

Local Government Reorganisation Joint Scrutiny Committee

Monday 31 January 2022

1.00 pm Canalside Conference Centre, Marsh Lane, Bridgwater, TA6 6LQ

To: The Members of the Local Government Reorganisation Joint Scrutiny Committee

Cllr A Bown, Cllr Buller, Cllr B Filmer, Cllr Grimes, Cllr A Groskop, Cllr P Ham, Cllr B Hamilton, Cllr C Inchley, Cllr J Lock, Cllr P Maxwell, Cllr T Munt, Cllr L Redman, Cllr D Rodrigues, Cllr Wakefield, Cllr W Wallace and Cllr R Williams

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 – Governance and Democratic Services, Somerset County Council – 21st January 2022

For further information about the meeting, please contact Jamie Jackson - Scrutiny Manager
Email:- jajackson@somerset.gov.uk or Tel:- 01823 359040

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.

This agenda and the attached reports and background papers are available on request prior to the meeting in large print, Braille, audio tape & disc and can be translated into different languages. They can also be accessed via the council's website on www.somerset.gov.uk/agendasandpapers



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AGENDA

Item Local Government Reorganisation Joint Scrutiny Committee - 1.00 pm Monday 31 January 2022

Agenda Guidance Notes

1 **Apologies for Absence**

To be reported and recorded.

2 **Appointment of Chair**

To appoint a District Councillor Chair.

3 **Appointment of Vice-Chair**

To appoint a County Councillor Vice-Chair.

4 **Declarations of Interest**

Any Declarations of Interest are to be reported and recorded.

5 **Public Questions**

The Chair will allow members of the public to present a petition on any matter within the Committee's remit. Questions or statements about any matter on the agenda for this meeting will be taken at the time when each matter is considered.

6 **Joint Scrutiny Committee Terms of Reference and Meeting Guidance Protocol**
(Pages 9 - 28)

To endorse the Terms of Reference and Meeting Guidance Protocol.

7 **Programme Director Update** (Pages 29 - 64)

To receive an update from the Programme Director.

8 **Implementation Plan Budget Update (Presentation)**

To receive an update on the Implementation Plan budget proposals.

9 **Finance and Assets Protocol** (Pages 65 - 72)

To consider and make recommendations in relation to the Finance and Assets Protocol.

Item Local Government Reorganisation Joint Scrutiny Committee - 1.00 pm Monday 31
January 2022

10 **Future Meetings and Work Programme**

To agree meeting dates, times and key items of business for future meetings.

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Guidance notes for the meeting

1. Council Public Meetings

The former regulations that enabled virtual committee meetings ended on 7 May 2021. Since then, all committee meetings need to return to face-to-face meetings. The requirement is for members of the committee and key supporting officers to attend in person, along with some provision for any public speakers. However due to the current COVID restrictions and social distancing measures only a small number of people can attend as meeting room capacities are limited. Provision will be made wherever possible for those who do not need to attend in person including the public and press who wish to view the meeting to be able to do so virtually.

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2. Inspection of Papers

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3. Members' Code of Conduct requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership. The Code of Conduct can be

viewed at: [Code of Conduct](#)

4. **Minutes of the Meeting**

Details of the issues discussed, and recommendations made at the meeting will be set out in the minutes, which the Committee will be asked to approve as a correct record at its next meeting.

5. **Public Question Time**

If you wish to speak, please contact Democratic Services by 5pm 3 clear working days before the meeting. Email democraticservices@somerset.gov.uk or telephone 01823 357628.

Members of public wishing to speak or ask a question can attend in person or virtually, and if unable can submit their question or statement in writing for an officer to read out.

In order to keep everyone safe, we respectfully request that all visitors to the building follow all aspects of the Covid-Secure guidance. Failure to do so may result in you being asked to leave the building for safety reasons.

After entering the venue you may be taken to a waiting room before being taken to the meeting for the relevant agenda item to ask your question. After the agenda item has finished you will be asked to leave the meeting for other members of the public to attend to speak on other items.

A slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been agreed. However, questions or statements about any matter on the agenda for this meeting may be taken at the time when each matter is considered.

At the Chair's invitation you may ask questions and/or make statements or comments about any matter on the Committee's agenda – providing you have given the required notice. You may also present a petition on any matter within the Committee's remit. The length of public question time will be no more than 30 minutes in total (20 minutes for meetings other than County Council meetings).

You must direct your questions and comments through the Chair. You may not take a direct part in the debate. The Chair will decide when public participation is to finish.

If an item on the agenda is contentious, with many people wishing to attend the meeting, a representative should be nominated to present the views of a group.

An issue will not be deferred just because you cannot be present for the meeting. Remember that the amount of time you speak will be restricted, to three minutes only.

In line with the council's procedural rules, if any member of the public interrupts a meeting the Chair will warn them accordingly.

If that person continues to interrupt or disrupt proceedings the Chair can ask the Democratic Services Officer to remove them as a participant from the meeting.

Provision will be made for anybody who wishes to listen in on the meeting only to follow the meeting online.

6. **Meeting Etiquette for participants**

- Only speak when invited to do so by the Chair.
- Mute your microphone when you are not talking.
- Switch off video if you are not speaking.
- Speak clearly (if you are not using video then please state your name)
- If you're referring to a specific page, mention the page number.
- Switch off your video and microphone after you have spoken.
- There is a facility in Microsoft Teams under the ellipsis button called turn on live captions which provides subtitles on the screen.

7. **Exclusion of Press & Public**

If when considering an item on the agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act.

If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, ask Participants to leave the meeting when any exempt or confidential information is about to be discussed.

8. **Recording of meetings**

The Council supports the principles of openness and transparency. It allows filming, recording and taking photographs at its meetings that are open to the public - providing this is done in a non-disruptive manner. Members of the

public may use Facebook and Twitter or other forms of social media to report on proceedings. No filming or recording may take place when the press and public are excluded for that part of the meeting. As a matter of courtesy to the public, anyone wishing to film or record proceedings is asked to provide reasonable notice to the Committee Administrator so that the relevant Chair can inform those present at the start of the meeting.

We would ask that, as far as possible, members of the public aren't filmed unless they are playing an active role such as speaking within a meeting and there may be occasions when speaking members of the public request not to be filmed.

A copy of the Council's Recording of Meetings Protocol is available from the Committee Administrator for the meeting.

Together we are delivering your
New Somerset Council

**Somerset LGR Joint Committee
Joint Scrutiny Committee Terms of Reference and Meeting Guidance
Protocol**

Meeting date – 31st January 2022

**Lead Officer: Scott Wooldridge, Monitoring Officer, Somerset
County Council**

**Author: Melanie Wellman, Monitoring Officer, Sedgemoor District
Council**

Contact Details: melanie.wellman@sedgemoor.gov.uk



Somerset LGR Joint Committee Joint Scrutiny Committee Terms of Reference and Meeting Guidance Protocol

Meeting date – 31 January 2022

**Lead Officer: Scott Wooldridge, Monitoring Officer, Somerset
County Council**

**Author: Melanie Wellman, Monitoring Officer, Sedgemoor District
Council**

Contact Details: melanie.wellman@sedgemoor.gov.uk

1. Summary / Background

- 1.1. Proposals for the Joint Scrutiny Committee (“JSC”) together with the draft Terms of Reference have already been considered and approved by Mendip District Council, Sedgemoor District Council, Somerset County Council, Somerset West and Taunton Council and South Somerset District Council (collectively known as the Constituent Councils) at Full Council meetings in November and December 2021.
- 1.2. All of the Constituent Councils have appointed members onto the Joint Scrutiny Committee and the purpose of this report is to seek Members approval to the Terms of Reference and the Meeting Guidance Protocol

2. Recommendations

- 2.1. **That the LGR Joint Scrutiny Committee approves the Terms of Reference attached at Appendix 1 (Terms of Reference).**
- 2.2. **That the LGR Joint Scrutiny Committee approves the Meeting Guidance Protocol attached at Appendix 2 (Meeting Guidance Protocol)**

3. Reasons for recommendations

- 3.1 Following the Secretary of State’s decision, extensive collaborative work has been undertaken by the five councils to support the implementation of the single unitary council in April 2023. Through partnership, the programme governance arrangements have been jointly established with oversight and direction from the Somerset leaders and chief executives. The LGR Joint Committee has agreed the Terms of Reference for the LGR Joint Committee and included provision for the creation of a JSC in those Terms of Reference.
- 3.2. Joint scrutiny committee arrangements are already well established by the five councils such as the Heart of the South West Joint Committee and the Somerset Waste Board.
- 3.3. The establishment of the JSC will create a collaborative democratic mechanism which will establish a countywide scrutiny framework allowing the Constituent Councils to scrutinise the LGR Joint Committee in an effective and timely manner in relation to the preparation for the establishment of the unitary council in Somerset. It will also positively respond to DLUHC’s expectations for collaborative arrangements to be

established as early as possible in the implementation programme. The JSC will be consulted and have an opportunity to make representations to the LGR Joint Committee in relation to budget setting for the new Unitary and any medium-term financial plans. The establishment of the JSC will also ensure that all Councils can play an important role in helping shape the direction of the implementation process but without leading to duplication and delay.

3.4 The Terms of Reference provide for a JSC of sixteen members drawn from the relevant overview and scrutiny committees of the Constituent Councils, eight from the County Council and two from each of the District Councils (eight in total) with the Chair being appointed from the District membership and the Vice Chair from the County membership.

3.5 Allocation of the above seats has been based on individual councils. This ensures the political make up of each constituent council is represented and is reflective of the fact that the Constituent Councils are currently individual sovereign councils.

3.6 The Terms of Reference provide that any 5 members of the Constituent Councils, to include members from at least 3 of the Constituent Councils, may request a call-in of a decision of the LGR Joint Committee. The Chair and the Vice Chair of the JSC will consider call-in requests and will reach a conclusion as to whether to accept or reject the call-in in accordance with the criteria set out in the Terms of Reference and after taking advice from the Scrutiny Officer and Monitoring Officer of Somerset County Council.

