



Collaborative Opportunities Working Papers

Collaborative Feasibility Project

**Service Cluster: Regeneration, Regulatory and
Planning and Infrastructure**

Date: 14/07/2011

Version: 1.0 FINAL

Darlington Borough Council

Hartlepool Borough Council

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1 Document Control

Version	Amendment Detail	Author	Date
V0.1	Initial Draft developed meeting on 23 rd May 2011.	Abbas Baig Brandon Bailey	23/05/11
V0.2-0.5	Revised draft	Abbas Baig	06/06/11
V0.6	Revised draft incorporating client comments. However, significant gaps still remain regarding the baseline data relating to the services. This has significantly impeded the ability to calculate potential savings	Richard Haynes	06/06/11
V0.7	Additions by DW/JA/BW	Damien Wilson John Anderson Bill Westland	17/06/11
V0.8	Completed draft for final review	Abbas Baig Will Collier	22/06/11
V0.9	Updates made post-review	Will Collier Glenn McCauley	08/07/11
V1.0	Final updates made for submission to Project Board	Will Collier	13/07/11

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2 Introduction

2.1 Background

Darlington Borough Council and Hartlepool Borough Council have agreed to explore the feasibility for collaboration that may exist between both organisations. The high-level opportunities that will be generated from this work will be one of many options that will be considered by both authorities in their response to their current and future financial pressures, Government reforms and local needs.

This report documents the potential opportunities that exist for collaboration which will be presented to the Project Board for consideration.

2.2 Key Drivers of the Project

Outlined below are the list of key drivers, agreed by both Corporate Management Teams, which set out the reasons for pursuing a feasibility study into a strategic collaboration between Darlington and Hartlepool Borough Councils. These are:

- Having a **sustainable financial future**
- Supporting **democratic accountability** and choice
- **Shaping their own destinies** by being ahead of the game
- Stimulating and **informing wider partnership** working across the region: by providing leadership
- **Optimising outcomes** for local people: by retaining a focus on the need of our local communities
- Continuing to **support sustainable and resilient communities**: by remaining committed to our strategic priorities

2.3 Guiding Principles

Outlined below are the guiding principles which have been agreed by both Corporate Management Teams. These guiding principles have been used to ensure that the opportunities developed comply with both Councils strategic objectives.

Guiding Principle 1: Each Local authority will retain their individual identity and sovereignty

- The ability of citizens to hold their Members to account must remain paramount
- Each authority will define the outcomes for the local population and how these are delivered
- Investment priorities and service levels will continue to be determined locally
- Members have the choice to standardise or customise services, with a clear understanding of the costs and benefits of the decisions they make

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- It will be critical to recognise the difference between who is accountable for a service versus who is providing a service
- Statutory responsibilities will not be undermined

Guiding Principle 2: Collaboration is not limited to Darlington and Hartlepool

- While the feasibility of collaboration between the two authorities is being tested, it is not the only option
- Opportunities could include other authorities
- Opportunities could include other public organisations
- The benefits or disbenefits of collaboration between the Councils will be looked at on a service-by-service and thematic basis rather than “all or nothing”
- At the same time, the collective benefit of strategic collaboration through synergies will be evaluated

Guiding Principle 3: The authorities enter this process with a positive view of collaboration

- Strong leadership and clear direction will be key to ensure this study delivers an robust and balanced set of conclusions for consideration
- The output of this project will be a strategic assessment of opportunities, symbolising the start of a decision making process, not the end. The timeframes and level of information available are proportionate to the status of the project and require a measure of pragmatism
- Individuals who have been involved in transformation should be encouraged to champion the principle of collaboration during this study
- It remains clear that ‘doing nothing’ is not an option for either authority.

Guiding Principle 4: Collaboration must deliver demonstrable additional benefits to working separately

- Collaboration will create a renewed level of resilience within each local authority. A resilient organisation will have the right skills, the right capacity and the critical mass to deal with future pressures
- Collaboration will deliver the expected level of financial benefits required to mitigate the financial risks projected
- Collaboration will create the robustness to mitigate operational risks
- Opportunities will consist of a combination of service-specific opportunities as well as cross-cutting opportunities / synergies

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2.4 Strategic Scope

It was agreed by the Corporate Management Teams of both authorities that, for the purpose of this strategic opportunity analysis, no services or functions or roles would be deemed out of scope.

All opportunities would need to comply with the guiding principles in order to be credible.

Furthermore, any collaborative opportunities would need to be evaluated against other options identified separately by the two Councils.

2.5 Progress to Date

The approach of this project will follow four stages, where this report represents the outputs for **stage 3**.



