

Local Government Reorganisation (LGR) Implementation Update: report of the Chief Executive and Programme Director

Cabinet Member: Val Keitch, Executive Lead for Local Government Reorganisation (LGR) and Prosperity

Division and Local Member: All

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1. Introduction

- 1.1.** The purpose of this report is to provide an update on work over the previous year to implement a unitary council for Somerset, and to summarise activity under way to prepare for transition and transformation after Vesting Day on 1 April 2023.
- 1.2.** The LGR Programme in Somerset remains a significant and complex endeavour, involving staff and elected representatives across all 5 Somerset Councils. The programme has been implemented during a challenging time for the UK economy, ongoing pressures in local government as well as dealing with the enduring impact of Covid-19.
- 1.3.** The programme has been designed and delivered to meet the programme's strategic objectives:

Create a new unitary Council for Somerset in line with the approved programme delivery plan for 1 April 2023, and with due regard to the Business Case

- We are confident the new council will be able to “stand up” on Vesting Day, ensuring that the public can contact the new council and access services, can see a single branded council action, and that the council can pay its bills collect fees and charges.

Enable performance capability – to deliver Business Case vision from 1 April 2023.

- Products* and activity are delivered or under way to ensure this happens from Vesting Day, including a Corporate Performance Framework, balanced budget for 2023-24 and Chief Executive and Executive Directors in post.

Develop the new council to optimise benefits and opportunities from 1 April 2023 to 31 March 2025.

- An emerging blueprint to deliver a prioritised programme of work, new operating model and benefits realisation strategy, alongside delivering the new Council Plan and Medium-Term Financial Plan (MTFP), provide a framework to deliver services in accordance with the Council plan, improved efficiency, and better value for money.

*“Products” are manageable and specific outputs that the programme is delivering.

- 1.4. Work to deliver the new council was driven by the Somerset (Structural Changes) Order 2022. This Order provides for the establishment on 1 April 2023 (Vesting Day) of a new unitary council for Somerset. We are confident that we will deliver this outcome and therefore discharge the requirements laid down in the Structural Changes Order.
- 1.5. Engagement and communication across and within all 5 councils, with central government, local stakeholders, in particular town, parish and city councils, have been critical to success and allowed the programme to be transparent, open to challenge, and responsive to resident and communities’ needs. We have also benefited from external support regarding programme audit, risk management and quality assurance.
- 1.6. The following report provides an update on implementation of the LGR programme over the last year and emerging plans for activity after the new council is formed.

2. Recommendation

- 2.1. **That Full Council note the report outlining the implementation to date, planned progress towards Vesting Day, and the plans under development for transition and transformation by the new council.**

3. Programme Delivery

- 3.1. Whilst we are confident that we will deliver the new council, advice from other LGR programmes is that we require impartial, independent assurance and challenge. To that end we invited the Local Government Association to assess how we were delivering the new council, plans for after Vesting Day, and our approach to Local Community Networks. The Peer Review report and the programme response can be read in the background papers to this report, and we believe it provides a strong base from which to build, as well as validating our approach to date and providing excellent insight and advice for future work. The programme has also benefitted from support from independent advisors PwC who provide quality assurance, independent advice and guidance to the programme. Their monthly reports and other inputs have allowed the programme to be challenged openly and responses formulated, including in consultation with the Implementation Board.
- 3.2. The programme has delivered a range of critical products that are required for the new council to begin work on Vesting Day on 1 April 2023. These include:
 - Establishment of Local Community Networks for day 1 of the new Council including geographical boundaries, governance and funding.
 - Our Council Plan, setting out the aims and ambitions of the new Council.
 - Appointment of a new Chief Executive, Section 151 Officer and Executive Directors, completing the senior management structure of the council.
 - Our Medium-Term Financial Plan and a balanced budget for 2023/24.
 - The Housing Revenue Account 30-year Business Plan.
 - Interim service standards, so customers and Members can be confident of

the levels of service that the new council will provide from day 1. These will be developed, and improvements made in line with post-Vesting Day transition, transformation and change activity.

- A strong brand for the new Council.
- A Constitution for Somerset Council.
- Three of the four District Councils' ICT systems "cut over" as planned, to become part of the County Council system which will be used from Vesting Day.
- A new Corporate Performance Framework.
- Our Asset Management Plan and Policy.
- The new Organisational Structure for Tiers 1 (Chief Executive), 2 (Executive Director) and 3 (Service Director).

3.3. A critical path is used to visualise, monitor, and ensure delivery of remaining essential products, including:

- A single website and customer contact number for the new council.
- Taunton Town Council coming into existence.
- Movement of all ICT systems onto a single system for Vesting Day.
- Recruitment for tier 3 (Service Director) roles.
- Council Tax and Business Rate notifications.
- Business Continuity arrangements ready for day 1 (legal requirement).

3.4. A critical day 1 product is to ensure that the new Council has business continuity plans in place from vesting day. The Civil Contingencies Act 2004 requires them to be in place for the new council. Corporate Business Continuity Policy sign-off are expected by end-February 2023. Service level plans are under development support by the South West Audit Partnership. We are confident that a robust business continuity management system will be in place for Vesting Day and remain a priority during 2023-24 as the council transitions further.

