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# New Somerset Council

## LGR Implementation Board Tuesday 20 December 2022 2.00 pm Luttrell Room - County Hall, Taunton

To: The Members of the LGR Implementation Board

Cllr D Fothergill, Cllr V Keitch, Cllr L Leyshon, Cllr D McGinty, Cllr F Purbrick, Cllr B Revans, Cllr F Smith-Roberts and Cllr R Wyke

All Somerset County Council and District Council Members are invited to attend meetings of the Somerset Local Government Reorganisation Joint Committee.

Issued By Scott Wooldridge, Strategic Manager - Monitoring Officer, Somerset County Council – 15<sup>th</sup> November 2022

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Guidance about procedures at the meeting follows the printed agenda.

This meeting will be open to the public and press, subject to the passing of any resolution under Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

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## AGENDA

Item LGR Implementation Board - 2.00 pm Tuesday 20 December 2022

### **PWC Update**

To receive a presentation.

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November 2022



# Contents

This is the tenth monthly report which is intended to:

- set out insights and reflections as part of the 'critical friend' role the core team have been commissioned to provide.
- review the previous assurance reports from October the programme BI dashboards, and incorporates an updated view on progress over the course of November based on our attendance of Programme Board, and regular meetings with the core PMO team.

Page 4 This monthly report (November 2022) contains reflections from a particular point in time.

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# November Review: Summary

- **Defining the shape of the unitary authority and using LGR as an enabler of the wider transformation:** the programme has made some progress in bringing together the key products that form the strategic framework of the new council (e.g. the Council Plan, refinement of the MTFP, and operating principles). Now that these parameters are in place, the definition of Tranche 2 and 3 needs to happen at pace, setting out how the LGR programme will transition into a longer term corporate transformation programme. As the draft Council Plan is due to be completed in December, the focus needs to shift to the Business Plans and building the senior leadership teams once the appointments process has concluded - which will not be until mid-February 2023. The timeframes for the development of the Business Plans and future transformation programme still need to be defined. It is important that there is an iterative, two way, process by which the Business Plans are informed by the Tranche 2 and 3 planning, the MTFP, and vice versa. This will ensure that there is strong leadership and operational ownership of the wider transformation post-vesting day.
- **Assessing change readiness and the impact of change:** The change readiness workstream has clearly articulated 'what good looks like' for vesting day based on the delivery of a set of key outcomes and capabilities that need to be in place for day one. Staff must have all the resources, information, and support required to deliver these capabilities. While the workstream is producing an engagement timetable and readiness action plan, it is important that the level of intensive change management (including comms) activity is not underestimated. A change impact assessment can help to provide a comprehensive understanding of where the gaps are between current and future ways of working. It will also help to unearth council specific considerations, as some councils may be more 'change ready' than others.
- **Tracking progress made on the delivery of tranche 1 products as the window to course correct narrows:** there remain concerns around the delivery and risk of potential delay of a number of tranche 1 products, specifically within the People and Asset Optimisation (Technical) workstream. The delay in the organisation design and structure of the new authority (i.e. Tier 1- 3, and below) has had a range of knock-on impacts across the rest of the programme. In addition, key technology products (e.g. moving to a single platform, the single website, telephony, the applications roadmap), all have delivery risks which need to be closely managed over the next reporting period. Some workstreams continue to be unclear around how the programme critical path (which includes a set of core products, such as staffing structures, operating principles, MTFP etc.) impact the delivery of their products, especially as the critical path has shifted.

# LGR Programme - governance considerations

## Overview of insights

- While the Programme governance has been streamlined through the removal of the steering group, the Programme Board should place a renewed focus on scrutinising progress made towards delivering tranche 1 products and leverage their mandate to unblock issues that have been identified. This requires a deep interrogation of the programme scorecards, so that members of the Board are able to challenge not only what is showing as 'red' or 'behind schedule', but sense-check the overall confidence of the ability of the workstreams to deliver their tranche 1 products.  
For example, while the People workstream reported that it was a successful month for their workstream, delays in Tier 1 - 3 (and 3 and below) organisation design and recruitment have had a range of knock-on impacts across multiple products (e.g. Business Plans, Business Continuity Planning, etc.) Significant effort goes into preparing the programme scorecards, and it is important that the insights from these scorecards are used to directly drive decision making around practical problem solving.
- The Board should have a clear understanding of how the Council Plan, MTFP, and operating principles combine to lay the foundations for the wider transformation post-vesting day. This should act as an anchor and be regularly referred back to, as matters naturally turn to the delivery of tranche 1 products. This will ensure that LGR truly acts as an enabler for the wider transformation.
- The likelihood of key risks will increase the closer we get to vesting day, and many will convert into issues in the coming weeks and months. Programme Board should be monitoring the actioning, and not simply the documentation of the mitigations against all programme risks.

