development of this Detailed Transition Plan.

A key focus for the Transition Planning was on modelling the potential impacts, risks and delivery planning. Reference was made to Local Partnerships’ advice, the principal elements of which are in the Transition Framework table, updated, at **Appendix II**.

Key goals for the Transition, discussed with the Executive Sponsors, have included ensuring:

- A more focused and defined approach to driving each council's priorities through their corporate plan strategies.
- Greater clarity and focus for those functions remaining with Publica.
- Greater clarity over roles, responsibilities and accountabilities – and where direction is set from.
- How performance and value for money is understood and managed and how it can be more clearly defined and measured.
- Simplification of processes and in determining whether and how resources can be deployed and redeployed as priorities shift.
- Greater responsiveness and agility so as to be able to deliver Member priorities.
- Greater focus on locality and local services.
- Employing people locally, using this in support of economic growth (e.g. apprenticeships), being more accessible and visible and foster the spirit of communities.
- Much better definition between Policy and high-level strategy on the one hand and delivery on the other. More defined control.
- Opportunity to group services to accelerate efficiencies, by identifying synergies between certain services before moving and re-defining services.
- Being responsive and business like – adopting a more commercial mindset when considering engagement with businesses, residents and key stakeholders, ensuring a cost recovery approach is implemented whenever possible to maximise service efficiencies.
- Better focus and ability to drive the sustainability agendas of all Councils.

These are linked to 'design led principles' to ensure that services can maximise delivery of the Councils' corporate plans and Administrations' Values. These include:

- *Councils shaping the delivery of services* - being more mindful of efficient working methodologies and in relation to the Council's corporate plan objectives, which are key.
- *Councils considering the repatriation approach* - where Publica employees work across multiple councils, considering factors such as historic pension strain, relationship led roles with specific councils, otherwise whether roles are shared, in other words whether the majority of work is undertaken principally for a particular

council or not. Also, an approach to the potential future sharing of services by Councils, if appropriate.

- *Consideration of cost* – recognising that there is a cost to bringing services back in-house and it may be difficult to quantify any savings such as on management costs in the short term.
- *Councils employing people locally, being accessible and visible*, with the ambition of making services more local with greater accountability and transparency, building in apprenticeship and graduate programmes to ensure succession planning and improve Equity, Diversity & Inclusion metrics.
- *Grouping services together to accelerate efficiencies*, by identifying synergies between certain families of services before moving services. A good example would be that under the broad header of Sustainability, could sit climate change, environment, flood etc. Grouping services in this way would support efficiencies assuming that employees were employed under a broader brief than is currently the case.
- *Addressing anomalies and driving efficiencies by way of straight through processing where possible*. In the longer term, an example might be grouping planning validation with the whole of planning, rather than in a separate administrative function, as now and potentially, in future, using technology to help triage in the first instance.

A key focus for the transition is to ensure that teams are structured around delivery of the Councils' corporate plans and priorities. Throughout the Councils' corporate plans there are strong areas of common focus around environment, sustainability and climate change related areas, community and local economic development. These aspects have been considered carefully in the modelling of appropriate Council structures.

Recommendations:

- 1. Note the Design Led principles**
- 2. Note the Key Goals for the Transition**

3.0 Planning the Order of Service Transition

Local Partnerships had suggested that the following services could be transitioned in Phase I, around October 2024 (using the descriptions set out in their report):

- Development and Building Control
- Local Plan Team
- Democratic Services and Elections
- Corporate Plan and Policy
- Economic Development
- Communities
- Climate change/environment/sustainability
- Strategic finance
- Strategic HR
- Strategic Housing
- Community Wellbeing

with the following suggested for Phase 2, in/about March 2025:

- Food Safety and Licensing
- Environmental Health
- Performance and Business Intelligence
- Property and Estates
- Project Management
- Communications.

Local Partnership's work did not include modelling the baseline establishment of Publica, nor did it include an analysis of systems associated with service delivery. In addition, the scope did not allow for significant fieldwork. On analysis, however, a helpful distinction can be drawn from the work that Local Partnerships delivered in that the identified Phase I grouping comprises services where only a very modest proportion of employees work across more than one Council, whereas in Phase 2, employees are typically working across several Councils. Such a distinction is helpful in planning for the Transition.

The Transition programme discussions on council priorities clarified that all planning/ planning policy (except for planning validation, and planning support, where there was a consensus on having the resilience associated with sharing across the three councils at this time).

The Transition phases will significantly change Publica's scale and operations as services transition back to the Councils. Accordingly, an assumption has been made that the Publica organisation is simultaneously to be re-structured, together with its governance.

4.0 Service Transition Practicalities

The Transfer of Undertakings Protection of Employees ('TUPE') legislation has been in force in the UK since 1981 and applies in many, though not all, instances. It is designed to protect the rights of employees when there is a transfer of the business in which they work resultant either from:

- The transfer from one employer to another of an organised grouping of resources which has the objective of pursuing an economic activity; or
- A service provision change, where activities are switching from one employer to another, and there is an organised grouping of employees whose principal purpose is carrying out those activities.

A number of the services are provided by Publica to a single Council by employees that are now and always have been focused 100% on one Council. This is the case for the majority of Phase I. It would therefore be reasonable for the Councils to conclude that for the most part, TUPE will apply to the insourcing of the services and hence employees in Phase I. In those instances where TUPE does not apply, which relates to roles which are fragmented and/or will no longer remain shared, processes that are objectively fair, reasonable and transparent would be applied.

HR have checklists ready and available for TUPE transfers for both Transferor and Transferee and will also have a suite of documentation ready for use as Councils move to initiate, carry out and complete the TUPE process. Ensuring the process is followed correctly reduces risk and supports employees and the organisations effectively. The aim will be to ensure that employees have a smooth transition from Publica into the Councils to ensure services and the customer experience continue throughout the process to underpin success.

Whilst planning is ongoing, it is imperative that confidentiality is maintained so far as practicably possible. The Programme Office, HR and Communications have working on the basis that the transition of services is under consideration and no more than that. Any direct conversations between Council management and Publica employees could be construed as consultation before formal consultation has been initiated and should therefore be avoided.

All communications to any or all employee(s) in relation to the transition should be conducted through official channels whether that is through the Communications Team or by HR, Trade Unions and the joint consultation process.

5.0 Systems and processes

A key element of the transition is ICT as this underpins all operations. It also links closely to communications, which will be key in delivering a successful Transition.

