



**Clackmannanshire
Council**

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Comhairle Siorrachd
Chlach Mhanann

Kilncraigs, Greenside Street, Alloa, FK10 1EB (Tel.01259-450000)

Meeting of Clackmannanshire Council (Part 1)

Thursday 27 November 2025 at 10.00 am

Venue: Council Chamber, Kilncraigs, Alloa, FK10 1EB



Clackmannanshire Council

There are 32 Councils in Scotland. Clackmannanshire Council is the smallest mainland Council. Eighteen Councillors are elected to represent the views of the residents and businesses in Clackmannanshire. The Council has approved Standing Orders that detail the way the Council operates. Decisions are approved at meetings of the full Council and at Committee Meetings.

The Council is responsible for approving a staffing structure for the proper discharge of its functions, approving new policies or changes in policy, community planning and corporate governance including standards of conduct.

The Council has further responsibility for the approval of budgets for capital and revenue expenditure, it also has power to make, alter or cancel any scheme made under statute and to make, alter or cancel any orders, rules, regulations or bye-laws and to make compulsory purchase orders. The Council also determines the level of Council Tax and approves recommendations relating to strategic economic development.

Members of the public are welcome to attend our Council and Committee meetings to see how decisions are made.

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12 November 2025

A MEETING of the CLACKMANNANSHIRE COUNCIL (PART 1) will be held in the COUNCIL CHAMBER, KILNCRAIGS, ALLOA, on THURSDAY 27 NOVEMBER 2025 at 10.00 AM



NIKKI BRIDLE
Chief Executive

B U S I N E S S

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1. Apologies	--
2. Declaration of Interests Elected Members are reminded of their obligation to declare any financial or non-financial interest which they may have in any item on this agenda in accordance with the Councillors' Code of Conduct. A Declaration of Interest form should be completed and passed to the Committee Services Officer.	--
3. Transformation through Collaboration – report by the Chief Executive (Copy herewith)	05

Clackmannanshire Council – Councillors and Wards (Membership 18 - Quorum 5)

Councillors

Wards

Councillor	Phil Fairlie	1	Clackmannanshire West	SNP
Councillor	Darren Lee	1	Clackmannanshire West	CONSERVATIVE
Councillor	Graham Lindsay	1	Clackmannanshire West	SNP
Councillor	Mark McLuckie	1	Clackmannanshire West	LABOUR
Councillor	Donald Balsillie	2	Clackmannanshire North	SNP
Councillor	Martha Benny	2	Clackmannanshire North	CONSERVATIVE
Councillor	William Keogh	2	Clackmannanshire North	LABOUR
Councillor	Fiona Law	2	Clackmannanshire North	SNP
Councillor	Wendy Hamilton	3	Clackmannanshire Central	SNP
Councillor	Janine Rennie	3	Clackmannanshire Central	LABOUR
Councillor	Jane McTaggart	3	Clackmannanshire Central	SNP
Councillor	Kenneth Earle	4	Clackmannanshire South	LABOUR
Councillor	Ellen Forson	4	Clackmannanshire South	SNP
Councillor	Craig Holden	4	Clackmannanshire South	IND
Councillor	Bryan Quinn	4	Clackmannanshire South	SCOTTISH GREEN
Councillor	Scott Harrison	5	Clackmannanshire East	SNP
Councillor	Kathleen Martin	5	Clackmannanshire East	LABOUR
Councillor	Denis Coyne	5	Clackmannanshire East	CONSERVATIVE

Religious Representatives

We must appoint three religious representatives in accordance with Section 124 of the 1973 Act (inserted by Section 31 of the 1994 Act).

Religious representatives only have voting rights on matters relating to the discharge of the authority's function as education authority.

Our representatives are:

Reverend Sang Y Cha – Church of Scotland

Father Michael Carrie – Roman Catholic Church

Pastor Dee Jess – Baptist Church

Updated April 2025

Report to: Clackmannanshire Council

Date of Meeting: 27 November 2025

Subject: Transformation through Collaboration

Report by: Chief Executive

1.0 Purpose of Report

- 1.1 This report updates Council on the work being undertaken to explore collaborative transformation opportunities with other Councils/partners as reported in the Budget Context and Outlook report in February 2025. It also seeks agreement from Council to progress specific options in a 'Tranche 1' work programme, to a development and design phase. Progressing to the next phase does not commit the Council to a different model of service delivery. A decision on this would be taken following the completion of business cases and governance arrangements work is developed. This work would be submitted to a future meeting of Council.
- 1.2 This report also seeks to progress a key area of mitigating action detailed within the Council's agreed Medium Term Financial Strategy (MTFS).
- 1.3 This work has been undertaken jointly with Falkirk Council. A similar report is being submitted to Falkirk Council ([see report here](#)) who require to take a simultaneous decision on progressing this work, for the reasons outlined later in this report.

2.0 Recommendation(s)

- 2.1 Council is asked to agree:
 - 2.1.1. the work programme, identified as Tranche 1: Proof of Concept (paragraph 5.5), and agree that this moves to the next phase of development and design, noting that services delegated to the IJB will be considered by the IJB
 - 2.1.2. that other Councils/partners are now approached, as appropriate, for those Tranche 1 projects described as 'Regional/Regional+' and 'Once for Scotland' to ensure benefits are maximised

- 2.1.3. that Scottish Government is engaged to discuss potential flexibilities which may be required to mitigate any risks and barriers to implementation of maximised benefits from the proposed work
- 2.1.4. that work continues to develop the collaborative framework model and on a single governance model, as appropriate, which would be required for fully integrated functions, and that proposals on this are brought back to Council for consideration (paragraph 5.3)
- 2.1.5. that officers accept the Invest to Save fund award of up to £2m to support the implementation of this work.
- 2.2 Council is asked to note:
 - 2.2.1. the need for further ambitious transformational change to support the move to financial sustainability
 - 2.2.2. the Discovery project undertaken jointly with Falkirk Council, with support from PwC, to identify further cross-Council opportunities for transformation (Section 4 and Appendix 1)
 - 2.2.3. that, subject to considerations at the development and design phase, and further Council agreement, there may be a need to explore the option of a single manager for functions which are fully integrated
 - 2.2.4. that there will still be a resource requirement for internal officers and teams to support the next phase of this work (paragraph 7.3)
 - 2.2.5. that should additional investment be required above the £2m Invest to Save threshold, the Officer Programme Board, which is to be established, will seek appropriate governance from partners/ Councils as appropriate
 - 2.2.6. that all decisions taken are subject to Falkirk Council also agreeing these recommendations (paragraph 1.3)
 - 2.2.7. that further update reports will be submitted to Council as this work progresses and that there is no commitment being made by Council at this stage to different model (s) of service delivery.

3.0 Background

Reform & Transformation – National Developments

- 3.1 Transforming local government services has been high on the national and local agenda for several years in Scotland. The financial and service pressures on Councils are real and increasing. Building on previous and current transformation programmes, there is an urgent need for further

innovation across councils and with partners, in line with Christie principles to direct resources towards improved outcomes, prioritise prevention and collaboration, and in doing so, reduce costs. This provides a strong platform for further change.

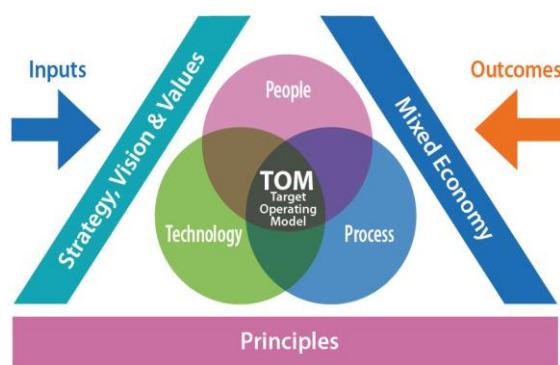
- 3.2 The Scottish Government published its reform Strategy in June 2025: [Scotland's Public Service Reform Strategy: Delivering for Scotland - gov.scot](https://www.gov.scot/publications/scotland-public-service-reform-strategy/pages/1-2-introduction.aspx). This document sets out the Scottish Government's commitment to change the system of public services. The aim is for services to be preventative, better joined up and efficient, in order to deliver the best we can for communities.
- 3.3 The vision within the strategy is for Scotland to have access to services that are efficient, good quality and effective.
- 3.4 Whilst the strategy considers change opportunities within public bodies, local government is a partner in this work, rather than the strategy directly impacting on the local government sector. The strategy is, however, helpful in setting the context for change, recognising that ***"we must be willing to be brave, to challenge ourselves to ensure we are delivering what the people of Scotland need and deserve"***. There is also a recognition that risks need to be taken in this context if we are to deliver the best we can.
- 3.5 Complimentary to this is a programme of reform led by Solace and supported by the Improvement Service. The basis for this programme was set out in a report published by Solace and the Improvement Service in October 2022: [Delivering a future for Scottish local authorities](#). This report proposed a new approach to the future operating model of Scottish local government.
- 3.6 The report recognised the significant challenges, and importantly the opportunities for local authorities. It considers how there could be a transition to a model of service delivery which focuses on current successful partnerships across Councils and builds on this to deliver the outcomes needed, and expected, by communities.
- 3.7 The report considers how more can be done to work with communities. Importantly, the report also looks to find solutions to our challenges by working with partner Councils at a local, regional or national level, with those things that can be done Once for Scotland, being done in that way.
- 3.8 To progress this work, a Chief Executive Working Group is in place and includes representation from 10 Councils. This group oversees progress on all work strands, considers resource requirements and reports to Solace. The Group is fully supported by the Improvement Service. Both Councils are playing active roles in this work: the Director of Transformation, Communities & Corporate Services, at Falkirk Council, is undertaking the Project Director role for one of the short-term projects on collaborative procurement, with other officers contributing to this work and attending the leadership practitioner forum as appropriate, and the Chief Executive of Clackmannanshire Council is the Project Sponsor for the Digital to Be workstream, supported by other Clackmannanshire Council officers.

- 3.9 Given the nature of national work of this scale, it will inevitably take time for benefits to be realised. In the meantime, there is a need to progress transformation work within the Council to deliver the required changes to support financial sustainability.

Target Operating Model (TOM)

- 3.10 The Council's TOM was agreed in August 2022 and places a significant emphasis on getting the basics right for the users of our services. It places the needs of residents, communities and businesses at the heart of Council decision-making.
- 3.11 The TOM is a mixed economy model with the Council's decisions on what services to provide, how and by whom being driven by objective analytical evaluations of the most effective ways of addressing customer needs, delivering outcomes, ensuring resilience in service delivery and securing financial sustainability, building on the Council's key strengths such as partnership working.
- 3.12 Exhibit 1 below summarises the key elements of the TOM.

Exhibit 1: Target Operating Model



- 3.13 There are three core elements that make up the TOM
- 3.14
- People
 - Process
 - Technology.
- 3.15 These TOM elements continue to be embedded and are ever more important given the need for further transformation. In using these principles, and assessing them against the current transformation programme, it suggests that the Council must continue to build on its strengths and look at further and deeper collaboration with other partners for future phases of transformation work.

Current Transformation Programme

- 3.16 The Council's Be the Future Transformation Programme, agreed in 2018, has been a consistent and unifying feature of the Council's investment and savings plans since that time. At the heart of the approaches developed is the

aim of delivering sustainable and positive outcomes for more people, for less cost, whilst tackling poverty and inequality at its source and improving access.

- 3.17 Our programme of activity represents a long term investment and acknowledges the importance of prevention and early intervention approaches. It also recognises that these approaches take time to develop and deliver but are essential for medium to longer term service and financial sustainability that provide empowerment, and enhance the resilience and independence of our residents and communities.

- 3.18 Exhibit 1 below summarises the key Programme themes and aims.



Aims and Programme Themes

Aims	We will transform our organisation and approaches
to: - empower people and places to improve their wellbeing, skills and prosperity; - and - ensure that environmental, social and financial needs of our people and places are met and that future generations thrive.	
Sustainable Inclusive Growth	We will take steps to tackle poverty and inequality. We aim to maximise the opportunities for local people and businesses through our improved economic performance. We will also establish standards, delivery models and strategies which allow Clackmannanshire to play a leading role in meeting the climate challenge and protecting our built and natural environment.
Empowering Families & Communities	We will place people at the heart of service delivery. We aim to prioritise service users, family and community participation and leadership in developing and delivering solutions. We will work in partnership to build individual, family and community skills in support of social and financial independence.
Health & Wellbeing	We aim to improve the environment, quality of life and ease of access to services. Enhanced wellbeing will also provide greater participation opportunities as a consequence of improving economic performance in Clackmannanshire. Delivering increased wellbeing also aims to promote equitable growth.

