

CHANGE FOR THE BEST SERVICE TRANSFER TO IP&E

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1. Summary

- 1.1 The strategic contract between Shropshire Council and ip&e Ltd sets out the process under which activities can be transferred to ip&e.
- 1.2 An assessment of the Project Management Office (PMO) and Business Design Team (BDT) identifies that they are suitable for transfer and that they both undertake activity that has the potential to trade with other organisations outside of the Council under the umbrella of Change for the Best (current working title). This initiative would also involve the novation of the contract with Bright Lake Consulting Ltd for the design of new customer solutions into ip&e Ltd.
- 1.3 ip&e has indicated a willingness to accept the transfer of the service with effect from 1 April 2014, which will be the subject of a Services Contract for the delivery of the 'Change for the Best' services to the Council by ip&e Ltd.
- 1.4 This report sets out the baseline position for the 3 elements being considered for transfer and the attached Business Plan – Executive Summary sets out the ip&e vision for how these services are to develop and grow in line with its aspiration.

2. Recommendations

Cabinet are asked to:

- 2.1 approve the Business Plan – Executive Summary for Change for the Best and in so doing confirm the services' suitability for transfer into ip&e.
- 2.2 delegate authority to the Director of Commissioning, in consultation with the Portfolio Holder for Resources, Finance and Support, to negotiate and agree the Service Contract for the 'Change for the Best' services and the transfer of the PMO and BDT teams into ip&e along with the novation of the Council's contracted partner.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The creation of ip&e Ltd has been approved by Cabinet and Full Council. The governance arrangements set out in the strategic contract are designed to manage the financial and reputational risk to the Council by ensuring ip&e Ltd operates effectively and within the law.
- 3.2 As part of those governance arrangements, a complete business appraisal is undertaken before any activity is transferred to ip&e. This appraisal includes a full financial, legal, audit and risk assessment, as well as future business planning. These assessments have been completed and both the BDT and PMO Services have met or exceeded the requirements that are needed for transfer.

4. Equalities and Diversity Issues

- 4.1 The proposal to transfer these services has been the subject of an Equalities Impact Needs Assessment which is attached at Appendix B.
- 4.2 As any projects commissioned under the Service Contract involving the redesign of the Council's services progress, they will be subject to equalities impact assessments in order to assess the equalities impact resulting from any proposed re-design of Council services and in order to mitigate any potential risk of inequality. The equalities impact assessments will gather information about any differential impacts, or potential or perceived impacts on different groups, including all of those groups covered by the Equality Act 2010. Members will be able to use this information to support them in having due regard to their duties under the Act.

5. Financial Implications

- 5.1 The Council budget identified as available to commission services from ip&e for "Change for the Best" has been identified within the Council's Business Plan and Financial Strategy 2014/15 to 2016/17 agreed by Cabinet on 19 February 2014. Should Shropshire Council need to vary the available budget for this piece of work, it would do so under the delegated authority of the Director of Commissioning.
- 5.2 The service contract between the Council and ip&e will include financial management and reporting requirements in line with the requirements set out in the Strategic Contract.

6. Background

- 6.1 In March 2013 both the PMO and BDT teams formed part of the Resources & Support Directorate.

- 6.2 The proposed 'Change for the Best' team would bring together posts from the PMO and BDT teams and the services of the contracted partner working in partnership with the team to meet the requirements of Shropshire Council under the proposed Service Contract with ip&e Ltd through its duration. A rigorous process of evaluation has been undertaken to determine the suitability of the activity for transfer.
- 6.3 The transition process includes representatives from the activity and also from Legal, Finance, Information Governance, IT, HR, Audit and Assurance. This work has been managed through the STEP programme and is in line with agreed process and procedures.
- 6.4 In-scope employees will be subject to transfer under TUPE Regulations 2006 (Amendment 2014), employees and trade union representatives have been and will continue to be consulted with in line with these regulations.
- 6.5 Drawing on this wealth of experience, the two teams can utilise their skills to support the successful delivery of projects and programmes through project management and leadership, business analysis, service redesign and service transitions.

