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Emerging approach - Devolution of Services and/or Assets

Key points for discussion from Joint Scrutiny:

- *Options*
- *Phased approach*
- *Alignment with MTFP*
- *Recommendations*



Objective & Approach

The objective is to develop a framework and prospectus for the devolution of services and / or assets to city, town and parish councils. To allow greater control at a local level and better place shaping.

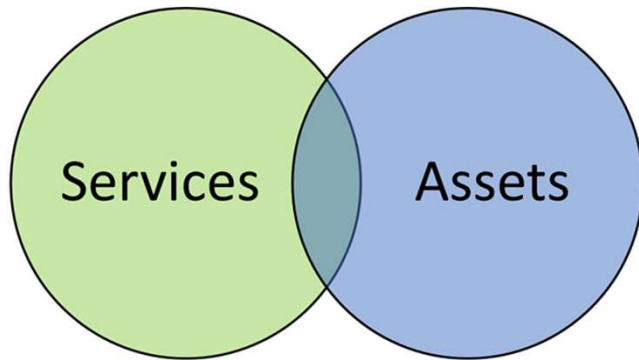
Timeline: 3-to-4-year programme

The Phasing Approach (P.E.A) sets out a proposed structured devolution programme for services and / or assets.

Phase 1 - Planning and Development : Until Vesting Day

Phase 2 - Engagement and Review: 2023 / 2024 (could take longer depending on complexity of additional pilots and to enable learning)

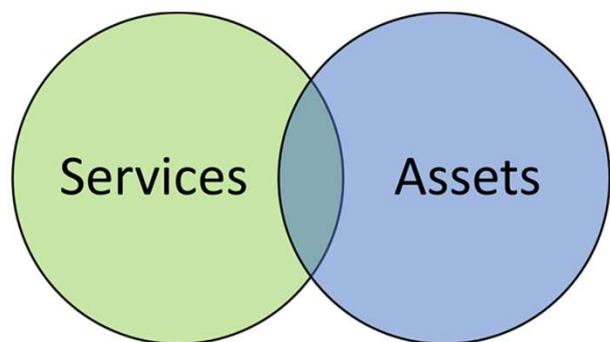
Phase 3 - Action: 2024 / 2025 / 2026



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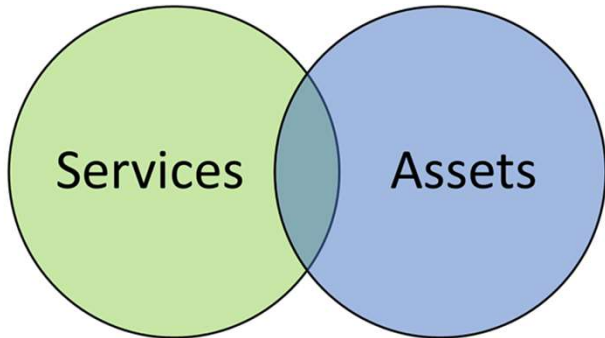
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Cross Cutting Workstream Products



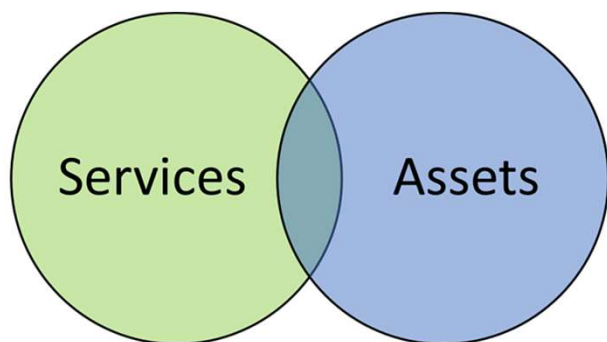
| Workstream | Product |
|-------------------------------|--|
| Service Alignment Workstream | Waste & Neighbourhood Services devolution of services |
| Asset Optimisation Workstream | Strategic approach to service and asset devolution defined and agreed, process / framework for engagement, discussion and progression of asset transfers / licences / leases to third tier / community sector developed with clear guidance for communities town and parish councils |
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| Suggested Revised Product | To create a single framework, prospectus and phased approach for the Devolution of Services and / or Assets for Somerset Council that is aligned and takes into account the emerging MTFP. |