3 The Current Environment

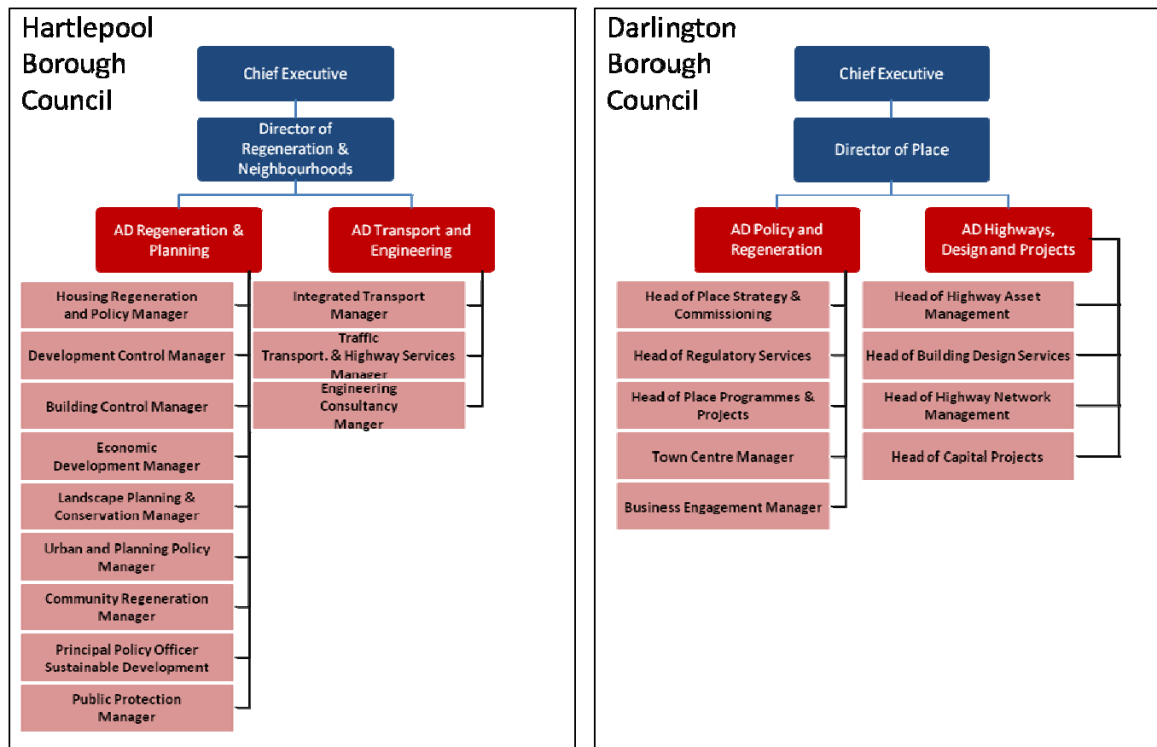
3.1 Overview

This report relates to the following core services, which includes the DLO for highways and transportation.

Service Areas	Darlington Addressable Budget	Hartlepool Addressable Budget	Total Addressable Spend
Highways & Transport Management	£1,113,316	£1,554,863	£2,668,179
Planning, Housing, Economic Regeneration and Regulatory Services	£2,313,100	£4,262,290	£6,575,390
Totals	£3,426,416	£5,817,153	£9,243,569

The figures above represent an initial assessment of comparable budget figures for both Authorities but further work will be required at a later date to further validate these values.

At a high level, the services in scope of this report are structured as follows:



3.2 Highways and Transport Management

3.2.1 Overview

This section focuses on the following areas:

- Highway Asset Management
- Highway Network Management

The majority of services provided in these areas arise from statutory highway authority duties. The structure of the Highway Asset Management & Highway Network Management services across the two Authorities is different.

For the purpose of this analysis, only the management, planning and design functions are contained within this report. All delivery (sometimes referred to as the DLO) functions are within the Environmental cluster. Moving forwards, further work will be required to define more tightly and clearly the scope of the respective management/commissioning functions, versus delivery.

For the purposes of this feasibility exercise, the workshops focussed on the following functions:

Key functions	Description
Asset Management	<ul style="list-style-type: none"> • Frontline queries from Members and Customers relating to highway network and infrastructure condition and regulatory matters • Development and implementation of Highway Asset Management Plan • Highway and Streetworks Inspection Regimes • Streetworks Coordination (Utility Companies & Others) • Private Street Works (new housing and industrial estate adoption) • Bridge and Highway Structures Design and Maintenance • Street Lighting and Traffic Signal Asset Management • Highway Insurance claims • Regulatory Highway Authority duties. (e.g. adopted highway queries, abnormal load planning, local search responses, naming and numbering etc) • Identifying infrastructure requirements for S.106 agreements and delivery of those elements

Key functions	Description
Network Management	<ul style="list-style-type: none"> • Frontline queries from Members and Customers relating to highway network issues and regulatory matters • Designing and implementing traffic management schemes (including Parking Management) • Designing and implementing highway signing and lining schemes • Design and implementation of temporary and permanent Traffic Regulation Orders including composing of the legal documents • Providing highways related input when considering planning applications, road adoptions and other developments • Traffic Manager Statutory Duty & Network Management guidance /control • Development and implementation Network Management Plan • Statutory duty to analyse Road Traffic Collision data and duty to develop appropriate Engineering, Education, Encouragement and Enforcement initiatives • Regulatory Highway Authority duties. (e.g. obstructions, caravans on highway, etc, etc) • Advice and assessment of Traffic Management Proposals relating to public safety at events (PESAG & DFCSAG) • Collection and analysis of traffic data • Management of Intelligent Transport Systems. E.g. rising bollards, parking guidance systems, real time information at bus stops • Reaction and planning for Civil Contingencies • Identifying infrastructure requirements for Section 106 agreements and delivery of those elements
Public Transport	<ul style="list-style-type: none"> • Public Transport Information Coordination
Design Consultancy	<ul style="list-style-type: none"> • Coastal and Flood Defence • DBC progressing towards Tees Valley shared service on Floods and Water. • Highway Design Schemes (TVBNI &LTP)
Parking Management	<ul style="list-style-type: none"> • Policy • Regulations • Processing • Enforcement
Road Safety	<ul style="list-style-type: none"> • Road Safety Education, Training and Publicity • School Crossing Patrol Service • Pedestrian / Cycle Training • Motorcycle Training • Camera Partnership
Public Rights of Way	<ul style="list-style-type: none"> • Managing Public Rights of Way

