

# CHESHIRE EAST COUNCIL

## Cabinet

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<b>Dates of Meeting:</b>	4 February 2013
<b>Report of:</b>	Interim Chief Executive
<b>Subject/Title:</b>	Becoming a "Strategic Council" – Review of Management Roles and Responsibilities

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### 1 Purpose of the Report

- 1.1 This report sets out proposals for significant changes in the current roles and responsibilities of managers at all levels within the organisation, as a key element of establishing a new operating model for the Council, to support our ambitious programme of service transformation and our drive to reduce costs and provide better value-for-money for local people.
- 1.2 The report sets out the process and timetable for implementing the required management changes over the next six months, and seeks Members' approval for the authority to proceed immediately with the Management Review, on this basis, so that its benefits can start to be realised as quickly as possible.

### 2 Recommendations

Cabinet is asked to recommend to Council that:

- 2.1 The Interim Chief Executive, in consultation with the Leader of the Council and his Cabinet Portfolio Holders, be authorised to start, with immediate effect, the proposed Management Review and the phased process of selection for appointment to new management posts in the Council's revised organisational structure, on the basis and timetable set out in this report.
- 2.2 The need for planned complementary action on the wider implications of the introduction of the new operating model for the Council, in terms of collaborative working with other local commissioners and providers of public services, as well as the development of the Council's Localism initiative, be noted, and that further reports on these initiatives be brought forward for Members' consideration in due course.

### 3 The Lessons from Lyme Green

- 3.1 Some years ago, many local authorities changed their management structures to absorb a large number of largely autonomous service departments into larger groupings. The Council's current structure of two Directorates, each led by a Strategic Director for People and Placed-based services, respectively, is a product of those changes and is now quite common in other local authorities, (in both Staffordshire and Shropshire, for example). Such an approach had

several advantages, not least in terms of reducing the number (and hence the cost) of senior managers needed to run the organisation.

- 3.2 However, such structures still tended to group services on the basis of their different professional expertise, and this did not foster joined-up multi-disciplinary approaches to complex issues or projects, which required the co-ordinated input of a range of different professionals. Indeed, such structures frequently created artificial and impermeable barriers between related functions, which prevented holistic solutions and which led to duplication of activity and inefficiency. As a result, the loyalty of managers and staff remained predominantly to their professional grouping, rather than to the Council more widely as a single entity.
- 3.3 The investigation into the failings of the Council's Lyme Green development project has exposed serious weaknesses in our organisational culture, which are a product of these separate professional "silos" in our current management structure. These have sometimes caused confusion, poor decision making, and inefficiency, because it was not always clear who had authority to act and who was accountable ultimately for the success or failure of particular initiatives.
- 3.4 Increasingly, the outcomes desired from the Council's activities, in terms of improving the quality of life of local people, require our staff from different services to work together as a team, and to create joint solutions to complex challenges. However, there are times, under our current structures, where the relationships between the different professionals involved are strained. As a result, there can be lack of clarity about what is required and a lack of proper care and diligence over the procedures for achieving success, because staff do not personally "own" the outcomes involved and focus only on their own part of the process.
- 3.5 Consequently, at times, communication between Council services can be poor, and uncertain lines of reporting in our multi-tiered management hierarchy has sometimes led to poor management of risk. Also, as a result of how the Council is currently structured, necessary technical advice is sometimes neither sought nor taken at key stages, with wrong assumptions being made as a result. One unwelcome product of our present structures has been the unintended creation of an organisational culture in which key decisions and judgments are sometimes insufficiently challenged, with staff being too reactive or lacking the confidence to do this effectively, within what should be a mutually supportive environment and a framework of shared goals.
- 3.6 In the light of new government policy and legislative changes, together with the major ongoing squeeze on resources for public services, many local authorities are reconsidering their core purposes and priorities, and are reviewing the organisational form and structures they need to work effectively and efficiently in very different ways in future. The lessons from the Lyme Green project, coupled with the significant challenges involved in delivering the Council's ambitious service transformation plan, mean that it is similarly a good time for us to make changes in our management roles and responsibilities, to ensure

that they are “fit for purpose” over the next few years, as a key element of moving to a new operating model for the Council.