Key Principles



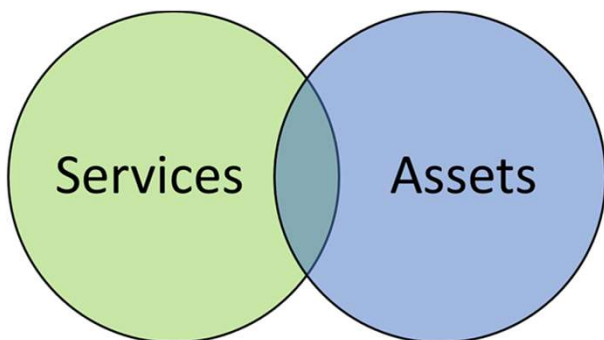
| | |
|---|--|
| <p>Devolution of services and/or assets should;</p> | <ul style="list-style-type: none"> i. be resilient over time ii. have honest conversations from the outset: achieving/delivering more may cost more or be unrealistic iii. have transparency in monitoring impacts and lessons learnt |
| <p>Devolution should have clear benefits to the community</p> | <ul style="list-style-type: none"> i. Service improvement business case: how will it deliver desired benefits to the community and manage risks ii. Does the proposal help deliver the vision for the area iii. Financial and asset management plans: how will it be sustainable iv. Services and buildings should be well governed and compliant with all relevant legislation (e.g. equalities, health and safety) |
| <p>Devolution must align with strategic priorities of the new Somerset Council</p> | <ul style="list-style-type: none"> i. Certain assets may be needed for statutory service delivery and those of strategic or financial significance ii. Somerset Council will need to maintain viable and efficient services and may have contractual constraints iii. Asset / service devolution must reflect the climate emergency and align with the councils MTFP |
| <p>Our approach should be co-produced:</p> | <ul style="list-style-type: none"> i. Consultation with customers and communities: using the LCN's as an effective forum: ensuring we work to deliver what communities want/need ii. Engagement with staff and communities of interest impacted by any proposals may be necessary iii. Framework and prospectus will be developed in liaison with representatives of City, Town and Parish Councils |

Options



| Options: Phasing | |
|---|--|
| Do Nothing | The option of having no devolution offer is not recommended. This would undermine a key deliverable of the One Somerset Business Case. |
| Full Devolution Offer (by Vesting Day) | The products to deliver are not clearly understood. There is an acknowledgment in the LGR Programme and most stakeholders that to deliver a full devolution offer from Vesting Day, would be intensive, complex and unrealistic. |
| Phased Devolution Offer | This is the recommended approach and has been described within this report under the 'Phased Approach' section. This enables the Programme to deliver a key part of the One Somerset Business Case but managed within existing constraints. |
| Options: Financial Alignment | |
| Retain 'cost neutrality' | Continue with current wording and messaging without taking account of MTFP pressures |
| Remove references to cost neutrality and replace with 'financial sustainability' or similar | Ensures alignment with MTFP but also recognises that asset and service devolution must be sustainable for city, town and parish councils too, albeit without the potential interpretation (or expectation) that services will come with full funding. The reality of this approach will need to be consistently presented at a programme and political level as well as being embedded in the emerging prospectus and framework. |

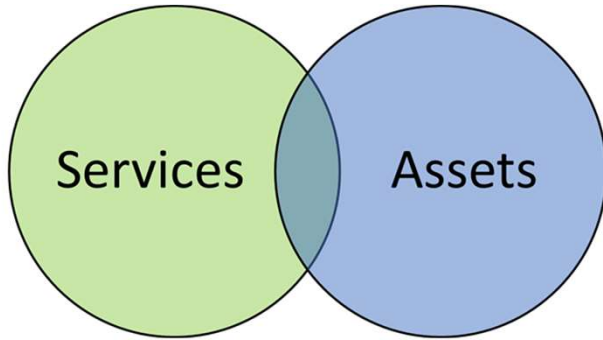
Phase 1 – Planning and Development



In this phase the focus is on developing the framework, MTFP Review, engaging with city, town, and parish councils and learning from the Bridgwater Town Council pilot.

