

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	22 January 2013
<b>Subject:</b>	West London Alliance Accord
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Hugh Peart, Director of Legal and Governance Services
<b>Portfolio Holder:</b>	Councillor Graham Henson, Portfolio Holder for Performance, Customer Services and Corporate Services
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	Appendix 1 – Draft WLA Accord

## Section 1 – Summary and Recommendations

This report sets out Harrow Council's participation in and contribution to the West London Alliance (WLA) Programme of collaborative working and seeks authority to adopt the WLA Accord as the basis of the continued development of collaborative approaches by the West London boroughs.

### **Recommendations:**

Cabinet is requested to:

- (1) adopt the new West London Alliance (WLA) Accord as the basis of ongoing collaborative working amongst the boroughs of Hounslow, Barnet, Brent, Ealing, Harrow and Hillingdon, with authority being given to the Chief Executive, in consultation with the Portfolio Holder for

Performance, Customer Services and Corporate Services, to agree any appropriate minor alterations to the Accord; and

- (2) authorise the Chief Executive to agree Harrow's annual financial contributions to the WLA to be met from existing budget provision;

**Reason: (For recommendation)**

To underpin Harrow's participation in the collaborative working to achieve service improvement and efficiencies amongst participating Councils and ensure Harrow is a part of the growing programme of collaboration, as described in the WLA's first Annual Report.

## **Section 2 – Report**

### **Introductory paragraph**

- 2.1 The West London Alliance was established in the late 1990s to help deliver a number of economic, community, spatial planning and transport objectives across West London. In recent years, there has been a step change in the depth and extent of the collaborative activity being undertaken. The emphasis has been on collaborative working to achieve service improvements and efficiencies among participating Councils and there is now a substantial and growing programme of collaboration, as described in the WLA's first Annual report.
- 2.2 The Leaders of the WLA (Hounslow, Brent, Ealing, Harrow, Hillingdon and Barnet), have agreed to seek approval to adopt a new WLA Accord, which sets out the objectives of collaboration and the terms of participation in the programme. The Accord also lays out formally the current practice among participating authorities.

### **Options considered**

- 2.1 The option to do nothing is not a viable one at a time when all Councils are facing many financial challenges. Collaboration will help improve service delivery and realise efficiency savings.

### **Background**

- 2.2 The WLA is one of a number of sub-regional local authority partnerships in London but is widely regarded as the most developed in terms of the robustness of the partnership, the scope of collaboration and the track record of delivery.

- 2.3 The WLA is the Council's principal strategic vehicle for progressing collaborative working, joint procurement and shared services between local authorities and is expected to realise annual savings.

### **The WLA Accord**

2.4 The Accord has been developed following an internal review of WLA governance arrangements and an evaluation of current collaborative programmes. That work identified the need to strengthen aspects of WLA governance commensurate with the significant increase in scope of WLA activity in recent years and the potential for further growth as the collaborative and shared service agenda continues to develop.

2.5 The Accord is attached as Appendix 1. It highlights, among other items, the overall aims and objectives of the WLA, which are to:

- provide improved and more resilient services, focussed on and responding to the needs of residents and businesses
- achieve better value for money and realise financial savings
- enhance the social, economic and environmental position of West London through collaborative work in partnership with neighbouring boroughs within West London.

2.6 The objectives of the WLA are as follows:

§ improve the prospects of achieving the participant Councils' strategic objectives by working together where that adds value over the option of councils acting individually;

§ share investment, purchasing and resources where it will achieve improved services, better value for money and financial savings; and

§ provide a unified voice for public sector interests in West London in order to have a greater impact on the regional and national policy and strategies affecting the interests of West London councils and its communities.

2.7 The Accord allows participating authorities to choose which of the collaborative programmes to participate in at any time. Harrow is an active partner in the WLA. The Council is engaged in all six collaborative programmes of work and will continue to seek to secure improvements in services and significant cost efficiencies through joint working with peers in the WLA.

### **WLA Programmes of work – inaugural annual report**

2.8 The first WLA Annual Report is available by following the link below:  
[http://www.westlondonalliance.org/WLA/wla.nsf/Publications/WPB-417/\\$file/WLA%20Annual%20Report%202011-12\\_AW3%20FINAL.pdf](http://www.westlondonalliance.org/WLA/wla.nsf/Publications/WPB-417/$file/WLA%20Annual%20Report%202011-12_AW3%20FINAL.pdf)

