



**To:**  
**All members of the**  
**Corporate Policy and Resources**  
**Committee**

*Please reply to:*  
Contact: Gary Lelliott  
Service: Committee Services  
Direct line: 01784 446240  
E-mail: [g.elliott@spelthorne.gov.uk](mailto:g.elliott@spelthorne.gov.uk)  
Date: 19 November 2021

## Supplementary Agenda

### **Corporate Policy and Resources Committee - Monday, 29 November 2021**

Dear Councillor

I enclose the following items which were marked 'to follow' on the agenda for the Corporate Policy and Resources Committee meeting to be held on Monday, 29 November 2021:

#### **6. Knowle Green Estates KGE**

Directors of Knowle Green Estates Ltd will be present during the consideration of these items.

- a) Knowle Green Estates Annual Report **3 - 16**  
To review the annual report of Knowle Green Estates Ltd.
- b) Tenancy Strategy **17 - 20**  
Attached is a report on the affordability of possible decisions around the Open Market Rent percentage, as considered by the Board of Knowle Green Estates Ltd.

#### **14. Oast House/Kingston Road Car Park and Health and Wellbeing Centre**

This item has been withdrawn from the agenda.

#### **18. Ashford Multi-Storey Car Park**

This item has been withdrawn from the agenda.

**Spelthorne Borough Council, Council Offices, Knowle Green**

**Staines-upon-Thames TW18 1XB**

[www.spelthorne.gov.uk](http://www.spelthorne.gov.uk) [customer.services@spelthorne.gov.uk](mailto:customer.services@spelthorne.gov.uk) telephone 01784 451499

**19. Opportunities for collaborative working**

**21 - 110**

To agree the structure of future discussions around joint working with other councils.

*Please note that appendices 2 and 3 of this report are exempt.*

Yours sincerely

Gary Lelliott  
Corporate Governance

To the members of the Corporate Policy and Resources Committee

Councillors:

L. E. Nichols (Chairman)	S. Buttar	A. Brar
J.R. Sexton (Vice-Chairman)	S.C. Mooney	O. Rybinski
J.R. Boughtflower	R.J. Noble	S.M. Doran
C.F. Barnard	N. Islam	I.J. Beardsmore
V.J. Leighton	S.A. Dunn	V. Siva

Substitute Members: Councillors: C. Bateson, J.T.F. Doran, T. Fidler, H. Harvey, D. Saliagopoulos, R.A. Smith-Ainsley and J. Vinson



# Knowle Green Estates Ltd Annual Report 2021

Reviewed November 2021

 [knowlegreenestates@spelthorne.gov.uk](mailto:knowlegreenestates@spelthorne.gov.uk)

 [knowlegreenestates.co.uk](http://knowlegreenestates.co.uk)

 01784 451499



Knowle Green  
Estates Ltd

# Contents

<b>1</b>	<b>Introduction: The Past Year</b>	<b>1-2</b>
	A Time of Transition	1
	Revised Mission	2
	Financial Position	2
	Looking Ahead	2
<b>2</b>	<b>Business profile</b>	<b>3-4</b>
	Vision and Mission Statement	3
	Directors – Meet the Board	3-4
	The Company’s Services	4
<b>3</b>	<b>Our Portfolio</b>	<b>5</b>
	Churchill Hall	5
	Bugle House	5
	Kingston Road	5
	Cranford Avenue	5
<b>4</b>	<b>Future Acquisitions in 2021</b>	<b>6</b>
	Benwell House Phase 1	6
	Knowle Green West Wing	6
<b>5</b>	<b>Pipeline Acquisitions</b>	<b>7-10</b>
	Victory Place, Ashford	7
	Benwell House Phase 2	7
	Oast House, Staines	8
	Ashford Multi-Storey Car Park	8
	Thameside House, Staines	9
	Risk Factors	10
<b>6</b>	<b>Financial Summary</b>	<b>11-12</b>

# 1 Introduction: The Past Year

**Welcome to Knowle Green Estate's (KGE) annual report and accounts for the financial year 1 April 2020 to March 31 2021, which we hope you will find informative.**

## **A time of transition**

In many respects 2020-21 was a transitional year. We moved on from managing Harper House, which was transferred back to Spelthorne Borough Council (SBC) on 29 July 2019 following funding and development opportunities, and we focused on managing our small existing stock of 13 residential units. We also prepared for an exciting year in 2021-22 when our housing portfolio would expand significantly by a further 80 units with the completion of Benwell Phase 1 (55 units) and West Wing (25 units).

As part of this transition, SBC recruited additional staffing resource, whose costs are recharged to the Company, with the experience, skills and expertise in managing new tenants, both social and private; supporting tenancy sustainment; and developing the appropriate range of policies such as Tenancy Sustainment, Hardship Fund, Delegation Policy, Vulnerable Persons Policy and Safeguarding Policy. We are pleased the additional staff members supporting the Company are highly skilled and motivated.

A new IT system Dwellant has been installed and developed to provide a tenant portal for all tenants to access their accounts to check their rent; notify repairs; access the Company's policies and procedures and raise any other issues. This system also allows the Company to easily contact and communicate with its tenants.

We also sought to enhance the breadth of skills and experience on the Company Board by undertaking a selective recruitment process to appoint two new Non-Executive Directors, one with a primarily housing background and one with a primarily finance background. We appointed Darren Levy to the former role and Anne Fillis to the latter role and we have been delighted with their contribution to the Board and the enhanced scrutiny they have brought. At the same time Cllr Buttar joined the Board as a councillor representative and we equally value his contribution.

## **Revised Mission**

During 2020-21 there was significant political change at SBC which is the sole shareholder of the Company. SBC set a revised mission or policy objective for the Company on all its newly acquired residential developments for at least 50% of the residential units to be either affordable rental, or key worker rental. This necessitated some refinement of the company's integrated financial model and a change to the proposed tenure mix for the Benwell Phase 1 scheme and other pipeline acquisitions.

## **Financial Position**

The Annual Report contains the audited Statement of Accounts for 2020-21. As anticipated turnover fell compared to the previous year as during the previous year the income from Harper House (emergency accommodation) ceased. The property was transferred back to SBC to access the opportunity of Homes England grant funding for the new development which SBC will manage in partnership with Metropolitan Thames Valley Housing. Despite the loss of Harper House income, underlying loss before depreciation was virtually unchanged at £51k. The movement in Balance Sheet asset values reflects the transfer out of Harper House. The company held £69k in cash at the closing balance sheet date.

In 2021-22 there will be a significant increase in turnover with the rental income associated with Benwell Phase 1 and West Wing which will improve the Company's cashflow position.

## **Looking Ahead**

During 2021-2 the Company will be acquiring two new developments from SBC, significantly increasing its portfolio. Firstly, in May 2021 Benwell Phase 1 (55 units) made up 60% affordable rental units, 20% key worker units and 20% private rental units. Secondly in autumn 2021 the West Wing (converted wing of the Council Offices) will transfer to the Company with 25 affordable rental units including a ground floor unit adapted for a household with a family member with disabilities. There are other developments in the pipeline which are either in planning or at the design stage which will over the next five years increase the provision of affordable homes for rent in the Borough of Spelthorne.

In the coming year we are looking to improve the effectiveness of our communications and develop our website.

**Chair**  
**Terry Collier**

## 2 Business profile

### Vision and Mission statement

**Vision:** *For Spelthorne residents: increasing the availability and quality of housing in our Borough. A property business with a commercial head and a social heart.*

**Mission:** The overall purpose of the Company is to help SBC meet the needs of residents by delivering more flexible housing options than SBC could deliver by itself.

### Directors – Meet the Board



#### **Terry Collier**

Terry is an accountant by profession and is also SBC's Chief Finance Officer. Terry has been on the Board since the creation of KGE in May 2016. Terry currently chairs the Board. Terry is particularly keen to see the achievement of long term financial sustainability of the Company providing much needed accommodation to a broad mix of tenants living in quality accommodation.

#### **Satvinder Buttar**

Satvinder is the Spelthorne Borough Councillor for the ward of Ashford North and Stanwell South and has been a Spelthorne Borough Councillor since 2019.

Satvinder has worked for the Private, Public and Voluntary Sector. He has served on various boards including Feltham Young Offenders, West Thames College Governance Board as Vice Chair, Children's fund Board, Hounslow Health and Social Care Board, Local Strategic Partnership Board, Hounslow Multiagency Criminal Justice Board.

Satvinder has been an Executive and non-executive director on a range of Third Sector Companies limited by guarantee. He is a local resident and understands the residents need for accessible, good quality housing in the Borough.





### **Darren Levy**

Darren has over 30 years experience delivering housing, property, asset management and development services across public, private and charitable sectors. He spent several years as a consultant and interim executive, working with a wide range of registered providers across the UK delivering business change and transformation.

Darren has also been a non-executive director of a range third sector and social enterprise organisations, bringing a particular focus on business growth and development.

### **Anne Fillis**

Anne is a Chartered Accountant and has had a varied career with roles in Healthcare, Government, Financial Services and the voluntary sector. Her early career was in banking where she focused on lending to the public sector and since then she has held senior roles in healthcare management and regulation.



She has much experience at Board level, helping organisations improve their finances, organisational structures and Board governance. Having lived for many years in the local area, she is aware of the local challenges and is passionate about ensuring that all residents are able to access housing that they can afford.

## **The Company's services**

The Company owns and manages a mixed tenure accommodation portfolio across the Borough of Spelthorne providing a range of affordable rental, keyworker rental and private rental units meeting the needs of Spelthorne residents as identified by SBC's Housing Strategy 2020-2025. SBC has nomination rights to the affordable and keyworker rental units.

## 3 Our Portfolio



### **Churchill Hall**

(3 units)

Three affordable two-bedroom homes on Churchill Way in Sunbury.

### **Bugle House**

(8 units)

Eight affordable homes on the Upper Halliford Road in Shepperton.



### **Kingston Road, Staines**

(1 unit)

### **Cranford Avenue**

(1 unit)

## 4 Future Acquisitions in 2021



**Benwell House Phase 1**  
(55 units)  
Completed in May 2021.

**Knowle Green  
West Wing**  
(25 units)  
25 affordable homes at  
the Council offices  
West Wing.



## 5 Pipeline Acquisitions



**Victory Place, Ashford**  
(proposed 127 units)  
Target start on site date  
March 2022.

**Benwell House  
Phase 2**  
(26 units)  
At planning stage.



## 5 Pipeline Acquisitions (cont.)



**Oast House, Staines**  
(proposed 180 units)  
Pre-planning stage.

**Ashford multi-storey  
car park**  
(proposed 48 units)  
Pre-planning stage.



## 5 Pipeline Acquisitions (cont.)



### **Thameside House, Staines**

(proposed 70 units)

No present start on site date.

Based on developments already planned or underway by 2026 the Company's residential portfolio will comprise over 500 units and generate over £6m in annual rental income.

To fulfill the Company's policy objective and to retain the housing units the Company is discouraged from finance-raising by selling properties in its portfolio. Also the Company is limited in its capacity to raise finance from third parties.

The Company will receive funding and other support from SBC until it becomes financially self-sufficient, including but not limited to:

- loan finance from SBC to pay for a) working capital b) property transfer costs (the amount SBC has spent on acquiring and developing the property / the sale price charged by SBC to the Company)
- access to central services on an arm's length chargeable basis (legal, financial reporting, communications, housing, office facilities etc) until economy of scale permits the recruitment of its own staff

## 5 Pipeline Acquisitions (cont.)

### Risk Factors

- changes in the residential property market, such as the availability of housing for purchase v rental, affordability of house-buying being affected by deposit levels, mortgage rates, house prices, incl. availability of repossessions and lower purchase prices, rental yields, changes in the law and tax regimes affecting landlords and local authorities acting as landlords, Heathrow expansion and its effect on demand in the Borough and demand/costs for construction labour, borrowing costs for developers, increased building costs caused by incorporation of new technologies (eco-power etc)
- changes in legislation that might limit the ability of local authorities to act as developers, landlords, partners in property joint ventures, including right-to-acquire legislation being extended to properties owned by Council-owned companies, increased discounts or improved terms to tenants for right-to-buy, improved tenancy terms generally including changes in security of tenure, extension of right-to-buy to private landlords generally
- health and safety of workers and tenants, Covid-19, flood risk, unexpectedly high repair and maintenance costs due to climate change, increased flood risk over and above the existing threat, increased incidence of storm damage
- reputational risk if the landlord fails to perform in terms of street-view of property, failure to manage troublesome tenants, failure to provide adequate accommodation or service to tenants, poor billing and collection
- greater poverty and financial hardship of tenants and application with greater reliance on Universal Credit

## 6 Financial Summary

### Knowle Green Estates Limited Profit and Loss Account for the year ended 31 March 2021

	2021 £	2020 £
<b>Turnover</b>	<b>168,437</b>	<b>251,938</b>
Administrative expenses	(218,306)	(303,056)
<b>Operating loss</b>	<b>(49,869)</b>	<b>(51,118)</b>
Profit on the disposal of tangible fixed assets	56,552	-
Interest payable	(101,319)	(102,167)
<b>Loss before taxation</b>	<b>(94,636)</b>	<b>(153,285)</b>
Tax on loss	993	993
<b>Loss for the financial year</b>	<b>(93,643)</b>	<b>(154,278)</b>

## 6 Financial Summary (cont.)

### Knowle Green Estates Limited Balance Sheet as at 31 March 2021

		2021 £		2020 £
<b>Fixed assets</b>				
Tangible assets		4,542,272		6,851,006
<b>Current assets</b>				
Debtors	11,999		4,471	
Cash at bank and in hand	68,917		208,846	
	80,916		213,317	
<b>Creditors: amounts falling due within one year</b>	(343,708)		(270,013)	
<b>Net current liabilities</b>		(262,792)		(56,696)
<b>Total assets less current liabilities</b>		4,279,480		6,794,310
<b>Creditors: amounts falling due after more than one year</b>		(4,565,340)		(4,660,175)
<b>Net (liabilities)/assets</b>		(285,860)		2,134,135
<b>Capital and reserves</b>				
Called up share capital		1		1
Impairment reserve		-		2,246,727
Profit and loss account		(285,861)		(112,593)
<b>Shareholder's funds</b>		(285,860)		2,134,135

# Knowle Green Estates Ltd Board



**26<sup>th</sup> October 2021**

<b>Title</b>	Affordability Report
<b>Purpose of the report</b>	For information
<b>Report Author</b>	Rachael Fry
<b>Recommendation(s)</b>	None – for information only.

## 1. Introduction

The purpose of this report is to give a brief update to the Board on the affordability of the KGE Portfolio to support the discussions around rent levels being set at up to 80% of Open Market Rent (OMR); or reduced to 70% of OMR.

The Board should note that similar discussions around 80% of OMR being “affordable” are being had within other RP’s in the Borough.

KGE currently has 68 properties in management; and the information within this report is based on those residents. It should be noted that this is a very small number of units and also that 55 of these properties have only been occupied since May 2021, which is less than 6 months.

## 2. Tenant Profile:

The profile of residents within KGE properties was reported to the Board within the Property Management report on 4<sup>th</sup> August 2021. That information has been updated and is set out in the table below.

		<b>Affordable (46 units)</b>	<b>Keyworker (11 units)</b>	<b>PRS (11 units)</b>
Age	<35 years	66%	80%	72%
	35+ years	35%	20%	28%
Household Composition	Single	14%	80%	54%
	Couples	3%	0%	46%
	Families	83%	20%	0%
Income per annum	Lowest	£6,612	£20,416	£14,000
	Average (Mean)	£14,670	£29,907	£42,375

	Median (Middle)	£12,760	£26,984	£36,522
	Highest	£38,000	£42,100	£74,000

\*based on information available on the application forms we hold.

It should be noted that the average Household Income for residents in Spelthorne is £55,752pa. KGE' affordable and keyworker residents have substantially lower incomes than this.

## 2. Rent Arrears:

The KPI Report shows that arrears have plateaued at just above 4%.

	April 21	May 21	June 21	July 2021	August 2021	Sept 21
Rent Arrears as % of Rental Income	7%	6.5%	6.32%	4.14%	4.08%	4.13%

There are 10 cases where there are true rent arrears on the accounts, which accounts for 15% of our residents. All cases are being monitored closely and have arrangements in place where either the tenant is paying off the arrears directly; or additional payments are being received within the Universal Credit payments we receive.

Eight of the residents live within our Affordable Rented properties; and there is one in each of the Keyworker and PRS properties.

The income of the residents in arrears mirror the same profile of the whole resident group, so it cannot be said that those on lower incomes are the ones in arrears; or most likely to be in arrears.

Of the tenants in arrears, eight are single parents aged 30 or under.

The Board are asked to note that the rent arrears level is equivalent to that of other Registered Providers managing Affordable Rented properties.

## 3. Benefit Entitlement:

76% of our residents living within the "Affordable" properties are in receipt of Universal Credit, or Housing Benefit. All the residents in arrears are part of the same 76% of residents.

We are aware of two residents who receive Discretionary Housing Payments (DHP) on a regular basis to enable them to cover the rent due. Both are not in arrears.

Unfortunately, we do not have information on those who may be benefit capped, so are unable to report on whether those that are, are receiving DHP to help them.

## 4. Speed of Lettings:

It is worth considering the speed at which the KGE Portfolio is let to determine if this shows issues around affordability. This is because affordability is a key criteria as to whether an applicant is accepted.

### Benwell House – Affordable Rent Units:

The first residents moved in to Benwell House at the beginning of May 2021.

- Of the 33 Affordable Rent units, 25 (75%) were households who had been identified, approved and were able to move in as soon as we were ready.

- Of the remaining properties, three (10%) moved in in June, three (10%) more in July, and the last two (5%) in August & September.

Given the time that we had to source applicants, the letting rate for the last 25% of Affordable Rent units was slow and this was due to the following factors:

The Housing Options team were initially informed that they had 27 units to let and the residents for these units were sourced from applicants living in temporary accommodation. A lot of time was spent in advance to assess the individual's ability to afford the accommodation we were offering; before they were put forward. 2 of these units were slower to let as the pool of residents who could afford the accommodation became smaller.

The other 6 Affordable Rent properties had applicants sourced from the Housing Register and took longer to let. This was partly to do with the KGE team's knowledge of the process, the lack of promotion of these properties; but also around affordability with some residents backing out themselves after initially applying for the property; and others being refused because of affordability concerns.

#### **Benwell House - Keyworker Units:**

The Keyworker units took between 2-4 months to let and the reasons are due to the tight Allocations Policy, process issues with the team delaying in opening up the criteria when the issue was identified; and also affordability issues from some applicants who did apply through the Housing Register.

It should be noted that Dexters were asked to help; and they ultimately let 10 of the 11 units for us.

#### **Recent Re-lets:**

Two Affordable Rent properties have been re-let this financial year, which had void periods of 2 and 5 wks respectively.