PLEASE NOTE THAT THE FOLLOWING ARE EXCLUDED FROM THIS ANALYSIS AS THEY ARE INCLUDED WITHIN THE ENVIRONMENT CLUSTER

- **Fleet Management & Home to School Transport form part of the Transport function in Hartlepool**
- **Contractor / Delivery Arm**
 - **Street Lighting: Reactive Maintenance and Replacement Programmes**

The costs of Darlington’s DSO staff structure are not included. However, the budget that pays for this service is included and for the purposes of this exercise it is assumed that the budget covers the staff costs.

The configuration and operation of the current services at the two Authorities is different. Below is a broad summary of the existing arrangements and some of the key differences:

- Hartlepool is structured with a merged client/contractor model delivering a neighbourhood based approach.
- Darlington is structured on a split client/contractor model delivering outcomes across the whole of the Borough geography.
- Hartlepool has a design consultancy team that deliver Highway Asset Management and Network Management Duties/Schemes. In Darlington these consultancy elements are embedded in the Highway Asset Management and Network Management functions. For the purposes of the strategic scope of the report it includes the elements of specialist technical services from both Authorities.
- Policies and procedures are different across maintenance and management of assets.
- Organisation and blend of disciplines that exist across teams and staff differ.
- Each Authority uses different IT systems with various interfaces to corporate systems. ICT Services is considered within the Corporate Cluster.
- Each Authority works closely with different Police force areas.

3.2.2 Scale of Operation

The following table represents the outcome of discussions between DBC and HBC officers and finance officers to establish a set of data that is comparable. Every effort has been made to ensure like services and budgets are being compared, however this has proved difficult and further work would be required as part of a next stage to validate the figures below.

	Darlington Borough Council FTEs / Budget	Hartlepool Borough Council FTE / Budget
Asset Management	15.58/£1,793,879	10.67/ £1,682,383
Network Management	11.55/£491,399	2.9 / £99,755

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	Darlington Borough Council FTEs / Budget	Hartlepool Borough Council FTE / Budget
	Elements provided by MBC/NCC under SLA	Elements provided by MBC under SLA
Design Consultancy	Service merged into Network Management	12.6/ £813,718
Public Transport	3.05/£150,328 ⁵	1.0/ £85,306 ⁴ Elements provided by TVU under SLA
Parking Management	17.18/-£1,611,541 Enforcement & Processing 0.21/£10,514 Traffic Regulation Orders	15.10/ -£1,429,713
Road Safety⁶	7.49/£167,025 (School Crossing Patrols) 1.33/£65,712 Road Safety Engineering	14.0/ £194,477 (SCP) 0.6/ £11,809 (SCP Supervisor) 0.5/ £23,254 (Road safety Team Leader) Operational Budgets excl staff = £48,684 Road safety Engineering included in Design Consultancy and Network Management
Public Rights of Way	1.00 / £46,000	1.0/ £25,190
Total	57.39 FTE / £1,113,316 net	58.37 FTE / £1,554,863 net

Notes:-

¹Winter Maintenance not included Streetscene (Environmental) activity for DBC (259k has been removed from Hartlepool figures)

²Gulley Cleaning not included Streetscene (Environmental) activity for DBC (171k has been removed from Hartlepool figures)

³Insurance Costs not included as this is part of corporate budget in DBC (£644k has been removed from Hartlepool figures)

⁴Excludes Concessionary fares and street lighting operational budget. Includes Street Lighting Manager (asset management)

⁵Excludes concessionary fares budget

⁶Travel Behaviour and Sustainable Transport services are include in 3.3.2 Policy Staff

3.3 Planning, Housing, Economic Regeneration and Regulatory Services

3.3.1 Overview

The scope of the four services areas covered is as follows:

Public Protection

- Environmental Health
- Trading Standards
- Licensing

Planning

- Planning Policy
- Environmental Policy & Climate Change
- Historic and Built Environment
- Development Control
- Building Control

Housing

- Housing Policy
- Private Sector Regulations
- Empty Homes
- Housing Renewal
- Housing Advice
- Housing Adaptations

