

Local Authority Joint Ventures & Collaboration

Via East Midlands Ltd



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0115 804 2100



Formation: why change?

- Rev budget reductions (27% reductions 2009→2014).
- LEAN analysis / service integration / reorganisation(s).
- Depot rationalisation (14→6 nr).
- Insourcing remaining highway delivery partnerships with district/borough councils.
- Voluntary redundancies (20% reduction).
- Service reductions, both provided and received.
- Demand (increased by 50%) v Expectations.
- The Politics.

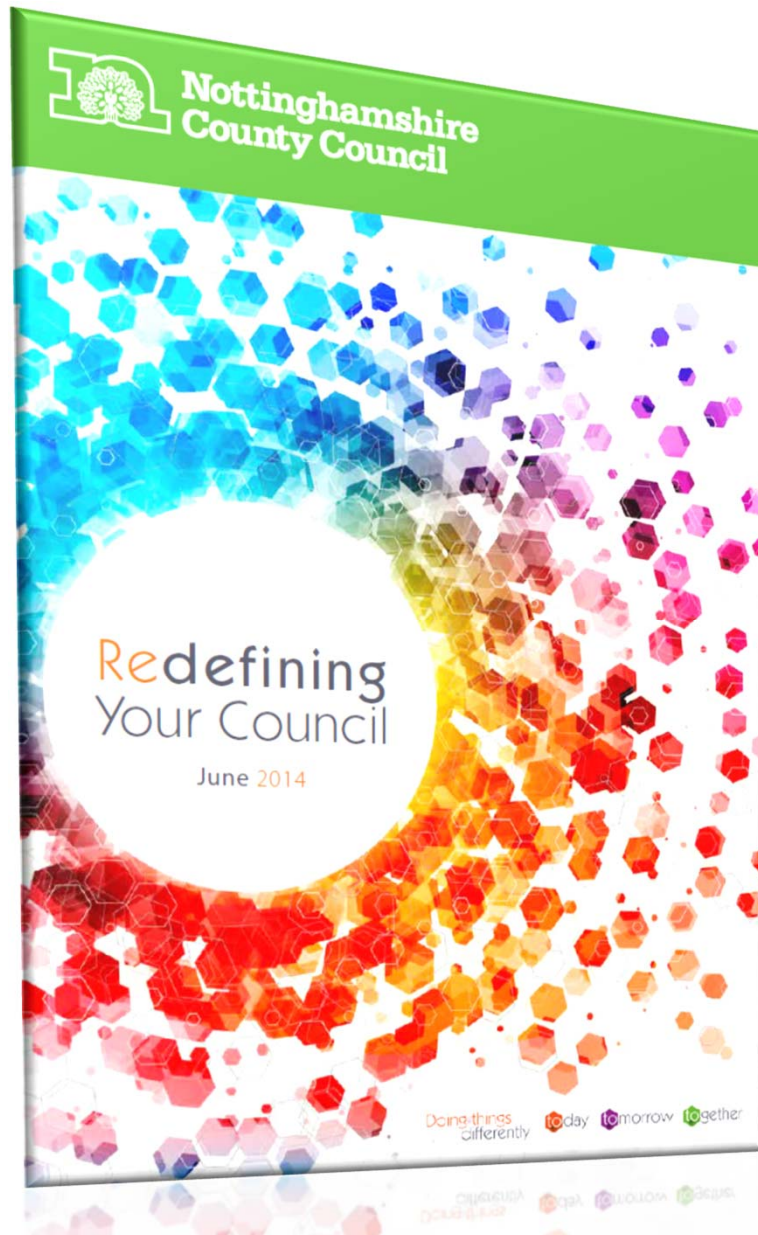


Formation: what to do?