3.7 No single model of a “modern” 21<sup>st</sup> century local council has yet emerged from the present large scale changes and experimentation going on in many local authorities. But a number of councils are basing their new approach on moving to create a “hard” organisational split between their service commissioning and their service provider functions, not least as a more “mixed economy” of local providers is developing to deliver public services in more cost-effective ways in future. This move towards seeing “strategic commissioning” as the core purpose of the Council has a number of attractions for us at this time, not least because it helps us rethink the way we work and make necessary changes to the way that local public services are delivered in Cheshire East, if we are to retain the range and quality of provision that local people want within the more limited resources available to us in future.

3.8 The benefits of structuring ourselves and our management roles around such a split include that it will:

- provide greater choice for local people;
- make it easier for us to access opportunities for new sources of funding and income to benefit local people;
- increase public value and social capital, by unlocking resources within local communities;
- reduce potential or perceived conflict of interest for council managers and Members;
- provide greater objectivity and a wider, more strategic place-shaping approach;
- enable service transformation because providers are more able to deliver new and more innovative approaches, free from the normal council constraints;
- allow greater efficiency by grouping contracts and integrating provision around outcomes;
- support greater effectiveness by focussing not on standard services, but on joined up approaches to early intervention and prevention – reducing preventable and unnecessary demand and cutting costs;
- move to a system of “payment by results”, transfer (some) financial risk to providers, and encourage them to deliver outcomes that provide financial returns to the Council;
- encourage both greater collaboration and greater competition between providers (as appropriate);
- stimulate economic growth, by creating more local (sustainable) jobs;
- make all public service providers more accountable to local people.

3.9 It is for these reasons that I am recommending that we make this the basis of the Council’s new operating model. The later sections of this report explain the concept of strategic commissioning in more detail, and set out the implications of such a change for both elected Members and for the future roles and responsibilities of our managers. The report also comments on the process and

timetable for completing our planned management review over the next six months, to achieve the benefits of this timely fresh approach within the Council's operations, and in the wider context of our increasingly important collaborative working with local partner organisations.

- 3.10 Such changes, therefore, need to be designed also to take forward the next stage of our "Localism" agenda and the introduction of "Community Budgets". They will help us create more resilient and self sufficient local communities, which reduce unnecessary demand on public services, by involving local people more actively and directly in our commissioning processes and decisions in future, as well as in terms of our residents assisting us in the "co-production" of local services.

#### **4 Strategic Commissioning – Our New Operating Model**

- 4.1 The landscape under which local public services are designed, purchased and delivered is changing rapidly under new Government policy and legislation. The Coalition Government's emphasis on "Localism" means that, where services and facilities cannot be run directly by local communities themselves, a new range of commissioners will ensure that local needs, preferences and aspirations are met and that service providers are more accountable to local people.
- 4.2 These changes are already taking place, with the recent election of the first Police and Crime Commissioners, the creation of Clinical Commissioning Groups for health and wellbeing services, and the transfer of Directors of Public Health to become statutory officers of local authorities and be accountable to their Chief Executive. To ensure the alignment of all key public services locally, it is essential, therefore, that the Council changes the way it operates and is structured to also become a strategic commissioning body.
- 4.3 In this context, "strategic commissioning" is the process of identifying and prioritising local needs and, by stimulating and managing a diverse local market of high quality reliable providers, meeting those needs in the most cost-effective way. This approach recognises that the public's priority is to receive effective, good value local services, and that this matters more to them than who provides that service. In practice, however, the Commissioner will still be held accountable by local people for both service quality and reliability, as well as for its outcomes.
- 4.4 Strategic Commissioning is about getting costs down by doing things differently and using innovative new approaches to the way in which services are delivered, that achieve the desired outcomes for local people. Strategic Commissioning is not about simply reducing costs through acquiring cheaper provision or about traditional outsourcing, as it can be used to get the best also from inhouse services, from joint ventures between the Council and other providers, and from new delivery vehicles such as Social Enterprises or Staff Mutuals.
- 4.5 On this basis, a "Strategic Council" is one that is able to capture, leverage and disperse **all** available local funds and resources, in line with its strategic

