

Shadow Dorset Council

Executive Committee

**Minutes of meeting held at South Walks House, Dorchester on
Tuesday 21 AUGUST 2018.**

Present: Cllrs Rebecca Knox (Chairman), G Suttle (Vice-Chair), A Alford, P Batstone, S Butler, J Cant, G Carr-Jones, T Ferrari, S Flower, M Hall, J Haynes, S Jespersen, Andrew Parry, M Penfold, B Quinn, S Tong, D Turner and P Wharf.

Officers present (for all or part of the meeting): Matt Prosser (Interim Head of Paid Service), Keith Cheesman (LGR Programme Director), Rebecca Kirk (General Manager, Public Health and Housing - Purbeck District Council), Jason Vaughan (Interim Section 151 Officer), Jonathan Mair (Interim Monitoring Officer), Matti Raudsepp (Strategic Director - Christchurch and East Dorset Councils), Debbie Ward (Chief Executive - Dorset County Council) and Lee Gallagher (Democratic Services Manager - Dorset County Council).

25. **Apologies**

Apologies for absence were received from Cllr Colin Huckle, Steve Mackenzie (Chief Executive – Purbeck District Council), David McIntosh (Chief Executive – Christchurch and East Dorset Councils), and Cllr David Walsh. Rebecca Kirk (General Manager, Public Health and Housing – Purbeck District Council) attended for Steve Mackenzie, and Matti Raudsepp (Strategic Director – Christchurch and East Dorset Councils) attended for David McIntosh.

26. **Declaration of Interest**

There were no declarations by members of disclosable pecuniary interests under the Shadow Dorset Council's Code of Conduct.

27. **Minutes**

The minutes of the previous meeting held on 20 July 2018 were confirmed and signed.

28. **Public Participation**

There were no public questions or statements received at the meeting in accordance with Standing Order 28.

29. **Shadow Executive Committee Forward Plan**

The Committee received the latest draft Forward Plan, which included all decisions to be taken throughout the Shadow Dorset Council period until 1 April 2019.

It was agreed that a standing item would be added to the Forward Plan which specifically related to Risk Management. Although this would be covered in the highlight report it was felt that this area was of such importance in relation to convergence of the councils and ensuring service continuity that a distinct item was needed for all meetings.

A question was asked regarding the deferral of the Home to School transport item, to which the appropriate County Council Cabinet Members would investigate and share the reason with members outside of the meeting.

Decision

That the Forward Plan be updated as summarised above.

30. **Programme Highlight Report - August 2018**

The Committee considered a report by the Programme Director which provided a summary of the Local Government Reorganisation Programme including workstream activity since the last meeting on 20 July 2018, changes to reporting format for future updates, and an overview of the milestone plan. A member briefing was also held on 20 August 2018 which update members on progress of the programme.

An overview of the programme was provided by the Interim Head of Paid Service and the Programme Director which highlighted that ongoing governance assurance was being received from the South West Audit Partnership (SWAP) on a monthly basis; the introduction of a new three stage gateway approach to provide increased assurance; the introduction of Theme Boards; new change control arrangements to deal with convergence from 1 April 2019; the introduction of a Wider Programme Board and use of sponsors; resources were still a challenge and additional capacity was being sought from internal staff and external agencies; and work would take place over the coming weeks to develop the principles to guide the creation of new council.

A summary of the milestone report was provided which included the progress of the top milestones throughout programme. A suggestion was made to make the milestone language clearer and easier to understand for the public. A further change was requested to the Programme Structure diagram to include lines of reporting to illustrate decision making authority and lines to indicate the relationship between programme phases and workstreams. The changes were noted by officers, and it was indicated that a flow chart would be developed to aid understanding of the structure.

Members discussed the SWAP governance audit report and follow-up report, noting that progress had been made in relation to all areas identified and 'red' actions were being addressed as a priority, specifically relating to the relationship between the LGR Programme Team and the Dorset County Council LGR Programme Team, and the challenge posed by needing a single PAYE system and HMRC reference number. The new gateway review process would also ensure that actions were completed and escalated as a priority at the appropriate point. In addition, a request was made for audit reports to be made available as early as possible for members for the Committee, as well as updates, as it would often take some time to be reported formally.

In relation to the Workstream Status Update form, it was suggested that the 'key achievements for the next week' should refer to targets instead of achievements. The change was noted by officers.

As the Lead Member for Governance, Cllr Spencer Flower updated the Committee on the ongoing work of the Governance Task and Finish Group.

