



Glasgow City Council
City Administration Committee

Item 4
19th April 2018

Report by Councillor Feargal Dalton, City Convener for Workforce

Contact: Elaine Galletly Ext:74653

COUNCIL FAMILY REVIEW 2018

Purpose of Report:

To update members in relation to the work carried out regarding the Council Family Review, and to make recommendations regarding Cordia and Community Safety Glasgow.

Recommendations:

It is recommended that Committee:

1. notes the work being undertaken within the Council Family to restructure its operational services to best meet the requirements of new policy, legislation, and the recently approved Strategic and Community Plans;
2. approves that the services currently delivered by Cordia be transferred back to the Council Family as set out in this report by 30 September 2018, and that Cordia then be wound up;
3. approves that the service level agreements with CSG be terminated by 31 March 2019, and that the services be brought back into the Council as set out in this report; and
4. notes that further reports will be brought back to committee at a future date in relation to any further changes to the Council Family structure.

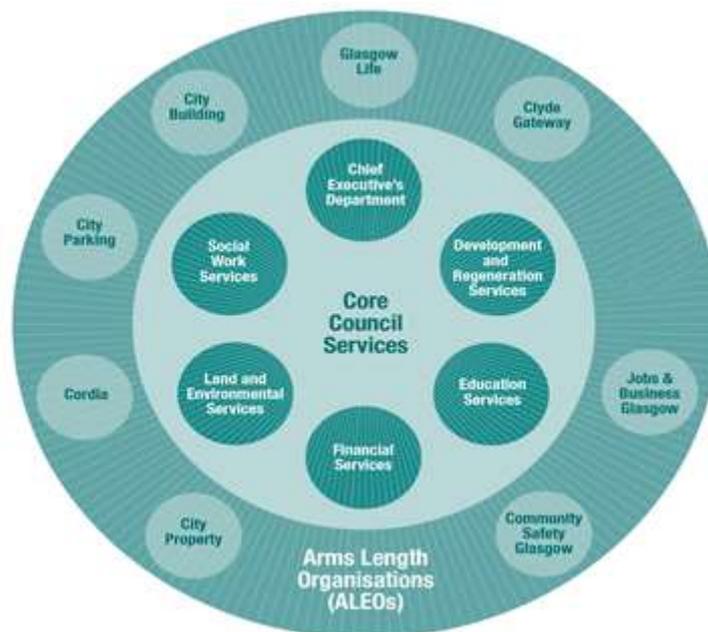
Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

1 Background

- 1.1 A strategic review was carried out of the Council Family and reported to the Executive Committee on 26 November 2015. One of the key recommendations was that the Service/ALEO (Council Family) model should be reviewed in light of budget, legislative changes, audit findings, funding criteria, contract terminations and management vacancies. The operating model continues to be reviewed regularly to ensure that it remains fit for purpose and delivers Best Value, and takes account of new and emerging issues. This is an ongoing process and Committee was advised that further reports would be brought back over a period of time.
- 1.2 The strategic review found that there was scope for a more joined up and collaborative operating model and recognised that there were a number of areas of duplication in professional and support services such as finance, HR, property management, marketing and branding, as well as numerous support functions. This has led to reform around consolidating resources to avoid duplication, maximise efficiency in cost and quality and maintain resilience. This consolidation is being managed through the Transformation Programme.
- 1.3 Since the 2015 Review, the undernoted changes have been made to the Council Family structure reducing the Service departments from 7 to 6, and reducing the number of ALEOs from 10 to 9:
 - City Building (Glasgow) LLP became a joint venture between the Council and the Wheatley Group on 1 April 2017. Between the JV and City Building (Contracts) LLP, around 2,000 jobs will be secured, and approximately 2,000 new apprentices will be created. The commitment to RSBi is enhanced as is the Apprenticeship Programme which will also be supported by the Wheatley Group.
 - Glasgow Life and GCMB have been merged.
 - Corporate Services has been merged across Financial Services and the Chief Executive's Department.



- 1.4 The Council Family structure is subject to continuous review to ensure it remains fit for purpose, delivers Best Value and takes account of new and emerging issues. This process is also subject to external scrutiny and links to 2 audits currently underway by Audit Scotland. The first is a Best Value Assessment that will assess how well the Council delivers Best Value, with a focus on whether the Council has clear strategic direction; how well it is performing; whether it is using resources effectively and working well with partners; and whether it is demonstrating continuous improvement. This is part of Audit Scotland's revised approach to Best Value and will see a Best Value Assurance Report prepared. The Assessment has started and the report is expected in August 2018.
- 1.5 The second audit is part of a national review entitled "Are ALEOs Improving Council Services?" Five of the Council's ALEOs have been selected as part of this review. The audit is intended to provide assurance over councils' use of ALEOs; the quality of the services provided and the value for money they deliver. The report is expected in May 2018.
- 1.6 The findings and recommendations of both of these audits will be reported to Committee and will inform future operational reviews, if required.

