

TRI-BOROUGH ONE YEAR ON:

Delivering our promise to
improve lives and make public
funds go further

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OUR PROMISES DELIVERED

We have **protected front-line services** by combining Children's Services, Adult Social Care and Library services across the three boroughs and started to share Environment Services across Hammersmith & Fulham and Kensington and Chelsea. Nearly four in five (79%) Tri-borough residents said they were now satisfied with the way their council is running the area in February 2012, up from 77% in March 2011.

We have made front-line services better.

- A shared Youth Offending Service is helping young people involved in crime to become responsible citizens.
- A troubled families programme across the three boroughs is enhancing the help we offer to 1,800 of our families with the most complex needs.
- We have made available over a million library books to our residents across the three boroughs and will launch a single library card (allowing residents to borrow from any library across Tri-borough).
- A shared fostering and adoption service is helping more children find a loving home faster.

We have **reduced the number of senior and middle managers by 45%** – with the number on-track to rise to 50% - dramatically reducing the cost of our executive pay bill.

We have **made our funds go further.** We have already saved £7.7m and on track to save £33.4m by 2014/15. We are also ambitious to save a further £7m by 2015/16.

We have **each retained our sovereignty**, safeguarding the role of local councillors and communities to tailor shared services to meet local priorities.

We have **created a credible platform for the further devolution of powers and responsibilities** from Whitehall to Town Hall and beyond. We are one of the Government's four flagship whole-place Community Budget pilots. We are also two of 10 national Neighbourhood Community Budget pilots, which are testing a radical new model of bringing together and devolving public services to a neighbourhood level in White City and Queen's Park.

We have shown how **joint procurement** can be run across three sovereign authorities, creating additional benefits and savings. For example, through joint procurement, we will now save £347,000 per year on our insurance bill.

FOREWORD

Over the past 18 months, Tri-borough has shown the best of what local authorities can achieve by working together. This report is a lesson for us all on how councils can make sensible savings through sharing back office services, joining forces to procure and cutting down on middle management whilst protecting frontline services.

What the public want from their local council is quality services, at value for money prices. Hammersmith & Fulham, Westminster and Kensington and Chelsea are leading the way in putting the frontline first by joining up back offices and driving down costs. Thanks to their leadership and innovation, £7.7 million of savings will be made across the three authorities this financial year with the figure set to rise to £40 million in 2015/16. If other councils across the country saved half that amount by sharing services with neighbours it could produce potential national savings of £2 billion.

But the success of Tri-borough is not just down to making impressive savings. Tri-borough has shown how sharing services can also improve lives. Library users can now borrow a million books in any of the three areas, 1,720 troubled families will be getting more help to turn their lives around and people with longer-term care needs are being offered personal budgets.

A year ago, Tri-borough was seen as radical but its success has shown that sharing services should be common sense for every council. I urge others to follow the lead shown by these three trail blazing authorities in putting residents and front-line services first to improve lives and make public money go further.

Rt Hon Eric Pickles MP,

Secretary of State for Communities and Local Government

INTRODUCTION

Through shared determination we have combined £300m worth of services within 18 months.

Tri-borough was born in October 2011 out of the acute financial pressures facing local government. People were worried about whether the state could afford to care for the vulnerable and wanted to see value from public services. As three leading councils, our councillors and officers shared a common resolve for bold and radical action to meet public and staff expectations of great local services.

In February 2011 the Chief Executives of the three local authorities published *Bold Ideas for Challenging Times* which set out our ambition to achieve two things. First, deliver a better quality of life to people through improved services. Second, make the money from the taxpayer go further by pooling our expertise while retaining our shared reputation for low tax.

We recognised early on that we could save most from aggregating the biggest spending services. For others, we recognised we had different agendas or savings were less likely. Housing, planning and election teams remain single borough.

The report set out a detailed plan to share services, combine back office and management costs, and save £33.4m. The report asked each authority to consider the plans and put them to their Cabinets in June 2011 together with detailed implementation proposals. The three Cabinets met separately as planned in June and agreed to implement the proposals.

One year after the decisions were taken by each Cabinet, we have moved quickly to combine services, improve lives and make our funds go further.

This report showcases how we have delivered the promise we made a year ago and the benefits now being realised for residents.