Decisions

1. That the progress made as described in the programme Director's report be noted.
2. That the Internal Audit report (26 July) and Follow-up report (10 August) be noted.
3. That the reporting formats set out in section 4 of the Programme Director's report for future reporting be agreed.

31. **Financial Strategy**

The Committee considered a report by the Lead Member for Finance on the Financial Strategy to develop the 2019/20 budget proposals. It was explained that it was not possible to provide a comprehensive Medium Term Financial Plan yet as this work was being completed by the Budget Task and Finish Group to establish the baseline financial position, and more information was needed regarding the Government settlement. However, it was noted that there was a positive direction anticipated in relation to negative Revenue Support Grant which would hopefully see an increase of £11m per year in the Council's platform of funding. Work also continued to develop the revenue, capital and borrowing position for Dorset Council and a draft budget would be considered by the Committee following the Budget Task and Finish Group on 14 September 2018, but this would continue to be subject to changes at this early stage.

Members discussed the original case for change which had identified the cost of transformation to be between £18m-27m and a number of questions were asked about how achievable or affordable this would be within the budget. It was clarified that transformation costs were not yet part of the budget and that transformation plans for the new Council would be considered beyond convergence of the existing councils on 1 April 2018. Transformation costs could be funded through a range of ways including use of reserves, borrowing or freeing up capital funding through the disposal of assets. It was also highlighted that the scale and aspiration of transformation would need to be taken account of together with associated cost reductions and stranded costs that would still have a cost to the organisation after 1 April 2018. A series of reports would be considered by the committee in due course on transformation.

Decisions

1. That the Financial Strategy, as a basis of balancing the 2019/20 budget, be approved.
2. That the proposals in the Finance Settlement Technical consultation for removal of negative Revenue Support Grant for 2019/20 be supported, and delegates authority to the Interim Section 151 Officer to respond to the consultation.
3. That the approach to member engagement on the budget, as set out in the Lead Member's report, be approved.

Reason for Decisions

To enable the development of budget proposals that would balance the 2019/20 budget.

32. **Appointment of Internal Auditors**

The Committee considered a report by the Lead Member for Finance regarding the appointment of the South West Audit Partnership (SWAP) Ltd as the Internal Auditors for Dorset Council from 1 April 2019.

Members discussed the ongoing financial and staff commitment associated with the appointment of internal auditors, noting that economies of scale would be necessary to drive down costs as the number of councils reduced. It was noted that there were plans to make significant savings from 2019/20 and that the cost can be reduced by September each year for the forthcoming agreed audit activity. Further to the discussion Cllr Jeff Cant suggested that recommendation 1 be amended to include 'subject to a review of cost during 2019/2020'. On being put to the vote the amended recommendation was agreed.

Decisions

1. That, subject to a review of cost during 2019/2020, SWAP Ltd be appointed as the internal auditors for Dorset Council from 1 April 2019.
2. That the Interim Section 151 Officer be granted delegated authority to appoint an appropriate representative to be on the SWAP Board of Directors.
3. That the councillor representative for SWAP be appointed following the 2 May 2019 elections.

Reason for Decisions

To ensure compliance with the legal requirement to have an internal audit service and to enable the development of an internal plan for 2019/20.

33. Local Government Boundary Commission for England - Dorset Council Review

The Committee considered a report on the Boundary Review of the new Dorset Council following extensive work of the Boundary Review Task and Finish Group. Cllr Spencer Flower, as the Lead Member for Governance and the Chairman of the Task and Finish Group, provided an overview of the proposals in the Boundary Commission consultation, which had incorporated 95% of the submission from the Dorset Area Joint Committee meeting on 15 May 2018. Members congratulated Cllr Flower and the Task and Finish Group for the meticulous review work undertaken.

Decisions

1. That the recommendations of the Local Government Boundary Commission for the electoral arrangements for Dorset Council from 2 May 2019, subject to the inclusion of Appendix 3 in the response, be supported.
2. That the minute above be used to provide feedback to be considered by as part of the review.
3. That the arrangements for individual representations to the consultation be noted.

Reason for Decisions

To actively contribute to the Local Government Boundary Commission for England review of electoral arrangements for the new Dorset Council from 2 May 2019.

34. Implementation Plan for Dorset Council

The Committee considered a report by the Programme Director on the Implementation Plan for Dorset Council, which included the scope, objectives, planning process, governance, leadership, organisation, risks and resources of Local Government Reorganisation. The report built upon the Implementation Plan agreed by the Shadow Dorset Council at its first meeting held on 7 June 2018.

