

CABINET

Shared Service – Integrated Support Team Manager 27 July 2010

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT

- i) To outline, and seek approval for, proposals for a shared service arrangement with Preston City Council for the management of the Integrated Support Team which currently delivers the Lancaster & Morecambe Worklessness Pilot Project and the Vulnerable Households Project.
- ii) To seek approval for delegated authorisation for extensions to projects delivered through the Integrated Support Team

Key Decision



Non-Key Decision

Referral from Cabinet
Member

Date Included in Forward Plan

7th June 2010

This report is public except for the Appendix (Financial Implications) which is exempt from publication by virtue of paragraphs (2) and (3) of Schedule 12a of the Local Government Act 1972

RECOMMENDATIONS

- (1) That the proposal for a shared service arrangement with Preston City Council for the management of the Integrated Support Team be approved
- (2) That the Corporate Director (Regeneration) be authorised to finalise any contractual matters to implement the arrangement subject to the prior approval of external project funders
- (3) That the Corporate Director (Regeneration) be authorised to approve extensions to the Supporting People contracts for the Vulnerable Households project and Targeted Intervention Project subject to 100% external funding being secured
- (4) That the Corporate Director (Regeneration) be authorised to approve extensions to the timescale of the Lancaster & Morecambe Worklessness Pilot Project subject to 100% external funding being secured
- (5) That, in the event that a project extension results in redundancy payment liabilities which are not eligible costs for external funding purposes, such payments, as detailed in the report, be met from an appropriate corporate

reserve (eg Project Implementation, subject to funding being available) or otherwise from corporate staff turnover savings

- (6) That the Head of Financial Services is authorised to update the General Fund Revenue Budget as appropriate across relevant financial years**

1.0 Introduction

- 1.1 Following approval by Cabinet in March 2009 for a £198,171 funding bid to the Lancaster District Local Strategic Partnership (LDLSP), and a successful outcome to the bid, the Lancaster & Morecambe Worklessness Pilot Project was established for two years starting 1st April 2009. The project is delivered by the Integrated Support Team through two Outreach & Engagement Officers and its primary role is to provide information, advice and guidance to the hardest to reach client groups, and particularly those in receipt of out-of-work benefits, in eight Local Area Agreement targeted neighbourhoods in Lancaster and Morecambe, with a view to supporting them into employment, work placement and volunteering opportunities. The Team, through one further Project Officer, also delivers a Vulnerable Households/Family Intervention Project with funding under the Supporting People programme, an extension to which has recently been offered to December 2010 with the possibility of additional funding to July 2011.
- 1.2 Supporting People funding (£49,800) has also been secured for a one year Targeted Intervention Project, reported to Cabinet in January 2010, which would deliver intensive outreach support, through the recruitment of two temporary staff, to some of the most vulnerable or “high demand” single households across the District, especially those related to anti-social behaviour and problem tenancies. Recruitment to the project has yet to be undertaken.
- 1.3 The Team as a whole is managed by the Integrated Support Projects Team Manager and the original postholder has recently taken up a permanent position in Health & Strategic Housing. As a consequence, consideration needs to be given to how best to fill the vacancy created. Bearing in mind the limited timescale of committed funding and the relatively specialised nature of the work, it is felt that it would be difficult to recruit to this key role and to retain anyone in post for the duration of the projects. It is important that a stable arrangement is in place both to ensure successful delivery of the projects and to provide the Team with the management support needed over the life of the projects. It should also be noted that the Team Manager is wholly external funded, principally through LDLSP but with a contribution from the Supporting People programme as part of the Vulnerable Households project.
- 1.4 At its meeting on 1st September 2009, Cabinet agreed the framework for developing a Shared Service Programme and authorised officers to continue to research opportunities across the full range of council services. It is against this background that the following proposal has been developed.