ambitions and goals for its local communities, as part of its “place shaping” role. The Council, however, cannot do this alone, and will need to work closely with other local commissioners of public services (for health and wellbeing, community safety – including the Fire and Rescue Service, Ambulance Service and Probation Service – and for local business support, as well as with Town and Parish Councils, who might also be service providers as well as commissioners). The Council will also need closer working relationships with the private sector and with the voluntary and community sector in Cheshire East, as part of its local “market making” role (see Appendix 1 attached).

- 4.6 Strategic Commissioning is not an end in itself. Rather it is a quicker way of transforming traditional forms of local service delivery and, where done well, of creating greater “public value” from more limited public funds in the future. At its best, commissioning is a different way of thinking about service design and how local people can get what they want, by realigning and targeting scarce resources. In essence, it is a practical “change management” tool, to transform public services on the basis of a new dialogue and relationship with local people (see Appendix 2 attached). It is about “doing more for less” in the more complex environment in which local councils now find themselves.

## **5 “Market Making” and the Changing Role of Elected Members**

- 5.1 Strategic Commissioning strengthens the role of elected Members, as it must begin and end with councillors’ democratic relationship with local residents, who should have a stronger voice and input into commissioning decisions in future. Members will need to ensure that what is commissioned really reflects the priorities and preferences of our local communities, and that they are able to facilitate putting the necessary changes in place quickly. Members will also play a pivotal role in managing residents’ expectations about what “affordable” and sustainable public services will look like in the future.

- 5.2 Under this proposed new operating model, Members will have a crucial role to play in both directing the Council’s commissioning process and in subjecting it to democratic oversight and scrutiny. Members will drive and influence commissioning decisions:

- Strategically – through policy, agreed outcomes, and prioritisation decisions (in Policy Development Groups, Cabinet and full Council); and
- Locally – through the engagement and empowerment of local communities in the commissioning of services and in their local delivery.

- 5.3 Members will, of course, also seek to influence and align the decisions of other commissioning bodies in Cheshire East, as well as at sub-regional and regional levels. Our arrangements for strategic partnership will need to be reviewed and improved, so that they bring all commissioners of local public services together on a regular basis, to ensure they plan complementary and coherent approaches, based on a single “pot” of local public funding, and the efficient integration of related elements of service delivery at community level, such as health and social care provision or enforcement and community safety activities, for example (see Appendix 3 attached).

- 5.4 Similarly, to gain the maximum benefits of this approach for local people, our local governance arrangements under the current Local Area Partnerships also need to be reviewed and improved, as part of transforming the way in which joined-up services are provided, in collaboration with Town and Parish Councils and other local providers. We have recently opened up a fresh dialogue on this with those partners.
- 5.5 The Council has also recently anticipated the need for such a change in its revamped Scrutiny arrangements. These now provide for examination of the effectiveness of all the main local commissioners of public services, and of the success of new forms of integrated and less fragmented service delivery at local community level, in terms of more desired outcomes to improve quality of life for local people.
- 5.6 Members role in actively developing a more diverse local “market” of providers of public services will be pivotally important to the success of our proposed new operating model. The Council’s “market making” role will involve a more dynamic focus on:
- attracting new partners, venture capital and investment;
  - creating a new framework of local supply chains/pipelines (through the LEP);
  - attracting a diverse range (across sectors) of high quality providers;
  - building the capacity of the local Voluntary and Community Sector, and of local businesses to take a greater share of the local market;
  - “seed funding” new enterprises;
  - promoting the creation of new community-owned micro businesses;
  - establishing new delivery vehicles, and fostering a willingness by staff to adapt to these (social enterprises, staff mutuals, JVs etc);
  - putting in place new funding models (eg payment by results); and
  - facilitating greater public engagement in service commissioning and delivery.
- 5.7 There are several potential barriers to our success in making these changes quickly, and overcoming these will be an early priority for the senior staff appointed to changed roles in the proposed new management structure for the Council. Indeed, we need to start by developing or acquiring greater commercial capability and capacity in our commissioners. We will need also to urgently improve our procurement, tendering and contracting arrangements. In future, our commissioning decisions need to be based on a better ability to collate, analyse, and actively use data from providers and from customer intelligence. We will also want to place priority on appropriate development training for elected Members, so that they can take up their new roles with confidence. The new operating model will not work properly, however, if we fail to put in place quickly the new management structures and ways of working (both internally and externally) needed to support it.