- 2.9 It details the six collaborative programmes which are the WLA's current focus. These are:
- Adult Care Services Improvement and Efficiency
  - Children's Services Improvement and Efficiency
  - Passenger Transport Programme
  - Strategic Property Board
  - Procurement Board and Hub
  - Housing Partnership.
- 2.10 The Annual report details a number of notable successes across these programmes that have achieved considerable savings and cost avoidance. It also demonstrates the scale of current collaborative activity and the potential for savings across West London in future years. Overall the WLA boroughs are aiming to secure collective savings of at least £57m by 2016/17.
- 2.11 At the heart of all the programmes lies the aim to use the collective buying power of the participating Councils to influence and control the cost of key services and the market within which they operate. To this end a number of WLA procurement frameworks have been negotiated and WLA Councils are able to draw down services from these where it is advantageous for them to do so. Some of the more mature collaborative programmes, in particular adults' and children's services are now moving beyond making the most of tactical procurement opportunities to shared commissioning strategies which will provide further sources of service improvement and efficiencies in the future. In addition, the passenger transport programme has taken the step of creating a new shared transport bureau to co-ordinate and meet travel requirements in a more cost-effective way.

### **Governance, organisation and operation of the WLA**

2.12 Overall governance within the WLA is provided by -

- § Regular meetings of the six WLA Council Leaders and Chief Executives. This group meets two or three times a year, provides overall strategic guidance and direction for WLA programmes and activities, and explores future opportunities and challenges. The current chair of the WLA Leaders and Chief Executive's Board is Councillor Julian Bell (Council Leader, London Borough of Ealing).
- § Monthly meetings of the six WLA Council Chief Executives. These meetings review projects and programmes and provide managerial challenge and support to programme activity. They hold to account the Director and the programme Managers, as well as colleagues in boroughs who are responsible for WLA programmes.
- § Individual programme activities are managed on a programme by programme basis; this reflects the differing participation by Councils in the programmes and the way in which they are funded. However, the broad template is

that each has a Programme Board comprising senior staff from the relevant service for each Council, a lead Finance Director and a sponsor Chief Executive.

- § Individual approval by the Cabinet (or officer or member with the relevant delegated authority) of participant councils in relation to each new programme.
- § Regular reports to participating Councils. (This is one of the purposes of this report).

2.13 The WLA does not have a separate legal identity and has no decision-making power in its own right. Participating Councils must therefore obtain appropriate authority in order to participate in projects or provide financial or other support. This means that each project involving a contractual matter (collaborative procurement for instance) must have a 'lead' borough to enter into the contract and the contracting rules of that lead borough will be followed. Officers working in support of the WLA must be employed by one of the participating boroughs.

2.14 In 2010, the WLA moved to a more intensive phase when the six boroughs decided to set up the Adult Social Care Efficiencies Unit and to increase joint procurement activity generally. Ealing is the host borough and employs the largest number of officers engaged on WLA work. The salaries, oncosts and operational expenses of the WLA staff and programmes are shared between the Councils participating on an equal basis, net of any grant income that has been secured by the WLA for the programme's work.

2.15 Ealing currently hosts or provides the following officers and facilities in support of WLA work:

- § Employs the WLA director, senior programme manager, administrator, and 13 other officers. These officers are all Ealing employees and employed on Ealing Council terms and conditions.
- § Provides accountancy, financial management, audit and related services and functions for the administration of WLA budgets.
- § Provides the WLA staff with office facilities, including desks and ICT.

2.16 The current arrangements for the WLA mean that it functions very flexibly. However, it is dependent upon the continuing voluntary participation of Councils in relation to both its specific projects and its ongoing viability. This carries risk for those participating Councils that provide staffing resources, as the employing Council will have continuing liabilities and responsibilities towards those officers regardless of whether or not there is any continuing need for their services for WLA work. That risk is unlikely to materialise to any significant degree, but given the expansion of WLA programmes more formal risk sharing protocols have been developed and are being applied.

2.17 In the context of the recent and potential future development of WLA activity, earlier this year the WLA Chief Executives decided to commission a review of the governance and management of the WLA, including an external peer challenge. This has resulted in a number of developments, notably:-

- § the Accord and Annual Report
- § an enhanced business planning process
- § the establishment of a Benefits Realisation Board to enable robust identification and delivery of financial and non-financial benefits
- § the development of risk sharing arrangements for boroughs hosting and leading WLA activity.

### **Harrow's participation in and contribution to the WLA Programme**

#### Adult Care Services Improvement and Efficiency

2.18 To date the programme has focused on services that have a high level of spend across each of the west London boroughs. In this way we have now embedded west London approaches to homecare, residential care for older people and Supporting People services. West London Alliance boroughs are also working together to manage the inflation paid to service providers, and to ensure that it is fair.

2.19 Harrow has made savings estimated to be approximately £1m to date through inflation management, residential care accreditation and Supporting People efficiencies.