Many of the ICT systems are inter-linked. Some of the systems licences are owned by Publica, some by a single Council, some by all four Councils. No particular issues were identified through the ICT Workstream in terms of systems and processes for the transition. The current ICT set up is flexible to an extent that will relatively easily support the transition that is envisaged, though this will require significant focus and resource from the ICT Team to be able to deliver this.

Microsoft Tenants are becoming more important over time. When Publica was created, Microsoft Tenants in their present form did not exist. Subsequently a single Tenant was created for the three District Councils aligned to objectives for Publica. Whilst this should be maintained for at least Phase 1 and Phase 2 of the transition, logic dictates that the three Councils should move, ultimately, to a single Microsoft Tenant for each Council, as each Council begins to assume a greater role in direct service delivery.

All employees currently have access to a Publica portal and there are three Councillor portals (one for each District Council) in addition. All are hosted and created using a product called Lumapps. In the medium term, it would make sense to look at moving this functionality to Microsoft 365. This is not a sensible approach until there are dedicated Microsoft Tenants for each Council as there is a one-to-one relationship between portals and tenants in Microsoft. The short-term solution is to create three new portals in the LumApps product, one for each Council and the Councillor portals could potentially be merged in and this is to be progressed to ensure that each Council has its own employee portal ahead of Phase 1 'go live' at no additional cost.

6.0 Programme Risks and Opportunities

A Programme Risk and Opportunity Register has been developed aligned to each Council's Risk Management Policy with input through the Workstreams and Retained Officers and is available for viewing via the PMO.

Key risks that require continued focus throughout the transition and are elevated on the Risk Register centre around:

- Processes linked to the transition, and the need to follow the law and due process
- People, the need to continue to motivate, attract and retain
- Communications, the need to ensure effective and timely communications for each relevant audience.

7.0 Financial modelling assumptions and outputs

The Detailed Transition Plan ("*DTP*") provides the framework for services to transition from Publica to each Council and will have a significant impact on the cost-of-service delivery.

Given the scale and complexity of the Publica Review programme, extensive due diligence on the Human Engine review and Local Partnerships report recommendations has been undertaken.

A detailed financial model has been developed, tested and reviewed with a key output from the financial model considering the affordability of service delivery choices through identification and quantification of:

- Additional costs associated with service delivery of services transferring from Publica to each Council in Phase I
- Reductions in the Publica contract sum as a result

There are two financial models that have been developed in support of the financial due diligence. A Baseline Model (“BM”) developed from Publica’s payroll data and reconciled against the agreed Publica Contract Sum (“PCS”). A subsequent Council Model (“CM”) was developed building on the agreed output from the BM with additional post included to support Phase I services in each Council. The output from the CM is therefore considered within this section of the Detailed Transition Plan.

Publica Contract Sum/ Baseline Model

The agreed Publica Contract Sum (excluding mark-up and transformation) for the 2023/24 and 2024/25 financial years is shown in the Table below.

A. Contract Sum Reconciliation	TOTAL (£)	Cheltenham Borough Council (£)	Forest of Dean District Council (£)	West Oxfordshire District Council (£)	Cotswold District Council (£)
2023/24 Base Contract Sum	30,358,576	966,439	7,388,247	11,266,710	10,737,179
2024/25 Base Contract Sum	32,137,769	826,653	7,888,763	12,259,122	11,163,232

The Baseline Model was developed from Publica Payroll data and reconciled back to the 2023/24 base contract sum. Several material differences were identified and investigated through the reconciliation process:

- Vacant posts – duplication of vacant post due to creation of new post references rather than utilising the vacant post reference.
- Post reference discrepancies between payroll, service establishments and working papers supporting the contract sum budget – allocation of new post references as above.

Posts funded outside of the contract sum (i.e., time-limited posts funded from each Council’s other resources such as earmarked reserves).

The *BM* was subject to check and challenge/peer review by s151 officers through the Finance Workstream. S151 officers were content that the *BM* was based on accurate and reliable financial data, included reasonable financial assumptions to support financial forecasting, and had been prepared following best practice financial modelling principles (ICAEW Financial Modelling Code).

The key output from the *BM* is the identification of the baseline cost of posts/services that transfer to each Council under Phase I of the transition plan and the impact on the baseline cost resulting from the additional employer pension contribution costs associated with the Local Government Pension Scheme (“*LGPS*”).

Service Area	Baseline Cost (£)	Phase I Cost (£)	Change in Cost (£)	% Change in Cost	Posts
BUC001: Building Control	784,321	827,054	42,733	5.45%	19
CCR001: Community Engagement	824,080	873,493	49,413	6.00%	31
COM001: Community Intelligence	125,119	125,119	0	0.00%	2
COM801: Health Delivery	140,244	154,160	13,916	9.92%	18
COR801: Corporate Support	213,682	229,745	16,063	7.52%	5
DEV001: Development Management	2,930,793	3,147,609	216,816	7.40%	64
DRM005: Committee Services	440,648	485,089	44,441	10.09%	12
ECD001: Economic Development	468,704	489,391	20,687	4.41%	9
ELE001: Elections Services	368,726	377,317	8,591	2.33%	12
HOS001: Housing Strategy	245,878	260,182	14,304	5.82%	6
PLP001: Planning Policy	1,136,952	1,187,840	50,888	4.48%	25
PLP004: Heritage & Conservation	901,857	974,956	73,099	8.11%	26
REG023: Environmental Strategy	410,980	463,412	52,432	12.76%	11
SUP003: Human Resources	175,352	175,352	0	0.00%	3
SUP009: Accountancy	721,152	758,499	37,347	5.18%	13
SUP018: Communications	678,593	754,996	76,403	11.26%	15
TOU001: Tourism	221,221	233,880	12,659	5.72%	5
TOTAL	10,788,301	11,518,093	729,792	6.76%	276

Council Model (RAG rating for each assumption/output)

The *CM* builds on the outputs from the *BM* and includes the costs of additional Council roles that are required to support Phase I services.

Key assumptions and observations made in the *CM* are listed below and assess in terms of robustness, confidence, and materiality on a **Red, Amber, Green** basis.