OUR ACHIEVEMENTS ONE YEAR ON

Shared services are working – a troubled families programme across the three boroughs is helping 1,800 of our most complex families turn their lives around, a shared fostering and adoption service is helping more children find a loving home faster, and for a second year in a row ‘Summer in the City’ will make available over 200 local activities for young people.

Better services, improved lives

Overall expectations among residents are high for Tri-borough. A third (36%) think the quality of services will increase, and two in five think the range of services will improve (39%) and that value for money will increase (40%).

We have worked hard over the last year to retain the trust and support of our residents, and prove that Tri-borough delivers real benefits:

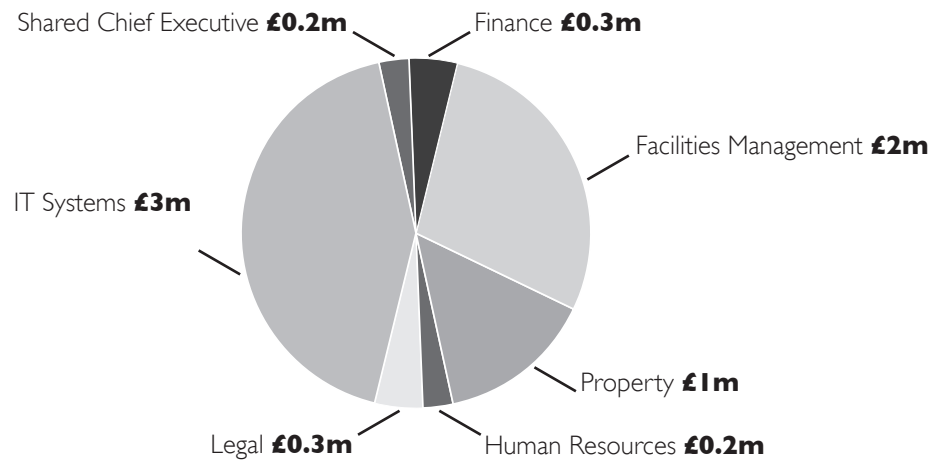
- We have created a shared youth offending service, making it faster and simpler for young people and their families to get back on their feet.
- A troubled families programme across the three boroughs is enhancing the help we offer to 1,800 of our families with the most complex needs to gain employment, reduce offending and anti-social behaviour, and improve school attendance.
- We have made available over a million library books to our residents across the three boroughs and will launch a single library card, allowing residents to borrow from any library across the three boroughs.
- In 2011, we launched the first Tri-borough ‘Summer in the City’ campaign, which offered over 200 summer activities to families across the three authorities. Polling showed that residents welcomed this initiative and think more highly of the councils because they have worked together. ‘Summer in the City’ will be repeated in 2012.
- Young People from across the three boroughs attended a Children’s Participation Conference at Chelsea Football Club in March, giving them the opportunity to quiz local decision makers and find out more about services they can use of in their area.
- The first Tri-borough Youth Conference, ‘the Big Shout’ will be hosted by the three youth councils on 23 June, promoting youth activities, services and opportunities.
- We have created a single incident reporting database for Parks Police across Kensington and Chelsea and Hammersmith & Fulham, allowing us to respond faster to incidences of antisocial behaviour and prevent crime.
- We are sharing foster placements across the three boroughs, avoiding the additional cost of having to use Independent Fostering Agency placements.
- Through our libraries, local groups will continue to have access to specialist services that reflect their cultural or demographic needs, including Westminster’s Music Library, Hammersmith & Fulham’s prison services and Kensington and Chelsea’s local studies.
- We have published mandates for the provision of shared services in each borough, safeguarding each borough’s sovereignty to tailor shared services to local priorities.

Crucially, front line staff – whose hard work and commitment has been vital to making shared services work – are also seeing real benefits to shared working. Sally Connew, Stock and Audience Development Librarian at the Royal Borough of Kennington and Chelsea, when speaking about the Tri-borough World Book Night event held in April 2012, celebrated “We’ve got three boroughs working together; we’re able to think bigger and do these big events ... it’s something that I don’t think we would have done ... as individual boroughs.”

Funds that go further

In October 2011 we announced the first £1m of savings achieved by Tri-borough. Since then, we are on track to deliver £ 7.7m in 2012/13 and the overall savings target of £33.4m by 2014/15. We are also ambitious to save an additional £7m by 2015/16.