## 6 **Changed Management Roles and Responsibilities in the Proposed New Operating Model**

6.1 If we are to learn the lessons from our experience with the Lyme Green project, our review of management roles and responsibilities needs to be guided by a set of clear principles, which are applied consistently across the Council, and needs to ensure that form follows function, rather than simply reflecting outmoded structures based on professional groupings. Our current structure of two large “Directorates” for People and Place based services respectively, each headed by a Strategic Director, has served its time, and needs to be rethought to deliver the full benefits of moving to become a Strategic Council.

6.2 These guiding principles should include:

- each management post will have clear, individual accountabilities for a group of related “functions” (requiring fewer senior posts overall), to achieve agreed outcomes and integrated solutions;
- each manager will have a larger span of control, with a minimum of five direct reports in each case;
- the structure will be less hierarchical, with significantly fewer management tiers, and with authority based on the particular outcomes and project priorities in each case;
- statutory accountabilities are clearly designated and provided for in the new organisational “core” of the Council;
- each management post will be accountable for delivery of agreed outcomes in their functional area across the whole organisation (and beyond, in terms of collaborative working with other partner bodies), including through people who are not directly line managed by them;
- the emphasis (in senior management roles particularly) will be on the leadership of change, the engagement of staff, and the acquisition and display of high order commercial and entrepreneurial skills;
- formal authority will be devolved so that assessments and decisions can be taken and executed where they need to be made, as close to the frontline as possible, in order to produce better performance and more speedy and responsive action;
- the role of “corporate support services” is to facilitate and support frontline service change and innovation, within an effective framework of identified and well-managed risk;
- the clear expectation of consistent and visible compliance with agreed values and behaviours, as part of a new organisational culture and as a catalyst for change;
- the effective securing, organisation and deployment of all (collective) resources, in ways which increase “public value” in securing priority outcomes for local people, as part of a single “Team Cheshire East” approach;
- every role exists to enable delivery of the objectives and added value of the whole organisation, from the perspective of our local residents and communities;
- management roles enable local people and our partners to interact with us easily and effectively; and

- common processes and tasks are done in one way, by one team, without duplication elsewhere or hand-offs to others, both internally and externally, with quality assurance at both the beginning and the end.

6.3 Applying these principles is more straightforward in an organisational structure where there is a clear “hard” split between commissioner and provider roles, as is being proposed here. In effect, we will put in place a different organisational structure, based on a single “core”, integrated multi-disciplinary team, which drives strategic commissioning activities and the democratic decision making processes of the Council. These “core” functions should represent no more than 10% of the Council’s resources (ie about 400 staff), with the remaining 90% being directed to maintain essential frontline services (see Appendix 4 and 5 attached).

