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New Somerset Council

October 2022

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This is the ninth monthly report which is intended to:

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

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

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October Review: Summary

- The programme still 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. This is essential to retaining some focus on future transformation beyond Vesting Day.

- The Change Readiness workstream is a critical component of understanding what Vesting Day - and the immediate days and weeks beyond that - will look and feel like and provide the context for any contingency plans that will be required.

- There is a continuing need to be mindful of the risk of insufficient capacity and the impact this will have on the programme, particularly in terms of key deliverables expected for Day 1. The focus is now on delivery and problem-solving - especially in relation to vesting day - but there needs to be sufficient capacity and capabilities in place to be able to also focus on the longer-term financial demands and transformation in years 1-3.

- Communications capacity needs to be considered as Vesting Day is now four and a half months away and the impact on workforce - and the wider attention in the public domain - becomes more acute.

LGR Programme - governance considerations

Changes to the governance arrangements have been made and the workstream leads are now focussing the time they have together through working sessions on key issues and the programme steering group has been disbanded.

The devolved model of delivery still contributes to a somewhat inconsistent understanding of what impact the change of milestones might mean elsewhere - and therefore the impact on what will be ready to go live on vesting day and what will be required to be delivered through longer-term transformation.

This is evidenced in the nature of some of the discussions taking place at Programme Board e.g. the impact of the delay of some products and milestones and the potential to compound the pressure on capacity in November and December.

A range of products have been identified in previous monthly reports that warrant more central ownership and / or oversight of product delivery - some of which have begun to be addressed. These include:
- Change management including communications and the interaction with the People workstream
- Target Operating model
- MTFP and benefits identification and tracking
- Service standards
- Technology-related products

- There is greater clarity now about the leadership and delivery of tranche 1 products and anything else that is required by vesting day. This is being led through the change readiness workstream. 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. Continuing to consolidate aspects of the programme into a change management approach will be required as vesting day gets closer.

- The governance of key issues that cut across the existing councils, the continuing authority and LGR programme responsibilities has become a particularly pertinent issues in recent weeks.Whilst steps were rapidly taken to address these issues,, the somewhat reactive nature of that action meant that the timeframes were very challenging and the risk level much higher.

- 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 work in combination to guide the design and function of services and products across the programme.

LGR Programme - leadership considerations

Overview of insights

- Leadership steer on and ownership of key issues: There are some issues which are simply a matter for the CEXs and these should be owned at a board level. There is a question as to whether the 8 week forward plan provides a sufficient level of insight in terms of the scale and sensitivity of the issues in order to ensure they are considered in an appropriate way.

- The Change Readiness workstream is due to report to the Programme Board mid-November which will provide a more detailed level of insight into the preparations for 1 April 2023.

- The role of Implementation Board needs to mature and consider which issues should the Board be considering/having input into, mindful that decision making is held at an Executive level.

Proposed next steps/issues to consider

- A number of time sensitive issues have been discussed at the Programme Board in recent weeks. One consideration needs to be as to whether the terms of reference for that group need to be re-visited given the emerging tensions - and different responsibilities - of the respective existing local authorities and the continuing authority.

- Consideration needs to be given as to whether there is enough space for the 'so what' conversations to take place around Vesting day and risk in particular and where accountability lies.

- A close review of the initial outputs from the Change Readiness workstream will be required to ensure that there is clarity about the critical path from identification of product to execution and that there are sufficient capabilities and capacity in place to deliver. This will also drive the ongoing Programme Board forward plan.

- Support to Members - consideration needs to be given to whether Members have the right level of support in the context of this significant level of change.

LGR Programme - tranche 1/vesting day delivery

Overview of insights

The Change Readiness update to Programme Board which is due mid-November will be an important point in understanding what vesting day (and the following weeks and months) will look and feel like.

Previous reports have 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 (as well as what will need to happen if planned activities and products are not delivered in time),
  (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.

- Overall the LGR Programme scorecard is RAG rated as Amber with the Finance, Asset Optimisation and Service Alignment workstreams highlighting the most risks.

- Whilst there is an 8 week forward plan in place, further consideration needs to be given to the issues that are raised at Programme Board so they are dealt with in a timely and appropriate way.

- 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 Change Readiness workstream will need to address this and sufficient space needs to be given at Programme Board and in briefing Members.

- 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. This should link with the activity of the Change Readiness workstream.

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. Given the focus now on Vesting Day and immediate issues, there needs to be a continuing focus on transformation. This is becoming critical given the growing MTFP gap and associated need for robust and associated transformation.

- 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 is now critical:

  (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 leadership approval to proceed urgently with development of the TOM to act as the link between the manifesto, Council Plan, MTFP, LGR Plan and any future Transformation Plans and to give the new council the best chance of being sustainable in the years ahead..

- 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.

- 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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