The first void was empty for longer and again, this is due to bedding in a new process.

There were no issues in terms of finding applicants based on affordability for these two properties, both of which have rents based on 80% of Open Market Rent.

### **5. Affordability:**

The Protocol that KGE have agreed to follow is that we will charge the lower of:

- 80% OMR
- Local Housing Allowance level (LHA)

The Open Market Rent levels in Spelthorne are high, but vary depending on the actual locality (as is the case everywhere). For all rents set and charged at Benwell House, these were either at/lower than LHA. The same is the case at West Wing, which we are yet to let.

The above information shows that the majority of residents can and are affording to pay their rent, with it being set at 80% of OMR. This is however with a dependence on benefits being received.

However, there were issues in letting properties initially and delays in letting are due to affordability AND volume of units. As advised in the August KGE Board Report, two residents were turned down because they couldn't afford the 80% rent level. On assessment of their circumstances, it was determined that the level that they could afford to pay were 65% & 68% respectively.

### **6. Spelthorne Housing Allocations Policy**

We know the number of households on Spelthorne's Housing Register; and what their housing need is. What we don't know is the rent level that they can afford.

This information would clarify exactly where we should be setting our rent levels for all new and current developments. This is an activity that the Housing team will be conducting when they conduct the Allocation Policy Review, as this will include a Housing Register re-registration process, which is starting late 2022/early 2023. Additional questions around income and affordability will be included as part of this process.

The outcome of this process will concrete any discussions around true affordability in the Borough; and therefore, the rent levels that KGE should use.

## **7. Conclusion:**

KGE has only 68 units in management, and so our findings represent a very small sample of applicants registered with Spelthorne who are in need of accommodation.

Based on the above, 80% of OMR is affordable – but most of our residents will be dependent on benefits to afford it.

Given the time to let properties, we know that we could have let our properties more quickly if the rents had been lower. This is based on the fact that applicants were refused due to affordability concerns.

It absolutely makes sense to review the 80% OMR level and consider reducing this as additional units come online; but until we have more data on this, this should be done on a case by case basis and be subject to:

- The OMR in the locality of the new development.
- Known demand for the size and number of units within the development.
- Discussions with the Housing Options team on likely nominations for those properties.

## **8. Recommendation:**

- a. To retain rent levels being set at “up to 80% OMR” for the short term; thereby allowing KGE to charge higher rents if required; but having the ability to set them at 70%, or lower, if this is viable.
- b. To await the outcome of Spelthorne Allocation Policy Review on affordability within the Borough, along with the findings from other RP's within the Borough, and review this decision based on the facts at that time. This should be available by Quarter 2 2023, which is 18 months time.

# Corporate Policy and Resources Committee



29 November 2021

<b>Title</b>	Opportunities for collaborative working with other Councils
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	Lee O'Neil, Deputy Chief Executive
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	Main report – No Confidential Appendices 2 & 3 - Yes
<b>Exemption Reason</b>	This report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, Appendix 2 & 3 contain commercially sensitive information which if publicly available could have a negative impact on services delivery.
<b>Corporate Priority</b>	The contents of this report potentially relate to all of the proposed new priorities of the Council, i.e.;
	Community Affordable housing Recovery Environment Service delivery
<b>Recommendations</b>	<b>Committee is asked to:</b> 1. Note progress to date on discussions with other local authorities on opportunities for collaborative/joint working arrangements. 2. Agree to the formation of a Councillor/Officer Working Group., 3. Agree the Terms of Reference for this Working Group (as attached at <b>Appendix 4</b> ); and 4. Agree the Councillors to be appointed to the Working Group.
<b>Reason for Recommendation</b>	To enable a structured approach to be taken when considering future opportunities for collaboration/joint working with other Councils.

## 1. Key issues

### Background information

- 1.1 On 10 July 2020, the Leader of Surrey County Council (SCC), Tim Oliver, wrote to the Secretary of State for the Ministry of Housing Communities and Local Government suggesting that the County Council be asked to build a business case for it to become the single local (unitary) authority for Surrey.
- 1.2 At an Extraordinary Council meeting on 24 September 2020, Spelthorne Councillors expressed their strong opposition to SCC's plans, with four motions debated and unanimously agreed. The minutes of this meeting can be found via the following link:  
<https://democracy.spelthorne.gov.uk/ieListDocuments.aspx?CId=133&MId=2343&Ver=4>
- 1.3 In response to SCC's unitary proposals, the Surrey District and Borough Councils appointed KPMG to explore potential options for Local Government Reorganisation within the County, whilst assessing future opportunities for collaboration within existing structures. Eight areas of collaboration were agreed for further exploration:
- i. New approach to Waste
  - ii. Sharing Building Control
  - iii. IT infrastructure
  - iv. Shared Approach to Housing
  - v. Standardisation of Revenue & Benefits
  - vi. Procurement
  - vii. Economic Development
  - viii. Shared Leisure Services
- A copy of the KPMG report is shown in **Appendix 1**.
- 1.4 Discussions at the Surrey Chief Executives' meeting on 15 July 2021 indicated that the boroughs/districts were in different positions regarding the KPMG report and any progress they had made in pursuing options for collaborative working with other authorities. This included several authorities discussing opportunities for sharing of services and two Councils (Guildford and Waverley) progressing towards a single Chief Executive and Management Team model across the two authorities. At Spelthorne's request, the Chief Executives agreed that options for sharing senior management positions ought to be considered as recruitment opportunities arise.
- 1.5 Since the Council meeting on 24 September 2020, Spelthorne has explored a range of opportunities for collaboration and joint working with other authorities and these are summarised in the confidential **Appendix 2**.
- 1.6 In recent months, the Government have set out their initial views and key principles on 'levelling up', which include taking a more flexible approach to devolution and the prospect of new 'County Deals', to support the conditions for long-term growth and productivity. These new deals will see powers, freedoms and flexibilities devolved from central government to local government and will primarily offer the same powers currently available to

metropolitan mayors to other parts of the country. The intention is that these deals will be negotiated and led by upper tier Councils, i.e. County Councils. There will be no new or additional funding for them, and they will not require local government reorganisation.

- 1.7 Following SCC's previous submission of their unitary authority proposals, the County Council has expressed an interest in Surrey being considered as a County Deal pilot area. The Leader circulated a copy of their proposals to all Councillors on 24 September 2021 and this is attached as confidential **Appendix 3**. This no longer envisages the dissolution of the boroughs and districts but could potentially significantly affect those authorities through control over a number of strategic functions (primarily related to economic development), redistribution of some existing funding streams and new local taxation proposals. Any government decision on which County Deals it will be pursuing in the first phase is unlikely to be announced until December this year, at the earliest.
- 1.8 With pressures on national budgets due to the COVID-19 pandemic, continued pressure on local government finances, the advent of new County Deals and the possibility of further unitary authority bids coming forward in the future, it is imperative that Borough and District Councils take positive steps towards delivery of more efficient, cost-effective service models, including more collaborative working and delivery of shared services. This need is further reinforced by recruitment difficulties for some of our essential professional officers, which has led to resilience issues within a number of teams.
- 1.9 As outlined in **Appendix 2**, although Spelthorne has had a number of proactive discussions and remained open to approaches around options for closer working with other Councils, the majority of these have focused around reacting to opportunities that have arisen, e.g. due to the movement or retirement of senior officers.
- 1.10 As the pressure increases for local authorities to cut costs and work together more effectively, there is a need to consider a more proactive and structured approach to Spelthorne pursuing opportunities to work closer with its fellow Surrey Councils, whilst also considering how to respond to SCC's proposed County Deal.

### **Factors affecting options for collaborative/shared working with other Councils**

- 1.11 There can be a range of potential key drivers for pursuing collaboration/joint working options. These include:
  - (a) To deliver financial savings,
  - (b) The need to address resilience/capacity issues (staffing/systems etc.),
  - (c) Opportunities to deliver better services for residents.The extent to which one or more of these drivers may be relevant can vary depending on the service/function under consideration.
- 1.12 There are also a number of other factors which may influence any decisions on pursuing collaboration/joint working opportunities. These include:

- (a) The availability of willing partners,
  - (b) The ability to deliver any service remotely,
  - (c) The extent to which local knowledge and management can benefit service delivery,
  - (d) Different approaches Councils may have to the range of services provided and the way they are delivered,
  - (e) Timescales/synergies with regards to any existing service contracts.
- 1.13 The extent and delivery mechanism of collaboration/joint working can take a range of forms, including:
- (a) Joint procurement of contracts/services,
  - (b) Delivery of shared services through joint trading companies,
  - (c) Merged in-house teams,
  - (d) Shared Management Teams/Service Heads,
  - (e) Full service integration of Borough/District Council services (whilst maintaining political independence),
  - (f) Full political and service integration of Borough/District authorities,
  - (g) Formation of unitary authorities (taking over all functions from Boroughs/Districts and the County Council).
- 1.14 The degree to which such opportunities can be delivered can also depend on a number of other factors, such as:
- (a) Political alignment/stability,
  - (b) Geographical boundaries,
  - (c) Demographics,
  - (d) The financial strength of the relevant partners.
- 1.15 Other factors that need to be considered include:
- (a) Governance arrangements (ensuring equality between partners),
  - (b) External pressures which may influence change (e.g. future bids for unitary authority status),
  - (c) Resourcing requirements to enable opportunities to be pursued effectively.

## **2. Options analysis and proposal**

### **2.1 Option 1 (preferred option) – The Committee is asked to:**

- i. Note progress to date on discussions with other local authorities on opportunities for collaborative/joint working arrangements,
- ii. Agree to the formation of a Councillor/Officer Working Group,
- iii. Agree the Terms of Reference for this Working Group (as attached at **Appendix 4**), and
- iv. Agree the Councillors to be appointed to the Working Group.

The aim of this is to enable a structured approach to be taken when considering future opportunities for collaboration/joint working with other Councils.

2.2 Option 2 – The Committee could decide to take a different approach.

### **3. Financial implications**

3.1 All Councils are facing an extremely challenging financial context due to the effects of the COVID-19 pandemic, coupled with other pressures, such as increasing inflation. Although Spelthorne's budget pressures are not currently as great as some of the other local authorities in Surrey, this Council nevertheless faces some potentially significant budget gaps for the next four financial years (as has been outlined in the Outline Budget Report on the Agenda of this Committee). If not addressed, these budget gaps will continue to rise over the four-year period. The Outline Budget report highlights a range of options for addressing these gaps as part of a refreshed Medium Term Financial Strategy, including exploring the potential to achieve financial savings (as well as resilience and efficiency gains) from collaborative working with other Councils.

3.2 In trying to align Council services it unlikely that there will always be a 'merger of equals', with some Councils being in very different positions in terms of their financial and service level provision. The fact that some Councils may have a much more pressing financial imperative to deliver shared services would therefore need to be carefully considered in deciding on any opportunities that Spelthorne wishes to pursue, to ensure that our residents are not significantly disadvantaged by any such proposals.

3.3 There would be a great deal of work involved in evaluating opportunities and even more so in progressing any approved partnership options. A wide range of issues would have to be considered, particularly Human Resources related, around pensions financial impacts for the employer and TUPE. It will therefore be essential to ensure that in pursuing any such opportunities, sufficient resourcing is available to support the development of any joint working/shared service options. In view of the ongoing pressures on our staff, it is likely that external support would be necessary to assist with this process, for which a budgetary provision would need to be agreed.

### **4. Other considerations**

4.1 As already outlined, the work involved in formulating and taking forward collaborative/joint working opportunities can be considerable. It will therefore be essential to:

- (a) Have an effective mechanism to evaluate, triage and agree on the areas that should be pursued, considering opportunities at a high level (inputting minimal resources in the first instance) to establish whether they warrant closer consideration.
- (b) Be willing to walk away from any potential opportunities that would not in the Committee's view be worth pursuing, taking into account the risks/benefits that are likely to be involved.

- (c) Ensure sufficient resourcing is available to deliver the objectives of the Council for those areas which are taken forward, and
- (d) Have a clear political mandate to pursue any options, to avoid wasted effort in developing options which would not ultimately be agreed by Council.

## **5. Equality and Diversity**

- 5.1 A detailed equality impact assessment would need to be developed for any collaborative/joint working option pursued, in order to ensure that no groups are disadvantaged by the development of future joined-up services.

## **6. Sustainability/Climate Change Implications**

- 6.1 The sustainability/climate change implications of any collaborative/joint working options would need to be considered a part of the discussions regarding any future options. There would potentially be opportunities to deliver greater outcomes by working more closely with other Councils on some green/environmental initiatives, whilst other potential effects would need to be considered, e.g. the effects of staff having to travel over wider geographical boundaries to deliver services.

## **7. Timetable for implementation**

- 7.1 If the Committee agrees the proposed option, an initial meeting of the Working Group will be set up as soon as possible, with subsequent meetings arranged in accordance with their agreed timescales.
- 7.2 In addition to any timetabled meetings, it is possible that the Group may need to meet on an ad hoc basis to discuss any urgent opportunities which may arise from time to time.

**Background papers: There are none.**

### **Appendices:**

**Appendix 1 – KMPG report: Surrey District and Borough Councils – Local Government Reorganisation and Collaboration (December 2020)**

**Appendix 2 (confidential) – Opportunities for collaboration/joint working explored by Spelthorne to date**

**Appendix 3 (confidential) – SCC's County Deal Proposal (September 2021)**

**Appendix 4 - Proposed Terms of Reference for the Working Group**



# Contents

<b>Contents</b>	<b>2</b>
<b>Executive Summary</b>	<b>3 – 9</b>
<b>Background, Scope and Approach</b>	<b>10 – 12</b>
<b>Local Government Reorganisation – Options Analysis</b>	<b>13 – 23</b>
<b>Collaboration Opportunities</b>	<b>24 – 58</b>
<b>Next Steps</b>	<b>59 – 63</b>



# Executive Summary



# Context

The District and Borough Councils of Surrey jointly identified the need to explore potential options for Local Government Reorganisation within the County, whilst assessing future opportunities for collaboration within existing structures.

## Situation

- Councils are operating in a complex economic, political and policy landscape, with devolution and Local Government Reorganisation proposals being prepared throughout the country.
- The District and Borough Councils were united in their opposition of one single unitary for Surrey.
- National attention remains focussed on the impact of Covid-19, Brexit and climate change.
- Councils have ongoing challenges with the 'levelling up' agenda, health and social care integration, ongoing financial pressures and the need to deliver greater digitisation.
- Surrey are also facing a number of cross-cutting challenges, including an aging population, areas of economic decline, congestion, affordable housing, health inequalities and increasing demand for services.
- Councils must deliver quality service improvements for their local communities.

## Changing Context

- Early in 2020, the County Council, independent of the District and Borough Councils, indicated it's desire to explore options for Local Government Reorganisation within Surrey. The County Council expressed that a single unitary within Surrey was their preferred option.
- Central Government indicated that the Surrey proposals would not be agreed in the first wave of reorganisation.
- It was agreed that greater collaboration between the Councils would support the case further and help to alleviate financial pressures.
- There remain ongoing challenges of financial sustainability and a desire to further improve outcomes for residents, the District and Borough Councils feel that collaboration will support them to address these challenges

**Questions: What could Surrey District and Borough Councils do in order to be best placed for future potential Local Government Reorganisation? How will financial and organisational resilience be improved through collaboration?**

# Why assess LGR options and collaboration?

A number of issues are driving the need for an assessment of LGR options and opportunities.

## Why assess Local Government Reorganisation options?

Surrey County Council signalled their intent to submit a Case for Change to Central Government, presenting their preferred option for Local Government Reorganisation (LGR) as a single Surrey unitary. As a result, the District and Borough Councils commenced discussions with MHCLG to understand their position in relation to the outline assessment of potential options. It was anticipated that in time, the County would be invited to submit their own proposal for LGR within Surrey, and the District and Borough Councils wanted to understand potential routes forward.

Following a number of changes, including the delay of the anticipated Devolution White Paper from Central Government and letters of invitation in October to three Counties for LGR, there has been ongoing uncertainty around the timescales for LGR. Central Government have indicated that any proposals for Reorganisation would require broad agreement across Local Government and communities.

Although the White Paper has been delayed, it is still expected that Local Government Reorganisation and unitary authorities will be back on the table in the medium-term in Surrey.

The eleven Surrey District and Borough Councils were mindful of the potential democratic deficit residents might experience as a result of the reduction in number of representatives in a single County unitary solution. They, also, recognise the potential loss of 'place' and 'belonging' for local residents in such a model. They wished, therefore, to be ready to progress an alternative proposal if / when the time comes.

## Why collaborate across the Surrey District and Borough Councils?

Collaboration between the District and Borough Councils will help to enable the delivery of better outcomes for residents. At the highest level, this would be through sharing knowledge, intelligence and best practice.

There is also a strong precedent from other examples of collaboration between local authorities in the UK that it can deliver financial savings where appropriate through greater economies of scale, reducing duplication and finding more efficient ways of working.

The District and Borough Councils in Surrey vary in size. The organisations have explored whether collaboration would provide greater resilience through enabling a larger pool of joint resources and expertise and an ability to respond to external events more quickly.

Further, collaboration can be a driver to redefine the relationship with the County Council by delivering more services locally where appropriate and through establishing more equal partnership working.

Finally, collaboration can be used as a tool to prepare for potential reorganisation. This can be achieved by focusing some collaboration in clusters based on potential unitary footprints, reducing future reorganisation complexity and demonstrating the benefits and potential of local partnership working. Should there be a requirement to submit a Case for Change in future, the District and Borough Councils have explored the options and the implications of those.

# What could the District and Borough Councils do next?

## What could Surrey District and Borough Councils do in order to be best placed for future potential Local Government Reorganisation? How will financial and organisational resilience be improved through collaboration?

### What could Surrey District and Borough Councils do in order to be best placed for future potential Local Government Reorganisation?

Following the assessment of feasible options for LGR within Surrey, created in line assessment criteria co-created with the District and Borough Councils, councils could explore the prioritised list of feasible options further. The highest scoring option, 3C, could be examined alongside at least two other options in order to assess Council and public appetite for reorganisation and suitable form within Surrey.

*Further details set out on page 7.*



### What could Surrey District and Borough Councils do in order to increase financial and organisational resilience through collaboration?

The Councils could develop a coherent programme of work in order to prioritise and progress eight priority collaboration opportunities, which cover a range of service areas and were identified through joint working between the District and Borough Councils. This will enable the Councils to foster closer working relationships across a range of service delivery footprints, improve resilience, and deliver savings.

*Further details set out on page 8.*

### What could Surrey District and Borough Councils do next?

To build on the foundation of exploring options together, it is recommended that ongoing progress is made against both the assessment of potential options for LGR and delivery of identified collaboration opportunities between the Councils.

Council and public engagement on LGR, alongside further deep dives into services potentially impacted by reorganisation (e.g. Waste and Children's services), will provide the Councils with an additional layer of preparation for future reorganisation challenges.

