

# Appendix 1

## Bromsgrove District Council

Corporate Communications, Policy and Performance Team

### BUSINESS CASE

### Local Neighbourhood Partnerships

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## Business Case History

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### Version History

Version no.	Date issued	Summary of Changes
1	09/11/09	First version.

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### Distribution

This document has been distributed to:

Version no.	Name(s)	Role within the project
1	Cabinet and Chief Executive	Business Case approval

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### Approvals

This document requires the following approvals:

Name	Signature	Title	Date
Kevin Dicks		Project Sponsor	09/11/09
Hugh Bennett		Head of Service	09/11/09

Finance sign-off levels:

- A member of Finance for business cases with specified costs up to £9,999
- Head of Finance for business cases with specified costs £10,000 – £29,999
- Director of Resources for business cases with specified costs £30,000 and above

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## **1 Business Case**

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### **1.1 Executive Summary**

#### **Background**

- 1.1.1 In December 2006 the Council established two “area committees”, subsequently renamed Local Neighbourhood Partnerships, one in Rubery and one in Alvechurch (a further pilot in Hagley and Rural was launched in September 2009 and another have approval to go live in 2009/2010, but has yet to do so). During 2007 the Council commissioned an independent evaluation of the two pilots, through a “Learning to Deliver” grant. Broadly there was support for the LNPs, but the evaluation pointed out that they lacked clear terms of reference and a clear model. The Council subsequently drafted a terms of reference for the LNPs and has gone out to consultation. The terms of reference provided a clear framework for the LNPs to work, operating between PACTs and the LSP Board, providing local neighbourhood partnerships, hence the change of the name.
- 1.1.2 The LNPs are predicated on two key assumptions. Firstly, that we need to work together at a local level, like we do at a strategic level through the LSP, in order to solve the various problems our local communities want solving. This seems completely reasonable and is why we already use PACT at an operational level. Secondly, that local people know better what needs fixing in their local communities.
- 1.1.3 The Chief Executive, Executive Director Services and Assistant Chief Executive have actively supported three pilot LNPs. Both Members, senior officers of the Council and partners involved in these pilots have seen the value of these partnerships and wished to roll them out across the District. The financial capacity (and Member and officer capacity) to deliver a high number of LNPs has always been an area of concern. Ultimately this is a political decision, within the context of setting a balanced budget, the backdrop to which has changed dramatically over the last 12 months. A range of options are set out below for Member to consider.

#### **Council Priorities**

- 1.1.4 LNPs would meet a number of the Council’s priorities including, the Town Centre: an LNP for St Johns would assist the planned regeneration of the town centre and possibly act as a starting point for further community engagement as plans progress for the town; One Community, this would be the main priority to which LNPs would contribute, providing enhanced local service provision, based on resident concerns, through the use of the delegated budget.

1.1.5 Although LNPs will make this contribution they are a significant financial commitment. Complete roll out would cost the Council £195,000 and officers have always expressed a concern about the financial capacity to deliver such a roll out. The financial climate has changed dramatically as a result of the “credit crunch” and with the predicted reductions in revenue support grant and council tax, officers view is that the complete roll out of LNPs across all parts of the District is not financially sustainable.

### **Benchmarking**

1.1.6 What are other councils doing? There is no one approach to community engagement or neighbourhood management; however, a number of points can be made regarding the potential roll out of up to 12 LNPs in Bromsgrove District:-

- The amount of money being allocated (£15,000 per LNP) is not unusual, but the scale of the roll out (up to 12) is. For this size of district, we might expect to see about four LNPs in other parts of the England.
- Other councils have tended to concentrate on areas with the greatest deprivation or democratic deficit e.g. inner city, unparished areas.
- The scale of support the Council’s officers already provide to community meetings is already unusually high e.g. 68 PACT meetings, while the resourcing level low (for example, Stratford DC have a community leadership team of 3 staff and a manager).

### **Recommendation**

1.1.7 The business case recommends the closure of the LNPs at the end of this financial year, with the exception of the Charford LNP for which immediate closure is recommended.

### **Savings**

<b>Revenue Expenditure</b>	<b>2009/10 £</b>	<b>2010/11 £</b>	<b>2011/12 £</b>	<b>2012/13 £</b>
Rubery, Alvechurch and Beoley and Hagley and Rural		(50,000)	(50,000)	(50,000)
Further roll out as yet unallocated.		(30,000)	(60,000)	(90,000)
Charford	(10,000)	(10,000)	(10,000)	(10,000)
<b>Revenue Saving</b>	<b>60,000</b>	<b>90,000</b>	<b>120,000</b>	<b>150,000</b>

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## **2.2 Purpose of Document**

2.2.1 The purpose of this document is to:

- Define how the solution will support Bromsgrove's business strategy, plans or programmes.
- Outline the reasons why a solution is needed.
- Provide outline costs and benefits for the various options.
- To form the basis for agreeing whether a project to deliver the recommendation can commence.