RED	AMBER	GREEN
<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> <input type="checkbox"/> Front-loaded Publica cost reductions <input type="checkbox"/> Agency cost assumption (not included in model) • Redundancy provision (not included in model) 	<ul style="list-style-type: none"> <input type="checkbox"/> LGPS Assumptions <input type="checkbox"/> Financial analysis shown in Waterfall Chart <input type="checkbox"/> Vacancy Factor

- **GREEN** All staff currently outside of the Local Government Pension scheme are auto enrolled. Assumption is that there is no subsequent opt-out from LGPS (i.e., 100% of staff eligible to join LGPS do not opt-out). For the purposes of the model, this is a prudent assumption with likely opt-out rates expected to be very low.
- Whilst the Model includes Publica contract sum reductions, as shown in the Waterfall charts below, this is for completeness and to demonstrate the net financial impact of the changes associated with Phase I. Contract Sum amendments, whether increases or decreases, are recognised as a change to the General Fund Revenue Budget and therefore support the net financial position of the Council. Contract Sum reductions, therefore, should not be viewed as a source of funding for the Phase I transition nor justification for increased service or structure costs.
- **AMBER** It is also important for members to recognise the front-loaded nature of Contract Sum reductions. Cost reductions associated with the removal/deletion of post within the Publica senior management structure (Managing Director (MD), Assistant Director (AD) roles have been allocated in full against Phase I. As a result, no further indirect savings are anticipated across future phases thereby limiting the mitigation of additional costs associated with Phase 2 service transfers.
- **GREEN** The table and waterfall chart show the full-year enduring impact of the Phase I transfer and decisions taken on Council services. For the 2024/25 financial year there will only be a part-year impact as Phase I will not commence until November 2024. However, there may be additional costs in 2024/25 associated with recruitment and retention that have not been included in the modelling and will be identified and reported through each Council's regular financial reporting to members.
- **GREEN** Vacancy Factor – a vacancy factor of 2.5% is applied by Publica to payroll budgets at service level. As services are transferred to Councils it is appropriate for the equivalent vacancy factor to be applied to Phase I budgets (i.e., the net transfer of budget from Publica to each Council will include a reduction equivalent to 2.5%). Each Council will therefore need to determine how to account for and apply their share of the vacancy factor.
- **AMBER** The model does not include any provision for agency staff costs. The CSM includes all posts – whether occupied or vacant. Each Council will need to manage services within the available budget and where vacancies are temporarily covered by agency staff there may not be sufficient budget at service level. Whilst the 2023/24 outturn position in Publica supports the view that at an aggregate level the salary

savings through vacancy management exceed the cost of agency staff (£1.8m salary savings vs. £0.9m agency staff cost), this may be more difficult for each Council to achieve. The regular financial reporting to members will focus on the cost of agency staff at service level and identify through variance reporting budget pressures and management action that can be taken in mitigation.

- **AMBER** For the avoidance of doubt, the model does not include redundancy, payment in lieu of notice (PILON), or pension strain cost (where applicable). These costs are one-off in nature with future salary savings accruing back to each Council. The covering report to the Detailed Transition Plan sets out the financial implications for each Council and addresses the business case justification for redundancy, apportionment of these costs across each Council, and the treatment of salary savings.
- Note: One-off costs incurred are 'paid back' before any cost reduction is recognised in the MTFS and will be judgement for each Council's s151 officer in terms of proper accounting treatment.

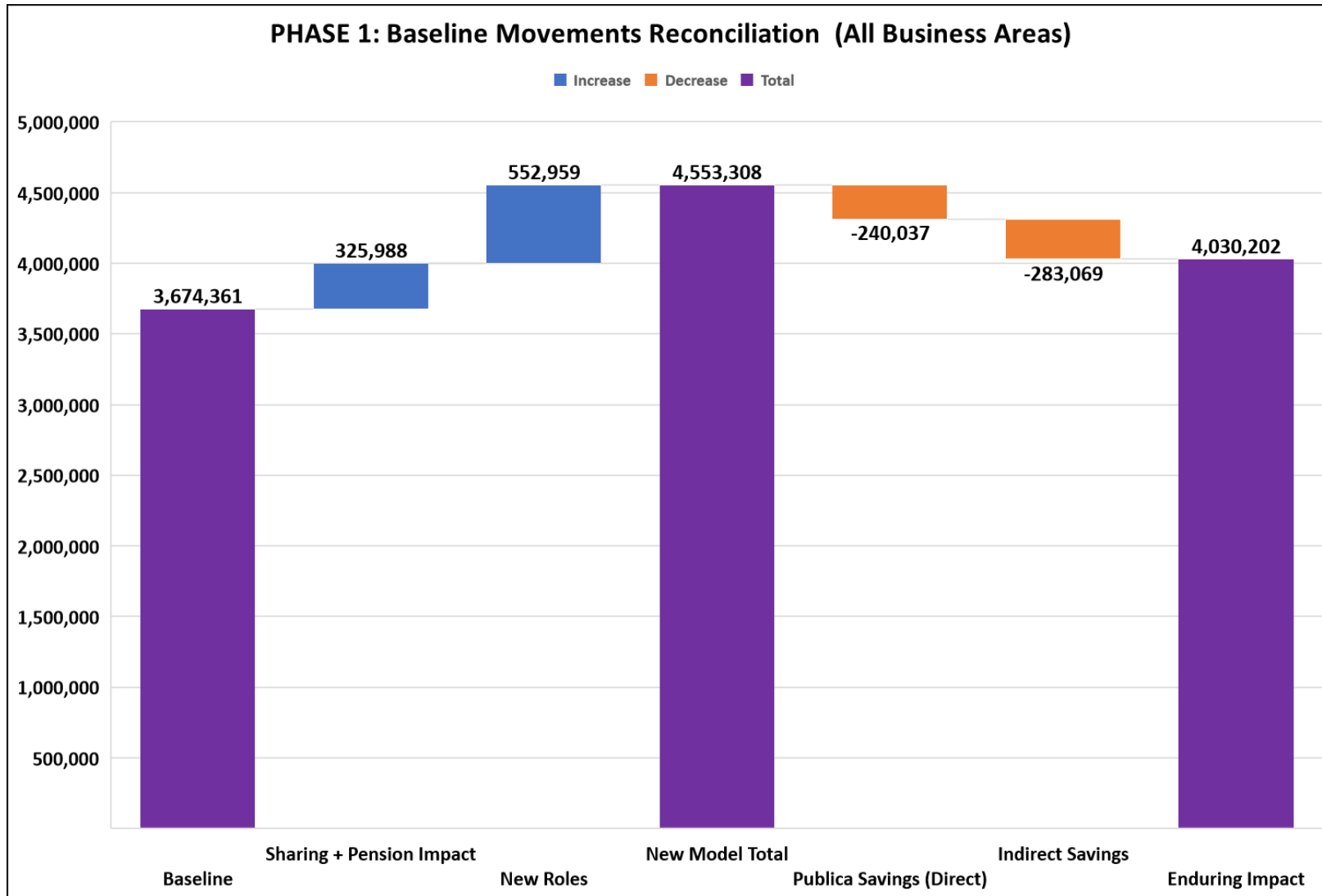
Explanation of headings in the Waterfall chart are listed below and assess in terms of robustness, confidence, and materiality on a **Red, Amber, Green** basis.