- 3.19 All transformation work is designed to help the Council deliver on its service and financial sustainability commitments, whilst supporting delivery of the Council's vision and priorities. Despite the good progress being made, with £74m of savings agreed since 2010, the Council's financial position remains challenging. The MTFs (agreed June 2025) highlights a budget gap of £7.3m for 26/27, and £19.1m cumulatively to 2029/30.
- 3.20 In addition, the Clackmannanshire and Stirling IJB has highlighted a net savings requirement of £21.3m over the next 3 years. Whilst there is an agreed Delivery Plan which aims to mitigate this gap, it is anticipated that continuing changes in demographics and increased demand for health and social care in the context of limited projected financial uplifts, the IJB budget gap will likely increase further in the future. This is the same for all other IJBs in Scotland. It is important to note that the Council, along with NHS Forth

Valley, through the Integration Scheme, carry the risk for financial overspend that cannot be met through other measures.

- 3.21 This Discovery work on maximising the benefits from Collaborative models of service delivery is complimentary to, and linked with other work through the Be the Future Transformation Programme and the review of the Corporate TOM which are being progressed in parallel with this work, and as highlighted in the Budget Context and Outlook and Budget Strategy Update reports to Council as well as the agreed MTFS.
- 3.22 In this context, the pace and depth of our transformation activity must increase with a particular emphasis on how we build on the Council's firm foundations of partnership and collaborative working to deliver bold changes together to protect and sustain the delivery of services for our residents and communities.

4.0 Transformation through Collaboration: Discovery Phase

- 4.1 At the budget setting meeting in February 2025, Council considered the Budget Context and Outlook report which highlighted that future phases of transformation activity must consider how transformation can be achieved by working more with partners, aligning with the TOM principles. To take this forward, the Council commenced discussions with Falkirk and Stirling Councils, on a joint Discovery project. The aim of this was to provide each of the partner Councils with a suite of potential options and opportunities for future transformation.
- 4.2 At an early stage in these discussions, Stirling Council took the decision to step back from this work. This does not prevent them from re-joining future phases of this collaborative work, should they consider this to be appropriate. Clackmannanshire and Falkirk Councils continued with the Discovery project.
- 4.3 The focus of this Discovery project was on delivering future efficiencies and savings to support the Council's agreed MTFS, as well as considering service sustainability. The work also linked to the Council's Target Operating Model and was to help inform the next phase of the Council's transformation programme.
- 4.4 It is important to note that the purpose of a Discovery project is to provide an initial high-level assessment of opportunities, exploring the scope and potential benefits for collaboration and the level of ambition. Any opportunities which are progressed from this work require a further development and design stage to fully assess the potential and there is no guarantee until this work is completed that all proposals will be progressed to the implementation stage. This report seeks governance for taking more specific proposals to the next stage as detailed later in Section 5.
- 4.5 PwC, a UK multinational professional services firm, was appointed as an external partner to support this Discovery project. The cost of this was funded equally by each Council. For Clackmannanshire, the share was £237k (incl VAT) which came from the Council's Transformation Fund (approved by the Chief Executive in consultation with the Be the Future Board).

- 4.6 The work with PwC commenced in March 2025. The draft report was received at the end of July 2025 and has been finalised in parallel with officers developing this report. A copy of the findings is attached as Appendix 1.
- 4.7 To produce their report, PwC undertook a range of activity covering the majority of functions across each Council:
- Data request for a wide range of financial, workforce, system, processes and policies
 - Workshops under the headings of People, Place and Corporate & Customer with function specific teams to understand the current service delivery arrangements within each Council
 - Joint workshops with function specific teams from both Councils to assess the potential opportunities for collaboration
 - A review of work undertaken elsewhere across the UK on local government collaboration
 - An assessment by subject matter experts from within PwC to help stretch ambition
- 4.8 The work was overseen by a Collaboration Board which was co-chaired by the Chief Executives of Clackmannanshire and Falkirk Councils.
- 4.9 This Discovery project assessed different models of collaboration including:
- Self-Sustaining Model – using existing transformation plans within each Council as the current baseline, and assessing the potential to undertake further transformation work independently
 - Mixed-economy Model – the ability to undertake joint activity such as commissioning, sharing of roles, standardising ways of working, etc, without fully combining resources
 - Integrated Model – a fully embedded and combined delivery function that serves the needs of both councils with resources integrated
- 4.10 To support the assessment of the above, PwC worked with both Councils to develop design principles for collaboration. These are summarised below:
- Scalable – the model should be able to be scaled up beyond the initial two partners Councils to enable other Councils join for a wider partnership
 - Significant – the approach to collaboration must provide significant and measurable benefits which outweigh the cost of implementation
 - Flexible and for agnostic – any model should be flexible enough to adapt to change over time
 - Proven outcomes for communities – there should be benefits to the community we serve either through improved services or through the release of expenditure which can support higher priority services
 - Strategically aligned – there should be an alignment to the goals of the partner Councils
 - Sustainable – the approach taken must be future proofed to ensure long term success

- Transformative and ambitious – continuous improvement and innovation must drive the model forward
 - Fair and equitable – the approach must deliver benefits for partner Councils in proportion to their resources and investment given the likely disparity in size of Councils
- 4.11 The report provided at Appendix 1 sets out the PwC assessment of these three models. More detailed operational data has been provided to officers. The scope of this work includes a significant proportion of functions delivered by both Councils. Excluded from this work is any consideration of the legal, statutory, or other governance issues which will require to be considered in any future phase of this work.
- 4.12 Whilst the report suggests potential indicative savings of £16m - £21m, these figures are based on a high-level review of budgets and broad assumptions. Robust figures will be available at the next stage following detailed business case development.
- 4.13 The scale of integration and pace of change also determines the benefits that can be achieved. Substantial investment would also be required to achieve this level of saving. It will be necessary to undertake further due diligence through the development of business cases to provide the specific investment figures required.
- 4.14 In reviewing the findings from PwC, officers have taken into account the impact of change on financial sustainability, risk to service delivery, impact on communities, and the potential for scalability beyond the two Councils.
- 4.15 The high-level conclusions from the Discovery Phase report include:
- **that the ‘self-sustaining’ model is not a viable option.** Whilst transformation must continue within each Council, the level of change possible by one Council on their own is limited and would not deliver the level of financial savings required for financial sustainability
 - similarly, **the ‘mixed economy’ model has been assessed by PwC as not meeting the financial benefits required by each Council.** Whilst there are some functions for which there would be benefits, in considering this model there remain potentially significant implementation costs and time required to deliver what would be a partial convergence in different functional areas, potentially lacking in clarity, cohesion and consistency
 - **the ‘integrated model’ provides the highest benefit and longer-term scalability.** PwC conclude that integration can also provide a sustainable return on any investment made in implementing this work. They suggest that this would provide headroom to enable resources to be better directed to priority areas which have the highest impact on target outcomes for our communities.

5.0 Transformation Through Collaboration Next Steps- Proof of Concept/ Tranche 1

- 5.1 Having received, reviewed and evaluated the Discovery Phase report, officers from both Clackmannanshire and Falkirk Councils have sought to prioritise work where they anticipate potentially greatest return on investment in the short term or where there are significant improvement gains to be achieved by either authority. Proposals are being consolidated as a 'proof of concept' stage which allows both councils to conduct appropriate detailed business case development in support of the individual high level recommendations and assumptions made through the Discovery Phase.
- 5.2 The PwC report helpfully considered a significant proportion of the functions of both Clackmannanshire and Falkirk Councils. This means that subject to a successful 'proof of concept' phase and any further governance required, there is a potential pipeline of proposals for the future
- 5.3 In undertaking the joint review activity, officers also noted the potential opportunity to enhance the prospective future model i.e. by establishing a flexible framework which allows other partners/ organisations beyond the Forth Valley to participate. Additionally, where there are willing partners, such an approach potentially builds greater resilience, service and financial sustainability as well as enables the maximisation of the potential benefits of economies of scale. On this basis, the emerging model seeks to provide a platform for future collaboration and integrated service delivery models. The key features include:
- a flexible framework to accommodate the development of local, regional and 'Once for Scotland' level proposals
 - the potential to maximise benefits through a process of integrated delivery and innovation and transformation
 - embedding the design principles set out by both councils at Discovery Stage
 - aligning and potentially integrating with the Solace work on 'Delivering a future for Scottish local authorities', providing for a voluntary 'coalition of the willing' across the sector
 - maximising shared resilience and capacity in the face of workforce and skills shortages
 - maximising the benefit and impact of economies of scale
 - establishing greater capacity to embed prevention and early intervention approaches to address medium to longer term demand and increasing costs
 - providing a 'ready-made' learning community to support the transfer of knowledge, skills and best practice from 'Business as Usual' practice and our collective transformation activity
 - providing for true collaboration in the Public Service Reform (PSR) space by removing sectoral boundaries to participation.

The Proof of concept stage aims to allow for development of this model and associated leadership and governance requirements.

- 5.4 Prioritisation activity was undertaken by both Clackmannanshire and Falkirk's Chief Executives, Directors and Chief Finance Officers individually. Chief Executives and Directors have also met jointly to discuss the options which are now being presented for Member consideration. In developing these options, consideration has been given to the principles outlined at paragraph 4.10, the potential for significant savings to be achieved or where service improvements can be made, arrangements currently in place across Councils, the impact on communities, and the likelihood of successful integrated service delivery. The cost implications, and level of change for the proposed benefits have also been considered.
- 5.5 Taking this into account, the table below sets out the functional areas proposed for Tranche 1 of the collaboration work based on the consensus-building approach adopted by the two Council management teams. There are different categories for these options:
- **Local:** Falkirk & Clackmannanshire only – consideration by both Councils with the option to expand further at a later date if appropriate
 - **Regional/ Regional +:** Multi-Council/ partners – Falkirk & Clackmannanshire will approach one or more other Councils and other partners, as relevant to the function, to scale up this work to an appropriate level to maximise operational effectiveness, outcome delivery and economies of scale
 - **Once for Scotland** – through Solace, Councils will be asked if they wish to join this work to undertake a 'proof of concept' for delivering this once for Scotland

Table 1: Functional Areas – Tranche 1

Tranche 1		
Local	Regional/Regional +	Once for Scotland
Support for ASN Services (including E4 and E7)	Joint procurement and contracting of IT for Education (E8)	HR & Payroll Services (HR4 & HR7)
Internal Audit & Fraud (F1)	Social care front door provision, contact centre, and access arrangements, case management, financial assessments, service user charges and income policies (and automation), opportunities for Children & Families joint commissioning and shared business processes for Children & Families, Adults and Justice (including SC1, SC2, SC3, C & F, CH2, CH3)	

Local	Regional/Regional +	Once for Scotland
Revenue & Benefits Services (R2, R3 & R4)	Asset Strategy*	
	Potential for joint foster care work	
	Storage and maintenance of equipment – JLES and education equipment to be included in review (SC5)	
	Resilience & Emergency Planning (C4)	
	Regulatory Services: Trading Standards, Building Standards, Environmental Health (D6)	
	Economic Development (D7)	
	Employability	
	Corporate procurement	

*Initial discussions have taken place across Forth Valley public sector partners on a shared Asset Strategy. For this reason, it is included in Tranche 1. This will require detailed exploratory work to consider opportunities and approaches to shared assets. This will be considered in a development phase rather than a full business case in the first instance, due to the complexity of this work across this wider range of partners from different sectors.

- 5.6 The functions in the table represent ‘proof of concept’ which will further inform collaboration opportunities. Simultaneously, there are additional functions where development work is proposed as part of Tranche 1. This work will enable both Councils to map out service delivery, financial and workforce implications of collaboration, prior to moving forward on any test of change. It will also enable the model for governance arrangements to be considered for commissioning. The functions for which this work will be taken in the first instance are:

- Housing Services
- Roads
- Estates management.

Other developments

- 5.7 Significant national work is already underway on digital and AI. Options for further development will be flagged nationally in the first instance, with a view to a ‘Once for Scotland’ approach to a number of potential opportunities. Similarly, work on Whole Family Support, which is bringing positive changes to this area of work, is already underway nationally. As a result, this will not form part of Tranche 1.

- 5.8 In addition, there are areas of collaboration being progressed by Clackmannanshire and Falkirk Councils, and also with other Councils across Scotland within Education, such as Professional Development and Data and Analytics, Early Learning and Childcare and Shared virtual schools. This work will continue to be developed without access to the Invest to Save funding. Whilst collaboration will bring benefit to service delivery in these areas, it is not anticipated that they will deliver any significant savings.
- 5.9 In progressing Tranche 1 options, part of the work will be to consider the scale of integration, and the depth and pace at which this takes place. This will also help to determine the level of benefits which can be achieved through integration. This work will also provide a springboard for improvement, redesign and innovation, whilst being focussed on positive outcomes. It can also be used to inform the potential for scalability to other partners and provide learning for other national work already taking place.

6.0 Leadership and Governance

- 6.1 Integration can take a range of forms depending on the scale. Important to this, are the models of leadership and governance, which must be considered alongside the functions being integrated. Effective and sustainable governance arrangements are critical to the sustainability of any potential collaborative models.

There is substantial learning, both positive and negative, from other Councils, including Clackmannanshire Council, who have progressed with collaborative service delivery. To ensure success, a range of areas must be considered in advance of an integrated service being implemented. These are summarised in Table 2 below.