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## **2.3 Solution Objectives**

2.3.1 The key aims of the solution are as follows:-

“To create a forum where the tiers of local government, local strategic partners and residents can work together on tackling local issues and improve resident's satisfaction.”

2.3.2 Specific objectives included:-

- To strengthen local political leadership through joint working between each tier of government.
- To produce a short annual action plan, based on resident's views.
- To act at a tactical level between the Bromsgrove Partnership and PACTs, to provide local leadership on issues that cannot be resolved by PACT, but which are not sufficiently strategic for Bromsgrove Partnership.
- To commission parish plans, where appropriate.
- To endorse parish plans, prior to them being sent to the Bromsgrove Partnership and District Council.
- To spend the allocated LNP budget on local resident's priorities, subject to agreement from the Assistant Chief Executive that the planned expenditure is consistent with the Council's Financial Regulations and other relevant policies and procedures.
- To interface with the organisations that make up the Bromsgrove Partnership and other local agencies where appropriate, to resolve local issues and improve resident satisfaction.

2.3.3 The above bullets are taken from the LNP terms of reference, which were consulted on.

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## **2.4 Solution Scope**

2.4.1 In line with the findings described and based on discussions with key individuals about their vision, the following key deliverables for the solution are proposed:

- Closure of all LNPs by 31 March 2010.

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## 2.5 Findings from the Investigation

### Independent Evaluation

2.5.1 An independent evaluation of the two LNPs was commissioned in 2007 and progress reported to Cabinet in April 2008. The following recommendations were made:-

- A set of core objectives and terms of reference needs to be agreed for all NAC pilots. Response: agreed and delivered.
- The emphasis of the LNPs should be to operate tactically between the strategic role of Bromsgrove Partnership and individual partner agencies rather than duplicating the effort of either and the operational and local role of PACT and other community fora. Response: agreed and delivered.
- The Council rolls out the pilots to a further two areas, in consultation with local Members and key partners and with a clear commitment to the agreed objectives of the LNPs. Response: Planned roll out two per year agreed in the medium term financial strategy.
- As different opinions exist about the use of devolved budgets, we recommend that Bromsgrove District Council consider devolution of a small local budget to one of the pilots to enable it to deliver small scale local projects. Response: provided the two existing pilots in Alvechurch and Rubery with budgets of £15,000 each and Hagley with a budget of £20,000 and Charford £10,000.
- The important role of local members at Parish, District and County Council levels both as key links with their councils and as facilitators of local community action within the LNPs needs to be clarified. Response: ensured the primacy of elected Members (all tiers) was built into the core objectives and terms of reference of the LNPs.
- Where Parish Councils exist they need to be encouraged to take part in the LNPs, influencing key local decisions and in some cases taking action to address these. Work needs to be done to clarify the respective roles of the LNPs and Parish and Town Councils. Response: two consultation events were undertaken and a number of visits to parish councils.
- In the original paper to Cabinet (January 2007) the concept of Area or Neighbourhood Plans was proposed as a key output from the LNPs. To date no progress has been made on these in either pilot. Simple, clear

and measurable Area Plans which build on locally agreed priorities help to focus LNPs and aid clarity about the role and purpose of these groups, which is important in ensuring ongoing community support. Response: agreed, plan developed for Rubery and in draft for Alvechurch.

- National best practice suggests that some dedicated officer support for neighbourhood management processes is important. We would consider that this support falls into two categories: administrative support and senior level officer support. Response: support to be provided by Corporate Communications, Policy and Performance Team; however, continued expansion will eventually require further support and a review of the he number of evening meetings that senior officers are being asked to attend.

### **Progress Post-Evaluation**

- 2.5.2 Since the evaluation was reported to Cabinet, the recommendations set out above have largely been delivered, in particular, the establishment of budgets for each LNP, based on £5,000 per councilor in each LNP, the development of a terms of reference (after consultation) and the roll out to “Hagley and Rural” of a third pilot.
- 2.5.3 The one area that has not progressed has been the establishment of the Charford LNP. The Labour Group’s view has been that the LNPs are a District Council initiative and that therefore the County Councillor should not have voting rights. The terms of reference start with an explicit statement about the three tiers working together for the good of local residents, so on this basis the Charford LNP has not gone live. Recently, the Labour Group has stated that they are prepared to work with the County Councillor.

