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New Somerset Council

Programme update (including progress update, PwC Assurance Report)

Alyn Jones/Alastair Higton/PwC

Programme Scorecard for months of July/August

Alyn Jones/ Alastair Higton

Key points for discussion:

1. Overall programme status: Amber
2. Product delivery;
    1. 39 Tranche 1 Products have been delivered in July
        1. 203 T1 milestones delivered in July
    2. 40 Tranche 1 Products have been delivered in August
        1. 239 T1 milestones delivered in Aug
3. Resourcing remains a challenge. Mutual aid is being used where possible as part of mitigation.

Ask of LGR Joint Scrutiny Committee:

- To review and note the scorecards for July and August.
- To review and note PwC Assurance Report.
- To receive verbal feedback from LGR Implementation Board.

LGR in Somerset - Top Level Programme Scorecard - Position as of End of Jul 2022 [USING AVAILABLE DATA]

	Overall RAG		Resources		Schedule	
	Last Period	This Period	Last Period	This Period	Last Period	This Period
Overall Prog. RAG	A	A	A	A	G	G
Assets Optimisation: Property	A	A	A	A	A	G
Assets Optimisation: Technical	A	G	G	A	G	G
Communities, Customers & Partnerships	G	G	A	A	G	G
Finance	A	A	A	A	A	A
Governance	G	G	A	A	G	G
People	G	G	A	A	G	G
Service Alignment	A	A	R	R	A	A

Escalations & Awareness

Awareness

Finance

• Revs & Bens - resourcing challenges and BAU service demands, with backfilling with skilled resourcing proving problematic. Different IT platforms means resources can't be shared between districts. Creating insufficient focus on some key BAU activities and engagement in LGR work. Internal discussions are being undertaken at SSDC re the additional resourcing requirements, but these have not been formally approved as yet. Awaiting formal escalation from WS and evaluation of the risk.

• Redundancy budget milestones are/will be re-cast informed by appointments timelines so we have clear markers for when budget implications can be understood with a greater degree of confidence

• Contracts - delivery date for milestone for a plan in place for all 839 contracts will move back in line with the MTFP deadline of 23/09/2022. Also, the contracts ending soon, high value contracts and areas of opportunity/risk will be prioritised.

• MTFP budget working group - a clear forward plan for engagement will be key to ensuring pace and momentum

• Capital and investments made for yield being re-planned now that resource is in place. Discussion is taking place with Asset Optimisation to ensure no knock on detrimental impacts to their deliverables

CCP

• The approach and scheduling to LCN's in particular geographies, governance, role, engagement and consultation was presented and supported by the LGR Implementation Board on Fri 29 Jul. A Member Working Group will be established to move this work forward.

Asset Optimisation Tech

• MTFP work within the workstream and by other workstreams will add to resource pressures for SMEs within the Tech Workstream. The impact is unknown and has not been quantified in this scorecard. When the impact of the MTFP is fully understood the overall RAG rating might deteriorate again.

Resource

Resources by Sub-Workstream	Last Period	This Period
Total Sub-Workstream Scorecards:	101	100
Sub-Workstreams Sufficiently Resourced	68	74
Sub-Workstreams with Borderline Resources	27	18
Sub-Workstreams Inadequately Resourced	6	8
No. of Products within Inadequately Resourced Sub-WSs	39	129
No. of Tranche 1 Products within Inad. Resourced Sub-WSs	13	4

Time

Time used and remaining until Vesting Day (April 2023):	Last Period (As of:) 30/06/2022	This Period (As of:) 31/07/2022
Time Used *(Since Oct 2021)*	272 Days (50%)	303 Days (55%)
Time Remaining	275 Days (50%)	244 Days (45%)

Product Delivery (Tranche 1 and 2)

All Workstreams	All T1 & T2 Products	Tranche 1	Tranche 2
Total Number of Products	264	197	67
Delivered	39	39	0
On Track	203	147	56
At Risk	1	1	0
Off Track	1	1	0
On Hold/Not yet Started	20	9	11

Milestone Delivery (Tranche 1 and 2)

All Workstreams	All T1 & T2 Products	Tranche 1	Tranche 2
Total Number of Products	867	668	199
Delivered	230	203	27
On Track	542	394	148
At Risk	12	8	4
Off Track	9	7	2
On Hold/Not yet Started	18	0	18

LGR in Somerset - Top Level Programme Scorecard - Position as of End of Aug 2022 [USING AVAILABLE DATA]

	Overall RAG		Resources		Schedule	
	Last Period	This Period	Last Period	This Period	Last Period	This Period
Overall Prog. RAG	A	A	A	A	G	G
Assets Optimisation: Property	A	A	A	A	G	A
Assets Optimisation: Technical	G	A	A	G	G	G
Communities, Customers & Partnerships	G	G	A	G	G	G
Finance	A	A	A	A	A	A
Governance	G	G	A	A	G	G
People	G	A	A	A	G	G
Service Alignment	A	A	R	R	A	A

Escalations & Awareness

Overall Programme Summary

The programme remains **amber RAG overall** as a result of some slippage to programme delivery and continuing resourcing pressures in key areas of the programme. Delays to finalising the top structure will impact on the pace of tiers 2 and 3 appointments and subsequently impact other programme deliverables which are dependent on these appointments being made. Further, the increasing MTFP gap will potentially increase the programme's level of strategic risk.

The PMO have **successfully mobilised a Business Readiness Group**; the programme has an emerging picture of our readiness for Day 1 and beyond and cumulative impacts of changes on various stakeholder groups. These will help prepare for and aid successful transition.

For Awareness

Across the programme, many sub-workstreams reporting challenges in maintaining LGR activity and BAU especially in light of MTFP requirements. Wellbeing support for staff to continue to be promoted/communicated.

SAI - Resource

- Continued concerns about the capacity to deliver the LGR programme alongside BAU resourcing pressures. Work is underway to identify any activity that can be reclassed as non-essential to free up resource/focus to ensure a fully operational authority is established for vesting day

Escalations & Awareness (continued)

Finance - Finance

Financial pressures are increasing significantly, both in-year and for the MTFP, with inflation having a major impact. MTFP deadlines for fees and charges and the analysis of the baseline Capital programme have slipped, both due to finance team resources and capacity pressures in services. The work being completed externally to benchmark service costs and structures and help mitigate the risk of identifying insufficient savings is also delayed and is unlikely to be ready until mid-late October. Analysis and prioritisation of contract opportunities also continues.

Further analysis of the MTFP gap is underway to ensure the current approach is sufficient and programme risks related to the MTFP are being closely monitored. A clear plan for member engagement is in place.

People

- The new CEO's involvement in Operation London Bridge has resulted in a delay to finalising the Tiers 2 & 3 structure meaning tiers 2 and 3 appointments will be later than originally planned. This will impact on dependent programme deliverables, particularly where the new postholders will influence and shape delivery (e.g. Business plan, TOM realisation, organisational structure at tiers 4 and below). Timescales are being modelled on gaining approval for the top structure in early October so that activity can be scheduled as far as possible and decision points prepared for. Progress is being closely monitored by Programme Board.