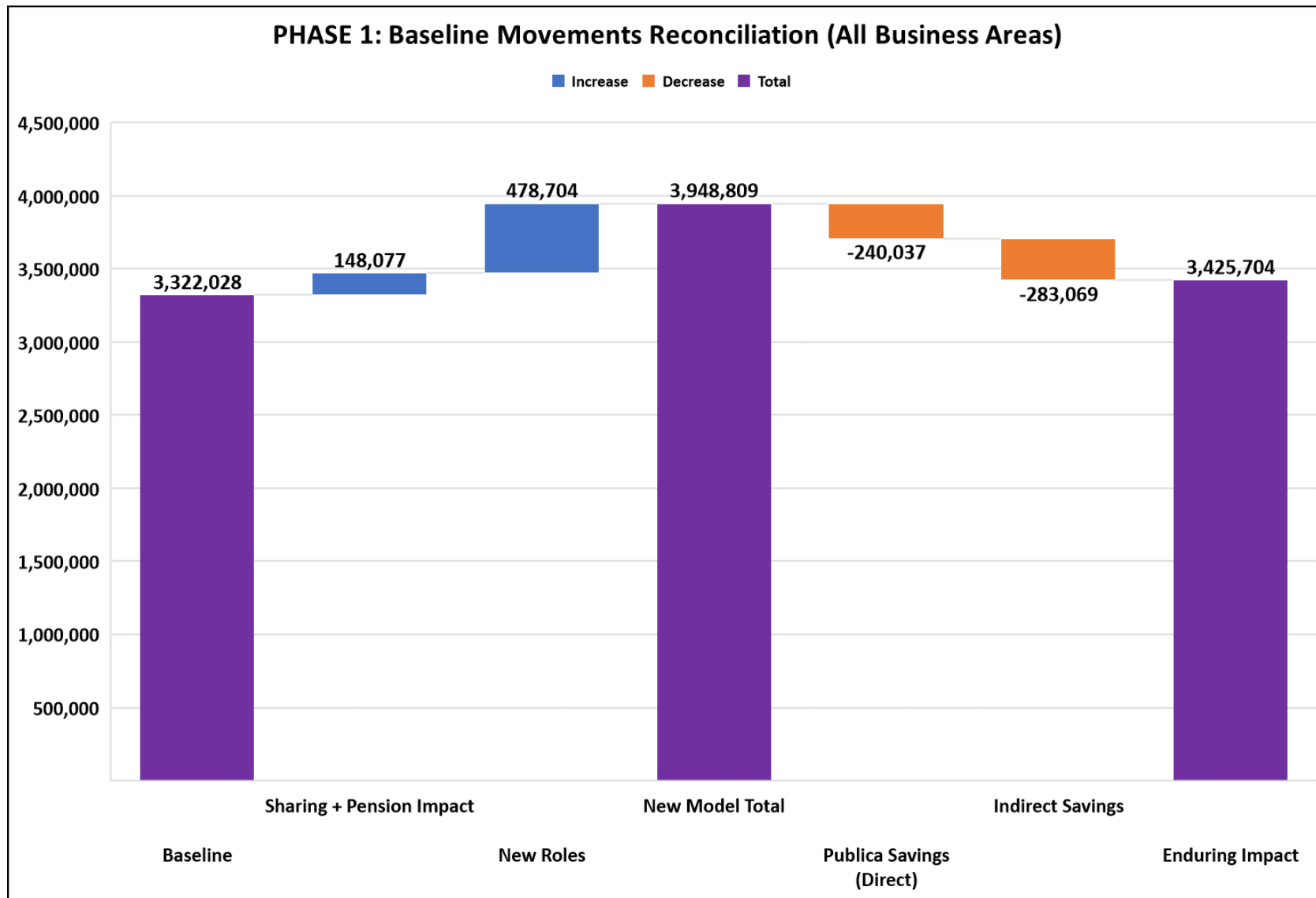
- **GREEN** 276 roles are included within the Phase I review.
- **GREEN** The Baseline cost represents the current cost of roles within each service area.
- **GREEN** 2.5% vacancy factor has been applied as an adjustment to the Baseline.
- **GREEN** The 'Sharing + Pension Impact' represents any impact of a change in split of current role, plus the increase in contributions for new LGPS memberships. This analysis assumes all roles are opted in.
- **AMBER** New Roles are reflective of any new positions created as part of the transition of services back to the Council. (Some of these roles may be offset by 'Publica Savings (Direct)')
- **AMBER** 'Publica CS reduction (Direct)' are those roles which do not naturally transfer to an equivalent position/role within the new Council Organisational structures.
- **AMBER** 'Indirect CS reduction' are informed by the Senior Management restructure across Publica:

The table below summarises the Baseline (starting point) and Enduring Impact (end point) for Cotswold District Council, Forest of Dean District Council, and West Oxfordshire District Council.