Collaboration opportunities could be assigned to delivery owners, being taken forwards by project officers who will ultimately be accountable to all the Councils for the delivery of collaboration across Surrey. The eight identified opportunities have a number of potential strategic and tactical next steps, which could be explored to deliver quick wins to prove the concepts of collaboration, as well as gain executive and political buy-in.

Successful collaboration will be dependent on the right conditions, including trust between parties. It can be agnostic of form.

# Local government reorganisation

There are a number of potential feasible options for LGR in Surrey, with a number of potential unitary options that have been explored. This outlines the approach to considering and selecting LGR options.

- An agreed list of selection criteria has been weighted in order to deliver an options assessment of feasible permutations for reorganisation in Surrey.

*Page 14-17*

- The options assessment resulted in a highest scoring option, and a number of high scoring alternatives. These were reviewed within a workshop to assess the strengths and challenges of each option.

*Page 18-19*

- This resulted in three selected options:
  - 3c – Highest scoring option.
  - 2b – Two unitary alternative.
  - 3b – Distinct alternative.

*Page 20-22*

- There are a number of questions which require further consideration and next steps to address over the coming months.

*Page 23*

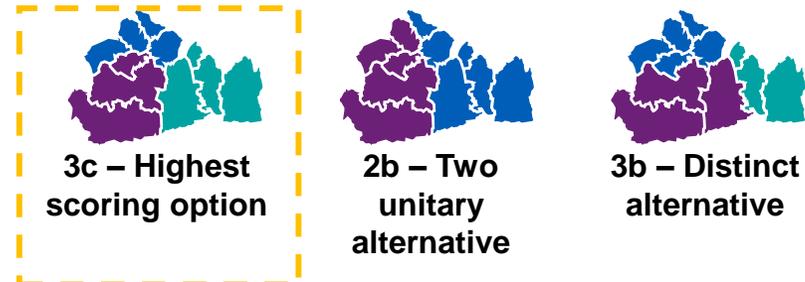
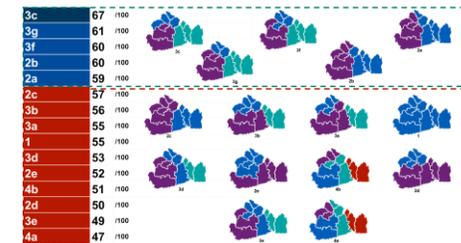
## Evaluation categories

Service delivery

Democratic Representation

Growth

Financial benefits and sustainability



### Questions to consider

- What would the potential impact of this model be on health and social care integration?
- What impact would a three unitary model have on economies of scale?
- How do we ensure local knowledge / information is not lost from a three Unitary model?
- Do the benefits outweigh the current state? If so, do we progress now with LGR?
- How do we engage with the County Council on our preferred model?
- How do we address major strategic issues for the County and Externally in a Unitary world?
- How do we increase local representation, what layers are required below a Unitary?

### Next Steps

- Council and Public consultation on potential options for LGR;
- Further investigation of proposed options to supplement analysis on key areas (e.g. health and social care);
- Engagement with the County Council to consider options collaboratively;
- Exploration of potential collaboration opportunities to address ongoing Council challenges;
- Engagement with Central Government on timelines for potential LGR within Surrey.

# Collaboration

Councils should develop a coherent programme in order to progress the eight key collaboration opportunities, foster closer working relationships, improve resilience, and deliver savings.

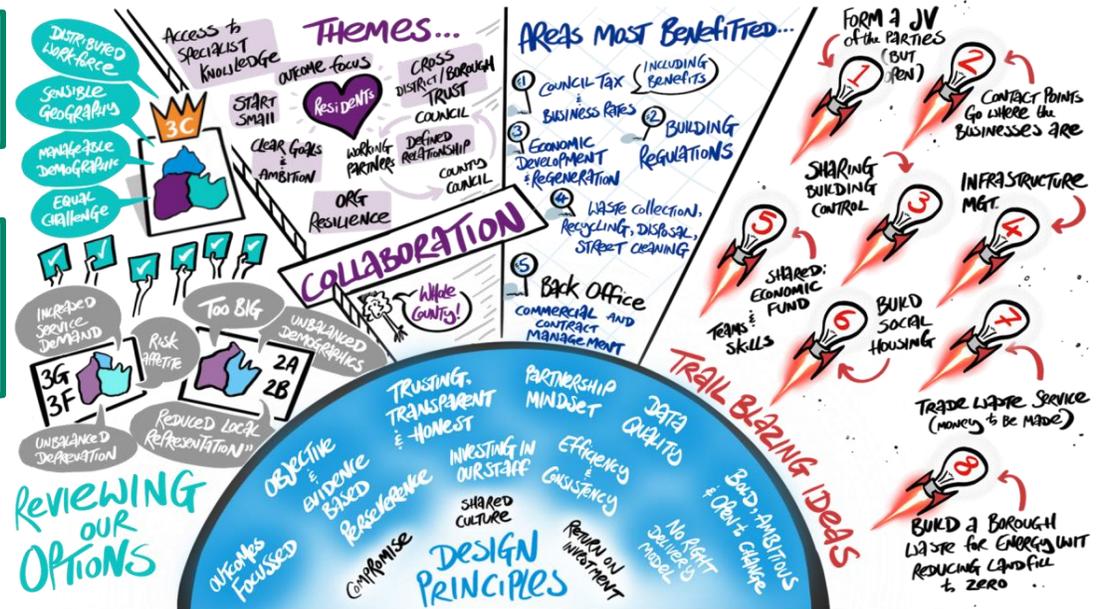
• Collaboration was explored with the Councils to better understand the potential feasibility of work within Surrey and the need to collaborate. **Page 25-28**

• The current footprint of collaboration across Surrey was assessed to understand current relationships. Joint working themes were developed into a set of Design Principles for collaboration within Surrey. **Page 29-31**

• Collaboration opportunities were identified through a selection processes that involved both workshop engagement, surveys, and direction from Chief Executives and Leaders to identify eight priority areas for collaboration. This is not an exhaustive list, and would be subject to developing business cases:

- New approach to Waste
- Sharing Building Control
- IT infrastructure
- Shared approach to Housing
- Standardisation of Revenue & Benefits
- Procurement
- Economic Development
- Shared Leisure Services

**Page 32-57**



• There are series of next steps and requirements in order to deliver collaboration and continue this work. **Page 58**

# Conclusions and next steps

**It is recommended that momentum is maintained across both strands of work, focussing on driving forward the delivery of collaboration opportunities, whilst continuing to explore LGR options to prepare for future changes.**

## What could Surrey District and Borough Councils do next?

It is recommended that ongoing progress is made against both the assessment of potential options for LGR and delivery of identified collaboration opportunities between the Councils.

Council and public engagement on LGR, alongside further deep dives in to the elements of service provision that are currently delivered by the County Council (for example, Children's Services), will provide the Councils with an additional layer of preparation for future reorganisation opportunities. Work that is completed now to help align the efforts of the Councils will be influential and beneficial for any future potential LGR, regardless of outcome. We understand that potential changes as a result of LGR have been delayed, and will likely return in the future.

Collaboration as a basis for working will help improve the resilience of the District and Borough Councils, as resilience continues to become an ever increasing pressure for the Councils across the Country. All councils have agreed to respond to the scale of this challenge, and this should be used to make significant progress in this area.

## Progressing opportunities

A series of detailed next steps for each of LGR and collaboration are detailed on pages 60-63, however, they should not be viewed in isolation. Collaboration on a footprint aligned to potential future structures would facilitate accelerated progress with fewer parties involved. It can also help to align activities and strengthen a potential future case for LGR as arrangements would be aligned on a proposed footprint.

Collaboration opportunities could be assigned to delivery owners, being taken forwards by project officers (capitalising on the existing forum that has been set up). They would be responsible for progressing a programme of collaboration across Surrey, with senior political and managerial oversight by Leaders and Chief Executives. The eight identified opportunities have identified next steps. Some of these elements would deliver quick wins to prove the concept of collaboration, as well as gain public and political buy-in. Other elements are, by their nature, longer term and strategic but will create significant impact.

There is no assumption that one form of collaboration is right for Surrey, this may be specific to opportunity, and the right delivery model may not need to be agreed at the outset to secure gains. Successful collaboration will be dependent on the right conditions, including trust between parties.

## Conclusion

It is recommended that momentum is maintained across both strands of work in the short term, with a focus on driving forward collaboration opportunities whilst maintaining awareness and foresight in relation to any future LGR. Some collaboration opportunities can be delivered in a short timescale, to demonstrate effective collaboration within Surrey, and others may need to be delivered over a longer timescale due to infrastructure and operating structures. The scale of challenge from Central Government, both financially and in relation to potential structural changes, is significant, however the District and Borough Councils should remain ambitious and continue the good work they are completing in response to this challenge.

# Background, scope and approach



# Purpose of this report

This document forms a summary of the analysis that the Surrey District and Borough Councils have completed to explore the feasible options for LGR. This report also contains an assessment of feasible options to foster greater collaboration between the Councils.

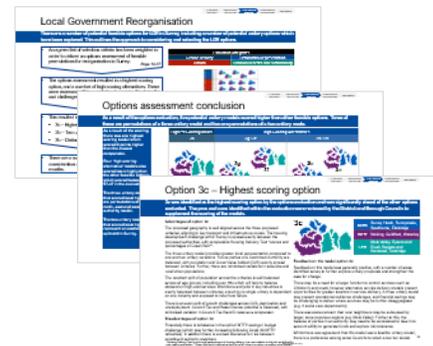
This document has been prepared through collaboration with the eleven District and Borough Councils across Surrey. Significant engagement with senior stakeholders across the Councils has been undertaken.

The objectives of this report are to:

- Assess feasible options for LGR within Surrey, and propose options for further investigation.
- Identify opportunities for collaboration, and outline key next steps.

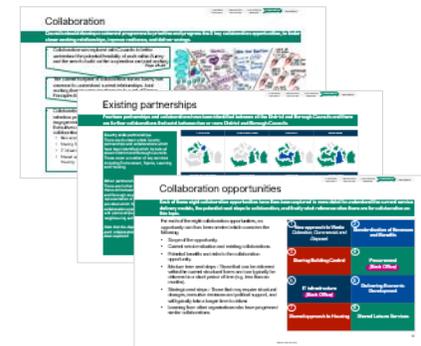
This report is structured in to three key sections, reflecting the order in which the work was undertaken:

## 1 LGR – Options Analysis (Pages 13-23)



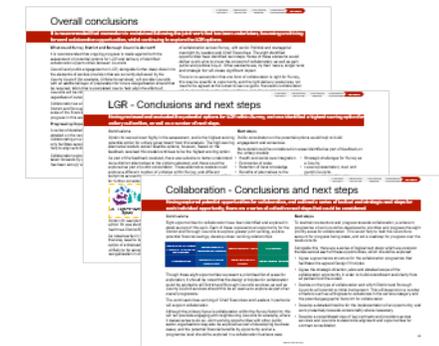
**Analysis of potential options for LGR**, including: outlining the approach to assessment, long and short lists of options, recommended options and next steps.

## 2 Collaboration Opportunities (Pages 24-58)



**Assessment of potential options for collaboration in Surrey**, including: principles for collaboration, priority opportunities including detail, and proposed tactical and strategic next steps.

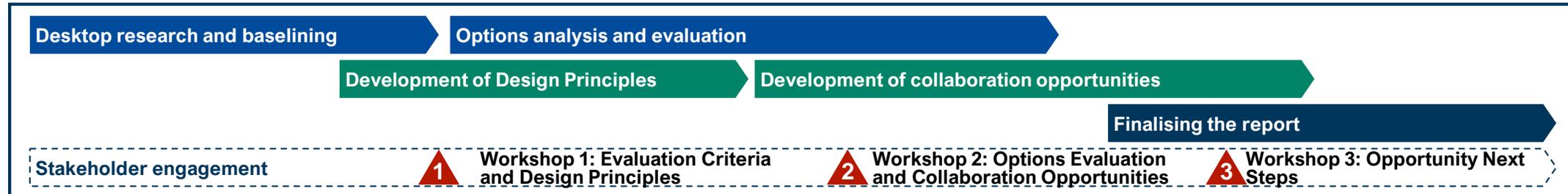
## 3 Next Steps (Pages 59-63)



**A proposed approach to further explore LGR and collaboration in Surrey.**

# Project approach

Developing this document has included a balance of independent analysis and stakeholder engagement with senior stakeholders from across the eleven District and Borough Councils of Surrey. The following approach was used to develop the options for LGR and opportunities for collaboration:



## Desktop research and baselining

Work has been underpinned by desktop research and analysis. This has been informed by publicly available data, alongside additional information requested from District and Borough Councils.

## Options analysis and evaluation for LGR

A longlist of options were identified and assessed using qualitative and quantitative criteria agreed during Workshop 1. These options were then scored, down-selected and presented back as part of Workshop 2 to gather input and challenge to the appraisal. One option, '3C', was the highest scoring option from this analysis, however, there was a desire to explore alternatives to this model during consultation with the Councils and Citizens.

## Development of Design Principles

In order to facilitate and direct efforts around collaboration, a series of Design Principles for collaboration were co-created as part of Workshop 1. These were used to guide future opportunity work.

## Development of collaboration opportunities

Opportunities were explored in Workshops 2 and 3, to identify opportunities, explore the current state of activities, and outline potential tactical and strategic next steps. As part of this work, a number of stakeholders were engaged and opportunity cards were created for each of the eight prioritised opportunities.



# Local Government Reorganisation – status

This piece of work forms an initial exploration of the potential options for reorganisation within Surrey, including an initial evaluation of options against expected Government priorities. It is recognised that an initial prioritisation of these options has not been developed with consensus, and as such there is further work required to explore LGR options for Surrey.

## Status of LGR options analysis

This work forms an initial exploration of the potential options for LGR within Surrey, from the viewpoint of the District and Borough Councils. As part of this work we have:

- Developed a series of personalised evaluation criteria, which not only align to Central Government expectations, but also weight the criteria based on importance to the District and Borough Councils.
- Identified and evaluated a long-list of feasible options for LGR within Surrey, justified by supporting analysis for the dimensions.
- Explored the pros and cons of the highest scoring models, including consulting Chief Executives and Leaders on the options presented.
- Defined a series of next steps required in order to produce a full Case for Change document.

It should be noted that we have not explored the acceptance of these models with the District and Borough Councils, and that we have not gathered consensus on a preferred model. This work has not evaluated 'status quo' as a comparative option as this would not be a feasible option within a Case for Change document. Furthermore, some District and Borough Councils would be keen to continue to explore enhanced two tier arrangements, supported by the delivery of improved collaboration and cooperation.

## Accelerated next steps for LGR options analysis

There is recognition that the topic of LGR has not gone away, with some geographies across the Country continuing to explore Cases for Change without formal invitations from Government. Therefore, in anticipation of a Whitepaper on Devolution, and the potential for a County Council Case for Change, there are a number of accelerated next steps that would ensure that the District and Borough Councils are best placed to respond to a request from Central Government:

- **Public consultation** – Public support on the proposed option for LGR within Surrey will be key to the selection process, and as such early public consultation on this topic will help align citizen, Elected Member and executive views.
- **County functions** – District and Borough Councils could consider how to work with County exploring how services could be controlled or delivered.
- **Local representation** – A key topic for members and citizens will continue to be how unitaries impact local representation. As such models could be explored to ensure local representation is preserved in any future model for unitary government within Surrey.

*Detailed next steps are outlined on page 23.*

# Context for Local Government Reorganisation

The Government has set a clear expectation that two-tier local authority structures are likely to be a thing of the past. Nationally, there has been a shift to larger unitary authorities, greater devolution, bringing additional funding opportunities. There are a number of factors driving the need for Surrey District and Borough councils to explore options for Local Government Reorganisation.

## Why assess Local Government Reorganisation options?

Surrey County Council signalled their intent to submit a Case for Change to Central Government, presenting their preferred option for Local Government Reorganisation (LGR) as a single Surrey unitary. As a result, the District and Borough Councils commenced discussions with MHCLG to understand their position in relation to the outline assessment of potential options. It was anticipated that in time, the County would be invited to submit their own proposal for LGR within Surrey, and in response the District and Borough Councils wanted to prepare their own assessment of the potential routes forward.

Following a number of changes, including the delay of the anticipated Devolution White Paper from Central Government and letters of invitation in October to three Counties for LGR, there has been ongoing uncertainty around the timescales for LGR. Central Government have indicated that any proposals for Reorganisation would require broad agreement across Local Government and communities.

Although the White Paper has been delayed, it is still expected that LGR and unitary authorities will be back on the table in the medium-term in Surrey.

The eleven Surrey District and Borough Councils were mindful of the potential democratic deficit residents might experience as a result of the reduction in number of representatives in a single County unitary solution.

They, also, recognise the potential loss of 'place' and 'belonging' for local residents in such a model. They wished, therefore, to be ready to progress an alternative proposal if / when the time comes.

## What will this section explore?

This section details the work that has been completed to assess potential options for LGR within Surrey. As part of this work, a number of workshops and engagement sessions with Chief Executives and Leaders of each of the eleven District and Borough Councils were held in order to better understand the local context for LGR across Surrey.

This section will outline the assessment criteria used to evaluate potential options, the long and short list of options and how feasible options were down-selected, and conclusions from the assessment.

It should be noted that a key criteria that has not been explored as part of this work is 'public engagement'. Ensuring there is sufficient public awareness and buy-in to any potential option for LGR will be key to the success of a Case for Change. As such, it is imperative that the District and Borough Councils explore public engagement on the options being put forward in this report.

# Local Government Reorganisation

There are a number of potential feasible options for LGR in Surrey, including a number of potential unitary options which have been explored. This outlines the approach to considering and selecting the LGR options.

- An agreed list of selection criteria has been weighted in order to deliver an options assessment of feasible permutations for reorganisation in Surrey.

*Page 14-17*

- The options assessment resulted in a highest scoring option, and a number of high scoring alternatives. These were reviewed within a workshop to assess the strengths and challenges of each option.

*Page 18-19*

- This resulted in three selected options :
  - 3c – Highest scoring option.
  - 2b – Two unitary alternative.
  - 3b – Distinct alternative.

*Page 20-22*

- There are a number of questions which require further consideration and next steps to address over the coming months.