3.7. The JSC meetings will be open to all elected members of the five councils, the public, partners and press to attend in venues around the county. Agendas, reports and minutes of the Committee will be published on the County Council's website along with details of meeting locations and times. The District Councils will publish a link to agendas on their website.

3.8 A Meeting Guidance Protocol setting out in more detail the procedures for LGR JSC meetings will sit underneath the Terms of Reference and is attached as Appendix 2 to this report, for the Committee's approval.

4. Options considered

- 4.1 To approve the proposed Terms of Reference and Meeting Guidance Protocol.
- 4.2 Not to approve the proposed Terms of Reference and Meeting Guidance Protocol.
- 4.3 To approve the Terms of Reference and Meeting Guidance Protocol with amendments. It should be noted that any substantive changes to the Terms of Reference would need to be agreed by each of the Constituent Councils.

5. Links to Business Case

- 5.1. Paragraph 9 implementation.

6. Consultations and co-production

- 6.1. Each of the partners' legal teams and Monitoring Officers have been involved in the development of the Terms of Reference.

- 6.2. Each of the Constituent Councils have approved the proposals for the JSC and the proposed Terms of Reference.
- 6.3 Each of the Councils' Scrutiny officers have been involved in the development of the Meeting Guidance Protocol.

7. Financial and Risk Implications

7.1 The Financial implications are:-

Under the Terms of Reference Somerset County Council will act as the Administering Authority for the JSC during the months between its establishment and the creation of the Implementation Executive under the SCO. The District Council Scrutiny Officers will work closely with the County Scrutiny Officer in developing the work programme and supporting the JSC. The associated costs of supporting the JSC will be met from approved budgets made available for implementation of the unitary council business case.

7.2 Risk implications are:-

Likelihood	3	Impact	3	Risk Score	9
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8. Legal and HR Implications

8.1 The JSC will act as a Joint Committee under s 101 and s 102 Local Government Act 1972 and as an overview and scrutiny committee under s 21 Local Government Act 2000 (as amended). This will be to the exclusion of the Constituent Councils own overview and scrutiny arrangements as far as the work of the LGR Joint Committee is concerned.

8.2 The Terms of Reference set out the membership, role, duties and responsibilities of the JSC and the requirements upon the Constituent Councils in supporting it.

8.3 The JSC will only exist until such time as the Implementation Executive comes into effect. The joint governance arrangements that will be put in place thereafter will be the subject of a separate report to the Constituent Councils in February 2022

9. Other Implications

9.1. Equalities Implications

There are no direct equalities implications arising from any of the proposals in this report.

10. Background Papers

10.1. Appendix 1 – Proposed JSC Terms Reference

10.2 Appendix 2 – Proposed JSC Meeting Guidance Protocol

Report Sign-Off

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Appendix 1 Local Government Reorganisation

Joint Scrutiny Committee

Draft Terms of Reference

1. Purpose

- 1.1 Mendip District Council, Sedgemoor District Council, Somerset County Council, Somerset West and Taunton Council and South Somerset District Council (“the Constituent Councils”) have formed a Joint Committee, known as the Local Government Reorganisation Joint Committee (“LGR Joint Committee”) in relation to the implementation of the Secretary of State’s decision to implement a single tier of local government in Somerset (“LGR”).
- 1.2 Paragraph 18 of the LGR Joint Committee Terms of Reference state that “The Councils will separately constitute a joint scrutiny committee or panel, the purpose of which will be to scrutinise the work of the LGR Joint Committee”. The Constituent Councils have therefore agreed to form the Local Government Reorganisation Joint Scrutiny Committee (“JSC”) which will provide overview and scrutiny of the LGR Implementation Plan and the activities of the LGR Joint Committee.

2. Governance

- 2.1 The JSC will act as a Joint Committee under s 101 and s 102 Local Government Act 1972 and as an overview and scrutiny committee under s 21 Local Government Act 2000 (as amended).

3. Scrutiny Function

- 3.1 The JSC will provide the joint overview and scrutiny function for LGR and the Constituent Councils will be asked to delegate the overview of the LGR Joint Committee functions to the JSC. This will be to the exclusion of the Constituent Councils own overview and scrutiny arrangements.

4. Roles, Duties and Responsibilities

4.1 The role of the JSC will be to exercise the overview of the LGR Joint Committee functions on behalf of the Constituent Councils in accordance with the powers outlined in S21 Local Government Act 2000 to include:-

- Developing a forward work programme of activities.
- Reviewing or scrutinising decisions made, or other action taken by the LGR Joint Committee.
- Seeking reassurance and considering whether the LGR Joint Committee is operating in accordance with the implementation plan for LGR and is being managed effectively.
- Holding the LGR Joint Committee to account by providing critical challenge to ensure that it provides the high-level strategic direction for the implementation of the new unitary Council.
- Reviewing progress in relation to the implementation plan and identifying to the LGR Joint Committee barriers to progress, best practice and possible improvements.
- Scrutinising the level of requests to be made to each Constituent Council for allocation from their revenue and capital allocations to support delivery of the implementation plan.
- Scrutinising the form, function, and constitution of local community networks.
- Scrutinising the development of the constitution and schemes of delegation for the new unitary Council.
- Scrutinising the plans to align existing change activities cross the Councils.
- Scrutinising the development of the unitary council's annual budget 2023/24 and the associated medium term financial plan.
- Scrutinising the development of policies and protocols for the unitary Council and across the Constituent Councils for use during the transition period.

5. Membership / Substitute Members

5.1 The JSC will be made up of 16 members drawn from the overview and scrutiny members of the Constituent Councils as follows:

- Somerset County Council (8 members)
- Somerset West and Taunton Council (2 members)
- South Somerset District Council (2 members)
- Sedgemoor District Council (2 members)
- Mendip District Council (2 members)

It is proposed that the relevant overview and scrutiny committee of each Constituent Council nominates members from their membership to the JSC. Any subsequent appointments or nomination of substitutes is a matter for the Chair of the respective overview and scrutiny committee of each Constituent Council.

- 5.2 Political proportionality will apply to those appointments (and to that of any substitute) and the political representation should represent the political make up of each of the Constituent Councils.
- 5.3 Each member will have one vote.
- 5.4 Members of the LGR Joint Committee or executive members of the Constituent Councils are precluded from sitting as members of the JSC.
- 5.5 The Chair of the relevant overview and scrutiny committee of each Constituent Council may appoint an overview and scrutiny member to act as a substitute where one of their members is unable to attend a meeting of the JSC. Substitutions may only be made on a meeting by meeting basis and if the appointed member(s) is unable to attend a meeting of the JSC. Any substitutions must be notified to the Scrutiny Officer of the Administering Council (as defined in Paragraph 9.1. below) (“the Scrutiny Officer”) by 9.00am on the day of the relevant meeting.
- 5.6 Reflecting the importance of engaging with stakeholders across Somerset, the JSC will be able to invite representatives to meetings where it considers that they will contribute to the delivery of an effective scrutiny function.

6. Term

- 6.1 The Term of the JSC shall be co-terminus with the duration of the LGR Joint Committee or earlier in the event of a decision of the five Constituent Councils to end the joint scrutiny arrangements.

7. Work Programme

- 7.1 The JSC will maintain a work programme of activities. Constituent Council scrutiny committees may ask the JSC to consider matters for inclusion in the work programme. The final decision will be a matter for the JSC.

8. Reporting Arrangements

- 8.1 The work and recommendations of the JSC will be regularly reported to the LGR Joint Committee. Members of the JSC may make reports to their own Constituent Councils in accordance with their own governance procedures.

9. Meetings, agendas, reports and minutes

- 9.1 The administering Constituent Council shall be Somerset County Council (“the Administering Council”).
- 9.2 The Administering Council shall appoint a statutory scrutiny officer (“the Statutory Scrutiny Officer”) as defined in S9FB Local Government Act 2000. The scrutiny officers from the other Constituent Councils shall work with the Statutory Scrutiny Officer in supporting the JSC.
- 9.2 The overview and scrutiny process will be open and transparent in accordance with the Local Government Act 1972 and meetings will be held in public and accessible online to ensure increased transparency.
- 9.3 The agenda and supporting papers will be published by the Administering Council and circulated at least five clear working days in advance of meetings.

9.4 The minutes of any meetings will be published on the Administering Council's website and circulated to the other Constituent Councils as soon as practicable. The JSC will operate in accordance with the constitution of the Administering Council. The Constituent Councils (with the exception of the Administering Council) will each provide a link to the agendas and minutes of the JSC on its website.

10. Frequency of meetings

10.1 The date, time and venue of meetings will be fixed in advance by the JSC, and a schedule of meetings agreed at its inaugural and/or subsequent meetings. The JSC will meet every 8 weeks. Dates will be published on the website of the Administering Council. Additional meetings may be convened at the request of the Chair or Vice Chair.

11. Venue

11.1 Meetings of the JSC will take place in a number of locations across the County of Somerset and will be rotated around the Constituent Councils.

12. Election of Chair and Vice Chair

12.1 The Chair and Vice Chair will be elected at the first meeting of the Committee by members of the JSC. The Chair will be appointed from the District Council membership and the Vice Chair shall be a County Council member. In the absence of the Chair and Vice Chair, the meeting will elect a chair for that meeting.

13. Quorum

13.1 The quorum of the JSC shall be 9, including members from at least four of the five Constituent Councils.

14. Declarations of interest

14.1 JSC members are subject to the Code of Conduct for elected members adopted by the Constituent Council that nominated them including the requirement to declare relevant interests at formal meetings of the JSC.

15. Voting

15.1 Recommendations will generally be reached by consensus, but if a vote is required it will be by a simple majority of all members present. Where there are equal votes the Chair of the meeting will have a second or casting vote.

16. Duty to attend, cooperate and respond

16.1 The JSC may require by invitation the Chair of the LGR Joint Committee and/or the Chief Executive Chair of the Implementation Team to appear before it to explain (in relation to all aspects of the JSC's work) any particular decision or series of decisions. The Chair and Chief Executive have agreed to attend if so required, unless they have a legitimate reason for not doing so.