2.0 Proposal Details

- 2.1 Having considered the options (identified under 4.1 below), it is proposed to manage the Integrated Support Team under a shared service arrangement with Preston City Council. An agreement is already in place governing the management of the Revenues & Benefits Service and it is proposed that a new agreement be concluded with regard to the Integrated Support Projects Team Manager role.

- 2.2 Preston City Council currently delivers a range of employment support projects through Preston Employment Partnership. PEP aims to help people prepare for work, overcome their barriers to work and improve skills. They provide a range of services including career and job guidance, cv writing, filling in application forms and interview preparation, finding appropriate vacancies and confidence building. Whilst not providing an outreach service, their services are aimed at supporting people from deprived communities and vulnerable groups back into the labour market. Their experience in employer engagement could also prove to be a valuable complement to the delivery of projects through the Integrated Support Team, especially in helping to identify employment and placement opportunities for clients. However, it is worth emphasising that the fundamental rationale and delivery of the Worklessness Pilot Project and Vulnerable Households Project through outreach will be unaffected by the proposed change in management arrangement.
- 2.3 It is proposed that the manager role would be provided through PEP's Principal Employment Development Officer who is on a pay scale comparable to the previous postholder. The time commitment is anticipated to average two to three days per week although there will be variation within this as workload varies. Whilst this represents a reduction in time commitment against the previous full time role, it is felt that this should be sufficient to maintain the projects to ensure they meet targets and funder requirements, especially as the core team is already in place. As with the current role, it is anticipated that 100% funding will be provided through the external project funders (Lancaster District Local Strategic Partnership and Lancashire County Council) although the agreement of those funders to the new arrangements will be needed before they can be implemented. In the case of the Local Strategic Partnership, a report has been submitted to the LDLSP Management Group which is scheduled to meet on 20th July. It should be noted that the proposal does not have consequences for City Council staff costs as the current post is vacant and is wholly externally funded.
- 2.4 Whilst the proposed arrangement is temporary, being dependent on the timescales of the individual projects and the availability of external funding, it is also worth noting that the experience gained will prove valuable in exploring further opportunities for shared services. This will be particularly relevant in the context of the Mid-Lancashire Multi Area Agreement which is underpinned by increased collaborative service delivery among Mid-Lancashire partners and the exploration of the shared services agenda. Furthermore, the Mid-Lancashire MAA submission includes actions to: i) support the scaling up of the Preston Employment Partnership model across Mid-Lancashire to help mitigate the impact of the economic downturn on inactive residents and their pathways to employment; ii) (through a partnership with NHS Trusts) bring forward integrated service offers to workless residents with the potential to return to employment, so long as they receive timely and intensive support. Consequently, the proposed arrangement is consistent with the further development of shared services and would provide a platform for the potential MAA roll out of worklessness activity.
- 2.5 With regard to funding for the individual projects, each is dependent on relatively short term funding commitments. These commitments may be extended through contract extensions with additional funding (as in the case of the Vulnerable Households project) or through reprofiling expenditure against existing funding commitments (as in the case of the Worklessness Pilot Project). Such extensions may require a quick turn round which would preclude formal Cabinet approval in each case. Consequently, it is proposed that Cabinet approve a process under which such

extensions may be authorised by the Corporate Director (Regeneration) subject to any such extensions being at nil cost to the City Council.

3.0 Details of Consultation

3.1 No consultation has needed to be conducted regarding the proposals apart from approaches to the external funders to seek their approval. In the case of LDLSP this has included submitting a report to relevant Thematic Groups as well as the LDLSP Management Group.