Figure 1: breakdown of additional £7m savings



As with any large-scale transformation programme there have been costs to transition. However, these costs have been carefully planned and managed to ensure that they are shared equitably and do not detract from the overall savings targets. Across all Tri-borough services, we currently estimate that we have jointly spent £2.5m excluding the costs of redundancies in 2011/12. Westminster and Hammersmith & Fulham account for approximately £1m each of this sum while Kensington and Chelsea pick up the remainder. Costs are shared on a number of bases. Some are shared evenly across the boroughs whilst others are shared in proportion to the share of savings a borough derives from the transition itself.

Combining £300m of shared services has been complex but through shared determination and political maturity we have ensured that the process has not got stuck and instead maintained momentum to achieve our shared ambition.

Reducing the number of senior managers

Last June we committed to reduce the number of senior and middle managers by 50%. Since then, 62 middle and senior management posts across Children’s Services, Adult Social Care and Libraries have been combined into 34 posts, saving over £2.6m million of taxpayers’ money a year:

- We have cut the number of senior management posts in Adult Social Care from 8.9 to 6, saving £297,000 in a full year.
- We have cut the number of senior management posts in Children’s Services from 14.5 to 7, saving £804,617 a year.
- We have cut the number of senior management posts in Libraries from 10.3 to 4, saving £345,235 a year.

We have also cut the number of senior management posts in the new Bi-borough Environment services shared by Hammersmith & Fulham and Kensington and Chelsea from 27.1 to 16.4, which will save £944,160 a year. The number of Directors of Human Resources across Kensington and Chelsea and Hammersmith & Fulham has also been cut from two to one, which will save £168,200 a full year; and there is now a Chief Executive shared between Kensington and Chelsea and Hammersmith & Fulham. We have also created a combined Director of Legal and a combined Deputy Director of Finance across Kensington and Chelsea and Hammersmith & Fulham, and launched a combined Tri-Borough Treasury and Pensions service.

In total, we have already reduced senior manager posts by 45% and, with further staffing restructures still to be completed, we are confident we will see the number of managers fall by at least 50%. And this from three councils that had already pared their management numbers down severely.

Using the market well

We are currently in competitive dialogue to secure additional savings from joint procurement on facilities management, finance and HR back office services. IT integration has been complex but where necessary work rounds are in place pending further integration, leading to expected cost reductions from purchasing at scale.

Significant savings are expected from combining client side functions and leveraging reduced costs from bigger contracts in Adult Social Care and Children’s work.

Deep compare and contrast

Having single management teams ends the often tedious debate about whether costs and delivery preferences can ever be compared. We now use techniques of deep compare and contrast to ensure the value from every pound is challenged and reviewed. Every month we find better ways of securing value, by standardising or adopting the proven practice of the most efficient and effective borough.

KEEPING THE TRUST AND SUPPORT OF RESIDENTS AND STAFF

Consistent and proactive communication internally and externally has reassured people and given us credit for showing leadership in tough times.

Residents' reaction to sharing services

The idea of Tri-borough working developed in October 2011 out of the immense financial pressures facing local government. Residents were concerned whether their councils could continue to pay for adult social care and wanted to see us get smarter about how we spent public funds. As our joint survey of residents in March 2011 showed, our residents wanted us to reduce costs (54%) and provide higher quality services (42%).

Responding to the strong public and stakeholder support for sharing services, we stepped up to the challenge of working out how we could share resources to save money and deliver better services. There were critics whom we listened to and the proposals were improved through many hours of public debate and informal discussion. However, this was ultimately a test of political leadership and we needed to be prepared to advocate, sell and motivate to deliver these massive changes.

18 months after the original proposals were put together we have combined services worth over £300m, protecting and improving front-line services. Our success has been reflected in residents' confidence in us. When we asked residents again in January and February 2012 what they thought of Tri-borough working, nearly three quarters (73%) continued to support some sharing of services between the three boroughs and nearly four in five (79%) residents said they were satisfied with the way their council was running the area, up from 77% in March 2011. However, we know that we can do more and we will continue to ensure we deliver great public services that make our funds go further.

Staff reaction to Tri-borough

We could not have achieved what we have so far without the hard work, dedication and enthusiasm shown by staff. We know that for some, Tri-borough has meant a substantial change which at times has created uncertainty and anxiety. For these members of our teams, our responsibility has been to ensure that the appointment process has been fair and open and that we keep on top of communications so that there is little scope for rumour or misunderstanding.

