

# FOSS

## achieving transformation in two-tier areas

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## what transformation is underway in two-tier areas?

Two-tier counties consist of an 'upper tier' county council and various lower-tier city, borough and district councils. Enhanced two-tier working seeks to improve the quality and effectiveness of service delivery by the different councils operating in two tier areas, enabling and empowering staff to deliver services that are seamless for their shared customers.

This paper highlights the good work underway in front office service transformation across two-tier areas in England. The paper features both two-tier pathfinder and non pathfinder authorities to demonstrate the potential for more joined-up, effective working between two-tier authorities. Many authorities are at the beginning of their journey. This report aims to identify the opportunities and challenges emerging from the work so far as well as useful insights and tips for other two-tier authorities embarking upon shared services.

## national context

One of the national drivers of more joined-up, efficient service delivery in two-tier areas is the Local Government White Paper. The Local Government White Paper (page 66) clearly states that:

The goal for continuing two-tier areas is to achieve:

- 'unified service delivery models with service users having no need to understand whether the county, district or other service provider is responsible
- stronger leadership for place-shaping
- shared back office functions and integrated service delivery mechanisms'.

The White Paper offers authorities:

- a stronger role to lead communities and shape areas
- encouragement to unify service delivery through a range of shared services models
- more flexibility to innovate and respond to local needs
- more freedom to identify and focus on top local priorities.

This is in exchange for:

- more bottom-up accountability
- stronger local leadership
- better, more efficient services
- tougher intervention if things go wrong.

The Concordat between central and local government signed Hazel Blears MP and Sir Simon Milton in December 2007 recognises that 'powers are best exercised at the lowest effective and practical level', and that local authorities have 'a responsibility to do all they can to secure the social, economic and environmental well-being of their areas'.

## The Buckingham Centre

**Opened in January 2007, the Buckingham Centre is the first joint frontline customer service of its kind in Buckinghamshire. Based in the heart of the town, the centre houses a refurbished library, a purpose-built adult learning centre, offering a variety of courses in four state-of-the-art classrooms and a customer services point, run jointly by Buckinghamshire County and Aylesbury Vale District councils.**

right:  
The Buckingham Centre – a partnership project between Buckinghamshire County Council and district partners at Aylesbury Vale District Council in Buckingham, Buckinghamshire.

In doing so, local authorities are expected to 'conduct a growing share of the business of government.'

A further national driver for enhanced two-tier working was the Comprehensive Spending Review announced by the Government in October 2007. The announcement included confirmation of a 3% (£4.9bn) cashable efficiencies target for local government. For many authorities enhanced two-tier working will be necessary to achieve the greater efficiency savings required by CSR07.

In addition to achieving efficiency savings, enhanced two-tier working can also help to improve citizen's access to services, increase citizen engagement, as well as increase sharing and exploitation of information and customer insight.

When asked to define transformation within a two-tier area, each of the authorities interviewed gave similar responses. Definitions included: 'joined up and integrated services', 'creating integrated service delivery across the county' and 'joint service provision but with retained local democracy.'

## local success and benefits

### what sorts of projects are underway?

#### The Buckingham Centre

The Buckingham Centre resulted from the 'Buckingham Commission', a review of how well services worked in one town from the point of view of residents. The centre is an excellent example of enhanced two-tier working. Staff from Buckinghamshire County Council and Aylesbury Vale District Council sit side by side dealing with each other's customers and queries. They have access to each other's IT systems and databases. By locating the contact centre within a building housing a Library and an Adult Learning Centre there have been spin-offs for both of these services in terms of numbers of people using them. For example, the Library issue figures (library loans) have increased by 26,500, visitor figures have increased by 12,800 and new library members have increased by just over 400 in the past year alone.



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The centre also contains a community meeting room facility that regularly hosts Buckingham Town Council meetings, so three tiers of local government are benefiting from the centre. The delivery of real benefits by working more closely together in this way gave councils in the area the confidence to become a Pathfinder enhanced two tier working area. The partners expect that in future other agencies from the Local Strategic Partnership such as health and the police will use this centre as a customer contact point in the future.