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Formation: a helpful driver



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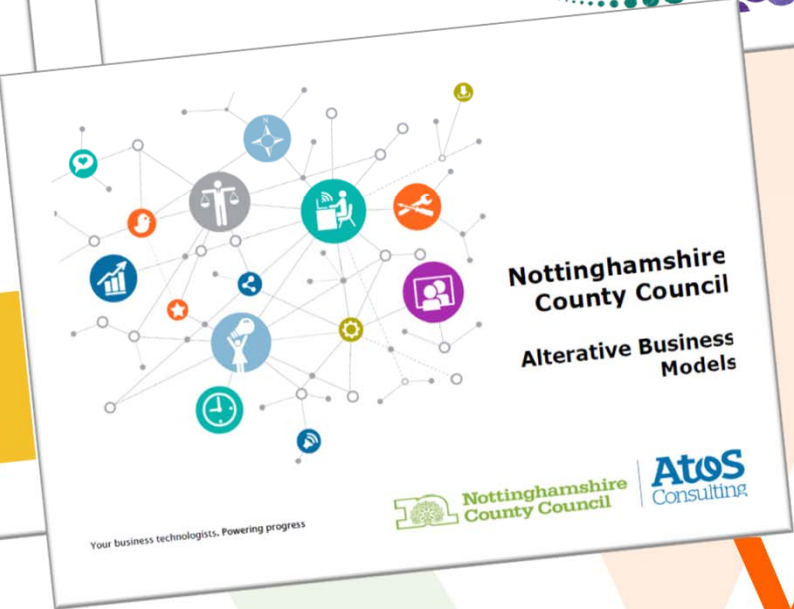
Alternative delivery models

There are an increasing number of alternative forms of delivery available to local government. Nottinghamshire County Council has contracts and partnerships with other public bodies, voluntary sector organisations and with the private sector, is a member of a leisure services trust and has a 50% share in a wholly local authority owned company. Increasingly, councils are considering other forms of delivery such as strategic alliances and formal partnership with the NHS, trusts for leisure and arts services, and social enterprise models. A cultural shift is underway which seeks to foster creativity and innovation in how services are delivered, focusing on outcomes rather than who delivers the service.

<http://www.nottinghamshire.gov.uk/media/108605/redefining-your-council.pdf>

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Formation: review



Formation: resistance



Formation: options

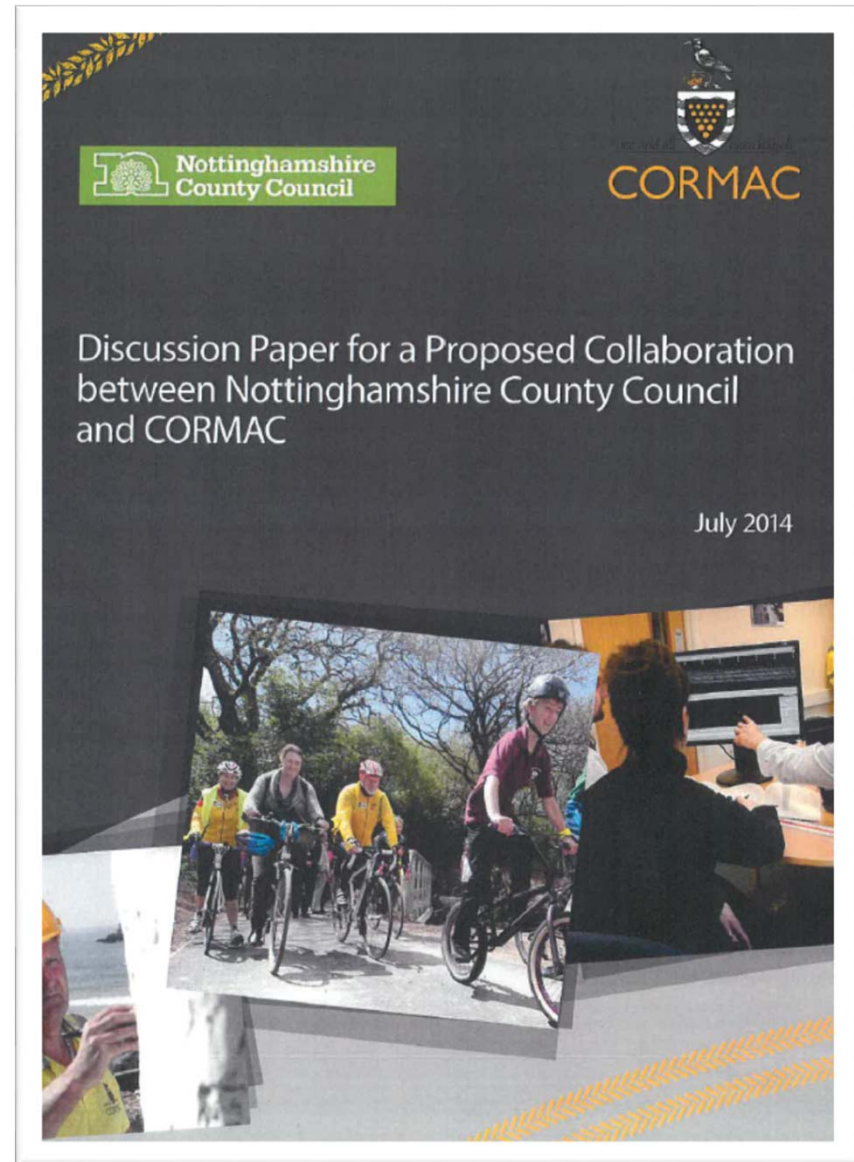
- **Status-Quo:** NCC and the service demanded change to create innovation, so stay-as-you-are was not an option.
- **NCC wholly owned company:** Considered by NCC as high-risk
- **Outsourcing:** Service already part-outsourced (mixed economy approach) and Political Leadership valued the service and wanted to maintain an element of ownership.
- **Shared service:** Unlikely to generate significant benefit for input required and who to share with.
- **Public-Private partnership:** Concerns about loss of control and incompatible goals.
- **Public-Public partnership:** Preferred option.