However, for the majority Tri-borough has presented a hugely exciting challenge, the opportunity to look at different ways of working, and be at the forefront of something truly ground breaking.

After moving from Westminster to join the new combined Tri-borough Treasury & Pensions Team, Moira Wallace can see clear benefits: "Oh, it has to be sharing expertise! That is really invigorating. It will take a bit of time to get to know people but I'm sure that will come in time. [Tri-borough] has great potential."

Henrietta Curzon, who has recently seconded to the joint team working on the Whole-Place Community Budget pilot, has found that "...having three local authority geographical areas put together, and all those public services connected to those three geographical areas, enables us to explore those economies of scale that we wouldn't be able to do as single local authorities".

Moira's and Henrietta's views are reflected in the 1,500 responses to an on-line survey of staff conducted earlier in the year: 80% of those who responded supported sharing services, with 35% feeling that Tri-borough offered good career opportunities and 52% believing it would improve their knowledge.

Managing positive expectations

We know from the resident and stakeholder polls that people are aware of the Tri-borough project, support it in principle and expect to see better services and lower taxes as a result.

Critical to managing positive expectations has been proactive internal and external communications so that residents can understand the potential benefits, staff can be kept involved, and community leaders informed about the progress of the project.

Our first joint campaign, 'Summer in the City', offered over 200 summer activities to families across the three authorities. Our polling showed that residents welcomed this initiative and now think more highly of the councils because we have undertaken this joint work. In Westminster, residents who saw the Summer in the City campaign rated the authority more highly in key areas, including leadership, value for money and satisfaction.

Our campaigns have been supported by media relations that have successfully promoted Tri-borough in the national, local and specialist press. A recent feature in the Public Servant Magazine celebrated Tri-borough as 'becoming a by-word for innovation...that is going to unlock savings and improved services'. Similarly, the appointment of Andrew Christie as the Tri-borough Director of Children's Services won praise in the Guardian as a 'radical reinvention of the way councils operate... delivering a new dynamic way of running this part of our world city'.

For staff, we have hosted a series of well attended joint events. The first of these brought together the top thirty officers from across the three councils to take stock of our progress so far and discuss the big strategic challenges. The second saw 100 managers meet to compare how their new combined teams were forming and think collectively about practical solutions to shared challenges and opportunities. There have also been a series of open events for all staff, providing the chance to talk with the chief executives, executive directors and heads of service about the progress made in the first few months of Tri-borough working, share success stories and learn about the future direction for Tri-borough.

CONTINUING TO MEET HIGH EXPECTATIONS: WHERE NEXT FOR TRI-BOROUGH?

When you see the world differently and break new ground, opportunities keep coming. Across our services we are ready to put our hand up when Government wants to trial something new or encourage local authorities to step forward with new ideas.

The first year of Tri-borough has established extremely strong foundations for us to improve lives and make our funds go further. For instance, our work on care proceedings will ensure decisions about the future of looked after children are taken more quickly, reducing periods that we know are damaging to their development. The shared Fostering and Adoption Services will be able to recruit more foster carers and increase the number of placements it can offer.

We are ambitious to build on these successes and take on new responsibilities. We want to get more people into work, deter crime and join up health and welfare. We believe that we can use our combined approach to go beyond what we initially agreed last summer and deliver more jobs and investment for our communities.

Making the case to Government for a new model to fund key front-line services

Tri-borough has been awarded one of the Government's four flagship whole-place Community Budget pilots. We are using the pilot to broker a new settlement between Whitehall and Tri-borough, enabling us to better use public funds at a local level to achieve the twin aims of reducing dependency and driving growth.

We will show how we can reduce dependency by simplifying how we support residents facing the most complex challenges, thereby reducing the demand they place on local public services and creating savings that can be re-invested to help disadvantaged communities. We will also show how we can incentivise and reward local authorities to drive growth in central London, creating new powers and freedoms to build affordable housing and support business growth.

An interim report will be presented to Ministers in July and final detailed proposals will be discussed with Government during the autumn.

