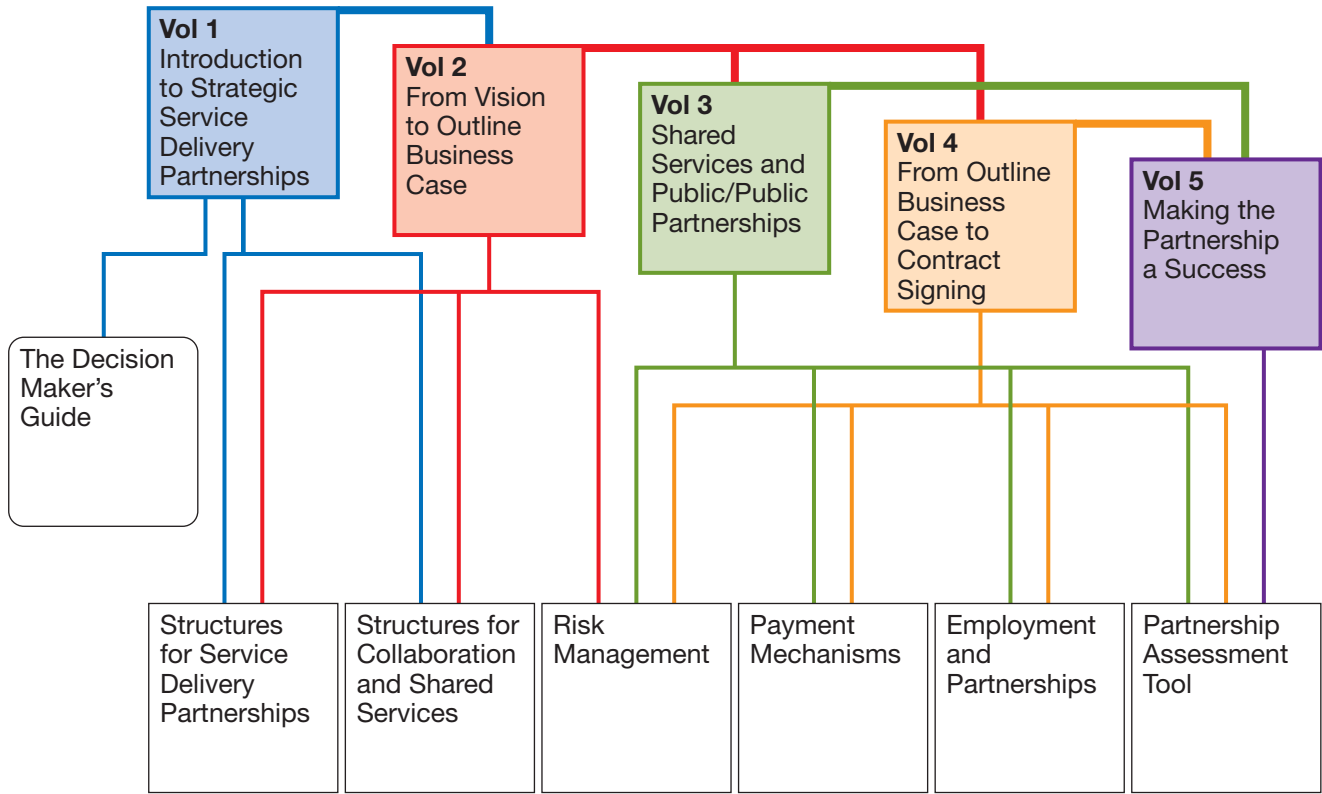


Service Transformation through Partnership

Rethinking Service Delivery Series



Technical Notes and Tools

Reading this summary will give officers and members a complete overview of the toolkit and advice that is immediately accessible to them to develop partnerships for service delivery. Those partnerships may be with the public, private or voluntary sectors, but whatever you need to know to take them forward, you will find within.

Questions, questions...

Are you looking for additional capacity to deliver your number one priority?
 Are you keen to develop shared service opportunities with some of your neighbouring authorities but don't know how to go about it?
 Do you need some partnership approaches to tackle the high cost of care services and deliver efficiency gains for your authority?
 Are you the project manager for your authority's partnership and need to know where to start?

