

People and Places Business Case

107. We are proposing a shared appointment with the Primary Care Trusts, of Directors of Public Health who will act as a Strategic Director within the People Directorate, but who will have a cross cutting agenda for health improvement and inequalities, both within the new authorities and across the key partnerships. This will be enabled by the virtual co-terminosity of the PCT Boundaries with those of the new unitary authorities.
108. The Deputy Chief Executive of Performance and Capacity will be the overall business change manager for each new organisation.
109. Specifically, he/she will have the remit to:
- deliver the capacity (people, finance, skills, knowledge and behaviours) within the organisation and for working in and through partnerships
 - ensure effective commissioning of service delivery
 - monitor performance across programmes to ensure the alignment of resources to outcomes
110. The directorate will be the first to go live and, in the first instance, have overall responsibility for transition planning and implementation of the new structures.

FINANCIAL CASE AND VALUE FOR MONEY

111. Since January a detailed examination of existing resources has been undertaken across all 7 councils in Cheshire. Potential structures for modern local government have been modelled and compared with excellent unitary authorities such as East Riding, Wigan, Halton and St. Helens. This has enabled the initial efficiency savings to be substantiated and reflected in new structures for the East and West authorities. Some of the savings will accrue from the reduction from 7 councils to 2 particularly in the support service functions. Others come from more effective working under the new organisational culture of each authority and reduced bureaucracy.
112. The table summarises the savings from creating 2 new unitary organisations in Cheshire. More detailed commentary is available in the People, Places and Performance & Capacity annexes.

	Service Area	Gross Saving £m
Areas costed into original submission to DCLG	Legal & Member Services	1.7
	Member Allowances	1.7
	Finance	3.6
	ICT	4.1
	System Harmonisation	2.0
	Infrastructure and Facilities Management	0.3
	Communication & Marketing	1.2
	Corporate Development (including HR)	2.0
	Performance Improvement	0.7
	Senior Management	3.9

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	Service Area	Gross Saving £m
Front Line Services	Revenues & Benefits	1.2
	Libraries, Leisure & Culture	1.0
	Trading Standards & Other Environmental Services	0.4
	Waste Disposal, Collection & Recycling	2.4
	Public Realm & Street Scene	0.7
	Economic Development	0.9
	Planning & Transportation	1.8
	Strategic Housing	0.5
	Identified Gross Savings	

- I13.** The gross savings have now been quantified at £30.1 m per year. More collaboration with other organisations and the new sponsoring authorities has enabled us to identify an increase of 10% in savings. A sensitivity analysis has been conducted, and is included as Annex D.
- I14.** Additional savings will be realised from the disposal of redundant property. Capital receipts will be deployed to support the capital programme of the new authorities whilst savings in running costs will be in addition to gross savings identified above.
- I15.** The People & Places structures and resources will deliver improved services across the whole range of public sector provision. The proposals for People services may not save much from local government but will significantly reduce pressures on NHS resources. Likewise the focus on Place will help other partners such as Fire and Police shift resources to closer meet their objectives.
- I16.** Service improvements and investments is integral to the design of this business case and the detailed structures. For example:
- ICT & Business Process Support has been staffed to improve support to schools and community users which is currently lacking
 - giving customers ready access to the councils so their issues can be dealt with at the first point of contact, will need investment. This has been recognised in the proposed structures and support staff have been moved to Customer Services to reflect this
- I17.** We propose that savings from the school rationalisation programme (locally known as Transforming Learning Communities) will continue to be ring-fenced to bring forward improvements in the Children & Young People area.
- I18.** The new structures (and associated costing) allow for improvements and investments, but we recognised that additional investment will be needed in some places to ensure that the new organisations deliver from the outset. For example, improved local delivery in the Partnership service area will need programme managers to facilitate neighbourhood working and support the Area Programme Boards. Community Transport will require additional funding. Adult care payments are and will remain a pressure on resources and demand will rise in the period leading up to the creation of the new authorities.
- I19.** It is therefore proposed that £6m of the savings realised is ring-fenced for the new authorities to enable this additional investment to be made as required. The remaining £24.1m savings can then be reinvested to meet community priorities when identified.

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- I20.** The new authorities will have to maximise the efficient use of resources to match the changing and increasing demands for some services. The People and Places model has continual improvement and value for money underpinning its philosophy. It is essential to continue to seek out best practice and efficiencies to ensure resources are reallocated towards meeting the needs of our communities. To support this the Performance & Capacity Directorate in each new unitary council will ensure:
- costs and performance will be challenged through the budget setting process, performance monitoring, benchmarking, Value for Money reports, efficiency statements, scrutiny by member review committees etc
 - the programme and project planning approach will be embedded to integrate financial and business planning and target resources more effectively on planning
 - comparison and challenge of costs by reference to nearest neighbour groups, regionally, nationally and with the 'best in class.' This will not only look at costs per unit but will also compare the relation between cost and quality
 - the assets of the new authorities are used in the most effective way to both maximise external funding opportunities and develop private sector partnerships to regenerate communities and improve services and facilities
 - central, corporate and democratic costs will continue to be challenged to ensure that we operate economically as well as efficiently and effectively. We will then seek to redirect savings to front line service improvement as required
- I21.** Community and corporate plans for East and West Cheshire will set out the priorities and target resources effectively at those priorities, reducing duplication and delivering better services that meet residents' needs. The Medium Term Financial Strategy (MTFS) will embrace these priorities and targets and provide a framework for the planning and monitoring of resource requirements. It will achieve a sustainable balanced budget harmonising council tax to the lowest level and minimising future increases.
- I22.** The combination of these actions will enable the new authorities to build on the generally high quality of services and public satisfaction provided by the current authorities and demonstrated by both Best Value General Survey results and local surveys.

TRANSITION AND NEXT STEPS

- I23.** The transition will be managed as a programme according to MSP principles. It will have a number of key work packages that build on the initial work undertaken in developing the bid and the business case. Project teams will come from all seven authorities and partner agencies to take forward the work with the support of a programme office and dedicated project managers.
- I24.** These key packages will each have their own programme plan and dedicated team. They include:
- resource planning
 - financial planning
 - service planning
 - workforce planning