16.2 Following each meeting of the JSC, the JSC's recommendations (if any) will be submitted to the LGR Joint Committee for consideration. The LGR Joint Committee will be required to consider those recommendations at its next meeting and respond to the JSC indicating what (if any) action the LGR Joint Committee proposes to take. The response should be made within 7 days of the LGR Joint Committee meeting and will be published on the website of the Administering Council.

17. Call-in

17.1 Any 5 members of the Constituent Councils, to include members from at least 3 of the Constituent Councils, may request a call-in of a decision of the LGR Joint Committee. The call-in must be submitted in writing or by email to the Statutory Scrutiny Officer, indicating its support by all relevant parties along with the reasons for the call-in and proposed outcome(s). The Statutory Scrutiny Officer must notify the Monitoring Officer that administer's the LGR Joint Committee of the call-in request.

17.2 “Call-in” is a facility which members can use to challenge Key Decisions where the JSC has not been involved prior to the decision being taken or where a member believes a decision has been taken without the proper process having been followed.

A key decision is defined as:

(a) Resulting in the local authority incurring expenditure** which is, or the making of savings which are, significant having regard to the local authority’s budget for the service or function to which the decision relates; and / or

(b) Significant in terms of their effect on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority.

**There is no definition in the legislation of the word ‘significant’ in (a) above. Therefore, for the purposes of LGR key decisions the financial threshold at or above which a financial decision is significant (and a Key Decision) will be a total value of £500,000 for capital / revenue expenditure or savings.

Call-in of Key Decisions is subject to the following rules:

(a) General provisions:

(i) Call-in should be used on an exception basis and not to unnecessarily delay delivery of the Structural Changes Order and / or the implementation plan for the unitary council;

(ii) An individual Key Decision should normally only be subject to scrutiny once, whether pre or post decision;

(iii) Key Decisions cannot be called in where the decision requires urgent implementation. Urgent implementation requires the approval of the Chair of the LGR Joint Committee and the Chair of the JSC and their approval shall be recorded in the relevant report;

(iv) Call-in only applies to decisions. Recommendations (for example, made by the LGR Joint Committee to any of the Constituent Councils) cannot be called-in.

(b) Scrutiny of Key Decisions before they are taken:

This should focus on ensuring that the decision-maker has all the necessary information, to take a fully informed decision and that any procedures have been properly followed. Any scrutiny review at this stage should not pre-empt the decision. The decision-maker must take the views of the JSC into account before taking the decision.

(c) Scrutiny of Key Decisions after they are taken but before they are implemented:

(i) Key Decisions are published to all members and the public (via the website) within 2 working days of the decision date;

(ii) Key Decisions (unless urgency is agreed) must be called-in (following the process outlined in 17.1 above) within 5 working days of publication or the decision will be implemented automatically.

(iii) The Chair and the Vice Chair of the JSC will consider call-in requests against the principles of good decision-making and will either agree the request or detail their reasons for rejecting the request in a report to the next available meeting of the JSC. In reaching their conclusion they will take advice from the Statutory Scrutiny Officer and the Monitoring Officer and a summary of that advice will be included in the report to the JSC;

(iv) A call-in must specify the subject matter, the reason(s) for it, information required to enable full consideration and the preferred outcome;

(v) Each call-in will be considered at the next meeting of the JSC unless an alternative is agreed with the decision-maker;

(vi) The JSC having considered a call-in will report to the decision-maker;

(vii) Where an item has been subject to pre-decision scrutiny of the process, post decision call-in should normally only relate to the decision itself;

(viii) If there is no pre-decision scrutiny of an item then the process and/or the decision may be the subject of call-in.

(d) Scrutiny of Key Decisions after implementation:

This should only occur where the decision-maker was required to make a decision that was time critical or at a later stage to gauge the effect of the decision. Scrutiny in these circumstances is not part of the call-in process.

18. Code of Conduct

18.1 Members of the JSC are expected to observe the “Seven Principles of Public Life” (the ‘Nolan’ principles) and shall be bound by their Constituent Council’s Code of Conduct in their work on the JSC. Members are expected to act in the interests of the JSC, except where this would result in a breach of a statutory or other duty to their Constituent Authority or would be in breach of their Constituent Council’s Code of Conduct.

19. Access to information

19.1 JSC meetings are regarded as a council committee for the purposes of the Local Government (Access to Information) Act 1985. Meetings will be open to the press and public unless it is necessary to exclude the public in accordance with Section 100A of the Local Government Act 1972. All agendas, reports, and minutes of the JSC will be made publicly available, unless deemed exempt or confidential in accordance with the above Act. The Freedom of Information Act 2000 provisions shall apply to all business of the JSC.

20. Rules of Procedure

20.1 Save as outlined in this Terms of Reference the procedures followed at the JSC meetings shall be in accordance with the overview and scrutiny procedure rules of the Administering Council. In the event of any conflict between this Terms of Reference and the relevant overview and scrutiny procedure rules, the provisions of these Terms of Reference shall prevail.

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Appendix 2

Guidance notes for the meeting

1. Council Public Meetings

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4. Minutes of the Meeting

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5. **Public Question Time**

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Members of public wishing to speak or ask a question can attend in person or virtually, and if unable can submit their question or statement in writing for an officer to read out.

In order to keep everyone safe, we respectfully request that all visitors to the building follow all aspects of the Covid-Secure guidance. Failure to do so may result in you being asked to leave the building for safety reasons.

After entering the venue you may be taken to a waiting room before being taken to the meeting for the relevant agenda item to ask your question. After the agenda item has finished you will be asked to leave the meeting for other members of the public to attend to speak on other items.

A slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been agreed. However, questions or statements about any matter on the agenda for this meeting may be taken at the time when each matter is considered.

At the Chair's invitation you may ask questions and/or make statements or comments about any matter on the Committee's agenda – providing you have given the required notice. You may also present a petition on any matter within the Committee's remit. The length of public question time will be no more than 30 minutes in total (20 minutes for meetings other than County Council meetings).

You must direct your questions and comments through the Chair. You may not take a direct part in the debate. The Chair will decide when public participation is to finish.

If an item on the agenda is contentious, with many people wishing to attend the meeting, a representative should be nominated to present the views of a group.

An issue will not be deferred just because you cannot be present for the meeting. Remember that the amount of time you speak will be restricted, to three minutes only.

In line with the council's procedural rules, if any member of the public interrupts a meeting the Chair will warn them accordingly.

If that person continues to interrupt or disrupt proceedings the Chair can ask the Democratic Services Officer to remove them as a participant from the meeting.

Provision will be made for anybody who wishes to listen in on the meeting only

to follow the meeting online.

6. **Meeting Etiquette for participants**

- Only speak when invited to do so by the Chair.
- Mute your microphone when you are not talking.
- Switch off video if you are not speaking.
- Speak clearly (if you are not using video then please state your name)
- If you're referring to a specific page, mention the page number.
- Switch off your video and microphone after you have spoken.
- There is a facility in Microsoft Teams under the ellipsis button called turn on live captions which provides subtitles on the screen.

7. **Exclusion of Press & Public**

If when considering an item on the agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act.

If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, ask Participants to leave the meeting when any exempt or confidential information is about to be discussed.

8. **Recording of meetings**

The Council supports the principles of openness and transparency. It allows filming, recording and taking photographs at its meetings that are open to the public - providing this is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings. No filming or recording may take place when the press and public are excluded for that part of the meeting. As a matter of courtesy to the public, anyone wishing to film or record proceedings is asked to provide reasonable notice to the Committee Administrator so that the relevant Chair can inform those present at the start of the meeting.

We would ask that, as far as possible, members of the public aren't filmed unless they are playing an active role such as speaking within a meeting and there may be occasions when speaking members of the public request not to be filmed.

A copy of the Council's Recording of Meetings Protocol is available from the Committee Administrator for the meeting.

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Together we are delivering your
New Somerset Council

Somerset LGR Joint Scrutiny Committee

Meeting date – 31 January 2022

Lead Officer: Carlton Brand, LGR Programme Director

Author: Alastair Higton, Strategic Manager, Business Change

Contact Details: CBrand@Somerset.gov.uk;
ARHigton@Somerset.gov.uk

Lead Officer: Dr Carlton Brand, LGR Programme Director

Author: Alastair Higton, Strategic Manager, Business Change

1. Summary / Background

- 1.1. On 22nd June 2020 the Secretary of State approved the County Councils business case for a single unitary authority in Somerset, to come into being on 1st April 2023 (Vesting Day). This report provides an update to the Joint Committee on the LGR programme and recent activity to deliver it.

This report and appendices are intended to enable the committee to discuss and agree their forward work programme for the next 15 months.

- 1.2. To deliver the benefits proposed in the business case, including freeing up £18.5m per year for frontline services, the County and 4 Districts came together in late summer to begin work. Since then, this partnership has created:
- A mission statement, vision, values and principles for the programme
 - Strong governance and leadership for the programme with representatives from all 5 Councils, including a Joint Committee, Joint Scrutiny Committee.
 - A Programme Board comprising each council's Chief Executive.
 - An officer-led Programme Steering Group and a Programme Management Office to provide structure, support and additional leadership for the entire programme.
 - 6 work streams to coordinate and lead design and delivery of the new council:
 1. Governance
 2. People (Human resources, organisational development, culture and ways of working)
 3. Assets Optimisation (property, information technology)
 4. Service Alignment and Improvement (bringing front-line services together)
 5. Finance
 6. Customers, Communities and Partnerships (Local Community Networks, customer access, devolution, information and data management)

Each work stream is jointly led by a County and District senior manager. Their role is to identify, develop and deliver "products" (specific goods, services and outputs that need to be delivered by Vesting Day) and lead their work stream to deliver them.