*Page 23*

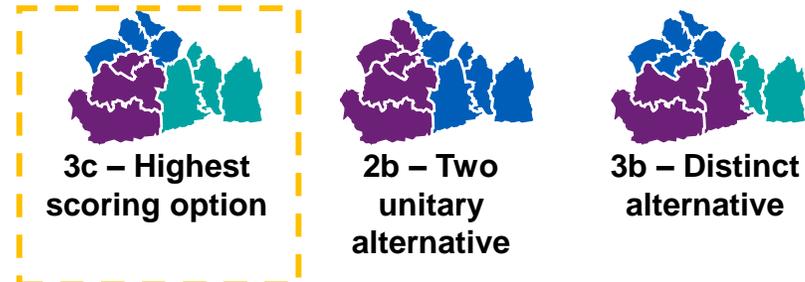
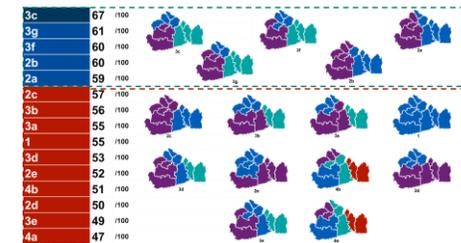
## Evaluation categories

Service delivery

Democratic Representation

Growth

Financial benefits and sustainability



### Questions to consider

- What would the potential impact of this model be on health and social care integration?
- What impact would a three unitary model have on economies of scale?
- How do we ensure local knowledge / information is not lost from a three Unitary model?
- Do the benefits outweigh the current state? If so, do we progress now with LGR?
- How do we engage with the County Council on our preferred model?
- How do we address major strategic issues for the County and Externally in a Unitary world?
- How do we increase local representation, what layers are required below a Unitary?

### Next Steps

- Council and Public consultation on potential options for LGR;
- Further investigation of proposed options to supplement analysis on key areas (e.g. health and social care);
- Engagement with the County Council to consider options collaboratively;
- Exploration of potential collaboration opportunities to address ongoing Council challenges;
- Engagement with Central Government on timelines for potential LGR within Surrey.

# Evaluation criteria detail

Outlined below are the four key evaluation criteria categories that were used to assess potential options for LGR within this report. The scoring has been weighted depending on the significance attributed to each evaluation criteria by the District and Borough Councils.

## Why do we use evaluation criteria?

Evaluation criteria enables a more structured, objective approach to options appraisal. The evaluation criteria categories have been defined and applied based on:

- An expectation of the Central Government evaluation requirements in a LGR Case for Change.
- The District and Borough Councils' priorities for reorganised local government.

## How did we use evaluation criteria?

1. Evaluation criteria were agreed and an appropriate weighting applied based on the relative significance as viewed by District and Borough Councils.
2. The criteria have been applied to each of the options.
3. The results of the applied evaluation resulted in a ranked list of options.

*Supporting each evaluation criteria, there are a number of agreed sub-categories, tailored and individually assessed for Surrey. This has resulted in a set of assessment criteria that evaluate the potential options based on the requirements of the District and Borough Councils.*

Service delivery	Service improvement	Growth	Economic growth potential	
	Geography for service delivery		Clean economic growth	
	Minimal service disruption		Inclusive economic growth	
	Democratic representation	Manageable demographics and demand	Financial benefits and sustainability	Enables a future Combined Authority
		Partnership working		Long term financial benefits
		Housing development provision		Costs of reorganisation
		Capacity and resilience		Reorganisation complexity
Workforce		Level of Council tax equalisation		
Effective local representation		Income potential		
Identity and functional economic geography	Reserves			
Representation within a Combined Authority	Organisational sustainability			

# Approach: Selecting the highest scoring option

In order to identify the most appropriate model for LGR, a long-list of options were identified that reflect the current geographic areas of Surrey. These options were systematically down-selected, assessed against selection principles and evaluation criteria, and led to a highest scoring model of LGR within Surrey.

## Initial long-list

A long-list of 24 possible options for LGR was initially identified, based on feasible permutations of the eleven District and Borough Councils within Surrey, for between 1-4 unitary authorities within the County.

In order to identify the initial list, selection principles were used to bound the range of feasible options. At this stage the District and Borough Councils also put forward an alternative two tier model of local government, which is not explored within this assessment, but remains an area that some Councils wish to explore. The unitary options that were included on the long list were based on the following criteria, that they:

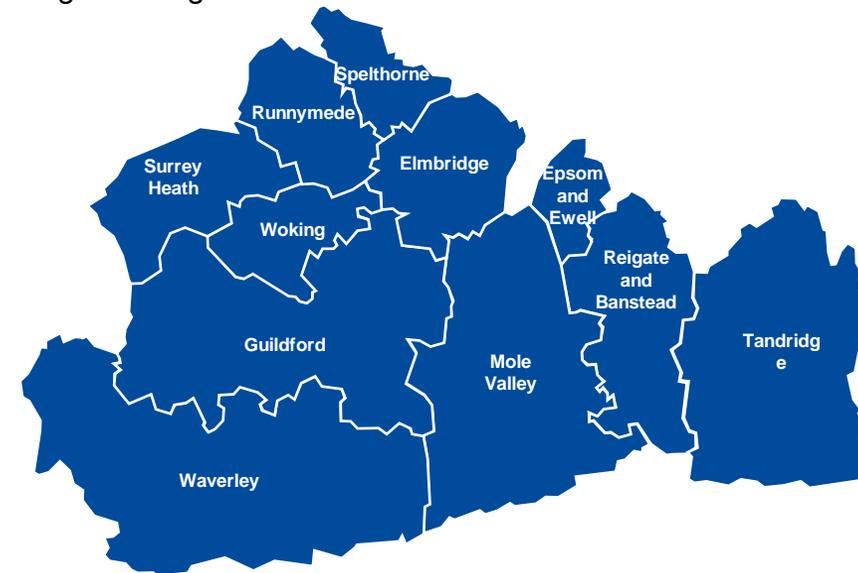
- Reflect the current geographic area of Surrey (i.e. do not involve authorities outside of Surrey and include all authorities within Surrey).
- Ideally include only contiguous geographic areas (i.e. no part of proposed authority areas can be isolated).
- Reflect combinations of existing district boundaries (i.e. does not require new boundaries to be drawn).
- Avoid any future unitary authorities with a population of less than 200,000.

*Note: Following communication from Central Government, no maximum population size was identified within criteria and potential populations will be based on the circumstances of an authority. However, an indicative aggregate population range of 300-600k has been provided.*

## Discounted options

Following identifying the long-list, a number of additional selection principles were included to narrow down the feasible options. These additional principles explored additional detail communicated from Central Government: that unitary authority population size should be over 300k and unitary authority footprints should be contiguous.

This resulted in 15 options forming the feasible short-list to be assessed using the identified evaluation criteria. Each of these options represented a feasible geography and scale for unitary authorities within Surrey. All evaluation criteria were scored on a scale of 1-5, weighted, and then a total score calculated. This led to a highest scoring model from the evaluation, and four 'high scoring alternatives'.



# Options assessment conclusion

As a result of the options evaluation, five potential unitary models scored higher than other feasible options. Three of these are permutations of a three unitary model and two are permutations of a two unitary mode.

Page 45

As a result of the scoring, there was one highest scoring model which scored 6 points higher than the closest comparator.

Four 'high scoring alternative' models also scored more highly than the other feasible options which scored between 57-47 in the evaluation.

The three unitary models that scored most highly are permutations of a north, east and west authority model.

The two unitary models that scored most highly represent an east/west split within Surrey.

	Highest Scoring Model	High Scoring Alternatives			
	3c	3g / 3f		2b / 2a	
<b>Score</b>	<b>67/100</b>	<b>61/100</b>	<b>60/100</b>	<b>60/100</b>	<b>59/100</b>
<b>U1 Popn.</b>	Surrey Heath, Runnymede, Spelthorne, Elmbridge 414k / 35%	Runnymede, Spelthorne, Elmbridge 326k / 27%	Woking, Runnymede, Spelthorne, Elmbridge 427k / 36%	Elmbridge, Mole Valley, Epsom & Ewell, Reigate & Banstead, Tandridge 655k / 55%	Spelthorne, Elmbridge, Mole Valley, Epsom & Ewell, Reigate & Banstead, Tandridge 555k / 46%
<b>U2 Popn.</b>	Waverley, Guildford, Woking 376k / 31%	Waverley, Guildford, Woking, Surrey Heath 465k / 39%	Waverley, Guildford, Surrey Heath 365k / 30%	Waverley, Guildford, Woking, Surrey Heath, Runnymede, Spelthorne 542k / 45%	Waverley, Guildford, Woking, Surrey Heath, Runnymede 641k / 54%
<b>U3 Popn.</b>	Mole Valley, Epsom & Ewell, Reigate & Banstead, Tandridge 405k, 34%	Mole Valley, Epsom & Ewell, Reigate & Banstead, Tandridge 405k / 34%	Mole Valley, Epsom & Ewell, Reigate & Banstead, Tandridge 405k / 34%	-	-

# Option 3c – Highest scoring option

3c was identified as the highest scoring option by the options evaluation and was significantly ahead of the other options evaluated. The pros and cons identified within the evaluation were reviewed by the District and Borough Councils to supplement the scoring of the models.

## Advantages of option 3c

The proposed geography is well aligned across the three proposed unitaries, aligning to key transport and infrastructure routes. The housing development challenge within Surrey is spread evenly between the proposed authorities, with comparable Housing Delivery Test \*scores and percentages of Green Belt\*\*.

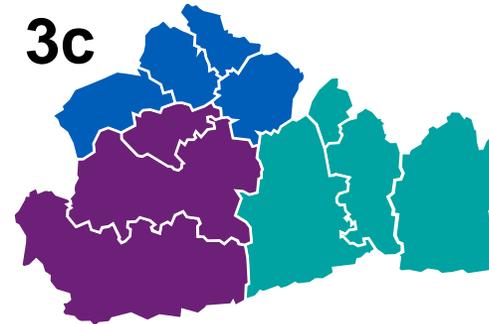
The three unitary model provides greater local representation compared to one and two unitary variations. Future parties of a Combined Authority are balanced, with population and Gross Value Added (GVA) evenly spread between unitaries. Further, there are minimised variations in area size and rural/urban populations.

The resultant split of population across the unitaries is well balanced across all age groups, including over 65s which will help to balance demand on high-cost services. Workforce and jobs in key industries is evenly balanced between unitaries, ensuring no single unitary is dependent on one industry and exposed to risks from failure.

There is an even split of growth challenges across GVA, deprivation and unemployment. Council Tax and Rates income potential is balanced, with minimised variation in Council Tax Band D rates as a comparator.

## Disadvantages of option 3c

Financially there is imbalance in the split of MTFP savings / budget challenge (which may further increase following Covid-19 MTFP refreshes). In addition there is a mixed tolerance for risk between constituent authority members.



<b>North</b>	Surrey Heath, Runnymede, Spelthorne, Elmbridge
<b>West</b>	Woking, Guildford, Waverley
<b>East</b>	Mole Valley, Epsom and Ewell, Reigate and Banstead, Tandridge

## Feedback on the model option 3c

Feedback on this model was generally positive, with a number of areas identified as key to further explore unitary proposals and strengthen the case for change.

There may be a need for a larger function to control services such as Children's and roads, however alternative service delivery models present opportunities for greater localism in service delivery. A three unitary model may present operational resilience challenges, and financial savings may be challenging to deliver where services may be further disaggregated (e.g. 3 social care departments).

There was some concern that rural neighbours may be subsumed by larger, more populous regions (e.g. Mole Valley). Further to this, the balance of parties in an authority may need to be considered to take in to account ability to generate funds and explore risk tolerance.

Whilst there was agreement that this model was a feasible unitary model, there is a preference among some Councils to retain a two tier model.

# Options 3g/3f – Alternatives (3 unitary models)

In addition to the highest scoring unitary model, there were a number of high scoring alternatives which were explored, two of which were three unitary models. The pros and cons identified within the evaluation were reviewed by the District and Borough Councils to supplement the scoring of the models.

## Advantages of option 3g/3f

The proposed geography is well aligned across the three proposed unitaries, aligning to key transport and infrastructure routes. The housing development challenge within Surrey is spread evenly between the proposed authority, with comparable Housing Delivery Test scores and percentages of Green Belt.

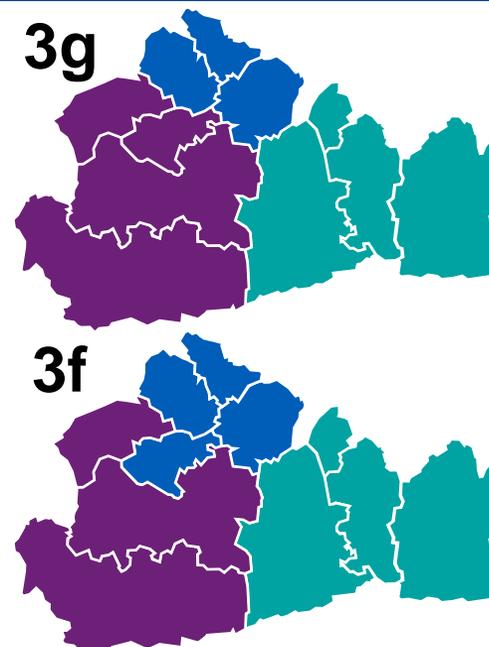
The three unitary model provides greater local representation compared to one and two unitary variations. Future parties of a Combined Authority are balanced, with population and Gross Value Added (GVA) evenly spread between unitaries.

There is an even split of growth challenges across GVA and unemployment.

## Disadvantages of option 3g/3f

There is increased variation in population, area size, population density and Indices of Multiple Deprivation (IMD) compared to option 3c.

Financially there is imbalance in the split of MTFP savings / budget challenge (which may further increasing following Covid-19 MTFP refreshes). In addition, there is a mixed tolerance for risk between constituent authority members.



<b>North</b>	Runnymede, Spelthorne, Elmbridge
<b>West</b>	Surrey Heath, Woking, Guildford, Waverley
<b>East</b>	Mole Valley, Epsom and Ewell, Reigate and Banstead, Tandridge

<b>North</b>	Woking, Runnymede, Spelthorne, Elmbridge
<b>West</b>	Surrey Heath, Guildford, Waverley
<b>East</b>	Mole Valley, Epsom and Ewell, Reigate and Banstead, Tandridge

## Feedback on option 3g/3f

Overall options 3g/3f were viewed as similar to option 3c, however, lesser permutations based on more imbalance of population challenges, density and IMD.

There was a recognition that there could be future engagement on these options to take views from residents to determine which model(s) generate public support.

# Options 2b/2a– Alternatives (2 unitary models)

In addition to the highest scoring unitary model, there were a number of high scoring alternatives which were explored, two of which were two unitary models. The pros and cons identified within the evaluation were reviewed by the District and Borough Councils to supplement the scoring of the models.

## Advantages of option 2b/2a

The resultant split of population across the unitaries is well balanced across all age groups, including over 65s which will help to balance demand on high-cost services.

The size of the proposed unitaries are of sufficient organisation size and capacity to improve organisational resilience.

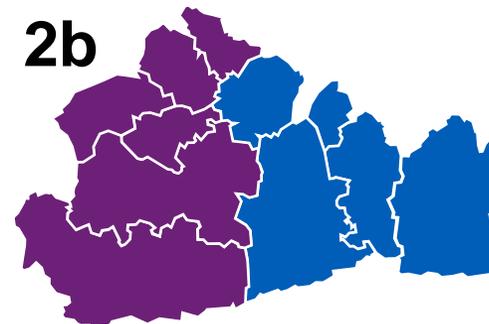
Future parties of a Combined Authority are balanced, with population and Gross Value Added (GVA) evenly spread between unitaries. Further, there are minimised variations in area size and rural/urban populations.

There is an even split of growth challenges across GVA, deprivation and unemployment. Further to this there is greater alignment of risk tolerance between constituent authorities.

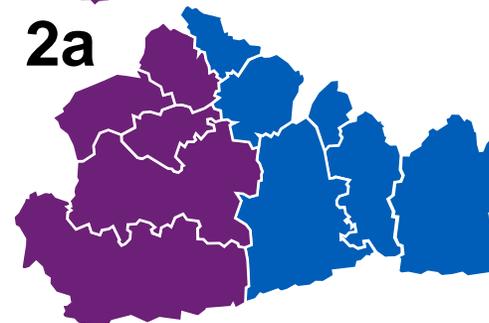
## Disadvantages of option 2b/2a

There is a challenging geography for service delivery based on both size and geographic shape, and limited alignment of existing service delivery boundaries and other bodies influencing the economy within Surrey (e.g. the LEP).

There is variance in the ability to meet housing development quotas as per the Housing Delivery Test, with one unitary falling significantly behind the other in delivery (70%:99%). Most importantly, there is reduced local representation compared to a three unitary model.



<b>East</b>	Elmbridge, Mole Valley, Epsom and Ewell, Reigate and Banstead, Tandridge
<b>West</b>	Waverley, Guildford, Woking, Surrey Heath, Runnymede, Spelthorne



<b>North</b>	Spelthorne, Elmbridge, Mole Valley, Epsom and Ewell, Reigate and Banstead, Tandridge
<b>West</b>	Waverley, Guildford, Woking, Surrey Heath, Runnymede

## Feedback on option 2b/2a

The most significant factor for these models was the reduced local representation, which is viewed as key differentiator to the District and Borough Councils exploratory work for unitary authorities. The large geographic footprint will continue to be a challenge for service delivery and communities are unlikely to identify with these areas.

There was recognition that operations could be more resilient, deliver economies of scale and as such financial savings may be easier to achieve.

# Conclusions and next steps

Having reviewed and evaluated the potential options for LGR within Surrey, we have identified a highest scoring option for unitary authorities, as well as a number of next steps.

## Conclusions

Option 3c scored most highly in the assessment, and is the highest scoring potential option for unitary government from this analysis. The high scoring alternative models remain feasible options, however, based on the feedback received this model continues to be the highest scoring option.

As part of the feedback received, there was a desire to better understand more distinct alternatives to the options selected, and these could be explored as part of public consultation. These alternative models could explore a different number of unitaries within Surrey, and different footprints across the County. As such, three models have been identified for further consideration should a case for change progress:



Option 2b was identified as the highest scoring two unitary model, and option 3b was identified as the highest scoring three unitary model which had three District/Borough Councils in an East authority.

As noted earlier in this section, an alternative that has been put forward that may need to be considered by the District and Borough Councils is the option of enhanced two tier government. However, it is noted that this is unlikely to be accepted within a LGR Case for Change due to no reorganisation in structural form.

## Next steps

Public consultation on the potential options would help to build engagement and consensus.

More detail could be considered on areas identified as part of feedback on the unitary models:

- Health and social care integration.
- Economies of scale.
- Retention of local knowledge.
- Benefits of alternatives to the status quo / current state.
- County Council engagement.
- Strategic challenges for Surrey as a County.
- Local representation, town and parish Councils.
- Working with neighbouring authorities outside of Surrey.

It is recommended that the following steps are explored:

1. Council and public consultation on potential options for LGR.
2. Further investigation of proposed options to supplement analysis on key areas (e.g. health and social care).
3. Engagement with the County Council, where appropriate, to consider options collaboratively.
4. Exploration of potential collaboration opportunities to address ongoing Council challenges.