Asset Optimisation Property

- Considering the MTFP requirements, many activities within this workstream need to be re-profiled to bring forward delivery that enables realisation of savings earlier within the MTFP. Therefore, we will see some change in the plans for this workstream.

Asset Optimisation Technical

- The Capita IT decision is expected to be made in October, there are however still a risk of delay.

CCP

- LCN Geographies Consultation has started, this is very resource intensive, but we are on track for the November Executive deadline to confirm the LCN's geographic boundaries

Resource

Resources by Sub-Workstream	Last Period	This Period
Total Sub-Workstream Scorecards:	100	97
Sub-Workstreams Sufficiently Resourced	74	72
Sub-Workstreams with Borderline Resources	18	17
Sub-Workstreams Inadequately Resourced	8	8
No. of Products within Inadequately Resourced Sub-WSs	39	129
No. of Tranche 1 Products within Inad. Resourced Sub-W	13	4

Time

Time used and remaining until Vesting Day (April 2023):	Last Period (As at:) 31/07/2022	This Period (As at:) 31/08/2022
Time Used *(Since Oct 2021)*	303 Days (55%)	334 Days (61%)
Time Remaining	244 Days (45%)	213 Days (39%)

Product Delivery (Tranche 1 and 2)

All Workstreams	All T1 & T2 Products	Tranche 1	Tranche 2
Total Number of Products	277	209	68
Delivered	40	40	0
On Track	207	152	55
At Risk	2	2	0
Off Track	6	5	1
On Hold/Not yet Started	22	10	12

Milestone Delivery (Tranche 1 and 2)

All Workstreams	All T1 & T2 Products	Tranche 1	Tranche 2
Total Number of Products	910	706	204
Delivered	271	239	32
On Track	530	392	138
At Risk	5	4	1
Off Track	46	33	13
On Hold/Not yet Started	20	0	20

PwC Monthly Report

Author:
PwC

Key points for discussion:

This is the assurance report covering July and August which is intended to:

- Set out emerging themes, insights and reflections as part of the 'critical friend' role the core team have been commissioned to provide, informed by outputs from workshops, 1:1 meetings and smaller working sessions; and attendance at the Programme Steering Group and Programme Board meetings;
- Provide an overview of some of the key activities that have taken place over the past month;
- Propose solutions to issues identified and suggested next steps.

This monthly report contains reflections from a particular point in time and recognises the progress that has been made against issues or risks highlighted in previous reports.

Ask of LGR Joint Scrutiny Committee :

- To review the contents of the report and advise on areas for

Contents

This is the eighth monthly report which is intended to:

- set out emerging themes, insights and reflections as part of the 'critical friend' role the core team have been commissioned to provide.
- review the previous assurance reports from June and July, the programme BI dashboards, and incorporates an updated view on progress in August based on our attendance of Programme Steering Group, Programme Board, and regular meetings with the PMO.
- provide an overview of some of the key activities that have taken place over the past month;
- propose solutions to issues identified and suggested next steps.

This monthly report (August 2022) contains reflections from a particular point in time.

August Review: Summary

- The programme needs to bring together the key products of the MTFP, Activity Analysis and LGR workstreams with the development of the TOM through a series of interim states to provide the programme with a clear steer and direction in the coming months and years (beyond Vesting Day).
- Attention must be paid to the cumulative impact of the change management actions across the programme; a holistic review of these changes should take place at Programme Board level to ensure the full impact is acknowledged and interdependencies identified and mitigated against.
- The current programme structure has been in place for nearly 12 months, this along with the arrival of the new CEX provides helpful framing for a review of the current governance structures to determine where changes should be made to best meet the needs of this evolving programme.
- A level of grip must be expected of workstream leads by the programme. There is currently a lack of oversight of sub-workstream activities, and it is important that sub-workstreams are commissioned to by the programme in order to collectively achieve the TOM, rather than individual sub-workstreams informing the programme of their siloed activities.
- There is an ever increasing risk around capacity and capability of sub-workstream leads to deliver their products to meet key milestones. There are concerns that even minor absences (1 or 2 team members in some cases) could cause challenging delays. Following milestone setbacks caused by AL over the summer, the programme must look ahead to future ‘crunch points’ around Christmas and the New Year to mitigate against future delays.

LGR Programme - governance considerations

Overview of insights

The Programme is devolved across two layers (workstream, and sub workstream). The sub workstream is responsible for delivering all products including identifying and reporting on milestones, risks, issues and change management (including communications). The detail of all of this has been built up and is captured and is reported to the Programme Board and Steering Group. **Given that the current programme structure has been in place for 12 months, it would be helpful to have a review to ensure this structure is still fulfilling the programme's requirements.**

- **The devolved model of delivery contributes to inconsistent levels of operational oversight at the workstream level**. Some workstream leads and workstream PMO not having comprehensive and accurate visibility around the progress sub-workstreams are making. Incomplete work plans, missing milestones, lack of clarity in the scope of products or full understanding of what impact the change of milestones might mean elsewhere, means that reporting does not necessarily provide an accurate picture of the progress made, and workstream leads and PMO were simply relying on verbal updates from the sub workstreams. The devolved model of delivery, with sub workstreams responsible for delivering products, is dependent on much stronger central oversight of the sub workstreams, not just in terms of tracking against milestones, but also reviewing and assuring the quality of the products produced.
- **The leadership or decision-making of some products should not be devolved to a sub workstream, and should either be delivered central by the LGR Programme, or warrant more central coordination and oversight.** A range of products have been identified across recently monthly reports that warrant more central ownership and / or oversight of product delivery. These include:
  - Change management including communications
  - Target Operating model
  - MTFP and benefits identification and tracking
  - Service standards
  - Technology-related products

Proposed next steps/issues to consider

A review of governance should also include a review of ways of working and the culture that is being driven by the way the programme currently operates. Whilst the programme needs the involvement of a high number of people, there needs to be a sense of clear leadership and a defined place where decisions are made and problems are solved which goes above and beyond facilitating workstream activity and reporting.

- Be clear about the leadership and delivery of tranche 1 products and anything else that is required by vesting day. There is a genuine need now to determine whether tranche 1 products and other vesting day activity should continue to sit in the workstreams. Being clear about the 1st April 2023 requirement vs longer term transformation will make it simpler to focus on the urgent whilst not losing sight of the important. It will also provide greater clarity and purpose for change management and communications activity.

- Maintain a focus on longer term transformation and how to connect the key products holistically across the programme; this will enable the TOM to steer the design of the new Council. The close interdependence between the operating model, MTFP, activity analysis, and scoping of tranche 2 and 3 ('the wider transformation') also reinforces the importance of stronger central steer. In addition, there may be a core set of 'central' products where responsibility for delivery should sit centrally within the workstream, not the sub workstream (e.g. service standards by SAI). It is important that the TOM, MTFP and corporate framework collaboratively guide the design and function of services and products across the programme.