2.20 As the programme continues to mature we expect to achieve substantially higher savings, including an additional £2m per annum currently built into the Council's MTFS and further efficiencies proposed in December's Cabinet. The programme is also proposing to take a more strategic market shaping role in the future through the use of Care Place and alignment of strategic commissioning intentions.

#### Public Health working together across the WLA

2.21 In preparation for when local government take on the responsibility for Public Health post 1 April 2013, the Joint Director of Public Health (Harrow and Barnet) chairs a West London Alliance Public Health commissioning group that meets monthly, supported and serviced by the officers of the WLA. To date, these meetings have focused on future arrangements for collaboration on commissioning sexual health services and have been an opportunity to share good practice. The work programme will be expanded in the new financial year to look at future collaborative commissioning and procurement opportunities.

### Children's Services Improvement and Efficiency

- 2.22 This programme, which is sponsored by our Chief Executive, is designed to better control costs by working collectively and acting as a single purchaser.
- 2.23 There are two delivery channels to this programme of which Children's & Families are full members:-
1. Looked After Children;  
Looked After Children (LAC) working groups have identified savings & efficiencies that have ensured the Directorate can achieve its demanding budget challenges over the coming years. Procurement savings identified for 2012/13 total £68,000, which have contributed to the delivery of the Children's Services procurement savings identified in the 2012/13 MTFS.
  2. Special Educational Needs;  
The Special Educational Needs working groups have not yet made the same impact as the LAC working groups; with little benefits identified for the Directorate currently.
- 2.24 The current development of a West London Commissioning Strategy will support a number of common objectives, including:
- Influencing the Markets and developing capacity across increasing areas of demand (especially for SEN);
  - A common Framework Agreement and a common Fee & Costing tool, such as the Cost Funding Calculator showing transparency;
  - Most importantly will be the continued sharing of Best Practice across all services.

### Passenger Transport

- 2.25 The aim of this programme is to create a single West London Transport Service incorporating passenger transport, fleet, concessionary travel and independent travel.
- 2.26 The transport programme negotiated a new West London framework, of which Harrow did not participate due to the reduced service specification that was across the Boroughs. The results of this tendering exercise did not demonstrate real savings for the participating Boroughs and for Barnet it represented an increase. As a consequence Harrow, joined by Barnet, undertook its own tendering process for its Contracted Transport services which has yielded a 25% reduction in charges against Harrow's needs and a 12% reduction for Barnet.
- 2.27 The original Business Case for this programme based the main efficiencies & savings around the delivery of a Transport Hub. Harrow had some concerns about the programme and deferred being part of

the Hub when it was launched in September 2012. When launched the Hub did experience some significant operational issues and the WLA have recently made a formal statement that the Hub will take a minimum of 12 months to become fully functional.

- 2.28 At this stage this part of the programme has yet to deliver any determinable benefits to Harrow.

#### Strategic Property Board

- 2.29 This programme is not yet as mature as those above. It aims to improve service delivery by collaborating across West London on the use/management of buildings and assets, particularly those on the boundaries between boroughs.

- 2.30 Current projects under discussion include:

- The cross boundary provision of school places;
- Co-location of shared services along boundaries;
- Shared procurement opportunities and strategic approach to delivery of property related functions; and
- Exploration of procurement, management and viability of collaborative carbon reduction projects to produce efficiency savings and sustainable estates.

- 2.31 It is anticipated that in due course additional work streams will provide for further opportunities to be developed relating to shared services providing the potential for Harrow to consider the provision of areas of selected professional work to other WLA boroughs

#### Procurement Board and Hub

- 2.32 This project oversees the WLA work to harness every possible opportunity for collaborative procurement and has now designed a forward programme of potential joint procurement on the procurement plans of individual boroughs.

#### Housing Partnership

- 2.33 The Partnership has been proactive in securing external funding for a variety of projects which has been shared amongst the participating boroughs as well as developing shared services such as the Locata choice based letting scheme. In the future it is giving more emphasis to other potential collaborative opportunities, including repairs and maintenance and temporary accommodation (with Harrow offering temporary accommodation procurement services to our West London partners).

- 2.34 West London funding for Empty Homes in 2008-11 enabled 154 properties to be brought back into use in Harrow for local households in housing need to prevent homelessness.



- 2.35 West London also received funding for single homelessness work, and Harrow's share is being used effectively to assist non statutory homeless households obtain accommodation.
- 2.36 Some modest staff savings were made on the Locata online applications project but the complexity of housing assessment means that the online applications still have to be checked and amended by staff so the savings are relatively small. However, some of the savings have been used to fund Harrow's share of West London Housing Partnership staff.
- 2.37 The Partnership also engages with central government and pan London in raising concerns around homelessness and welfare reform, and has facilitated two successful pan London conferences on these issues.