Whether you are a Council Leader or Member, a Chief Executive or Chief Officer, a Project Manager or a Technical Officer, the DCLG has produced a comprehensive suite of advice and an A-Z toolkit that explains the benefits of service delivery partnerships and how to establish and successfully manage them. By their very nature these documents are large and comprehensive so we have produced this summary and CD ROM to explain where to find the information appropriate to where you are in the process.

Why you should read this?

The use of partnerships in local service delivery has been an option for many years.

With increasing public expectations of local authorities, the ongoing drive for efficiency and the need to continuously improve services, means there is a greater emphasis than ever before for local authorities to look to work with others. This may be with other authorities or public sector bodies, private sector organisations or the third sector.

However this has resulted in ever more terminology describing what and how to work in partnerships and it can be difficult to see the wood from the trees.

Some but by no means all of the terms for "partnership" in regular use

Aggregation	PFI
Collaboration	PPPs
Incremental	Strategic Partnerships
Joint Working	Outsourcing
Joint Service Delivery	Shared Services
LSPs	Service Delivery Partnerships

So what do we mean by partnership, what is a shared service? What would suit your circumstances? This document will provide the basic answers and help direct you to the relevant parts of the toolkit.

Why a partnership?

The present climate sees two key demands on authorities

- increased expectation on service delivery
- pressures on local authority expenditure.

Local communities' expectations of council services are rising and reflect their expectation for service levels to be as good as those provided by commercial organisations. At the same time the Gershon Efficiency agenda is a challenge for authorities to limit increases in Council Tax and to make savings that can be re-directed to the front line. These challenges have led authorities to look at options for delivering services that only a few years ago would have been unlikely to form part of their strategy. In particular partnership working in all its forms are a key part of the Gershon philosophy and is a real solution towards managing the two key demands.

There are many benefits to be had.

A good well run partnership will

- Increase capacity to bring about transformational and radical improvements in services
- Provide focus on service users
- Secure economies of scale and efficiencies
- Breakdown cultural and organisational barriers to improvement
- Combines the skills and expertise of diverse organisations
- Provide the means for innovation and flexibility – enabling services to be delivered in a way that would not be possible for authorities on their own
- Lever in new capital

Who has been successful and how

Early service delivery partnerships tended to be large scale, public/private partnerships that principally focussed on the delivery of corporate and transactional services. Notable examples include **Blackburn with Darwen Borough Council's partnership with Capita Group Plc and Liverpool City Council's partnership with BT**, both of which were formed in 2001.

To encourage and develop a range of service delivery partnerships, the ODPM supported a number of pathfinders between 2002 and 2004. Examples of these include:

Surreyjobs. A partnership created between the local authorities and other public sector employers in Surrey (with Runnymede BC as the lead authority) and private sector partner Jobs Go Public to improve the efficiency and effectiveness of recruitment and retention. The e-recruitment system launched in July 2003 has seen demonstrable cost and other efficiency savings made as well as a more effective means of attracting candidates.

AGMA Out of Authority Placements partnership. Formed by the 12 AGMA authorities to reduce the number of distant placements of children and young people for whom the authorities are corporate parents. Working through a Joint Commissioning Unit established in April 2005 and hosted by Tameside MBC, the partnership has already seen a noticeable fall in the number of placements over 20 miles from the child's home.

Since the pathfinder programme was undertaken, the number and range of partnerships has continued to grow in directions such as:

Kier Sheffield LLP. A partnership formed in 2003 between Sheffield City Council and the Kier Group to cover the repair and maintenance of Council owned housing and corporate buildings. The benefits generated by this partnership include better customer access and improved service delivery along with a significant reduction in rent loss through vacant dwellings.

Anglia Revenues Partnership (ARP). Created in August 2003 by Breckland Council and Forest Heath Council to jointly provide Revenue and Benefits services. The partnership has reported savings against the two initial budgets as well as significant improvements in performance against BVPIs. With a third district soon to join (East Cambridgeshire) the ARP intends to offer its services more widely across the region using the new trading powers.

Staffordshire Connects. The ten local authorities in Staffordshire founded this partnership in 2002 to meet the challenge of enabling the electronic delivery of all relevant services by December 2005. The partnership has seen capital savings made in the procurement of a common Customer Relationship Management system, on-going revenue savings and a significant increase in first-time service resolution, take up of e-Payments and use of the joined-up directory.

Where do I go from here?