### **Further Evaluation of Pilots**

- 2.5.4 The independent evaluation concentrated on the governance of the two initial pilots, which included developing the terms of reference. A terms of reference were subsequently developed and these stated explicitly that the overall aim of the LNPs was to:-

“To create a forum where the tiers of local government, local strategic partners and residents can work together on tackling local issues and improve resident’s satisfaction.”

- 2.5.5 The officer view is that this aim has been achieved in the non-parished area of Rubery and in the parished area of Alvechurch and Beoley, but that the LNP model remains difficult to operate in the parished setting, simply because of the number of people around the table.
- 2.5.6 Both Rubery and Alvechurch and Beoley can point to successes like diversionary activities on Halloween, the improvement and maintenance of a car

park, improved signage, hanging baskets, traffic calming and so on, as examples where the LNP has made a difference to the local area. From an officer perspective, the LNPs provide each senior officer with a “patch”, which improves local knowledge and keeps the strategic and operational/outcomes on the ground connected, which is surely a good thing.

### **Westminster London Borough Council**

- 2.5.7 As part of the development of LNPs, the Assistant Chief Executive attended a learning event at Westminster. Westminster did have a similar model in place, effectively mini-LSPs for various areas of the Borough (although less than proposed in our District) and that these worked successfully and were valued by Members. The key point to emerge from this learning event was that the Borough Council concentrated on empowering Members through these mini-LSPs, rather than community engagement.

### **Conclusions**

- 2.5.8 Officers have expressed four major reservations from the start which, regardless of the success of the pilots remain a concern:-
- the financial viability of a the full roll out, which would cost £195,000;
  - the ability of officers to support LNPs, particularly, in a single management team and the administrative support required;
  - the need for this level of expenditure in the more wealthy parts of the District; and
  - the potential difficulty of getting LNPs to work in parish settings.
- 2.5.9 These questions cannot really be answered by the pilots because these are bigger questions concerned with a political choice about where to allocate budgets and a managerial choice about the impact on senior managers in a single management team of attending LNPs.

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## **2.6 Options for the Defined Method of Approach**

2.6.1 Given there is a lack of clarity nationally about the number of models of community engagement available, there are a considerable range of options open to the Council. The advantages and disadvantages of 7 options are set out below:-

### **Option 1 – LNP (PACT)**

2.6.2 This would involve the creation of nine LNPs to mirror the existing police PACT boundaries.

#### *Advantages*

- Aligned to existing boundary used for community meetings.

#### *Disadvantages*

- PACT boundaries do not configure well with community boundaries e.g. there are six parish boundaries in “Hagley and Rural”, “Rubery and Rural” has very different communities and Alvechurch and Wythall would have to be combined.
- Expensive. Based on the assumption of £5,000 per Member, the total roll out would still cost £195,000.
- The ex-Improvement Director strongly argued for using a boundary that is either parish, district or county, to keep things more administratively simple.

### **Option 2 – LNP (PLUS)**

2.6.3 This option would expand the number of LNPs by three to deal with the issues raised above. The proposed areas would be:-

- Alvechurch and Beoley
- Rubery and Beacon
- Hagley, Hunnington, Clent, Romsley, Frankley
- Belbroughton, Dodford with Grafton, Bournheath and half of Furlongs
- Charford

- Sidemoor and Whitford
- St Johns, Slideslow, half of Norton and one third of Linthurst.
- Cofton Hackett, Barnt Green and Lickey and Blackwell (Hillside and two thirds of Linthurst)
- Catshill, Lickey End (Catshill and Marlbrook)
- Finstall, Tutnall and Cobley and Bentley Pouncefoot
- Tutnall and Cobley and Bentley Pouncefoot
- Wythall

*Advantages*

- Boundaries that are consistent with actual communities.
- Boundaries that are consistent with parish boundaries and in line with the ex-Improvement Director's point.

*Disadvantages*

- Expensive. Based on the assumption of £5,000 per Member, the total roll out would still cost £195,000.
- Twelve LNPs would create considerable capacity issues both for senior officers and administratively.

**Option 3 – Discretionary Ward Budgets**

2.6.4 These are used by the County Council and recommended in the White Paper "Communities in Control". An annual budget of £1,500 per Member is proposed, giving a total cost of £58,500.

*Advantages*

- Easy to administer.
- Relatively cheap, compared to options 1 and 2 above.

*Disadvantages*

- £1,500 not sufficient to make a difference on the ground, but a large amount would make this option expensive.
- Does not encourage joined up delivery.