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## **South Normanton Joint Service Centre – Derbyshire**

The two-tier partnership in Derbyshire, drawn from the Derbyshire Partnership Forum, are currently overseeing the construction of the South Normanton Joint Service Centre. The Centre will enable public sector, voluntary and community agencies along with the private sector to provide a range of integrated facilities and benefits for the residents of South Normanton, Pinxton and Blackwell. The partners involved in the project are:

- South Normanton Parish Council
- Bolsover District Council
- Derbyshire Primary Care Trust
- Derbyshire Constabulary
- Bolsover Local Strategic Partnership
- Derbyshire County Council

For the first time in Derbyshire the following services will be available under one roof: day care provision for younger people with physical or learning disabilities, health service clinics and health promotion together with a GP practice. A new library is included in the proposal along with an adult education provision. The District Council will be providing a ‘one stop’

service point for all its services and the Parish Council will also be based in the building as well as a community police beat team.

The Service Centre will also include a new Children’s Centre for pre-school children as part of the government’s Sure Start initiative. In addition, it is envisaged that private sector firms will manage and operate a fitness suite/gym and the kitchen/cafeteria both of which will be available to service users, employees and the general public. Other local voluntary and community groups will make use of the modern conference/meeting facilities which the building will have in order to provide some support for their essential outreach work in the local community. In addition to this there will be a limited amount of office accommodation to let on a commercial basis to local organisations.

The Service Centre in South Normanton will be used as a pilot to evaluate the effectiveness of this type of joint service delivery in an area and, in particular, to assess the impact on the public’s ability to access a range of services from a number of providers.

The proposed development represents a substantial investment in the town centre of South Normanton. It is, therefore, expected that this investment will be a catalyst for the regeneration of the town centre, attracting new businesses into the area and thus providing local employment opportunities and increased activity for existing businesses.

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### **The Worcestershire Hub**

The Worcestershire Hub is a partnership programme focused on improving access to services for the people of Worcestershire. Partners include the county council and the six districts in Worcestershire.

The Hub is designed to resolve customer requests at the first contact through a choice of channels, without customers needing to understand how government works.

Conceived in 2001 and implemented in 2003, by 2007 the Hub handled more than 80,000 contacts in person in an average month, and over 60,000 by telephone. At least 80% of queries and service requests are dealt with in a single contact. Over the past year, the Hub has moved to accepting cashless payments and has also taken on the Schools Admissions service for the region.

The Hub offers the partners a platform and way of working that encourages further partnering, such as with Job Centre Plus and the Police. As a relatively mature project, the Hub has produced substantial learning for the sector. It is now part of 'the way things are done in Worcestershire'.

An important lesson from Worcestershire is the history of collaboration, and how trust and commitment built-up over time. It was originally rooted in the reform of local government in Herefordshire and Worcestershire in 1998, from which the Worcestershire Partnership grew, hence the Hub, and ultimately the revenues and benefits shared service in 2007.

### **what projects are planned for the future?**

This section aims to give you a taster of what other types of work can be undertaken as part of a two-tier transformation programme. In addition to the established projects detailed above there are many other projects at the inception phase in two-tier areas.

The two-tier partnership in Derbyshire, the Derbyshire Partnership Forum, has identified an initial fourteen areas where joint working could be improved. One such project is the Property Rationalisation programme. The nine authorities in the two-tier area of Derbyshire have commissioned an analysis of the usage and usability of council-owned property taking into account the local demographics, location and geography of each property. This is a more far-reaching approach than simply putting together an asset management plan as the recommendations from the report include options for joint usage, such as joint service centres designed in the light of customer preferences and needs, in addition to recommendations for disposal.

The Derbyshire Partnership Forum has also commissioned a Derbyshire wide audit of their IT Infrastructure. This is currently a barrier to improvement as many of the authorities have different networks. The report recommendations are expected to focus on how a common network can be formed across the partnership to ensure future synchronised working across the two tiers.

In Buckinghamshire the two-tier pathfinder programme has been set up to look at six key projects: Procurement; Demand-led Transport; Customer Services; Support Services; Waste and Community

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Engagement. The support services project itself comprises six professional services: HR; ICT; Legal; Audit; Facilities Management and Finance.