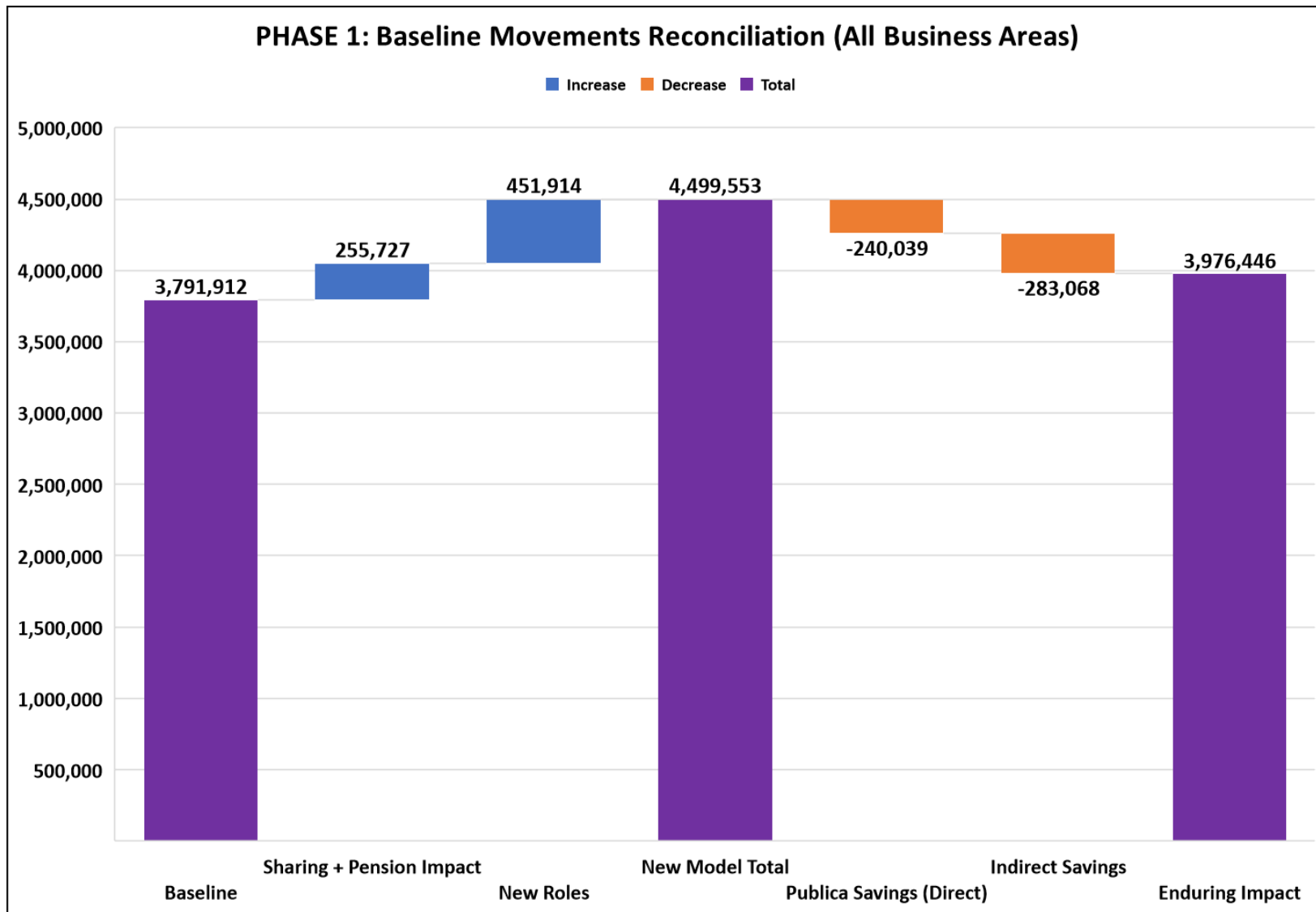
COTSWOLD DISTRICT COUNCIL



FOREST OF DEAN DISTRICT COUNCIL



WEST OXFORDSHIRE DISTRICT COUNCIL



Sharing

The sharing of services is a key element of the design led principles. WODC and CDC have confirmed they are open to sharing certain roles, which would TUPE across. Sharing specialist expertise in this way should support WODC and CDC in the delivery of their corporate plan objectives avoiding the need to either recruit specialists that are not readily available or use of external service providers. It also makes optimal use of specialist skillsets that have been developed within Publica.

Civil Contingencies Act

All Councils have a statutory duty under the Civil Contingencies Act, and as part of this, Publica currently provides an on-call duty rota 365 days per year to cover Operational and Tactical response. This rota includes Assistant Directors, Business Managers and other key personnel who are trained in Emergency Response. It is assumed that those employees who are currently on the on-call rota will remain, whether they transfer to one Council or not, until a longer-term decision is made on how emergency planning will be managed moving forward. This will be covered through a Section 101 agreement. Strategic responsibility (Gold) will remain with the Statutory Officers for each Council.

Phase I

Aligned to the priorities expressed by Councils through the Transition planning process, service areas in Phase I will include:

- Democratic Services and Elections
- Forward Planning
- Development Management (but not 'planning validation and planning support')
- Ecology
- Conservation, Heritage & Design
- Building Control
- Economic Development
- Tourism
- Communities and wellbeing
- Climate change
- Strategic Finance (to include all finance roles apart from transactional finance (AP / AR), procurement, insurance and Treasury Management)
- Communications
- Strategic Housing
- Corporate Planning, policy and partnerships
- Executive Assistants and Support.

This currently totals 276 roles.

To support the three District Councils, HR Business Partners are to be seconded, one to each Council, ahead of transfer, meaning that there will be a dedicated in-house Council resource at an early stage to support the Councils directly pre- and post-transfer.

In the light of the significant number of posts being repatriated to each Council and in support of Councils' operations going forward, each District Council is to appoint a Director level post to join their senior leadership team (in a role called 'Director for Communities & Place' or similar). This is envisaged to take effect ahead of the Phase I 'go live', again, to support the transition of Phase I services to the Council and to ensure the smoothest possible transition, with no breaks in service. It is anticipated that Councils would open up such roles with appropriately drafted Role Specifications soon after the Councils resolve to approve the Transition Plan.

At the same time in moving significant numbers of people out of Publica and into the Councils, the Publica organisation will naturally change, with less senior management of a smaller cohort likely to be needed. An early paper setting out options in relation to a revised Publica, was presented at the Publica board at its 8 December 2023 Meeting. For Publica, a new structure has been costed which reflects the reduced size of the organisation, its reduced service needs and budget reflective of Phase I, which based on the agreed Publica Contract Sum for the current full financial year 2024/25 would see turnover reduce from circa £32.14m per annum to £21.56m. The savings associated with this have been taken in to Phase I.

Similarly, it has been assumed that Publica's board will be streamlined as the shape and size of Publica changes. The direction of travel implied by the Publica transition is that the Councils will wish to exert much more direct control than is the case today. This implies less need for boardroom independence as such and a boardroom that is reflective of an organisation structure that will be considerably reduced in scale. Currently the cost of operating the corporate entity is circa £100k per annum. The two largest elements of this are Non-Executive Director fees and external audit fees.

In re-structuring the Publica business, it is assumed that the number of Non-Executives could reduce. With a smaller board, the boardroom skillset is brought into sharper focus. It will be important that Non-Executives with the right individual and collective skills are selected to support and provide strategic oversight and governance to the Publica organisation. With no direction to engage in external trading, there may not be a particular need for independent external advisors to the business given that it is clear that the business will, going forward, be entirely focused on servicing internal Council shareholder focused business and with a narrower focus on support services, particularly systems and process related, as opposed to strategic aspects.