- 1.3. We have also set up 3 Local Community Network (LCNs) pilots to test ideas and produce evidence to inform the final design of LCNs. LCNs exist in other unitary councils and have been shown to be successful. They are public forums based in communities allowing discussion, action, oversight, listening, consultation on local issues, and to set priorities and take decisions in the places that will be affected, right across Somerset:
- They are constituted committees of council with real decision-making powers – this also means the devolution of council assets will not apply
 - We anticipate between 15 and 20 LCNs will be set up. Between four and nine unitary Councillors will serve on each LCN joined by local town & parish councils, police, health, education and other partners.
 - They will use local data, evidence and local knowledge to drive decisions and address local issues and priorities.

They will not have a role in Planning and licensing: if they did, they would only ever address planning and licensing applications and issues. Planning matters for example will instead be dealt with through planning committees, set up at an area level.

- 1.4.** We have set up a Local Government Reorganisation Advisory Board to give the public and partners a strong voice in development and delivery of the new council. These meetings take place in public and are currently focussing on LCNs.
- Regular engagement with our towns, parishes and city council on a range of issues including LCNs, asset devolution and supporting communications on LGR to their communities.
 - This includes a range of Town and Parish Council Conferences to promote LGR and discuss opportunities and ideas.
 - Work has also begun, led by Somerset West and Taunton Council, to create a Town Council for Taunton.
 - We are also working with Bridgwater Town Council on an asset and service devolution pilot.
- 1.5.** Other critical work has included:
- Agreement to share the £16.5m implementation costs between the 5 councils: 80% from the County Council, 20% shared between the 4 Districts.
 - Providing information, evidence and advice to the government on their Structural Change Order which is the legislation that will enable the new council to be delivered.
 - Appointing PwC as the programme's quality assurance and delivery partner. They will provide independent, "critical friend" support and challenge throughout the programme. This is best practice for a programme of this size.
 - Appointing an independent communications lead to provide strong internal and external communications and engagement, including common branding.
- 1.6.** Work has continued and during 2022 the programme has already:
- Developed strategic objectives for the programme, to be agreed by the LGR Joint Committee in February
 - Begun work on a Target Operating Model for the new authority
 - Confirmation from the Department for Levelling-Up, Housing and Communities (DLUHC) that the Structural Change Order is expected to progress through Parliamentary process and be approved during February or March ahead of the "notice of election" on March 21st. They have also confirmed that the name of the new authority will be Somerset Council and will be a continuing authority.
 - Developed a finance and assets management protocol for the 5 councils, which will be submitted to the LGR Joint Committee for approval in February
 - Worked across all work streams to finalise products lists and work plans. The work streams are also:
 - Identifying the benefits each product will deliver (cash and non-cash)
 - Agreeing dependencies with other LGR work and other programmes
 - Completed a programme checkpoint review and a programme health check by PwC. Regular checkpoint reviews provide assurance where the programme is on track and shows where we have areas requiring development.
 - Developed a programme scorecard and reporting structure, to go live in February.
- 1.7.** Appendices A and B provide Programme Director updates to the first two LGR Joint Committee meetings, which took place on 5th November and 17th December 2021. They are included in this report to provide additional background information.

2. Issues for consideration / recommendations

2.1. The LGR Joint Scrutiny Committee are asked to:

- **Note the work that has been undertaken on the programme and scrutinise the report and presentations in appendices A and B dated 5th November and 17th**

December 2021

- **Use this report and presentations to define their forward work programme for the next 15 months**

3. Background Papers

Appendix A: Programme Director update titled “Implementation Plan and Programme Governance” for 5th November 2021 LGR Joint Committee:

<http://democracy.somerset.gov.uk/documents/s20150/Item%206%20-%20LGR%20Programme%20Governance.pdf>

Appendix B: “Programme Director Update” for 17th December 2021 LGR Joint Committee:

<http://democracy.somerset.gov.uk/documents/s20683/LGR%20Program%20Update%20-%20JC%20171221.pdf>

Report Sign-Off

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Local Government Reorganisation (LGR)

Joint Committee

November 5, 2021

Dr Carlton Brand
Programme Director

Items for discussion and endorsement

1. Mission, vision, values and principles
2. Programme plan and milestones
3. Priorities in the design and planning phase
4. Governance and programme management arrangements

Programme mission and vision statement (Joint Committee to discuss and amend as appropriate)

Mission

To create a new Unitary council for Somerset on 1 April 2023 that delivers the approved business case.

Vision

A single council for Somerset that is ambitious for our county and is:

- Collaborative and works in partnership;
- Accessible and places residents and communities at the centre of decision making;
- Dynamic, enabling high performing, quality services and effective and efficient use of public money.

Programme Values

Somerset's residents, customers, communities, businesses and visitors come first.

Our focus will be on delivery and outcomes, not process and governance (but with sufficient governance).

We strive for open, honest communication. No surprises.

All five councils are committed to working positively together to create an effective single authority that will support our residents, businesses and partners

We value expertise and experience from wherever it comes.

We learn lessons from previous LGR implementation programmes.

We will adopt a supportive, learning, coaching and mentoring culture and approach.

Let's design and implement an organisation we're proud of.

Let's not lose what we do best – look at what the Districts and County Councils do well and build on this.

Programme Principles

Design

- One Somerset business case to be implemented without modification, as approved by the Secretary of State
- Continuing Authority. Districts are proposing the alternative option
- Identify specific areas of Stronger Somerset business case to include. Additions to be evidence based.
- New authority with a new culture designed with staff
- We will test, pilot and experiment; if we fail on something, we will learn quickly and implement robustly (fail fast, learn quickly)

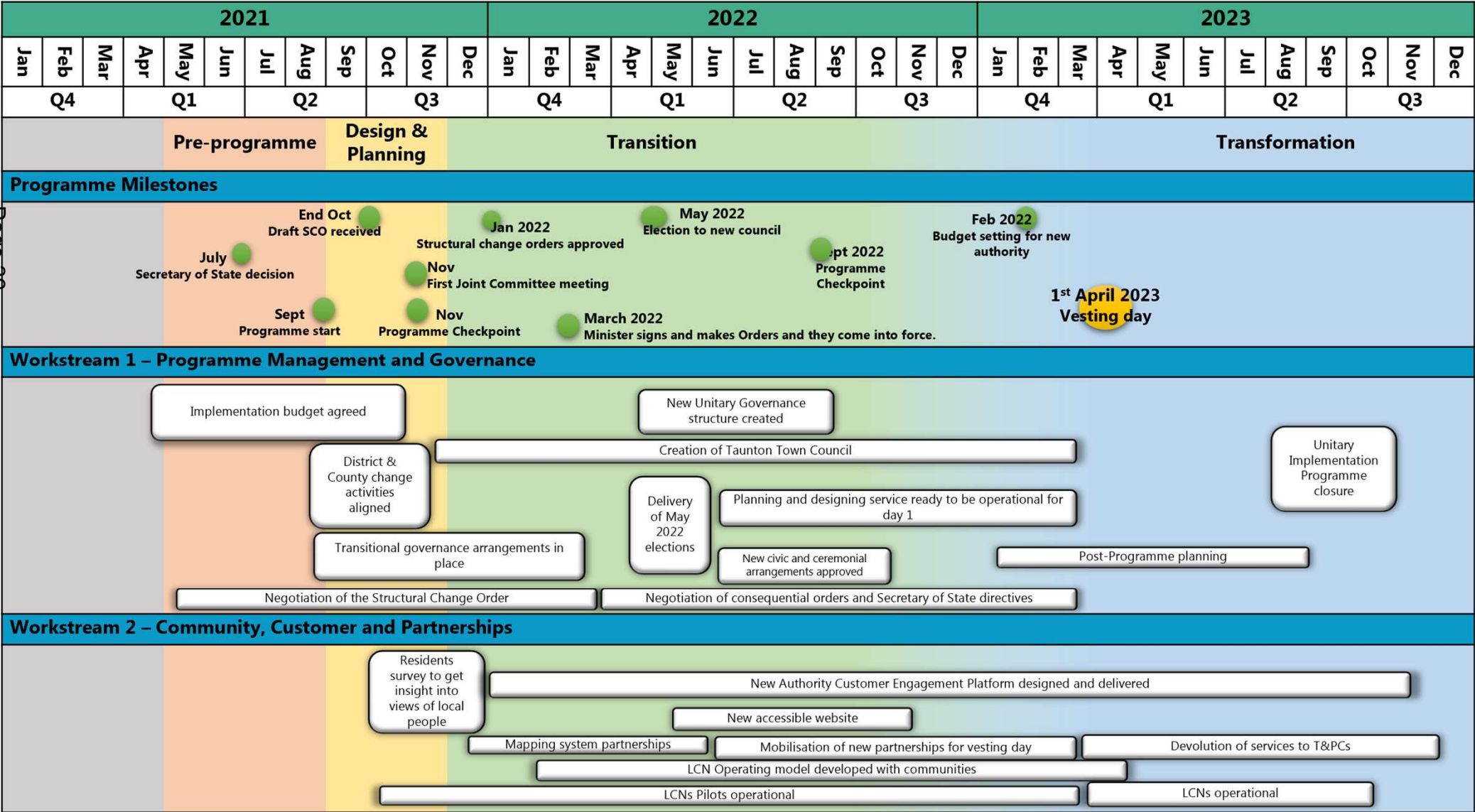
Delivery

- County Council has the lead for implementation, working entirely in partnership with Districts
- Fast, robust decision-making (officer, political).
- Programme teams will work remotely and out of all council offices.
- Work with staff, residents, partners and businesses, be proactive and collaborative in developing innovative ways of working
- We will create the new authority in the strongest financial position

Partnership

- Full time programme leads and workstream leads from each council
- Work as a close, single team
- All councils cooperate and jointly deliver
- Consistent, joint internal and external communications