2. Ongoing Reform

Property and ICT Services

- 2.1 The joint venture with Serco terminated on 30 November 2017. Work is ongoing to align property and ICT services into the Council structure. A land and property transformation project was established in 2017 that created a new corporate landlord function that is focussing on asset optimisation/utilisation, efficiencies across facilities management operations, repairs and maintenance and capital projects, working with Council Services, ALEOs and community planning partners. This new function sits within DRS and Ian Robertson, former Assistant Director within

Education Services will lead this new team as Director of Property and Land Services. ACCESS property staff transferred to the Council (DRS) in February 2018.

- 2.2 The new ICT contract with CGI went live on 1 April 2018. All affected staff either TUPE transferred or seconded to CGI, and ACCESS will now be wound up. A Strategic Innovation and Technology Team (SIT) has been established within the Chief Executive's Department that will monitor contract performance, perform the intelligent client function; and engage with Services and ALEOs on new and emerging innovation and business requirements. Members will have continued oversight through the Digital Glasgow Board.

2.3 Council Strategic Plan/Community Plan

To reflect the impact of the new Plans the following changes have been made to the Council Family:

Development and Regeneration Services

- Executive Director title changed to Executive Director of Regeneration and the Economy.
- Assistant Director title changed to Director of Regeneration Services.
- Additional Director of Property and Land Services (transfer from Education).
- Additional Director of (Regional) Economic Growth (aligned to City Region Economic Strategy and City Deal PMO).

Chief Executive's Department

- Additional Director of Community Empowerment and Equalities to manage Community Planning, working across the Council Family, Community Planning Partners, Governments, Business, Third and Academic sectors.

Land and Environmental Services

- Executive Director title changed to Executive Director of Neighbourhoods & Sustainability.

3. New Proposals

- 3.1 Council reviews have been completed of the services provided by Cordia and Community Safety Glasgow. These reviews have been prioritised as a result of the new Council Plan, the new Community Plan, and material changes in legislation around community planning, community justice, community empowerment, and Integrated Health and Care. Both the Community Empowerment (Scotland) Act 2015 and the Community Justice (Scotland) Act 2016 have established statutory relationships between various public sector partners and are integral in driving forward the neighbourhood and community empowerment agendas. These must be considered in the context of how the Council Family delivers services.

- 3.2 New Community Planning legislation creates a shared leadership model, with joint responsibility amongst named Community Planning Partners (CPP) for the facilitation and co-ordination of community planning and empowerment, replacing the previous unique responsibility placed on the local authority. It also places an obligation on all CPP partners to promote activities which address socio-economic inequality in the CPP area.
- 3.3 The Public Bodies (Joint Working) (Scotland) Act 2014 provides a framework that requires and facilitates the integration of certain health and care services that are subject to the strategic direction of a separate legal entity which is in effect a statutory joint board composed of Council and Health Board members. This is a material change in the strategic and operational delivery of delegated services.
- 3.4 These legislative changes and statutory partnerships require a strategic review of existing service models across the Council Family and across the City as a whole, and a review of how current services are delivered. There are now statutory powers to allow partnerships to be formed which means that new approaches should be considered in terms of partnership working within the Council Family and across the City.

Cordia

- 3.5 Cordia is a wholly owned Council Limited Liability Partnership (LLP) structure and is made up of three LLPs. It was established on 1 April 2009 to manage Care Services and Facilities Management. The Council has a service level agreement in place with Cordia to deliver services, which can be renewed annually.
- 3.6 A Business Case has been developed for the Cordia services which are covered by the service level agreement. To develop the Business Case, a multi-disciplinary Project Team was established comprising officers across the Council. The Business Case is consistent with the HM Treasury Green Book 'five case' model and sets out the strategic need and context for the review and the case for change from the current operating structure. It identifies a range of options that were filtered down to a short list for detailed appraisal against a set of criteria. The Business Case is available for review in the Members' library.
- 3.7 Each of the short listed options was then assessed against the defined criteria of: strategic fit; service delivery; scope for innovation; financial case; people/HR; and ease of implementation. This appraisal identified the preferred option of terminating the current LLP model and re-organising the delivery of all services across the Council Family.
- 3.8 The Business case highlighted a number of material issues to be taken into consideration and acknowledged that the drivers for change are very different from those which applied when Cordia was established in 2009. Some of the key issues are as follows:

- The creation of the Integration Joint Board (IJB) and the integration of health and social care, enabling a review of the operational and governance model of delegated health and social care services in order to ensure the optimal delivery structures;
 - NHS and IJB as statutory partners in terms of both Community Planning and Community Justice legislation, and the ability to work in partnership through enabling legislative provisions;
 - The financial and operational demands on services;
 - The establishment of Property and Land Services and the consolidation of strategic and operational property functions; and
 - The ongoing roll out of the transformation programme across functional areas.
- 3.9 The Business Case appraisal identified the preferred option of discontinuing the current LLP model and re-organising delivery of all services across the Council Family. If approved, this will involve the TUPE transfer of staff as follows:
- Homecare and associated services to be transferred to Social Work Services.
 - Facilities Management services (including catering) to be transferred to Property and Land Services. However, it is proposed that the Council enters discussions with Glasgow Life in relation to Encore services. This will be subject to due diligence and approval by the Glasgow Life Board.
 - Back office functions and support to be placed within the Council in line with Transformation principles around LEO (leaner enabling operations).
- 3.10 Cordia will subsequently be wound up, although consideration will be given to retaining the names of “Cordia” and “Encore” for future use as required.
- 3.11 If approved, it is proposed that an implementation plan is developed with a view to the transfers taking place no later than 30 September 2018 after which the Cordia legal structures will be wound up.