6.4 However, to be effective, this “core” structure will need to contain sufficient expertise in key areas, and we will need to quickly augment and enhance both our capacity and capability in strategic planning, programme and performance management, risk management and internal audit, customer insight, research and intelligence, and in commissioning, procurement and contract management (in a more commercial environment in future). On this basis, our new organisational “core” will need to include:

- “place shaping” – strategy and policy development, infrastructure investment, transparency and accountability, relationship management, partnership and influence, and citizen engagement;
- lead commissioners for all functions and activities, including our outcomes framework and “market making” activities;
- area/locality based commissioners for local/community based services;
- flexible support teams – function specialists and experts, procurement and contract specialists, project management, administrative support, performance oversight and intervention;
- core corporate enabling and transition support functions;
- support for Corporate Governance and Democratic decision making processes;
- all our statutory roles (Head of Paid Service, Section 151 and Monitoring Officers, DCS and DASC, DPH etc);
- Strategic communications to ensure “brand strength” for the Council, as both a service provider and a commissioner.

6.5 This report seeks to define and provide an outline design for our future commissioning “core”, and to put in place the transitional arrangements to create it, over the next 12-18 months, as we separate and redefine our relationship with our provider functions, as well as set up new contracts and put in place new vehicles for service delivery (see Appendices 4 and 5 attached).

6.6 On this basis, the need for two Strategic Directors, each overseeing a large grouping of professional silos with relatively few links between them to promote joint working, is replaced by a single Director of Strategic Commissioning for all Council services and activities, supported by a single, integrated team of appropriate commissioning experts and the statutory postholders for Children’s



and Adults' social care, and for Public Health services. The scope and impact of such a senior post is significant enough to warrant a salary of about £130K a year.

- 6.7 Alongside this, a second new senior post of Chief Operating Officer will be responsible for all the “core” strategic and business support functions of the Council, together with service standards and the performance of all the providers (including inhouse service teams) used by the Council, and its partners where such provision is delivered on a joint or integrated basis. Depending on the professional background of the postholder, they would also undertake the statutory role of either Monitoring Officer or Section 151 Officer, for which a 10% salary supplement would be payable. The COO would also lead a small corporate support team of Managers for the following functions:

Finance (who would also undertake the statutory role of Section 151 Officer if not covered by the COO);  
Commercial Strategy, Business Innovation and Performance;  
Organisational Development; and  
Democratic Services and Governance.

To attract the right calibre of applicant, the annual salary of the post of COO will need to be in the region of £110-120K, (including the salary supplement for statutory responsibilities). Although the posts of Corporate Support Managers are a single tier, their levels of responsibility will differ, and this will be reflected in the appropriate spot salary in the range of £70-90K – see paragraph 6.11 below).

- 6.8 This new senior management structure would have the immediate effect of clarifying individual accountabilities and reducing the number of senior posts required, whilst enhancing strategic leadership across the whole organisation, so that it functions holistically, as a single entity. Functional leadership will be provided by a smaller number of Heads of Service, as related activities are grouped together in the new management structure to reflect the priorities set out in our new Council Plan. Depending on the particular responsibilities involved in each case, spot salaries for these posts will fall also in the range of £70-90K. These functional groups will include:

- Economic Growth and Prosperity
- Public Protection and Enforcement
- Environmental Protection and Enhancement
- Early Intervention and Prevention
- Independent Living
- Safeguarding of Vulnerable Children and Adults

- 6.9 There will be a similar fresh emphasis on locality working, which will be co-ordinated and developed by a new Head of Service post, to devolve and integrate a wide range of service delivery and activities, and to develop more resilient and self sufficient local communities, which reduce unnecessary demand on public services. This revamped approach would be based on an overt fresh dialogue with local residents about striking a more appropriate

balance between citizens' rights and their responsibilities (to themselves, their families and those they care for, their neighbours and their wider local community), and the expectation that everyone has capabilities that can help reduce long term dependency and support working together on shared goals.

- 6.10 Operational management in the new structure would be undertaken at the level of specialist "technical" teams or units (including former support functions such as ICT, HR and Legal Services). These managers will have clear direct personal accountability for meeting specified service standards and outcomes, but with greater freedom to operate within those requirements, and with payment or funding based on results in achieving agreed targets.

(Some Heads of Service, other managers and specialist staff will need to undertake both commissioning and operational roles temporarily, during the period of transition to completion of the new structure, but will move to one or the other of those roles at the end of the process, depending on their particular skills and our organisational needs. This would have the effect of further reducing the overheads costs relating to Service Heads, without detriment to operational management, as our commissioning expertise is enhanced.)