The process from vision to establishing and managing a successful partnership can be found in summary at the back of this document. We have included a flow chart to help your way around the guidance. The CD ROM attached to this document will also help you and there is a search engine that you can use to find where specific issues are within the toolkit.

The Guidance	Who should read this work		
	Members and Chief Executives	Project Officers and Senior Managers	Technical support – Legal, HR, Finance
A Decision-maker's Guide	■	■	■
An Introduction to Strategic Service Delivery Partnerships	■	■	■
From Vision to Outline Business Case		■	●
Shared Services and Public/Public Partnerships		■	●
Outline Business Case to Contract Signing		●	■
Making the Partnership a Success		■	●
Structures for Service Delivery Partnerships		●	■
Structures for Collaboration and Shared Services		●	■
Payment Mechanisms		●	■
Risk Management		■	●
Employment and Partnerships		●	■
The Partnership Assessment Tool		■	■

Where did the toolkit originate?

The toolkit was originally produced by ODPM's Strategic Partnering Taskforce (SPT) between 2002 and 2004. The SPT was set up to take forward a major research and development programme to explore how service delivery partnering might deliver more for local government than the traditional methods of procuring services. As well as producing the original advice and A-Z Toolkit, the Taskforce published a final report in March 2004 which brought together its findings and recommendations on what can be done to make partnerships a realistic procurement option for local authorities of all sizes.

Key recommendations for local authorities from the Strategic Partnering Taskforce's Final Report

Strong and consistent leadership is the foundation of successful SSPs and shared service partnerships. Work should not proceed unless this is in place. The leadership needs to be supported by simple and effective management structures to ensure that: objectives are clear and unambiguous and that their implications fully understood by all partners; responsibilities are clear and are recognised at the highest level of partner organisations; the right skills are accessed at the right time; rapid action is possible when required; and decisions are properly made and are open to scrutiny. (Pages 11 and 25)*

An **effective communications and consultation plan** needs to be put in place to keep all stakeholders, including staff, inform of the objectives and progress of the project. The views of employees, their representatives, service users and Council Tax payers are vital to ensuring the deliverability of, and focus on, the SSP and shared service objectives. (Pages 11 and 26)*

Effective preparatory work is vital before embarking on procurement or shared service delivery partnership. This is a crucial phase and a project without clear and specific objectives, that is poorly scoped and costed, and with limited risk assessment will often face major and costly problems that will need to be resolved later. The process should include baseline assessment, strategic outline case, options appraisal, outline business case and implementation plan including benefits realisation. (Pages 12 and 30)*

Local authorities should work with the Regional Centres of Excellence and others to **capture the skills necessary of establishing, procuring and managing a SSP and shared service delivery partnership**. There is a shortage of individuals who have the experience of establishing and implementing large partnerships. Where skills needed for establishing and managing a successful partnership have been developed there should be mechanisms to pass on their knowledge to others in the public, private and voluntary sectors. (Pages 12 and 22)*

Formal reviews such as the Gateway Reviews should be undertaken at key stages to ensure the validity, feasibility and deliverability of the SSP and shared service delivery projects before proceeding to the next stage. This applies equally to public/public and public/private partnerships. During the project, continuous improvement should be supported by the use of a formal process, such as the Taskforce's *Partnership Assessment Tool* (ODPM 2003). (Pages 12 and 30)*

Excellent governance of a project is essential for a partnership to be established and managed effectively. A governance agreement should be in place at the beginning of a partnership and in advance of a more formal contract. The Taskforce found the best governance arrangements were where all parties were clear about the purpose of the project and the role of those involved. (Pages 13 and 32)*

Project Management is the key to successful delivery of any project and needs to be undertaken properly for the establishment of a partnership to be successful. Particular attention is needed in to identify a dedicated project manager at an early stage of a project. (Pages 13 and 35)*

Authorities wishing to improve service delivery and obtain efficiency gains should **consider an incremental transformational approach to partnership working** where the scope of the relationship can be enlarged over time. The benefit of this approach is to reduce the risk to all partners of contractual commitment to a wide range of services before the fundamental ability to work together has been tested. (Pages 14 and 37)*

Local authorities should **work harder to harness the expertise of the third sector to improve partnering**. Strategic partnerships nor shared service arrangements have not at present identified major roles for the voluntary sector or small business sector. There is scope for substantially more involvement. (Pages 15 and 41)*

** All references are to the Strategic Partnering Taskforce Final Report March 2004
<http://www.communities.gov.uk/index.asp?id=1136486>*