Between September 2007 and January 2008 a joint team comprising the councils across the pathfinder, the Fire and Rescue Service and Vertex consultants, developed a range of options for shared support services. Five options were put forward by the team and a sixth option, covering strategic collaboration was put forward by the featured professional groups to work into a detailed business case. This business case is to be considered by the Joint Improvement Board, which is responsible for the governance of the pathfinder, in April 2008 and a way forward agreed.

## how is the national context reflected locally?

These initiatives are largely driven by local needs, but encouraged by central government pronouncements. For example the new performance framework of Comprehensive Area Assessment, CAA, encourages local authorities to work more effectively with their partners to achieve improved outcomes for their residents. This expectation goes some way to facilitating working across the two tiers of government.

In addition, the Local Government White paper called for greater collaboration in two-tier areas as an alternative to the disruption of moving to unitary status. The option of enhanced two-tier working can improve services and reduce costs for the benefit of the local community while retaining the integrity of the existing democratic arrangements.

As part of the new LAA arrangements, councils, police and hospitals have new duties to work together more closely to identify local priorities and ways to meet

them. Hazel Blears, the communities and local government secretary, stated that the new regulations will remove bureaucracy and barriers that hinder services in their efforts to deliver for local people. Authorities will now have greater incentives and powers to work together to effect change.

**'People should be able to rely on services which are all singing from the same hymn sheet, not working across each other. Responsive, joined up services are already a reality, and with these new powers they are only going to improve.'**

*Hazel Blears at the Guardian-sponsored Managing New Realities conference, Tuesday 4th March 2008.*

## what do the partnerships expect to achieve?

The Derbyshire Partnership Forum expects to achieve:

- financial and efficiency savings arising from integrated services. It is anticipated that by working collaboratively the partnership will realise cashable savings of almost £4 million by the end of 2007/08
- co-ordinated design and delivery of services by working together
- increased public satisfaction by eliminating confusion and duplication
- greater integration between the two tiers through closer partnership working
- economies of scale from joint procurement
- greater influence over product and service development by acting together.

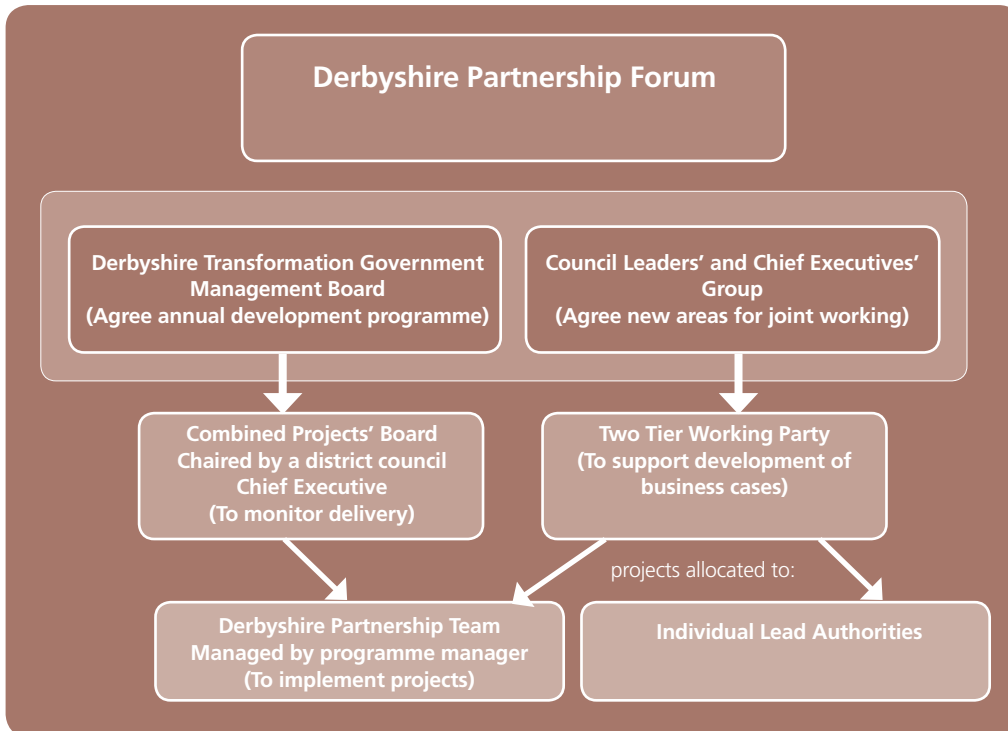
## barriers and challenges

The following barriers have been cited as those most important to the overall success of achieving transformation in two-tier areas:

- governance arrangements are a key barrier because if they are not robust it becomes unclear how important decisions will be made or progress monitored by the partnership, partners won't feel that they have an equal say in these decisions and the strong leadership required for successful collaboration will not be present in the partnership
- many councils lack the transformational skills and capacity, for example, complex project management skills, commissioning etc required for the management of transformation projects. Please refer to the Workforce and Transformation paper in this series
- issues of sovereignty, the stress of previous changes and restructures and other fears and insecurities inhibit participation by all authorities across the two-tiers
- time and attention is needed to keep the conversation going between partners and keep them on board. Successful projects avoided facing big decisions too early on in the project
- communication of the key messages regarding the transformation to frontline staff can be difficult. If this communication is not clear, effective and frequent then rumour and conjecture can have a negative effect on staff motivation
- when implementing shared services a major hurdle to overcome is securing shared terms and conditions for staff across different organisations
- one inhibitor that our research identified was the perception that the political environment could change, undermining and possibly reversing moves made towards enhanced two-tier working. However, the most recent debate on unitary status is coming to a close. Moreover, the most effective way to ensure that structures and models remain fit-for-purpose and sustainable is to centre their design around the needs of citizens and the local community.

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Diagram of Derbyshire Partnership Forum structure



## good practices

Robust governance arrangements are essential. Furthermore, participants need time to build rapport, trust and commitment. The governance arrangements should facilitate this. The diagram above shows how the governance arrangements work for the Derbyshire Partnership Forum.

The Derbyshire Partnership formulated a 'working protocol' together detailing the governance procedures, which each Leader from each of the partner authorities signed-up to. All partnership projects pass through a number of phases, from initial project scoping, through to implementation and benefits realisation. During each phase the partnership explores the potential for all partners to participate

in the project to ensure that their needs and requirements are reflected as the project develops. Following the approval of the final business case, each authority has the option to join in from the start or at a later date. If an authority decides to take part at a later date, they may be required to contribute towards any costs incurred.

Local authorities also need to ensure that these are engaged in a proper process to evaluate and select the most appropriate partnership or shared service model. The CLG Strategic Partnering Taskforce has issued several volumes of guidance on Shared Services, including Structures for Collaboration and Shared Services: Technical Notes. The document offers insight into the structures for such partnerships and the legal, administrative and financial issues that need to be taken into account.

The publication provides an overview of the principal models that can be used and considers appropriate structures for each model. It is predominantly a technical reference book covering legal and financial matters but addresses these in a practical context.

The Buckinghamshire partnership recommends that 'you should identify easy wins or a wicked issue that is affecting all partners and then fix it collectively, rather than starting with a big unwieldy project.' This helps to build momentum and illustrates the power of partnership working to solve issues. The strategic direction for the two tier programme is provided by regular meetings of council leaders and chief executives.

Buckinghamshire have also found it beneficial to employ a dedicated Programme Director to oversee the whole pathfinder project. This has helped to ensure consistency in approach across the different work streams as well as providing a strategic link between the governance structures and the work streams themselves.

The Derbyshire Transformational Partnership recommends focussing on the less sensitive, base infrastructure projects first and ensuring that they are in place before attempting other projects. This is illustrated by their undertaking of the Property Rationalisation and I.T. Infrastructure projects first. According to Mark Whelan, Programme Manager 'by focussing on the infrastructure projects first the partnership is able to build momentum and the solid foundation for the more challenging people-related projects later on.'

Malvern Hills District Council offers the district perspective on their involvement with Worcestershire Hub, emphasising that it is imperative to find common ground between the partners. For example, both the county and districts understand the need for a greater connection between the Highways (the County's responsibility) and Streetscene (a District service). This joint recognition of a shared concern has encouraged conversation and trust to develop, and is far less threatening than trying to find a 'big idea' to pursue.