It would be sensible to close the dormant company entities as these have never been used. At the same time, it should be possible to streamline external audit and audit fees aligned to the streamlined business.

It is assumed that the Publica board is re-shaped soon after the end of the 2024 calendar year, after Phase I of the transition is completed. The result should be a simpler, more cost effective set up with no less effective governance, delivering a saving of circa £30k per annum.

It is assumed that with the significant changes to Publica, there would also be a budget re-basing for the 2026/7 financial year.

Recommendations:

Note the Cost Modelling for Phase I

8.0 Steps to Transition and Communications

Subject to the three District Councils deciding to proceed by the end of July 2024, transition timings are assumed to be as follows:

Phase 1 – ‘go live’ 1 November 2024.

A GANTT chart detailing the transition steps was developed by and is being managed and kept up to date by the PMO, focused principally on the steps required for Phase 1. This is available for viewing via the PMO. As soon as the three District Councils have made a decision to proceed with Phase 1, the Programme will move into an implementation phase to deal with the practicalities up to ‘go live’. Consultation will commence in September 2024 aligned to the 1 November target transfer date.

As mentioned, Local Partnerships envisaged that Phase 2 would take effect in/about March 2025. Once Councils have decided to proceed with Phase 1, detailed preparatory and planning work including financial modelling for Phase 2 can begin. The services identified as part of Phase 2 transition typically involve a number of employees working across more than one council. This phase has greater complexity and therefore careful planning and engagement with operational teams will be required ahead of implementation.

A Communications Plan outlining the key communication gateways has been developed and a full programme of communications leading to ‘go live’ will be delivered. There has been a targeted programme of communications up to this point. Going forward, a meeting with Trade Unions is planned for week commencing 1 July and meetings with Publica executives, affected employees (Phase 1) and with all employees in the week commencing 8 July. Publica will lead on the employee communications, however there will also be input from Council Chief Executives. In addition a set of FAQs has been developed in support of the process. As mentioned previously, an employee portal through which to deliver Council led communications will need to be developed for each of the three District Councils and work for this is underway. It is expected that frequent and targeted communications will be developed from the Councils’ decision to progress Phase 1 up to “Go Live” and beyond.

With continued focus on transition into 2025 and with a need for more traditional, rather than strategic, programme management capability in the PMO, it is recommended that from around October 2024, the Councils consider sourcing a Programme Manager to augment the PMO. At this stage it is anticipated that the role of the Interim Programme Director would begin to tail off from then until December to which the current brief runs, though this depends on the degree of progress made towards Phase 2. This was envisaged by the Human Engine report at around that stage as the emphasis on traditional Programme Management functions increases.

Recommendation:

Approve the Phasing for the Transition.

9.0 Post-Transition Support

In addition to a process of pre-transition due diligence, a transition of this kind is unlikely to be successful without significant post-transition support and investment on an ongoing basis. This is because the transition is engaged in the seeding and establishment of services from scratch within Councils that have not themselves delivered these services for a number of years. Culture needs to be built. This takes considerable time, typically 3 to 5 years minimum and requires significant and ongoing investment in time, particularly in senior leadership commitment and in an organisational development budget. This culture needs to reflect the 'design led principles' that shapes up how Council senior management and elected members want their Council to 'look and feel', including brand and identity. Results need to include:

- Improved Quality of Service for residents
- Improved environments
- Improved operational effectiveness
- Improved productivity

Change needs careful planning and good management. It also needs a full programme of ongoing support in each Council, training, Culture Change, through a Culture Development Plan, to include consideration of:

- Values
- Organisation culture and ways of working
- Key Performance metrics

It may be sensible to introduce consultative committees to drive improvement from the grassroots of each organisation, including in areas such as Health and Safety, particularly.

Looking forward, the new organisations will want to:

- Continuously consider organisational alignment to their evolving corporate plans
- Identify strengths and weaknesses in service delivery
- Ensure an optimal organisation structure and/or approach to service delivery.
- Ensure regular communication and engagement on objectives, opportunities and improvements
- Implement business plans, audit, review, and improvement through further engagement.
- Consider opportunities for further transition and change. This could include further insourcing or shared service arrangements.

Getting this right will also help the Councils in testing "the putative barriers to recruitment", mentioned by Human Engine as part of Option 6.

In addition, Councils will want to ensure that Publica, as its key support services delivery partner evolves and changes as they wish to evolve and change.

The process of transition and change is a dynamic one and one that will continue to evolve. The new organisations will want to *embody culture* from the top, *fuel this* from the middle and *drive this* from the grassroots of the organisations through active engagement. They will wish to promote inclusivity in support of cultural strengthening and to ensure, in a competitive

environment, the ability to attract and retain the best available employees to the organisations, ensuring that they have opportunities to thrive and grow within the organisations and in that way, support organisational and cultural development and prosperity and build the reputation of the organisations within their communities as employers of choice.

The Local Government Association is keen to support the council with the Publica Review through a further contribution from the South West Transformation fund. It is likely that this work will be in the form of assisting the Councils with advice, guidance and recommendations on the future form and function of both Publica and the councils.

In delivering service suites in-house within the Councils, Councils will want to ensure there is leadership from the top in building culture and that this involves key Members as well as Officers. The Chief Executives at each Council have been working with their retained management teams in terms of preparedness for the transition process and the responsibility for a greater number of employees. A programme of further senior level engagement and support may be needed in forming new senior teams that will take on these functions ideally, beginning before this happens.

Getting these aspects right, pre- and post-transition, with an appropriate degree of support, will be fundamental to being able to deliver effectively from “Day 1” after transition as there will then have been suitable preparation for this, smoothing the path to the upcoming and potentially ongoing change that will lie ahead. Ongoing change should be a realistic expectation for Councils and services going forward as demands and pressures change and technologies in support of delivery changes.

The starting point will be in building and embedding a culture of trust across the newly forming Council service delivery organisations as part of strengthening each organisation and ensuring that dynamic conversations of this kind are continuous, with wide engagement. Investment into leadership training and development across the Councils and Publica may be helpful in building the leadership culture needed to take the organisations forward.

Recommendation:

Note the need for Post-Transition support

10.0 Conclusions / Summary Recommendations

This Detailed Transition Plan is designed to deliver key operational objectives for the three District Councils as an evolution of earlier work carried out by Human Engine and Local Partnerships to repatriate most services from Publica. At this stage the focus is on Phase I as the relevant service areas are largely comprised of roles that are now, have always been and will be 100% to a particular Council. In progressing with Phase I, Councils will have much more direct control than before and should be better placed to shape services with residents at the heart.