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## Proposed next steps/issues to consider

- Review and streamline programme status reporting and the Programme Board agenda to ensure that there is sufficient time to review, scrutinise, and problem solve key escalations, risks, and issues.
- Members of the Programme Board may require additional engagement from the workstreams to build a level of confidence and understanding in each workstream's ability to deliver tranche 1 products, beyond reviewing the programme scorecard. Each member could be assigned one or two workstreams to engage with more closely and keep the Programme Board abreast of any key insights.
- Once the draft Council Plan is developed, it needs to be tested against the operating principles and MTFP, and inform tranche 2 and 3 scoping and definition. Programme Board needs to be confident that these are aligned and underpinned by a single and consistent strategic direction. It will also enable the Board to shape LGR so that it is truly functioning as an enabler for the wider transformation. Where there are areas of misalignment, these should be identified, discussed and adjusted as required.
- In light of the absence of the Programme Steering Group, workstreams should be further empowered to own and proactively manage interdependencies between themselves. There should be evidence that this has occurred before they are escalated to the Programme Board.

# LGR Programme - leadership considerations

## Overview of insights

- The change readiness workstream has set out a comprehensive approach, based on the articulation of 'what good looks like' for vesting day through a number of lenses. The approach, which defines and tracks a set of key outcomes and capabilities that need to be in place for day one, complements (but adds to) existing programme reporting. There is a strong emphasis on cultural change, and shifting of existing staff perceptions, which are broadly characterised by ambiguity and uncertainty at this stage.
- The change readiness workstream is producing an engagement timetable and readiness action plan. Staff must have all the resources, information, and support required to deliver on the core capabilities that define the MVP. It is important that the level of intensive change management activity is not underestimated. This is likely to require the development of guidance to which staff can be signposted, staff briefings / cascades, possible training, as well as a level of 'on the ground' support by the LGR programme team ahead of, and during implementation.
- There remains room for interpretation around what the MVP is, and this is likely to shift based on ongoing resource constraints and the prioritisation of key capabilities to be delivered for vesting day.
- There continue to be issues around how workstreams deliver their products in parallel with a set of core strategic products (e.g. Council Plan, MTFP, Tier 1 - 3 (and below) staffing structures, operating principles), and how these dependencies are managed. SAI expressed uncertainty around how they should align their delivery timelines against these strategic products, as the critical path shifts.

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## Proposed next steps/issues to consider

- The change readiness workstream should conduct a change impact assessment to obtain a comprehensive understanding of what will be required to ensure that all staff have the resources, information, and support to perform their activities effectively on day 1. This should inform the scope of a change management plan, which will likely require intensive communications, as well as training, information, and guidance, ahead of vesting day. This will also help to unearth key council specific considerations, as some councils may be more 'change ready' than others.
- As we get closer to vesting day, the likelihood that ongoing resource constraints will impact the scope of the MVP will increase. Given that the resource constraints are not likely to be addressed in their entirety between now and vesting day, each workstream should review the 'MVP' (i.e. scope for each tranche 1 product) and identify opportunities to refine it to make it more practically achievable.
- To address the issue that workstreams are still unclear about how the core strategic products that define the critical path (the Council Plan, MTFP, staffing structures, and operating principles) impact their related products, the latest critical path may need to be socialised again. This will ensure that workstreams are clear around how their products will need to align (both in terms of design and content, and delivery timeframes).

# LGR Programme - tranche 1/vesting day considerations

## Overview of insights

- There remain concerns around the delivery and potential delay of a number of tranche 1 products, as the window to course-correct rapidly narrows. The delay in the organisation design and structure of the new authority (i.e. Tier 1- 3, and below) has had a range of knock-on impacts across the rest of the programme. In addition, key technology products (e.g. moving to a single platform, the single website, telephony, the applications roadmap), all have delivery risks which need to be closely managed over the next reporting period.

While some progress has been made, with consultations on the new top structure (Tier 1-3) and TUPE consultation having begun, there remain concerns that the interim day one structures beneath tier 3 have yet to be defined. This is a critical piece of work that needs to be completed urgently, in order to ensure there is sufficient time for staff consultation and communication, and to ensure that a basic level of workforce and resource planning can be undertaken on day one. Uncertainties around whether Capita staff should be TUPE'd in need to be clarified as soon as possible.