Malvern Hills also advise a patient, flexible approach to decision-making, emphasising that keeping the conversations going and converging was more fruitful than forcing partners to make a decision – in which scenario participants may become risk-averse and decline to proceed. According to an officer from Malvern Hills who was one of the senior managers responsible for driving progress on the Hub, it is important to 'keep everyone on board rather than throwing them off'.

For example, rather than having a closed entry date for joining the Hub, the authorities were still signing up to join in the programme two years after the Worcestershire Hub was initially formed. This ensured that all of the Worcestershire authorities became involved, thereby helping it to achieve the aim of seamless customer service delivery across the sub-region and greater economies of scale. 'Innovation has come from the journey taken in creating the Hub as well as from an initial ambitious vision statement.' The partners in Worcestershire have also used staff from services that have been assimilated into the Hub to help sell the benefits of the being involved in the project to other services.

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The Worcestershire case study has demonstrated the need for strong communications across the collaboration. To counter the risk of 'Chinese whispers' taking hold, and to ensure that messages work their way from the team leaders to the frontline customer services advisors, Worcestershire created a monthly staff newsletter called 'the Hubbub'.

## conclusion and recommendations

Below is a summary of key points and tips for achieving transformation in two-tier areas:

- ensure that clear, robust and fit for purpose governance arrangements are in place to provide the leadership and decision-making capacity required for successful transformation. This will ensure that partners see the process whereby the partnership is progressed is legitimate and equitable
- give participants involved in the governance structure the time and opportunities to build good relationships, trust and commitment. Over and above the formalities, the rapport that participants build is the basis on which progress is made.
- identify an issue that is troubling all of the partners and then work together to solve it. This will help to build the momentum of the partnership by demonstrating the problem solving power of partnership working
- consider employing an experienced project manager to oversee the entire programme of transformation. This will enable the individual to focus on the task of facilitating the partnership, and offers a potentially outside and 'objective' input into discussions
- focus on the base infrastructure projects of the partnership first, such as I.T. or asset based projects. This will build a base upon which the trickier people focussed projects can succeed
- try to find the common ground or joint purpose amongst the partners in order to unite them. This is more effective than searching for the 'silver bullet' or one big idea to solve all problems
- maintain a flexible approach to decision-making, rather than demanding that all partners sign up to a particular course of action by a set date or they be indefinitely omitted from the project. Leaving partners' option open encourages them to stay on board
- ensure that an internal communications strategy is in place to provide accurate communication of the changes taking place. Rumour and conjecture can undermine morale and staff productivity, and make transformation more difficult than it need be
- engage and empower staff by giving them the opportunity to take part in the design of the new ways of working whenever possible. Harnessing the energy and imagination of staff can help to promote change
- sell the benefits of the new ways of working. Active promotion of the opportunities and benefits will help to secure their development and realisation. Highlight the positive impact made on the customer's experience, gather and report customer feedback and surveys and encourage customers and stakeholders to share their experience with elected members and lead officers through the council's scrutiny process.

## further information

For more detail behind the policy background discussed in this paper please see:

**CLG's Local Government White Paper**  
**<http://www.communities.gov.uk/publications/localgovernment/strongprosperous>**

For a useful section on building trust in partnerships, see the IDeA's **Real Collaboration guide**. The examples in the guide focus on collaboration between planning departments, but the advice and guidance is applicable across local government

**<http://www.pas.gov.uk/pas/core/page.do?pagelid=46132>**

**'Enhanced Partnership and Two-tier working in Derbyshire'**, Derbyshire Partnership Forum August 2007

See also **'Structures for Collaboration and Shared Services: Technical Notes'**, available from:

**[www.communities.gov.uk/publications/localgovernment/structurescollaboration](http://www.communities.gov.uk/publications/localgovernment/structurescollaboration)**



The Local Government Association is the national voice for more than 500 local authorities in England and Wales. The LGA group comprises the LGA and four partner organisations which work together to support, promote and improve local government.



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