

A Partnership Approach in Designing the Future of our Local Services

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1. Summary

Shropshire Council is projected to have a funding shortfall of £61m by 2018/19, resulting in discretionary services such as leisure, libraries, museums, public open spaces and support for youth activities facing significant cutbacks or in the worst case scenario - closure. To help secure a sustainable future for local services and community based assets, Shropshire Council wants to identify suitable partners in creating new approaches to ensure their long term future. This might include town and parish councils and other partners such as community groups, the voluntary and community sector, the education sector and the business sector to develop new service delivery models and funding streams for local services and assets. This could include the transfer of assets and services from Shropshire Council to other organisations, new partnership arrangements that are able to secure new funding streams for local services or the generation of additional income by local councils to support service delivery.

The adoption of a locality approach to commissioning is a key strand of Shropshire Council's commissioning strategy; engagement with the voluntary sector, town and parish councils and community groups to support the local delivery of a range of services and activities - such as libraries, customer service points, youth activities, amenity spaces and environmental maintenance - has already been successful in a number of areas. However, we know that in the rapidly changing circumstances we now need to accelerate this work.

This report is seeking approval on the principles and approaches Shropshire Council will use to engage and work with its partners to try secure a sustainable future for local services and community based assets, what services and assets will be included within this approach, and how this work will be resourced and delivered.

2. Recommendations

1. That the proposed principles and partnership approaches described within this report are approved.
2. That the connections between the activity described in this report and the potential role of town and parish councils and the voluntary and community sector in the wider design and delivery of the council's future Highways Maintenance Operating Model are noted.
3. To delegate authority to the Director of Commissioning in consultation with the Portfolio Holder for Rural Services and Communities and the relevant Portfolio Holders (depending on the service under consideration) to take any further decisions relating to the delivery of these recommendations to a successful conclusion.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 Redesigning the future delivery of services and assets currently managed or funded by Shropshire Council, particularly with the challenging financial position the council is in, will result in both risks and opportunities that will need to be managed. These are illustrated below along with the appropriate mitigation plans.

3.2 Risk Assessment

Risk	Mitigation plans in place
Lack of capacity and confidence within potential partners (such as town and parish councils) to take on the management of local assets and services	Invest in providing generic and bespoke support to the sector via a wide variety of means including SALC, the Community Enablement Team, web based resources, on-going “professional” support for new arrangements, pump-priming investment and support, etc.
Future delivery of services is compromised and fails to meet minimum requirements	An ESIIA will be completed and regularly reviewed for each opportunity and will be used to inform and manage the potential impacts of future provision. Future service delivery will be formalised within appropriate delegation /contract / grant agreement and will be monitored by the Council’s commissioners
New arrangements are not introduced in a timely fashion, which impacts on the ability to meet council budget saving targets in 2017/18	Early clarity of opportunities, process and available support is provided, published and kept under regular review. The Council will resource and support the process. A Cost Benefit Analysis approach will be applied in support of the development of long term sustainable business solutions
Public and stakeholder challenge to proposals delays or prevents transfers	Invest time in local “community conversations” to identify and confirm preferred approach; carry out thorough needs assessments, undertake formal public consultation on approach; complete robust Equality & Social Inclusion Impact Assessments, use feedback to inform final recommendations within a report
The necessary resource within Shropshire Council and partners organisations to develop and deliver this work is limited, affecting progress	Learning from previous work to be used and applied to this activity. Processes to be consistent and best practice shared across officers and partner organisations.
The timelines for the delivery of this work are extended, e.g. due to the need for activity that has a prescribed length, such as consultations	Robust project management plans to be in place, factoring in the time needed for public or staff consultation on proposals where necessary
Connections between the activity described in this report and that described within future reports on new arrangements for the Highways Maintenance Operating Model are not made and acted upon	Appropriate joint working structures are put in place to enable the necessary close development of specific thematic areas of activity

3.3 Shropshire Council works closely with the Shropshire Association of Local Councils (SALC) on issues of interest to town and parish councils, and directly supports it as an organisation through the hosting of staff at Shirehall, a small annual grant and dedicated liaison officers. The Council also supports and works closely with Shropshire’s voluntary and community organisations through the Voluntary & Community Sector Assembly (VCSA) and its business community through the Business Board.

3.4 Shropshire Council has a well-articulated approach to enabling Community Asset Transfers including listing assets on a Register of Assets of Community Value and a clear process for organisations to follow.