Formation: options



Formation: options

- CORMAC offer to Nottinghamshire; a joint venture or simply support our aspiration.
- Why re-invent the wheel?
- Public service ethics with commercial experience
- Local Government people with Political astuteness
- Trust and proven success



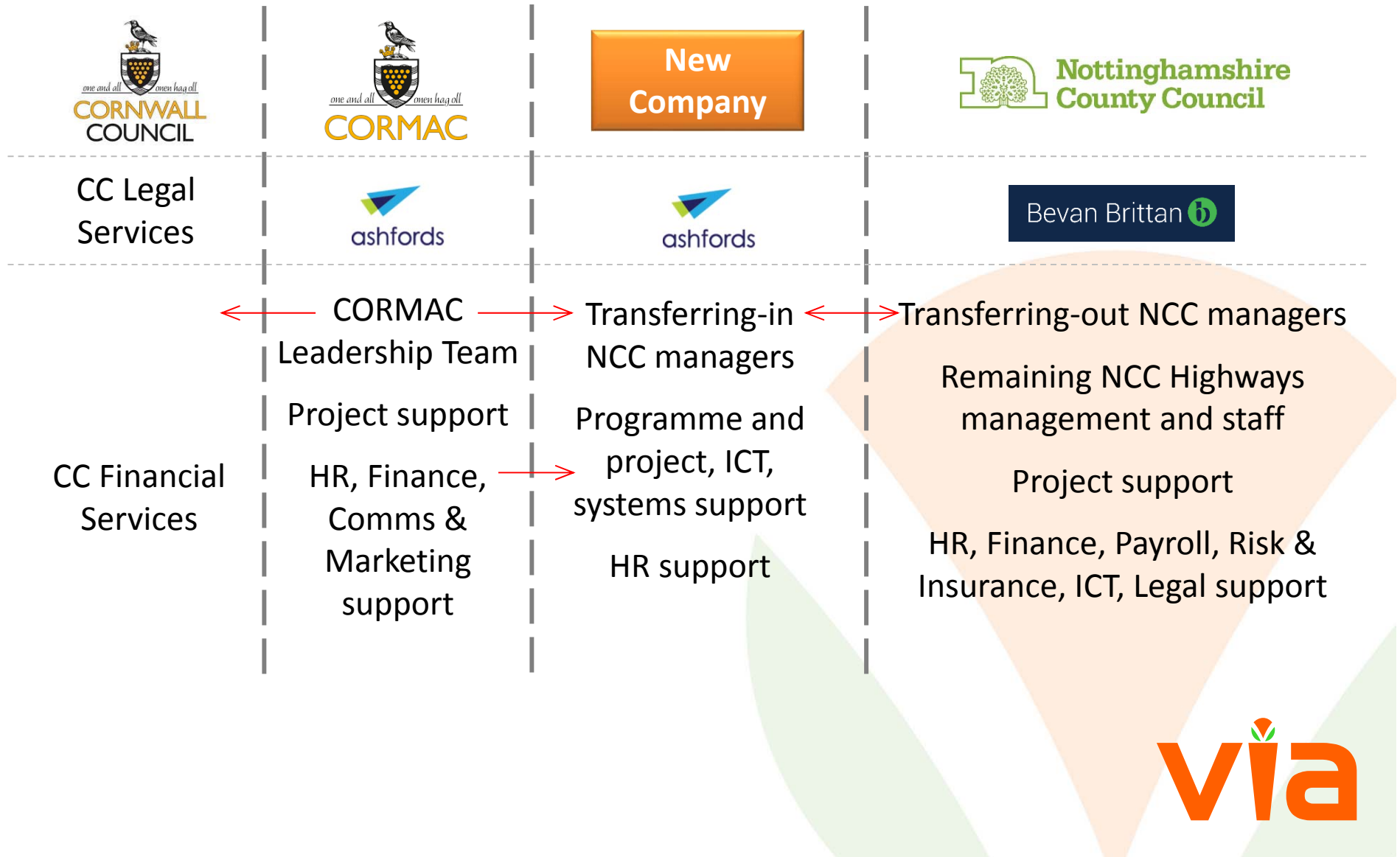
Formation: courage

- Compelling argument or leap of faith?



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Collaboration: developing the company