- Building on the layers defined within the outline target operating model, define the functional areas, and re-align the LGR Programme structure around them. This will ensure there is clarity around which team is responsible for delivering which element of the operating model, and will ensure that the delivery of products at the sub workstream are are aligned, and contribute to the wider operating model.

LGR Programme - leadership considerations

Overview of insights

Highlights from the May and June reports:

- **Programme leadership** oversight and strategic steer have strengthened over the past few months, focusing on delivering tranche 1 products, facilitated by the new eight week forward view.
- The **Programme Board** has developed a more focused approach in leading the programme, making a number of key strategic decisions over recent months to guide the Programme Steering Group and six workstreams
- **LGR PMO** provides check and challenge to each workstream on a monthly basis, and centrally coordinates key products.

There have also been a number of recommendations and suggestions around areas for improvement across the LGR leadership. They note:

- **Strong Central Steer:** There should be a continued theme of developing a stronger central steer and and top down approach to driving the programme. This should be centred around the rapid definition of the operating model for the new council and re-shaping the programme to align with it.
- Workstream **PMO must oversee up-to-date work plans**, with accurate milestones, and manage sub workstreams more closely, without relying on verbal updates. This will address issues where milestones are missing, not up to date, or where they are re-cast without central oversight.

Proposed next steps/issues to consider

- The role of Adults and Children's Services in the programme needs to be considered more holistically and as part of the operating model design.. They are the two largest Directorates and are likely to be responsible for the delivery of both cashable and qualitative benefits. It is important that they are involved in a range of relevant workstream activity (e.g. commissioning).
- Currently the MTFP, Activity Analysis, and LGR workstreams (tranches) activity is occurring simultaneously but not in a joined up way. The TOM is the glue that can bring these aspects together.
- These 'central products' need to be jointly delivered, working towards the shared timeframes of Executive approval in October and approval by the Full Council in November. Consideration needs to be given as to whether current timelines are realistic.
- Commence thinking beyond the 'safe and legal' vision for Vesting Day. The TOM needs to start to progress planning for the longer term and specifying when the broader benefits of LGR will be felt by residents, staff and communities.
- Consider changes to governance and reporting arrangements that will be required as a result of the CEX starting formally in post. This includes Programme Board having a clear line of sight over the cumulative impact of changes to milestones and products.

LGR Programme - tranche 1/vesting day delivery

Overview of insights

The May reports reflected progress around identifying what needed to be achieved to enable vesting day delivery:

- The Programme has a strong focus on what needs to be delivered on vesting day in Somerset.

The May and June reports have both reflected a number of recommendations and suggestions around areas for improvement in the run up to vesting day delivery. They note:

- The Programme is at a stage where it must balance the delivery of a safe and legal functioning authority in the context of a widening MTFP savings gap, and define and set the foundations for the improvements and transformation that will occur post-vesting day. This requires a clear vision of the new council, which the operating model design will deliver. **The Programme should bring together the operating model design, identification of savings, and tranche 2 and 3 planning as a combined piece of work.**
- **Priority Focus Areas for the programme:**

  (1) ensuring critical products are on track and there is agreement around what they will and will not deliver,

  (2) strengthening the assumptions and clarifying the timeframes around the realisation of LGR savings and non-cashable benefits,

  (3) key programme-level risks,

  (4) ensuring the Programme has the right capacity, skills, and experience.

Proposed next steps/issues to consider

- Monthly QA sessions have helped to examine progress against milestones for Tranche 1 and 2 products.
- In June, just six of 418 products were at risk of not being delivered, and two of the six workstreams were reporting as Amber in relation to schedule (Asset Optimisation and SAI).
- In September it was reported that a number of product milestones have been missed and are now not meeting agreed timeframes. This is a clear result of the high number of products due at specific crunch times (e.g. January).
- While the focus on the MVP has helped with prioritisation, there remains room for interpretation around what constitutes the MVP and what will be delivered by vesting day. It is likely that without clear direction from the TOM there will remain a lack of clarity in this area.
- The cumulative effect of changes to milestones needs to be taken account of at a programme wide level, potentially through the forum of Programme Board. It is important to develop a holistic view so that any impacts and interdependencies for Vesting Day are visible
- Tranche 2 planning - the programme are awaiting MTFP plans to come back before they finalise this.
- PSG now has sight of an eight week view of forthcoming products and milestones. It is important that all work plans and milestones are kept up to date by each sub workstream (and workstream), and that any changes are captured through the established change control process. This will enable PSG to strengthen its focus on developing solutions to the issues identified.

LGR Programme - change management considerations

Overview of insights

The May reports reflected progress around identification of risks across the programme; they note:

- Workstreams have **captured and are managing risks and dependencies** for each product. Reporting is embedded into day to day project management, and there is proactive engagement across workstreams around dependencies.

The May and June reports have both reflected a number of recommendations and suggestions around areas for improvement around the change management considerations. They note:

- Dependency mapping across products and workstreams, as well as at the programme level, has now been complete, however outstanding data gaps need to be addressed to ensure all dependencies are comprehensively captured. Work is ongoing to **embed the dependency management tool** across all workstreams and subworkstreams.
- **Clear approach to LGR savings:** there is a clear, centrally driven approach to the realisation and identification of savings. However it is important that transformation and alternative service delivery are explored as a key lever for realising savings, as many service standards are already operating at or near to the statutory minimum, which means that a reduction in service levels will not realise the savings required. The development of costed service structures and the activity analysis may also help to inform this work.
- **Resource gaps** need to be managed on a ongoing basis, in order to not impede project delivery. Resource constraints drive most instances where products are not on track. This must be owned by each workstream.

Proposed next steps/issues to consider

- The tangible benefits against Tranche 1 and 2 products should be feeding into the comms and change management activity.
- Work is ongoing to embed PMO products as part of day to day project management. For example, work plans and risk logs are regularly updated by workstreams. This needs to be progressed to become BAU.
- In the June report it was noted that while there was an increasingly mature understanding of dependencies at a product level, there was still a lot of work to be done around engaging with each other around dependencies. The new dependency mapping tool is now in use by the programme, however we need to go further to articulate fully the risks.
- Risk are being comprehensively captured at a workstream and programme level. A review of high level programme risks will help to identify additional opportunities to proactively mitigate risks.
- An assessment of people change was carried out across Tranche 1 products to target support where change management is critical for the delivery of key products. This is being pulled together into a insight tool; however, it now needs to be applied effectively across the programme.
- After the appointment of a comms lead for each workstream, has there been greater consideration around how communications are delivered as a key aspect of change management. This includes training and organisational development, ways of working and a culture, and tying this closely to benefits realisation.
- Insufficient focus and investment in change management is a common failing of LGR programmes, as it is in broader transformation programmes across local government.