- 6.11 In all cases, managers would be required to display a high calibre of skill and ability in leading, engaging and motivating staff through major service transformation; in building capacity and capability, and in identifying, developing and coaching talent; as well as in empowering frontline staff to deliver effectively and efficiently; and for dealing with complexity, uncertainty and risk. The intention is for all the new management posts to attract a single inclusive "spot" salary within the range applicable to their tier, depending on their particular responsibilities. In addition, the intention is to design and put in place an appropriate performance pay element, where a proportion of the salary could be held back if performance was not consistently exemplary.

- 6.12 The new roles and responsibilities will be based also on the assumption that senior postholders will actively foster and develop extensive collaborative working relationships, operating confidently beyond their formal authority in spheres of activity outside the Council, at Borough, sub regional, regional and national levels, as required.

- 6.13 Our 3 Year Financial Strategy is based on reducing the cost of our management overheads by about 25%, to protect frontline jobs and services, with cumulative savings of £5 million a year by Year 3. This new management structure is the main way in which these savings will be delivered. The 3 Year Financial Plan further protects funding for the frontline, by providing for the costs associated with these management changes to be met from one-off funding in our Budget Plan.

- 6.14 In this context, the focus of the Council shifts to brokering, facilitating, supporting and empowering, as well as to prevention and early intervention, rather than simply being on providing or procuring services. The role of local elected Members also changes, to place greater emphasis on Community Leadership and "Social Entrepreneurship", to build capability and capacity

within local communities (social capital), as councillors become “Cabinet Members in their own Wards”.

## **7 The Change Process – Implementing the New Management Structure**

7.1 The changes to existing management roles and responsibilities will need to be undertaken in three phases, because it entails a process of top-down displacement of current postholders, as follows:

- Phase 1 all senior posts (49 in total) with salaries of £55K+ a year – to be completed by Easter 2013;
- Phase 2 all posts with salaries of £30K+ a year – to be completed by July; and
- Phase 3 all frontline team leaders and supervisors – to be completed by September.

7.2 In effect, although it will be “business as usual” until appointments have been made in each of these phases, all current management posts are to be deleted from the Council’s staffing structure, and postholders will need to apply for, and be formally assessed on their suitability for, newly established posts with revised roles and responsibilities. Selection for these new roles will be undertaken in the following sequence:

- assessment of job fit (based on current role and responsibilities);
- assessment ringfenced to a group of managers where there is more than one suitable candidate for a new role; and
- internal selection before seeking external recruitment.

7.3 Each of our current managers will have the benefit of a personal dialogue (on the options available) and support. Where appropriate to the particular appointment being made, new programmes of training and development will be provided to assist those involved to take on the new or expanded roles and responsibilities with confidence. Where individuals are displaced by this process, support will be provided to redeploy them into suitable alternative employment, either in the Council or elsewhere, (though this is often more difficult for staff at this level and it might not be possible to avoid compulsory redundancy in some cases).

7.4 The appointment to the post of Director for Strategic Commissioning and for those posts with statutory roles will be for determination by elected Members, who will have some involvement also in confirming selection decisions for other appointments to senior posts in Phase 1. A dedicated HR support team will be set up to oversee and co-ordinate the process, assisted by a limited, cost-effective input from external experts to ensure objectivity and fairness in the assessment and selection process, to support the managers involved in the review and to avoid the risk of challenge or appeals from those staff involved.

7.5 The management review will also encompass related personal assistants, secretarial, and administrative support posts. No changes to current posts will be made, however, until the new senior manager appointments have been

made and the support needs for these new positions have been determined. It is expected that, as for the management posts involved, there will be scope for rationalisation and efficiency savings from these support roles also, which will contribute to the Review's overall savings target set out in our Medium Term Financial Strategy.