#### **Option 4 – PACT Budgets**

2.6.5 This would involve providing £15,000 to each PACT area, as per option 1, but administering directly through the PACT meetings, with the PACT attendees voting on what they want the money spent on.

##### *Advantages*

- Easier to administer.
- More open and democratic than existing LNP model.

##### *Disadvantages*

- While it may be easier to administer, the differences between some communities, may make allocating the money more difficult in practice.
- Expensive. This option would cost £135,000.

#### **Option 5 - LNPs (no budgets)**

2.6.6 The original proposal for LNPs did not include a delegated budget. Like the LSP, LNPs were originally designed to meet and encourage joined up working. This option would be a reversion to the original model.

##### *Advantages*

- Cheap. It would only require administration costs.

##### *Disadvantages*

- LSPs take a long time to become effective. Concern that LNPs would be seen as talking shops if no budget allocated.
- Those who shout loudest will be able to bend existing resources available to the Council towards their LNP area.

2.6.7 In the original model, consideration was given to delegating existing budgets, rather than using “new money”. Officers do not believe this is viable, as most of the costs for services e.g. streetscene, are fixed or semi-fixed (machinery and staff). Delegating existing budgets would actually reduce the services available across the District as a whole.

### **Option 6 – LNP (non-parished areas)**

2.6.8 In this option, four LNPs would be created, for each non-parished area: Rubery, Sidemoor, St Johns and Charford.

#### *Advantages*

- Consistent with White Paper focus.
- Cheaper than some options, with the total cost being £61,650.
- Provides focus on areas of relative deprivation and on town centre.

#### *Disadvantages*

- Provides no focus on parished areas, which may create problems with the parish councils and issues of equity.

### **Option 7 – Closure of LNPs**

2.6.9 In this option, the existing four LNPs would be closed down by 31 March 2010. There is an option to not start the Charford LNP, as it has not convened yet in 2009/2010.

#### *Advantages*

- Would deliver savings as the base budget already includes £120,000 for 2011/2012.
- Would free up senior officer capacity to concentrate on delivering shared services.

#### *Disadvantages*

- Will stop the existing work going on in Rubery and Alvechurch and Beoley, which is delivering outcomes on the ground for residents.
- May cause some dissatisfaction amongst the parish councils, however, the financial situation due to the “credit crunch” has radically changed and every council is going to have to make savings over the coming years.

2.6.10 The current MTFP for the LNPs is set out below:-

	09/10 £'000	10/11 £'000	11/12 £,000
Rubery	15	15	15
Alvechurch	15	15	15
Charford	10	10	10
Hagley	20	20	20
Unallocated		30	30
Unallocated			30
<b>Total Budget</b>	<b>60</b>	<b>90</b>	<b>120</b>

2.6.11 The costs (based on a full roll out) for each option are set out below:-

Option	Option Description	XX/XX
1.	LNP (PACT)	135,000
2.	LNP (PLUS)	180,000
3.	Discretionary Ward Budgets	58,500
4.	PACT Budgets	135,000
5.	LNPs (No budgets)	
6.	LNPs (non-parished areas)	61,650
7.	Closure of LNPs	0

2.6.12 There are no capital costs.

### **Recommendation**

2.6.13 It is proposed that option 7 is adopted with Charford LNP not going live this year.

**Subsequent sections describe the costs and benefits associated with the recommended option only.**

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## 2.7 Solution Benefits and Costs

### Benefits

**Please describe the full benefits of the proposed solution and any return on investment that may result (these may be cash based but could also be efficiency/non-cashable)**

- 2.7.1** The closure of the LNPs at the end of this financial year, would deliver revenue saving of £90,000 in 2010/2011 and £120,000 in 2011/2012. An additional saving of £10,000 would be achieved if the Charford pilot is suspended in 2009/2010.

	09/10 £'000	10/11 £'000	11/12 £,000
Rubery		(15)	(15)
Alvechurch		(15)	(15)
Charford	(10)	(10)	(10)
Hagley		(20)	(20)
Unallocated		(30)	(30)
Unallocated			(30)
<b>Total Budget</b>	<b>(10)</b>	<b>(90)</b>	<b>(120)</b>

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## 2.8 Key Milestones

2.8.1 The key milestones that the solution needs to achieve are as follows:

Milestone	Estimated Target Date
Report to Cabinet	02 December 2009
Inform existing LNPs.	03 December 2009
Continue to use outstanding delegated monies.	Dec 09 to Mar 10
Closure.	31 March 2010

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## 2.9 Solution Organisation and Structure

