

REPORT OF THE STRATEGIC DIRECTOR PLACE

TO ACCOUNTS & AUDIT COMMITTEE

ON 22nd JANUARY 2020

TITLE: Urban Vision – overview of the transition of services, budget planning and workforce considerations

RECOMMENDATIONS:

That Accounts & Audit Committee note:

1. A joint programme is underway to plan for a smooth transition with minimal disruption
 2. The internal council programme is underway to ensure operational readiness from 1 February 2020
 3. That work continues to identify strategic support
 4. Budget planning considerations and savings have been identified
 5. Workforce considerations are identified through the programme, both for existing council employees seconded into Urban Vision and those who will be in scope to TUPE transfer
 6. There is still a resource intensive programme to work towards to ensure smooth transfer of services, and continued improvements to services on return
-

EXECUTIVE SUMMARY:

In preparation for services at Urban Vision coming back to the council from 1 February 2020, Salford City Council is delivering a transition programme to ensure an effective transfer of service, and that we are ready to receive and operate the service with minimal disruption. There are three distinct work streams in the programme:

- Managing the transfer and closing the UV contract:
- SCC readiness to run the services:
- Procurement of a Strategic Partner:

Whilst bringing the service and circa 300 staff back in house provides the Council with many opportunities and total control, this also exposes the Council to a number of risks which are being carefully managed.

BACKGROUND DOCUMENTS: n/a

KEY DECISION: NO

DETAILS:

- 1.0 **Background**

- 1.1 Urban Vision was formed in 2005 as a Joint Venture (JV) between Salford City Council, Capita and Galliford Try. This joint venture is a first of its kind in the UK, the partnership harnesses the expert skills and experience from both the public and private sectors.

- 1.2 In May 2018, the City Mayor published a decision to bring the services back in house following the end of the contract.

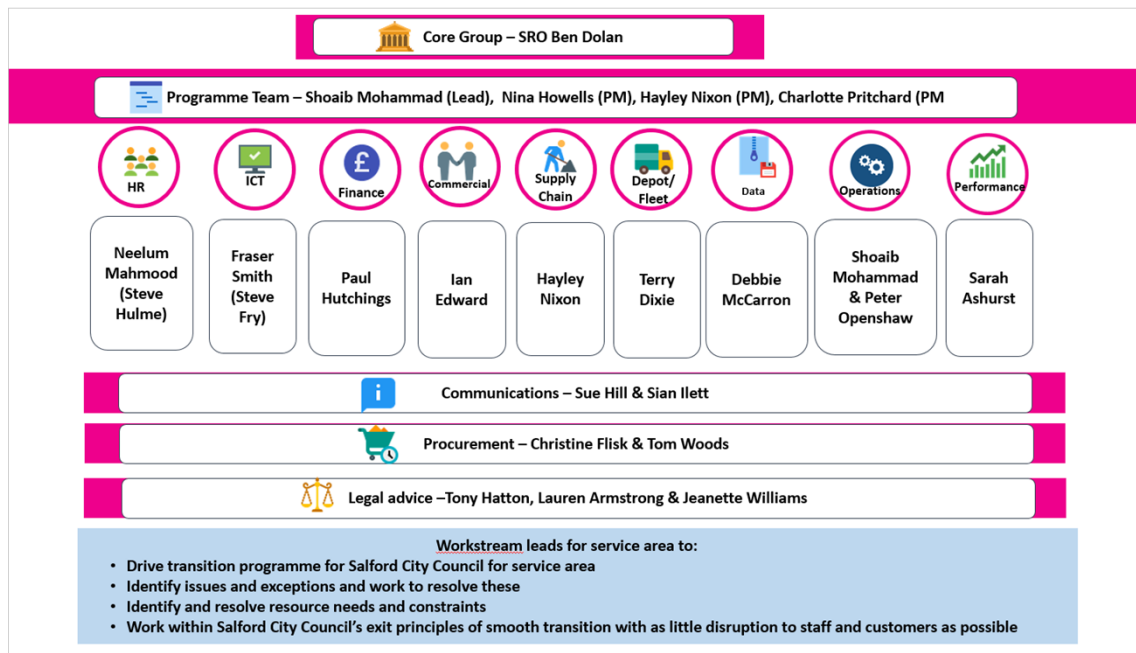
- 1.3 There are four key service areas provided by the JV through a contract, these services are;
 - Regulatory Services (Development and Building Control)
 - Property Services
 - Highways Engineering and Network Managent
 - Construction Services

- 1.4 Since 2018, a programme team have been brought together to work with Urban Vision and coordinate an internal team to ensure a smooth transition and that Salford City Council are operationally ready to deliver services from 1st February 2020.

- 1.5 To provide clear direction and delivery of an orderly transition a governance structure has been established. All work streams are overseen by the “Core Group” chaired by Strategic Director for Place as the SRO for the whole programme. The group also has membership from finance, legal, Place and other areas of the council as required.

1.6 Highlight reports including escalation of risks and issues are made from the programme team and workstream leads to the Core Group, based on a plan of around 350 individual tasks. A number of key work streams for operational readiness are led by officers in Service Reform, members of the programme team also attend the Service Reform SLT on a monthly basis to review progress.