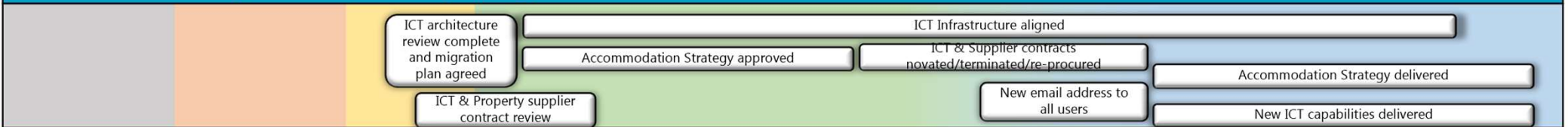
High Level Timeline



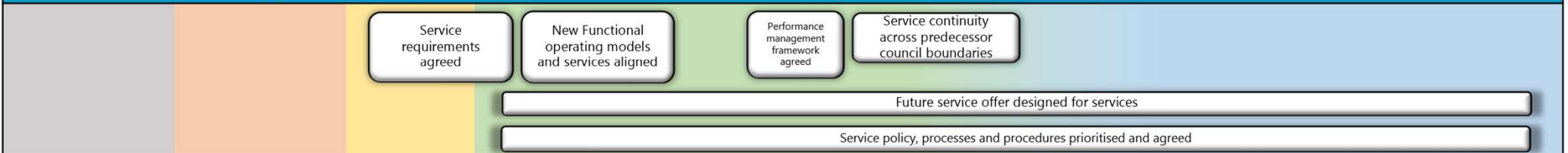
Workstream 3 – People



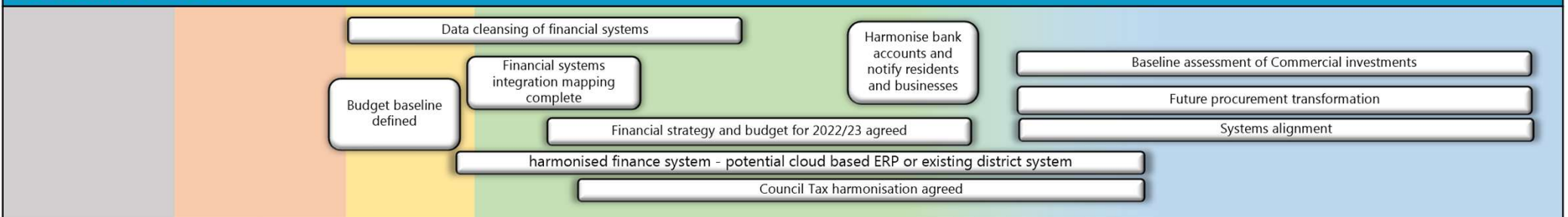
Workstream 4 – Asset Optimisation (tech and property)



Workstream 5 – Service Alignment and Improvement



Workstream 6 – Finance



Q4			Q1			Q2			Q3			Q4			Q1			Q2			Q3														
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2021									2022									2023																	

Programme Priorities (Design and Planning Phase)

During September: establishing the programme

- Desktop Community Governance Review to determine number of Members
- Detailed implementation plan (live document to be revised and reissued monthly)
- Detailed programme governance model and workstream definition and all named co-leads
- Resource plan for implementation (people and money); phase 1, phase 2 and phase 3

September – October: maintain momentum and deeper definition of the plan

- All workstream leads nominated
- Detailed 'products' list to be delivered by Vesting Day
- Detailed workstream work plan for every set of products
- Benefits defined and robust management plan in place (cash and non-cash benefits).
- LGR implementation aligned with other work. What continues, what is paused, what stops and what is incorporated?

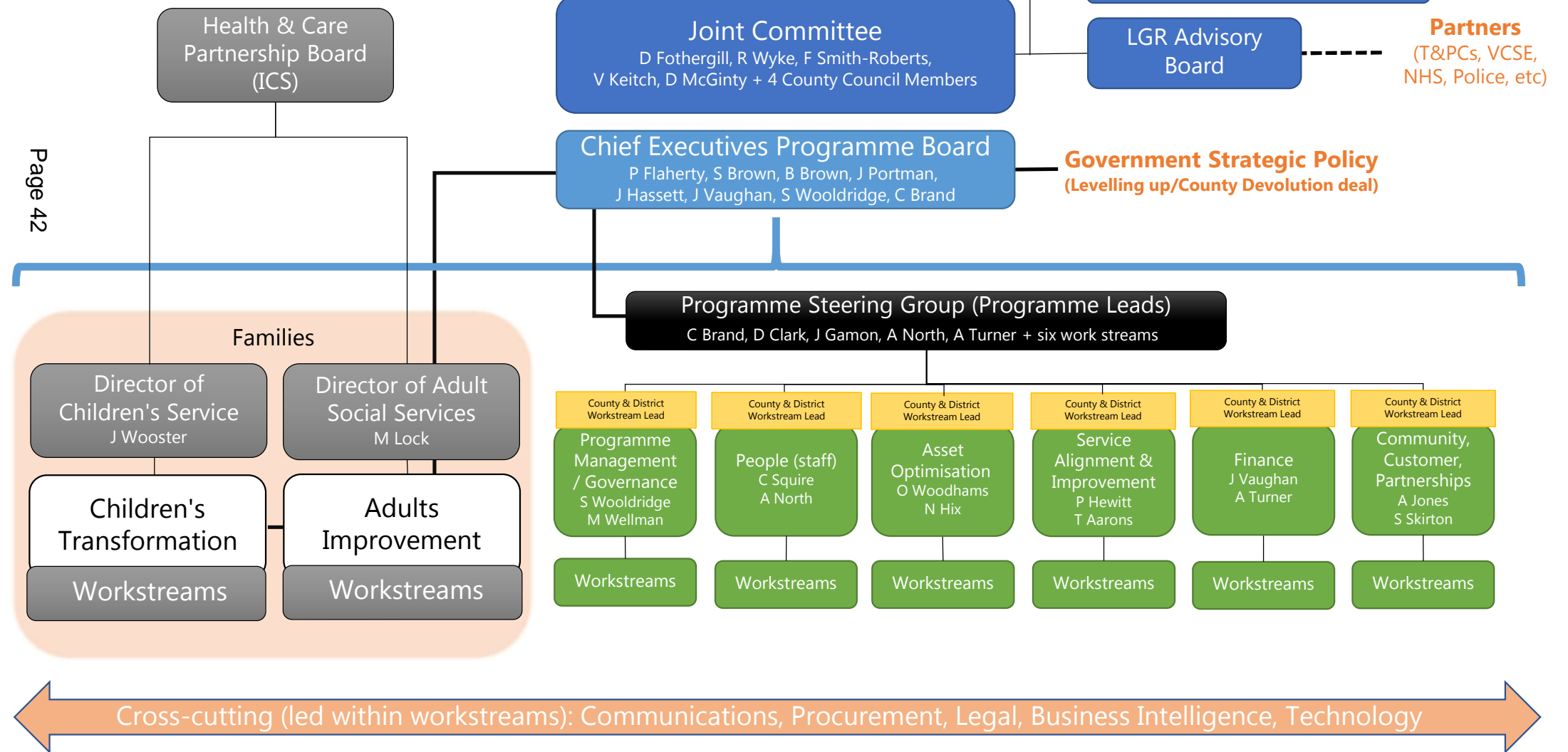
Now to end-2021: alignment of council activities

- Statutory Change Order negotiation with MHCLG
- LCN design, number and geographies. 2-4 pilots by year-end

Ongoing: relationships and culture

- Building close relationships with the district council members and officers post decision; further work with SALC and Towns/Parishes/City councils to continue the relationship building
- Staff engagement to create a collaborative, "single team" culture.

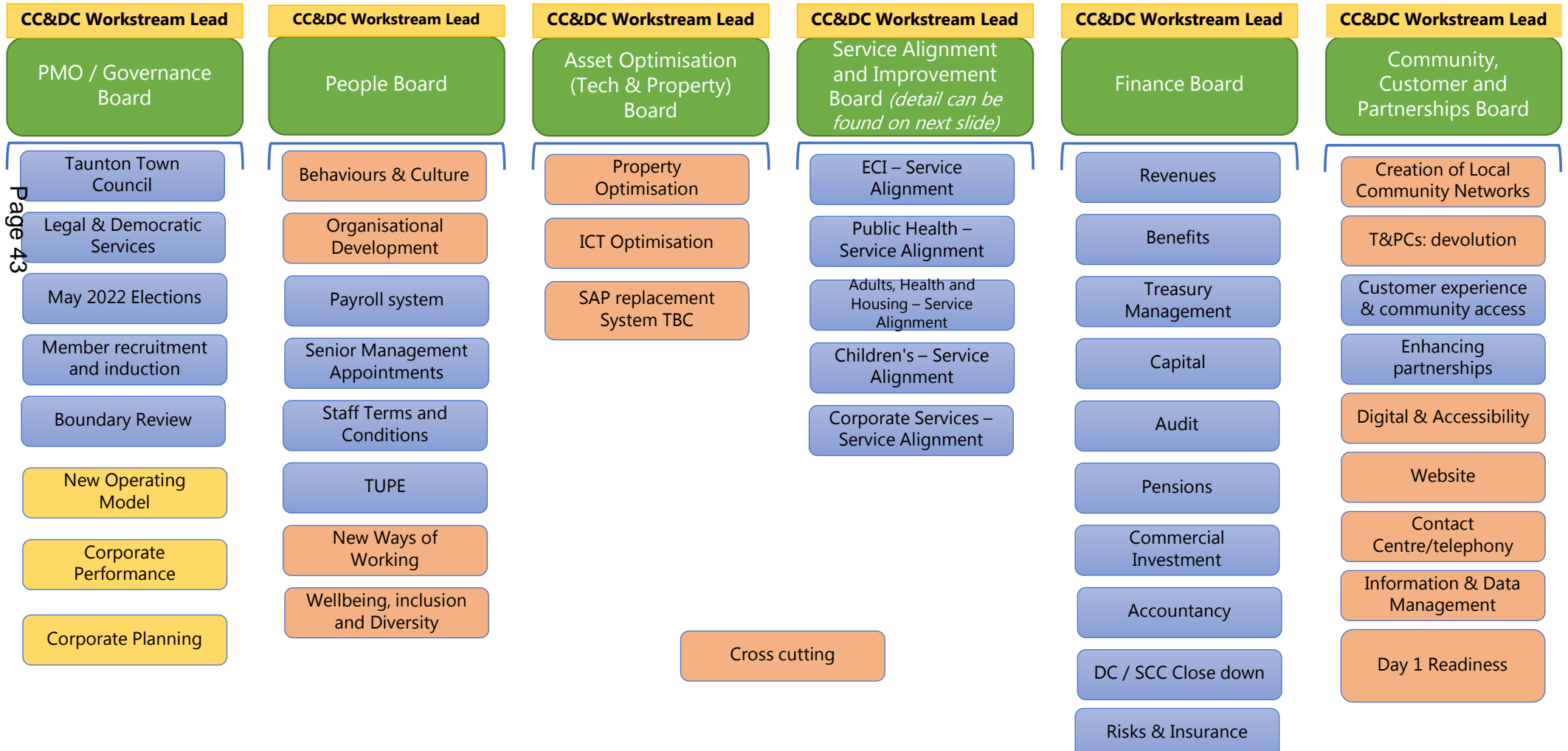
Local Government Reorganisation (LGR) Programme Governance for Programme & Workstream Level