Table 2: Critical success considerations

Factor	Key attributes	Comments
Effective leadership	• Clear • Consistent • Coherent • Unambiguous Governance	• may require integrated management structure • evaluation of design and structure required at Business case level • employment and Terms and Conditions considerations-principle redesign and structure • performance standards
Workforce Planning	• Strategy • skills • training and support • workforce supply	• design • structure • employee relations • training and support

Factor	Key attributes	Comments
Systems and processes	• merge • harmonise • new ('best in class')	• transition/ continuity of service • accessibility • data security • potential costs/savings • collaborative tools • Scottish Service redesign principles
Governance	• Clear • Unambiguous • Effective Decision-making • Effective scrutiny • Sustainable • Effective democracy • Legal frameworks	• Streamlined • Effectiveness • Influence • Minimise duplication • Shared/joint governance and/or BAU • Standing Orders • Scheme of Delegation
Budgets	• Clear budgets for integrated functions • Effective reporting and monitoring arrangements • Transparent and agreed cost sharing arrangements • Transparent and agreed benefits sharing methodology	• Potential system harmonisation • Continuity of service • Clarity of leadership and process adoption • Authorising /governance arrangements • Financial Regulations • Financial Strategies

Factor	Key attributes	Comments
Consultation, Communication and Engagement Strategy	• Embed Strategy • Clear branding • Clear consistent messaging • Timely messaging • Internal and External messaging and engagement	• Culture change • Ownership • Support • Opportunity • Participation • Stakeholder and service user clarity • Values

6.2 In considering the proposed options, it is important for Members to be aware of the need for these associated changes to be considered and developed. There will be other operational areas which require to be considered such as procurement arrangements, regulatory requirements, practical and operational matters to ensure minimal impact on communities, and any other matters which impact on service delivery.

6.3 It is also important, given the scale of work required, and the potential impact on partner and Council workforces, that any collaborative agreements are introduced for the long term. This work will have investment costs, and it is important that such costs are not incurred without a long-term plan being the aim. This would be written into any partner agreement on an integrated service, which would require to be signed off by each partner, and would likely include an exit strategy and the consequences of this for the partner.

6.4 All of these leadership and governance matters must be considered simultaneously to the functions being taken forward for integration.

7.0 Resource Requirements

7.1 Significant work is required to develop the business cases associated with proposals for Tranche 1. The tasks outlined under leadership and governance also have significant resource requirements. These also present a range of challenges which must be addressed. For example, ensuring that the move to a single governance model takes account of local democracy and reviewing current ways of working to reach a compromise which provides the right standard of service delivery for partners. The workforce implications also require to be fully assessed, developed and consulted on with Trade Unions and employees. And the proposed change to integration must be sustainable and provide long-term stability.

7.2 Subject to Members' agreement to Tranche 1 functions being progressed, project plans will be developed with associated timescales and resource

requirements. These will vary across the different functional areas, due to the diversity of these functions. Those areas of work linked to the Health & Social Care Partnerships will also require input from respective IJBs.

- 7.3 It is likely that the different functions (or grouping of functions if appropriate) will require a project lead; input from the current functional teams in both Councils; finance, HR, legal, IT & communications support; and potentially input from other specialist areas. Some of this may require external as well as internal resources. Funding arrangements are discussed below.
- 7.4 A project workstream will be established for each functional or grouping of functional areas as appropriate. In addition, it is likely that Finance, Governance and HR workstreams will be required to deal with matters which cover all functional areas. As this work is still at an operational phase, these workstreams will report to an officer-led Programme Board to ensure effective oversight of this work and resolution of matters as they arise. This Board will follow operating practices which are similar to the current Strategic Oversight Group, feeding into our Be the Future Board, and working across both Councils. Subject to Member approval of this work progressing, Terms of Reference for these arrangements will be developed to ensure transparency and clarity.
- 7.5 Updates will be provided to Members at appropriate stages of this work and as decision are required by each partner Council.

Funding of Resource Requirements

- 7.6 In anticipation of the PwC report providing partner Councils with positive options for collaboration, a bid was submitted to the Scottish Government's Invest to Save fund.
- 7.7 The Invest to Save fund was created by the Scottish Government to support public sector reform, by funding investment projects which create future savings. A proportion of the fund, c£5.9m, was specifically allocated to local government. Clackmannanshire and Falkirk Councils submitted a joint bid for up to £2m, to support the implementation of any options for change progressed following the PwC Discovery project.
- 7.8 Confirmation was received from the Scottish Government that the requested funding was awarded to both Councils for this purpose. There are a number of conditions attached to the award:
- The funding must be used to enable delivery of the programme of work
 - It cannot be used for any other purpose and cannot be used for capital projects
 - Six monthly updates will be provided to the Scottish Government
 - We will provide information to the Scottish Government on the areas being progressed, as requested, and keep spend on these to a minimum

It was also noted that any savings from the programme of work can be retained. Clarification has also been received which confirms that this is not a 'loan' but an award of funds.

- 7.9 It is important to state that the award of up to £2m has not been formally accepted by the partner Councils until such time as a Member decision is taken on progressing projects to the next phase of work.
- 7.10 Subject to agreement being received from Members in both Councils, arrangements will be made to draw down funds to pay for the resources required to deliver the projects in Tranche 1. All Tranche 1 projects outlined in paragraphs 5.5 and 5.6 will be provided with access to (subject to Scottish Government agreement) the Invest to Save funding offered to Falkirk and Clackmannanshire Councils. The officer Programme Board will oversee and approve any spend of this fund to ensure it is used effectively and for the right reasons. The Programme Board will also seek any necessary governance for Council/partner contributions should additional funding be required above the £2m Invest to Save Fund threshold.
- 7.11 It is important to note that the Invest to Save fund is also considered by the Scottish Government to be a mechanism for Test of Change projects. In this respect, the work undertaken by Falkirk and Clackmannanshire Councils, the learning from this and potentially the scaling up of the work will be shared with the Scottish Government and other local authorities to ensure it benefits other public sector organisations.

8.0 Conclusions

- 8.1 The Discovery project undertaken by Clackmannanshire and Falkirk Councils with support from PwC has enabled a number of functions to be identified for further transformation work. The aim of this is to deliver savings, ensure service sustainability and provide a test of change for further integration.
- 8.2 The next phase of this work will enable a 'deep dive' into those functions, with the aim of developing solid business cases for integration. This work will take time and resource and will be funded through the Invest to Save award received from the Scottish Government alongside resource investment from partner Councils/ partners.
- 8.3 If approved, further updates will be provided to Members at appropriate stages as this work progresses.

9.0 Sustainability Implications

- 9.1 A sustainability impact assessment is not required for the work outlined in this report.

10.0 Resource Implications

- 10.1 *Financial*

- 10.2 The Discovery project commenced in recognition of the challenging financial position of both Councils. The Council's MTFS highlights a budget gap of £19.1m up to 2029/30.
- 10.3 There are a limited number of ways in which the Council can address this gap:
- Increase income through:
 - Council Tax increases
 - Fees & Charges increases
 - Reduce expenditure through:
 - Service savings
 - Efficiencies (operational savings)
 - Transformation
- 10.4 The Discovery project helps identify options for transformational changes, which deliver savings, on a cross-Council basis. From this project, a range of options have been proposed for Tranche 1 of this work, as outlined in paragraph 5.5. This next phase of transformation will enable the business case for change to be further developed including defined savings which can be achieved.
- 10.5 There will be implementation costs associated with this work. As noted in paragraphs 7.6-7.11, an award of funding of up to £2m has been made available from the Scottish Government to help with these costs. Any additional funding would require governance from both Councils.
- 10.6 *Staffing*
- 10.7 Progressing the options proposed for Tranche 1 of this work will have resource implications across both Councils. In particular, this work will require input from subject matter experts for the areas being progressed. It will also require Finance, Legal, HR, IT and communications support, to ensure successful delivery of the next phase.
- 10.8 Consideration will be given to appointing additional internal and external officers with the right skills and knowledge to progress this work. Funding for this will come from the Invest to Save fund monies provided by the Scottish Government.
- 10.9 *Risk*
- 10.10 An assessment has been made of the Council's Corporate Risk Register high risks. It is considered that this project will impact on the Financial Sustainability risk. This risk remains high. The work of this project is aimed at achieving savings through transformational change. In this respect, the project should have a positive impact on this high risk.
- 10.11 There is, however, a risk that significant savings to assist with the Council's financial position will not be achieved or that on assessing the proposals and

savings, Members take a decision not to progress with the integrated model of transformation.

- 10.12 The scale of savings and overall impact can, however, only be fully assessed if projects are progressed to the development and design phase. This next phase does require input from relevant officers and teams as well as external resource. There are risks associated with this, namely the ability to release the staff time required to work on this project, recognising that some may see this as potentially impacting on their job.
- 10.13 The application to the Invest to Save fund has been made to mitigate against this risk by enabling the Council to bring in additional resources. There is a risk that on assessing the request to draw this down, the purpose of use is not considered appropriate by Scottish Government officials. Meetings have however, been held with the Scottish Government officials to understand their views on the use of the fund, and communication will continue to try and mitigate this risk.
- 10.14 As this work progresses, the risks of delivering savings, changes to processes, changes to governance, changes within the workforce, single approaches to IT systems and any impact on service delivery all require to be assessed. A risk register for the range of projects in Tranche 1 will be developed to ensure appropriate oversight by the officer Programme Board. Risk updates will be provided to Members in future progress reports.

11.0 Exempt Reports

- 11.1 Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

12.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities

- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ☐
- Our families; children and young people will have the best possible start in life ☐
- Women and girls will be confident and aspirational, and achieve their full potential ☐
- Our communities will be resilient and empowered so that they can thrive and flourish ☐

(2) Council Policies

Complies with relevant Council Policies

13.0 Equalities Impact

Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes ☐

No ☒

An initial equality screening has been undertaken which confirms that a full EPIA is not required at this stage. Specific EPIAs will be undertaken at appropriate stages as this work develops and to inform decisions by Members.

14.0 Legality

It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

There are no legal implications arising from the recommendations of this report. Legal implications may arise as this work is progressed, and these will be reported at future stages as required

15.0 Appendices

Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1: Delivering the Collaborative Council of the Future report by PwC

16.0 Background Papers

Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☒ (please list the documents below) No ☐

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- Scotland's Public Service Reform Strategy – Delivering for Scotland June 2025: [Scotland's Public Service Reform Strategy: Delivering for Scotland - gov.scot](#)
- Solace & Improvement Service report on [Delivering a future for Scottish local authorities](#)

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Approved by

NAME	DESIGNATION	SIGNATURE
Nikki Bridle	Chief Executive	



Clackmannanshire
Council



Falkirk Council

Delivering the collaborative council of the future

*Operational collaboration with
Clackmannanshire Council
and Falkirk Council*





Contents

This report is the result of a short Discovery exercise to explore the opportunities to develop on existing and legacy partnership working across the two Councils, towards a Council of the Future delivery model.

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Summary

To support our communities and sustain services we must take the opportunity transform our Councils and be fit for the future

The challenge to reform the delivery of public services has never been sharper. The need to rethink and reshape how services are delivered is long standing but also ongoing, since the Christie Commission in 2011 through to Scotland's Public Sector Reform Strategy in June 2025.

In today's context it is made urgent by the scale of the financial challenge we face, the expected increase in need from our communities and our aims to reduce poverty and support inclusive economic growth.

Our region has some of the highest needs. We have higher rates of economic inactivity, an ageing population and higher rates of children living in poverty.

Our services therefore face significant pressure today, and this will grow as the demand on them increases.

Neither Council is standing still. Both have transformation agendas that need to address these short-term challenges. We can't pause or dilute these measures, but we can build upon them and align with the future direction set out in this report.

We have to look further and beyond our own boundaries to meet the scale of the challenge. It means being radical in rethinking and reforming how and what we deliver. To build something with others that can sustain and thrive.

Delivering the public sector reform agenda in Clackmannanshire and Falkirk means taking bold steps to drive benefits from joining up

Transforming local authority services and how communities are engaged in the design and delivery of those services has been high on the national and local agenda for many years in Scotland.

We have seen significant inroads to making this a reality – but there is much more that can be taken forward. Developing an intentional and deep collaboration model with Clackmannanshire and Falkirk councils will provide the enabling foundation to building sustainable, resilient and innovative services for the next decade.

The pressures on services are real. But the platform for change and transformation is solid, with local and Scottish Government aligned on the need to **join up services**, to direct **resources towards outcomes**, **prioritise prevention** and in doing so **reduce the costs of corporate and support activity**. Our proposals are fully aligned with this strategy and blazing a trail for others to follow.

But this goes beyond strategic plans for the sector. In Falkirk and Clackmannanshire, children are more likely than the Scottish average to grow up in poverty. Adults are more likely to be economically inactive. The two Councils in 2025-6 increased Council Tax by among the highest amounts in the nation, whilst still projecting significant budget gaps that combine to over £50m by 2029/30.