*Regardless of the options being explored, the District and Borough Councils have acknowledged the need and desire to explore collaboration in more detail, and this is explored in the next section.*

# Collaboration Opportunities



# Collaboration opportunities – status

With ongoing financial and organisational challenges, collaboration was identified as a route through which the Councils could address a number of critical factors. Collaboration not only presents the opportunity for savings and service improvements, but also facilitates future joint working in support of potential LGR.

## Status of collaboration opportunities

This work formed an introductory investigation into collaboration between District and Borough Councils. As part of this assessment we have:

- Documented the current state of collaboration across Surrey, understanding what has worked well and what hasn't worked well.
- Identified and refined a list of feasible opportunities for collaborative working, prioritising the opportunities to select eight key areas for further exploration and development.
- Explored each of the prioritised areas in more detail, identifying key next steps and implementation challenges.
- Defined facilitating next steps which will support collaboration between District and Borough Councils in all forms.

This work has not explored all collaboration opportunities, and has only identified detail for eight opportunities selected by Chief Executives and Leaders. Further, the detail provided does not form a business case for each opportunity, and work is required to turn each opportunity card into an appropriate business case. In addition, there may well be further benefit from strategic and management alignment that will deliver further benefit. Finally, though the main driver for collaboration is currently financial benefits and service improvements, collaboration presents an opportunity to show the maturity of District and Borough Councils in

service delivery, and collaboration on agreed footprints aligned to a Case for Change could strengthen any future proposals.

## Accelerated next steps for collaboration opportunities

Collaboration can be explored regardless of the context around LGR. As such, there are immediate next steps which would maintain momentum and accelerate the delivery of benefits:

- **Programme structure** – Appropriate governance and an agreed programme should be stood up to continue work on collaboration, engaging key parties from all Councils on an ongoing basis.
- **Opportunity Business Cases** – The opportunity cards which have been developed should be utilised as a basis for a business case for each opportunity. These should be strengthened with detailed scope, involved parties, and financial benefits which are accepted by the Councils involved.
- **Strategic direction** – Strategic direction from Chief Executives and Leaders should be gathered for key collaboration opportunities. This should be developed through facilitated sessions with all engaged parties, working through potential issues to form a collective view on direction.

*Detailed next steps are outlined on page 58.*

# Context for collaboration opportunities

There are a range of potential benefits from collaboration, supporting the outcomes District and Borough Councils want to achieve in both a financial and non-financial sense, as well as aligning with future potential LGR.

## Why collaborate across the Surrey District and Borough Councils?

Collaboration between the District and Borough Councils will help to enable the delivery of better outcomes for residents. At the highest level, this would be through sharing knowledge, intelligence and best practice.

There is also a strong precedent from other examples of collaboration between local authorities in the UK that it can deliver financial savings where appropriate through greater economies of scale, reducing duplication and finding more efficient ways of working.

The District and Borough Councils in Surrey vary in size. The organisations have explored whether collaboration would provide greater resilience through enabling a larger pool of joint resources and expertise and an ability to respond to external events more quickly.

Further, collaboration can be a driver to redefine the relationship with County Council by delivering more services locally where appropriate and through establishing more equal partnership working.

Finally, collaboration can be used as a tool to prepare for potential reorganisation. This can be achieved by focusing some collaboration in clusters based on potential unitary footprints, reducing future reorganisation complexity and demonstrating the benefits and potential of local partnership working. Should there be a requirement to submit a Case for Change in future, the District and Borough Councils have explored the options and the implications of those.

## What will this section explore?

This section details the work that has been completed to assess potential collaboration opportunities between the District and Borough Councils within Surrey. As part of this work, a number of workshops and engagement sessions with Chief Executives and Leaders of each of the eleven District and Borough Councils were held to better understand existing working partnerships and what the District and Borough Councils aim to achieve through further collaboration.

This section will outline the different types of collaboration, a high-level assessment of current partnership arrangements, and outline the process of identifying potential collaboration opportunities that have been selected by the District and Borough Councils. Collaboration opportunities were identified through a selection processes that involved both workshop engagement, surveys, and then finally direction from Chief Executives and Leaders to identify eight priority areas for collaboration.

Each of these eight collaboration opportunities have then been explored in more detail to understand the current service delivery models, the potential next steps to collaboration across the identified services, and relevant learning from elsewhere.

# Collaboration

Councils should develop a coherent programme to prioritise and progress the 8 key collaboration opportunities, to foster closer working relationships, improve resilience, and deliver savings.

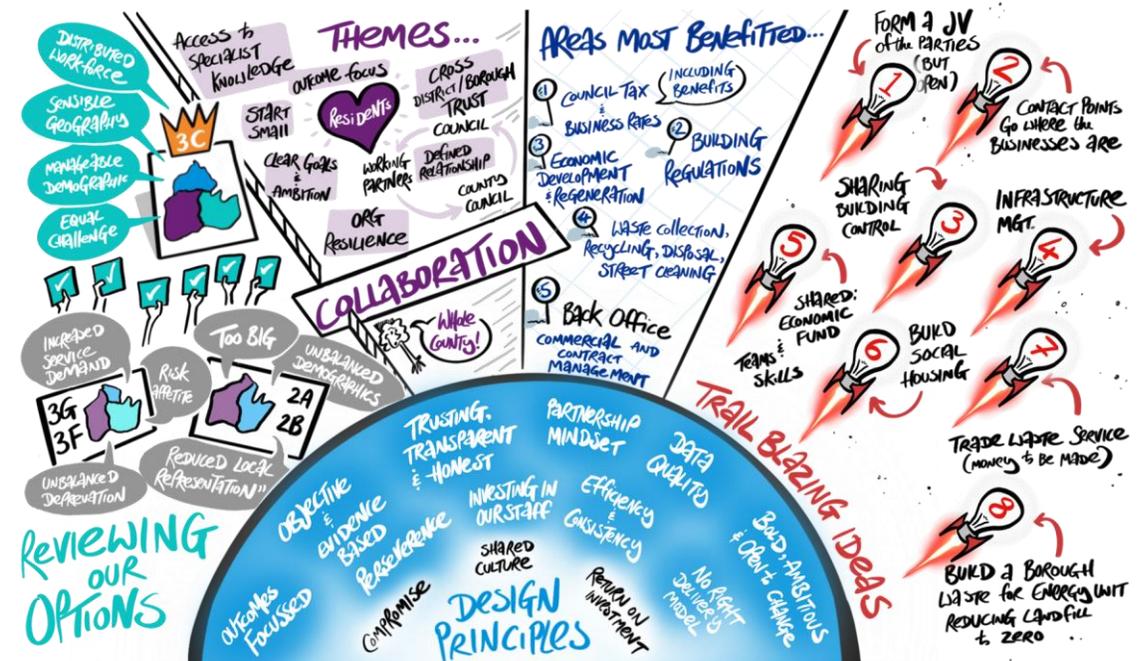
- Collaboration was explored with Councils to better understand the potential feasibility of work within Surrey and the need to build on the cooperation and joint working  
**Page 25-28**

- The current footprint of collaboration across Surrey was assessed to understand current relationships. Joint working themes were developed in to a set of Design Principles for collaboration within Surrey.  
**Page 29-31**

- Collaboration opportunities were identified through a selection processes that involved both workshop engagement, surveys, and direction from Chief Executives and Leaders to identify eight priority areas for collaboration:

- New approach to Waste.
- Sharing Building Control.
- IT infrastructure.
- Shared approach to Housing.
- Standardisation of Revenue & Benefits.
- Procurement.
- Economic Development.
- Shared Leisure Services.

**Page 32-57**



- There are series of next steps and requirements to deliver collaboration and continue the joint work that has been undertaken.

**Page 58**

# What do we mean by collaboration?

There are different types and scales of collaboration that could be appropriate and selected depending on the service/outcome sought.

## What do we mean by collaboration?

The appropriate form of collaboration will be dependent upon the service, ambition and outcome sought by the District and Borough Councils. A number of potential collaboration options have been outlined on a progressive scale. The scale of change required to existing working will be reflected by the level of ambition the District and Borough Councils have in their desire to collaborate.

**Strategic alignment** involves the collaborative development of a joint strategy and/or policy between the District and Borough Councils which could lead to greater consistency in operations and/or governance. This can also lead to greater coordination and communication and clarify the capabilities of each organisation.

The next option would be the **sharing of estates/assets** such as the co-location of teams and shared systems. Further, **combined leadership teams or individual roles** can lead to greater cost reductions and resilience and improved efficiencies.

Further along the scale of collaboration is for a **lead authority** delivering services across multiple footprints on behalf of the other District and Borough Councils. If appropriate, a shared service with a **separate legal entity** delivering services to multiple authorities could be utilised.



## What are the different groupings of collaboration?

Different groupings of the Surrey District and Borough Councils may be appropriate depending on the type of collaboration pursued. The groupings are outlined below.

**Whole County** - This is where common agreements or working practices exist across all District and Borough Councils (which may include changes to the relationship with Surrey County Council).

**Clusters** - This involves increased sharing or greater alignment within 'clusters', which consider geographic proximity, functional economic geography, and potential future unitary authority footprints.

**Wider Partner Collaboration** - Strengthening relationships with key partners, including the County Council, health and care providers and the voluntary and community sector.

*There are other alternative footprints which may develop over time, with a number of potential permutations. This includes a collaboration between the 'best fit' or 'most willing' partners between the Surrey Borough and Districts, as well as potential collaboration with parties outside of Surrey. This should be explored for each individual collaboration opportunity on a case-by-case basis.*

# Existing partnerships

Fourteen partnerships and collaborations have been identified between all the District and Borough Councils and there are further collaborations that exist between two or more District and Borough Councils.

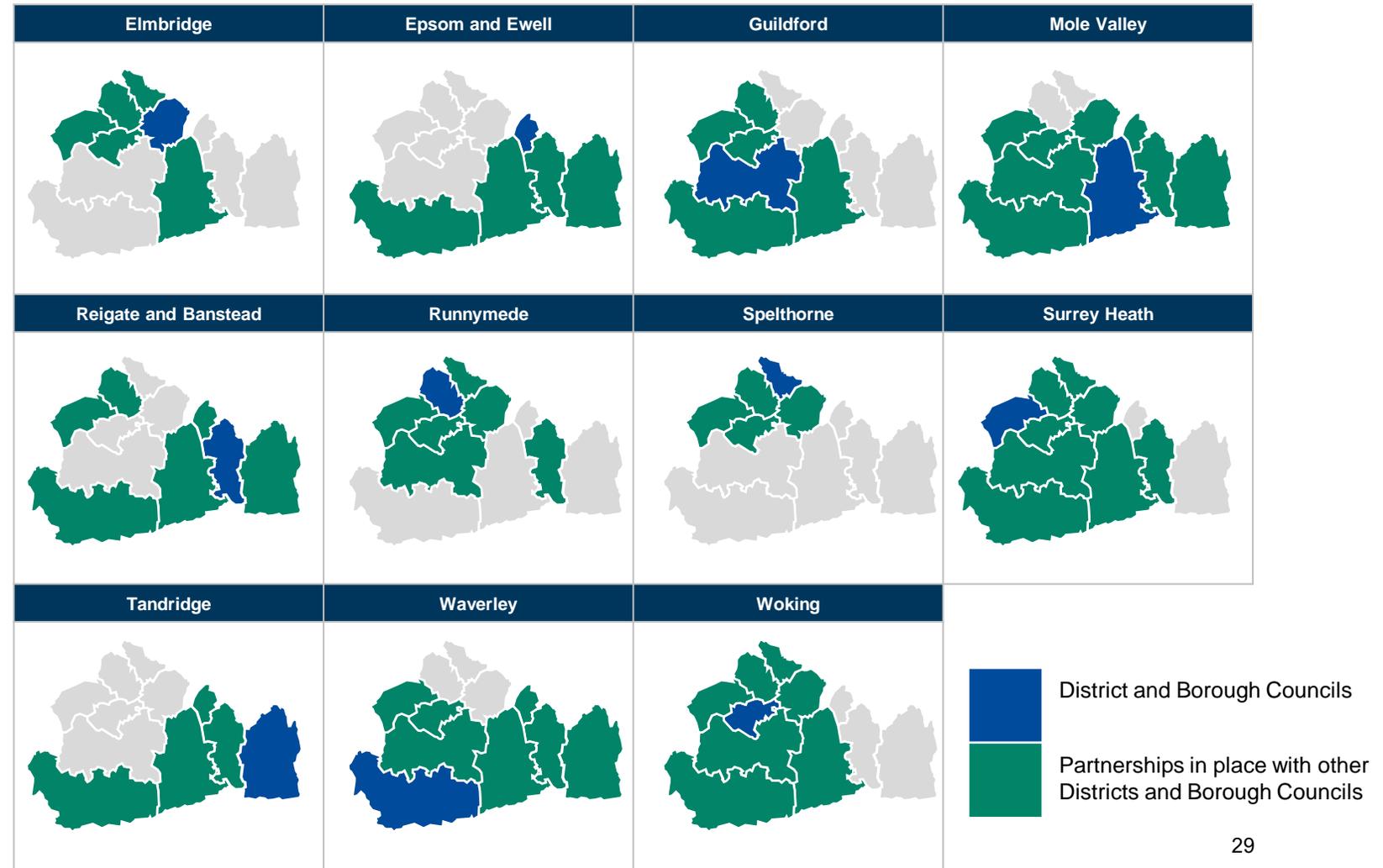
## County wide partnerships

There are fourteen whole County partnerships and collaborations which have been identified which include all eleven District and Borough Councils. These cover a number of key services including Environment, Sports, Learning and Housing.

## Other partnerships in place

There are further existing collaborations that exist between two or more District and Borough councils. A visual representation of the partnerships is provided which highlights that most collaboration operates on a locality basis, with partnerships predominantly with neighbouring authorities.

*Note that the depth of collaboration within each collaboration arrangement has not been explored.*



# Current themes of existing collaboration and future aims

Through joint working sessions, the District and Borough Councils collectively agreed what they wanted to achieve from collaboration, and explored learning from their current collaboration arrangements. By outlining what works well and what could be improved, this helped to develop a set of key themes encapsulating the key drivers for collaboration.

## What do the District and Borough Councils want to achieve from collaboration?

### *The alignment to three working clusters*

Working as three clusters would help accelerate collaboration through operating on a smaller footprint with fewer engaging parties. It could also be used to demonstrate that the clustering being proposed for unitary authorities can work effectively together.

### *The maturity of service delivery for District and Borough Councils and County level services*

This would strengthen proposals for District and Borough Councils being lead councils within a Case for Change for LGR, meaning they can handle more complex district services.

### *Delivery of savings / increased income potential*

The delivery of savings and increased income potential to help address funding challenges and savings targets.

### *Improved financial resilience*

This would provide greater financial capacity, funds and reserves for councils.

### *Improved services and outcomes to residents*

This includes improved service delivery, greater resilience and consistency

across the organisations.

## Key themes identified on current collaboration

Following discussion on the success of current collaboration between District and Borough Councils, a number of key themes were identified and have been outlined below.

Current partnerships have successfully provided access to specialist knowledge, increased organisational resilience, and developed a level of trust across the District and Borough Councils.

However, more work needs to be done to redefine the relationships between the District and Borough Councils, the County Council, and working partners to obtain the full benefits of existing collaboration.

In order for collaboration to be successful, the District and Borough Councils identified an initial desire to start small, accept a degree of risk, develop a clear set of goals and a shared ambition, and focus on the outcomes they want to deliver for residents. However it should be noted that significant progress on collaboration now could help demonstrate what an alternative unitary model can deliver, support resilience, and deliver financial benefits. The development of full business cases will ultimately define the pace of collaboration, and the desired ambition.

# Vision and Design Principles

To shape future collaboration, a vision and set of Design Principles were discussed and agreed by the District and Borough Councils. Design Principles have been developed to provide a framework to enable the delivery of the vision.

*We will work in partnership to deliver better outcomes and higher quality, more efficient services for the people of Surrey. We will trust each other, adopting a partnership mindset which recognises our common purpose.*

We will deliver our vision through the following principles. The principles apply equally to all of the Districts and Borough Councils across Surrey.

	<b>1</b> <b>Outcomes focussed</b>	We will choose to collaborate when it enables us to deliver our vision of higher quality and more efficient services for our residents. A simple, straightforward set of key performance indicators (KPIs) will be agreed and tracked, with a focus on simple communication of outcomes to the public. Our collaboration will deliver a return on investment, from a financial and non-financial perspective.
	<b>2</b> <b>Objective and evidence-based</b>	Once partnerships are established, we will make operational decisions based on agreed principles, data and evidence. Our partnerships should not be de-railed by changes of political administration.
	<b>3</b> <b>Transparent and honest</b>	We will be honest about our strengths and areas where we can improve by learning from others (within the County and outside). We will prioritise consistency, clarity and honesty in our communications with our staff.
	<b>4</b> <b>Trust and partnership mindset</b>	We recognise different risk profiles of partners, and commit to governance and decision-making that considers what is best for all partners and the residents they serve. We will constructively and appropriately challenge in the spirit of partnership, and trust each other to deliver the best outcomes for the whole.

	<b>5</b> <b>Data quality</b>	We will invest time up front to ensure that all of our key data is consistent and high quality. We must have a full understanding of the baseline position and how data will be used from the outset.
	<b>6</b> <b>Bold, ambitious and open to compromise</b>	We will be bold and ambitious, considering opportunities for innovation through the joint delivery of services. We recognise the need to compromise where beneficial for all residents to be served by a partnership.
	<b>7</b> <b>Perseverance</b>	We will invest time and energy in our partnerships to get them right and to resolve issues together. When we encounter challenges we will continue to work collaboratively.
	<b>8</b> <b>Shared culture and values</b>	We will develop a shared culture and values across organisational boundaries, recognising our shared purpose. We will encourage our staff at all levels to work collaboratively to embed collaboration into our culture.
	<b>9</b> <b>Efficiency, and consistency</b>	Wherever it benefits our residents, we will adopt common processes, systems and ways of working to deliver a more efficient set of services and a more consistent customer experience.
	<b>10</b> <b>No right delivery model</b>	We will choose the delivery model that is most appropriate for collaboration within each service area based on the outcomes required and evidence available.

# Service categories for collaboration

A list of service areas for potential collaboration were presented to the District and Borough Councils during one of the workshops. These were voted on and five priority service areas for collaboration were subsequently identified.

The following service areas are how the Institute for Government defines the services District and Borough Councils and County Councils provide.<sup>1</sup> The District / Borough councils discussed and then voted on which service areas to focus on for developing collaboration ideas.

The top five service areas identified were: Council Tax and Business Rates; Building Regulations; Economic Development; Waste Collection and Recycling and Environmental Health. In addition to this, it was agreed that

back office services should be explored, and this was explored in more detail with Project Officers.

The Chief Executives, Leaders and Project Officers of the District and Borough Councils were consulted further over the top five service areas. These were consolidated, refined and updated to produce eight priority focus areas.

