



Instructions and guidance

PLEASE READ THIS FIRST

Middlesbrough Council

Options for the future service delivery model for
Environment, Property and Commercial Services

Assessment Panel Pack

Part 1: Briefing

For help or advice on any aspect of this process, contact:

Tom Punton

Environment, Property and Commercial Services (EPCS)

01642 728300

Tom_punton@middlesbrough.gov.uk

Contents

Panel members.....	2
The Task.....	3
Process and guidance.....	3/4/5
Context.....	5
Critical Objectives.....	6
Information.....	7
Scoring.....	7

Panel Members

Assistant Director – EPCS – Chair	Tom Punton
Environmental Services Manager	Geoff Field
Streetscene Services Manager	Keith Garland
Senior Procurement Officer	Claire Walker
Change Programme Finance Lead	Ian Wright
Assistant Director – Economic Development	Sharon Thomas
Staff Representative	Ged McGreevy
Trade Union Representative	Ian Campell

Workshop Support Officers

Programme Manager	Julie Marsden
Legal Representative	Bryn Roberts
HR Representative	TBC

The Task

Thank you for agreeing to take part in the assessment of potential options for the future business model of Middlesbrough Council's Environment, Property and Commercial Services (EPCS).

Following research and consideration of a substantial number of potential options, including those specified in the Council's Corporate ADM Options Appraisal Guidance, the Project Board has short listed four options for the future business model of the EPCS, and compiled more detailed information about the pros and cons of each option – (Part 2 - The Option Specifications).

The Change Programme Board has agreed seven Key Criteria, which are the critical objectives that any proposed delivery model must be able to achieve, along with the assessment, weighting for each of the criteria, and the scoring methodology.

The task of the assessment panel is to:

- Review each option specification
- Assess how much potential each option has to achieve each of the Key Criteria
- Assess which option has the greatest overall potential to achieve the Key Criteria
- Score each option against the Key Criteria
- Report to the Transformation Board on the recommended option to proceed to the next stage

In the interests of transparency, the panel's report to the Transformation Board should also include:

- The scores allocated to each option
- The number or proportion of panel members who favour each option, if the panel's view is not unanimous

Depending upon the recommended option, the next stage may involve internal service review and re-engineering, competitive dialogue and full procurement / market testing, or due diligence and the preparation of a detailed business case, prior to the implementation of the new delivery model

The final decision about which option to implement would then be taken by Middlesbrough Council's Executive, based upon the outcome of this process.

Process and guidance

The key dates are:

- **7th November 2014:** send in your individual scores for each option to Julie Marsden, Programme Manager at Julie_marsden@middlesbrough.gov.uk
- **14th November 2014:** take part in an assessment panel workshop in the Mandella Room, Middlesbrough Town Hall.

We realise that there is a lot of information to take in. We recommend tackling it as follows:

1. **Read the rest of this briefing**, which includes information about the context for this process and the Key Criteria, or critical objectives that any future model for EPCS must be able to achieve.
2. **Read Assessment Panel Pack 2: Option Specifications.** The specifications describe the characteristics of each option. Some options share some characteristics, so the specifications highlight the aspects of each option that set it apart from the others. Within each specification, you will find a list of the Key Criteria, or critical objectives with descriptions of how the option might – or might not - be able to achieve each one. You may want to come back to the Options Specifications when you are ready to begin scoring the options.
3. **Read Assessment Panel Pack 2: Financial Report Section.** This section describes the financial challenges that EPCS is likely to face given the current and future climate for public spending. It also provides an overview of the main financial implications which are applicable to the different options.
4. **Read Assessment Panel Pack 3: Scoring.** This describes the scoring system and offers some guidance on how to choose between different scoring levels. It also includes a score sheet for recording scores against each option.
5. Now go back to **Assessment panel pack 2: Option Specifications.** For each option look at : **Section B Ability to achieve Key Criteria / Critical Objectives.** Consider each objective and decide how much potential the option has to achieve that objective (no potential, little potential, some potential, good potential) and record the appropriate score against that option and objective.
6. **By 7th November:** please send a copy of your completed scoresheet by e mail to Julie Marsden at Julie_marsden@middlesbrough.gov.uk Your scoring will not be shared with anyone else; it will be collated with the scores from other panel members to identify areas of consensus and difference, to help focus discussion during the panel meeting on the 16th November.
7. If you need any help or advice about any part of the process, please contact Tom Punton on 01642 728300 or via the email on the cover page.