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Programme Governance Boards & Workstreams

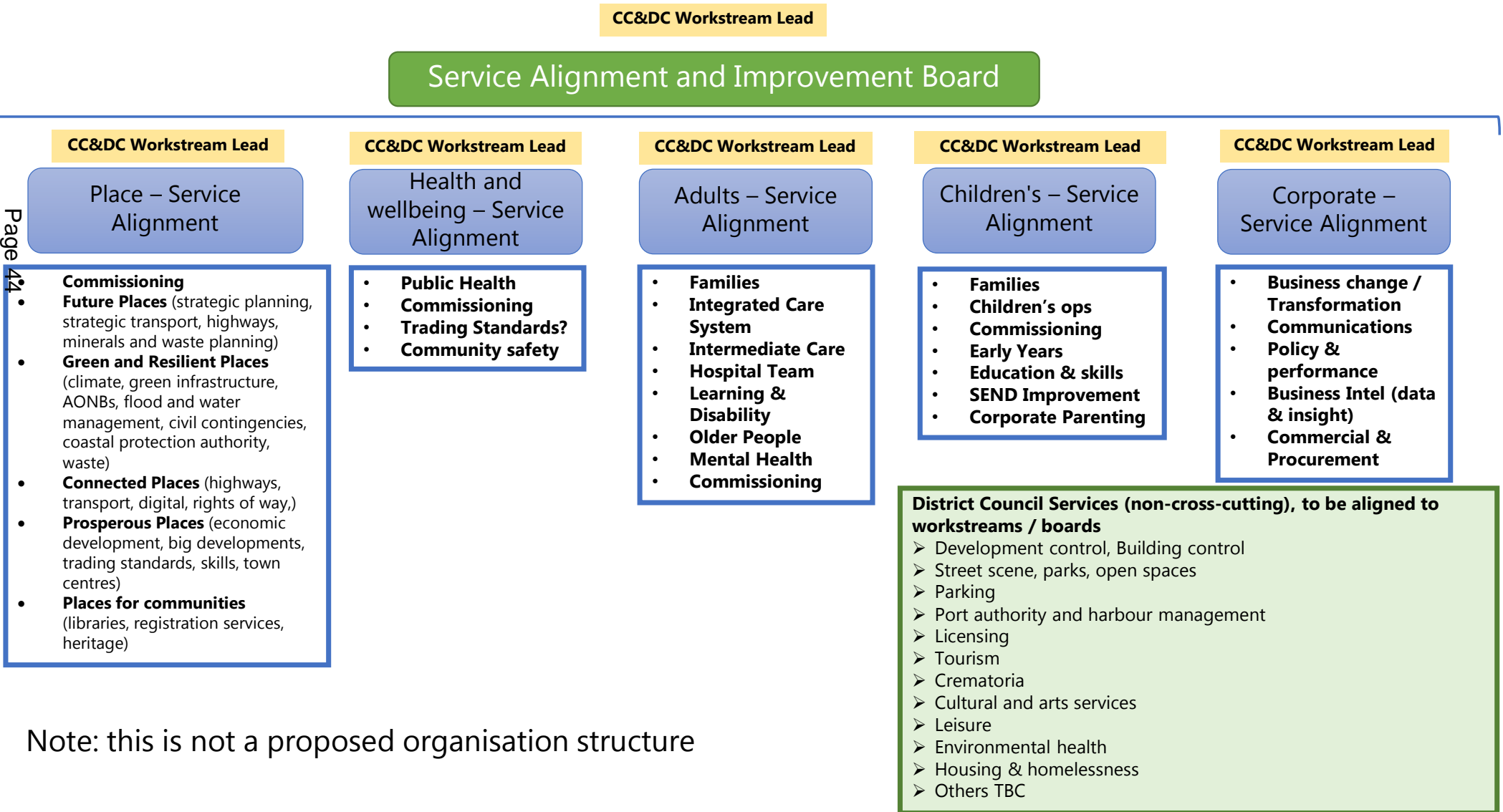
Each workstream to be co-led by County Council and District Council staff



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Cross-cutting Activity Communications (Internal, external, campaigns, branding), **Procurement, Legal, Business Intelligence** (Data & Insight), **Technology**

Service Alignment & Improvement Board, Workstreams and scope



Note: this is not a proposed organisation structure

Items for discussion and endorsement by the Joint Committee

1. Mission, vision, values and principles
 2. Programme plan and milestones
 3. Governance and programme management arrangements
-

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Together we are delivering your

New Somerset Council

**Local Government Reorganisation
Programme Director Update – Dr Carlton Brand**

**LGR Joint Committee
17 Dec 2021**



Programme Director Update

Programme activity and delivery in the last 6 weeks

1. Structural Change Order (SCO) update
2. Communications
 1. Internal
 2. External
3. Product definition
4. Work plans and milestones
5. Sub-workstream resourcing
6. Pilot Local Community Networks (LCNs)
7. Quality assurance delivery partner operational
8. Benefits management
9. Performance scorecard
10. Risk management
11. Change control approach
12. Checkpoint gateway to enter delivery phase
13. Key activities next period (Dec–Feb)

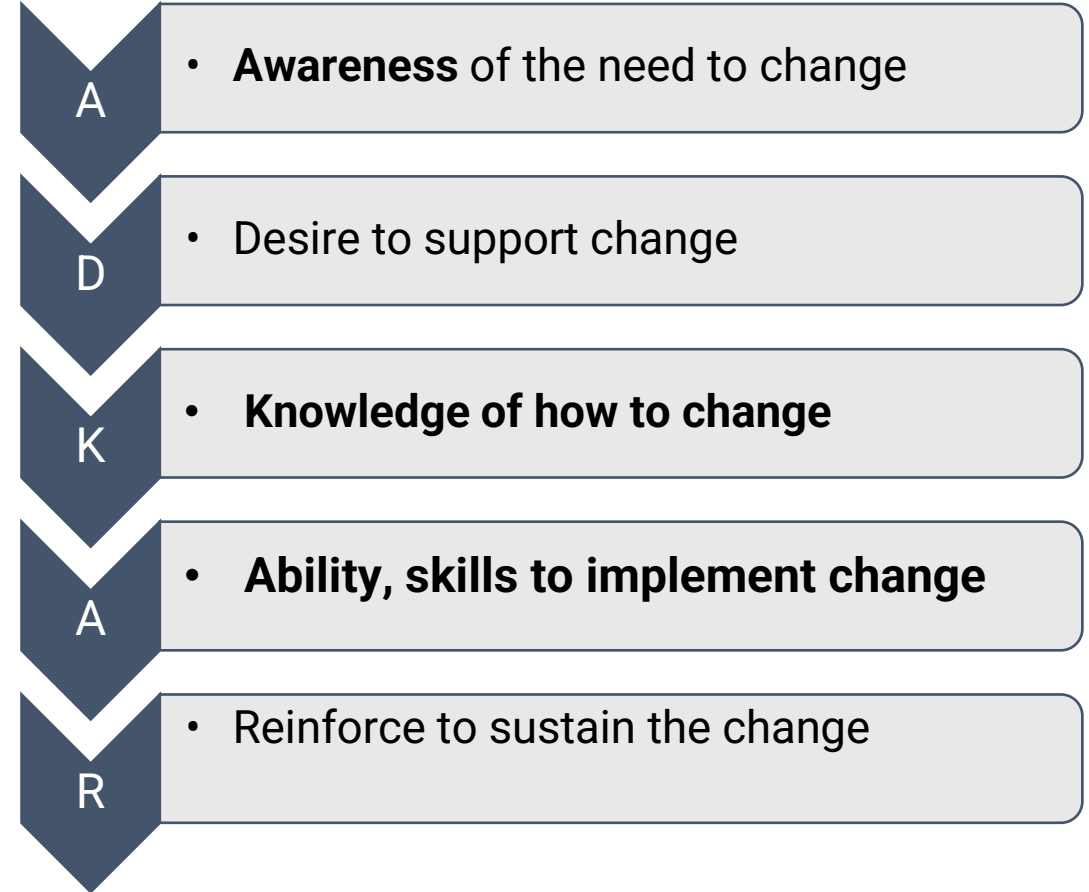
Structural Change Order (SCO) Update

- DLUHC update:
 - Elections confirmed to take place in May 2022, on existing division boundaries but with 110 elected members.
 - The new Council will be called Somerset Council
 - The new Council will be a “continuing authority”
 - For the period between the Order being approved and the first elections to the unitary council, an Implementation Executive is to be the transitional decision making body with a membership of nine members (County Leader, 4 county members and 4 district leaders)
 - An Officer Implementation Team will be required, led by the SCC Chief Executive, including four district Chief Executives, along with SCC’s Monitoring Officer, S151 Officer and LGR Programme Director
- Parliamentary approval expected to be completed February-March 2022.

