

North Lanarkshire Council

Report

Transformation and Digitalisation Committee

approval noting

Ref LJ/AM/GS

Date 04/09/19

Gateway Reviews of Routes to Work Ltd and North Lanarkshire Municipal Bank Ltd

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Executive Summary

At its meeting in February 2019, Transformation and Digitalisation Committee approved a new approach and process to conducting Gateway Reviews for both Transformation Reviews and reviews of the council's ALEOs.

This report provides a summary of considerations and discussion at the initial meetings of the new Review Panel meeting, where progress with the Routes to Work Ltd and North Lanarkshire Municipal Bank Ltd reviews were heard and approval given for the reviews to move to the next stages.

Recommendations

It is recommended that Transformation and Digitalisation Committee:

1. Notes that two meetings of the Gateway Review Panel have been held since the revised membership and extended remit was agreed at the Committee meeting held on 27 February 2019;
2. Notes membership, including provision for substitute members, as detailed in Appendix 1;
3. Notes that at its meetings held on 31 May and 20 August 2019 panel members received progress updates on the ALEO reviews of Routes to Work Ltd and North Lanarkshire Municipal Bank Ltd; and,
4. Notes that the final review reports on both Routes to Work Ltd and North Lanarkshire Municipal Bank Ltd will be submitted to the Policy and Strategy Committee at its meeting on 26 September 2019.

The Plan for North Lanarkshire

Priority All priorities

Ambition statement (24) Review and design services around people, communities, and shared resources

1. Background

- 1.1 At its meeting in February 2019, Transformation and Digitalisation Committee approved the continued inclusion of Gateway Reviews as a key component of review activity, with a single Gateway Review process adopted for both Transformation and ALEO reviews. Committee agreed that membership of the panel should reflect composition of the previous Transformation Committee's Gateway Review Panel by including:
- the Transformation and Digitalisation Committee's Convener and Vice Convener;
 - cross party representation; and,
 - joint trade union representation.
- 1.2 The Convener thereafter sought nominations for membership, including nomination of substitute members. Details of the agreed Gateway Review Panel members are attached as Appendix One.
- 1.3 The council's Transformation Review Programme was introduced in 2016 to provide a structured process to investigate targeted areas of service delivery to achieve a range of outcomes including efficiencies and service improvements.
- 1.4 Similarly, the ALEO Review Programme was approved in 2016/17 to ensure our arm's length service delivery arrangements continue to provide value for money and contribute to the council's strategic direction.
- 1.5 Both review programmes comply with the council's Project Management Model with an added layer of scrutiny in the form of Gateway Reviews. These reviews challenge review teams at key milestones in the research, findings and proposals phases and authorise progression to the next stage.

2. Introductory Gateway Review Panel – 31 May 2019

Routes to Work Ltd

- 2.1 The initial Gateway Review of Routes to Work (RtW) took place on 31 May 2019. The panel comprised five elected members with apologies from one elected member and also from the joint trade unions' representative. Also present were the review team leaders and support officers from Business Solutions.
- 2.1.1 The panel heard a presentation on the background and progress with the review which is a comprehensive investigation of how the organisation supports local people, often those furthest removed from the labour market, to access employment.
- 2.1.2 The review team reported the first four stages of the review: scoping, data collection and analysis, engagement and consultation and service assessment were complete.
- 2.1.3 Ongoing work was heard to be on options appraisal with four options under consideration.
1. Status Quo. This, however, would limit long term financial stability as an annual funding agreement would remain in place.
 2. Retain RtW as an ALEO, but better align work with the council and other partners. The panel heard alignment with an ongoing council-wide employability review is a consideration as RtW delivers a significant portion of the employability programme.

3. Dissolve RtW and bring services in-house.
4. Dissolve RtW and cease service provision.

The panel heard option 3 brings challenges as RtW staff are on different terms and conditions from council employees. Option 4 would result in cessation of a significant element of the council's employability activity which seeks to address poverty and promote individuals' health and wellbeing through supporting them into and thereafter, sustaining employment

- 2.1.4 The panel was asked, and gave, their approval for the review team to further investigate these options in more detail and to move the review to the next stage in the process.

North Lanarkshire Municipal Bank

- 2.2 A Gateway Review of the Municipal Bank also took place on 31 May with the same elected members and staff as the RtW review.