6.6 **Business Design Team**

- 6.6.1 The Business Design Team was established back in 2010 following a restructure of the, then, Corporate and Directorate performance and improvement functions.
- 6.6.2 The team provide service design capacity to support the design and delivery of useable, efficient, effective and desirable services by:
- Supporting design led innovation;
 - Reframe service challenges and problems;
 - Stimulating innovative solutions to tackle social problems
 - Supporting prototyping by developing and testing solutions in low cost, small scale ways.
- 6.6.3 The team supports design led innovation as a joined up, end to end process from problem, to analysis to implementation and is a pertinent area of work in 2014 set in the context of increasing social demand for Public Services and reducing budgets in Local Government funding cuts.
- 6.6.4 These challenges are forcing the Public Sector to look for radical solutions and Service Design offers a way to energise and redesign public services through working closely with users or customers and co-designing services.
- 6.6.5 The team works with colleagues across the Council and with partners on a variety of projects including
- Contributing to the development and delivery of new service solutions such as People2People;
 - Developing an innovative solution to tackle social isolation in later adulthood – Gusto;

- Helping the Council to shape its thinking around provision of services for young people – Buzz;
- Contributing to the work on Locality Commissioning and Business Planning

6.6.6 The team has had some success in securing external work and its current external contract will be novated to ip&e.

6.7 Programme Management Office (PMO)

6.7.1 The PMO is a team of Project and Programme Managers within Resources & Support, working to manage various projects that are part of the Council's Business Plan and Financial Strategy for 2014-17.

6.7.2 The PMO is the central office responsible for all project, program and portfolio management across the organisation. Working on behalf of the Council's Management Team and Portfolio Holders, the PMO works with service managers and teams to support them in their achievement of business change outcomes whilst ensuring that their project activity is consistent with the overall direction and ambitions of the Council. This support includes development and roll out of template documents as well as access to project resources and enabling technology.

6.7.3 The PMO provides governance, change management and business redesign services required by projects and programmes to ensure customer outcomes are achieved and that savings and returns on investment are delivered and standards are met. The PMO also facilitates activities that allow the organisation to learn from its experiences and continuously develop its success in project development and delivery.

6.7.4 The PMO is made up of Officers who provide hands on expertise as well as training in project management, business/service design and business governance with a focus on customer outcomes, return on investment and/or statutory requirements. The team has been drawn from a range of employment backgrounds including public, private and voluntary sectors with experience across a range of service areas including Finance, Human Resources, ICT and Legal. Skills include PRINCE2, MSP (Managing Successful Projects), Agile Project Management and Lean methodology.

6.8 Bright Lake Consulting Ltd

6.8.1 Bright Lake Consulting Ltd is the Council's chosen contractor, providing expert advice on service re-design. They provide support to the Council in the re-design of what it does, based on achieving customer outcomes.

6.8.2 The contract is for an initial term of 2 years commencing 28 October 2013, but there is an option to extend for a further period of up to 2 years subject to detailed review and the successful achievement of agreed contract outcomes. Through the tender specification document, Bright Lake were made aware that the initial contracting party would be the Council, however the Council would likely consider, early on in the contract, the potential novation of the contract from the Council to ip&e Ltd.

6.8.3 The Contract Value is £95,000 per annum and includes all expenses, materials, labour, equipment, appliances, and all other things necessary for the supply of the required Services unless where specifically stated otherwise. These fees are currently funded by the Council's Transformation Programme Fund.

7. Additional Information

- 7.1 Following an appraisal, a service requirement definition (business case) has been prepared and provided to ip&e.
- 7.2 These documents have informed the business plan (Appendix A) that has been developed by ip&e and which will underpin any future commercial development of the activity, whilst ensuring the resources and capability exist to meet the Council's requirements as defined in the Service Contract.
- 7.3 The Business Plan sets out the vision and demonstrates the potential of this venture and an Executive Summary is attached at Appendix A.
- 7.4 One of the key indicators for identification of the suitability of this activity is its existing ability to trade outside of the Council. The activities have the potential to deliver to external contracts.
- 7.5 Once in operation, Change for the Best will be commissioned back by the Council from ip&e and managed through the terms of a Service Contract. The contract will set out the activities that ip&e will provide to the Council, the level of that activity and the quality with which the activity will be delivered. A full set of performance indicators, quality control checks and review procedures will be put in place to monitor this. As a result of the novation of the Council's contracted partner to ip&e Ltd, the Service Contract will also detail those services currently purchased from the Council's contracted partner, but which will in future be purchased from ip&e Ltd.
- 7.6 The transfer of PMO, BDT and the contracted partner provides an excellent opportunity for the activity to develop and expand on its commercial activities, whilst reducing year-on-year costs to the Council for the provision of these activities.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
ip&e Strategic Contract (February 2013)
Council Business Plan and Financial Strategy 2014 to 2017
Cabinet Member (Portfolio Holder) Mike Owen
Local Member All
Appendices
Appendix A – Change for the Best Business Plan – Executive Summary
Appendix B - Equalities Impact Needs Assessment