LGR Programme - year 1-3 transformation considerations

Overview of insights

While focusing on the delivery of a safe and legal authority on Vesting day, there is also the simultaneous task of progressing the longer term 1-3 year considerations. From the May and June reports it is clear that this is an area that has been potentially deprioritised in light of competing tranche one products. The reports noted:

- Whilst the programme is focused on delivering tranche 1 products it is also **essential that the foundations continue to be laid down for the transformation and financial sustainability in the new council**. This includes continuing to develop the target operating model and develop plans to transform and improve services across tranches 2 and 3. This will be required to realise the benefits that underpinned the original decision to proceed with LGR, and to address the emerging MTFP savings gap.
- **Bringing together the activity analysis, operating model design, and MTFP to inform tranche 2 and 3 planning:**

  (1) A range of core products that will inform the wider transformation of the new council post vesting day should tie in closely with the identification of LGR savings.

  (2) The activity analysis will identify areas for investigation to realise further savings.

  (3) In addition, operating model choices will be evaluated against indicative costs, so it is important that these parameters are set and consistent with the savings allocated to each service.

  (4) Finally, technology as a key enabler in driving service improvements and efficiencies should be reflected in the technology strategy and applications roadmap.

Proposed next steps/issues to consider

- Gain political approval to proceed at pace with development of the TOM to act as the link between the manifesto, Council Plan, MTFP, LGR Plan and any future Transformation Plans
- Secure the capacity and capability required to develop the TOM further drawing on the TOM work done to date, input and engagement from key officers and politicians, the activity analysis, the current MTFP thinking and harnessing the expertise and experience available from your advisors.
  - There are growing concerns that the programme does not have the capacity to deliver the transformation aspects of the programme as well as Vesting Day needs.
- Use the TOM development work in conjunction with the activity analysis to inform the further development of the MTFP and the development of robust transformation plans
- Consider the extent to which these transformation plans should be delivered through Tranches 2 and 3 of the programme and whether or not other vehicles may be useful
- Bring plans to deliver MTFP savings into an overarching transformation programme to deliver the TOM.
  - The initial budgetary plans for the unitarisation were made prior to growing economic challenges. Budget expectations may need to be adjusted accordingly.
- Insufficient focus and investment on transformation in the pre-vesting day period is a common failing of LGR programmes. Many LGR programmes end up focusing closely on vesting day and this creates a significant challenge in getting quickly into transformation post-vesting day. This could be a significant risk in Somerset given the challenges being faced around the MTFP and increasing demand.

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New Somerset Council

Risk update

Angela Farmer

MENDIP DISTRICT COUNCIL

Sedgemoor Creating Opportunity

SOMERSET County Council

Somerset West and Taunton

South Somerset District Council

LGR Joint Scrutiny Committee – LGR Programme Risk Update

30th September 2022

Angela Farmer

Ask LGR Joint Scrutiny:

- To note the changes that have taken place to the register since the last meeting
- To note the additional commentary against various risks
- To note the feedback and updates from the last meeting and identified anything further the committee would like considered
- To scrutinise the 3 risks identified at the last meeting and determine whether the current residual scores as set out in the report, are satisfactory for the committee

Key points for discussion:

- General overview of current programme level risks and the changes since the last meeting
- An in depth review of the 3 risks identified by Finance and People workstream leads

Risk Update

1. At the last Scrutiny Committee on 19th August there were

17 programme level risks

2. Reporting to this committee there are now

19 programme level risks

2 further risks added including

1. 103 - Agreement not reached with Trade Unions on pay scales/terms and condition for new Council staff
2. 111 - The risk of overspend on the £16.5 m LGR implementation budget

3. Programme Steering Group and Programme Board will be considering the following risks

1. New risk - *The risk that the process of appointments to T2/T3/T4 roles could result in an employment claim if process is not followed properly*

Risk Update

The risk register is also being presented differently today:

1. The risks are now grouped by workstream
2. The scores at both inherent and residual level are more clearly defined by colour
3. There is now commentary added following a review by the Programme Director, Mr Alyn Jones, to put context into the residual scores but also to give assurance around some of the risks and the work that is being undertaken

The programme level risks are as follows

Programme Level Risks - workstream: Finance					Date: September 2022	
Ref	Risk description	Impact on the programme (effect(	Inherent score	Controls/Actions	Residual score	Comments
10	There is a risk of a significant budget gap for new Somerset Council in 2023/24 when districts and County budgets combine, significantly impacting the financial stability of the new Council	• Inability to set a balanced budget • Reductions in service budget and levels	22	• Finance and asset protocol across 5 councils • S24 Notice from DHLUC effective May 2022 • Budget monitoring processes in the 5 councils • Establishment control processes (People) • Development of 22/23 baseline budget for new Council, to provide basis for the development of MTFP for new Somerset Council and 23/24 budget (	22	Despite the mitigating actions now underway this remains a significant risk in the LGR Programme and for the New Council. Whilst the mitigation is considered to be appropriate the residual score should not be reduced at this stage until the effectiveness of the actions can be quantified. For context financial risk is reflective of the strategic risks of all the current councils and in view of the ongoing financial pressures there is a high likelihood that the risk will move to become a strategic risk of the new council in some form
15	Failure of workstreams/projects to achieve their expected financial benefits as described in business case	• Lack of achievements of promised overall programme benefits • Programme does not meet stakeholder expectations • Inability to set a balanced budget	20	• Robust benefits realisation plan in place • Early modelling / forecasting of cash-benefits • Monitoring through programme reporting framework including escalation and intervention • Dedicated LGR Programme Manager in post • Tranche 1 products agreed • Work on Tranche 2 products started	19	Robust benefits tracking has been carried out at programme level. This has been supplemented as a result of the decision to utilise the network of programme staff to support and development MTFP proposals.

Programme Level Risks - workstream: Finance — Date: September 2022

Ref	Risk description	Impact on the programme (effect(	Inherent score	Controls/Actions	Residual score	Comments
24	There is a risk that legacy councils may make spend commitments that adversely affect implementation and benefits delivery	• Threat to opening financial position of the council. • Impact on achievement of the £18.5m financial benefit. • Potential for harm to relationships between councils	20	• DHLUC s24 notice • Adoption of the Finance and Asset protocol by all 5 councils • Guidance produced	8	
26	The risk that the back-office ERP (Enterprise Resource Planning) system not sufficiently implemented to support the new authority	• Inability to pay invoices, raise invoices, and monitor spending during the year	20	• Implementation plan that delivers in excess of the minimum viable product • Continued close management of implementation partner against published programme • Clear governance and oversight • Independent governance oversight role by SOCITM • Reports to formal steering group	18	