- 3.5 Shropshire Council has recently invested in support for capacity building within the town and parish council sector through the Shropshire Providers Consortium who have worked with Locality, SALC and the VCSA to design a programme of 1:1 support and training, advice and support.
- 3.6 Any specific proposals for changes to services and assets that emerge as a result of this work will, where appropriate, be subject to consultation with the public and community, an assessment of the need of users and the local community and an Equality & Social Inclusion Impact Assessment.
- 3.7 Where appropriate or necessary Shropshire Council will liaise at an early stage with key stakeholders such as Arts Council England, DEFRA and the Heritage Lottery Fund on any proposed new management models for facilities that they may have an interest in.

4. Financial Implications

- 4.1. Shropshire Council published its updated Financial Strategy on 17th February 2016. Since 2009, £146m has been removed from Shropshire Council's budget due to significant funding cuts. By 2020/21 the government's £44m revenue support grant is forecast to end. Before the final settlement for 2016/17 it had been anticipated that a further £77m savings would be required over the next 5 years due to the combination of inflationary increases in costs, demographic pressure, particularly in adult social care, and cuts in government grants. However, further pressures identified within the February 2016 Financial Strategy has highlighted a worse position than previously forecast, with £61m savings now required by 2018/19.
- 4.2. Figures quoted as part of Shropshire Council's Big Conversation state that by 2020/21 it is predicted that 87% of the council's resources will be used to pay for protected services such as adult's and children's social care and safeguarding, domestic waste disposal, concessionary travel and school transport, which would leave just 13% remaining to be spent on the remaining 150 plus services that the council currently provides to the people of Shropshire.
- 4.3. The council wants to accelerate its locality commissioning approach, an element of which is to work with town and parish councils to rapidly develop new service delivery models and funding streams to enable local services and community based assets to be sustained.
- 4.4. A Place Based Budgets spreadsheet, breaking down the locality based at-risk activity by area is attached as Appendix 1. The totality of Shropshire Council's current controllable spend over these services – excluding the cost of highway and environmental maintenance activity delivered by Ringway – is in the region of £5m.
- 4.5. Shropshire Council believes that there are a number of alternative ways in which funding for local services and assets can be generated or that the costs of running these can be reduced. These include -
 - town and parish councils and their ability to generate additional income
 - generating income from assets and services in new and innovative ways
 - partnership working or the creation of networks to deliver shared outcomes
 - investing in energy efficiency or energy generating schemes that reduce future running costs
- 4.6 The council is also interested in exploring the appetite for the creation of different partnerships and the potential use of external funding streams, e.g. the Local Economic Partnership (LEP), European funding programmes, public/private sector co-operation or joint working with neighbouring authorities to achieve service delivery at reduced costs.

5. Our principles, values and behaviours and approaches we will adopt

- 5.1 The principles underpinning our approach in undertaking this work are:
 - Shropshire Council's financial forecasting shows that it will not be able to afford the local services and assets listed within this report from 2017/18.
 - We will adopt a pluralistic approach and will discuss the potential for new management/partnership arrangements for local services and assets with a range of organisations

- We will recognise the value that local services and assets have within communities and balance this with the financial challenges that Shropshire Council has in continuing to deliver services
 - We will recognise the input that all stakeholders and organisations can bring to these conversations
 - We will balance creating flexible, local solutions with maintaining service or county wide strategies
 - We will ensure that there is lead officer for each town and parish council to facilitate the approaches described within this report and make their contact details available
- We will work in a holistic way with a sense of place to understand the full picture of activity including the opportunities and dependencies that exist with all services and assets, not just those currently under the management of Shropshire Council, putting in place local working partnerships as appropriate to facilitate discussions
- We will publicise at an early stage what we are doing locally to enable public awareness, understanding and the opportunity to get involved
 - We will apply Social Value principles to promote the economic, social and environmental well-being of Shropshire
 - Specific proposals for changes to services and assets that emerge as a result of this work will, where appropriate, be subject to consultation with the public and community, an assessment of the need of users and the local community and an Equality & Social Inclusion Impact Assessment
 - If we are unable to make progress in seeking these new arrangements for services and assets by September 2016, the council will consider consulting on decommissioning them.