Acknowledgements

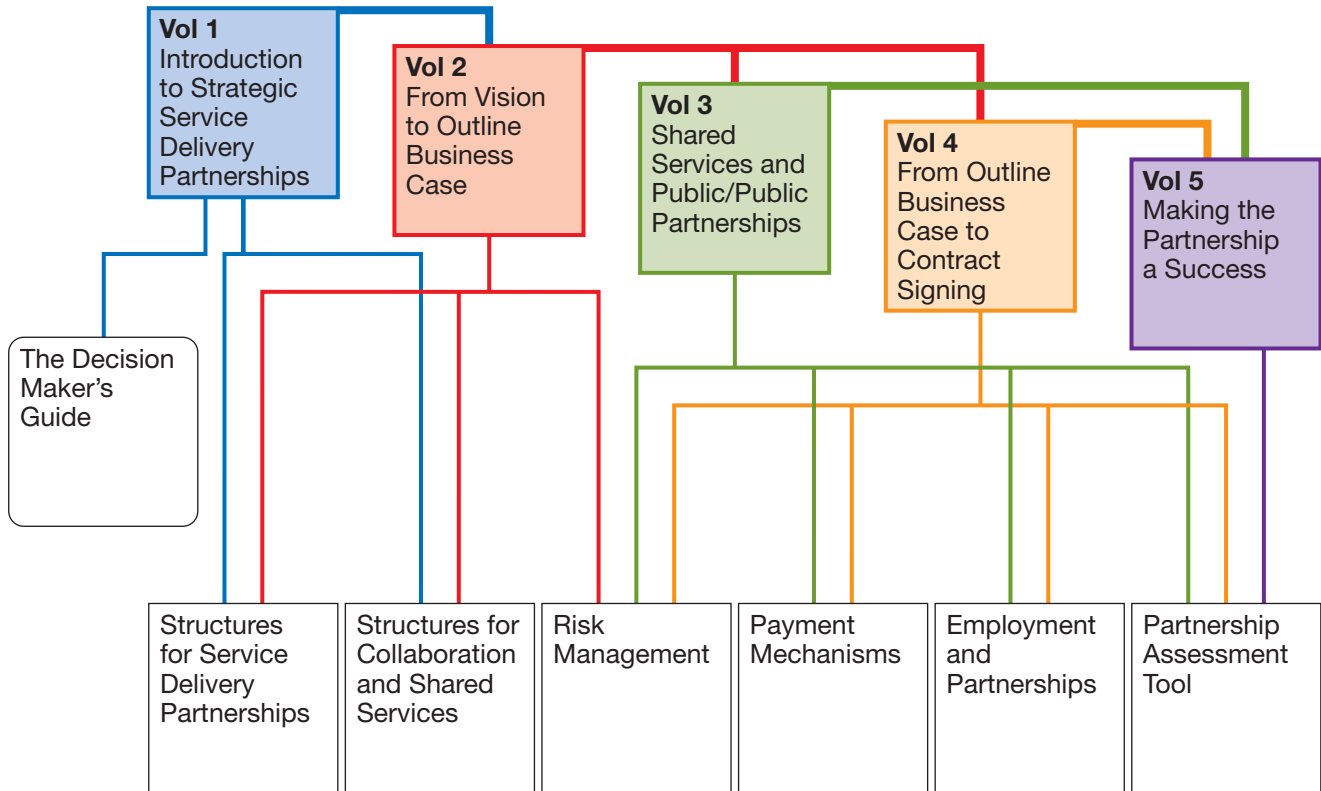
The updates to the work of the Strategic Partnering Taskforce have been produced by DCLG with the assistance of Alan Aisbett of Pinsent Masons, Enid Allen of Enid Allen Associates Limited, and John Layton of John Layton Associates Limited.

DCLG would also like to acknowledge the help given by those listed below

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Michael Kitts	PWC	Michael Worren	East of England RCE
Steve Knights	Anglia Revenues Partnership		

Summary approach to overall knowledge programme

Rethinking Service Delivery Series



Technical Notes and Tools

Reading this summary will give officers and members a complete overview of the toolkit and advice that is immediately accessible to them to develop partnerships for service delivery. Those partnerships may be with the public, private or voluntary sectors, but whatever you need to know to take them forward, you will find within.