1.7 The figure below provides a brief snapshot of how the teams are structured across the council and who is leading on which area. In order to swiftly deal with any escalated commercial issues with Urban Vision, Strategic Director for Place is meeting the Managing Director of Capita on a monthly basis.



2.0 Key updates

2.1 A major delivery programme is in place to support a smooth and seamless transition with minimal disruption to staff and customers.

2.2 A significant amount of work is being undertaken across Place and Service Reform to ensure the council is ready to operate returning services from day one.

2.3 A governance structure is in place internally to monitor progress and escalate risks and issues to ensure these are resolved and do not negatively impact the transition

2.4 Joint governance is in place, with a plan for exit agreed which is progressing well.

2.5 Savings to the council have been identified, currently estimated at £1.23m

2.6 Continued effort is required from all areas of the programme to deliver the required activities to the transition date to ensure the smooth transition with minimal disruption to operational services after the 31 January 2020.

3.0 Recommendations

3.1 That Accounts & Audit Committee note:

1. A joint programme is underway to plan for a smooth transition with minimal disruption
2. The internal council programme is underway to ensure operational readiness from 1 February 2020
3. That work continues to identify strategic support
4. Budget planning considerations and savings have been identified
5. Workforce considerations are identified through the programme, both for existing council employees seconded into Urban Vision and those who will be in scope to TUPE transfer
6. There is still a resource intensive programme to work towards to ensure smooth transfer of services

KEY COUNCIL POLICIES: n/a

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: n/a

ASSESSMENT OF RISK: Medium

There are a number of risks associated with the programme that are being carefully managed to ensure these are reviewed, minimised and managed appropriately through a programme risk register.

Independent assurance on the transition arrangements was sought from internal audit, who undertook a review and have reported a high level of assurance, which members will have received within their pack of committee summary reports.

LEGAL IMPLICATIONS Supplied by: Tony Hatton, Principal Solicitor – 0161 219 6323

The report reflects the fact that the contractual arrangement with UV, embodied in the Development Services Partnering Agreement (DSPA) and entered into by the Council and UV as a Joint Venture Company on 31st January 2005 is due to expire (following an extension) on 31st January 2020. The Council has previously resolved to bring the services and associated staff members back in-house to deliver them.

The DSPA was not particularly well drafted and is lacking in several respects, including detailed exit provisions, which necessitated the Council and UV setting up the project teams referred to in the body of the report to work together to ensure as smooth a transition as possible of the services, functions, and staff to the Council.

As part of the transition process, the Council has successfully agreed and entered into various agreements with UV, such as a Heads of Terms agreement to reflect the principles of transition, a settlement agreement to capture outstanding commercial legacy issues, a Deed of variation to address GDPR requirements, and agreeing respective exit obligations and requirements.

Legal Services has been involved throughout the transition process and in the preparation of all these documents, and will continue to advise and assist, such as in the preparation of the Business Transfer Agreement (BTA) which is being developed jointly with UV/Capita. The BTA is designed to provide clarity and certainty on transferring assets/liabilities (including staff), any consideration, and how/when it will be paid, and to capture the arrangements/agreements between the Council and UV, to take effect at the point of transition. Legal are also assisting with contracting arrangements in the meantime, such as novating contracts where appropriate, looking at new contracting arrangements, and procurement of new contractors to ensure operational continuity.

Legal is working closely with colleagues both on the internal transition project team, and the Joint Transition Group with colleagues from UV/Capita/Galliford Try to assist in working to ensure a smooth transition for the services to be delivered, for staff who shall return as secondees, and for staff who are in scope to transfer to the Council under TUPE as part of the transition process.

FINANCIAL IMPLICATIONS Supplied by: Paul Hutchings, Strategic Finance Manager x2574

Financial advice has been provided by the finance team throughout the process. A detailed costing model has been worked through to give an accurate picture of the anticipated costs of services ongoing. This piece of work has allowed for a £1.230m savings to be put forward as part of the 2020/21 budget process with further work ongoing to establish whether any savings could be made in future years.

PROCUREMENT IMPLICATIONS Supplied by: Christine Flisk, Strategic Finance Manager x2574

Financial advice has been provided by the finance team throughout the process. A detailed costing model has been worked through to give an accurate picture of the anticipated costs of services ongoing. This piece of work has allowed for a £1.230m savings to be put forward as part of the 2020/21 budget process with further work ongoing to establish whether any savings could be made in future years.

HR IMPLICATIONS Supplied by:

Workforce considerations contained in the report.

CLIMATE CHANGE IMPLICATIONS Supplied by: Nina Howells, Commercial Project Manager x2834

Whilst there aren't any direct implications through this report as the transition is a process, going forward the council will have greater control over how services are delivered and will be able to give further weight to climate change issues and the objectives of the Greater Manchester Five Year Environment Plan.

OTHER DIRECTORATES CONSULTED: n/a

CONTACT OFFICER: Shoaib Mohammad **TEL NO:** 779 6194

WARDS TO WHICH REPORT RELATES: All