5.2 The values and behaviours within our approach:

- We will be mindful of the impact on equalities and social inclusion of any proposals
- We will maintain a consistent approach across the various discussions we have
- We will always try to have accurate information available at the right time and in the right place
- We will be clear and honest about the availability of council resources to deliver services in the future and understand the potential impact of this
- We will understand any risks associated with this work and take a proactive approach to managing them
- We will try and keep the processes we create simple, easy to understand and easy to follow
- We will create and deliver simple and consistent internal and external communications

5.3 In terms of how different models could be shaped and adopted, town and parish councils, community groups, the voluntary and community sector, our education establishments and the business sector are already well placed to consider taking on the responsibility for running local services and managing local assets. A number of mechanisms are available to help facilitate this, including:

- the transfer of buildings, land and services by deed or lease, e.g. the transfer of the rights to provide local markets to Whitchurch, Wem and Ellesmere town councils;
- other organisations funding and managing services and assets
- other organisations funding services and assets with Shropshire Council continuing to manage them
- other organisations funding services and assets and working in partnership with others to manage them
- the delivery of local services as set out in an agreed contract that defines roles and responsibilities and support , e.g. the management of Broseley, Albrighton and Shifnal libraries by their respective local councils and the management of Bishops Castle and Cleobury Mortimer libraries by local social enterprises
- the formal delegation of responsibility for service delivery to town and parish councils, e.g. the delivery of youth activities by Shrewsbury Town Council in Shrewsbury
- town and parish councils financially supporting countywide services as a collective, e.g. the strategic Arts, Museum and Tourism services
- the clustering or federation of town and parish councils, e.g. to deliver grounds maintenance services
- larger town councils taking a lead within an area and clustering with surrounding rural parish councils to financially support local services based in a town but serving a wider area

5.4. Proposed approaches for organising the planned discussions between Shropshire Council, town and parish councils and other organisations are described below.

Table 1

	CONVERSATION TYPE	GEOGRAPHICAL AREAS	OPTIONS FOR WHERE/HOW TO HAVE DISCUSSIONS
1	A conversation with larger town councils about the assets and services in the their towns that Shropshire Council is currently funding, which would include asking the surrounding parish councils if they are willing to contribute to the future running costs of these, on the understanding that their residents will be making use of them.	e.g. Shrewsbury, Oswestry, Ellesmere, Wem, Pontesbury, Highley, Albrighton, Shifnal, Ludlow, Bridgnorth, Ludlow, Market Drayton, Whitchurch, Church Stretton, Craven Arms, Cleobury Mortimer, Bishops Castle, Broseley etc.	Directly with town councils Through Local Joint Committee clusters Through other town council/parish council clusters Through SALC Area Committees
2	A conversation with other organisations potentially interested in taking on the responsibility for local assets and services that Shropshire Council is currently funding	e.g. Shrewsbury, Oswestry, Ellesmere, Wem, Pontesbury, Highley, Albrighton, Shifnal, Ludlow, Bridgnorth, Ludlow, Market Drayton, Whitchurch, Church Stretton, Craven Arms, Cleobury Mortimer, Bishops Castle, Broseley etc.	Directly with interested organisations or through discussions facilitated by local town councils
3	A conversation about individual assets in each of the parishes that Shropshire Council is currently funding, e.g. rights of way, play areas, open spaces, countryside parks	e.g. parish councils, Friends of Groups, community groups	Directly with interested organisations or through discussions facilitated by local parish councils
4	A conversation about designing the post-2018 highways contract to enable the town and parish councils to be responsible for the delivery of some environmental maintenance	All town and parish councils	Through Local Joint Committee clusters Through other town council/parish council clusters Through SALC Area Committees
5	A conversation about the county-wide Arts, Museum and Tourism services to explore whether town and parish councils are interested in supporting these financially as a collective	All town and parish councils	Through SALC

5.5 Future grounds maintenance contracts

As part of a wider market engagement process Shropshire Council wishes to engage with town and parish councils over the next 2 years to soft market test potential new service delivery models in respect of the grounds maintenance elements of the Ringway contract. New arrangements need to be in place on 1st April 2018 and potential options could include –

- A Shropshire wide contract
- Smaller separate north, central, south contracts
- Delegation of functions to town and parish councils with possibly the larger town councils taking a lead within an area
- Rural highway verge mowing being let as a separate contract
- Smaller parishes federating and where appropriate developing their own self-funded lengthsmen schemes

6. Future opportunities for the transfer of local services and assets

6.1 Examples of current locality working and commissioning

Shropshire Council now has many examples of how it is working locally with partners to either transfer services into their responsibility or work with them to achieve shared outcomes. This activity builds knowledge, capacity and confidence in both parties and provides a good foundation for the development of future opportunities. Table 2 shows a non-exhaustive list of the local services and assets within the scope of these proposed transfer discussions alongside examples of what we have already achieved through working with local partners.

