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| REPORT TO: | COUNCIL | AGENDA ITEM: 8 |
| DATE OF MEETING: | 26th FEBRUARY 2020 | CATEGORY: DELEGATED |
| REPORT FROM: | CHIEF EXECUTIVE | OPEN |
| MEMBERS' CONTACT POINT: | FRANK MCCARDLE frank.mcardle@southderbyshire.gov.uk 595702 | DOC: |
| SUBJECT: | NON-STRUCTURAL REFORM | |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: |

1.0 Recommendations

- 1.1 That the progress on the development of a new Vision for Derbyshire and work to take forward non-structural reform be noted.
- 1.2 That the principles for collaboration, the areas of potential focus for future working and the next steps be noted.
- 1.3 That the Price Waterhouse Coopers (PWC) proposals for Phase 2 and the approach for taking plans forward and sharing identified costs as set out in this report are considered.
- 1.4 That the Council's active participation in Phase 2 and the associated costs of supporting PWC proposals be approved.

2.0 Purpose of the Report

- 2.1 To provide an update on work taking place with Derbyshire Councils on non-structural reform and to approve the Council's participation in Phase 2 and the associated costs.

3.0 Detail

- 3.1 In June 2019, Price Waterhouse Coopers (PWC) were commissioned by Derbyshire County Council to undertake a programme of work to explore the appetite for future collaborative working in Derbyshire. It was suggested that the new approach should look beyond traditional partnerships, towards a new collective and ambitious vision and model of collaboration, integration and shared leadership focused on achieving the greatest public value for local people and communities.
- 3.2 The key aims of the study were to:
 - Identify and explore the existing level of ambition and appetite of stakeholders to progress non-structural reform in Derbyshire

- Establish the purpose and potential value of progressing the approach in Derbyshire and the conditions which would need to be in place to support future collaboration
 - Identify and develop short, medium- and long-term options for collaboration
 - Scope and establish the parameters for Phase 2
- 3.3 Derbyshire chief executives, and a sub group comprising a small number of Derbyshire councils, have led the work throughout this process to guide the work and future phases.
- 3.4 The study commenced in August 2019 through a series of semi-structured interviews with leaders and chief executives, led by a team from PwC. Key interview topics for discussion, included:
- Derby/Derbyshire as a place
 - Existing level of alignment, successes and challenges
 - Ambitions for future collaboration
 - Potential outcomes and themes for collaboration
 - Ways of working, culture and behaviours, enablers and barriers
- 3.5 Two exploratory workshops, held on 6 September 2019 and 4 October 2019, subsequently took place. The workshops started to explore the vision of place for Derbyshire with the first workshop exploring the “why” (why should councils work together). The second workshop focused on the “what” (what should councils work together on) with a small number of themes starting to emerge.
- 3.6 The third and final workshop took place on 25 October 2019 and sought to confirm priority themes and identify both barriers and enablers moving forward. The final workshop also explored how the councils could collectively maintain the momentum, energy and enthusiasm for joint working that has been built through the process and next steps.
- 3.7 All workshops, and the process of developing proposals have provided a space for an honest conversation about the opportunities and challenges for future collaboration. PwC have now set out, for consideration by the councils, proposals for future action together with a draft timeline. A number of principles for collaboration to guide future working have also been identified as follows:
- Improve outcomes – collaboration must enable us to improve outcomes for people and place
 - Speak with one voice – collaboration must support us to speak to our residents, business, regional and national stakeholders with one voice
 - Better coordination – collaboration must enable better coordination and use of resources, allowing us to make strategic choices according to the need of our place
 - Provide a visible alternative to unitarisation – collaboration needs to represent a viable alternative to unitarisation, with greater flexibility to deal with strategic challenges of the future whilst maintaining appropriate local control
 - Delivery to be sustainable – collaboration should be delivered within the means, both resource and financial, of all councils, so as to be sustainable.
- 3.8 During workshop activities a number of areas for future collaboration have emerged. These, whilst not exclusive, provide a potential focus for future working and include:
- Climate change

- Development of a strategic narrative
- Tourism
- Skills and employment
- Thriving communities/social mobility
- Economic prosperity

3.9 The ambition to work collectively together moving forward has revealed a number of success factors which councils acknowledged were critical. These indicate a step change in approach and ways of working to drive a truly different model of local government in Derbyshire and include:

- Working at pace, and building momentum.
- Working as a collective.
- Continue to strengthen leadership of place.

3.10 The work undertaken as part of the study marks a statement to develop a fundamentally new way of working together to deliver differently for the people of Derbyshire. Following discussions at Derbyshire Chief Executives meetings and the D2 Leaders, Committee for Economic Prosperity in November 2020, PWC were asked to develop and submit proposals for Phase 2 which are set out below.

Phase 2 Proposal

3.11 Phase 2 non-structural reform proposals aim to progress a new model of local government collaboration for Derbyshire. Detailed proposals build on the work carried out to date, with a view to:

- maintaining the momentum successfully built up during Phase 1 and extending engagement to a broader range of members, employees and partner organisations;
- developing a case for change and a proposition to Government; and
- designing and mobilising a dedicated team and delivery programme in order to accelerate implementation.