Economic Regeneration

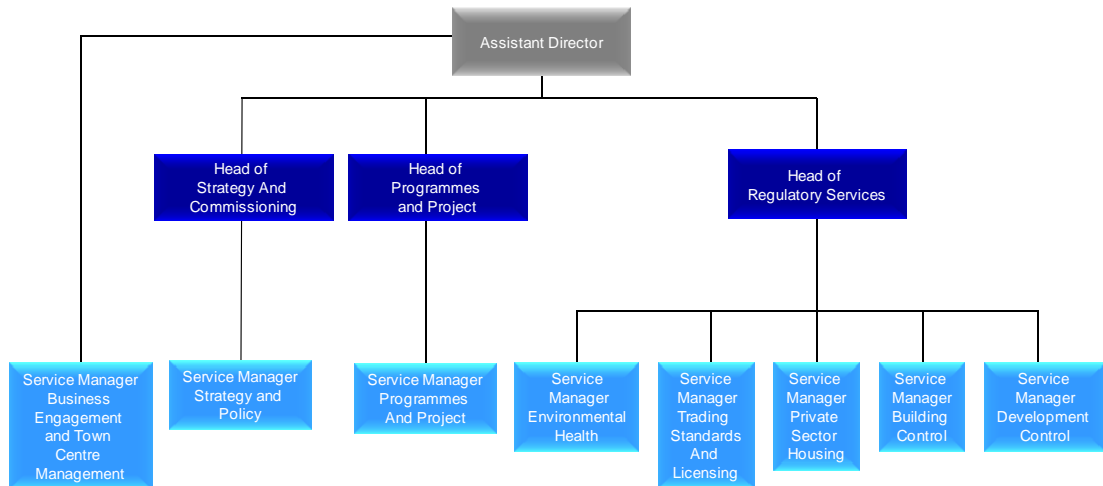
- Strategy development relating to economic and business issues
- Employment and human resource support to local business including UCAPD training through Teesside University
- Supplier chain development including access to markets initiative and procurement
- Developing section 106 agreements
- Access to finance support including grant provision
- Specialist business support including facilitating support through partners, e.g. University, UKSE
- Provision of business surgeries
- Buy local campaigns
- Business network events including annual business awards dinner
- Pre start and start up business support
- Supporting indigenous business growth
- Inward investment
- Marketing activities both internal and external markets
- Property finding service
- Business infrastructure development including enterprise zone development, environmental/property improvement initiatives, including estate wide improvement schemes and Business Improvement Districts
- Coordinating corporate responses to business and economic issues

- Managing business accommodation

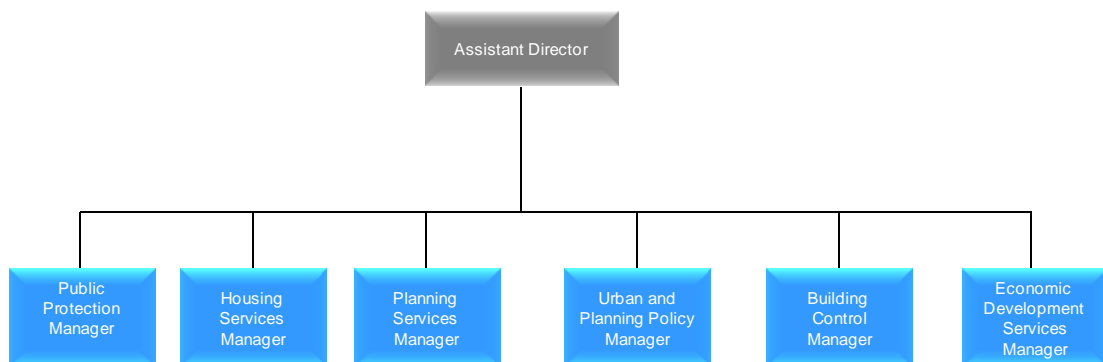
Current Organisational Structures

These services and activities are structured in the following manner within Darlington and Hartlepool.

Darlington



Hartlepool



The following section provides an overview of these specific services, drawing upon both similarities, differences, service constraints and strategic direction, where relevant.

Public Protection

All of the services in scope of this opportunity are both statutory controlled and locally enforced.

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Across many of these services, there are joint working initiatives between authorities which support sharing of best practice and creating standards in regulation across Tees Valley. Examples of such collaborative initiatives are:

- Tees Valley Heads of Service, Environmental Protection, Licensing, Food and Health and Safety groups - meet regularly to identify common issues and solutions;
- Tees Valley Taxi Policy Harmonisation - common base line identified and working towards greater harmonisation;
- Tees Valley Environmental Protection Group Co-ordinator - joint post funded by all five authorities; and
- Scores On The Doors - consistent scheme launched by agreement across the whole of the Tees Valley.

Building Control

A joint service proposal is already currently being considered by the Tees Valley Authorities excepting Hartlepool. That exercise is showing some potential savings subject to being able to redistribute and account for central support costs.

Hartlepool and, more recently, Redcar and Cleveland have declined to be part of the feasibility exercise as the evidence presented up to now does not support the argument that combining the services can produce realistic savings and efficiencies.

Hartlepool has already restructured its Building Control service with the new structure coming into affect on the 1st April 2011 achieving an overall saving of £40,000 per annum.

Tourism

This area relates to the provision of Tourist Information, marketing and promotion and assistance to businesses involved in the visitor economy.

Hartlepool has different sets of drivers related to the coastal assets including the Hartlepool Marina and historic Quay. The service has 2 core staff.