3.5. The programme has been delivered to date using a shared in-house programme management approach across all 5 councils. It has been able to adapt as necessary, bring more team members into the programme with ease and little need for training, and have developed the back-office arrangement to ensure the programme is efficient and avoids duplication. This has delivered:

- Monthly performance reports and scorecards
- An 8-week live-data forward plan for Programme Board and Workstream Leads.
- Strong risk management.
- Ability to manage change during the programme.
- A visible description and live delivery status of all products, their milestones and dependencies, including a critical path.
- An assessment of impacts that products will have on stakeholders and ways of working, and preparation / mitigation as appropriate.
- Regular reports of readiness of services for Vesting Day.

This approach to managing the programme was praised by the Local Government Association in their Peer Review of the programme. They told us they saw "impressive levels of programme rigour, governance and assurance."

3.6. At time of publication of the latest approved Scorecard for January 2023 we were able to confidently report the programme status as amber and on target for delivery of the new council: 91% of products required for Vesting Day are

delivered or on track for delivery. The remaining 9% are subject to intervention to ensure delivery. Latest reports show that the programme is on course to be delivered within the allocated implementation budget of £16.5m.

- 3.7.** Risk has been managed proactively throughout the programme and directly linked to product delivery through a bespoke risk management and reporting framework. This has allowed risks to be understood and tackled transparently. The risk report is regularly reviewed by Programme Board, is shared with Members and reported publicly. We have also sought a non-opinion piece from the South West Audit Partnership on these risk arrangements and have taken their findings on board, in particular how to ensure that all parts of the programme are managing risk well. Major challenges to the programme, particularly in deploying sufficient staff into the programme, were dealt with using this framework and by balancing programme requirements with the need to provide business as usual services and activities.
- 3.8.** Whilst plans are in place to prepare the council, staff and Members for the move to a unitary council, services will in the main be delivered as they currently are. Experience from other LGR programmes has shown there may be a slight decline in some service standards for an initial period after Vesting Day. To address this, we will proactively manage risks of services fluctuating in the weeks after Vesting Day. Members can be assured that teams will respond to any issues that arise.
- 3.9.** £16.5m was budgeted to deliver the new council. We are on track to deliver the programme within that budget, which includes funds set aside for delivering other cash benefits outlined in the business case as well as funding activities such as redundancies.

4. Readiness for day 1 of the new council

- 4.1.** The LGR programme has adopted an approach of “business readiness” to provide focus and describe a way of doing things that helps us better understand and manage the large amount of change required as a result of creating a new council, and the challenges it will face. The approach is being managed and championed through a Business Readiness Group. To ensure a successful Vesting Day, work has been focused on being clear on what a successful Day 1 needs to look like, what it will take to achieve that success and assuring Members and staff of progress.

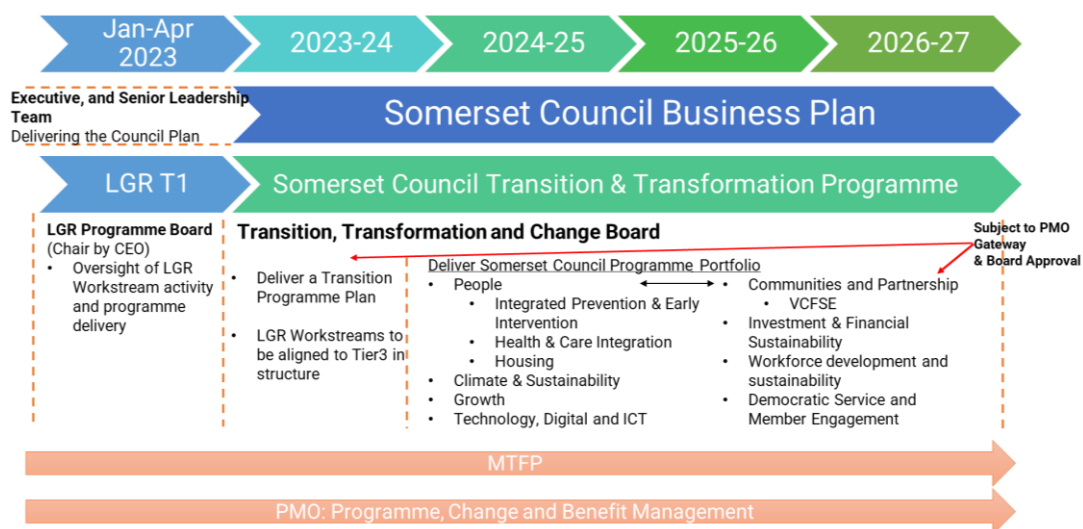
Day 1 success has been defined as:

- Customers continue to be able to contact the council, access services online or by phone, use the range of services we provide, and do business with the council.
- Staff can still do their job without disruption, understand new ways of working and what this means for them, can access information and support, know who their manager is, where they will work, and how to find help and advice.
- Members have the information they need to advise their communities on how to access the new council and can contact staff and others easily.
- For the new council, staff can work safely, the new Senior Leadership Team is in place and visible, the vision for the council is clear, and decisions can be made transparently and efficiently.