The driving force behind the case to change is therefore more than just sound policy and public reform. It's about being better equipped to face into the challenges both communities will face. It's about avoiding a cycle of budget cuts, slicing away at back office functions until they are no longer tenable and service delivery until it is no longer viable or valued. And given the urgency, it means controlling our own destiny and not waiting for others to drive the change.

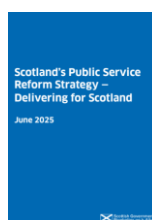
The changes set out in this document are radical, significant and with a huge impact on both organisations and their stakeholders, but they represent an opportunity to sustain and thrive.



Delivering a future for Scottish local authorities, October 2022



We believe there is a need to radically rethink a local authority's shape, its role and relationships in the community, with service users, partners and with Scottish Government and to ask fundamental questions of what it does and how it does it as part of a future operating model.



Public Sector Reform Strategy, June 2025



We will support local authorities and their partners to adopt new models of service delivery that are preventative, collaborative and focused on outcomes – removing structural and institutional barriers that get in the way.

To drive the highest benefit and have the most sustainable, scalable model means a radical move to integrate our services

The Discovery project explored different levels of joint working, looking at the level of potential benefit, implications and risks, and the requirements to sustain the model. The summary of each of the three levels and assessment is outlined below:



Self-sustaining model: the Councils need to proceed with existing transformation to improve current services and keep the pace of change. But the current plans do not address the budget shortfall, and further change measures are at a very high risk of needing to degrade services, reduce quality and accept high levels of risk. In some service areas this is the current state.

Mixed economy: there are strong opportunities in a number of service areas which would present additional benefits to the current plans within the Councils, and could be sized and delivered at a pace to reduce the intrinsic risk of working across two Councils and agile to wider change. However, the scale of benefit still falls short of the budget challenge, and an amalgamation of tactically-driven choices without a core vision, coherent governance and delivery structure would be more at risk of failure.

Full integration: whilst representing the most significant and higher risk change, this model represents the highest benefit and the most long-term – having a clearer strategic purpose and identity, the highest benefits and the ability to scale-up. It provides a springboard to rethink and reform services whilst creating the headroom so resources can be invested in the priority areas that will have the highest impact on the target outcomes for our communities

The preferred model chosen represents a fundamental change to the shape and form of both Councils

The future model means a fully combined delivery function that serves the needs of both Councils, with resources integrated, under the direction of shared governance and leadership, towards outcomes set by each authority. It aims to not only bring together services and drive financial benefits through economies of scale and reduced overhead costs, but to enable and accelerate improved service delivery, sharing the costs of further investment and change, and being able to add other partners to the delivery model over time – both other Councils and other local public sector bodies.

The **Shared Purpose Partnership** model provides the scale and integration, while maintaining democratic control in respective council areas. It has readiness for greater levels of partnership and integration.

Building greater leadership and operational coherence drives further partnership with other agencies and build meaningful engagement with Scottish Government in further reform.

Collaboration will build economies of scale that will support digital transformation: from customer contact to stronger corporate technology to automate and improve enabling functions.



Building community engagement in design and delivery of services alongside meaningful prevention strategies to drive improved outcomes & mitigate avoidable service demand.

Reducing the cost of the delivery to address financial pressures and allow headroom to invest where it makes the most difference.



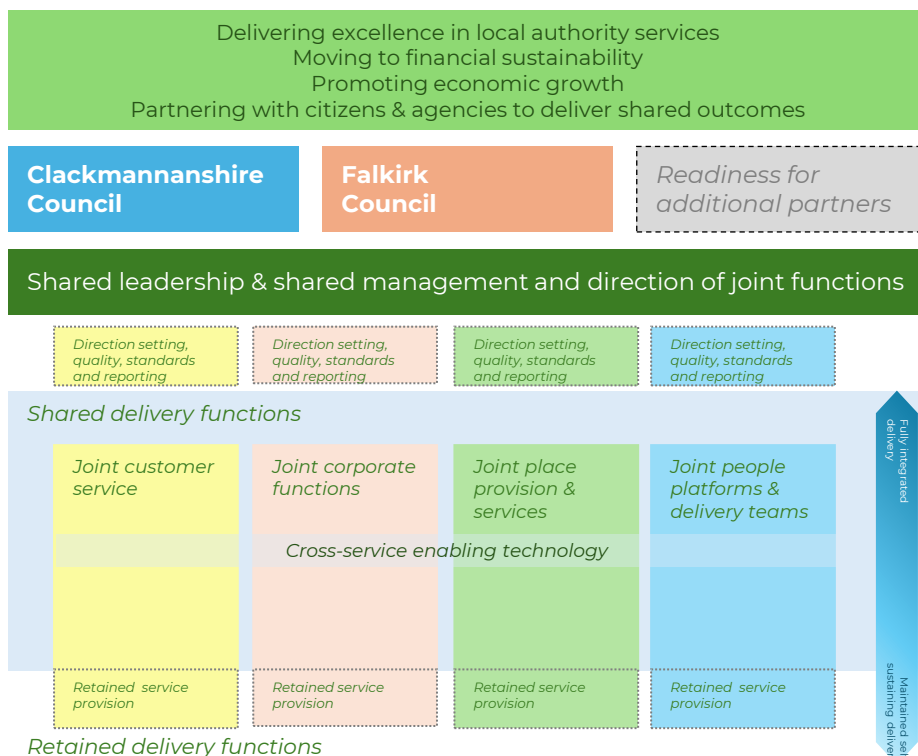
Partnership: collective leadership & operational management

Shared purpose and regional priorities

Autonomy, democratic and statutory accountability remains with the authority

Leadership within each authority oversees the resources invested into the shared arrangements; shared leadership decides how these resources are best deployed to meet priorities

Elements will remain as single-council delivery model – both to be the ‘customer’ of the service and functions/ roles specific to each authority



The **integrated delivery council** model begins with strong common purpose that recognises the need for autonomy of each authority whilst being willing to be flexible in how shared objectives and priorities are met, so that each gets the benefit of joint delivery.

The model requires **strong and shared leadership**. To achieve these **shared goals**, there will be a requirement of strong leadership both from elected members to ensure representation from citizens, with dedicated management to drive excellence and accountability.

The **level of integration** will determine the level of benefit that can be realised through integration delivery, which can be scaled over time in breadth, depth and inclusion of other partners

The model is more than an amalgamation – it's about a springboard for **improvement, redesign and innovation** that applies community decision-making and Whole Family approaches to encourage **prevention, outcomes focus** and **shared investment**

The benefits are significant, the delivery risks are substantial

The future model has an estimated potential annual financial benefit of between **£16-21m**, depending on the level of integration and the timeline for delivery. However, the scale of this change is not to be underestimated. There are many, significant risks that will need to be addressed and mitigated. This includes taking a series of steps to build the leadership and governance around the programme, secure the commitment to and confidence in the target state, and to iterate through each stage of due diligence, design, implementation and ongoing management.

Leadership and governance

The proposed model requires fundamental change to leadership and governance. Each Council – and any further partners – will need to:

- Have **confidence in the sustainability and long-term stability for the model**. It will make little sense to invest in the setup and transition only to withdraw from it later
- Be willing to **accept the compromises in direct management to achieve the benefits of integration**. As in other shared arrangements, from City Deals to Integrated Joint Boards, there will need to be strategic alignment and an acceptance of working in partnership to meet shared strategic goals, with less direction at a delivery level
- **Buy into the future model**, and invest in its ongoing success – through the next stages of developing the case through to giving it the headroom and the resource to continue to improve and innovate

Next steps

Councils need to be willing to commit to the end state – but with a staged approach to delivery, so that each next step confirms the viability, feasibility and the benefits of the change. The next steps from this Discovery exercise members will need to approved are therefore:



Engagement at a leadership level and agreement to proceed beyond the 'Discovery stage'



Commitment to the target state vision and underlying principles



Wider engagement with staff, public sector partners and representative groups



Establish the governance, transformation team and resources to deliver the next stage



Carry out the 'foundations' for the next stage



Introduction

1.1

For a number of years, local authorities have been seeking opportunities to deliver quality services that matter to the people in their communities. We have a number of partnerships in operation that have supported us to deliver significant improvements in what services are delivered, and how we design and deliver those services.

Across Clackmannanshire and Falkirk there have been significant developments in engaging with our communities to understand the needs, such as the Whole Family Partnership and Be the Future in Clackmannanshire and Creating a Healthier Falkirk in the HSCP and Closer to Home in Falkirk HSCP and Councils respectively.

1.2

With increasing challenge in maintaining financial sustainability, service quality, service innovation, and recruitment and retention of critical staff there is a need to move to the next stage of collaboration.

Currently we have specific areas of collaboration across CPPs, HSCPs and service-specific areas of shared agreements. This has demonstrated the positive impact of collaboration and partnership, alongside some aspects of challenge inherent in public service delivery.

To build much needed headroom within our financial position and driving greater innovation and modernisation of public service provision, there is an opportunity to collaborate at a fundamental level between Clackmannanshire and Falkirk.

1.3

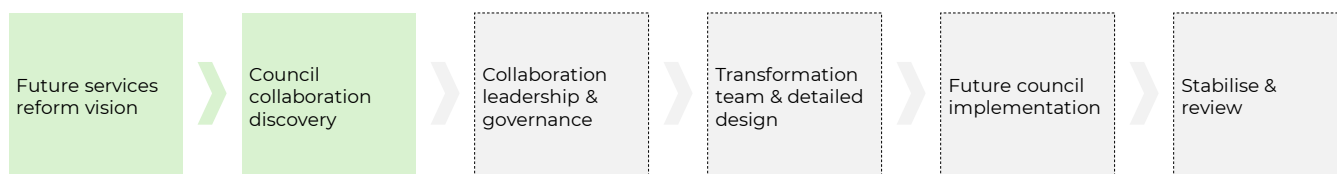
In order to build resilient and adaptive services that are digitally-powered, the collaboration of Clacks and Falkirk (initially) will concentrate the skills and capacity across our staff teams to have greater impact, and drive efficiencies through increased scale and service redesign.



1.4

Discovery work was undertaken to identify opportunities for collaboration with options that will provide financial sustainability. The councils commissioned a review to identify opportunities to collaborate more closely together in the delivery of services. This is targeted not only at meeting budget pressures, but enabling a stronger position to transform and sustain public services and support communities.

The Discovery stage took the initial steps towards potential implementation options, recognising the significant activity that needed to fully implement any significant change. The imperative, therefore, was to reach an option on the potential viability of any future model, including potential costs and benefits, and to determine what options to take forward to the next stage.



1.5

The Discovery Stage activity is summarised below. The following stage of activity is also summarised to highlight the next steps required to secure commitment from both Councils, engagement with Scottish Government and other public sector partners, and build understanding and confidence in proceeding to the next stage.

Discovery stage

Key activity

Understanding the potential benefits from different levels of collaboration across the Councils' resources, covering:

- Customer contact
- Corporate services
- Place services including leisure centres, active travel and libraries
- People services including Health and Social Care Partnership resources (HSCPs) & prevention

Purpose of the activity

- Develop a shared baseline from which to understand potential benefits
- Explore opportunities for collaboration
- Identify the different model options and a preferred model to take forward
- Develop a delivery plan
- Estimate the costs and benefits
- Establish collaboration foundations

Outputs from this work

- High level collaboration model
- Specific collaboration opportunities with anticipated benefit

Collaboration, leadership and governance stage

Key activity

Building on the Discovery work to develop the foundations for joint leadership and shared governance of the next phase of the programme, and ongoing leadership through the potential transformation work.