The complete documents are available on the enclosed CD Rom and free of charge to download from www.communities.gov.uk/ssdp

Summary contents

Service Delivery Partnerships and Shared Services Toolkit

The toolkit for service delivery partnerships for local authorities covers the entire life span of a partnership, advice on technical issues including risk management, structures and models for governance, employees and a tool for assessing partnerships. It covers working in partnership with others in the public sector and with the private sector.

With its wealth of new ideas and knowledge, ODPM's Strategic Partnering Taskforce developed a comprehensive set of guidance – a toolkit. Much of the toolkit is set out in the *Rethinking Service Delivery* series which takes the development of a partnership from its initial concept right through to a managing a successful partnership. Widely regarded as a valuable contribution to better local authority partnering practice and the achievement of best value, the toolkit has been updated to reflect changes in the law and in practice to deliver improved efficiency.

Below is a summary to what is presently available. This will allow you to select the most appropriate elements of the toolkit for your needs.

If you would like any further information about the programme or the help available, please e-mail MED@communities.gsi.gov.uk

What this summary seeks to do

This summary seeks to help local authority members, chief officers and others to know what toolkits and advice has been produced to help them form shared services and service delivery partnerships, with the public, private or voluntary sectors.

For whom it has been written

This summary has been written for local authority members and chief officers, project officers and all those with an interest in finding new and efficient ways of delivering local government services.

Strategic Service-Delivery Partnerships – A decision-makers' guide

A high-level document to service-delivery partnerships for elected members and chief officers.

Includes:

- Delivering the vision for change through partnerships
- The essential business review process
- Scoping a partnership and options appraisal
- Multi-authority approaches to partnerships
- What matters when working with other authorities
- Risk and financial matters
- Developing a partnership with the private sector.

The Rethinking Service Delivery series:

Vol. 1: An Introduction to Strategic Service-Delivery Partnerships

Partnering is now regarded as essential for successful delivery of services. This high-level document explains what service delivery partnerships are and what has been achieved.

Includes:

- What are service delivery partnerships?
- Why you should consider using a partnership
- What matters when partnering with the public sector
- Partnering with the private sector
- The benefits of service delivery partnerships
- Things that can go wrong
- Case studies.

Vol. 2: From Vision to Outline Business Case

For project managers and other officers developing a partnership and those wishing to gain a better understanding.

Making sure that you are mapping the right course, have buy-in from all stakeholders, assessing all options and having a viable business case are the essential steps for partnerships. These are the areas that are often skimmed. This document explains how it should be done.

Includes:

- How to translate the vision into a Strategic Outline Case
- How to conduct a business review
- Tips when working with other authorities and other public sector bodies
- How to prepare an Outline Business Case and what to include
- Conducting an options appraisal
- An overview of the structures for partnership – the different governance models and where each is appropriate
- The overall project management approach
- A technical advice note on appointing external advisors.

Vol. 3: Shared Service and Public/Public Partnerships

Developing shared services and working in partnerships with others in the public sector requires a formal development process that is similar in many ways to developing public/private partnerships.

This document provides a Public Pathway with detailed steps that are necessary to build an achievable partnership with others in the public sector that is sustainable and delivers results.

Includes:

- The strategic context and approaches to governance
- Partnerships for procurement
- Structures for public/public partnerships
- The Public/Public Pathway
- The legislative framework for local authorities and NHS partnerships
- Employee issues
- Practical experiences and case studies
- Risk management
- Checklist for partnership working
- Partnership and Procurement Protocol
- Joint Committee Constitution
- NHS/Social Services protocol for handling and settling claims
- Taxation and secondment.

Vol. 4: Outline Business Case to Contract Signing

This document sets out the procurement stages of partnerships. It covers partnerships using the negotiated procedure. A technical appendix refers to the competitive dialogue and other legal developments since Volume 4 was first published.

Includes:

- Project management and project review,
- The use of a joint venture company
- Pursuing social and environmental issues in contracting
- EU Public Procurement Regime
- Publishing an OJEU notice, scoping a project, market soundings and technical dialogue
- OJEU contract notices and other procurement documentation
- Short-listing bidders and the selection process
- Scoping with short-listed bidders
- Preparing the tendering and contract documentation and the Invitation to Negotiate and Contract Conditions
- Clarification with bidders to ensure bidders are clear on the authority's requirements before submitting their bids
- Handling the return of proposals
- Evaluation and choosing a Preferred Bidder
- Best and Final Offers
- Negotiations to close
- Handover
- Post-contract issues.