- 2.2.1 The review panel heard a presentation on the background and progress with the review which is a comprehensive investigation into various areas of bank activity including governance, financial and operational performance and service delivery. The performance of the bank, relevant trends, stakeholder engagement and the bank's role in providing funds for the council are also under examination.

Only one other municipal bank was found still to be operational – the Clydebank Municipal Bank operated by West Dunbartonshire Council. Two councils were found to have recently closed their municipal banks: North Ayrshire and West Lothian.

- 2.2.2 The review team reported that the first three stages of the review: scoping, data collection and analysis, engagement and consultation were complete. Although the service assessment, prior to the options appraisal, was still to take place, the panel noted that emerging options would be likely to include examining the potential merits and constraints of retaining or ceasing bank operations, along with seeking to grow the bank.
- 2.2.3 The panel discussed various aspects identified during the review including: trends in banking; legislation restricting municipal bank services; reducing customer numbers and account balances; the Bank of England instruction for credit unions to remove funds from municipal banks; and, the potential reduction in First Stop Shop locations through the council's asset rationalisation proposals.
- 2.2.4 The panel was asked, and gave, its approval for the review team to further investigate potential options in more detail and to move the review to the next stage in the process.
- 2.2.5 The panel agreed to a flexible approach to the timeline given the complexity of the work to be undertaken.

Follow-up Gateway Review Panel – 20 August 2019

- 2.3 A follow-up Gateway Review Panel was held on 20 August 2019 to advise members of the outcomes of the separate options appraisal workshops for both RtW and the bank. At this meeting, members received details of the procedure followed and the

specific recommendations in relation to each service, including feedback from customer consultation undertaken as part of the bank review. The top options for RtW and the bank were noted and members noted that the final review reports would be submitted to the Policy and Strategy Committee on 26 September 2019.

3. Equality and Diversity

3.1 Fairer Scotland Duty

Individual Transformation and ALEO reviews may have an impact and this is considered in advance of the options appraisal stage of the individual reviews, but the Gateway Review element has no specific impact.

3.2 Equality Impact Assessment

As above, Transformation and ALEO reviews may have an impact but the Gateway Review element has no specific impact.

4. Implications

4.1 Financial Impact

No impact

4.2 HR/Policy/Legislative Impact

No impact

4.3 Environmental Impact

No impact

4.4 Risk Impact

4.4.1 The council's corporate risk register identifies the potential for operational failure within an ALEO as a key corporate risk. This may arise through a variety of factors including for example: inadequate governance and oversight; ineffective financial or operational performance; or, lack of alignment with the council's priorities and strategic direction. In addition to regular monitoring by council client officers, the ALEO Review Programme helps to mitigate these risks by providing the mechanism through which the council examines service delivery to ensure that the council's expectations are being met and the externalised delivery method remains the best option for service delivery. The Gateway Review element of review activity provides a further layer of external scrutiny, challenge and accountability and ensures that the scope and focus of the reviews remain relevant and meet members' expectations.

4.4.2 Gateway Review Panel members, at the meeting on 20 August 2019, noted that detailed risk assessments had been undertaken as part of the options appraisal stage of the individual reviews and the findings will be included in the separate review reports referenced at 2.3 above.

5. Measures of success

5.1 Elected Members are satisfied with the progress of reviews

5.2 Reviews achieve their intended outcomes.

6. Supporting Documents

6.1 Appendix 1 Transformation and Digitalisation Gateway Review Panel membership.

A handwritten signature in black ink that reads "Katrina M Hassell". The signature is written in a cursive style with a large, sweeping initial 'K'.

Katrina Hassell
Head of Business Solutions

TRANSFORMATION AND DIGITALISATION GATEWAY REVIEW PANEL

MEMBERSHIP AS AT SEPTEMBER 2019

Member	Substitute(s)	
Cllr Kenneth Duffy (Convener)	Cllr Louise Roarty	Cllr Paul Kelly
Cllr Tom Fisher (Vice Convener)		
Cllr Claire Barclay	Cllr Paul Di Mascio	Cllr Jim Hume
Cllr Fiona Fotheringham		
Cllr Trevor Douglas	Cllr Nathan Wilson	
Cllr Paddy Hogg	To be advised	
Marie Quigley Joint Trade Union Representative	John Watson	