Purpose of the activity

- Develop guiding leadership across both Councils for developing foundations of collaboration
- Establish principles and agreements for collaboration criteria
- Agree vision for collaboration
- Commission detailed design and due diligence for areas of collaboration

Outputs from this work

- Vision and principles for collaboration agreed
- Collaboration governance setup agreed
- Engagement with other councils and Scottish Government
- Transformation team established to take the programme forward
- Commissioning of detailed design and due diligence activity

1.6

The Discovery project set out the principles and ambition for collaboration on a future model. It then explored the opportunities and the implications that would best meet them. The scope of this phase was broad – looking across three perspectives:

- The **'self-sustaining model'** – the current baseline and existing plans for each Council to undertake reform independently, with potential sharing and cooperation in limited areas
- The **'mixed economy' model** – the ability to undertake joint activity such as commissioning, sharing of roles, standardising ways of working and shared investment, but without fully combining resources
- The **'integrated' model** - a fully combined delivery function that serves the needs of both Councils, with resources integrated, under the direction of shared governance and leadership, towards outcomes set by each authority

This was used as the frame to explore the different levels of integration, and understand where benefits can be driven from the following levers:



1.7

The scope of this work covered The scope of the exercise covered all Council functions – aligned around People, Place, Customer and Corporate Services. However, there were some exclusions and constraints, set out below:

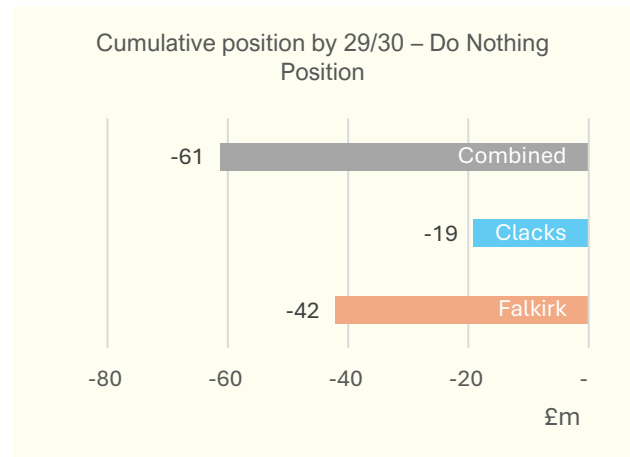
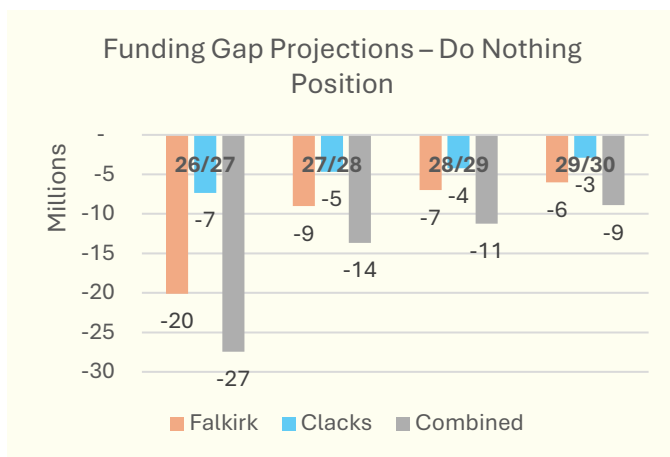
Scope exclusions	Delivery constraints
There is no mandate to change legal, constitutional, boundary or other fundamental Council aspects. This includes elements such as council tax, business rates, council boundaries, statutory roles and services – these will form part of the parameters in which options will be developed.	The engagement was limited to set piece working sessions and some follow up meetings with service leadership given the early stage of the project, and so has not conducted any staff or representative group, or wider stakeholder, engagement.
The project is a discovery stage only. Any further work will be subject to decision-making within each Council and will involve appropriate engagement, consultation and co-production.	The analysis was impacted by delivery at pace and difficulties in obtaining consistent data and so needs to be seen in the context of an initial options assessment to build upon where there is appetite to go further.
The scope was limited to the two Councils, recognising that there would be value in working across the Forth Valley region but without the participation of Stirling Council at this stage.	The exercise has been conducted based on the latest budget plans and existing transformation agenda, it has not conducted a detailed review of longer-term financial strategy, demand profiling or similar analysis.

Preferred future model

2.1

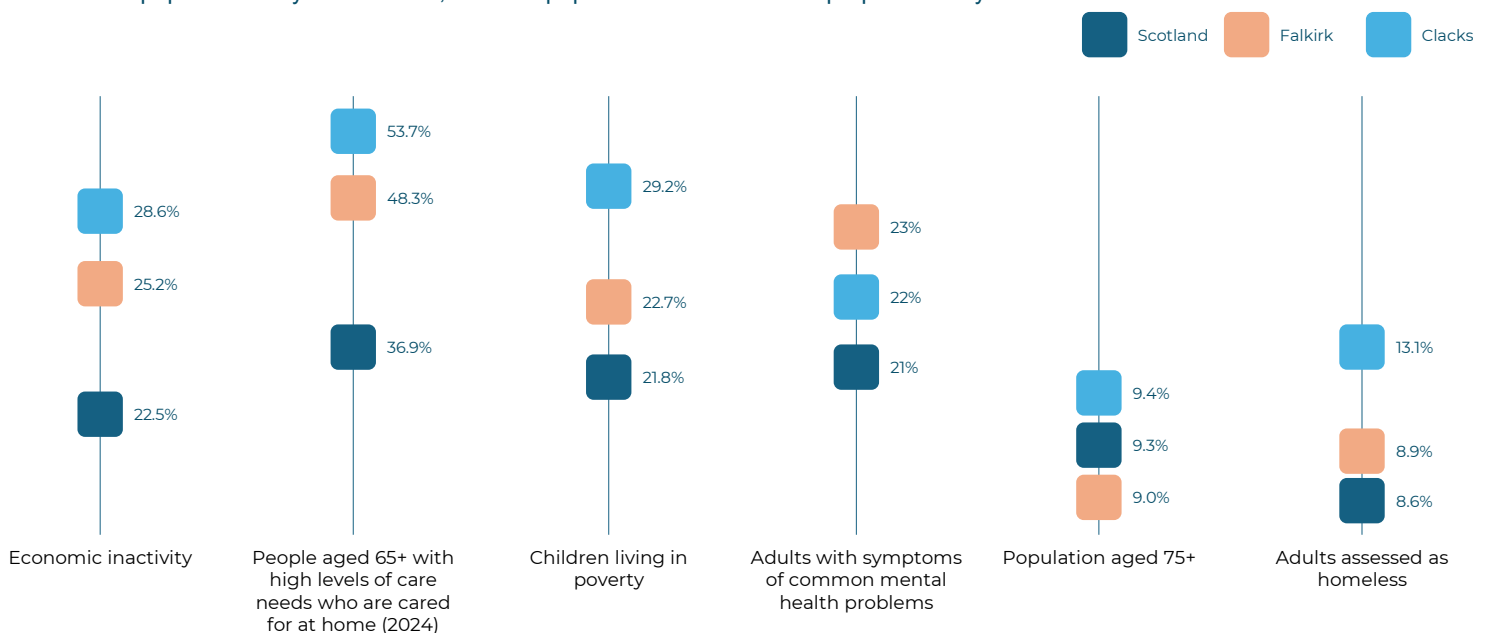
Across the strategies, and in the discovery work, there were clear challenges articulated by both councils. The collaboration and future council model must address these challenges. Through economies of scale, service improvement, and redesign – the collaboration has potential to provide the enabling operating model to drive greater improvement and innovation across both council areas for near-term fiscal challenges alongside the longer-term forecasted service demand increases.

The need for this is stark. The cumulative funding pressure across the two Councils rises to cover £50m by 2029/30, requiring substantial savings to be found and sustained.



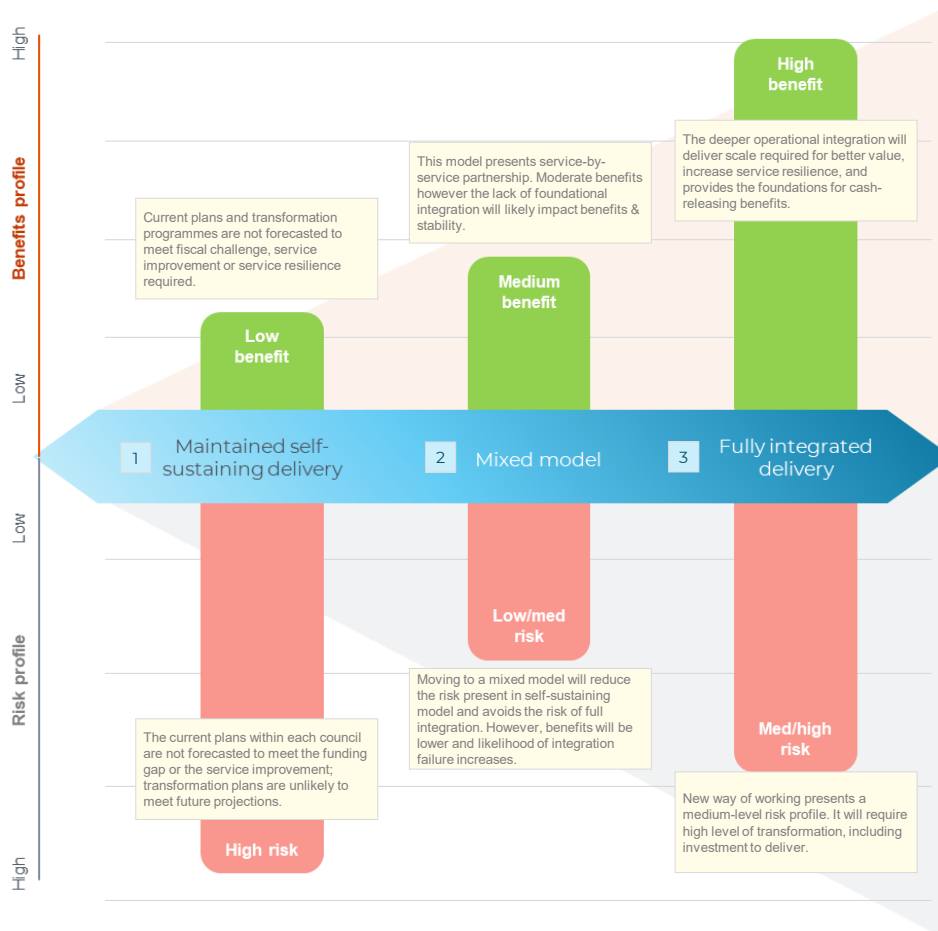
2.2

This financial challenge is against the backdrop of significant, and growing, need. The investment from UK and Scottish Government into securing the industrial future of Grangemouth may help mitigate an economic blow to the region, but the wider context is a region child poverty higher and economic inactivity both higher than the Scottish average. The demographic challenge of an ageing population is projected to drive further increased demand on services, with c.10% of the population 75 years or older, with this population set to increase proportionately.



2.3

The models set out on page 4 indicate the level of collaboration & integration of operational delivery. Outlined below is the level of risk and benefit that is estimated. For each service area taken individually this scorecard would vary, for example: moving only customer & corporate will have an overall benefit but this might be lower than moving all services. The risk profile would also reduce in this instance.



The current projections across both councils indicate that the current position is high risk; the current transformation portfolios are not anticipated to meet the funding gap. Moving to full-integration would likely generate the highest level of financial benefits, but incurs the highest level of risk in both delivery of the change and sustaining the model long term.

The mixed model has a moderate level of benefits with a lower risk profile. It presents opportunities to respond to specific needs in respective councils; however it does not deliver the same scale of benefits, and an episodic or tactical set of services being combined would be hard to sustain in a coherent leadership and governance setup. The risk of breakdown is therefore higher.

Full integration model presents the greatest breadth and depth of activity to be delivered jointly with a scalable leadership and management structure, but with the greatest impact on current way of working. Whilst fully aligning to the strategic direction of travel for the sector, it will be the most significant change, so is the highest transition risk.

2.4

Scoring against the assessment criteria that was agreed in the initial stages of the Discovery – seeking to reach a 3:1 ROI over a 5-year period, and present sustainable and improved services across councils :

The model and approach to collaboration...		1	2	3
Scalable	scalable so that the approach to collaboration can be scaled and expanded to meet changing or growing needs over time and allow other councils/agencies to join at a later stage			
Significant	significant and measurable benefit which outweighs the cost of implementation and there must be clarity on how to measure impact, with a minimum 3:1 ROI over a 5-year period.			
Flexible & form agnostic	flexible enough to adapt to changing needs over time – including potential 'new' forms of collaboration, and agile given the potential for change arising from wider public service reform in Scotland.			
Proven outcomes	support benefits to the community – noting that this could be direct through improved services, or indirect through the ability to release expenditure and capacity from lower priority into higher priority services.			
Strategically aligned	strategically aligned to the goals and outcomes of both councils – and should not constrain existing strategic goals. It will be essential to articulate how local democratic oversight for both councils will be retained.			
Sustainable	future proofed against change, including political differences - it should be politically agnostic and not dependent on aligned political leadership of the councils.			
Transformative & ambitious	aim for an environment where continuous improvement and innovation drive the model forward, ensuring ambitious goals are set and met – this will not simply be a reduced cost amalgamation.			
Fair & equitable	fair and equitable, delivering benefits to both councils in proportion to their resources and investments, in the context of their size disparity. This doesn't necessarily mean equality, but rather, it relies on parity of esteem and recognition between the two organisations.			

Key

Not met

Partially met

Mainly met

Fully met

2.5

The preferred model is based on a number of factors, including the failures of other models to meet the criteria in terms of principle and level of financial return on investment:

- The 'self-sustaining model' is not considered viable. Whilst both Councils have a track record of transformation and innovation, and have delivered substantial financial savings, neither has developed plans to a level of that can give confidence that the projected budget gaps will be closed. Closing the budget gap through other methods – such as further use of reserves, increased income (through taxes, fees and charges) or additional funding from government – are not considered realistic..
- Weaker versions of integration – involving shared procurement, shared commissioning and sharing of posts – explored in the 'mixed economy' model, will similarly fall well short of the target benefits, whilst incurring significant cost in partial convergence and resource time and effort to work across two fundamentally different organisation. The options are viable and could be taken forward in some cases as an interim state to the longer-term preferred model, but given the urgency of change this option was not taken forward.