Vol. 5: Making the partnership a success

Signing a contract or entering into a partnership with others in the public sector is the start of a long-term relationship. However, if not properly nurtured the benefits of the partnership are not realised.

Includes:

- Transition issues and the start-up of the partnership
- The governance structures for partnership management
- The role of elected members
- Elected members and accountability
- Partnership review and benefits realisation
- Relationship management
- The client function
- Performance management and outcome measures
- Dispute resolution
- Exit strategies – planning the end.

The Technical Notes:

Structures for Service Delivery Partnerships

This publication provides an overview of the principal models that can be used in partnership situations. It is a technical reference book and covers predominantly legal and financial aspects within a practical context.

Includes:

- Public sector consortium, pooled budgets and joint commissioning. These include detailed descriptions, regulatory issues and the commercial and legal issues
- Joint ventures with the private and voluntary sectors, including matters of risk, regulatory issues and commercial and legal issues.
- Non-Profit Distributing Organisations and the related regulatory, commercial and legal issues
- Trading including the preparatory work, different types of trading and powers, model options for trading and related structures
- Partnering contracts and legal partnerships, including limited liability partnerships, incremental partnerships and the related regulatory, legal and commercial issues.
- Comparison between limited liability partnership, limited partnerships and limited companies
- Service and capital outsourcing including LIFT and Building Schools for the Future
- The Prudential framework and structures for partnership.

Structures for Collaboration and Shared Services

This document addresses the issues that many authorities are considering for both the shared services agenda and trading opportunities.

The publication provides an overview of the principal models that can be used and considers in what arrangements each structure is most applicable. It is predominantly a technical reference book covering legal and financial matters but which are addressed in a practical context.

The EU procurement rules cannot be ignored in shared services arrangements and information is supplied on the law in relation to how the EU rules impact on public partnering and shared service arrangements.

The document categorises different models of shared services and links them to the most appropriate legal structures. Included are:

- Definitions of shared services
- The legal framework for shared services and trading
- The models for shared services:
 - Centralisation and standardisation within a local authority
 - Collaboration between authorities on strategic approaches
 - Collaboration between authorities for the better deliver of services and improved procurement
 - Franchises
 - Joint service delivery between authorities
 - Joint service delivery between different types of public bodies
 - Commercial trading
 - Commercial trading with a private sector partner.

Payment Mechanisms

Includes:

- The general considerations to take into account in developing payment and price performance mechanisms
- Payment and pricing
- Indexation
- Performance deductions and the link to KPIs
- Understanding the issues around guaranteed savings
- Change control mechanisms
- Lessons learned from experience.

Risk Management

Includes:

- Risks that impact on partnership success
- The critical success factors of risk management
- The role of the risk manager
- Engaging other stakeholders in risk management
- An organisational structure for risk management
- The risk management process
- Risk logs – a starting point for different types of projects and some generic risks to consider.

Employment and Partnerships

Entering into a partnership raises many concerns as to the practical impact on the workforce. These technical notes both recognise employees' concerns and seek to provide in-depth practical advice to cover all aspects relating to the staff that may be affected.

Includes:

- An approach to change management
- Matters to be considered in planning a partnership and other practical aspects of working together
- A resumé of the key legal issues, including fairness at work legislation, pensions, equal pay legislation, The Redundancy Modification Order, alternatives to outright transfer, and consultation and communication approaches
- TUPE in the context of partnerships including pensions, when TUPE applies, what happens if staff don't wish to transfer, the secondment alternative, practical issues
- Pensions, including protecting pension rights on transfer, protecting future benefits, broadly comparable schemes, Admitted Body Status, bonds and indemnities, impact of change of work after transfer, relevant documents
- The alternatives to outright transfer including secondment, sub-contracting and agency arrangements
- The Redundancy Modification Order
- Redundancy and early retirement.

The Partnership Assessment Tool

A practical self-assessment tool for partnership working. It can be used to:

Provide a development framework for establishing healthy and effective partnerships

- Provide a means to help existing partnerships take stock of the effectiveness of their partnership working - a 'health check'
- Help partnerships experiencing difficulties to systematically diagnose areas of conflict and develop a remedial action plan.