## **Financial Implications**

### WLA Office Budget

- 2.38 The WLA Office is funded by equal contributions from each of the six member boroughs. The 2012/13 contribution of £30,000 is provided for in the Council's approved budget.

### WLA Programme Funding

- 2.39 Individual WLA programmes have historically been funded by a combination of grant funding (such as from Capital Ambition) and further contributions from the boroughs participating in the programme. The principal criterion driving collective initiation and support and individual borough participation in a proposed programme is value for money, and in particular the potential of that programme to generate significant net financial savings.
- 2.40 As programmes normally run for longer than one financial year, any unspent funding remaining at the financial year-end is currently carried forward into the next financial year against each programme. The WLA Annual Report 2011/12 sets out in more detail the spending and funding for the WLA Office and for each of the WLA programmes for that year.

### WLA Programme Benefits Realisation

- 2.41 As can be seen from the report, the benefits from engaging in the WLA Work Programme have far exceeded our contributions.

### Support Costs

- 2.42 Ealing Council provides support in kind in terms of accommodation costs including IT and telephony and support costs such as HR, Payroll and Finance. Whilst such costs used to be insignificant, as the WLA

has expanded in recent years the indicative cost of this support in kind has also grown and is estimated at £60,000. In recognition of this, it has been agreed that these costs will now be shared between boroughs participating in the WLA Office and Programmes.

### Equalities Impact

2.43 The Council has to give due regard to its equalities duties, in particular with respect to its duties arising pursuant to the Equality Act 2010, section 149, part 11 of the public sector duty below:

- Eliminate discrimination, harassment, victimisation and eliminate any other conduct that is prohibited by or under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and person who do not share it;
- Foster good relationships between equalities groups.

2.44 The Accord itself does not give rise to any equality considerations but the collaborative programme is likely to result in recommendations with equality impacts. Each time recommendations from a collaborative programme are submitted for consideration, they will need to be supported by an Equality Impact Assessment so that the Council can demonstrate that Members have been provided with the information necessary to paying due regard to the Public Sector Equality Duty.

### **Legal Implications**

2.45 Harrow has the power to participate in the WLA and its programmes. Decisions relating to the WLA programmes and governance must be taken by Cabinet or by officers or members to whom Cabinet has delegated authority to act.

2.46 All procurement activity is subject to EU procurement rules.

### **Performance Issues**

2.47 This report has no direct performance implications but the activities of the WLA are aimed at ensuring greater efficiency and effectiveness and therefore make a positive contribution. Changes in performance levels and targets will be addressed through the individual workstreams.

### **Environmental Impact**

2.48 There are no direct environmental impacts from the proposals set out in the report, but the collaborative working between boroughs provides opportunities for better efficiency and for minimising environmental impact through a number of projects.

## Risk Management Implications

2.49 There are no risk management implications in the report but it is noted that as the scale of WLA activities increases there is a need for the lead borough for governance matters (London Borough of Ealing) to continue to apply formal and clear risk management and risk-sharing protocols agreed by the wider Alliance pursuant to Section 7.4 of the enclosed WLA Terms of Reference.

## Corporate Priorities

2.50 All of the WLA projects are linked to at least on the Council's Corporate Priorities:

- Keeping neighbourhoods clean, green and safe.
- United and involved communities: A Council that listens and leads.
- Supporting and protecting people who are most in need.
- Supporting our town centre, our local shopping centres and businesses.

## Section 3 - Statutory Officer Clearance

Name: Julie Alderson	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 8 January 2013		
Name: Hugh Peart	<input checked="" type="checkbox"/>	Monitoring Officer
Date: 8 January 2013		

## Section 4 – Performance Officer Clearance

Name: Martin Randall	<input checked="" type="checkbox"/>	on behalf of the Divisional Director Strategic Commissioning
Date: 7 January 2013		

## Section 5 – Environmental Impact Officer Clearance

Name: John Edwards



Divisional Director  
(Environmental  
Services)

Date: 27 December 2012

## Section 6 - Contact Details and Background Papers

**Contact:** Daksha Ghelani, Senior Democratic Services Officer  
Tel: 020 8424 1881

**Background Papers:** West London Alliance Annual Report 2011/12

[http://www.westlondonalliance.org/WLA/wla.nsf/Publications/WPB-417/\\$file/WLA%20Annual%20Report%202011-12\\_AW3%20FINAL.pdf](http://www.westlondonalliance.org/WLA/wla.nsf/Publications/WPB-417/$file/WLA%20Annual%20Report%202011-12_AW3%20FINAL.pdf)

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny  
Committee**

NO

*[Call-in applies]*