3.12 Phase 2 will enable councils to:

- foster even closer working relationship between councils in Derbyshire through a clear understanding of how a new model of local collaboration will work and deliver benefits;
- persuade central government to back the new model; and
- establish the operations of the new model and begin to deliver tangible results through enhanced collaboration across specific areas/themes, with climate change being the potential first theme to take forward.

Proposed Approach

3.13 To deliver identified outcomes, PWC have proposed the adoption of two workstreams, with a number of identified deliverables as follows:

| 3.14 Workstream | 3.15 Activity |
|---|---|
| 1. Development of case for change and proposition to government | <ul style="list-style-type: none"> • Confirm scope and structure of case for change with Steering Group • Collect and analyse baseline data • Interviews and engagement with Leaders and Chief Executives • Engagement events • Develop a functional model for collaborative working in Derbyshire • Develop the strategic narrative that will underpin collaborative working in Derbyshire • Assess potential financial and non-financial benefits • Write up the case for change • Produce a formal proposition for government • Support council in their discussions with government |
| 2. Delivery programme mobilisation and acceleration 3.16 | <ul style="list-style-type: none"> • Mobilise and provide both 1:1 and group coaching for the cross-council delivery team • Support the design of the delivery programme for the new model of collaboration • Provide embedded support for a period of three months, including running workshops to begin delivery of tangible results through the programme |

3.17 An indicative project plan alongside detailed activities and deliverables for each workstream has also been developed and seeks to both focus and direct the work of both PWC and participating councils during the implementation period, which is anticipated to last six months. Completion of the programme will be dependent upon an agreed start date; however, participating councils are keen to maintain momentum and build on the impetus gathered through Phase 1, commencing Phase 2 as soon as practicable.

3.18 Proposals and deliverables have been discussed by all Leaders of Derbyshire councils at a recent D2 Joint Committee for Economic Prosperity which took place on 10 January 2020. The County Council and all eight district and borough councils have expressed an interest in participating in Phase 2, subject to the formal approval of the individual councils concerned. Derby City Council, whilst supportive of future collaborative working, has expressed a desire to not progress to Phase 2 at this time.

3.19 The total cost of taking forward PWC proposals is expected to be in the region of £350,000. Subject to individual councils approval of proposals, it has been suggested that the costs of taking forward Phase 2 should be shared across authorities using the following split:

| | |
|-------------------------------|-------------------|
| Council | % |
| County Council | 62.5 |
| District and borough councils | 37.5 (8 councils) |

- 3.20 The cost of supporting PWC proposals for the council is therefore estimated to be £17,000. Involvement in Phase 2 presents an opportunity for the council to participate in the development of an innovative and collaborative approach for Derbyshire.
- 3.21 Any additional costs of establishing and building a small core team to take forward work, alongside identified PWC activities, have yet to be identified. The core team will play an important role in implementation, building a dedicated resource to work on behalf of councils, working with the identified PWC embedded resource.
- 3.22 Wider engagement with leadership teams within participating councils, both at an officer and elected member level, has emerged as a significant element of the proposals and a key action which will feature strongly in the delivery of the approach. It will be important to ensure that the authority is engaged in proposals as they emerge and develop over forthcoming months to maximise the benefits for local people and communities in South Derbyshire.
- 3.23 Identifying the key actions which the council will need to undertake, and the resources and capacity required to participate fully in both the development and future implementation of proposals will be vital over forthcoming weeks. It is therefore recommended that a further report on progress, which sets out the resources required to support the development of the approach and the creation of a dedicated core team working on behalf of all councils, be presented for consideration to a future meeting of the Council.
- 3.24 Ensuring that plans are progressed at the earliest opportunity will be vital in maintaining momentum as well as maximising the benefits for local people and communities across Derbyshire.

4.0 Financial Implications

- 4.1 The Council's contribution in supporting PWC's proposals, as set out in the report, are estimated to be £17,000. As there is no budgetary provision for this, the contribution would need to be financed from the General Fund Reserve.
- 4.2 Any further costs would have to be set out in further reports for consideration, which identify actions the Council will need to undertake together with the resources and capacity required to participate in both the development and future implementation of proposals. This would need to include a full value for money assessment to determine whether any future proposals/actions are economical, efficient, effective and equitable for the Council.

5.0 Corporate Implications

Employment Implications

- 5.1 None.

Legal Implications

5.2 None.

Corporate Plan Implications

5.3 The Council's vision to ensure the District remains a great place to live, work and invest is identified in the three key priorities of, our environment, our people, and our District. The potential areas of focus for the non-structural reform reflect the ambitions of a prosperous and healthy South Derbyshire.

Risk Impact

5.4 Low.

6.0 Community Impact

Consultation

6.1 Not at this stage.

Equality and Diversity Impact

6.2 None.

Social Value Impact

6.3 To be determined following completion of Phase 2

Environmental Sustainability

6.4 To be considered as part of the review of Phase 2.

7.0 Conclusions

7.1 The report seeks Members approval to a contribution towards the work taking place on the concept of non-structural reform.