#	Area	District	County
1	Arts and recreation		
2	Births, deaths, and marriage registration		
3	Building regulations		
4	Burials and cremations		
5	Children's services		
6	Community safety		
7	Concessionary travel		
8	Consumer protection		
9	Council tax and business rates		
10	Economic development		
11	Education and skills		
12	Elections and electoral registration		
13	Emergency planning		
14	Environmental health		
15	Highways and roads		
16	Housing		

#	Area	District	County
17	Libraries		
18	Licensing		
19	Markets and fairs		
20	Museums and galleries		
21	Parking		
22	Planning		
23	Public conveniences		
24	Public health		
25	Social care		
26	Sports centres and parks		
27	Street cleaning		
28	Tourism		
29	Trading standards		
30	Transport		
31	Waste collection and recycling		
32	Waste disposal		

<sup>1</sup> <https://www.instituteforgovernment.org.uk/explainers/local-government>

# Collaboration opportunities

Each of these eight collaboration opportunities have then been explored in more detail to understand the current service delivery models, the potential next steps to collaboration, and finally what reference sites there are for collaboration on this topic.

For each of the eight collaboration opportunities, an opportunity card has been created which considers the following:

- Scope of the opportunity.
- Current service situation and existing collaborations.
- Potential benefits and risks to the collaboration opportunity.
- Medium term next steps - Those that can be delivered within the current structural forms and can typically be delivered in a short period of time (e.g. less than six months).
- Strategic next steps - Those that may require structural changes, executive decisions and political support, and will typically take a longer time to deliver.
- Learning from other organisations who have progressed similar collaborations.

1 New approach to Waste Collection, Commercial and Disposal	2 Standardisation of Revenues and Benefits
3 Sharing Building Control	4 Procurement (Back Office)
5 IT infrastructure (Back Office)	6 Delivering Economic Development
7 Shared approach to Housing	8 Shared Leisure Services

# New approach to Waste

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

In the short to medium term, changes to improve existing collection services could include the optimisation of routes, standardisation of collections and harmonisation of contracts. This would build on existing collaborations (including the Surrey Environment Partnership) and could lead to the development of a commercialised trade waste service, including recycling, food waste, and other trade waste, providing local businesses and organisations with a competitive and comprehensive waste offer. The service would be in competition with other commercial waste collection services, such as Veolia and Biffa, and provide an additional income stream to District and Borough Councils to reinvest in additional services, and show that the councils can deliver a commercial and reliable service. A review of current waste disposal can help to reduce environmental impacts and ensuring waste to energy is optimised, reducing waste sent to landfill. This could result in exploring a new waste to energy solution.

## Potential benefits

### Collections

- Consistency of approach across the districts.
- Operational efficiencies.
- Potential cost savings through contract harmonisation.

### Commercialisation

- Additional income stream for the District and Borough Councils to deliver discretionary services, such as environmental projects.
- Improved reputation through delivering a competitive commercial service.
- Potential improved quality of commercial waste collections.

### Disposal

- Operate a more sustainable and environmentally-friendly alternative to sending waste to landfills.
- Avoidance of disposal costs and landfill taxes.
- Avoid methane emissions from landfills and reduction in carbon emitted which would contribute to achieving carbon reduction (many of the District and Borough Councils pledged to become carbon neutral by 2030 as part of their Climate Emergency declaration).

## Current situation / Service Quality

- Waste is one of the highest spend services for the District and Borough Councils. The Surrey Environment Partnership, has brought together leads from across the eleven District and Borough Councils to share best practice and ideas, and pool resources to collective benefit.
- Joint Waste Solutions delivers collection services for four Councils (Mole Valley, Elmbridge, Woking and Surrey Heath) in partnership with Amey.
- Overall there is a direction of travel towards greater standardisation, with national funding being provided from DEFRA to support partnership working and movement towards the National Waste Strategy.
- Commercial waste services provided across four District and Borough Councils (Reigate, Epsom, Guildford and Runnymede). Guildford's commercial waste collection service is one of the largest in the country with a turnover of around £1.3m.
- As part of their partnership with Surrey County Council for managing waste, Suez's eco park plant in Surrey is in process of testing an anaerobic digestion facility. Up to 40,000 tonnes a year of food waste, mainly from homes around Surrey and also some from businesses will be treated at facility with the purpose of reducing landfill.

## Risks/Challenges

### Commercialisation

- **Competition** – Councils will be competing directly with specific waste organisations. There is a risk competition will be too strong from the market, with loss of income to a larger entity.
- **Lack of demand** – There may not be sufficient demand as businesses are already engaging with other providers.
- **Up-front costs** – There may be large up-front costs to develop equipment and services of sufficient scale to take on new commercial clients. Further, only a limited number of other Councils own their own waste fleet.
- **Political priorities** – Trade waste services may be seen as a lower priority for politicians and residents, distracting from priority resident services.
- **Existing contacts** – Councils have long contracts with third party suppliers. There may also be implications with commercialisation and contracts with third party suppliers

### Disposal

- **Complaints from residents** – There may be a negative response from local residents due to the emissions produced from disposal and increased traffic of large vehicles.

# New approach to Waste

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

## Stakeholders

### Residents

- Local businesses.

### District and Borough Councils

- Waste teams from engaged District/Borough Councils.

### County Council

- Waste disposal teams.

### External Bodies

- Environmental organisations.
- Waste competitors.

## Next Steps

### Medium term actions

As there are a number of existing collaborations between the District and Borough Councils around waste some immediate next steps could enhance/deepen the collaboration to be undertaken within the next six months:

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Assess the minimum size of collaboration required to achieve necessary economies of scale, and potential market size of commercial operations if being pursued.
- Assess the impact of the National Waste strategy on current operations.
- Begin planning approach to educate residents and the District and Borough Councils on climate issues to help minimise waste.
- Rationalise routes for waste collection rather than working purely on existing organisational footprint.
- Baseline current service cost for local collections, highlighting 'true differences' in services at a local level.
- Begin to explore a possible joint disposal and collection contract across Surrey and identify what further information is required.
- Further explore disposal waste alternatives including local and waste to energy.
- Form a partnership approach to minimising waste, working with local businesses, charities and residents.

### Strategic

Longer term actions to realise the full benefits include:

- Develop a joint strategic approach to waste (that includes the whole of Surrey) and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc.
- Develop Governance framework once joint working approach confirmed.
- Determine level of appetite from Surrey County Council for a joint disposal and collection authority.
- Assess the strategic steer from Government which requires an approach addressing challenges on both waste and the environment (Net Zero targets).

# Learning from elsewhere

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

## Case Study 1

### Yorwaste - waste provider

#### Description

- A waste management company set up between North Yorkshire County Council and York Council.
- They employ over 250 members of the local community, manage over half a million tonnes of waste per year and carry out 550,000 trade waste and commercial bin collections.
- Manages all 20 household waste recycling centres in North Yorkshire.

#### Benefits

- Wide range of local in-house waste processing solutions.
- Eliminate any extra costs through employing third parties.
- Better place to provide a personalised service.

Source: Yorwaste site - [Link](#)

## Case Study 2

### Coventry & Solihull Waste Disposal Company (CSWDC)

#### Description

- Independent waste management company set up between Coventry City Council, Solihull Metropolitan Borough Council, Warwickshire County Council and Leicester County Council.
- Their main business is extracting energy from municipal and commercial solid waste.
- They also operate a Household Waste Recycling and Reuse Centre on behalf of Coventry City Council.
- As recycling tonnages for Coventry and Solihull have increased, spare capacity in the incinerator has been sold to Warwickshire County Council (now a junior shareholder), Leicestershire County Council, and Variety of smaller contracts with both public and private sector organisations.

#### Benefits

- Financial savings identified to date by Coventry Council is £21,000,000.

Source: LGA shared service map table 2019 - [Link](#)

## Case Study 3

### East Sussex joint waste

#### Description

- East Sussex County Council developed a joint waste strategy with East Sussex District Councils: Eastbourne, Hastings, Lewes, Rother and Wealden.
- Their aim is to improve the quality and efficiency of waste collection, recycling, street and beach cleaning services by entering into a joint contract with Biffa (previously Kier services until mid 2019).
- The five District Councils, act as the collection authorities outsourcing to Biffa.
- East Sussex County Council acts as the disposal authority and operate an energy recovery facility in Newhaven and receive income from sale of electricity to National Grid.

#### Benefits

- Reduction of waste sent to landfill and reduction of landfill tax.
- Income stream from sale of electricity.

Sources:  
LGA shared service map table 2019 - [Link](#)  
East Sussex Joint Waste Strategy 2014-2025 - [Link](#)  
East Sussex Joint Waste Management Strategy - [Link](#)

# Standardisation of Revenues and Benefits

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT Infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Development of a joint delivery vehicle to deliver transactional services (initially Revenue Services) could provide an opportunity to standardise and improve effectiveness. This could initially cover standardisation of collection, customer contact routes and communications with the County Council. This approach could then be expanded to benefits services, as well as other transactional Council services. There is an opportunity to build on existing collaboration between the District and Borough Councils in this area, to accelerate the delivery of this opportunity.

## Potential benefits

### Residents

- Efficient, effective, and specialised services to residents.
- Standardised approach between District and Borough Councils, when moving house for example.
- Improved Benefits assessments and payments service with best practice being shared.

### District and Borough Councils

- Standardised consistent service, with improved service delivery metrics.
- Clarity of responsibility between District and Borough and County services, contact points for customers and County, and flows of data in processes.

### County Council

- Increased Council Tax and Business Rates receipt rates and as such County Council precepts.
- Standard contact routes, better relationships, and consistency of service with Councils.

## Current situation / Service Quality

- Instances of collaboration between authorities, for example Reigate and Banstead delivering services to District and Borough Councils.
- The service delivery is not standardised across all the District and Borough Councils, as there are tailored responses to communities.

## Risks

- **Loss of localism** – Standardised service risks losing locality of services, which may impact individual challenges being faced by residents. As a counter to this, scale could free up time to deliver localism or greater liaison services.
- **Loss of control** – Services will be delivered by a joint venture, potentially under a joint management committee. Responsibilities will be shared and will have to cater for multiple parties.
- **Significant effort required to align systems** – In order to facilitate the alignment and joint delivery of services, systems will have to be aligned. There is a risk this may stall progress.
- **Potential dip in collection** – Potential short term impacts to service delivery and collections, which may result in a reduction in collections.

# Standardisation of Revenues and Benefits

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

## Stakeholders

### Residents

- Citizens receiving benefits.
- Citizens paying council tax.

### District and Borough Councils

- Revenue and Benefits teams.

### County Council

- Recipients of information from Revenue and Benefits teams.

### External Bodies

- Organisations paying business rates.
- MHCLG.

## Next Steps

### Medium term actions

As there is little existing collaborations between the District and Borough Councils in this area, some immediate next steps to expedite the commencement of joint working could be undertaken within the next 6 months:

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Assess baseline staffing structures to assist in deciding on type of collaboration considering future options.
- Review current procedures and practices in detail to identify areas for greater collaboration (e.g. Reigate and Banstead's approach to collection which may be expanded).
- Appoint nominated officer to lead and be accountable for success of joint working.
- Review debt recovery policy and hardship fund for each District and Borough Council to develop a better understanding of their approaches.
- Review current contractual arrangements and delivery models.
- Assess legal implications – instruction process for example.
- Assess specific processes that can be standardised, or are already standardised, across Councils whilst retaining individual schemes and discretionary elements.

### Strategic

Longer term actions to realise the full benefits include:

- Pilot service deliver on business rates, with volumes being smaller and more reliant on a small number of specialist staff.
- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Develop Governance framework once joint working approach confirmed.
- Review IT strategy and systems of Districts and Boroughs and develop a roadmap for migrating systems onto one platform.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

# Learning from elsewhere

## Case Study 1

### Hampshire shared service

#### Description

- Biggest public sector shared services partnership in the UK, Hampshire County Council are the host service provider to back office support and expertise in areas including finance, procurement, IT and HR to a variety of partners across Local Government (including other local authorities), the Police, schools and Fire and Rescue Services.
- Partners are the county council, Hampshire Constabulary, Hampshire Fire and Rescue Service, the Office of the Police and Crime Commissioner for Hampshire and Oxfordshire County Council (three London Boroughs are due to join the partnership later this year).
- Operating model is a public partnership.

#### Benefits

- Cost efficiencies and savings.
- Increased resilience and capacity.
- Hampshire County Council estimates savings of £2.7m a year.

Source: LGA shared service map table 2019 - [Link](#)  
Hampshire County Council website  
Hampshire Shared Services Building the Partnership - [Link](#)

## Case Study 2

### OneSource

#### Description

- A shared service partnership between Newham and Havering London Borough Councils set up in 2014. This brought together 22 back-office services and 1300 staff with the aim of streamlining processes and teams, and reducing corporate support costs in order to protect front-line services.
- Governed by members of a joint committee.
- Provide a range of strategic, operational and transactional services to both the partner councils and customers by helping them work more efficiently and reduce back office costs.
- Services include legal, transactional HR and business rates and council tax collection services.

#### Benefits

- Reducing duplication.
- Sharing resources/skills between councils.
- Councils estimated to achieve approximately £40M in savings since inception to 2019.
- Improved customer experience and operational efficiencies.
- Greater resilience and flexibility through standard systems and sharing resources.

Source: LGA shared service map table 2019 - [Link](#)  
OneSource website - [Link](#)

## Case Study 3

### Shared Revenues Partnership

#### Description

- The Shared Revenues Partnership ("SRP") is a partnership of three councils: Babergh District Council; Ipswich Borough Council; and Mid-Suffolk District.
- Operational from 2011 and governed by a joint committee.
- It includes the collection of council tax and business rates and payment of housing benefit and administration of local council tax reduction schemes.

#### Benefits

- Reduced costs.
- Greater resilience to change.
- Improved performance around collection rates and time to respond to benefit changes.
- consistent and improved customer experience,
- Introduction of more digital and self-serve options for customers to use.
- Financial savings 18/19 is £917,940.
- Financial savings to from 2011 to 2019 is £4,675,300.

Source: LGA shared service map table 2019 - [Link](#)

# Sharing Building Control

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Development of a shared building control services accessible to residents across District and Borough boundaries. Some individuals and businesses that interact with Building Control services may operate across District and Borough boundaries, and due to the size of functions within individual Councils there is an opportunity to increase the critical mass and operational resilience of services. This could either involve up to two additional building control partnerships, taking learning from the Southern Building Control Partnership, or expanding the scope of this partnership to cover other areas within Surrey.

## Potential benefits

### Residents

- Improved quality of service that is more customer focused.
- Size of team ensures continuity of service.

### District and Borough Councils

- Cost reductions (economies of scale, agile working and elimination of duplication in areas such as IT, HR and finance).
- Increase in capacity and capability available to each organisation – sharing of technical skills.
- Greater organisational resilience, and accessibility to limited resource available in specialist roles.
- Adoption and improved efficiency of processes and practices.
- Improved recruitment and retention in local authority building control services.
- More competitive - Increased opportunity and capability to compete with the private sector and win additional business.
- Create management arrangements that will enable resources to be deployed effectively.

### County Council

- Consistency in the delivery of building control services.
- Standard interaction with building control departments with fewer stronger relationships.

## Current situation / Service Quality

- Southern Building Control Partnership is a joint local authority building control function for Reigate and Banstead, Tandridge and Mole Valley. They work out of two council office hubs in Dorking and Oxted, Surrey.
- Runnymede provide repairs and maintenance service for operational properties for Spelthorne until March 2021.
- Previously explored possible merger of Borough Council teams from Spelthorne, Surrey Heath, Guildford and Woking. There were difficulties agreeing alignment of charges, business approach, plus big difference in cost/income ratios between Councils.
- Elmbridge deliver service through the Elmbridge Building Control Services (building control mutual).
- There has been an ongoing reduction in the availability of professional staff to fulfil roles, with Councils struggling to appoint in to roles such as Surveyors.

## Risks

- **Competition** – Building control services within Surrey compete with private sector organisations, and service quality or value for money will need to be secured to compete in the market.
- **Development and training requirement** - As building control is a statutory service and councils often advise on regulatory issues, staff may require training to develop commercial expertise.
- **Loss of control** - Services will be delivered outside of each individual Council. Responsibilities will be shared and will have to cater for multiple parties.
- **Past discussion** - Previously, some District and Borough Councils were unable to agree a common business approach whilst discussing a proposed merger. This could stall initial discussions without a new imperative or different approach.

# Sharing Building Control

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

## Stakeholders

### Residents

- Customer using the building control service.

### District and Borough Councils

- District and Borough Building control teams.
- Southern Building control Partnership.

### County Council

- District and Borough Building control teams.

### External Bodies

- Building control services operating within Surrey.

## Next Steps

### Medium term actions

As there are existing collaborations between a number of the District and Borough Councils, some immediate next steps could enhance and extend the collaboration, to be undertaken within the next six months:

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Combine expertise and share resources to account for existing gaps e.g. engineering calculations is a scarce resource across the District and Borough Councils.
- Bring together officers to Discuss and outline local offering and expertise that differentiates District and Borough services from the Private Sector.
- Review the comparable salary levels, income and full staffing picture across the District and Borough Councils.
- Undertake market analysis to demonstrate cost effectiveness of any potential collaboration.
- Develop a joint recruitment plan and increase opportunities for trainees.

### Strategic

Longer term actions to realise the full benefits include:

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Support and drive from the top (Chief Executives and Leaders) needed to progress potential collaboration.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc.
- Develop Governance framework once joint working approach confirmed.
- Assess how collaboration could alleviate concerns from large scale strategic challenges such as of the new post Grenfell Building Safety Bill which is likely to come into effect in 2022. This will place pressure on building control staffing due to new legal and qualification requirements.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

# Learning from elsewhere

## Case Study 1

### Building Control Solutions

#### Description

- Brings together the building control services of the Royal Borough of Windsor and Maidenhead, West Berkshire Council and Wokingham Borough Council.
- This has resulted in a single team, based in a single location carrying out the building control function across the three Local Authority areas.
- One of the initial barriers identified was competing in a competitive private sector as Local Government building control services do not always have the financial resources, commercial skills or marketing resources to effectively compete.

#### Benefits

- Offer a more flexible customer focused service.
- Ensure a service that is competitive with the private sector but retain the local presence.
- Enable the development of a full range of ancillary value-added services to meet the needs of residents and businesses, and which benefit the Local Authorities as new sources of (non-ring fenced) income.

Sources: LGA shared service map table 2019 - [Link](#)  
SBC website - [Link](#)  
BCS shared service business plan - [Link](#)

## Case Study 2

### Building Control Partnership

#### Description

- Hart District Council Building Control and Rushmoor Borough Council entered into a shared service arrangement through merging their building control teams.
- The Building Control team is now based in Rushmoor Borough Council offices in Farnborough.