Key areas of activity – Hartlepool

- Specialist sector support including training programmes for hotels and visitor attractions
- EAT initiative developing and promoting restaurant market
- Research activities into visitor economy
- Working with colleges to develop skills and labour supply to market
- Festivals and events

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- Sector focussed business network groups
- Marketing and promotion including travel trade , visitors etc
- Developing tourism offer supporting regeneration

Employment Support

Darlington has 1 FTE overseeing employment support matters. It does not provide any support directly but has commissioned others to provide that on its behalf, e.g. the Morrison's Trust for The Darlington into Work Project. This is externally funded by Single Programme and time limited.

Hartlepool has a team of 4 core staff and provides a range of services including work start programmes, recruitment and training, specialist employment support to employers, including employment law and legislation, etc.

Business Engagement

Hartlepool's Business Engagement service consists of 4 cores staff providing a range of services to business including the following areas

- Strategy development relating to economic and business issues
- Employment and human resource support to local business including UCAPD training through Teesside University
- Supplier chain development including access to markets initiative and procurement
- Developing section 106 agreements
- Access to finance support including grant provision
- Specialist business support including facilitating support through partners e.g. University, UKSE
- Provision of business surgeries
- Buy local campaigns
- Business network events including annual business awards dinner
- Pre start and start up business support
- Supporting indigenous business growth
- Inward investment
- Marketing activities both internal and external markets

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- Property finding service
- Business infrastructure development including enterprise zone development, environmental/property improvement initiative include estate wide improvement schemes and Business Improvement Districts
- Coordinating corporate responses to business and economic issues
- Secretariat for LSP sub groups

Darlington has 2.4 FTE's covering Business Engagement activities including a part time assistant providing administrative support.

Management of Business Premises

Hartlepool provides management services to business start up premises. Presently this comprises 21 industrial units on the Newburn Bridge Industrial Estate along with the over 50 units at the Hartlepool Enterprise Centre. The Hartlepool Enterprise Centre is a managed workspace facility which includes the provision of wrap around business services and support.

The service consists of 4 staff including caretaker and receptionist. The staff here provides facilities management activities as well as deliver a broad range of business support identified in the business engagement section.

Town Centre Management

Darlington has 2 FTE's providing business support and coordinating Town Centre activities. Darlington has currently reduced this team by 1 FTE and is developing a Business Improvement District proposal that might see the transfer of this function either in part or whole to a successful BID management company.

Urban Regeneration

In Hartlepool, this area of work is undertaken by a small team of regeneration officers, 3 in total supported by the Urban and Planning Policy Manager. The key focus of the team is to develop strategy, deliver physical regeneration projects, often either through the use of Council owned assets or in conjunction with the private sector. This can involve provision of business accommodation, infrastructure, retail development, public realm, housing, etc. through collaborative development approaches utilising both Council, other public sector and private sector funding. This is also competitive in nature, particularly in relation to the availability of external public sector funding, and to a lesser degree, private sector funding making this a difficult service area to combine with Darlington who would be one of our competitors.

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Policy

Darlington has adopted a centralised approach to policy with the formation of a Strategy and Commissioning team. This team will drive the overall policy development and commissioning for place making activities. It will oversee the traditional Planning agenda but will also cover Housing, Environment, Transport, Leisure and Culture policies and strategies. The team is not self reliant as expertise is still retained in some delivery services that will be critical to policy and strategy development.

Hartlepool has policy development within the service areas and therefore Housing, Transport, Leisure and Culture are separate from the place making policy development of planning.

Housing

Hartlepool has recently organised this function into one team covering the scope of work listed above. This is quite a large team comprising four sections, Housing Standards, Housing Regeneration, Housing Advice and Housing Strategy and with a total staffing complement of 26 staff.

Darlington has a separate strategy and commissioning role and a separate housing regulatory function within Regulatory Services.

3.3.2 Scale of operation

Service Area	Darlington Borough Council FTEs / Budget	Hartlepool Borough Council FTE / Budget
Environmental Health	12.27/£525,440	10 FTEs/ £433,036
Trading Standards	6.00/£270,329	3.5 FTEs/ £177,197
Licensing	6.90 FTE, -£50,994 £127,063 Private Sector Housing	2 FTE, £75,458
Building Control	9.15 FTE, £19,050	6 FTE, £240,771
Development Control (Planning)	11.64 FTE, £48,586 (Development) 3.62 FTE, £83,363 (Admin support)	10 FTE, £403,016
Economic Regeneration	8 FTE, £434,219	30 FTE, £2,932,812
Policy	14.07 FTE, £542,112 (Strategy	Policy development resources

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Service Area	Darlington Borough Council FTEs / Budget	Hartlepool Borough Council FTE / Budget
	& Commissioning) 3.00 FTE, £85,680 (Performance Management)	are within the service areas.
Head of Service	1.0 FTE, £107,996 £120,256 (Emergency Planning)	Head of Service costs provided within each service area above as appropriate.
Totals	75.65 FTE, £2,313,100	61.5 FTE, £4,262,290

4 Potential opportunities and operating model

4.1 Overview of the potential opportunities

The proposals for collaboration outlined in this report present a range of strategic opportunities where both authorities can deliver services in a combined manner. The key points highlighted in this report are summarised below:

- Structural integration will be required, particularly in management tiers with nominal impact to delivery teams who will need to cover a larger geographic area. This will be designed to create greater resilience, capacity and for certain services, flexibility in deploying the workforce.
- It is recognised that combining the skills and expertise across both organisations is critical to maintaining resilience across these services, which have already been scaled-back, and contributing to an appropriate level of saving in the medium to long term.
- Across a number of the services in scope of this report, collaboration at the Tees Valley level currently exists which can be used as a platform to broaden these opportunities where demonstrable benefits can be evidenced.