2.6

The preferred model itself has a number of positive features that meant it was selected to be taken forward:

- It ranks highest against the design principles set out by the leadership teams of both organisations at the outset of the project, meaning it aligns most closely to the emerging vision of public service delivery that both teams have agreed as the target state
- It delivers the greatest financial benefit, over a period of time, from representing the broadest and deepest scope of collaboration – as set out on the following page
- It goes beyond 'amalgamation', with the intent to sustain ongoing transformation of services, deepening the principles of community empowerment in practice, and creating a scalable form which other public sector and regional partners could join.

Financial sustainability is a critical feature – but it sits alongside other positive benefits:



Stabilise

Collaboration on key areas will provide greater scale that will give greater capacity to address recruitment and retention challenges, access expertise and stabilise some services which currently are at risk, or imminent risk, due to financial, personnel and performance pressure.



Build resilience

The projected forecast for service demand across Scotland is significant. This places pressure on frontline services, such as social work, but there is significant impact on corporate services that support delivery. The future model will enhance resilience by reducing single-person failure, giving increase scale, and sharing investments



Innovate

The aim for the future model is to go beyond the stabilising services and to provide a platform, headroom and stimulus for innovation and prevention. For example, having consolidated technology platforms which both Councils will develop tooling, having new ways of engaging with communities in decision-making and in aligning resources around common outcomes and priorities.



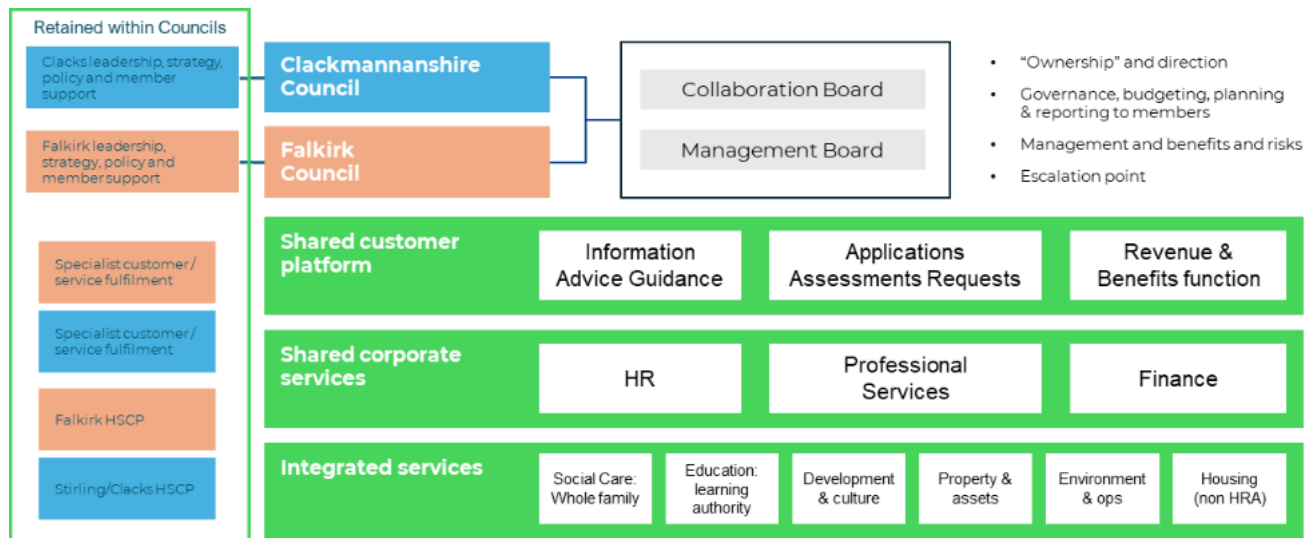
Grow partnership

This model provides the foundations for greater level collaboration with other partners, such as other council areas and CPP and HSCPs. The Forth Valley model could include NHS, HSCP, education. In particular, the opportunity to work more closely with Stirling Council would facilitate both geographic and health sector synergies..

The preferred model represents a significant change to current functions and ways of working. It will represent a change for the whole Council, members, staff and residents – and across public sector partners in health, education, policing and criminal justice and beyond.

2.7

The preferred model in it's 'end state' – maximising the benefits from integration across the two Councils – is set out below:



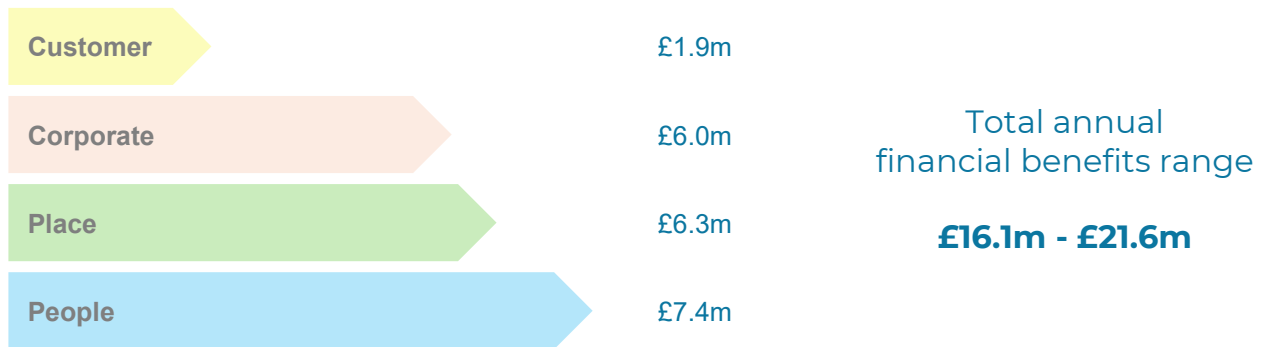
2.8

This is a highly ambition target state for reform. The elements that make up the future model and what this means in practice.

Customer	- Setting out an improved way for citizens to access the right services. - This should utilise customer contact technology to support self-serve and automation. - It will reduce manual handling of enquiries and provide extended hours through validated information available to citizens, e.g. <i>how do I view my council tax account?</i> - Ability to monitor level of traffic for customer contact. - Benefits include productivity improvement and potential for financial benefits (including cash-releasing).
Corporate	- Bringing together corporate services will leverage the economies of scale across both councils to invest in technology such as finance and HR systems. - Reducing layers of management required to deliver services, with greater resource directed at service-delivery. - Corporate services integration is tried & tested model that can deliver service-improvement and reduce overheads. - Corporate services underpin the delivery of services across the other functional areas.
Place	- Medium-term gains are made via increased scale of operational teams. - Reduction of management overheads for delivery of services. - Longer-term foundations for significant gains when contract renewals are due with areas such as waste management. - Housing, while predominantly not gains within General Funds, provide critical community infrastructure; significant benefits for improved services for citizens, including maintenance, management and investment.
People	- The demographic and needs picture across Clacks and Falkirk are broadly similar yet the current delivery models vary. - Shared approach will support prevention to a new level through collaborative approach to pre-front door and front door services. - Mitigate critical shortages in specialist capability that continue to present as issues for both councils. - Harnessing scale will improve commissioning power in the market and reduce overhead per unit for overall services. - Builds on foundations for integration; opportunity to strengthen working relationship with NHS, Police and other CPP agencies.

2.9

Collaboration across both Councils has the potential to give a recurring annual benefit from economies of scale, service delivery improvements and innovation and redesign. The figures below show the mid-range level for each area for the regional model, representing the highest level of collaboration.



The breakdown of the activities in scope for each of these areas is set out below

Customer	- Sharing of the contact centre and customer management processes – meaning there would be single ‘front door’ for people contacting either council - Both Councils could choose to retain their individual Council’s brand and identity, but using – and sharing development and improvements to – the same underlying technology - There is a potential longer-term future as the shared contact environment for the region as a whole – making it easier for citizens to access information, advice, guidance and support without needing to understand the public sector boundaries or different responsibilities.
Corporate	- Creation of a shared corporate finance services that would have each Council as it’s ‘customer’ - Each Council would retain critical roles and capability to operate as the customer of this service - The function would involve the shared delivery of transactional services across HR, Finance, operating standardised ways of working and using the same technology - It would also mean an integrated delivery function for services such as Revenues and Benefits and Technology, Data and Digital, such as a shared IT help desk and internal query management - The Councils would retain strategic oversight but direct a joint, shared capability including workforce strategy, finance analytics, treasury management and technology and enterprise architecture - There would be joint investment in future technology including in areas such as AI and automation
Place	- Combining delivery functions to deliver scale, reduce management and overhead costs and make use of shared assets including facilities, storage and equipment - Combined strategy, needs assessment and economic development functions to align around common outcomes and aim to punch the regions’ weight - Integrated delivery of waste, ‘street and green’ and regulatory service teams - Taking a long term, strategic approach to people-level outcomes – such as inclusive growth, sustainability and Net Zero, and the ‘place’ role in well being and childhood poverty - Reforming and rethinking place level services around regulation and environmental services to be more joined up, connected at a place level, but working to a common set of standards, processes and quality
People	- A shared ‘prevention and pre-emption’ approach across the Council’s people, including understanding and analysing current and forecast need, prediction and modelling and the range of measures to address need before it presents - A combined ‘Whole Family’ approach to managing needs where they do emerge, sharing commissioning of services, managing the supplier market, and shared approaches to multi-agency working - Supporting shared workforce with a common case management technology - Joint Education functions including to school transport, information technology and procurement - Taking a long term, strategic approach to people-level outcomes – such as employability, well-being, childhood poverty and educational attainment. - Improvements to the options delivery of Self-Directed Support present indirect financial benefits through optimisation of SDS intervention. - Strategic workforce planning to mitigate shortage in specialist capabilities and share this across both Councils

2.10

The following were considered viable for the longer-term evolution of the shared arrangements, but have not been included in the target future model and so the costs and benefits do cover the following service areas:

Waste services

Long term contracts are in place; this should be considered in the future at point of re-contracting; it is anticipated a regional model waste function would yield financial benefits but the exit costs for leaving these long term contracts early would offset the benefits to the point that Waste Services were not put forward as part of the initial services to be shared.

This would be a potential further opportunity, particularly if other regional partners were to join later evolutions of the integrated model.

Housing

Both Councils have a housing portfolio that could benefit from collaboration. This could include:

- Housing Maintenance and Repairs, both planned and emergency
- Tenancy management
- Capital planning

This could include areas such as joint tenancy management arrangements, shared out of hours and emergency reporting, and joint delivery and contracting with delivery organisations for building, maintenance and repairs.

Both Councils would potentially deliver benefits which would have a positive impact on the Housing Revenue Account (HRA), supporting sustainability and reinvestment. Improving housing and increasing the availability of housing stock – for example, through quicker repairs meaning housing spends less time 'void' – can also positively impact priorities such as reducing homelessness.

Given the urgent financial challenge is within the General Fund, Housing was not selected as a priority service areas for sharing. This would be a potential further opportunity, particularly if other regional partners were to join later evolutions of the integrated model.

Education

Strategic workforce planning within Education is dictated by the required teacher numbers set by Scottish Government.

It is anticipated significant efficiencies could be made here based on falling schools rolls across both Councils and the ability of both Councils to operate on a Place level to target the outcomes sought – employability, alignment of skills to regional demands, meeting the attainment gap – through innovation and a collective approach.

A strength of the future model is both rationalising the number of organisations and making it easier to engage with colleges, businesses and Scottish Government itself to make the case for greater flexibility, at a time of wider Education reform, and to focus resources where they can make the greatest impact.

Leadership and governance

3.1

This will be a new way of delivering council services – this will take time, resource and commitment at all levels across the organisations. But, critically, at elected members and senior officer level, there needs to be agreement on vision, purpose and depth of integration to drive towards sustainability, innovation and service improvement.

There will be challenges in transformation and in ongoing delivery – understanding the depth of collaboration will equally measure the depth of commitment from leadership, and assignment of resources to meet that demand.

3.2

In shared services practice, the first step is to share executive leadership team across the service areas. This provides the opportunity to review current management structures and challenges in order to ready respective organisations for the future. Once the shared management is in place, the ability to cascade integration and collaboration throughout teams becomes(over time) a new harmonised way of working.

Shared operational leadership does not require the same political leadership. A degree of flexibility is required to ensure that councils can respond to particular requirements as set out by elected members. The design and operation of the governance is critical to this – having the right level of decision-making, the right hierarchy of strategic, operational and exception management and the underpinning alignment of shared investment, collective benefits, funding and budgeting cycles – to build and maintain the trust, rigour and confidence deliver this ambitious approach.