#### Benefits

- More cost-effective and greater resilience
- Offer a more competitive and improved customer service.
- Maintain a level of service to compete with the private sector.
- Hart District Council identified savings of £20,000 from inception in 2015 to 2019.

Source: LGA shared service map table 2019 - [Link](#)

## Case Study 3

### Devon Building Control Partnership (DBCP)

#### Description

- A not-for-profit organisation set up in 2004.
- DBCP provides building control services across three Local Authorities -Teignbridge and South Hams District Councils and West Devon Borough Council.
- Governed by a partnership agreement and centralised hosting by Teignbridge council.
- Driven by a shortfall of key positions such as senior surveyors and pressure to reduce costs whilst maintaining the level of service.
- A remote working system introduced to enable surveyors to meet clients across a wide geographical area which increases efficiency, reduces costs and is more appealing to surveyors.

#### Benefits

- Reduced support and running costs and shared training costs.
- Greater consistency to service provided.
- Staff retention and attract talented individuals due to a more employment prospectus.
- Long term efficiency gains.
- Centralised tech support team more efficient by dealing with more queries at first point of contact.

Source: LGA shared service map table 2019 - [Link](#)  
Devon Building control website - [Link](#)

# Procurement (Back Office)

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

There are a number of benefits from collaborating on procurement, not only the greater purchasing power that comes from joint procurement of services, but also the in-depth knowledge and greater focus that can be placed on category management in a larger scale procurement function. There may be an opportunity to build on the Surrey Procurement Group through the implementation of a joint procurement and contract management system, which encapsulates all contracts and procurement frameworks that are being used and are available across the County.

## Potential benefits

### Residents

- Better contract management will result in higher performance standards from suppliers and improve the quality of services to the public.

### District and Borough Councils

- Financial savings achieved through improved procurement helps support the delivery of front line and priority services.
- Increased procurement power, knowledge and developing of expertise across the District and Borough Councils.
- Creating efficiencies by avoiding duplication and creating common policies and procedures.
- Avoid competition between individual Districts and Boroughs for procurement expertise.

### County

- Potential to expand services to County Council, increasing purchasing power further.

## Current situation / Service Quality

- No shared service currently in place across all the District and Borough Councils.
- Surrey Procurement Group has been set up in order to share best practice within Surrey relating to procurement and contract management. This has resulted in shared contracts, and increased communications around the timing of large procurements. There is an opportunity to leverage and formalise this relationship.
- Joint procurement of internal audit services partnership exists between 5 District and Borough Councils (Epsom & Ewell, Mole Valley, Reigate & Banstead, Tandridge, Waverley).
- A number of District and Borough Councils have access to InTend e-procurement system via access to Surrey County Council's (SCC) portal.

## Risks

- **Structural Changes** - May require structural and operational changes in authorities before the full benefit of shared contracts can be exploited.
- **Political priorities**- Differences between the political, cultural and structural norms in each authority.
- **Existing contracts**- Collaboration on procurements may be limited by the timing of contract renewal, which may result in a lack of opportunities, or potential costs as a result of waiting for other authorities to complete contracts or breaking contracts early.

# Procurement *(Back Office)*

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

## Stakeholders

### Residents

- Customers benefitting from services provided by suppliers.

### District and Borough Councils

- Procurement teams.

### External

- Suppliers and partners.

## Next Steps

### Medium term actions

The Surrey Procurement Group can be supported to understand the market and identify potential savings through joint procurement. This could include:

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Agree an immediate more collaborative approach to procurements - avoid missing strategic benefit of aligning large procurement activities or leveraging existing frameworks.
- Procurement spend analysis of each District and Borough Council to identify potential saving opportunities and to assist in setting an overall savings target.
- Baseline of current procurement systems.
- Share key procedures and practices (such as the approach to preferred suppliers, frameworks etc).
- Develop a timeline of key contracts - A consolidated view on the contracts that each District and Borough Council has in place in order to develop a timeline of opportunities for contract negotiation and consolidation.

### Strategic

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Gain Chief Executive and Member commitment to engage with the Surrey Procurement Group, providing the group with the mandate to align procurements.
- Develop a timeline for implementation of the shared service. potential scale of team required, impacts on staff (TUPE) etc.
- Develop Governance framework once joint working approach confirmed.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

# Learning from elsewhere

## Case Study 1

### Coventry, Solihull and Warwickshire shared procurement service

#### Description

- Coventry City Council, Solihull Metropolitan Borough Council Warwickshire County Council and numerous Warwickshire District Councils have a shared procurement strategy and savings plan.
- Where specifications can be agreed, contracts are let by one category manager in one authority on behalf of the other participating authorities.
- Initial challenges included the structural and operational changes required in the authorities before the full benefit of shared contracts could be exploited and also practical consideration such as contingency and liability arrangements.
- Many areas of procurement including market intelligence, good practice, legal developments, training and key issues are shared to improve efficiency and effectiveness in all authorities.
- There is a shared e-tendering platform for the councils - CSW-JETS which enables them to advertise opportunities across all authorities through the same system. This means that there is a single point of contact for procurement.

#### Benefits

- Solihull Metropolitan Borough Council identified financial savings of 5,715,000 to date since its inception in 2010.
- Cumulative savings delivered by these partnerships in FY19 was £200m.
- Shared portal lowered annual support costs.
- Increased procurement power and developing of expertise in individual authorities.

## Case Study 2

### Crawley, Mid-Sussex and Horsham Shared Procurement

#### Description

- Shared Procurement service between Crawley Borough Council, Horsham District Council and Mid-Sussex District Council was created in 2010. Their resources are combined into one team working across the three authorities.
- The Joint Procurement Board governs the shared procurement service via an informal agreement and is made up of a representative from each of the authorities.
- Crawley are the 'lead' authority taking responsibility for the payments made between the authorities and acting as IT lead.
- The main office location is Crawley Borough Council and there are two shared service locations in Horsham and Haywards Heath (in Mid-Sussex).
- Both Crawley and Horsham continue to employ their own procurement staff and manage and procurement budgets.
- They advertise all tender opportunities on a Shared Services e-Portal. Procurement processes are undertaken according to each council's Procurement Code.
- Mole Valley District Councils has participated informally in the shared procurement service by way of a pilot since the start of 2020.
- The budget for the service is split between the three authorities with Crawley and Horsham paying 35% and Mid Sussex 30% of the total costs.

#### Benefits

- Greater capacity, cost savings and improved customer experience.
- Financial savings identified by Crawley council to date since inception in 2010 is 6,622,030 and in 2019/19 is 1,204,132.
- Increased purchasing power.
- Developed skills and knowledge amongst the team.
- Creating efficiencies by avoiding duplication and creating common policies and procedures.

# IT infrastructure (Back Office)

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Notwithstanding the significant investment in IT infrastructure over the years, there are further opportunities to standardise the IT estate across councils. Technology could be incrementally improved and standardised in specific service areas, for example, a new system to support procurement, while an IT roadmap is planned and potential improvements are aligned to contract end dates.

## Potential benefits

### Residents

- Benefit from a more efficient and higher quality service.
- Greater alignment with resident expectations, with more commercial interactions with the Council.

### District and Borough Councils

- Cost savings.
- Access to best practice technology developed by other Councils.
- System improvements and process simplification.
- A common platform would lead to increased communication between the District and Borough Councils and act as a foundation for more back office collaboration in the future.
- Service resilience due to fewer single points of failure and increased scale.
- Improved disaster recovery plans and solutions to ensure business continuity in the local area.

### County Council

- Simplified system interaction with the District and Borough Councils' technologies.
- Opportunities to join technology relationships and leading practice.

## Current situation / Service Quality

### Current service delivery

- The majority of District and Borough Councils manage their own IT infrastructure, with instances of shared backup and disaster recovery arrangements, as well as common service providers.
- Runnymede currently use Goss via an arrangement where Spelthorne is their supplier and Runnymede utilise Spelthorne's contract with Goss. This arrangement is due to expire in March 2021 and Runnymede have recently procured their own Content Management System (CMS).
- Waverley host ICT storage for Surrey Heath, who reciprocate by transferring 'virtual machines' (lagged copy) to Waverley. This is being reviewed on an on-going basis as more systems are being moved to the Cloud.

## Risks

- **IT spend** is significant, and there will also be legacy costs and financial costs to purchase new IT equipment may be necessary.
- **Complexity and benefits realisation** – Significant IT programmes across multiple partners have a high level of complexity, and IT programmes historically have challenges delivering on potential benefits, which could take time to realise. This would need to be carefully set out within a potential business case and benefits realisation plan.
- **Resource requirement** - Managing a large and complex infrastructure with the current level of resources may be an issue.
- **Service standards** may be set at different levels across the District and Borough Councils, leading to possible customer and member complaints.

# IT infrastructure (Back Office)

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

## Stakeholders

### Residents

- Customers (e.g. local businesses).

### District and Borough Councils

- District and Borough Council IT teams.

### County Council

- IT teams.

### External Bodies

- Third party platforms to manage IT infrastructure.

## Next Steps

### Medium term actions

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Agree on a joint homeworking policy.
- Carry out a Cloud and system licensing baseline/audit, including contract renewing and cyber resilience.
- Share digital strategies and identify common ground and align common systems such as I-Trent for HR.
- Implement individuals/team to assist the IT team in ensuring the practical application of joint systems.
- Assess financial implications of each District and Borough Council considering existing infrastructure and contracts with third parties.
- Explore remit and focus of the Councillor IT group and officer IT group.
- Identify the business and culture changes that may be necessary for successful collaboration.

### Strategic

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Develop a Cloud strategy and consider broader strategic themes such as cyber security and resourcing.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc. Feedback from the District and Borough Councils suggests a longer roadmap of around 5-10 years would be appropriate and the District and Borough Councils should proactively work towards commonality during this period.
- Develop Governance framework once joint working approach confirmed.
- Build a centre of excellence through sharing challenges and expertise.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT Infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

# Learning from elsewhere

## Case Study 1

### 3C ICT

#### Description

- 3C ICT is a shared ICT service established in 2016 between Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council.
- The main aims of creating shared service included providing improved value for customers, creating an attractive place to work, safeguarding clients and income generation.
- Services include day-to-day customer support via the Service Desk software and business applications support network and infrastructure services.
- Within the 20/21 Business plan for ICT Shared service, challenges identified around infrastructure include: managing a large infrastructure with the current level of resources; addressing gaps in separate infrastructures as they are migrated onto the new server and ensuring infrastructure meets the design of all Districts.

#### Benefits

- Service resilience as fewer single points of failure.
- Reduce probability and impact of service outages.
- Savings through reduced management costs and economies of scale.
- Collaborative innovation: increased scale enables investment in roles such as technical architect / IT Analyst, which will be the catalyst for accelerating the design and delivery of next generation council services.
- Overall savings of 3C ICT financial savings 18/19 - £550,000.

Sources: LGA shared service map table 2019 - [Link](#)  
Business Plan for ICT Shared Service 2020/21 - [Link](#)

## Case Study 2

### Essex online Partnership

#### Description

- The Essex Online Partnership (EOLP) is a technology partnership with membership from public authorities across Essex (including Essex Local Authorities, Essex Fire & Rescue and Essex Police).
- Established in 2002, the purpose of the Essex Online Partnership (EOLP) is to share knowledge, resource and services to provide technology solutions which support the business needs of each partner organisation and reduce the cost of their technology.
- Recent example of successful collaboration includes the development of the data tool VIPER (Vulnerable Intelligent Persons Emergency Response), enabling category one responders to plan, deliver and monitor the success of an emergency planning response digitally and in real-time to help protect the most vulnerable residents.

#### Benefits

- Financial savings identified across the partnership since inception in 2002 to 2019 is £7,019,832.
- Supports the development of integrated and accessible local services to Essex residents and businesses.

Sources: LGA shared service map table 2019 - [Link](#)  
VIPER case study - [Link](#)

## Case Study 3

### OneSource

#### Description

- OneSource is a shared service partnership formed between Newham London Borough Council and Havering London Borough Council in 2014.
- This brought together 22 back-office services and 1300 staff with the aim of streamlining processes and teams, and considerably reducing corporate support costs in order to protect front-line services.
- Both Local Authorities were also part of the One Oracle Project. This involved a shared IT platform (of Oracle's ERP software) between six London Borough councils.
- The members of the One Oracle partnership agreed not to continue with the current arrangements beyond July 2018 when the contract ended with Capgemini who hosted the service. This was at least partly due to uncertainty around which councils would remain in the partnership and therefore impacted on potential cost for each council to continue the partnership.

#### Benefits

- Reducing duplication.
- Sharing skills/resources between Local Authorities.
- Minimise costs for hosting and upgrades which can be directed to frontline services.

Sources: LGA shared service map table 2019 - [Link](#)  
Newham article - [Link](#)  
London Borough of Croydon public notice of key decisions - [Link](#)

# Delivering Economic Development

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

A coordinated approach to economic development between the District and Borough Councils and the County Council (and other partners), to maximise the impact of investment and development funding. A group view on the benefit of investment in to any of the District and Borough Councils will help to strategically place proposals for further investment and development funding, prioritising and maximising the benefit of Surrey as a whole.

## Potential benefits

### Residents

- Promote the economic, social and environmental wellbeing of the areas.
- Employment opportunities as more businesses develop in the area.

### District and Borough Councils

- Access to wider skills and greater capacity to build regional strength and capitalise on investment opportunities.
- Opportunity to tackle key problems that exist across the District and Borough Council boundaries.

### County Council

- Additional inward investment and funding in to Surrey, with a more strategic view on bidding for funding that benefits residents and County.

## Current situation / Service Quality

### Current service delivery

- Individual District and Borough Councils have their own economic development strategies in place.
- Mole Valley - Economic Development team is leading on the Opportunity Dorking town centre economic regeneration programme (includes promoting businesses to grow and stay in the area).
- Spelthorne Business Forum is a partnership between the business community and Spelthorne Council as a means of promoting economic growth within Spelthorne. They will be soon launching their own business Incubator which will provide a base for entrepreneurs and new businesses.

## Risks

- **Legal set up of partnership/collaboration** – Due to different priorities and existing economic development programmes in place, the District and Borough Councils may be less willing to agree to a formal collaboration that requires mandatory financial contributions and restricts freedom of decision making.
- **Commitment** - If a partnership or working forum is agreed, then without a formal legal document there is no guarantee that commitment won't fall away.
- **Conflicting interests** - There are likely to be conflicting investment and funding views across the Councils, in respect to risk appetite and funding requirement.

# Delivering Economic Development

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

## Stakeholders

### Public Interest

- Local businesses.

### District and Borough Councils

- Economic development teams.

### External Bodies

- Existing business and potential investors into the area.

## Next Steps

### Medium term actions

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Agree to definition of 'economic development.'
- Raise awareness of One Surrey Growth and consider remodifying other bodies and forums that exist.
- Discussions with County Council needed around how to widen influence of the District and Borough Councils..
- Explore areas for immediate joint working such as Additional Restrictions Grant.
- Explore the financial potential of the opportunity, and potential funding pots available.
- Identify areas where a collective view on economic development has helped previously.
- Ensure that development plans have engagement from members, leadership and some form of accountability.
- Share resources between the District and Borough Councils to resolve current resourcing issues and fill skills gap.
- Understand opportunity linked to Community Development Fund (SCC) – to be channelled through Joint Committees.
- Collective lobby for additional funding for Surrey as a whole.
- Obtain feedback from residents and utilise local knowledge to feed in to investment and development decisions.

### Strategic

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Work towards the Surrey Growth Board becoming the overarching body that holds economic development plans together.
- Work towards establishing a Surrey wide body that could be linked to a Combined Authority.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

# Learning from elsewhere

## Case Study 1

### Lancaster and South Cumbria Economic Region Partnership

#### Description

- A formal, shared link between South Lakeland District Council, Lancaster City Council and Barrow Borough Council to build on collective strengths, increase their capacity to deliver on key issues affecting the region and drive economic development across the Lancaster and South Cumbria Economic Region.
- A Joint Committee has been appointed and acts as a key strategic forum, making representations and recommendations to national and local government and has direct oversight of key growth-focused initiatives across the region.
- Lancaster & South Cumbria Economic Region Business Prospectus was launched in June, promoting potential for investment in the economy around Morecambe Bay.

#### Benefits

- Attract more external investment.
- Greater resources and capacity to tackle key issues (such as climate and poverty) and accelerate growth within the area.

Sources: LGA shared service map table 2019 - [Link](#)  
 Article on committee formation - [Link](#)  
 Lancaster and South Cumbria Joint Committee report - [Link](#)

## Case Study 2

### Growth Lancashire

#### Description

- A business support and economic development company. It is owned by several Lancashire local authorities and operates across the County.
- Board comprises local business leaders and members from local councils.
- Focuses on supporting businesses to grow, caring for and developing Lancashire's heritage and cultural assets, securing and delivering external funding, and promoting Lancashire and encouraging investment.
- They are a member of the Northern Powerhouse Partners Programme and a delivery partner for Lancashire's Business Growth where they are contracted to deliver business advice to Lancashire's business and help match them to relevant funded support programmes. During 19/20 they worked with more than 450 of Lancashire's SMEs.

#### Benefits

- By pooling resources and expertise, they can deliver projects across boundaries to achieve faster results.
- Attract greater levels of private sector investment.

Sources: LGA shared service map table 2019 - [Link](#)  
 Growth Lancashire website - [Link](#)

# Shared approach to Housing

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

The District and Borough Councils working together to approach the challenge of housing provision across Surrey. This includes looking at the development of new housing to meet housing requirements for Surrey as a whole, as well as topics such as social housing, vulnerability and accessibility of housing across the District and Borough Council boundaries. Housing demand is not limited by the boundaries in which the District and Borough Councils operate, and having an collective approach to these challenges may provide alternative solutions to meeting housing targets and demand.

## Potential benefits

### Residents

- Increased supply of affordable housing.
- Reduce homelessness within the local area.

### District and Borough Councils

- Sharing of knowledge, resources and data (e.g. around procurement, best practices).
- Council's better placed to address housing shortfall.
- Greater co-ordination which could help reduce empty homes.

### County Council

- Simplification of the number of parties that the County Council must communicate and work with. Fewer engaging parties and more streamlined operations.

## Current situation / Service Quality

### Current service delivery

- **Surrey Chief Housing Officers Group** – A quarterly meeting between Chief Housing Officers from the District and Borough Councils. There are various operational groups that sit beneath it, such as Surrey Housing Needs Managers group (focussing on homelessness and demand for social housing) and Surrey Enabling Officers Group (enabling and delivery of affordable housing). There is collaborative work undertaken on an ad hoc basis through these structures, but no formal work programme and there is no specific staffing resource employed to drive work forward.
- **Surrey Community Housing Partnership** - Initiative delivered by Surrey Community Action to promote and support community led housing in Surrey. The partnership is between Surrey Community Action and eight Surrey Borough and District Councils.
- **Search Moves choice-based lettings scheme.** Elmbridge have an agreement with Spelthorne, PA Housing (housing association) and a software provider, Locata, relating to management of housing register, nominations to social housing vacancies and database management of homelessness.