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| To continue the existing legacy service devolution arrangements in place until vesting day and to learn from any challenges and issues from any current arrangements |
| To continue with the place-based pilot with Bridgwater Town Council including Gateway Review to identify lessons learnt for overall approach |
| To develop a draft framework (the 'how') / prospectus (what is on offer) and business case toolkit / support (assessment form for city, town and parishes) |
| Strategic review of prospectus e.g. discretionary services, strategic assets |
| To engage with city, town, and parish councils on the 'Approach' <ul style="list-style-type: none"> • Parish Conference / forums to provide clarity on timeline and approach. • To suggest limited pilot/theme offerings for consideration in 2023/2024 following the options within the draft framework (influencing and monitoring etc). |
| TUPE arrangements have been completed for Somerset Council before considering devolving any services and/or assets |
| To agree the governance process and resource for the Devolution of Services and/or Asset project pre / post Vesting Day and implement within new structure |
| Embed the approach to devolution with the MTFP process and redefine "cost neutrality" and "financially sustainable". |
| Create an outcome focussed 'Prospectus' informed partly by MTFP savings review. |

Phase 2 – Engagement and Review



In this phase the focus will be on developing further pilots, thematically and/or geographically based, where there is greatest potential for community benefit and to understand any challenges / difficulties from city, town, and parish councils. The approach to the second round of pilots will be influenced by financial realities, political priorities and available capacity.

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To adopt the devolution of services and/or assets framework, prospectus, and business case toolkit – learning from the Bridgwater Pilot and engagement session(s).

Dedicated resource to support delivery of the service to be in situ under a directorate structure

To pilot further services and / or assets using the adopted framework

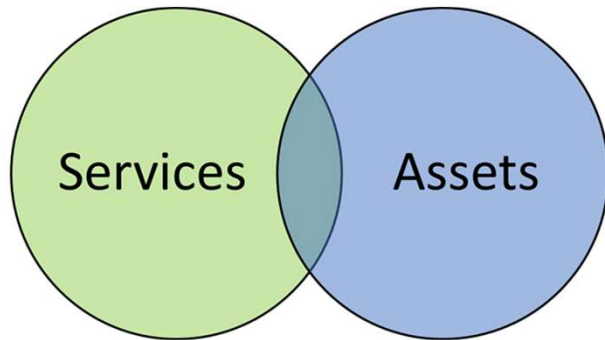
- Expressions of interest to a finite number of further thematic or geographical pilots based on the established process.
- Implement MTFP proposals where devolution to communities is possible and has community benefit and political support

Review and update of offers within the prospectus to check they are viable in light of the pilots learning and MTFP

Obtain Formal sign off for the final framework / prospectus and toolkit

Key route of engagement, but not devolution itself, through LCN's.

Phase 3 – Action



This phase is to provide a wider roll out services and assets to city, town, or parish councils, where applicable, through LCN's and the dedicated resource.

Following the approval of the agreed framework roll out the offer to all other city, town, and parish councils across Somerset

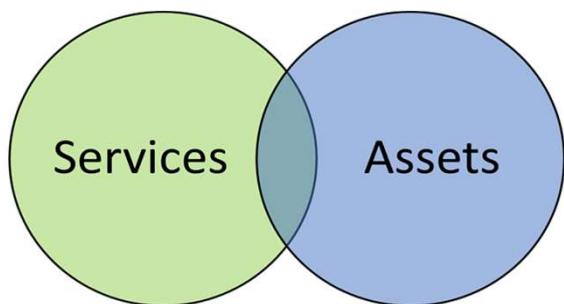
To provide support to take up the devolution offer through,

- **Online guidance and toolkit**
- **LCN's as a key engagement vehicle**
- **Dedicated resource team support**

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Governance: Pre-vesting Day



Project Support

To support the Key Officers to deliver the overarching Product

Key Officers

Cross cutting working group of key officers from various workstreams

- To agree approach
- To agree framework
- To agree prospectus
- To review pilot

Meetings: Fortnightly with Project Support

Lead

To work with the key officers to coordinate and deliver the overarching Product

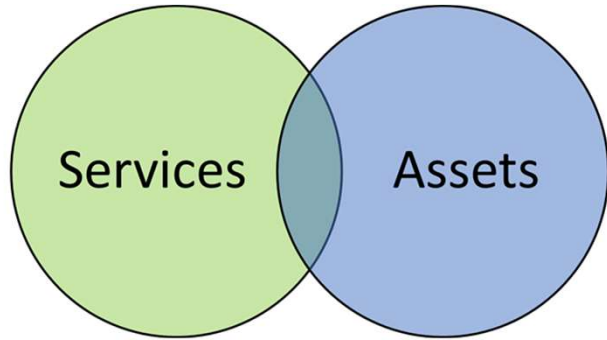
To obtain approval from various Boards/steering groups for Approach, Framework, Prospectus, and Pilot Review.