Programme Level Risks - workstream: Service Alignment — Date: August 2022

Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
228	Lack of a decision around contracts that are reaching the end of their life between now and April 2024	• Reduction in service levels	22	• Engage with finance and procurement sub workstreams to ensure that decisions are made that allow sufficient time to put contracts/arrangements in place and to mobilise.	14	Contract management and tracking tool has now been developed and has been deployed to the programme workstreams.
13	Unforeseen emergency or business continuity interruption or rising tide situation that requires staff to be directed from the day job into incident response.	• Inadequate resources in project delivery • Lack of management capacity • Reallocation of programme or existing council resources to support response and recovery	20	• 1. Create and maintain a Business Continuity Plan (BCP) for the LGR Programme (signed off by Programme Board) including: • Engagement with Workstreams to develop the BCP, • Engagement with Somerset Local Authorities Civil Contingencies Unit to ensure alignment with wider BCP arrangements across the programme and 5 councils, • Internal comms to ensure awareness and buy-in for BCP, • Desktop test of BCP. (Resource constraints have delayed completion of this piece of work however more staff have been approved for PMO)	15	
22	The risk that delivery of ICS implementation is not effectively joined-up with LGR implementation	• Failure to deliver programme to agreed time, cost and quality. • Failure to deliver expected benefits. • Missed transformation opportunities	14	• Understanding of interdependencies incorporated into LGR work plans and must haves • Adequate staff resource across both programmes with appropriate capabilities and capacity to address the work	14	

Programme Level Risks - workstream: People						Date: August 2022
Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
12	Loss of staff from County and District Councils deemed essential to the programme delivery	• Delays in the delivery of the Programme implementation plan • Additional cost of resourcing eg temporary labour • Knock-in impacts to BAU service delivery • Insufficient level of experience and expertise to deliver the new council operations	22	• Use of interim staff • Redeployment • Recruitment Protocol • Staff engagement to support development of culture (building on existing culture) throughout the lifetime of the programme • Mutual Aid process agreed • .Analysis of staff on fixed term contracts to 31/3/23 • Explore mutual aid • Appointment of Chief Executive for SCC and new Council agreed by Full Council end of July 2022 • Working on T2/T3 appointments	20	Residual risk is reduced as a result of the mitigating actions. However, it is unlikely to reduce further until such time that the senior structure has been confirmed and key activities such as TUPE transfer are commenced.
11	The risk that there are insufficient people resources to implement LGR programme and deliver the approved business case	• Programme not delivered to quality, time and cost • Non-cash and cash benefits not delivered • Delays in the delivery of the Business Case objectives or compromised quality Unmanageable workloads on staff	22	• Early definition of resource requirements (capability and capacity) as part of gateway • Validation of 1 with PwC as QA partner incorporating lesions learned from previous LGR programmes • Resource shortfalls to be raised to five CEOs to address • Interim labour arrangements to be defined as a fall back plan. • Dedicated LGR Programme Manager (in post from Jan '22) • PwC as quality assurance partner in place from Dec '21. • 17 February 2022 agreement to fund additional PMO, project specific and subject matter expertise to the programme. • Mutual aid process in place • Monthly scorecard resource identification	14	
25	The risk that BAU activity within the Councils is impacted by stretched staff resources balancing LGR and BAU work	• Reduced capacity to deliver non=LGR activity to required quality • Reputational harm to existing and new councils • Loss of staff owing to workload/disruption to services • Staff wellbeing	22	• Recruitment protocol • Staff engagement at local level • BAU process at local level to ensure any additional work is scrutinised before agreeing to continue • Monitoring key performance indicators for any drop off in service provision/performance • Mutual aid process in place • Monthly scorecard resource identification	14	

Programme Level Risks - workstream: People						Date: August 2022
Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
309	The risk that there is insufficient capacity to manage the people side of change	• Where programme outcomes and benefits results are dependent on collective, proficient adoption of new ways of working	20	• Change management approach, quality framework and tools established and in use • Supplementary offer to strengthen change capabilities started and will continue to evolve, e.g. targeted interventions and coaching, high risk, high need products in T1 • Validation of approach and priorities with PwC and our Unitary partners • Working closely with comms and People workstream • Plans in place to identify and collaborate with wider change assets across all organisations • Mobilisation of tactical change management resource to work alongside and support existing network of change management across all organisations • Engagement with programme and WS leads to unite thinking and drive profile of people side of change as core competence of programme • Evidence based approach to defining extent and impact of T1 products to define level of need and target resource where needed most • Application of data and insight from across WS to build programme change plan and EIA support • Embedding change management within current assurance practice and reporting • Nominated lead for People change	19	Whilst plans are in place, this requires constant monitoring to ensure that this is given sufficient priority as we approach vesting day.
103	Agreement not reached with Trade Unions on pay scales/terms and condition for new Council staff	• Employer and Trade Union cannot reach agreement	9	• Consideration of plan B if agreement cannot be reached, including utilising Somerset CC terms and conditions	8	New risk added following PSG/PB August 2022

Programme Level Risks - workstream: Customers, Communities and Partnerships Date: August 2022

Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
14	Loss of opportunity to align public and VCSE services to new operating model and outcomes as defined in the Business Case	• Reduced financial and non-financial benefits • Poor relationship between partners and new authority • Transformational opportunity lost, delayed or reduced • Negative impact on cross-cutting outcomes for communities • Reputational damage for new council	20	• Complete partner and stakeholder mapping exercise (CCP) • Targeted engagement with all strategic partners (CCP) • Effective ongoing communications with all stakeholders about LGR programme and its objectives (Comms) • Effective LCN's • Services thinking about the relationship with the public and VCSE in design and delivery (SA) • Ensure LGR Advisory Board remains inclusive, transparent and accessible (CCP) • Stakeholder management plan(s) for critical products and across workplans (CCP) • External communications on purpose and benefits of the LGR programme (Comms) • Senior officer engagement with VCSE and partners (CCP) • Use of customer panel to hear voice of the public and users (CCP)	19	Additional mitigating actions now include a joint funded post between the LGR Programme and Spark Somerset to assist in identifying the opportunities to align activities. Further proposals are being out together to recognise the importance of the VCSE and create a sub-workstream under SAI to develop the new Council's relationship with the VCSE
19	Design/products to create new unitary council will not have the community as the central focus in the design of the new operating model	• Organisational culture is not community focused • Insufficient partnership working • Poor outcomes for communities • Failure to deliver planned business case benefits	19	• Programme and workstream checkpoint review criteria • Ensure LGR Advisory Board remains effective, inclusive, transparent and accessible (PSG) • Embdoy community focus as a critical requirement of operating model development through workshops, research and engagement (CCP) • Ensure TOM development reflects emerging customer strategy and principles (CCP) • Engagement with all workstreams to secure agreement/recognition that communities focus goes beyond safe and legal (CCP) • Ensure interdependencies are identified and managed through iterative discussion and collaboration (CCP) • Specifically, engage with People workstream to support as ethos and culture of communities and customers first (CCP/People) • Involve customers and communities in the design of products and services (CCP) • Learn from customer experience and feedback	18	

Programme Level Risks - PMO						Date: August 2022
Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
23	The risk that non-delivery or late delivery of key LGR products that other workstreams are dependant on	• Missed opportunities • Siloed working • Failure to deliver key products • Delays in workstreams and ultimately the programme • Re-engineering of solutions/rework required	22	• Reliable critical path is available, with regular opportunities to monitor and course-correct when necessary • Regular opportunities for project managers to review with workstream an sub-workstream leads • Review of scorecards • Robust programme and project planning • Modelling interdependencies incorporated into work plans and must haves • Adequate resourcing of programme staff with appropriate capabilities and capacity to deliver workplan • Utilise lessons learned from other prrgammes • Dedicated LGR programme managers in post	19	Re-emphasise that Workstream Boards play a critical role in ensuring the timely delivery of their workstream plans and need to have the complete oversight of the plans and the delivery. To accommodate this, it is a programme requirement for the workstreams to have as a minimum two workstream board meetings each month. • As we get closer to the Vesting Day and the LGR programme activities heightens, it is paramount that the workstreams focus on delivery of Tranche 1 products and milestones. This allows us to: ○ Enable and support effective and efficient programme delivery ○ Assure readiness for Vesting Day ○ Assure Programme Board and Executive The programme takes the above steps to make more time available for workstreams to focus on delivery and utilise the programme information available to them. LGR programme architecture provides easy and transparent access to all products, milestones and dependencies. Workstream boards will have the oversight of the delivery, and any potential slippage can be flagged as an issue with the clarity. More informed decision can be taken as to whether these are to be managed within the workstream or need to be escalated up to the programme.