Internal Communications

Current priorities:

- **Intranet** – single portal for all information enabling synchronised distribution across five councils
- **Leadership alignment** – all directors to be engaged in message development
- **Transition timeline** infographic and FAQs
- **Comms aligned with people change** to deliver change strategy using ADKAR methodology



External Communications

- **Website launched**


www.newsomersetcouncil.org.uk

- **Advisory Board meetings**

- **Press and broadcast media**

- **Contact email address**

info@newsomersetcouncil.org.uk



The banner features a background image of a group of people walking in a field. The text is overlaid on the image. In the top right corner, there is a hamburger menu icon. The main text reads: "Together we are delivering your **New Somerset Council**". Below this is a white downward-pointing chevron icon. The bottom section of the banner has a teal background with white text.

Together we are delivering your
New Somerset Council

The Government has confirmed that Somerset's five councils will be replaced by a single council delivering all council services to communities in the county.

Somerset's County and District Councils are now working together to deliver the new council for Somerset that will bring together existing council services. The five councils will also work with partners, City, Town and Parish Councils and residents to create a new council which delivers for everyone.

What happens now?

The new council will officially come into being in April 2023. Until then your services will continue to be provided by the four District Councils – [Mendip](#), [Sedgemoor](#), [Somerset West and Taunton](#) and [South Somerset](#) along with [Somerset County Council](#).

[The original proposal for the new council can be found here](#). This proposal was approved by the Secretary of State in July 2021.

Product definition

- Work stream leads have defined their 'products' for delivery by Vesting Day
- Deadline 30th November 2021
- Total number of products: 1100 across 6 work streams
- Work under way / completed to define
 - Priority products: must, should, could or won't have by Vesting Day
 - Benefits (cash and non-cash)
 - Dependencies
 - Risks
 - Resource requirement to deliver (people and budget)
- Validated by formal checkpoint review – Dec/Jan

Work plans and milestones

- Required for each product to show how and when it will be delivered and by whom:
 - Deadline 30th November 2021
 - Benefits, risk and dependencies being identified
 - Captured by formal recording and reporting arrangements:
 - Workbooks
 - Scorecards
 - Reporting to Joint Committee and other forums
- Also to be validated by formal checkpoint review Dec-Jan

Sub-workstream resourcing leads

Currently, the programme consists of:

- 6 work streams
- 74 sub- work streams
- 71 sub- work streams have lead managers in place (one each from District and County)
 - 3 yet to be to be allocated

LCN Pilots

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Wincanton, Bruton & Castle Cary Area LCN

- Initial discussions took place with Wincanton, Burton and Castle Cary pulse surrounding rural parishes. ***Health and Wellbeing is the agreed pilot theme.***

Bridgwater Asset & Service Devolution Pilot

- Initial discussions taking place to define scope of pilot

Frome Area LCN – Children, Young People and Families

- Second LCN pilot meeting with Frome Town Council and surrounding Parishes took place on 15 November
- Beginning to identify potential priorities, including around transport, access and mental health support
- Reviewing evidence and data to clarify priorities and provide baselines for outcomes
- Next steps to bring partners on board, including schools - stakeholder mapping exercise
- Linking with district and county colleagues
- Securing shared ownership of LCN meetings, e.g. Chair can rotate

LCN Pilots

Exmoor Area LCN – local highways and street scene

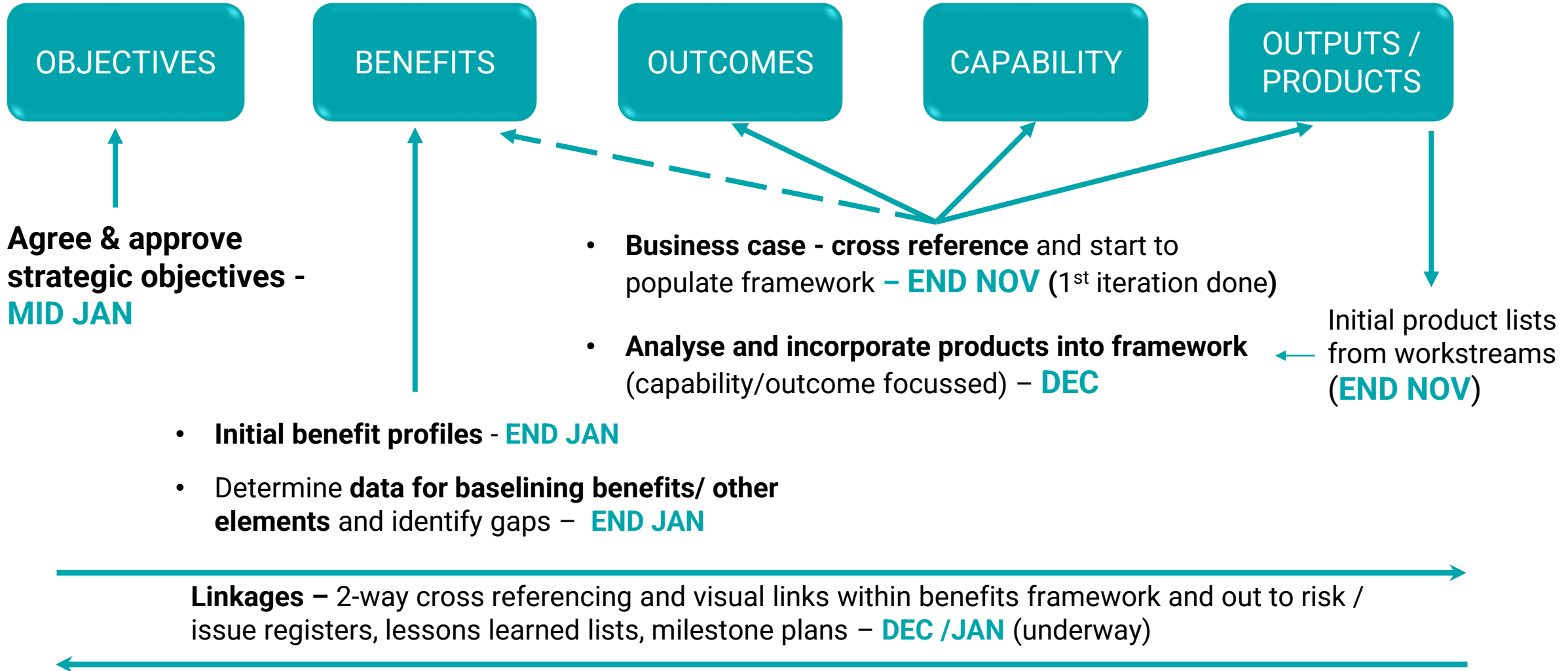
- Members of the Somerset Local Government Reorganisation (LGR) Programme Team spent 3 days visiting parishes in the Exmoor County electoral division in order to better understand the opportunities for improvement expressed by residents in this area.
- Summarised below are the main themes identified through analysis of parish feedback as well as proposals for how this pilot can test new ways of working.
 - Communication
 - Programme of planned and reactive works
 - Discretionary local highway works
 - Discretionary budget
 - Asset Information
 - Highway Steward Scheme – draft specification
 - Next Steps

Quality assurance and delivery partner operational

- PwC appointed November
- Appointed to provide independent quality assurance, guidance, advice and critical friend support to the LGR programme for the programme.
- Early work to ensure quality of:
 - Work stream product list definitions
 - Work stream work plans
 - Benefits planning, management and realisation: cash and non-cash
 - Risk management framework and registers
 - First checkpoint review in December/January
- Priority areas after that to progress development of essential day 1 requirements:
 - Early definition of the target operating model (TOM) for the new council
 - Customer platform: digital, face to face and other channels' to ensure quality and consistency

Benefits management

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Performance scorecard - initial reporting framework

- LGR programme delivery and oversight
 - Focus on resource, time, cost and quality plus risk, issues, change control and benefits realisation.
 - Exceptions /escalation to ensure leadership assurance and timely intervention where it is needed.
 - Reporting into governance including Joint Committee & Joint Scrutiny Committee
- Will also be used as the basis for member and public engagement
- First reporting period January 2022 and will develop as the programme does
- Review monthly

LGR ASSURANCE REPORTING – Proposed Flow and Feeds

Escalations in line with Programme tolerances
Page 60

Joint Committee

6 Weekly

PMO
QA

Reporting period + 2 weeks

Programme Summary based on latest position and data

Programme Board

PMO
QA

Reporting period + 1 week

RECEIVE FINAL Top-level Scorecard

Steering Group

PMO
QA

Reporting period + days

RECEIVE DRAFT top-level Scorecard

Workstream Boards

@end of reporting period

Each workstream board RECEIVE summary workstream scorecard of sub-workstreams within their theme– (6 scorecards in total)

Sub-workstream leads

RECEIVE updates on projects and products

PRODUCE sub-workstream report– 1 monthly report per sub-workstream – progress narrative



Benefits



Budget



Workbook

Automated aggregation of data: 6 into 1
Programme Team analysis

Risk management

- One shared view of all programme risks, integrated into the day-to-day activity across the programme.
- Transparency and confidence re. mitigating actions and timely closure
- Integrated risk register to identify, manage and report risk:
 - Programme risks (on today's agenda)
 - Work stream risks
 - Project risks
- Escalate risks through programme governance
- Regular and transparent monitoring

Change control process

- Essential to manage any changes to planned resource, time, cost and quality and their impact on benefits delivery, whether expected or unexpected
- “Uncontrolled Change” is a risk to delivering large programmes
 - Use of tolerances for agreeing change, and escalation through the governance where appropriate
 - Impacts will be clearly understood and mitigations agreed
 - About opportunities as well as risk
- Recognise the cumulative impacts or aggregated effects of change
- Change Control framework under development
- Change Control process on Joint Committee forward plan for 4th February 2022

Key activities next period

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- Transition from design and planning phase into delivery phase
- Complete checkpoint review and act upon findings
- Agree new council Target Operating Model (TOM)
- Detailed assessment of benefits, risks and dependencies
- Evaluation of early LCN pilots and application of lessons learned
- Continued work on draft LCN boundaries
- Town and parish conference February 17, 2022
- Progress of SCO towards Parliamentary approval March 22
- Increased communications and engagement with residents, partners and staff
- Ramp-up of overall numbers of staff on the programme
- Detailed election planning and delivery for May 2022