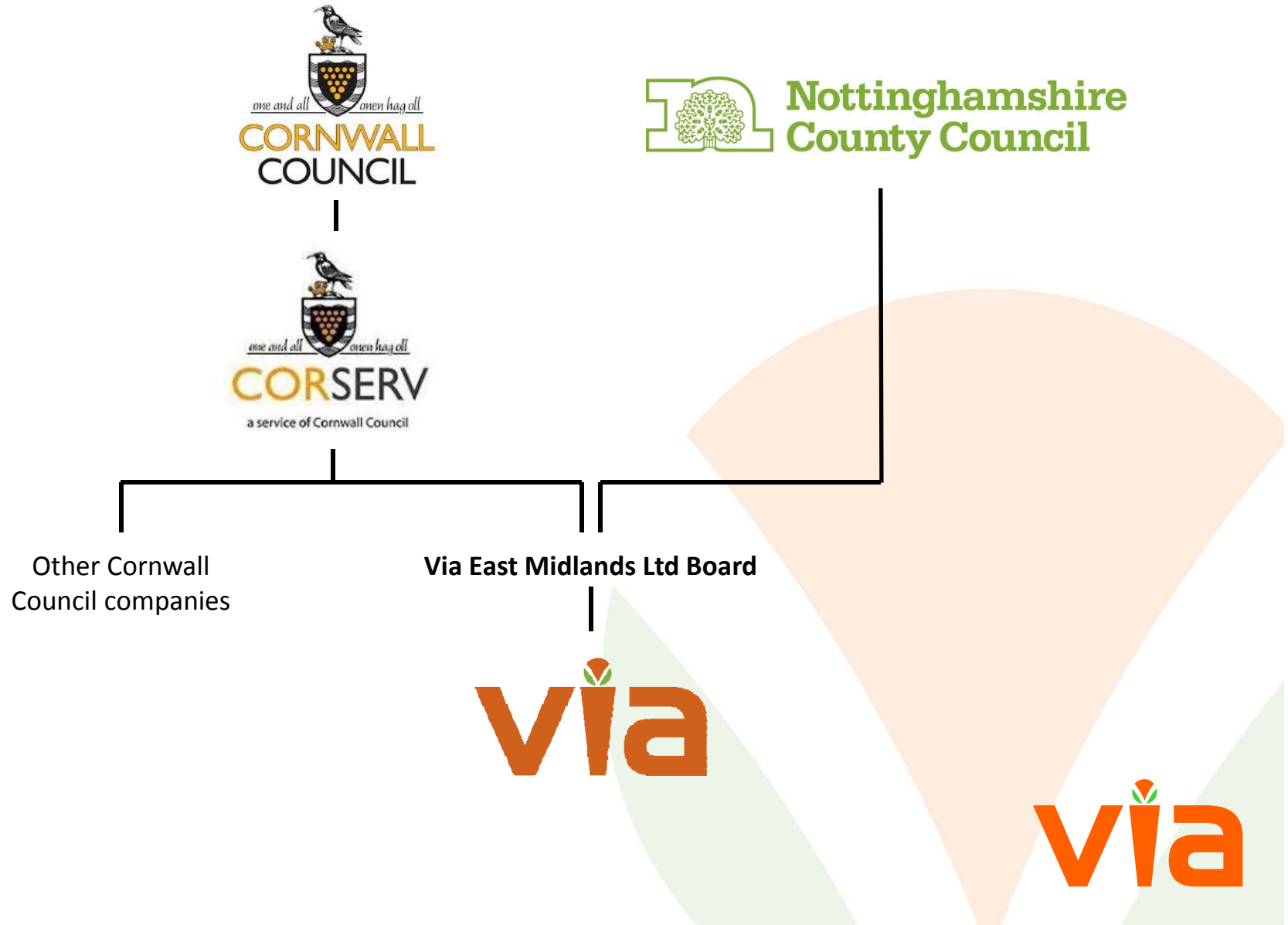


Collaboration: development & delivery

- **Joint**
 - Our Politicians, our staff and our Trade Unions
 - Service Contract
- **Cormac / Corserv**
 - Financial management, system and processes
 - Communications, marketing and brand development
 - Company governance
- **Nottinghamshire CC**
 - Payroll
 - ICT Services
 - Occupational Health Services (NCC in Year 1)
- **Via**
 - HR Systems
 - Leadership development and culture change
 - Business planning



Collaboration: governance



Commercial offer: how?

- It always existed, but...



Commercial offer: how?