14th November 2014: The Assessment Panel Workshop takes place in the Mandella Room. A programme for the session will be sent by Julie Marsden in advance of the meeting, the format will include:

- Facilitated discussion, focusing on those options or Key Criteria where individual scores suggest there is the greatest divergence of views.
- Clarification on any questions or issues which may arise as a result of the facilitated discussion.
- The group will then jointly score each of the four options against the Key Criteria / Critical Objectives
- Expert witnesses covering Finance, HR, and Legal Services will be on hand to provide further assistance and clarity if needed
- The Chair will facilitate debate and discussion to establish whether a consensus to recommend a particular option has been reached, or if the options should be further debated
- If further debate is required, a similar process to above will be repeated, with a view to reaching a consensus on the recommended option
- If consensus is still not reached, the group will further debate the findings and this may result in a voting process on which option to recommend
- From the outcomes of the above exercise, a draft report will be submitted to the Transformation Board which will seek in principle approval of the recommended option, and seek authority to move to the next stage of the process
- Depending upon the recommended option, this may involve internal service review and re-engineering, competitive dialogue and full procurement, or due diligence and the preparation of a detailed business case
- The methodology and timescale for this stage will be dependent upon the recommended option
- A detailed business case and implementation plan will subsequently be submitted to the Executive for final consideration and approval of the future delivery model for Middlesbrough Council's Environment, Property and Commercial Services

Context

Constraints on public sector finance demand a comprehensive review of all areas of spending. The current high level of subsidy from the public purse is not likely to be sustainable, and this leaves us with one way forward: to reduce the cost base.

Therefore in line with the Council's Change Programme, there is a need to undertake a review of the current EPCS service delivery model. This review is focussed on the current service delivery model, and investigating options for change.

This review has examined the impact upon budgetary arrangements and ownership of the services, along with the potential for collaborative working with other internal and external agencies/ strategic partners and the voluntary / private sector.

This process has examined many potential options and ways forward for the delivery of the services in the future. Through this process, the long list of options has been rationalised down to four potential options for the way forward with EPCS services.

1. Middlesbrough Council to maintain the status quo of the current business delivered by EPCS with potential for re-engineering and growing the business.
2. Middlesbrough Council forming a Joint Venture Company with another local authority (with profits).
3. Middlesbrough Council outsourcing the business to the commercial sector.
4. Middlesbrough Council considers an in house bid from the existing management team to form a locally managed company to run these services.

The final strand of the EPCS Review Project is to carry out an options appraisal to identify the business model that will put Middlesbrough Council in the strongest possible position to face these challenges successfully. The assessment panel is a key stage in the options appraisal.

Key Criteria / Critical objectives

Any future business model for Middlesbrough Council EPCS must have the potential to meet the following challenges:

- Will it contribute to the Mayor’s vision for Middlesbrough, the Council’s Strategic Outcomes and the Change Programme Principles?
- Will it provide value for money?
- Will it be sustainable?

Within these areas of challenge, the EPCS Project Board has identified, and given weightings in terms of their importance, to seven Key Criteria / Critical Objectives that any future business model must have the potential to achieve:

No.	Criterion	Weighting
1	<p>Strategic fit</p> <p>The extent to which the option aligns with programme principles:</p> <ul style="list-style-type: none"> • Develop new, more cooperative public services • Build services around resident and community needs • Focus investment principally on core business • Direct resources into early intervention • Encourage and support others to take on and deliver services • Do not provide competing services if there is an effective local market • Become ‘digital by default’ • Empower managers to deliver outcomes • Optimise the use of technology and flexible working • Ensure scrutiny of value for money 	10%

Middlesbrough Council – Environment, Property and Commercial Services Options Assessment Panel Briefing

2	Governance and accountability The extent to which the option is well-managed, democratically accountable, responsive and transparent.	10%
3	Financial assessment The extent to which the option contributes to savings / income targets for the service area for the medium-term (as set out in Outcome Delivery Plans); the extent and ease with which agreed plans can be amended if the Council's budgetary position is impacted by funding changes; and the extent to which the option can ensure the appropriate level of investment in the services is achieved.	40%
4	Quality of service The extent to which the option contributes to Assistant Director's core strategic outcome and current and future needs (as set out in Outcome Delivery Plans).	20%
5	Social value The extent to which the option impacts on the wider local economy, community wellbeing and cohesion.	10%
6	Quality of employment The extent to which the option retains terms and conditions, pensions and other existing staff benefits, maintains or improves working practices and offers longer term progression opportunities.	5%
7	Corporate impact The likely impact of the option on other Council services and the Council as a whole.	5%

Information

The general characteristics of each option are described in *Assessment Panel Pack 2: Option Specifications*. The Specifications also identify processes or actions that could enable that option to achieve each of the Key Criteria / Critical Objectives.

Scoring

A scoring system has been approved by the Transformation Board. The scoring system is presented in *Assessment Panel Pack 3: Scoring*. The scoring system is offered to the panel as an aid to decision-making, not as the mechanism for determining the outcome.

All options will be scored on a -7 to +7 scale in terms of their potential to achieve the Key Criteria / Critical Objective, where 0 represents the status quo, a plus score indicates better than the status quo, and a minus score worse than the status quo. The scores will then be weighted.

The consensus scores for each option will be assessed and discounted where appropriate for optimism bias, deliverability and risk.

All options appraisals must be evidence-based. The data used to evidence the above criteria will be determined by Assistant Directors and their project managers.