A number of recommendations have been made throughout this report which are summarised here:

Section 2, Transition Planning. This sets out how the Transition Programme has been taken forward, the Design Led principles and summarises the key goals for the Transition. Recommendations:

1. Note the Design Led principles.
2. Note the Key Goals for the Transition.

Section 7, Modelling Assumptions and Outputs. This sets out the assumptions that have been used in the modelling and the outputs relevant to Phase I.

Recommendation: to note the cost modelling for Phase I.

Section 8, Steps to Transition and Communications. This sets out the proposed phasing for the Transition and key actions.

Recommendation: to approve the phasing for the Transition.

Section 9, Post-Transition Support. This outlines how Councils might take forward the development of culture and ways of working.

Recommendation: to note the need for Post-Transition support.

APPENDIX I – Project Initiation Document (Publica)

Publica transition plan programme

Programme Brief

Aim: To develop and implement a comprehensive transition / change strategy following a decision to transfer the majority of services to each Council.

The success of this programme will be measured through cost, the smooth return of services to the Councils' direct management and the continued smooth running of core transactional functions via Publica.

Background: In October 2023 the Leaders of Cotswold District (CDC), Cheltenham Borough (CBC), Forest of Dean District (FoDDC) and West Oxfordshire District (WODC) Councils announced their intention to transition the majority of services from Publica to Councils. This announcement was a result of a review of Publica carried out on their behalf by Human Engine, a management consultancy. The key question that the Councils asked Human Engine to report on was: **“How will the Councils’ ensure financial and service sustainability and what are the right operating models for the future?”** The recommendation of this review, which has subsequently been approved subject to due diligence, is Option 6: Retain Selected Services. The Councils therefore now wish to retain selected services within Publica and return the majority of services to the Councils, or operate these on a shared basis or via some other model on a case by case basis.

Objectives:

- Develop a transition/change strategy
- Develop a transition plan
- Carry out due diligence, financial, legal and HR prior to seeking agreement to transfer services
- Seek approval of matters in accordance with schemes of delegation
- Coordinate the transition programme activity with individual transition activity at each of the Councils and Publica
- Make any necessary changes to Council constitutions, Publica Articles of Association and contracts
- Transfer employees, budgets, HR/payroll data, email addresses
- Work collaboratively with stakeholders at all levels to execute the transition in a synchronised manner to reduce impact on people and services
- Manage change and communications with stakeholders
- Manage risks to reduce impact on people and services

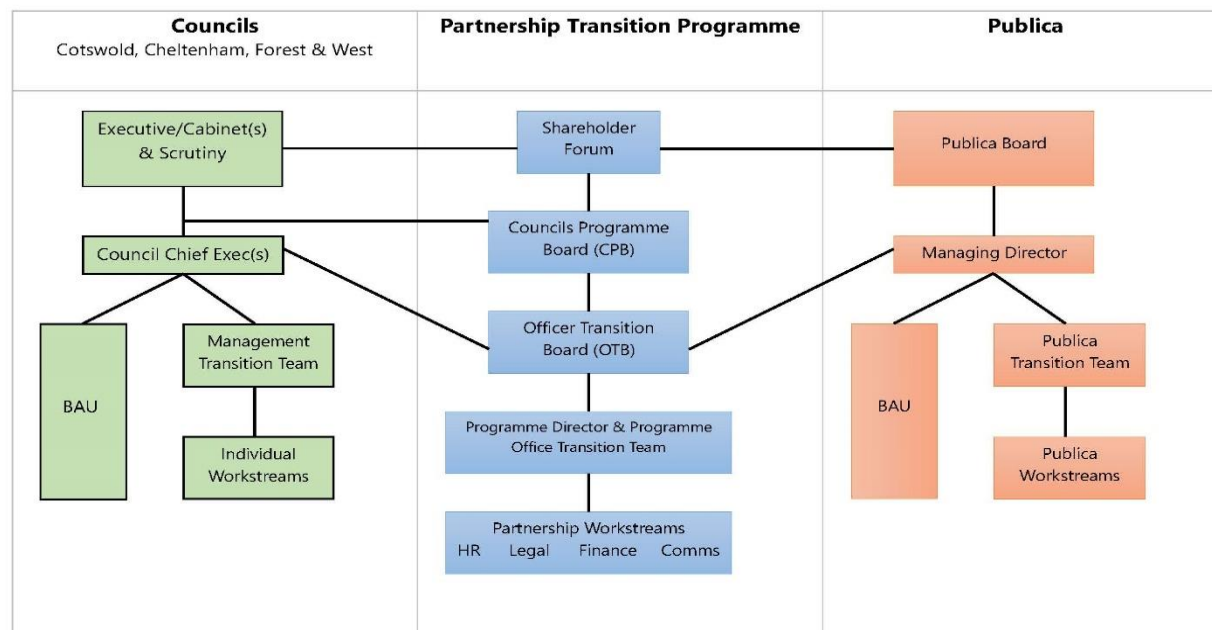
- Ensure effective programme, project management and risk management throughout transfer
- Ensure probity

Context: This work will need to take into account Employment Law, in particular TUPE regulations, the statutory requirement placed on s151 officers to ensure a balanced Council budget over a 5-year period, Company Law in relation to changes to Articles of Association and contracts, continuity of pay during transfers and continuity of service during transfers, changes to pension liabilities.

Funding: One off programme funding and transition costs – shared equally between 3 councils (CDC, FoDDC, WODC)

Approach: The following diagram outlines the Publica Transition Plan Programme Governance Framework. The programme board is accountable for the successful delivery of the programme and realisation of the consequent benefits.

Transition Programme Governance Framework



Each partnership workstream, individual Council workstream and Publica workstream will have a single responsible workstream lead. Each workstream will produce a workstream brief, risk register and implementation plan agreed by the programme board and provide regular progress reports to ensure successful coordination of the transition. Where there is a lot of activity to manage that is on the critical path, workstreams will involve a project manager.

Partnership workstream leads will be responsible for coordinating activity with individual workstreams.

An overall transition plan and risk register (of significant/escalated risks) will be managed by the programme director and overseen by the programme board.