- 7.6 Detailed Job Outlines and Person specifications for the new roles will be drawn up quickly, subject to Member approval of these proposals, so that the change process can start as soon as possible.

### **HR Considerations**

- 7.7 A dedicated HR support team will be set up to oversee and co-ordinate the process, assisted by a limited, cost-effective input from external experts to ensure objectivity and fairness in the assessment and selection process, and to avoid the risk of challenge or appeals from those staff involved.
- 7.8 Arrangements for the implementation of the structure, as outlined above, are appropriate in the circumstances and in accordance with the Council's existing practices.
- 7.9 The outlined proposals have been the subject of consultation with the extended management team over recent weeks and the detail within this report has been shared with the joint Trade Unions.

### **Legal Considerations**

- 7.10 Whilst specific legal advice may be needed once the proposals contained in this report are worked up in more detail, there are no apparent legal obstacles to the proposals.

### **Financial Considerations**

- 7.11 The 3 Year Financial Strategy forecasts an overall reduction in funding to Cheshire East Council. In order to protect frontline services it is therefore prudent to target savings at corporate overheads. One potential risk from reducing overheads is the associated reduction in organisational capacity to manage change and react to customer demands. However, this risk is mitigated within the report by providing a strategic approach that develops clearer roles and responsibilities in a reduced management structure.
- 7.12 The financial forecasts in this report are robust and have been factored in to the Budget Report 2013/2016. Savings from management reductions are forecast to exceed £5M by 2015/2016, with the bulk of savings being achieved in 2013/2014. The associated costs of reducing senior staff can be funded from one-off income sources in 2013/2014 & 2014/2015.
- 7.13 The most evident risks come from potential delays in implementing such a large scale change, which would then not achieve the savings targets, and a potential knock-on effect on other Council Change Programmes. Briefings and

roadshows with key staff have been carried out already, and there is sufficient clarity in the revised structure that these risks should not materialise in a way that could de-stabilise any of the current medium term forecasts.

## **8 The Need for Wider Changes and Potential Problem Areas**

8.1 To obtain maximum benefit from this proposed new operating model for the Council, several other key steps will need to be taken over the next 6-12 months:

- establish a new forum for all Cheshire East commissioners (a “Public Service Board” meeting twice a year), to align strategies, key decisions and resource allocation across all local public services;
- agree and share widely our new Strategic Commissioning Policy and priorities – linked to our key objectives of economic growth and resilient local communities (see Appendix 6 attached);
- provide guidance, training and support to elected Members (and officers) on their new roles in the (strategic and local) commissioning process;
- develop more effective local governance arrangements to enhance or replace Local Area Partnerships, in order to integrate service provision locally and establish “community budgets”;
- complete the work underway on our strategic outcome targets and measures, and improve our intelligence about the “dynamics” of our local communities, to inform our commissioning decisions;
- formally open dialogue with the local voluntary and community sector, and with the local business sector, to invite new providers, partners and investors into the local market place; and
- create (through the LEP) a new local supply chain framework, including the formation of new community-based micro-businesses, to boost our local economy;
- set up new delivery vehicles to enable inhouse services to compete in the local market place and to create local jobs; and
- develop a communications plan to improve public understanding of and support for these changes.

8.2 In terms of Risk Management, action will need to be taken quickly also to deal with potential problem areas and obstacles or barriers to realising the benefits of these changes. These include:

- tensions or lack of alignment between the decisions of different public service commissioners now operating in Cheshire East or between the strategic and local levels of commissioning;
- lack of a clear and consistent understanding of our commissioning process for our staff or partners;
- lack of innovation in service design and delivery (if we fall into the trap of simply commissioning out of date approaches from new providers);
- failure to reduce costs (if commissioning raises public expectations rather than reducing demand on public services);
- the local market is slow to respond effectively to newly created provider opportunities;

- there is insufficient appetite for risk and ineffective management of it; and
- the public fail to understand the benefits of the Strategic Council model and the new emphasis on our “place shaping” role, rather than simply on being a monolithic service provider.

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