Outlined below are a summary of the opportunities identified and the estimated level of savings derived.

Service Areas	Darlington Addressable Budget	Hartlepool Addressable Budget	Total Addressable Spend	Potential Cost Savings Range		Potential Saving as %	
				Low	High	Low	High
Highways & Transport Management	1,113,316	1,554,863	2,668,179	50,000	130,000	2%	5%
Planning, Housing, Economic Regeneration and Regulatory Services	2,313,100	4,262,290	6,575,390	(20,000)	50,000	-	0.8%
Totals	3,426,416	5,817,153	9,243,569				

- As the savings above are based on an initial assessment of potential savings, all values have been rounded to the nearest £10,000.

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4.2 Highways and Transport Management

There is a collaborative opportunity for these services to be brought together under a joint management structure which will have the capability to lead services on behalf of both Authorities.

Broader opportunities for collaboration within Highways and Transport have been explored and are limited, in the short term, due to the current practices and policies in place as well as the requirement for local knowledge, and the differences in current ICT platforms.

Potential Benefits

By combining both sets of services there would be savings in the region of 2 to 5% on the identified budgets. This should deliver savings of between £50k and £130k.

The next stage of feasibility would need to explore the addressable budgets in detail to identify controllable budgets and validate the 2 to 5% saving potential.

The following key benefits have been identified:

- Increased resilience through the sharing of specialist roles (e.g. Structural engineers), who will have the ability to work across organisations. These can take the form of “virtual arrangements” whereby specialist staff can be deployed freely between organisations or under more formal methods such as framework agreements. The full benefit of shared specialisms would be more fully realised through greater collaboration across a larger number of authorities.
- Potential savings, particularly those associated with ICT systems and potentially business support.

Key Considerations

Integrating the two authorities would require significant standardisation of policies, practices and systems in order to realise the full benefits of collaboration. The following issues should be considered and costs assessed prior to progressing the opportunity:

- **ICT Platforms:** The current Highways and Transport functions rely heavily on their respective IT systems to collect data from staff in the field and feed it into their core systems for planning and risk management purposes. Similarly, the Parking Services of the two Authorities use different mobile IT platforms. Providing an appropriate solution for integrating or standardising these IT systems would be a critical component in exploiting any further collaborative benefit.
- **Service Levels and Maintenance Policies:** Currently, the two Authorities have differing service levels, specifications, and maintenance policies. Delivering greater cost savings will need to consider standardising these policies and practices as far as possible without compromising the effectiveness of the services.

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- Standardising policies will have an impact on one or other of the Authorities. This could result in higher costs for one or the other in terms of maintenance or design etc. This would need to be carefully explored and mitigated. The impact on risk and insurance claims is a key consideration.
- There are some significant income streams in Highways and Transport that will need careful consideration to ensure the collaboration does not have an adverse impact on income that is built into MTFP projections, e.g. Parking Income, Design fees, street works charges, s38/s278 fees, etc. Distribution of income from collaboration would need a clear understanding.
- Council Transformation Projects: Service areas in both Authorities are currently undertaking restructuring exercises which have the potential to further limit possible level of savings as staffing levels are reduced.
- Local knowledge and political understanding is critical in these service areas. Maintaining and servicing the political management, structure and governance in the two organisations would need to be considered and mitigated.
- The proposals may require additional costs related to change management (harmonising structures, cultures, processes and policies, etc.) which may reduce the savings potential of the opportunity.
- Further analysis is required to determine whether field based roles can be shared as a result of collaboration to deliver an effective shared service.
- As with any reorganisation / restructuring the service's political interface will also need to be considered to ensure that this is not compromised in any way. Therefore, sufficient capacity will need to be built into the new combined service.

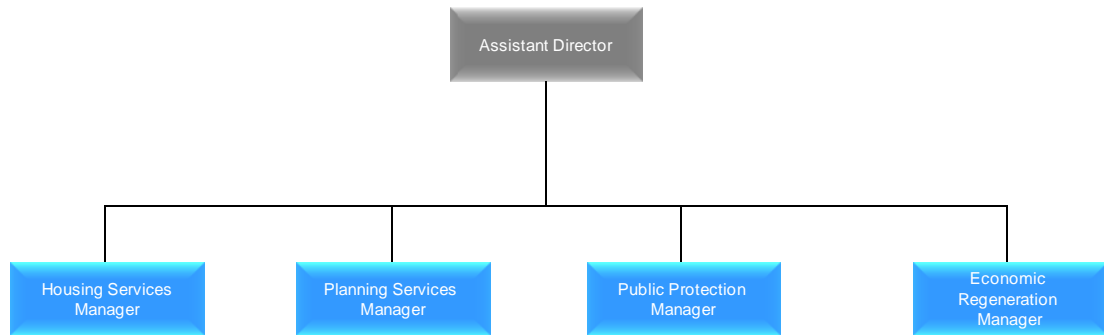
4.3 Planning, Housing, Economic Regeneration and Regulatory Services

There is an opportunity to create integrated services which can come under a joint management structure. Preliminary assessments of the workloads and resources below Heads of Service level suggest that combining these services could not provide a reduction of FTE's below Head of Service level.