6.2 Table 2

Thematic area	Current Shropshire Council funding arrangements	Proposal for 2017/18 as described in the updated Financial Strategy	Examples of what has been achieved already
Main hub libraries (x 6 in total)	Directly funded	Reductions in opening hours and likely to be commissioned	Work yet to begin
Local libraries (16 in total)	Some directly funded, others funded through contracts with local organisations	All 16 libraries at risk of being decommissioned	New local management arrangements for some local libraries introduced
Local Customer First Points (CFPs)	Some directly funded, others funded through contracts with local organisations	Service area being redesigned to make corporate savings	New local management arrangements for some CFPs introduced
Leisure Centres (22 in total including 9 swimming pools)	Some directly funded, most funded through contracts with leisure trusts or schools	All 22 sites at risk of being decommissioned	Some town councils already financially supporting their local swimming pool – others considering raising their precept to do so
Arts service	Directly funded	Functional area at risk of stopping	The service is supporting activity at both a county and local level
Tourism service	Directly funded	Functional area at risk of stopping	The service is supporting activity at a county and local level
Museums (5 in total)	Majority directly funded	Services at risk of being decommissioned	Some local museums already transferred into the management of town councils
Youth activities	Services commissioned to local organisations	Funding proposed to reduce by 50% in 2017/18 and then is at risk of stopping entirely in 2018/19.	Youth activity across the county is being commissioned with local input through the LJsCs. Responsibility for the delivery of youth services in Shrewsbury has been delegated to

			Shrewsbury Town Council. Elsewhere town and parish councils are supporting local youth clubs in a number of areas
Public Open Spaces	Maintenance funded by Shropshire Council either directly or through Ringway contract, some transferred to local organisations	Service at risk of being decommissioned	Some areas of open and amenity space already transferred to town and parish councils
Public transport	Directly funded by Shropshire Council	Bus routes may be at risk of being scaled back	Community transport schemes established across the county
Minor highway maintenance and street scene maintenance	Environmental Maintenance Grants are currently paid directly to about 40 town and parish councils	The future of Environmental Maintenance Grants will be included in the ongoing discussions with T&PCs on the development of the future highways contract	Environmental maintenance grants, transfer of open and amenity space to local councils

7. Timeline

7.1 The timeline for this activity is challenging and so formal discussions with town and parish councils and other potential partners should begin, as described in Table 1, as soon as possible – indeed some informal discussions have already started such is the urgency around this work. These discussions will either have created firm new management or funding plans, or not, by September 2016 to allow the necessary arrangements relating to either scenario to be enacted in time for 2017/18. If a way forward is not established by then, Shropshire Council will consider decommissioning the service subject to full consultation and for the service to cease on 1st April 2017.

8. Resources

8.1 It is recognised that this work will be resource hungry for the council. The Director of Commissioning, the Area Commissioners, the Locality Commissioning Managers and the Community Enablement Team already work together to deliver locality commissioning alongside colleagues from the local services involved. Colleagues from Finance, Estates and Property Services, IT, Legal and HR provide vital specialised advice and support. It is proposed that these arrangements remain in place to deliver this proposed activity supported by robust programme and project management.

8.2. Shropshire Council's elected members have close working relationships with their local town and parish councils. Local members in their role as community champions will play an important role in supporting and leading at a local level the proposed activity.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information):

Shropshire Council's Financial Strategy 17th February 2016

<http://shropshire.gov.uk/committee-services/documents/s10951/6%20Financial%20Strategy%202016%2017%20to%202018%2019.pdf>

Shropshire Council's Financial Strategy 27th January 2016

<https://shropshire.gov.uk/committee-services/documents/s10607/20160127%20Cabinet%20Finance%20Strategy%20Absolute%20Final%20Document.pdf>

Shropshire Council – The Big Conversation

<https://www.shropshire.gov.uk/big-conversation/>

Shropshire Council – ‘Commissioning for the future’

<https://shropshire.gov.uk/committee-services/documents/s2772/12C%20Appendix%20C%20-%20Commissioning%20Strategy%20with%20Consultation%20Amendments.pdf>

Name and Portfolio of Executive Member responsible for this area of responsibility:

Cllr Cecilia Motley, Portfolio Holder for Rural Services and Communities

Cllr Stuart West, Portfolio Holder for Culture and Leisure

Cllr Michael Wood, Portfolio Holder for Corporate Services

Local Members:

All

Appendices:

1. Shropshire Council – Place Based Budgets spreadsheet