Programme Level Risks - PMO 2022 — Date: August

Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
21	The risk that the LGR programme negatively impacts service provision and improvement activities of Children's services and Adult Social care	• Performance of service for vulnerable adults negatively impacted • Poor external perception of quality of services • Potential Government intervention	19	• Strong communication within the programme • Adherence to project guidelines around Change Control, Benefits realisation and risk. • Horizon scanning • . Cross-cutting involvement of senior managers across workstreams in particular Service Alignment and Improvement • Quarterly reporting to Programme Board • PMO engagement and participation with Integrated Care System Governance • Modelling of interdependencies between programmes, reflected in respective plans • Active consideration within the emerging Target Operating Model • Consideration of a review of Governance of CSC and ASC • Ongoing comms with the service • Experience gained from other councils going through LGR taken into consideration in approach	13	
111	The risk of overspend on the £16.5 m LGR implementation budget	• Higher than anticipated LGR programme costs and redundancy payments • Reduction to reserves and longer payback on the Business Case	20	• The approved commitments are being challenged if the funding has not be fully committed to ensure the bid is still required, if it is not or can be reduced this will make more funds available for the programme. • Work is underway to revisit the redundancy figures	19	New risk added following PSG/PB agreement August 2022 Monthly review of the budget along with prioritisation and reviewing of any unspent funds.

Programme Level Risks - PMO — Date: August 2022

Ref	Risk description	Impact on the programme (effect)	Inherent score	Controls/Actions	Residual score	Comments
27	Uncontrolled change to the scope of the LGR programme	• Failure to deliver the new council to agreed time, cost and quality. • Failure to deliver agree financial and non-financial benefits. • Missed transformation opportunities for the new authority • Impact on capacity of teams to manage and deliver the programme: rework, wasted effort and reduction in shared understanding of programme priorities and required activity	19	• Programme Implementation Manual outlining decision-making tolerances and purpose of change control • Current Programme governance arrangements: PMO, Programme Steering Group and Programme Board to identify • Change control process in place • Strong communication within the programme within the programme promoting adherence to guidance around change control, benefits realisation and risk • Quality assurance of workstream reporting • Robust scrutiny of programme through LGR Implement Board and LGR Scrutiny	14	Programme Board have requested that all change requests are issued to them for awareness.
139	Inter-dependencies between workstreams not managed effectively	• Inability to deliver cross-cutting products successfully and therefore benefits not realised	19	• Programme tranches developed • A process/approach for management of dependencies to ensure impacts of change (time/cosy/quality) are easily understood at both workstream and programme level. • PMO providing assurance against delivery of programme capabilities • Dependency management tool in central list (sharepoint) • T1 products dependencies to be assessed are T1 sign off (Date: ongoing) • Management of dependencies and interdependencies are part of monthly assurance meetings between PMO and workstream (Date: ongoing)	13	

LGR Joint Scrutiny - 19th August 2022

Following from Joint Scrutiny on the 19th August there were a number of comments made and potential risks identified. These have been captured and set out below and in the following slide:

Comments:

Comments made by committee	Response from Programme Director and Programme Manager
Staffing: Loss of staff, insufficient people resources, services/areas where there are resource pressures, training	- Staff engagement - LGR newsletter, FAQ's, staff surveys - Agreement around mutual aid - Scorecard monthly update of resources and where pressures are - Implementation budget for additional resource if deemed necessary - Development of T1 products that will ensure smooth staff transition - People change identified and work under way to ensure staff readiness for change
Finance: Impact of inflation, rising costs, the level of the residual score	- Inflation, increased costs all part of the ongoing development of the budget for the new Council - Risk 1- Budget Gap - Residual score hasn't reduced - whilst the mitigation is considered to be appropriate the residual score should not be reduced at this stage until the effectiveness of the actions can be quantified.

LGR Joint Scrutiny Committee – 19th August 2022

Areas for potential risk:

Comments made by committee	Response from Risk Manager
Impact of inflation	Considered to be part of Risk 10 – Budget gap
BAU impacts on LGR	Risk 25 –The risk that BAU activity within the Councils is impacted by stretched staff resources balancing LGR and BAU work – covers this risk. Further each Council within their own risk registers recognises the pressure of BAU and LGR work on staff and each work to mitigation this as much as can be done
Staff - culture and ways of working	People workstream risk - Building relationships, new team set up and cohesive workforce – being mitigated through People sub-workstream wellbeing and ways of working.
Impact on residents – want day one to be a positive experience	Risk 19 recognises the need for the community as a central of the operating model, further work is needed to consider whether a further risk is needed and how we can mitigate this across the programme
Engagement with Town and Parish Councils	Currently investigating to see whether this is a risk to the programme or linked to the Bridgwater Pilot in particular

LGR Joint Scrutiny Committee – 19th August 2022

The committee asked to review, in depth, three risks:

Ref	Risk Description	
10	There is a risk of a significant budget gap for new Somerset Council in 2023/24 when districts and County budgets combine, significantly impacting the financial stability of the new Council	Member of the Finance workstream will give an overview of the mitigation being undertaken
11	The risk that there are insufficient people resources to implement LGR programme and deliver the approved business case	Member of the People workstream will give an overview of the mitigation being undertaken
12	Loss of staff from County and District Councils deemed essential to the programme delivery	

Together we are delivering your

New Somerset Council

Local Community Networks: consultation update and review

Jan Stafford, Kate Hellard, Frances Gully

MENDIP DISTRICT COUNCIL
Sedgemoor Creating Opportunity
SOMERSET County Council
Somerset West and Taunton
South Somerset District Council

Local Community Networks (LCN) Consultation

September 2022

Authors:
Kate Hellard / LCN Development Team

Purpose of the report and key points for discussion:

- To provide an update on consultation process, engagement and feedback to date
- To seek responses from members of the LGR Joint Scrutiny Board to the consultation
- To provide a summary of the next steps and timescales following the consultation exercise.