Elements of the governance and decision-making that would need to be in place include:

- A formal agreement between the Councils that sets out the fundamentals of the joint arrangements
- The articles for the selected entity that express how the agreement is delivered
- Accountability mapping from service to respective elected members in each organisation identifying roles and responsibilities, clearly setting out how statutory elements are managed
- The decision-making apparatus through which strategic, operational and cyclical (i.e. funding, budgeting) decision-making takes place, and how these interface with each Council's own apparatus (such as committees)
- Oversight on resource flow from each Council through to the target outcomes, via the services selected
- The rules of engagement in dealing with relationships with other public sector partners, including Community Planning Partnerships and Scottish Government
- Escalation routes defined in end-state and interim states

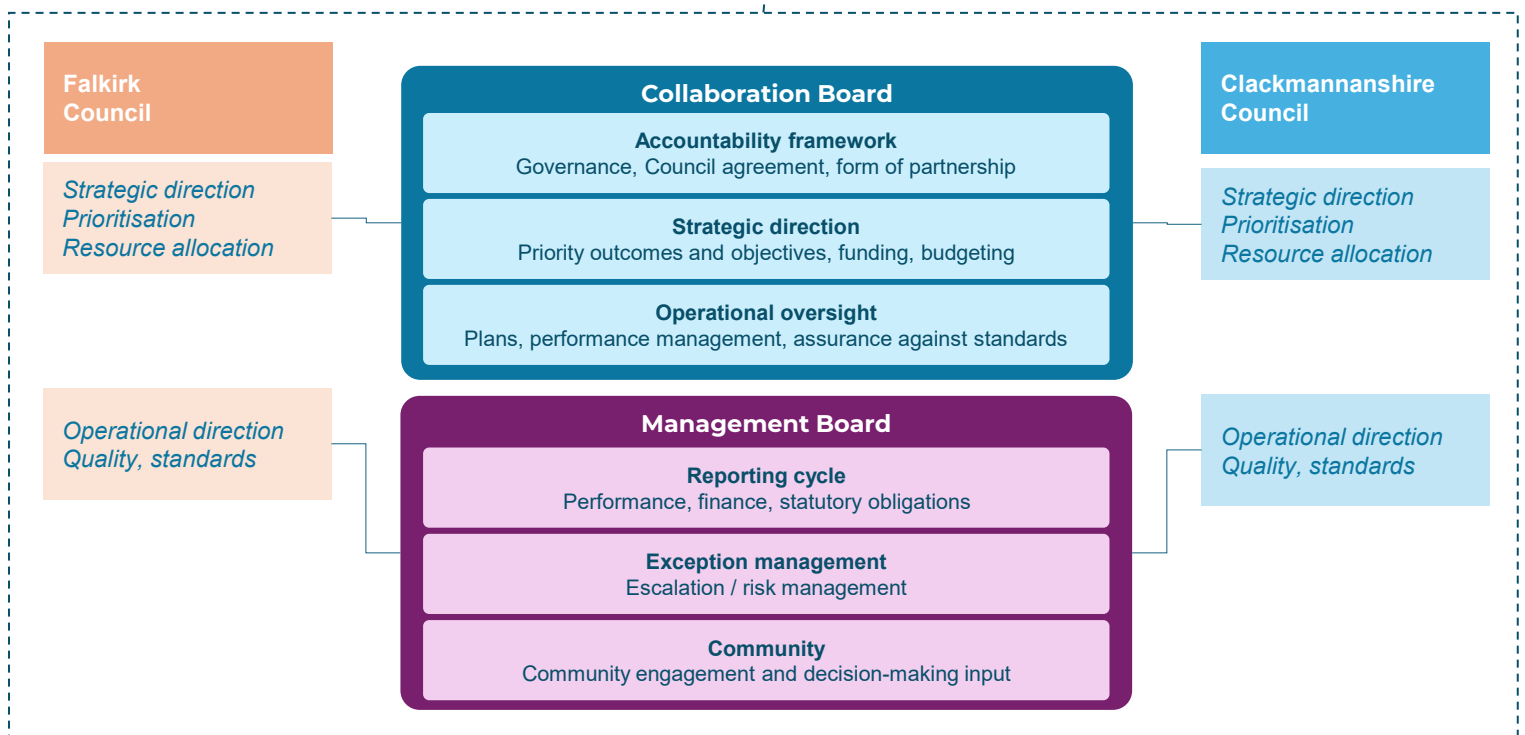
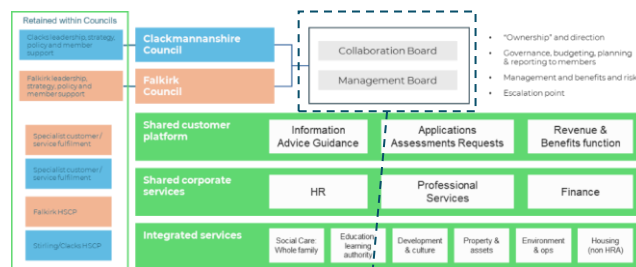
This would form part of the detailed design work to be delivered in the next stages.

3.3

By taking this agenda forward, members, council leaders and other stakeholders will need to understand the impact, not only of the target model but the longer term direction of travel it represents. The future model will require governance and leadership through implementation and into delivery which gives both parties confidence that the future model will be fit for purpose beyond the immediate financial challenges, and that both parties will be able to work together throughout a period of expected financial, political and wider environmental disruption and change.

The proposed arrangements to enact this in the future model are a **Collaboration Board** through which both Councils manage the strategic direction of the shared arrangements, and a **Management Board** through which Councils have oversight, set standards and exception manage the shared arrangements.

The diagram below summarises the initial plans for this, which will need to be further developed with both Councils and their members, and aligned with existing and planned changes to governance arrangements, in the detailed design of the model:



3.4

If both parties agree to proceed to the next stage of working through the Leadership and Governance implications, the following will need to be addressed prior to the following stage of detailed design, due diligence and investment case finalisation:

Governance & leadership	Scheme of delegation	Legal framework	Finance arrangement
Establish clear governance structures and forums for oversight of collaboration, with clear roles & responsibilities, decision-making processes and accountability.	Clear documentation outlining responsibilities and decision-making power across both councils.	Address legal and regulatory requirements, including compliance with local government laws, procurement rules and any relevant Scottish legislation.	Agreement between both councils on funding, cost-sharing and budget management.
Stakeholder engagement	Performance & reporting	Technology integration	Sequencing
Engage key stakeholders, including staff, elected members, community and Scottish Government. Consistent messaging.	Establish a reporting cycle with key metrics and measures to evaluate effectiveness of collaboration and review progress.	Integrate IT systems and platforms to enable seamless collaboration across all service areas.	Agreement on ordering of which service areas should adopt the new delivery model based on benefits, risks and costs.

3.5

The Councils will also need to accept, and mitigate, the risks represented by the regional model. This will be a balance between the potential financial and service benefits from collaboration (from mixed model through to regional) with the risk appetite of both councils.

The Councils will need to give proper consideration to the risks and mitigations, their own current and legacy arrangements for shared delivery and apply the lessons learned. They can also draw on lessons learned from other organisations- positive and negative - as shown on the following pages:

Lessons learned NORTH YORKSHIRE COUNCIL

To ensure long-term financial sustainability and consistent delivery of services across regions, North Yorkshire sought to explore new models of local government in April 2023.

Their proposals was to bring together eight Authorities into one regional organisation and deliver between **£30 and £70 million**^[1] of annual savings in the first five years. This saving would be realised by streamlining essential services across all directorates and reducing duplication of work.

The key areas of impact included Place & Environment, Economy, Health & Wellbeing, People, and Organisation.

The 2023 Revenue Budget Report noted progress of collaboration and the impact on North Yorkshire's finances.

Approximately **£35.7m of savings made in FY 2024/25** were attributed to regional delivery of services, meeting **78% of the total savings proposed** for the newly combined Council at the beginning of the year.

APPLYING THE LEARNING

It shows that benefits can and have been realised through close integration of services across regions, with the majority of target benefits achieved, and in which financial savings were secured through reducing duplication and combining functions across the Council's scope. It also shows the ability to deliver at pace when there is a mandate and delivery impetus.

[1] Room 151 Local Government Finance: North Yorkshire Council 'could deliver £70m in savings', Jan 2023

[2] Revenue Budget: North Yorkshire Council, Feb 2024

[3] North Yorkshire Council: Council Plan 2023 – 2027, Jan 2023

Lessons learned TRI-BOROUGH

Launched in 2011, Tri-Borough was a partnership arrangement between three London Authorities who sought to drive benefits, including reducing delivery costs and improving service resilience.

The arrangements covered Children's Services, Adults Social Care, Public Health and Libraries as well as Corporate Services. Each service was led by a single Executive Director and supported by a unified management team, although each Council remained legally distinct entities.

The initiative was projected to save £33m by 2014/5. Benefits were achieved, but in 2018 London Borough of Hammersmith and Fulham exited the arrangements, which became a 'Bi-Borough' agreement between Westminster and the Royal Borough of Kensington and Chelsea. Factors included the change in political control, governance and financial disputes between the parties.

APPLYING THE LEARNING

It shows the potential volatility of arrangements and the need to build stable foundations to manage the risks. Benefits of c20% of the addressable spend were possible, as well as improving resilience (for example, the Tri Borough music service), and the remaining arrangements in 'Bi-Borough' have proved more sustainable.

(1): https://www.publicfinance.co.uk/opinion/2017/05/why-did-triborough-fail?utm_source=chatgpt.com

(2) <https://www.bbc.co.uk/news/uk-england-london-39415618>

(3) <https://www.lbhf.gov.uk/sites/default/files/lbhf-critical-friends-board-triborough-review-27oct2014.pdf>

Lessons learned TAYSIDE

Tayside Contracts is a joint committee formed by Angus Council, Dundee City Council, and Perth and Kinross Council. It was established to provide shared services for catering, cleaning, road maintenance, vehicle maintenance, and winter maintenance across the Tayside region.

The Councils have a joint committee consisting of 18 elected members (6 from each constituent Council), with c2,500 staff employed by the shared service, Tayside Contracts. Over the past 27 years, Tayside Contracts has performed well in terms of operational and financial performance, returning over £31m to the constituent Councils in surpluses for reinvestment in public services.

APPLYING THE LEARNING

It shows shared services, across Councils, reporting into a joint management board, can be a viable and long-term sustainable model. It also shows that staff can be transferred to the shared service so they can operate across the three Councils, that it can operate as a commercial trading arm and provide services to other Councils.

(1) https://www.publicfinance.co.uk/opinion/2017/05/why-did-triborough-fail?utm_source=chatgpt.com

(2) <https://www.bbc.co.uk/news/uk-england-london-39415618>

(3) <https://www.lbhf.gov.uk/sites/default/files/lbhf-critical-friends-board-triborough-review-27oct2014.pdf>

3.6

Shared management within local authorities requires high level of trust, collective leadership and strong infrastructure to deliver benefits. The pressures on councils is greater than ever; this requires collaboration to meet the challenge, but can make the reality of shared management challenging with increased scrutiny, political pressure and period of disruption in delivering the change.

Below are some of the core components required for successful implementation (key themes and more details can be found in *Local Government Association: Stronger together*):

Vision & culture

For all levels of the councils, it is critical that shared vision for the endeavour is clearly articulated. This develops shared responsibility for the success of the change. Early on, this will support elected members setting out their 'red lines' in terms of non-negotiables, while identifying areas where much more is held in common.

Engagement with staff and understanding the organisational culture will support meaningful and respectful implementation. The harmonisation of operations will be challenging: *how* we do this, not just *what* we do will be essential.

Elected members involvement

The role of elected members is vital in the successful delivery of collaborative delivery. At the start, there are likely to be some concerns or reservations about significant change; regular meetings both collectively and as individual councils can support improvement to plans and resolving risks & issues.

Democratic accountability is non-negotiable; working together through the complexities of shared working will support the wider gains and benefits that are possible through working together. Demonstrating the accountability matrix with elected members will provide visibility to lines of responsibility.

Managerial leadership

Collaborative operational delivery requires shared managerial leadership. This supports the delivery of vision & culture through single leadership team.

This can place increased demand on senior managers; the infrastructure to support this shared working should include clear accountability, improved processes, engage automation and technology where possible, and agree reporting structures and requirements.

Staff engagement

Within the transformation portfolio it is critical that staff engagement is at the core of the function. Change is incredibly complex, and the greatest assets within our councils are our people. Regular engagement and communication is required to ensure changes are clearly understood and implementation plans are responsive. Formal consultation may be required where there are substantive changes to job roles or functions.

Trust, honesty, and openness

The senior leadership team will require to work in new ways and lead existing teams through a period of transition. This requires high degree of personal trust, clear communication with one another, and honest assessment of requirements – both in terms of operational demands and in delivering for elected members.

The values of collaboration need to be demonstrated from the top of the organisations.

Communication

Dedicated communication resource is required to provide regular and responsive updates to a highly complex stakeholder landscape. This will range from CPP partners, service-providers, Scottish Government, and other council areas.

Communicating early successes will be important, alongside lessons learnt – this supports the wider public sector reform agenda where other organisations are embarking on similar improvement transformations.