It needs to be noted that the management structures currently in existence within the two local Authorities are not compatible in some areas such as Economic Regeneration.

As a result of this feasibility study, a proposed structure has been developed with a view that a single set of services could deliver across both Authorities under a single management structure. Further detailed work will need to be undertaken to assess levels of workload, roles and responsibilities, spans of control as well as policies, procedures and approaches. Given this, a potential joint management structure could take the form of the structure below:

Proposed high-level structure



Applying this structure each head of service will have responsibilities that cover both Authorities with more localised teams beneath these posts. This structure also assumes that all operational responsibilities will be delegated and the roles, responsibilities and current structures below this level will remain. However, there may be scope for redesigned services to define the structures beneath the heads of service tier.

Potential Benefits

Preliminary analysis of the opportunity is shown below, with additional roles at a lower grade included to maintain operational capacity.

	FTE Savings	Potential Savings
Service Managers	4	£256,000
To cover operational work assumed to be lost at Head level a range of 6 to 8 additional staff	- 6 to - 8 (additional staff)	(£206,000 to £274,000)
Total	-2 to -8	£50,000 saving to £18,000 additional cost

Note: Hartlepool already has built in reduction at Head of Service level of £64K and has not netted this off the proposed saving, which will result in an additional cost of £14,000 to £18,000.

The high-level analysis above identifies the risk that an additional cost of £18k (rounded to £20k for the purposes of our summary) is incurred through collaboration. However, in seeking to deliver savings through collaboration, the ambition would be to achieve at least a cost neutral financial position (through the simple amalgamation of the two management structures with no posts removed) and at most a saving of £50k.

There are comparatively limited savings that can be delivered in this scenario. The scenario essentially achieves some potential resource reduction, but little/no efficiency or service enhancement. Minimal savings are envisaged across the 'field-based' workforce until further detailed study is made of workflow and resources required to deliver agreed service standards.

Potential benefits

The potential key benefits for implementing the new joint management structure are:

- Enhancement of resilience through a larger collective of skills. There is no enhancement of resilience in terms of capacity as (a) this is currently not an issue and (b) where it becomes an issue there are flexible warrants of mutual aid arrangements already in place.
- Standardising service policies and practices can create a greater rigour in the service over the longer term in areas such as Taxi policies, Scores on the Doors, etc. However, there may be some disadvantages to the approach, which are outlined below.

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- Creating a common IT platform between the two Authorities and the wider Tees Valley will exploit additional opportunities for collaboration and savings. The cost of implementing proposed mobile or cross working solutions needs to be fully appraised in order to ensure real long term savings, as initial investment in time and money could be substantial.
- Establishing a shared pool of professional policy staff would allow for benefits in shared specialists and expertise. The Authorities could collectively access more specialised staff, such as a European Funding expert.
- Broader collaboration could potentially lead to additional savings through increased economies of scale and the potential to share specialised resources.

Key Considerations

This opportunity has a number of implications that must be carefully considered:

- Given the reduction in posts in both savings it is unclear whether longer term saving can be achieved in this area through collaboration. More work is required to understand whether the opportunity supports long term sustainable financial planning.
- The proposals may require additional costs related to change management (harmonising structures, cultures, processes and policies, etc.) which may reduce the savings potential of the opportunity.
- Further analysis is required to determine whether field based roles can be shared as a result of collaboration to deliver an effective shared service.
- Standardisation of services in terms of processes is accepted as a potential efficiency. However, standardisations of policies and practices is likely to remain a significant matter of sovereignty for each Council, e.g. the taxi trades operated in both areas are quite distinctive with different expectations at a local level.
- Any detailed design going forward will need to take into account the non-core services related to the above services, e.g. Emergency Planning, Safety Advisory Groups, Strategy and Policy Development in relation to Leisure, Culture, Transport and other Place related matters.
- As with any reorganisation / restructuring the service's political interface will also need to be considered to ensure that this is not compromised in any way. Therefore, sufficient capacity will need to be built into the new combined service.
- In terms of Environmental Health, Food Standards Agency review is looking to potentially take food safety and food hygiene responsibilities away from Local Authorities, the full impact of which is currently unknown, but should be taken into account if this proposal is taken forward.

- The Authorities are currently using different ICT systems; the cost of migrating to a common system or integrating the two systems would need to be assessed prior to progressing the opportunity.
- Harmonised service levels, standards, and policies would be necessary to facilitate staff in working across councils. This is likely to be a long term change due to local priorities, policies and practices currently in existence and may lead to significant disruption in service delivery and quality.
- In relation to Economic Regeneration, the role, scale and focus of the two areas are currently quite different. Hartlepool offers a much broader service and any collaboration would likely be beneficial mostly to Darlington with little return for Hartlepool. Developing an integrated service and establishing set service levels would likely be a challenge.