The Consultation – Launch and Support

- Launched on 5 September 2022, runs to 17 October 2022
- Accessed via www.newsomersetcouncil.org.uk
- Supported by dedicated comms and engagement activities including:
  - detailed and regularly updated FAQs
  - briefing packs
  - Dedicated inbox LCN@somerset.gov.uk for queries
  - drop in sessions for Members, Town, City and Parish Councils and stakeholders
  - Working with SPARK to engage VCSE
  - social media posts

The Consultation - current picture

- 108 responses as at 20 September 2022 (two weeks since launch)
- Responses from a range of individuals, partners and stakeholder groups
- Significant amount of narrative feedback
- Initial system ‘glitches’ identified early on and addressed
- Fast turnaround of responses to queries, including provision of further information and updating of FAQs
- PDF version of survey added to website as a reference to aid completion

The Consultation - Scope

- Three key aspects to the consultation:
  - Function – what roles and responsibilities the LCNs can have in the first and subsequent years of Somerset Council.
  - Form – development of options for the LCN boundaries, using geographies, populations and existing democratic boundaries, Local Plans and community infrastructure.
  - Participation – are there barriers that we need to be aware of and address
  - Name – whether 'Local Community Network' is the right name

- The following slides mirror the questions in the survey and we invite this Board's responses to each

The aims for LCNs

Respondents are asked to indicate the importance of the following:

- Ensure the countywide unitary council remains responsive to local needs
- Improve outcomes for residents
- Provide a mechanism for local action
- Promote active community decision making

Possible Responsibilities of LCNs

Respondents are asked to consider how important the following are, using a five point scale from very to not at all important:

- A forum for local discussion, listening, action, consultation and oversight. A community forum, a community voice.
- Bring together the Council, partners and communities to work together to achieve local ambitions and improve outcomes
- Be local data and community evidence driven - addressing local issues and priorities
- Act as Executive committees, core to how we recognise and respond to a variety of needs
- Promote active community decision making, provide a focus for local engagement and a way to engage more young people
- A forum for digital leadership (e.g. Parish Online)
- Support and align with Planning and Licensing (to be explored further)
- Support Asset of Community Value panels
- Access to and administer community grants (including climate change grants)
- Local initiatives to support prevention activities
- Promote and prioritise minor works locally

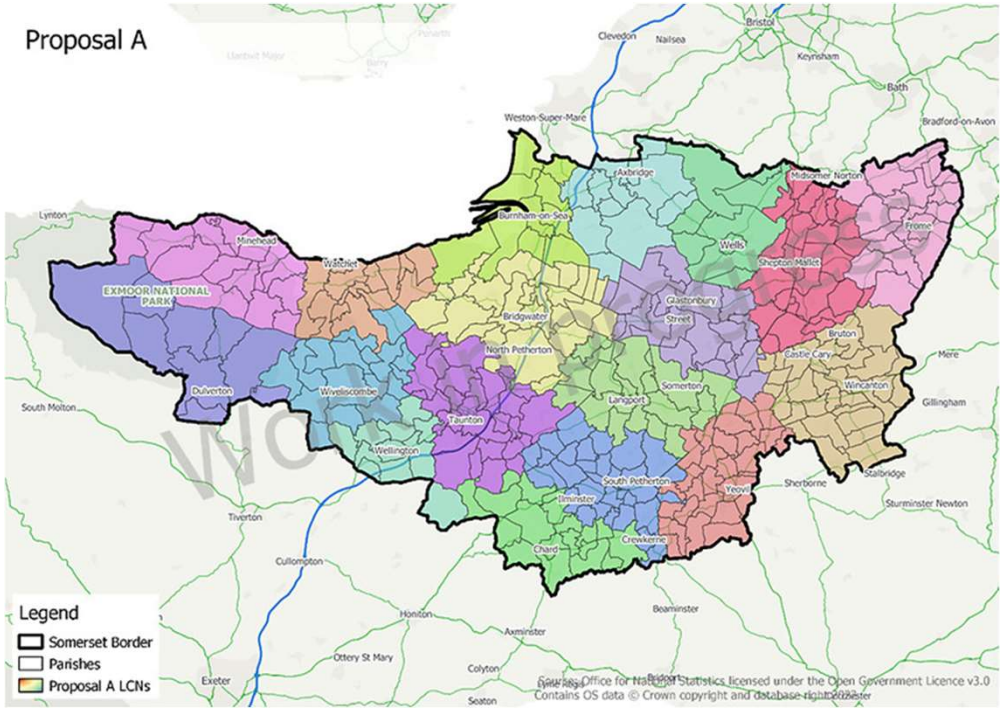
Boundary Proposals

There are 3 boundary proposals. Respondents are asked to comment on each one. Proposals developed using the following criteria:

- **Population** – we looked at how balanced the population numbers were in each LCN, how important or not is it that they have similar numbers of residents in each area
- **Geographies** – how similar in size of area they were, and their distribution/spread across Somerset
- **Electoral Divisions** – the number of Unitary Electoral divisions, and how they split within, and across, LCN boundaries
- **Deprivation** – using indices of multiple deprivation, we looked at how the most and least deprived areas were distributed
- **Community Facilities, eg. Libraries** – we looked at where these were situated
- **Health** – we compared the 'fit' of Primary Care Network (PCN) boundaries to LCN boundaries
- **Secondary School Catchment Areas** – we checked how these were split in relation to LCNs, recognising schools are often at the heart of communities
- **Travel to Work Area** – we looked at their alignment to LCN areas
- **Current Local Plan Geographies** – we looked at their alignment to LCN areas