## Risks

- **Conflicting interests** - Balancing each District and Borough Council's own organisational interest with the collective interest of all partners involved. Each District and Borough Council will have varying needs and priorities which means compromise will be key to the success of any collaboration.
- **Different targets and plans** - Housing targets continue to be set at a District and Borough level, and there are ongoing Local Plans which will limit the ability to work collaboratively across boundaries.
- **Upfront financial investment** - Significant financial investment may be required up-front to approach development of new housing.

# Shared approach to Housing

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

## Stakeholders

### Residents

- Citizens eligible for social housing.

### District and Borough Councils

- Social housing teams and partnerships across the District and Borough Councils.

### External Bodies

- Housing Authorities.

## Next Steps

### Medium term actions

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Understand skills gaps, requirements and existing expertise of officers.
- Engage with residents to understand views and objections to developing a shared approach to housing.
- Work with County to secure the provision of land.
- Explore joint working on associated services such as repairs.
- Engage with developers together to maximise supply of housing.
- Share resources related to procurement for those Districts and Boroughs that have retained housing stock.
- Understand demographics and who may be willing to move between the District and Borough Councils.

### Strategic

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Incorporate local plans in new joint approach to ensure affordable housing targets are met but also the varied needs to each District and Borough Council.
- Develop Governance framework once joint working approach confirmed.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc.
- Assess intrinsic links to planning and housing, and the potential impact this may have on key topics from skills to biodiversity.
- Explore potential impact of the Housing White Paper to help establish direction for future collaboration.
- Determine how collaboration can drive outcomes through provision of homelessness support.

# Learning from elsewhere

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

## Case Study 1 Greater Manchester: Housing Joint Venture

### Description

- Joint venture between Greater Manchester Combined Authority (GMCA) and Greater Manchester Housing Providers (GMHP).
- GMHP are substantial investors in the Greater Manchester community. In recent years members of the group have been delivering around 40% of new homes across Greater Manchester.
- The joint venture will act as an LLP with a £3m investment from each housing association as well as a £2m contribution from GMCA in return for a 20% stake in the joint venture. The associations will own the remaining 80%.
- The partnership will be a commercial developer, buying land and securing planning permission to build and sell land on the open market.

### Benefits

- Better placed to identify available land at an affordable price and therefore address the shortfall of housing more quickly.
- Due to expertise and resources available, the joint venture can take a flexible approach to meet the needs of different boroughs.

Source: LGA - [Link](#)

## Case Study 2 West Midlands Combined Authority (WMCA)

### Description

- WMCA became the first region in the UK to introduce its own localised definition of affordable housing which is based on local people paying no more than 35% of their salary on mortgages or rent. The current definition is 80% of market value which is not affordable to many.
- This is significant as any development receiving WMCA investment must make a minimum of 20% of the homes in their scheme affordable.
- In order for the Midlands to meet future housing demand and build 215,000 new homes by 2031, the WMCA also introduced a 'brownfield first' policy where new homes and commercial developments are built on former industrial land wherever possible and has secured new funding from national government to help achieve this (received a £41m housing deal payment towards the end of 2019 to fund building new homes on Brownfield land).

### Benefits

- A total of 16,938 properties were built in 2018/19 - a 15% rise on the previous year and twice the UK average increase.

Source: WMCA website - [Link](#), [Link](#)

## Case Study 3 West Midlands Homelessness Taskforce

### Description

- Launched in May 2017, the taskforce includes 7 Local Authorities, key public sector agencies, representation from Voluntary and Not for Profit sector and senior representation from the Business Community.
- Their aim is to support local authorities and public services in addressing the prevention and relief of homelessness. They share intelligence, approaches and provide support to each local authority who set their own homelessness strategy.
- Task Group set up to identify gaps, challenges and asks. Subsequently identified five objectives:
  - Accessible, affordable accommodation.
  - Tackling welfare related poverty.
  - Access to good employment.
  - Information, advice and guidance.
  - Integrated prevention.

### Benefits

- Reduce homelessness - They supported West Midlands Combined Authority's bid in receiving £9.6m of funding for a project (Housing First Programme) aimed at getting rough sleepers off the streets of the West Midlands. They also convened a meeting of Local Authorities, Housing First providers; mental health practitioners and commissioners to identify opportunities and for gaps to be addressed.

Sources: West Midlands Combined Authority Board Report dates 28/06/2019 - [Link](#)  
WMCA website - [Link](#)

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

# Shared Leisure Services

A shared approach to contracting for leisure services across the District and Borough boundaries. With a number of contracts coming to tender, a collective approach to the procurement of leisure provision would support effective financial management. Once there is a holistic view of the leisure contracts and provision across the County, a strategic approach to contracting, potentially procuring one partner to deliver all Council services at a lower cost, and support the development of healthy lifestyles.

## Potential benefits

### Residents

- Better value leisure services.
- Supporting wellbeing, and including recovery plans for physical and mental health related to COVID-19
- Greater consistency of leisure services between Councils.
- Standardisation of service delivery.

### District and Borough Councils

- Cheaper service provision.
- Increased purchasing power.
- Better use of public money, increased value for money and more services.

### County Council

- Improved services to residents.

## Current situation / Service Quality

### Current service delivery

- A range of leisure service contracts are in place across Councils, with a number coming to tender in the next few months/years.
- There is an opportunity to leverage this timing to the benefit of residents and improved services.

## Risks

- **Loss of localism** - Potential loss of localism and control due to centralisation of services, there may be limited political and customer appetite for this.
- **Existing contracts** - Contract timing may limit the potential short term benefit of shared contracts, or incur costs from break clauses.

# Shared Leisure Services

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

## Stakeholders

### Public Interest

- All customers who receive and use leisure services.

### District and Borough Councils

- Leisure service teams, including health and social care.

### County Council

- Adults and children's social care.

### External Bodies

- Active Surrey and Surrey health partnerships.

## Next Steps

### Medium term actions

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration (e.g possibility of a shared contract to realise greater savings, buying power and contract negotiation resources).
- Begin to develop a comprehensive view on service contracts for leisure, third party providers, and contract end dates across the District and Borough Councils.
- Confirm which services are mandatory, which are additional and those that are common across the District and Borough Councils.
- Review existing Governance structures and baseline financial and service elements.

### Strategic

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc.
- Develop Governance framework once joint working approach confirmed.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

# Learning from elsewhere

## Case Study 1

### Greenwich Leisure Ltd (GLL) (trades as 'Better')

#### Description

- A social enterprise created by Greenwich Council that operates under the brand 'Better' and runs leisure centres in more than a dozen London boroughs.
- Now has partnerships with many councils outside London such as York, Oxford and Manchester City Council ( covering 18 facilities, including the national performance centres for cycling, basketball and squash).
- In 2018, the GLL Group directly managed over 400 facilities including leisure centres, play centres, children centres and libraries in partnership with over 60 local councils and other organisations.
- Surplus is reinvested into training staff and upgrading facilities.

#### Benefits

- More accessible and affordable to customers.
- Financial savings – Greenwich Council identified potential savings of £400,000 a year through reduced management fees for the leisure and library services provided by GLL. After extending their contract with GLL to 2031.

#### Sources

Royal Borough of Greenwich Cabinet report 22/07/2020 - [Link](#)  
 GLL homepage - [Link](#), [Link](#)

## Case Study 2

### Bridgend County Borough Council and Halo Leisure partnership

#### Description

- Halo is a registered charity and social enterprise that manage eight leisure centres and swimming pools in Bridgend County Borough.
- The purpose of the partnership is to develop healthier communities and to provide a sustainable leisure service that meets the need of residents.

#### Benefits

- Improved quality of service to residents– Their partnership was recognised by UK Leisure industry quality assessor Quest for the quality of service provided.
- Reduced management costs.

#### Source

Corporate plan 2018-2022 - [Link](#)

# Conclusions and next steps

Having explored potential opportunities for collaboration, and outlined a series of tactical and strategic next steps for each individual opportunity, there are a series of collective next steps that could be considered.

## Conclusions

Eight opportunities for collaboration have been identified and explored in detail as part of this work. Each of these represents an opportunity for the District and Borough Councils to explore greater joint working, explore potential financial savings, develop closer working relationships.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Though these eight opportunities represent a prioritised list of areas for exploration, it should be noted that the design principles for collaboration could be applied to all District and Borough Councils services, as well as County Council services should this be an avenue to explore as part of an overall programme.

The continued close working of Chief Executives and Leaders in particular will support collaboration.

Although the primary focus is collaboration within the Surrey footprint, this will not preclude engaging with neighbouring Councils for example, where it makes sense to do so. Joint working opportunities with other public sector organisations may also be explored as part of developing business cases, and the potential financial benefits by opportunity and at a programme level should be explored in a collaboration business case.

## Next steps

To maintain momentum and progress towards collaboration, a coherent programme of work could be developed to prioritise and progress the eight priority areas for collaboration. This would help to hold the Councils to account for progress being made, and set a roadmap for progress over the medium term.

Alongside this, there are a series of logical next steps which are common themes across each of these opportunities, which should be explored:

- Agree a governance structure for the collaboration programme that facilitates the agreed Design Principles.
- Agree the strategic direction, aims and detailed scope of the collaboration opportunity in order to build commitment and clarity from all parties from the outset.
- Decide on the type of collaboration and which District and Borough Councils will commit to initial involvement. This will depend on a number of factors such as willingness to collaborate in the service category and the potential geographic footprint for collaboration.
- Develop a detailed timeline for the implementation of an opportunity, and work proactively towards commonality where necessary.
- Develop a consolidated view of key contracts and providers across services and Councils to determine alignment and opportunities for contract consolidation.

# Next steps



# Overall conclusions

**It is recommended that momentum is maintained following the joint work that has been undertaken, focussing on driving forward collaboration opportunities, whilst continuing to explore the LGR options.**

## What could Surrey District and Borough Councils do next?

It is recommended that ongoing progress is made against both the assessment of potential options for LGR and delivery of identified collaboration opportunities between Councils.

Council and public engagement on LGR, alongside further deep dives in to the elements of service provision that are currently delivered by the County Council (for example, Children's services), will provide Councils with an additional layer of preparation for future reorganisation should that be required. Work that is completed now to help align the efforts of Councils will be influential and beneficial for any future potential LGR, regardless of outcome, while delivering benefits for residents.

Collaboration as a basis for working will help improve the resilience of District and Borough Councils. All councils have agreed to respond to the scale of the financial challenge, and this should be used to make significant progress in this area.

## Progressing Opportunities

A series of detailed next steps for each of LGR and collaboration are detailed on the next pages, however they should not be viewed in isolation. Collaborating on a footprint aligned to potential future collaboration may not only facilitate accelerate success with fewer parties involved, it can also help to align activities and strengthen a potential future case for LGR.

Collaboration opportunities could be assigned to delivery owners, being taken forwards by project officers (capitalising on the existing forum that has been set up) who would be responsible for progressing a programme

of collaboration across Surrey, with senior Political and managerial oversight by Leaders and Chief Executives. The eight identified opportunities have identified next steps. Some of these elements would deliver quick wins to prove the concept of collaboration, as well as gain public and political buy-in. Other elements are, by their nature, longer term and strategic but will create significant impact.

There is no assumption that one form of collaboration is right for Surrey, this may be specific to opportunity, and the right delivery model may not need to be agreed at the outset to secure gains. Successful collaboration will be dependent on the right conditions, including trust between parties.

## Conclusion

It is recommended that momentum is maintained across both strands of work in the short term, with a focus on driving forward collaboration opportunities whilst maintaining awareness and foresight in relation to any future LGR. The scale of challenge from Central Government, both financially and in relation to potential structural changes, is significant, however the District and Borough Councils should remain ambitious and continue to work jointly in seeking to address the challenges.

# Accelerated Next Steps

The speed at which LGR and collaboration opportunities are progressed is dependent on commitment from District and Borough Councils. The following next steps could be explored to fast track each area:

## Accelerated next steps for LGR options analysis

There is recognition that the topic of LGR has not gone away, with some geographies across the Country continuing to explore Cases for Change without formal invitations from Government. There the anticipation of a Whitepaper on Devolution, and the potential for a County Council Case for Change. As such, there are a number of accelerated next steps that would ensure that the District and Borough Councils are best placed to respond to a request from Central Government:

- **Public Consultation** – Public consensus on the proposed option for LGR within Surrey will be key to the selection process, and as such early public consultation on this topic will help align citizen, member and executive views.
- **County Functions** – District and Borough Councils could consider how current elements of County functions could be controlled and delivered, including how Councils can demonstrate such services could be effectively administered and any potential financial savings associated with this.
- **Local Representation** – A key topic for members and citizens will continue to be how unitaries impact local representation. As such models could be explored to ensure local representation is preserved in any future model for unitary government within Surrey.

*Detailed next steps are outlined on page 62.*

## Accelerated next steps for collaboration opportunities

Collaboration can be explored regardless of the context around LGR. As such, there are immediate next steps which would maintain momentum and accelerate the delivery of benefits:

- **Programme Structure** – Appropriate governance and an agreed programme should be stood up to continue work on collaboration, engaging key parties from all Councils on an ongoing basis.
- **Opportunity Business Cases** – The opportunity cards which have been developed should be utilised as a basis for a business case for each opportunity. These should be strengthened with detailed scope, involved parties, and financial benefits which are accepted by the Councils involved.
- **Strategic Direction** – For key collaboration opportunities, strategic direction from Chief Executives and Leaders should be gathered. This should be developed through facilitated sessions with all engaged parties, working through potential issues to form a collective view on direction.

*Detailed next steps are outlined on page 63.*

# LGR - Conclusions and next steps

Having reviewed and evaluated the potential options for LGR within Surrey, we have identified a highest scoring option for unitary authorities, as well as a number of next steps.

## Conclusions

Option 3c scored most highly in the assessment, and is the highest scoring potential option for unitary government from this analysis. The high scoring alternative models remain feasible options, however, based on the feedback received this model continues to be the highest scoring option.

As part of the feedback received, there was a desire to better understand more distinct alternatives to the options selected, and these could be explored as part of public consultation. These alternative models could explore a different number of unitaries within Surrey, and different footprints across the County. As such, three models have been identified for further consideration should a case for change progress:



Option 2b was identified as the highest scoring two unitary model, and option 3b was identified as the highest scoring three unitary model which had three District/Borough Councils in an East authority.

As noted earlier in this section, an alternative that has been put forward that may need to be considered by the District and Borough Councils is the option of enhanced two tier government. However, it is noted that this is unlikely to be accepted within a LGR Case for Change due to no reorganisation in structural form.

## Next steps

Public consultation on the potential options would help to build engagement and consensus.

More detail could be considered on areas identified as part of feedback on the unitary models:

- Health and social care integration.
- Economies of scale.
- Retention of local knowledge.
- Benefits of alternatives to the status quo / current state.
- County Council engagement.
- Strategic challenges for Surrey as a County.
- Local representation, town and parish Councils.
- Working with neighbouring authorities outside of Surrey.

It is recommended that the following steps are explored:

1. Council and public consultation on potential options for LGR.
2. Further investigation of proposed options to supplement analysis on key areas (e.g. health and social care).
3. Engagement with the County Council, where appropriate, to consider options collaboratively.
4. Exploration of potential collaboration opportunities to address ongoing Council challenges.

# Collaboration - Conclusions and next steps

Having explored potential opportunities for collaboration, and outlined a series of tactical and strategic next steps for each individual opportunity, there are a series of collective next steps that could be considered.

## Conclusions

Eight opportunities for collaboration have been identified and explored in detail as part of this work. Each of these represents an opportunity for the District and Borough Councils to explore greater joint working, explore potential financial savings, develop closer working relationships.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Though these eight opportunities represent a prioritised list of areas for exploration, it should be noted that the design principles for collaboration could be applied to all District and Borough Councils services, as well as County Council services should this be an avenue to explore as part of an overall programme.

The continued close working of Chief Executives and Leaders in particular will support collaboration.

Although the primary focus is collaboration within the Surrey footprint, this will not preclude engaging with neighbouring Councils for example, where it makes sense to do so. Joint working opportunities with other public sector organisations may also be explored as part of developing business cases, and the potential financial benefits by opportunity and at a programme level should be explored in a collaboration business case.

## Next steps

To maintain momentum and progress towards collaboration, a coherent programme of work could be developed to prioritise and progress the eight priority areas for collaboration. This would help to hold the Councils to account for progress being made, and set a roadmap for progress over the medium term.

Alongside this, there are a series of logical next steps which are common themes across each of these opportunities, which should be explored:

- Agree a governance structure for the collaboration programme that facilitates the agreed Design Principles.
- Agree the strategic direction, aims and detailed scope of the collaboration opportunity in order to build commitment and clarity from all parties from the outset.
- Decide on the type of collaboration and which District and Borough Councils will commit to initial involvement. This will depend on a number of factors such as willingness to collaborate in the service category and the potential geographic footprint for collaboration.
- Develop a detailed timeline for the implementation of an opportunity, and work proactively towards commonality where necessary.
- Develop a consolidated view of key contracts and providers across services and Councils to determine alignment and opportunities for contract consolidation.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

## APPENDIX 4

### COLLABORATIVE WORKING REVIEW GROUP

#### **DRAFT TERMS OF REFERENCE**

##### **Membership**

Four members, with at least two from Corporate Policy & Resources

**Members:** - The Chair of Corporate Policy & Resources and three other members appointed by the Corporate Policy and Resources Committee to be drawn from any committees.

**Attendance:** - Members are not obliged to attend in person and may attend the meeting by electronic means via conference call or similar.

**Officers in attendance:** - Deputy Chief Executive, Group Head of Corporate Governance, and any other officer from the assets or legal team by invitation.

##### **Responsibilities**

This working group will:

- (a) Consider and appraise any initial approaches or proposals for any possible options for future collaboration/joint working with other Councils or partners and consider whether there is merit in considering such initial approach or proposal further;
- (b) Set the parameters and fully consider the objectives for future discussions with other Councils or partners;
- (c) Set the process for engaging in discussions with potential partners, and
- (d) Make recommendations to the relevant Committee and/or Council (as applicable) on any such opportunities that may arise which merit further consideration, or which should be proactively pursued, to deliver the identified objectives.

In undertaking the initial consideration and in making recommendations to the relevant Committee/Council the working group will focus on the key drivers for pursuing collaboration/joint working options:

- (a) To deliver financial savings,
- (b) The need to address resilience/capacity issues
- (c) Opportunities to deliver better services for residents.

## **Frequency**

Monthly day time meetings. Where meetings are not necessary for lack of business they will be cancelled.

## **Decisions**

This Working Group has **no** formal decision-making powers.

Any matters which require a Councillor decision will require a report to relevant Committee and/or Council.

DRAFT