Community Safety Glasgow (CSG)

- 3.12 CSG is a charitable company with two Members namely the Council and Scottish Police Authority (SPA), although on a day to day basis Police Scotland acts as key partner. CSG has two subsidiaries. It was established in 2006 to tackle antisocial behaviour and crime, and deliver community safety. The Council has service level agreements in place with CSG and one of its subsidiaries, for services which can be renewed annually.
- 3.13 A Business Case has been developed for the CSG services which are covered by the service level agreements. To develop the Business Case, the same approach was taken as is set out in paragraph 3.6. The Business Case is available for review in the Members’ library.

- 3.14 Each of the short listed options was then assessed against the defined criteria of: strategic fit; service delivery; scope for innovation; financial case; people/HR; and ease of implementation. This appraisal identified the preferred option of terminating the Service Agreements with the delivery of all services across the Council.
- 3.15 The Business case highlighted a number of material issues to be taken into consideration, and also acknowledged that the drivers for change are very different from those which applied when agreements were first entered into in 2006. Some of the key issues are as follows:
- Police Scotland is now a statutory partner in terms of both Community Planning and Community Justice legislation, with supportive enabling legislation;
 - The Chief Executive's review of the Council's delivery model for Community Planning, Empowerment, Equalities and Community Justice, including Safe Glasgow;
 - A review of neighbourhood services including enforcement across the Council Family;
 - The establishment of Property and Land Services;
 - Increasing integration of environmental services across Neighbourhoods and Sustainability (formerly LES) and CSG, neighbourhood engagement and the use of the Operations centres at Eastgate and Blochairn; and
 - The ongoing roll out of the transformation programme across functional areas.
- 3.16 The Business Case concludes that with the creation of the new Community Planning and Community Justice governance structures, which include all statutory partners, rather than through a separate ALEO with only one of those statutory partners, the services should be re-integrated within a Council Service. It is therefore proposed that the Council terminates its service level agreements with CSG no later than 31 March 2019 and that all current services delivered to the Council under those service level agreements are transferred into the Council under the management of the Executive Director of Neighbourhoods and Sustainability. Back office functions and support will be allocated in line with Transformation principles around LEO (leaner enabling operations) with staff and projects aligned across Services as required. The process will involve the TUPE transfer of all staff wholly or mainly engaged in relation to these services into the Council. Council officers will work with CSG to ensure a smooth migration of the services transferring back into the Council through termination of the service level agreements.
- 3.17 It is recognised that the termination of these agreements (which account for around 74% of CSG's income) will have a material impact on CSG and its subsidiaries. Around 13% of the remaining income of CSG and its subsidiaries relates to Scottish Government grant for Assist and Tara projects, and around 13% comes from third parties via contracts or other funding. The board of CSG will no doubt want to consider, against the test of what is in the best interests

of CSG as a charity, how best to address the significant reduction in levels of activity arising from termination of the service level agreements. Council officers will engage with CSG to support, wherever deemed appropriate, the implementation of decisions taken by the board of CSG in this regard and will also take due account of the Council's position as one of the two current members of the company.

4 Policy and Resource Implications

Resource Implications:

Financial: Provisions have been made within the Budget for service transition and redesign costs associated with the organisational restructure.

Legal: Legal Services will ensure that all legal implications associated with the organisational restructure are implemented.

Personnel: TUPE will apply where services are brought back into the Council. In accordance with legislative requirements staff will be transferred on their current terms and conditions of employment.

Procurement: N/A

Council Strategic Plan: Resilient and Empowered Neighbourhoods
A Healthier City
A Well Governed City that Listens and Responds

Equality Impacts:

Does the proposal support the council's Equality Outcomes 2017-22? EQIA screening has been completed at this stage, and a further EQIA will be built into an implementation plan.

What are the potential equality impacts as a result of this report? No significant impact at this stage.

Sustainability Impacts:

Environmental: N/A

Social: N/A

Economic: N/A

**Privacy and Data
Protection impacts**

No data protection impacts identified at this stage.

5 Recommendations

It is recommended that Committee:

- 5.1 notes the work being undertaken within the Council Family to restructure its operational services to best meet the requirements of new policy, legislation, and the recently approved Strategic and Community Plans;
- 5.2 approves that the services currently delivered by Cordia be transferred back to the Council Family as set out in this report by 30 September 2018, and that Cordia then be wound up;
- 5.3 approves that the service level agreements with CSG be terminated by 31 March 2019, and the services be brought back into the Council as set out in this report; and
- 5.4 notes that further reports will be brought back to committee at a future date in relation to any further changes to the Council Family structure.