2.9.1 The Project Board will be structured as follows

Solution Sponsor	Kevin Dicks, Chief Executive
Senior User	Roger Hollingworth, Leader of the Council
Senior Supplier	Not applicable.
Project Manager	Hugh Bennett, Assistant Chief Executive

## 2.10 Risks

2.10.1 The key risks to implementation of the solution identified at this stage are as follows:

No	Risk	Date Raised	Risk Score	Resolution	Date Closed	Mitigated Risk Score	Owner
1	Lack of “buy in” from parish councils in pilot areas.	05-01-09	8	Stakeholder events with each proposed new pilot area.	30-09-09	3	HB
2	Lack of “buy in” from Members in pilot areas.	04-01-06	5	As above plus further pre-meeting with District councillors in each pilot.	30-09-09	3	HB
3	Lack of understanding of concept, in particular, governance framework.	05-01-09	5	Stakeholder event plus further pre meeting with District Councillors in each pilot.	-	-	HB
4	Lack of public accountability and public awareness.	04-01-06	4	Website, posters, public meetings and public consultation.	-	-	HB
5	Lack of budget funding.	05-01-09	7	Staggered approach over 6 to 8 years.	-	-	HB
6	Lack of senior management time to attend meetings.	04-01-06	7	Middle managers to take over PACT duties (which needs to be funded).	-	-	KD
7	Confused relationship between LNPs and Council’s Constitution.	05-01-09	5	Work with Legal and Democratic to ensure appropriate wording.	30-09-09	2	CF
8	Inappropriate use of funds.	04-01-06	6	Budgets technically delegated to senior officers.	31-12-08	1	JP/HB
9	Lack of support from partners.	05-01-09	5	Discussion at LSP Board.	30-09-09	3	HB

The risks are ranked in the order of how likely they are to occur, with the number reflecting the actual likelihood based on previous experience in similar projects. Action is proposed to mitigate the risk therefore decreasing the impact.

### Risk Scoring

The risks are ranked in the order of probability/impact of the risk occurring (gross score). Action is proposed to mitigate the risk therefore decreasing the overall score (1 – 9), giving the mitigated risk score.

#### Risk:

- The things that could stop objectives being achieved
- Measured in terms of Probability & Impact

Impact	High	6	7	9
	-	3	5	8
	Low	1	2	4
		Low	Probability	High

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### **3. Communication Plan**

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#### **3.1 Purpose of Section**

3.1.1 To define all parties with an interest in the solution and the means and frequency of communication between them and the solution.

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#### **3.2 Communication Processes**

<b>Stakeholder</b>	<b>Communication</b>	<b>When</b>	<b>Who</b>
Existing LNPs	Letter to participants Verbal item.	03 December 2009 Next available LNP meeting.	Hugh Bennett Allocated senior officer.
Parish Councils	Letter from ACE on behalf of Leader	03 December 2009	Hugh Bennett
Members	Cabinet Report E-Mail	02 December 2009 03 December 2009	Hugh Bennett Hugh Bennett
Press/Media	Press Release	03 December 2009	Anne Marie Darroch
Partners	Verbal item	Next available LSP Board	Hugh Bennett

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## **4. Quality Plan**

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### **4.1 Purpose of Section**

4.1.1 The purpose of this section is to define the quality techniques and standards to be applied within the project and the various responsibilities for achieving the required quality levels.

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### **4.2 Customers Quality Expectations**

4.2.1 Product quality requirements to be delivered by the solution include:-

- See communications plan.
- Senior officers continue to work with remaining three pilots until 31 March 2010.

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### **4.3 Acceptance Criteria**

#### **4.3.1 Project Management**

- Monthly highlight report until 31 March 2010.
- Lessons learnt report.
- Closure and evaluation report.

#### **4.3.2 Implementation (if applicable)**

- Deliver communications plan.
- Support existing pilots until 31 March 2010.
- Ensure accounts closed down at year end.

#### **4.3.3 Acceptance (not applicable)**

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#### **4.4 Quality Responsibilities**

4.4.1 The Project Manager will implement the following activities or processes to ensure quality standards are met.

- Continue to meet with the three existing LNPs, produce agendas and minutes.

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#### **4.5 Standards**

4.5.1 Corporate, departmental or industry standards that need to be applied to the project:

- Produce minutes within 7 working days.

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**A Abbreviations**

Abbreviations used in this document are detailed below:

<b>MTFP</b>	Medium Term Financial Plan
<b>LNP</b>	Local Neighbourhood Partnership
<b>PACT</b>	Partners and Communities Together