Key stakeholders: This is a significant and complex change that has the potential to unsettle staff and hence have an impact on services. As such excellent change management and effective collaboration amongst stakeholders will be critical to the success of this programme and the ongoing success of benefits realisation. Key stakeholders are staff, managers, senior leadership, trade unions, Cabinets/Executive, Scrutiny, Shareholder Forum and Publica Board,

Key risks: A risk register will be developed. Primary risks are around staff retention, staff morale, service provision, cost of transition, compliance with employment law and accuracy of financial due diligence, in support of timely decision making.

Reason for this piece of work:

The council's aims are:

- More autonomy over service delivery and shaping future services
- Greater control over service spend
- Greater ability to recruit
- Council specific focus on key service areas and programmes
- Ability to be more 'fleet of foot' - shaping services specifically to the needs of residents and communities rather than adopting a one size fits all approach

The **expected benefits**, as summarised in the Human Engine report are:

- 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.

APPENDIX II – Transition Framework

Phase	Action	Features	Points to note	Indicative timescales	Dependencies
I	Programme office set up Completed	Membership, TOR, reporting mechanisms	Staff roles and responsibilities agreed, and staff seconded into teams TOR for programme agreed PID produced Meeting schedule developed Project plans including timelines, dependencies, milestones established	Immediate	Reporting lines to be established e.g. to each council's cabinet Delegation of authority/decision-making agreed
I	Creation of Programme Board to support alignment of all stakeholders Completed	Articulation of agreed principles underpinning the project	Any red lines of each council to be noted Recorded and minutes of meeting required	Immediate	Details may take time to be agreed
I	Development of Target Operating Model Completed	Stages of transfer, confirm which services are moving and when, what is remaining in Publica Development and agreement of design-led principles	Ethos of new organisations to be established and new organisation design developed – see below Early indication of the future look of Publica and its relationship with councils Review services coming across and in what order Defining new approach e.g. more commercial approach to service delivery Councils may not all agree on principles and phasing of transition	Immediate	Other partnerships (shared services) may be being considered in parallel but not to be a distraction Agreement may not be reached by June 2024

1	Organisational Design Model incorporating individual organisations organograms Completed	Review current management structure to ensure adequate capacity to manage and lead future insourced functions	Review the current management structure within each council in order to identify any functional/capacity gaps e.g. Human Resources, OD/Culture and transformation requirements Primary responsibility sits with each of the councils to determine their own organograms with the assistance of Publica to share details on current staffing arrangements/alignment etc. Purpose to set a clear direction of travel for the councils, to review and evaluate and update its practices, policies, procedures and ways of working, ensuring an improved customer experience post transfer of services	June 2024	TOM / Design principles to be agreed to trigger what is implemented
1	Development of Target Operating Model Completed				
Phase I outcome: a settled and detailed transition plan ready for cabinet approvals					
2	Financial plans and future operating budgets developed and agreed	Detailed financial analysis of impact of transfer	Costs of transfer including programme board costs, transfer related costs, any redundancies, branding etc. Benefits may be measured against these	June 2024	Depending on decision regarding Publica's future look
2	Consultation with recognised Trade Unions	Establishing a partnership approach with Trade Unions so that their views and those of	Dialogue should commence in good time to allow for meaningful consultation (and where appropriate) negotiation and as a minimum in line with statutory requirements	July 2024	TOM and Organisation Design/ organograms

		their members can be taken into consideration when developing transitional plans.	Consultation documents to be developed including business case for change, benefits to services to be realised, current and future establishments and any resulting impacts on staff etc		completed and approved. Financial plans and budgets developed and agreed
2	Communications	Staff engagement strategy required. Regularised updates to be shared with elected members including backbenchers	Engagement and Communications strategy developed and detailed plan produced utilising Platforms e.g. Yammer	July 2024	
2	Individual Employee Consultation	Within the wider consultation process and in addition to the formal consultation process undertaken between management and Trade Union representatives.	Individual consultation with affected staff should commence once business case for change has been developed and shared with Trade Unions Employees given the opportunity to express their own preference as to where they transition to prior to any final decisions being taken by management	July 2024	Consultation document prepared and shared with Trade Unions.
2	Managing Change protocols	Single agreed set of protocols to be developed and consistently applied by all councils when filling new vacancies arising out of TOM	A single, transparent, fair and equitable approach to 'Managing Change' protocols should be developed and adopted by all parties in consultation with Trade Unions, incorporating i) appointment process ii) redeployment process iii) Pay protection and iv) Employment law	Post July 2024	

		/Organisation Design.			
2	Organisation Development/Culture change programme	Encouraging dialogue/ identify Staff champions	Recognising that change is a difficult process consideration as to how staff will be supported through the transition should be developed Managers will have a key responsibility throughout the process and therefore, appropriate OD interventions, training and use of other support facilities should be made available	Post July 2024	Link to communications and organisational design and development review.
2	Internal Governance	Identification of all relevant governance boards and reporting lines to each by the Officer Transition Board Consideration of cross-party working group	Audit and Scrutiny Committee Cabinet Shareholder Forum Scrutiny Panel Formation of Member Transition Group to be considered All-member briefing to gather views on what 'success' looks like	Post July 2024	
2	Publica governance	Implementation of new governance system for Publica following transfer	Shareholder Forum revised to meet current needs Revised structure of Publica board	Post July 2024	
2	Risk management	Development of risk register	Monitoring arrangements	Post July 2024	
2	Transfer of existing staff	Transfer of staff from Publica to sovereign councils	Regulation 3 of the Transfer of Undertakings (Protection of Employment) Regulations 2006 will apply where a	Post September 2024	

			<p>service provision of an organised group is transferred back into one or more of the councils</p> <p>Since TUPE transfers can be detailed, time consuming and fought with legal and contractual challenges, Councils are recommended to obtain specific and more detailed HR and legal advice a part of the Officer Transition Board</p>	<p>Indicatively:</p> <p>Phase 1 – 6 months</p>	
2	Transfer of other assets	As above	As above	As above	
Phase 2 outcome: completion of phase 1 transfers in October 2024					
3	Development of new roles e.g. client commissioner roles, new senior team officers	Client roles to be set up to manage contracts remaining with Publica	May be drawn/appointed from Publica transferees subject to Managing Change protocols	Post July 2024	
3	Explore further opportunities for sharing	Opportunities to share between each other and/or with others	This could be carried out as a second stage	Post July 2024	
3	Benefits realisation assessment	Reviewed regularly to ensure no problems escalate	Part of Transition team's remit and circulated to stakeholders	Post July 2024	
Phase 3 outcome: Completion of identification of further operational efficiencies leading to phase 2 transfer					