- The programme status reporting (and supporting narrative) at the milestone, product, subworkstream, and workstream level do not always align, making it difficult for programme leadership to have confidence on overall programme delivery. For example, less than 5% of tranche 1 milestones and products are off track or at risk of not being delivered. However, this does not align to the workstream narrative around a number of critical products and subworkstreams (e.g. website for CCP, applications roadmap for AO, Revs and Bens for Finance) which are classified as 'amber' or behind schedule.
- While there has been significant progress in transitioning the first council onto the single platform, the other authorities will need to be onboarded within a short timeframe. Lessons learnt from the first migration should be used to validate the approach and the timelines for the rest of the authorities.

## Proposed next steps/issues to consider

- For subworkstreams or products which have been at risk of not being delivered or behind schedule for consecutive reporting periods, there should be a deep dive and reassessment of the scope and approach. This re-set should provide a renewed view of what is achievable, based on existing risks and constraints, between now and vesting day.
- The critical path for the overall programme needs to be regularly reviewed and updated. This will ensure that any further delays to key products on the critical path (e.g. the organisation design for below Tier 3) are proactively identified and communicated to all workstreams ahead of time, so that workstreams that have interdependencies are able to adjust their plans.
- Programme status reporting narrative needs to be less focused on the reason for the status, and more on what action the project lead is taking to improve it. This is particularly pertinent for reporting on risks and issues, where minimal adjustments are made from one reporting period to another. In addition, workstream and subworkstream leads should sense check the reporting at each level (product milestone, product, subworkstream, workstream) to ensure there is consistency around key messages and that it reflects a coherent view of the overall progress made.
- The PMO team should build on their regular engagement with each workstream to be the 'eyes and ears' of the Programme Board, supplementing the programme status report with their insights around how delivery is progressing on the ground. They should also help workstreams to troubleshoot and problem solve persistent issues, and support subworkstream leads to proactively engage with other workstream leads where delays in one product may impact others elsewhere.



# LGR Programme - year 1-3 transformation considerations

## Overview of insights

- The new authority will be held to account for its performance and ability to demonstrate that it is delivering on its Council Plan immediately after vesting day. If LGR is to act as an enabler for the wider transformation, work needs to be rapidly done to build on the operating principles of the new organisation, and ensure alignment with the MTFP and the Council Plan.
- Work has started to confirm Tranche 2 scope and definition. There need to be clear deadlines around when this is completed, or there is a risk that it will be delayed and de-prioritised in light of the delivery of tranche 1 products. A matrix is being developed which will outline the transition activity planned by each service in the first year of the unitary authority. It is important that this activity is cognisant of, and weaves in other relevant factors, such as the Council Plan, the operating principles, and the activity analysis.
- The updated MTFP continues to reflect a significant fiscal challenge, and the identification of savings to address the existing gap need to begin in earnest. This exercise can be informed by the activity analysis, which identified potential areas of duplication and inefficiencies. At this stage of the programme, there should be a high level of confidence and granularity around the realisation of the LGR savings (e.g. asset disposals).
- Embodied in the operating principles, and articulated in the Council Plan, the vision for year 1 - 3 transformation needs to be incorporated into the communications and change management strategy. The communications needs to clearly articulate the full 'year 1 - 3 journey': how LGR provides a strong foundation for transformation, and the benefits from the wider transformation in terms of enhanced outcomes for residents.

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## Proposed next steps/issues to consider

- Now that the draft Council Plan is due to be completed in December, the focus needs to move to the Business Plans. The timeframes for the development of the Business Plans are unclear due to the delay in the Tier 1 - 3 appointments. It is important that there is an iterative, two way, process by which the Business Plans are informed by the Tranche 2 and 3 planning, the MTFP, and vice versa. This will ensure that there is strong leadership and operational ownership of the wider transformation post-vesting day.
- Planning for the transition from the LGR programme into a wider transformation programme needs to accelerate and take place alongside the development of business plans. There needs to be a clear understanding of what is business as usual and what transformational change is required to deliver on the objectives of the Council Plan and meet the requirements of the MTFP. Whilst £36.8m of savings have been identified, there still remains a gap of £24.4m for 2023/24.
- The performance framework that is being developed to underpin the Council Plan needs to be aligned to the way benefits are being measured and monitored for LGR (i.e. the benefits tracker). This will enable the smooth transition of LGR Programme benefits management into BAU corporate reporting.
- There is an opportunity to strengthen and improve staff and wider stakeholder engagement, and bring to life the anticipated benefits of LGR by building on the operating principles of the new unitary authority so that people have a more tangible view of its shape and key characteristics. This will enable them to understand specifically what will be different (beyond the merging of the five organisations). The communications should be framed so that vesting day is the beginning, and not the end, of the transformation journey.

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