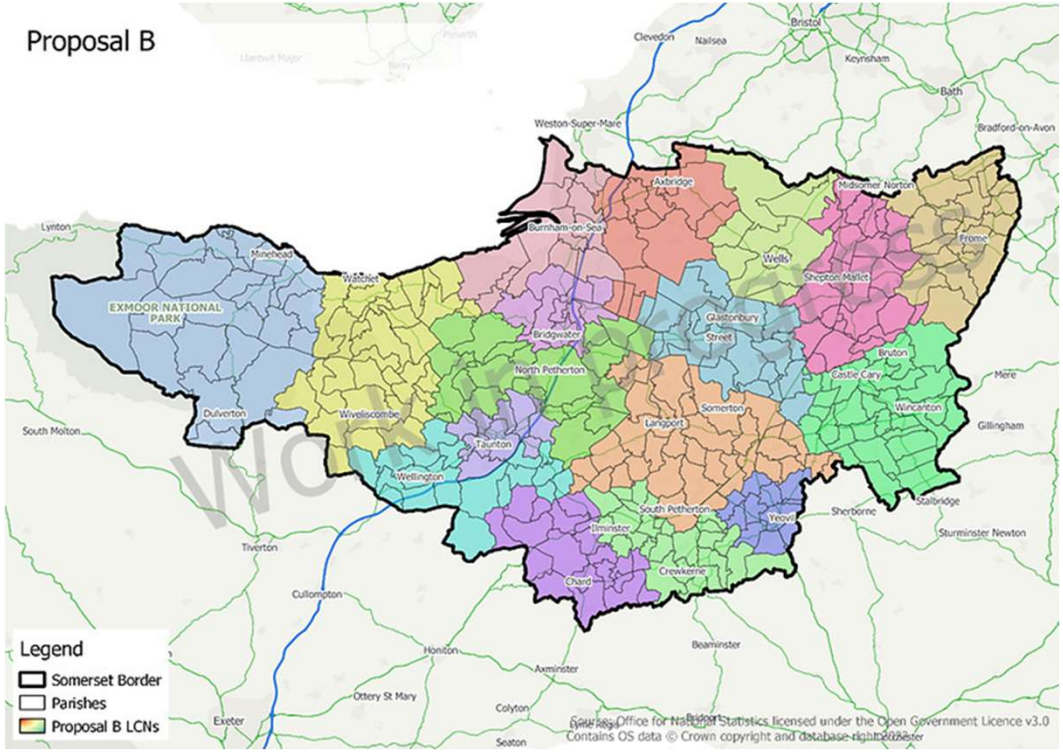
Proposal A

- In this proposal, there would be 18 LCNs all a similar size in terms of area giving an even coverage across the county
- The population is not spread evenly across the county, and this results in a wide population size spread across the LCNs
- Many electoral divisions sit within one LCN with 15 sitting across 2 LCNs, 6 across 3, and 2 across 4 LCNs
- Most deprived areas sit within major population centres, and these remain similar across all proposals
- All LCNs contain at least one library with several containing 2 or more
- The majority of LCNs overlap between 2 and 4 PCNs
- The majority of LCNs overlap between 3 -5 secondary school catchment areas. 4 LCNs overlap 7 or 8 catchments areas
- Matches some existing Local Plan geographies



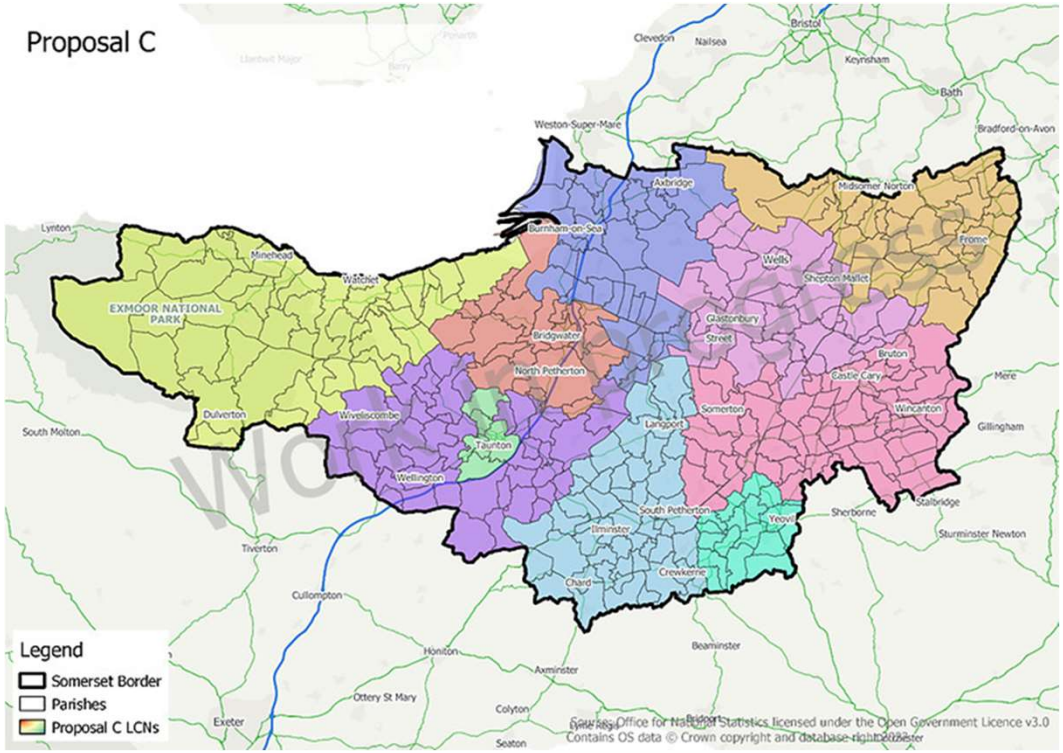
Proposal B

- In this proposal, there would be 17 LCN areas
- This proposal balances the population across LCNs
- The area between Taunton and Bridgwater lacks a natural community identity
- Many electoral divisions sit within one LCN with 16 sitting across 2 LCNs, 5 across 3, and 3 across 4 LCNs
- Most deprived areas sit within major population centres, and these remain similar across all proposals
- All LCNs contain at least one library with several containing 2 or more
- The majority of LCNs overlap between 2 and 4 PCNs
- Many LCNs overlap between 3-5 secondary school catchment areas
- Matches some existing Local Plan geographies



Proposal C

- In this proposal, there would be 10 LCNs
- Generally, a good fit maintained with parish boundaries
- Population is well balanced across 9 of the 10 LCNs, where population ranges from 50,000 to 65,000. However, area to the west of Somerset is significantly lower at 35,005
- The LCN around the largest towns of Yeovil and Taunton is smaller in terms of area
- Large single area to the west of Somerset
- Note ‘horseshoe’ area wrapping the south of Taunton
- Strong fit with electoral divisions
- Most deprived areas sit within major population centres, and these remain similar across all proposals
- All LCNs contain at least one library with several containing 2 or more, due to the larger geographical size in this proposal, 4 LCNs contain 4+ libraries each
- Many of the LCNs overlap between 2 and 4 PCNs
- Many LCNs overlap between 3-6 secondary school catchment areas, no LCNs in this proposal match a single catchment area
- A close match with existing Local Plan Geographies, meaning that in the short to medium term LCNs would each work only with one Local Plan



Participation in LCNs

The survey narrative explains that LCNs are expected to meet 6 to 8 times a year in their local areas. Each LCN will be delegated authority to agree their own schedule of dates, within the context of the calendar for other public meetings.

Respondents are asked if they can you foresee any barriers to participation in LCNs.

What shall we call LCNs

Local Community Networks (LCNs) has been a working name. What do you think they should be called?

Respondents are asked to indicate their preference or provide an alternative.

- Local Community Networks
- Community Partnerships
- Community Boards
- Other

Personal information

To ensure we have gathered the views of interested parties across the whole of Somerset we are gathering some basic information.

We will not be using this information to identify individuals.

Timeframe / Next steps

- The consultation is open until the 17th October
- The City, Town and Parish conference will take place on the 4th October
- Further member, stakeholder and parish briefings online throughout the consultation
- Drop-in sessions around the county, placed in each of the District Offices.
- When the consultation closes the feedback will be collated and included in a report to the Executive Board on the 16th November
- The report will also include initial evaluation of the LCN Pilots, evaluation of similar models in other unitary authorities and what they have learnt, and recommendations regarding boundaries and broad infrastructure for the establishment of LCNs in Somerset.