- Do something about your hands being tied



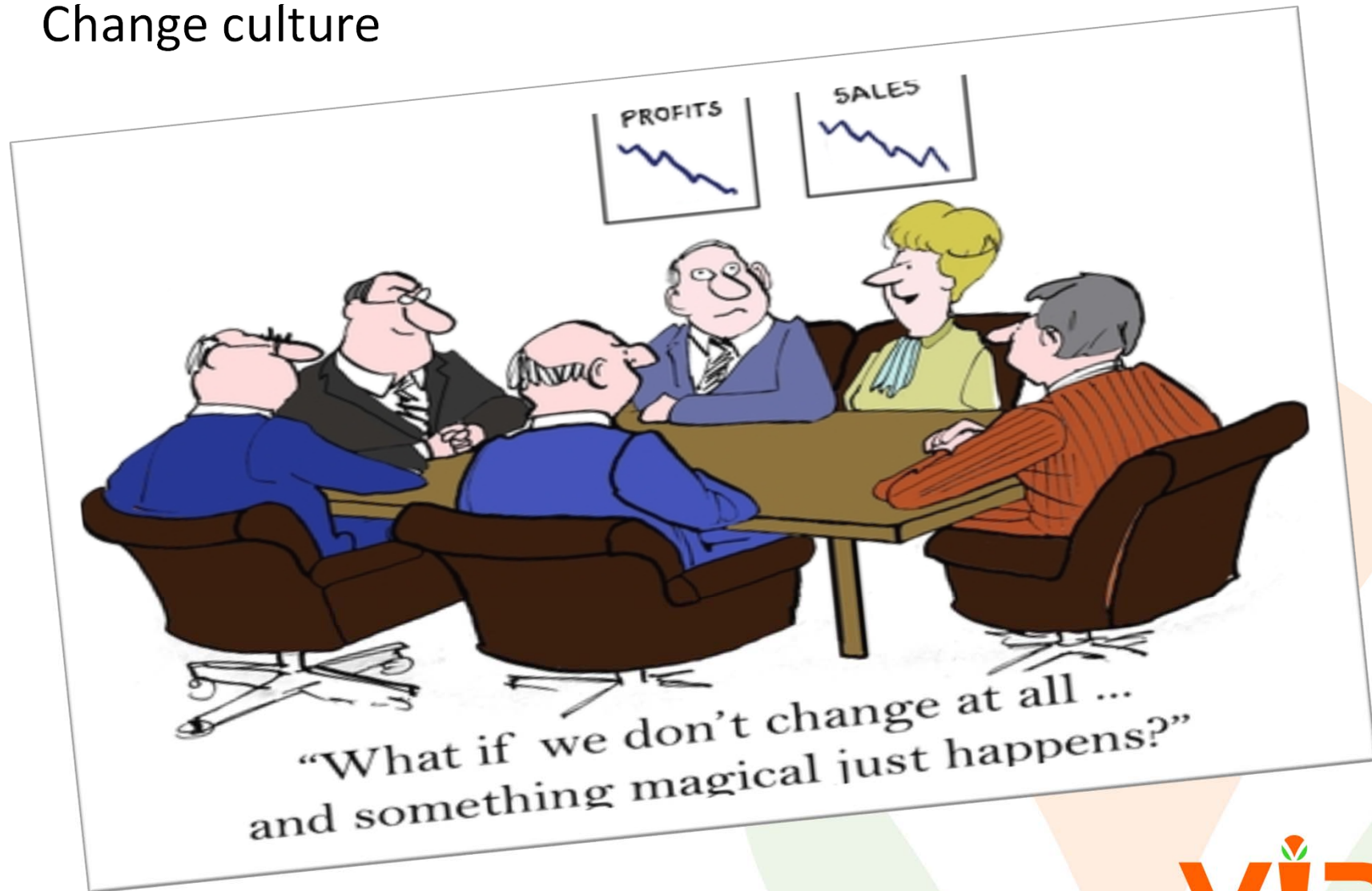
Commercial offer: the business plan

- Purpose and goal
“The partner of choice for engineering services across the East Midlands”



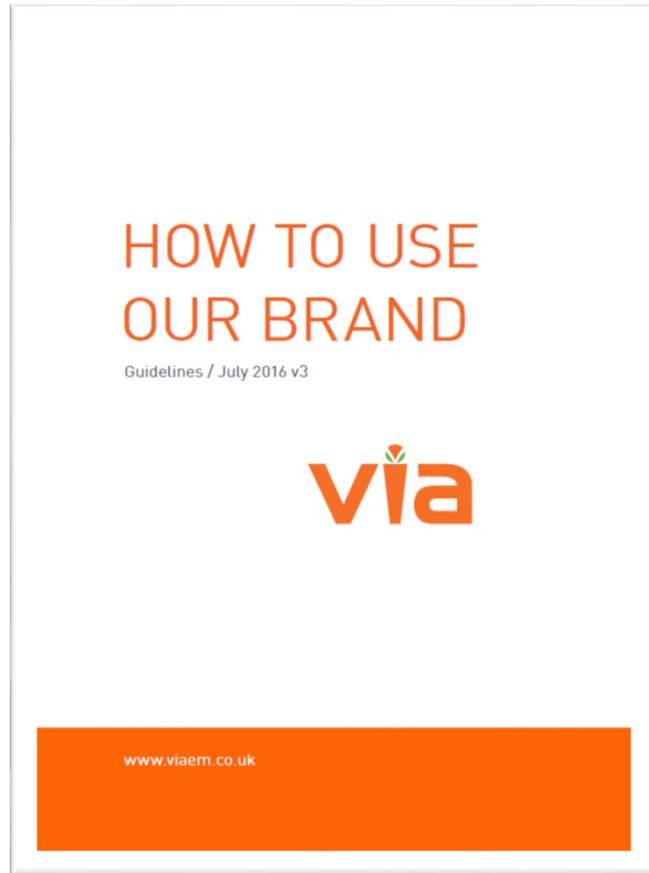
Commercial offer: how?

- Change culture



Commercial offer: how?

- Building the brand



Visible

We build loyalty and trust with our customers and make our value seen by all.

Integrated

We provide safe and effective services for all, delivered in partnership with communities by skilled and committed staff.

Accountability

We accept our individual and team responsibility for our performance in all of our decisions and actions and honour our commitments.



Commercial offer: how?

- Identify the skills you don't have and do something about it (be honest)



Commercial offer: how?

- Appreciate the market and make a competitive offer



Commercial offer: how?

- Stop pinching the pennies and the reward will come (invest, support, develop people, introduce talent etc)



You will need to invest to grow

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Commercial offer: how?

- Manage performance and reward



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Commercial offer: how?

- Communicate, communicate, and communicate (honest, open, relevant, timely)



“What if, and I know this sounds kooky, we communicated with the employees.”

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What did we learn?

- One size does not fit all, our model might not be your model (*but our model is a good model*).
- Corporate inertia and resistance to change – keep everyone involved.
- Don't under-estimate the value of communicating with your teams; they need information and support.
- The legal process.
- Your people still have the day-job to do.
- Goodwill and hard-work is needed – no alternative.
- Contract novation, trading history and working capital.
- **The leap of faith can and does pay-off.**



Thanks for listening

Dave Tebbett

Head of Operations

dave.tebbett@viaem.co.uk

0115 804 2115



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