- 4.2. Business readiness work will continue so that people impacted by changes have what they need to adapt to and sustain new ways of working that will enable the new council to deliver its ambitions.

5. Preparations for transition and transformation from Vesting Day

- 5.1. After Vesting Day, Somerset Council will enter a transition phase and then a transformation phase. Together, they will bring all service alignment, improvement, transformational and cost reduction activities across the council into a single, visible programme. The purpose of this approach is to deliver the savings described in the unitary council business case and deliver Council Plan objectives in a managed, prioritised way. The diagram below outlines the approach, timescales and scope of transition and transformation.



- 5.2. We must ensure that the transition and transformation phases are planned effectively. This will require alignment with other programmes across the council and with key stakeholders to ensure a coherent and complete picture of activity is visible to the Executive Leadership Team and Executive Members.

- 5.3. During the transition and transformation periods, we will align services, deliver operational improvements, and deliver larger transformational activities across Somerset Council together to ensure the following objectives are met:
- Learning from, and building on, the challenges and successes of the LGR programme.
 - Having the right programme and governance in place to contribute to the Somerset Council Vision and overall strategic objectives.
 - Realising the ambitions of the Corporate Plan, the LGR Business Case and Medium-Term Financial Plan requirements.
 - Delivering high quality and improved outcomes for residents and communities.
 - Creation of a sustainable and motivated workforce.

- 5.4. A programme blueprint is being developed to assist preparation for delivering a transition phase, and movement into a transformation period. The transition phase may run for up to 2 years after Vesting Day to align and optimise

services and ways of working, then followed by a period of transformation. These phases require a prioritised plan of activity for the new council so change can progress quickly and effectively, aligned with Executive and Council Plan expectations.

- 5.5. Benefits management will be central to our approach to managing transition and transformation to be able to evidence when, how, where and when cash-benefits have been achieved and to evidence performance improvements (non-financial benefits) and the impact of change. This is also essential to ensure benefits realisation supports a sustainable MTFP. An in-house app has been developed, linked to our programme architecture, to capture, track and report on benefits realisation from April 2023. A benefits implementation plan is in development and a live pipeline of benefits opportunities will also be maintained and matured.

6. Member participation

- 6.1. Members have been instrumental to effective delivery of the programme and this should be recognised. Implementation has included a mixture of formal and informal participation for elected Members and these forums have been essential in keeping the programme moving and identifying where it can do better:
- 6.2. An Implementation Board and Joint Scrutiny Committee with membership from all 5 councils have allowed formal scrutiny, challenge and pre-decision recommendations to be made throughout the programme. This has helped develop products as well as scrutiny of the programme's delivery against its agreed objectives. The County Council's Human Resources and Constitution & Governance Committees have also had formal roles in developing policies for the new council, as have the Executive and Full Council in their decision-making roles.
- 6.3. As well as the expected communications by email, social media, one-to-one conversations and other methods, the programme has run monthly briefings for Councillors across all 5 councils, conferences earlier in the programme for parish, town and city councils, and a fortnightly working group for their Clerks. Members have been especially active in defining Local Community Networks, including the pilots in the Bruton, Frome and Exmoor Areas. Similarly, the devolution pilot work in Bridgwater has provided invaluable learning.

7. Communication with staff, the public and partners

- 7.1. The programme has developed channels for staff engagement, such as a shared intranet and weekly news bulletin for staff in all 5 councils, so that information can be shared simultaneously at each step. Questions and feedback have always been encouraged and we use this, alongside regular all staff surveys to target, measure and improve communication activity. We also have a plan to ensure that information is clearly available to the public and our partners, regarding changes that may affect them. And we will be looking to use increased public interest around the start of the new council to explain the exciting opportunities ahead.

8. Conclusion

- 8.1.** What has been achieved during the implementation phase of the LGR Programmes the result of the combined and focussed efforts of hundreds of staff, Members, and partners across the whole of Somerset. We confidently expect the LGR programme to deliver a firm foundation for the new council – Somerset Council – on 1 April 2023. This confidence is validated by the LGA Peer Review and through our own programme management arrangements.
- 8.2.** We are focused on how Somerset council will deliver the opportunities presented by being a unitary council. This includes activity being picked up and delivered by services, and a central transition and transformation programme. The importance of this has been clearly stated by both PwC and the LGA Peer Review who have told us we must have plans for transition and transformation. These plans will be ready by Vesting Day and will show how we will improve services. We will not lose sight of the need to create a strong culture for the new council after a period of significant change for staff and Members.

9. Background papers

LGA Peer Review report:

<http://democracy.somerset.gov.uk/documents/s25126/Item%206%20Somerset%20Pre%20LGR%20Peer%20Challenge%20Final%20Report.pdf>

LGR Programme response:

<http://democracy.somerset.gov.uk/documents/s26257/Item%207%20Local%20Government%20Association%20LGA%20Peer%20Review%20into%20the%20Local%20Government%20Reorganisation%20LGR.pdf>