Members discussed the review of Task and Finish Groups, which was currently being undertaken by the Interim Head of Paid Service, to remodel each into ongoing working groups with mergers of some responsibilities and closure of others. It was agreed that delegated authority should be given to the Leader and Deputy Leader to approve the review and for it to be shared and executed as soon as possible. It was noted that members of former groups where workloads had been merged would have the opportunity

to contribute to the work of the new group undertaking that role, such as the Governance Task and Finish Group considering Area Based Decision Making arrangements. Officers were asked to identify single officer points of contact for workstream activity at the earliest opportunity. All members of Task and Finish Groups that had met and closed, or had been subsumed as part of the review, were thanked for their work and input to date.

A suggestion was made that the date for the second gateway review in February 2019 was very late and that this should be brought forward to at least mid-late January 2019 to enable more time to resolve any significant issues raised as part of the review. The suggestion was noted by officers and it was also clarified that assistance in the gateway reviews would be provided by South West Audit Partnership and also through a transformation consultancy.

Decisions

1. That the Plan be adopted and further iterations and updates on progress against the plan will be brought forward and overseen through the Shadow Executive Committee arrangements with updates to the November 2018, January and March 2019 meetings.
2. That the scope statements contained within this document which clarify the current specifics of delivery for vesting day be agreed.
3. That the reporting formats set out in section 15 of the Programme Director's report be agreed.
4. That the Leader and Deputy Leader be granted delegated authority to agree the Review of Task and Finish Groups report by the Interim Head of Paid Service, to be shared with members and executed as soon as possible.

35. **Building a Council for the 21st Century - Design Principles for the New Dorset Council Operating Model**

The Committee considered a report by the Interim Head of Paid Service on the principles for designing a council for the 21st century, which would include its role, the services it would provide, and the culture, structures, skills and ways of working required to deliver the new council. This built upon earlier sessions with the Institute of Local Government Studies (Inlogov). The development of the vision and operating model would be undertaken in early September 2018 and a date would be circulated to members very soon.

Decision

That the Design Principles be agreed.

Reason for Decision

These principles would support the next stages of designing the transformational work for the new council.

36. **Communications and Engagement Plan to support phase 2 of the Shaping Dorset Council programme**

The Committee considered a report by the Programme Director on the Shaping Dorset Council Communications Plan for Phase 2 (Delivery of services on 1 April 2019), which was developed from the former Communications and Engagement Plan approved in

September 2017. A separate Plan would be developed in due course for Phase 3 (Designing and building the new Dorset Council).

A detailed overview of the communications and engagement approach covered communication activity for the Shaping Dorset Programme, and also delivery of day 1 communications for the new council. The arrangements would continue to change throughout the life of the programme and further iterations of the plan would be developed. At present there was a clear focus on support for members and employees, to help all understand the phases and timeline of the Programme. The next stage would see a brand new website developed to facilitate communications and engagement with residents and external partners such as town and parish councils for Phase 3.

A question was asked about the Phase 3 communication plans for the business community. It was explained that this area was under development and there was more to be done before detailed plans and dates were in place. There had been an update provided to businesses that had taken part in the original consultation process facilitated by the Dorset Chamber of Commerce and Industry and through the Public Service Forum, but this was all at a strategic level and further engagement would be developed in due course. Financial plans would also be subject to consultation with the business sector in due course.

In relation to the revised media protocol, a request was made for the appropriate Lead Member to be quoted in press releases and other media channels.

Cllr Sherry Jespersen, as the Lead Member for Communities, commended the report and the communications approach, including the quality of the members' newsletters, to the Committee and indicated that the Communications and Engagement Task and Finish Group would consider points made throughout the discussion. It was also suggested that visual presentation – a dashboard – of what was happening would be a very good way to demonstrate at committee meetings what was happening and to show the impact of the communications.

Decision

That the Plan, and that further iterations will be overseen through the Shadow Executive Committee at intervals to be agreed, be noted.

37. Shaping Dorset Council Programme - Operational Structures from Day 1 - Tier 2

Cllr Peter Wharf, as the Lead Member for HR and Workforce, explained that the report needed to be withdrawn from the agenda as further work was required which may result in changes to the proposal, and that a report would be resubmitted to the Shadow Executive Committee at the earliest opportunity.

Decision

That the report be withdrawn from the agenda and submitted to a future meeting of the Shadow Executive Committee.