Transferring power from Whitehall to Town Hall and beyond

Last year we committed to commission services and devolve power to people and community groups. We also undertook to share our learning across the three authorities and use that knowledge to help councillors shape the future of their neighbourhoods. We have made good progress to date and are ambitious to build on our success so far. This includes:

- Launching two **employee mutuals**. One to provide management and ICT support services to schools across the three boroughs and another to become a new provider of youth services
- Using **Personal Budgets** to ensure that the people requiring longer term care can take as much control over their lives as their needs allow. For example, Westminster will continue to increase the number of people who are in receipt of a Direct Payment and within the next 18 months everyone who has longer term care needs, who is supported in the community, will have a personal budget.
- Extending **ward budgets** in two boroughs to support local action.
- Developing two of only 10 **Neighbourhood Community Budgets** in White City (Hammersmith) and Queens Park (Westminster) to challenge inefficient spending and get better buy in from local residents.

Leading a local renaissance in Public Health

Public Health is returning to the control of local government and we are ambitious to use this as an opportunity to build on some of the earliest achievements of local government in the promotion of public health improvements.

Work is underway to manage the transition and create a combined Public Health function across Tri-borough. This will see a single Director of Public Health appointed for Tri-borough and a new combined service created with responsibility for health improvement, health protection and the design of health services.

CONCLUSION: LESSONS FROM THE FIRST YEAR OF TRI-BOROUGH

Tri-borough is creating a new and different way of working – shared responsibility for three distinct areas, retaining democratic voice and local choice but cutting management in half.

Tri-borough working was born out of the acute financial pressure of much lower grants from central Government. We have shown how we are now saving £7.7m and are on track to achieve £40m worth of savings by 2015/16. However, saving money has been a means to deliver the ultimate aim of great local public services that improve lives.

These benefits, many of which we had not originally anticipated, have arisen across six key areas.

First, there has been a **bonus from making savings as three councils, rather than on our own**. We have greater choice of how to make savings, giving us greater scope to protect key areas, and more flexibility to spread management costs so we do not have to cut from the frontline.

Second, in areas where **we have exceeded our savings target we will be able to recycle funds in future years** thereby protecting services from further reductions in grant funding from Government.

Third, **combining services has kept council tax low**. In April, Hammersmith & Fulham was able to cut council tax by 3.75%, in large part as a result of the efficiencies being created by Tri-borough. Westminster and Kensington and Chelsea were both able to freeze council tax.

Fourth, by sharing services we have been **better able to use spare capacity in one council to help others**. For example, by sharing resource between the Parks Police and Parks Constabulary, we have been better able to ensure that support can be given to major events, such as the Japanese Emperor's visit to Holland Park in May and the Queen's Flotilla in June, without depleting frontline officers elsewhere.

Fifth, we have found that **joint procurement, entailing honest comparison and fair challenge, has created benefits we would not otherwise have realised**. For example, by jointly re-tendering our insurance arrangements we will now save £347,000 per year on our insurance bill.

Sixth, we have **enhanced our collective reputation as three leading councils able and willing to take on new powers and responsibilities**. We are one of the Government's four flagship whole-place Community Budgets pilots and we will present a case to Government in the autumn for testing radical new approaches to funding front-line services. We are also developing a radical new model of bringing together and devolving public services to a neighbourhood level in White City and Queens Park as part of the Government's neighbourhood community budget pilots.

Tri-borough has broken new ground and there are many, very real examples of how it has already delivered real benefits for the people we serve. For Seamus Oates, Executive Head Teacher Tri-borough Alternative Provision, the benefits are clear:

“As I looked back over what we’ve achieved since January [2012] ... there’s been a lot of outcomes already. We’re seeing them from the delivery, with young people accessing learning, getting GCSEs results and exam results that perhaps they wouldn’t have got if we didn’t have the Tri-borough model.”

“I’ve got a Year Eleven learner who had a problem and was not really able to attend [his current school any longer]. Before Tri-borough we’d have had to keep him at home, given him a home tutor, and to be honest that would not have been a particularly good solution for him. Because of Tri-borough we were able straight away to place him [at another school] where he’s able to continue accessing a full curriculum and he’s now sitting GCSEs – and he’s going to pass them.”

“For that young person, Tri-borough has made a significant and really important difference in terms of facilitating his access to five plus GCSEs and progressing on from a difficult time in his life. Many other examples like that are beginning to happen and we’re seeing that again and again.”



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