3.7

The lessons learned from these examples and from the wider experience of local government and other public sector bodies, are summarised below:

- There are a number of positive examples. Shared Service arrangements have driven typically between 10-20% of financial savings and have sustained beyond initial terms.
- They also provide a means of looking at demand differently, such as by functional economic geography and patterns of poverty and need rather than limited by Council boundaries
- The arrangements give scale which don't just support economies of scale in terms of market purchasing power, but also providing resilience, capacity, additional pathways for staff growth and development
- This can also apply to addressing 'sub-scale' areas such as specialist services where individual Councils struggle to attract and retain staff

However, it's unavoidable to note that a number of these arrangements have been revoked. These from large scale integration such as the 'Tri-Borough', through to shared finance platforms, Council-hosted commercials services.

The key challenges include those set out below:

Perception of democratic impact: council representation versus regional model	Local customisation of services: changes to ways of working	Access between elected members and management	Unwilling / unable to accept 'standard' services across organisations
Political discomfort with loss of control	Complex governance / commercial/ gain share mechanisms	Overly optimistic plans to grow through 'selling' services to others	'Starved' shared services that atrophy without investment to improve

3.8

Conversely, it is also worth noting the positive lessons to take forward and key success factors to focus, to mitigate these risks and setup for success have been drawn from good practice in delivering these kinds of changes – and have been used to inform the implementation plan and next steps:

A clear unifying goal on why changes are needed	Confidence in the cost/benefit of the investment being made	Realistic estimation, allocation and prioritisation of resources needed to deliver – and not 'starving' the service
Visible and collective leadership from within the organisation that will survive political change	Getting early wins to share success and drive motivation	Getting the sequencing right for example, acting on demand ahead of reducing capacity
A genuine balanced portfolio so that all parts of each organisation contribute and benefit	Having the right level of grip that co-ordinates across people, finance and change disciplines	Understanding transition states given that transformation doesn't take place in a single bound

3.9

The preferred model represents a huge change to stakeholders across the council; internally for staff and members, externally for the wider public, partners and wider government.

Stakeholder group	Impact description	Impact Level
Council Staff	• Changes to roles and responsibilities and line management as new integrated functions are formed and management is streamlined. • Changes to day-to-day operations and processes • Staff may be required to complete training and upskilling to adapt to new ways of working, systems and collaborative working arrangements. • Increased staff capacity; duplication of work is removed, and processes are streamlined • Significant behaviour and culture change required by staff who may already be change fatigued following significant previous transformation activity and savings deliver	High Changes in roles, structures and ways of working. Comprehensive and targeted comms and engagement and change management activity (including training and upskilling) required, engaging staff in the design and implementation process to support staff through the transition and minimise any negative impacts..
Residents	• Sustaining service delivery and being in a stronger position to deliver outcomes for residents through streamlined and more efficient services, increased data-driven and strategic decision making • Strength-based approaches are maximised in social care, continuing to building independence and resilience for people who draw on care and support, improving outcomes • Changes in communication channels and routes to accessing the council, by shifting to a more self serve focused model and more consistent and standardised customer journeys. • Impact on the running of Housing services for tenants who will need to agree to any changes	Medium primarily positive through improved and more efficient services. Engagement and co-production with residents and communities through design and implementation and communications to keep them updated on any changes will facilitate a smooth transition and positive engagement from residents.
Elected Members	• Potential requirement for more and expanded leadership roles by Members to oversee the transformation and in delivering on a regional basis going forward. • Updates to the strategic direction of both councils, as endorsed and driven by Members, which will need to aligned to and built upon existing strategies and plans. • New and additional governance and decision-making processes to provide integrated oversight of council operations whilst still maintaining the democratic independence of both councils, potential increased demands on Members time.	Medium Decisions will come under public scrutiny and may increase pressure for Elected members who hold accountability. Additional governance and oversight will require time commitment. Continued engagement with Elected Members will minimize disruption.

A full impact assessment will be required as part of the business case for change, to ensure understanding of the impacts, identifying where consultation and engagement will be needed to factor into the planning for a safe transition to future collaborative model.

3.10

The Councils, therefore, need to be confident in the long-term stability of the shared arrangements. It will require approvals and commitment not only to the programme of work, but to the implications for each Council, such as lower control, loss of sovereignty and the need to align both the ways of working. It will also have implications for the demands and asks on Corporate Services from Members, Leadership and Delivery functions. The further these needs and asks stay unique and drive divergence, the greater the cost, as well as the risk of failing to deliver the services.

The following are key considerations to take forward into the Investment Case, informed by the experience of collaboration examples that have worked and those which have failed:

Governance and leadership

Decisions on the form of the proposed collaboration Leadership and Management Board, membership, roles and responsibilities, decision-making processes and accountability

Scheme of delegation

Deciding on the responsibilities and decision-making power within and across the Councils over the course of the programme and beyond into the operation of the shared functions

Legal framework

As part of the due diligence exercise, each Council satisfying itself there are not legal and regulatory or compliance issues remaining outstanding before approvals are sought

Finance Arrangements

A foundation activity in the arrangements will be agreement between all parties on joint funding, cost-and benefit attribution and ongoing management

Resource planning

The key decision will be whether the shared arrangements require staff and asset transfers, between Councils or to a new entity

Stakeholder engagement

How the Councils will align around shared communication, given that the messages given by one Council will be visible to the staff, members and customers of the other

Performance and progress reporting

How the shared functions will report into the governance and leadership of each Council, in ways that meet each needs but avoid double-or triple- sets of reporting timeline and content

Technology integration

The importance of the shared technology platform has been emphasised, equally important will be the integration to the authorities' line of business applications outside of the collaboration (e.g. housing)

Sequencing of functions

This is a factor of both the constraints from existing and planned changes and the ability to manage the scale of working across multiple functions at the same time

Exit strategy / change requests

The arrangements will need to include how any party would manage a material change to the joint arrangements, and ultimately exiting them

Implementation

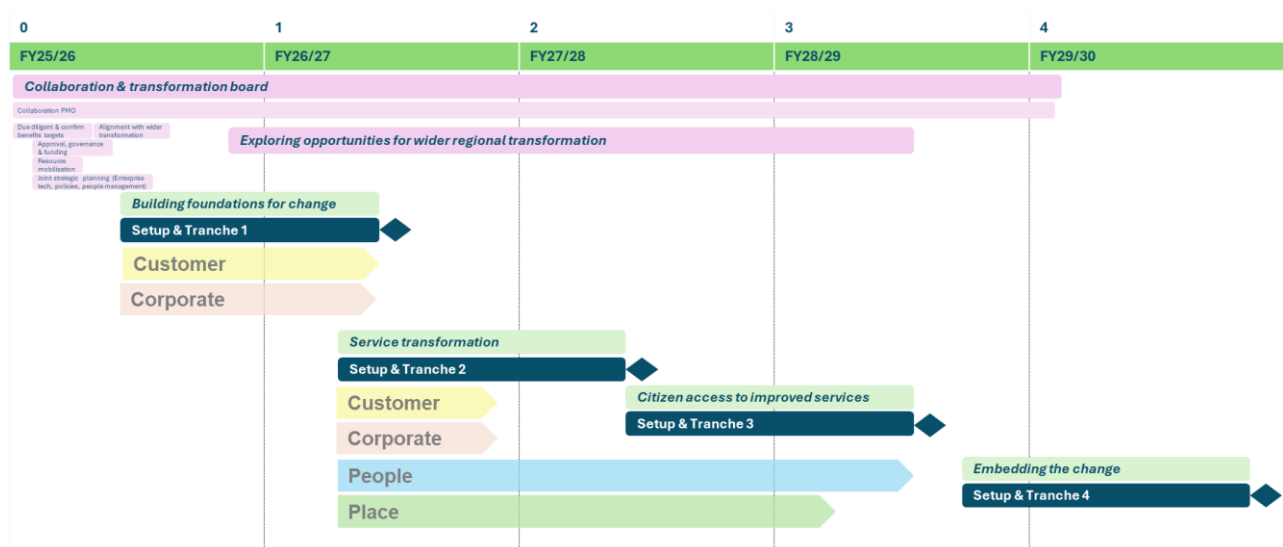
4.1

The programme required to deliver this change will be a large-scale exercise, over a number of years. There will need to be a balance between the pace of delivery, to reduce costs and accelerate the release of benefits, with the level of risk appetite, capacity to absorb change, and the funding available to resource the changes.

4.2

The Discovery project identified two options for delivery, an **accelerated roadmap** based on a higher risk appetite and shorter delivery window. This represented the highest risk in terms of both up-front funding, the scale of change and the capacity within each organisation to move at the required pace.

The alternative approach set out below is the **incremental roadmap**. This still reflects an ambitious and challenging timeframe, but aims to build the future model in phases, with a sequential change that starts with the lower risk services in corporate and customer functions. This allows release of benefits alongside a learning approach, that also means both Councils have a chance to pause between each phase before proceeding with further integration.



4.3

The roadmap above represents a five-year delivery plan that will require a core delivery team, with other key roles and support flexed over time.

It aims to:

- **Drive adoption of existing standards as the default** and speed the transition to common platforms, and therefore **higher benefits**
- Phases the **higher value and benefit opportunities first**, leaving professional services for later consideration given the lower value in this area
- Allows a **staged build of the shared functions** so that there is sufficient capacity to manage the change, learn from each transition point, and mitigate the risk of failure

Outline transformation roadmap

4.4

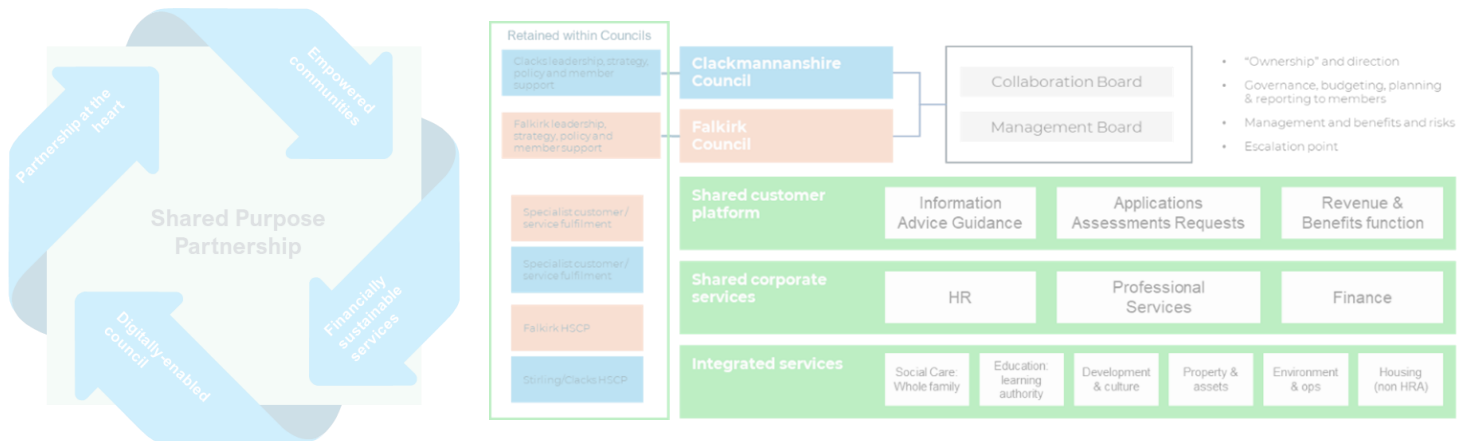
The roadmap will need further detailing and interactions. The next stage is not therefore to approve the roadmap in its entirety, but to agree to proceed to the next stage.



This will involve: the following steps



Conclusion



The reason to change

The Councils face a cumulative funding pressure of **£50m by 2029/30**, and difficult choices on where to find savings in the short term to balance budgets, at a time of **increased demand** from factors such as our ageing population. To give us the space to have the **positive change on our communities** we need to embrace fundamental reform, reduce costs but also change how we work to have a **bigger impact**.

The proposed future Councils

The proposed change builds on the recently published *Scotland's Public Sector Reform Strategy* to **combine resources, integrating how we support and deliver services** into a **new delivery model**, that scales from customer and corporate services through to place and people, with the goal of working more closely with our communities and our public sector partners.

The potential return

The estimated benefit is **£16.9-21.6m** annual financial benefit, with a Return on Investment of over **3: 1** over five years, depending on the pace of change, the level of integration and choices about how services work together.

Beyond this financial return, benefits include improving **resilience** in both Councils, creating a space for further public sector reform in our region, and acting as a springboard for joint investment in further change and improvement.

The risks we need to manage

This is acknowledged as a significant change that will require investment costs proportionate to the benefit.

The mitigations are to set sound foundations, to scale up the services over time, and to learn from other examples of shared arrangements. The proposed transition plan also aims to learn from each stage and allow the Councils to decide on whether further integration is still viable and to be agile to wider changes at national, regional and local level.

The next steps

1. Engagement at a leadership level and agreement to proceed beyond the 'Discovery stage'
2. Commitment to the target state vision and underlying principles
3. Wider engagement with staff, public sector partners and representative groups
4. Establish the governance, transformation team and resources to deliver the next stage
5. Carry out the 'foundations' for the next stage



**Clackmannanshire
Council**



Falkirk Council