4.4 Key risks

The following key risks across these opportunities have been summarised in the table below:

Key Risk	Explanation
Thin layer of management	<p>Currently these services have reduced the size of their management tiers which has required heads of service and assistant directors to both manage the service and be involved in case work and plans are already underway to explore this still further at both HBC and DBC individually.</p> <p>Any further reductions in management may compromise the effectiveness of the service by overstretching individuals, especially across the two Authorities.</p>
Level of standardisation across the integrated service may not deliver the expected levels of saving	<p>The key to delivering savings is dependent upon how far these services can be standardised.</p> <p>There is a risk that not fully standardising these services from structure through to provision will create “dual” services that may in some cases create unnecessary additional costs as opposed to savings.</p>
Loss of local knowledge	<p>In terms of Planning, Economic Regeneration and Housing, local knowledge and political understanding at management level is critical to ensure the effectiveness of the service as management will continuously be required to face-off to members, chief officers and the</p>

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	public.
Conflicts of interest through shared management structure	Particularly in terms of Planning and Economic Regeneration a shared management service could potentially lead to conflicts of interest internally due to divergent economic and political priorities. Officers need to provide impartial and objective advice to politicians on operating a single service which needs to develop the respective local areas may create a perceived or real conflict of interest. These can exist in areas such as funding bids, different policy directions of the local authorities and the wider Tees Valley authorities as well as growth areas such inward investment and Enterprise Zones. A model of operation will need to be further developed to ensure conflicting priorities are managed.

4.5 Assessment against the Guiding Principles

The opportunity for Regeneration, Regulatory and Planning and Infrastructure has been assessed in its totality against the guiding principles below:

Evaluation Criteria	Notes
1.1) Sustainable financial future	<p>Collaboration on a broader Regeneration, Regulatory and Planning and Infrastructure basis should sustain the services in some shape or form at a lower cost.</p> <p>However, it should be noted that reductions in management may compromise the effectiveness of the service by overstressing individuals, especially across the two Authorities.</p>
1.2) Supporting democratic accountability and choice	<p>Standardisation of policies and practices is likely to pose a challenge to the achievement of this, e.g. the taxi trades operated in both areas are quite distinctive with different expectations at a local level.</p> <p>However, both Authorities will continue to set the priorities for the service through their existing internal decision making structures, thus maintaining the ability to meet local priorities and choices.</p>
1.3) Shaping our own destiny	<p>Given the funding reductions, such an opportunity should create flexibility for the service to re-shape itself going forward.</p> <p>However, local knowledge and political understanding is critical in achieving such re-shaping in these service areas. Maintaining this within the two organisations would need to be considered and addressed.</p>
1.4) Stimulating and informing wider partnership	<p>There is a potential for this opportunity to be broadened across the Tees Valley partnership to become a regional Regeneration, Regulatory and Planning and Infrastructure function.</p> <p>This would be subject, though, to many of the same risks and considerations as the collaboration opportunities proposed above.</p>
1.5) Optimising outcomes for local people	<p>The maintenance of each Authority's control over the setting and meeting of local priorities should allow this to continue.</p> <p>It should be noted, though, that harmonised service levels, standards, and policies would be necessary to facilitate working across councils. This is likely to be a long term change due to local priorities, policies and practices currently in existence and may</p>

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	lead to disruption in service delivery and quality.
1.6) Sustainable and resilient communities	<p>Many of the local outcomes related to Regeneration, Regulatory and Planning and Infrastructure can be supported through this opportunity.</p> <p>There remains a risk, though, that officers' need to provide impartial and objective advice to politicians on operating a single service which needs to develop the respective local areas may create a perceived or real conflict of interest.</p>
2) To what extent does each Council retain its sovereignty?	<p>From an identity perspective, the public should not notice a difference in appearance of these services at the local level. Both Authorities will still have strategic control over the shared service.</p> <p>It is accepted that such collaboration as that proposed above poses challenges to the maintenance of sovereignty. These will exist in areas such as where funding bids are competing for the same money, where policy objectives for the two areas conflict, and in joint Tees Valley policy/programme negotiations, as well as growth areas such as inward investment and Enterprise Zones. Further work needs to be undertaken to define the mechanisms to ensure sovereignty is maintained, and to define protocols to deal with the conflicts of interests which an officer representing both councils would face.</p>
3) To what extent does the option bring additional benefits?	<p>This opportunity provides both Authorities with the ability to create resilience and capacity to continue the service in some shape or form to support local priorities and demonstrate a level of financial saving over the long term.</p> <p>There remains a risk, though, that not fully standardising these services from structure through to provision will create "dual" services that may in some cases create unnecessary additional costs as opposed to savings.</p>
4) To what extent does the option support each Authority's strategic design principles?	<p>This opportunity supports the Authorities' design principles for improving service delivery and contributing to both Authorities' savings.</p> <p>However, the potential risk of disruption to service quality highlighted above should be noted.</p>