Together we are delivering your
New Somerset Council

Somerset LGR Joint Committee

Meeting date – 31st January 2022

Lead Officer: Jason Vaughan, Director of Finance and Governance

Author: Jason Vaughan, Director of Finance and Governance,
Somerset County Council

Contact Details: JZVaughan@somerset.gov.uk

Lead Officers: Jason Vaughan and Alison Turner

Author: Jason Vaughan

Contact Details: JZVaughan@somerset.gov.uk

1. Summary / Background

- 1.1. A new unitary council will come into existence from 1 April 2023 and all of the financial resources and commitments from the predecessor councils will transfer to the new Somerset Council at this date. It is important, therefore, that decisions and actions taken in the existing councils are made against the background of avoiding adverse financial pressures for the new Council where possible.
- 1.2. It is important that the financial pressures for the new Council are minimised to give the best possible start and that any residual financial pressures are identified at the earliest opportunity. In that way, effective financial planning can begin for 2023/24 and beyond.
- 1.3. It is envisaged that the Secretary of State may issue a direction to local councils under Section 24 (Local Government and Public Involvement in Health Act 2007) after the Structural Change Order (SCO) is enacted. The purpose of such a notice is to protect the finances and interests of the new Unitary Council. This allows the Secretary of State to direct that a relevant authority may not without the written consent of a person or persons specified to:-
 - (a) dispose of any land if the consideration payable for the disposal exceeds £100,000;
 - (b) enter into any capital contract under which the consideration exceeds £1m or which includes a term allowing the consideration payable to be varied;
 - (c) enter into any non-capital contract under which the consideration exceeds £100,000;
 - (d) commit existing financial reserves by a specified amount.
- 1.4. It can take up to 6 months after the SCO before the Section 24 notice is put in place and therefore exposes the new Unitary Council to a period of risk. DLUHC officers have recommended that the 5 Somerset councils come together with a voluntary protocol which can then be quickly put in place. It is therefore proposed to introduce a Finance and Assets Protocol based upon the likely Section 24 notice and that each Council adopts this as part of the 2022/23 budget setting process that would become effective for the 2022/23 financial year.

2. Recommendations

- 2.1. **That the LGR Joint Scrutiny Committee consider the proposed Finance and Assets Protocol in Appendix A and provide any comments on it for the LGR Joint Committee to consider at its meeting on 4 February.**

3. Reasons for recommendations

- 3.1** To ensure that the LGR Joint Committee receives comments from the LGR Joint Scrutiny Committee prior to it considering the Finance and Assets Protocol.

4. Other options considered

- 4.1.** A different level to the £100,000 new Revenue commitments (beyond those agreed within the approved 2022/23 budgets) was considered but rejected given that DLUCH will set this level in any Section 24 notice.

5. Links to Business Case

- 5.1.** The business case set out that on-going savings of £18.5m cashable savings could be achieved by forming the unitary council. This protocol helps to protect the delivery of those savings by challenging any significant unplanned expenditure or disposals of assets.

6. Consultations and co-production

- 6.1.** The Finance and Assets Protocol has been developed by the Finance Workstream which comprises the Section 151 and Deputies from the 5 councils. All of the Section 151 Officers are fully supportive of the protocol.
- 6.2.** The proposals have been considered and supported by both the LGR Project Steering Group on 10 January and LGR Chief Executives Board on 11 January. They have also been considered and supported by Somerset Leaders and Chief Executives at their meeting on 14 January.

7. Financial and Risk Implications

- 7.1.** The proposed Finance and Assets Protocol is not intended to stop any of the 5 sovereign councils from conducting good business in accordance with their approved 2022/23 budgets. It is a safeguard to help avoid adverse financial pressures for the new Council where possible.

8. Legal and HR Implications

- 8.1.** The procedures for creating a unitary council are set out in the Local Government and Public Involvement in Health Act 2007, Local Government Act 2000, other legislation and associated regulations.

9. Other Implications

9.1. Equalities Implications

None

10. Finance and Assets Protocol

- 10.1.** A new unitary council will come into existence from 1 April 2023 and all of the financial resources and commitments from the predecessor councils will transfer to the new Somerset Council at this date. It is important, therefore, that decisions and actions taken in the existing councils are made against

the background of avoiding adverse financial pressures for the new Council where possible. Councils remain responsible for taking their own day to day decisions for spending on service delivery within the revenue and capital budgets for 2022/23 agreed by each Council.

- 10.2. The purpose of the Finance and Assets Protocol is to protect the finances of the new Unitary Council by putting in place a voluntary protocol which would cover the purchase, disposal and transfer of assets, new contracts and extension of contracts with significant on-going financial commitments (but not routine items like care packages) where they exceed £100,000 for revenue and £1m for capital.
- 10.3. It is also recommended that each Council includes a section in all of their future key decision reports on the financial implications of the decision for the new Council.

11. Background Papers

- 11.1. Secretary of State announcement regarding a single unitary council for Somerset on 21 July 2021
- 11.2. Appendices
Appendix 1 – Finance and Assets Protocol

Report Sign-Off

FINANCE & ASSETS PROTOCOL

1.0 Background

- 1.1 A new unitary council will come into existence from 1 April 2023 and all of the financial resources and commitments from the predecessor councils will transfer to the new Somerset Council at this date. It is important, therefore, that decisions and actions taken in the existing councils are made against the background of avoiding adverse financial pressures for the new Council where possible.
- 1.2 It is important that the financial pressures for the new Council are minimised to give the best possible start and that any residual financial pressures are identified at the earliest opportunity. In that way, effective financial planning can begin during 2022/23 for 2023/24 and beyond.
- 1.3 It is envisaged that the Secretary of State may issue a Direction under Section 24 Local Government and Public Involvement in Health Act 2007 after the Structural Change Order (SCO) is enacted. The purpose of such a Direction is to protect the finances and interests of the new Unitary Council. This has previously allowed the Secretary of State to direct that a relevant authority may not without the written consent of a person or persons specified to:-
 - (a) dispose of any land if the consideration payable for the disposal exceeds £100,000;
 - (b) enter into any capital contract under which the consideration exceeds £1m or which includes a term allowing the consideration payable to be varied;
 - (c) enter into any non-capital contract under which the consideration exceeds £100,000;
 - (d) commit existing financial reserves by a specified amount.
- 1.4 The s24 Direction cannot be issued until after the SCO comes into force. DLUHC officers have recommended that the 5 Somerset councils come together with a voluntary protocol.
- 1.5 Each Council has a Section 151 Officer who has responsibility for the stewardship of the Council's finances. Their duty is obviously to their employing Council. However, they also have a wider fiduciary duty concerning public funds. This Protocol is the product of discussion at Somerset LGR Finance Workstream – the group consisting of the five S151 officers and their deputies - and represents the proposed protocol for the 5 Somerset Councils.
- 1.6 It is suggested that the LGR Finance workstream formally takes on the key role of ensuring application of this protocol once agreed and assisting with negotiations with DLUHC on any Section 24 Direction.

2.0 Principles

2.1 It is proposed that all Councils sign up to these principles during the transition period and that they come into effect from April 2022 and apply to the 2022/23 financial year.

- Councils remain responsible for taking their own day to day decisions for spending on service delivery within the revenue and capital budgets for 2022/23 agreed by each Council;
- All five councils are committed to ensuring that the new Council is in the best possible financial position on vesting day in the interests of future taxpayers;
- Councils should not enter into any new financial or asset-related commitments (beyond those specifically agreed within their approved budgets), or create any new liabilities on behalf of the new Council - subject to agreed limits of **£100,000 for revenue** and **£1m capital**;
- Key areas covered by this protocol would include purchase, disposal and transfer of assets, new contracts and extension of contracts with significant on-going financial commitments (but not routine items like care packages), write off of debts / loans, new capital schemes (including those with on-going financial commitments) and use of reserves above those already approved
- That this protocol to control spending needs to be agile to avoid introducing delays and risks to decision making. It also needs to be able to adequately provide for unforeseen emergencies

2.2 As this protocol is in advance of a Section 24 Direction, it is voluntary and non-binding upon the constituent members. However, it creates an environment and framework that should provide confidence that all five councils can all operate functionally until vesting day while safeguarding the new council and our shared taxpayers. It may be that this protocol can continue for the period after a SCO has been enacted should the Secretary of State choose not to introduce a Section 24 Direction.

2.3 For the purposes of this Protocol “any new commitments” are deemed to be those that arise in addition to any existing approved 2022/23 revenue and capital budgets.

3.0 Implementation of this Finance & Assets Protocol

3.1 This protocol requires the Section 151 Officer of each Council to report into the LGR Finance Workstream on any matters of concern or areas that may “breach” the principles set out in this document. This will ensure that all councils and Section 151 Officers have a clear understanding of the overall financial picture and associated risks. Areas of contention will be reported onwards to the LGR CEO Programme Board should that be deemed necessary and ultimately to the LGR Joint Committee if required.

3.2 A high level review of the 2022/23 budgets for the five existing Councils has been conducted as part and parcel of the work being undertaken by the LGR

Finance Workstream. This work is an essential first step in establishing the parts that will subsequently combine to produce the new Council's draft budget for 2023/24.

- 3.3 It is recognised that there may be situations that arise that will need practical application of flexibilities whilst remaining within the spirit of this Protocol. Examples of this may include emergency response, unforeseen additional costs on capital schemes (where there is already commitment to deliver) and opportunities to bid for external funding, including where there may be some form of contribution from one or more of the councils. Rather than try to legislate for all possible eventualities, this Protocol will rely upon the principles set out in this document, alongside the suggested thresholds, as the basis for discussion where there are such scenarios. Trying to determine a set of "hard rules" for all scenarios is likely to be impractical, if not impossible, and an escalation approach has been set out above should it be required.
- 3.4 It is also recommended that each Council includes a section in all of their future key decision reports on the financial implications of the decision for the new Council.

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