4.0 Options and Options Analysis (including risk assessment)

4.1 The options for the shared service arrangement are summarised in the table below:

Option	Advantages	Disadvantages	Risks
1. Fill the vacancy by open recruitment	<p>Funder approval not required to fill existing post</p> <p>New manager in post following recruitment period</p>	<p>The limited timescale of committed funding for the projects would: i) make recruitment of a suitably qualified and experienced manager difficult; ii) increase the likelihood that the post would be vacated before projects are completed</p> <p>No reduction in the proportion of project costs for project management (unless offered on a part time basis)</p> <p>Potential recruitment costs</p>	<p>Risk that post not filled.</p> <p>Stability of management function at risk</p>
2. Enter a shared service arrangement with Preston City Council to provide the management role required	<p>Manager role filled on more flexible basis in terms of time commitments than would otherwise be possible leading to reduction in project costs for management function and possible extension of project timescale</p> <p>Opportunities for service improvements through the application of the combined experience of the two authorities</p> <p>Experience gained related to the potential to extend shared service arrangements in the context of the Mid-Lancashire MAA</p>	<p>Funder approval required for the new arrangement.</p> <p>Staff time required to develop shared service arrangement</p>	<p>Without funder approval the proposal could not be implemented, leading to the risk of further delay in provision of the management function</p> <p>Risk of competing demands on manager time between the two authorities (Service Level Agreement to be in place)</p>

4.2 The options for opportunities to extend projects are summarised in the table below:

Option	Advantages	Disadvantages	Risks
1. Do not seek extensions to the projects	None (except in limiting potential redundancy payments)	Projects providing valuable services to deprived individuals terminated at the end of existing contracts. Opportunities for continuing 100% external funding not taken up. Loss of staff experience and expertise in delivering outreach work	
2. Approve extension already offered to December 2010 for the Vulnerable Households project and actively seek extensions to existing projects which are 100% externally funded	Maintains and expands provision of valuable services to local residents, and especially deprived and vulnerable groups and individuals Retains expertise of existing staff pending possible development of Mid-Lancashire MAA worklessness activity Maintains integrity of the Integrated Support Team	Possible increase in redundancy payment liability as existing temporary posts extend beyond two years Some manager time required in reprofiling projects and liaising with external funders	

5.0 Officer Preferred Option (and comments)

5.1 Shared service arrangement

Option 2 is the preferred option as the proposed shared service arrangement offers the best overall solution by providing a more flexible management arrangement, with an appropriately experienced manager.

5.2 Project extensions

Option 2 is the preferred option as it maintains service provision at no additional cost to the city council (excluding potential redundancy payments).

6.0 Conclusion

6.1 The proposed shared service arrangement is considered to be the best approach for the continued delivery of projects through the Integrated Support Team. It builds on the existing shared service relationship between Lancaster City Council and Preston City Council and provides the opportunity for the existing projects delivered by the Integrated Support Team to be extended. Funding opportunities for new projects are likely to diminish, making it increasingly important to secure extensions to existing projects where these arise.

RELATIONSHIP TO POLICY FRAMEWORK

In relation to shared services specifically, a Shared Services Programme was approved by Cabinet in the context of the council's savings and efficiency programme and targets included in the Medium Term Financial Strategy. It will also support the council's Corporate Plan priorities for working closely with other partner organisations.

Worklessness is identified in the Corporate Plan 2010-13 under Priority 1 Economic Regeneration – Supporting our Economy. This area of activity also has relevance to Priority 4 Partnership Working and Community Leadership and the Sustainable Community Strategy as the project features in the LDLSP Education, Skills & Opportunities Thematic Group action plan and the Team as a whole delivers services which are relevant to other LDLSP Thematic Groups including Economy and Health & Wellbeing.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

The proposed changes, through enabling an extension to the Worklessness Pilot Project, Vulnerable Households and, potentially, the Targeted Intervention Project, will have a positive impact on Health, Community Safety and Sustainability and a neutral impact on Rural Proofing and Equality.

FINANCIAL IMPLICATIONS

The financial implications are supplied in an appendix, which is exempt from publication by virtue of paragraphs (2) and (3) of Schedule 12a of the Local Government Act 1972.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

LEGAL IMPLICATIONS

There is a precedent for a shared service arrangement with Preston City Council in respect of the provision of management services for Revenues and Benefits. As noted in the report, the new arrangement will be subject to a service level agreement between the Council and Preston City Council, the terms of which will be agreed by Legal Services.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

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