Meeting: Monthly with Key Officers and PH

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Dependencies

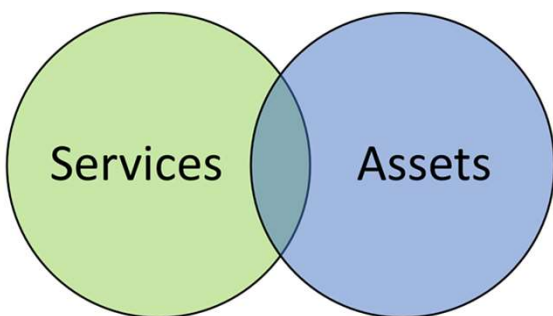


| Dependency | Issues to consider |
|--------------------------------------|--|
| Legal | Capacity to support the project |
| Finance | MTFP alignment / budgets (the Council is not in a position to recklessly devolve assets and/or services with a challenging MTFP activity to be undertaken) |
| Asset / Property Management | Capacity to support the project |
| Various service functions | Capacity and clarity on direction |
| LCN's | Not currently embedded to support the drive through City, Town and Parish Councils. |
| HR (affected staff) | TUPE arrangements Council Structure still emerging |
| Administration | Corporate Priorities for the new Council are still emerging |
| City, Town and Parish Council | Capacity and capability to take on potential complex or higher risk services |

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Key Risks



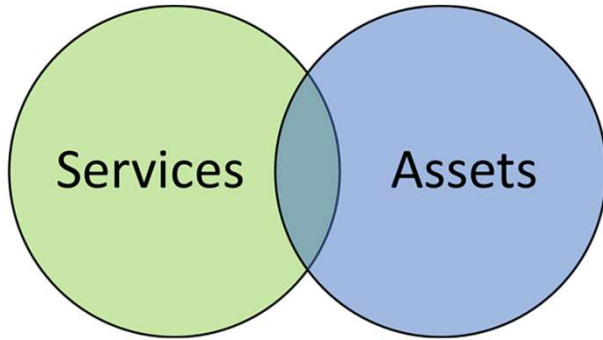
Risks are scored using a 5x5 risk matrix

| Cause | Risk | Impact | Risk Score |
|---|--|---|------------|
| MTFP Alignment | Project delayed or not delivered | Long term financial savings targets not realised at an early opportunity. Devolution opportunities not fully explored due to time pressures to secure savings e.g. 'fire sale'. | 16 |
| Mismatch of expectations | Offerings and timescale of delivery do not meet the expectations of Stakeholders | Confusion and lack of clarity to all Stakeholders. Increased timeline for delivery. Stakeholders become disengaged. | 16 |
| Resource Capacity | Project delayed or not delivered | Long term financial savings targets not realised at an early opportunity. Stakeholders become frustrated or disengage. | 16 |
| City, town and parish councils do not have the ability (legally or financially) to take on services | Services are not devolved | Statutory Services continued to be provided by Somerset Council. Discretionary Services may not be continued by Somerset Council. Impacts the budget gap. Stakeholders become frustrated or disengage. | 16 |
| Communities are taking on services unprepared and unsupported | Failure to work in Partnership | Fail to successfully devolve services. MTFP Targets are not met. | 16 |

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Recommendations



| | |
|---|--|
| 1 | To agree a phased devolution, offer as set out in the 'Phased Approach' section of this report including the key principles |
| 2 | To agree to develop the proposed alignment between MTFP and service / asset devolution while acknowledging the need to balance financial and political priorities. |
| 3 | To agree the project team and governance pre-vesting day |
| 4 | Obtain support from LGR Joint Scrutiny with recommendations on to Implementation Board. |
| 5 | Undertake a gateway review for the Bridgwater pilot to understand the lessons learnt to date, refocus, and re-energise the pilot to enable further learning and inform the framework, prospectus, and toolkit. |
| 6 | Continue to engage with other Councils and organisations to understand any lessons learnt. |
| 7 | Agree that the approach to Taunton Town Council devolution sits outside the framework. |