38. Sub-National Transport Body for the South West

The Committee considered a report by the Dorset County Council Cabinet Members for Natural and Built Environment, and Economy, Education, Learning and Skills in relation to the formation and membership of a Sub-national Transport Body (STB) by entering an informal partnership with other authorities as agencies responsible for infrastructure investment as a body to influence strategic transport investment. There were two Sub-

national Transport Bodies that Dorset Council could join which had the same broad remit and focus, the Western Gateway STB and the South West Peninsula STB.

Members expressed a range of views regarding membership of each STBs, and whilst recognising that it was imperative to become a member of one of them, and be an associate member of the other, there was a divergence of opinion regarding which one to join. Strong views were expressed regarding the rural linkages and advantages to the South West Peninsula, whilst there was an important need to focus on the north/south M4 corridor which was part of the Western Gateway priorities. Those in favour of either STB felt that their preference would be the best model to influence Government and attract investment. It was noted that the issue had been discussed in detail at a recent Leaders and Chief Executive's meeting where there had been a preference expressed towards the Western Gateway STB. The Committee was encouraged by the Lead Member for Communities to view the opportunity positively as the Dorset Council would be an influential partner in either STB and would continue to have constructive relationships across the whole region.

At the end of the discussion Cllr Gary Suttle proposed that Dorset Council join the Western Gateway STB and become an associate member of the South West Peninsula. The proposal was seconded by Cllr Spencer Flower. On being put to the vote the proposal was agreed.

Decision

That Dorset Council agree to:

1. Join an informal partnership forming the shadow sub-national transport body for the Western Gateway, subject to Government agreeing with that proposal, and subject to formal agreement of a final terms of reference in due course and cost of membership.
2. Become an associate member of the shadow subnational transport body for the South West Peninsula, which will also operate initially as an informal partnership, subject to agreeing appropriate terms of reference in due course and cost of membership.
3. The draft terms of reference attached as Appendix 3 or 4 (respective of the decision at 1 above) as an appropriate basis upon which to create the partnership.
4. Appoint the Lead Members for Economic Growth, Education & Skills and for Natural & Built Environment to represent the Council on the sub-national transport bodies.
5. Delegate authority to the County Council's Corporate Director, Environment & Economy following consultation with the Lead Members for Natural & Built Environment and for Economic Growth, Education & Skills to agree the final terms of reference, a constitution, an inter-authority operational agreement and the prospectus for communication purposes for the STB.
6. Approve an initial partnership funding contribution of up to £60,000 to facilitate the development and operation of the partnership, and lever in match-funding from the Government; with the actual value of the contribution to be agreed between the parties following further development of technical workstreams.

Reasons for Decisions

1. The creation of a Sub-national Transport Body would give local authorities the direct influence over decisions that were currently within the control of Government and its

agencies. Individual authorities would formally join a partnership with other authorities to formulate, and potentially deliver, a transport and investment strategy for the wider area.

2. The South West remained the only part of England not covered by a STB, and Government highlighted that it expected such a body to be put in place to enable discussion and agreement on strategic transport infrastructure investment priorities.

3. The South West Region risked losing out on essential infrastructure investment without such a body in place.

4. There was a consensus amongst South West authorities that forming two bodies, initially as informal partnerships; would be the most effective way to swiftly put in place a clear mechanism for Government to engage formally on strategic transport investment matters, including use of a new roads fund to improve the major road network.

39. **Creation of Capital Property Purchase Fund**

The Committee considered a report by the Leader of Purbeck District Council on the formation of a capital property purchase fund for the purchase of houses to help meet the housing needs of the community, noting that the beneficiaries for the Dorset Council would be the residents of Dorset and not only the residents of Purbeck as part of its Housing Strategy.

The consideration of Dorset County Council properties to help achieve the aims of the fund was raised as exploration of sites could open opportunities to convert buildings for future housing use. It was noted that this could be explored as part of the housing approach and the fund could be used for this.

Members discussed the financial considerations needed when making decisions at sovereign councils as the budget of Dorset Council would be modelled differently to councils and could therefore have different interest implications if funded through borrowing. It was agreed that the concurrent view of Section 151 Officers should be incorporated into this type of report in future to give a steer on the financial impact and viability of the proposal in the wider Dorset Council financial strategy. The Interim Section 151 Officer confirmed that the proposal was acceptable.

Decision

That the recommendations detailed within the report, to be decided upon by Purbeck District Council, be supported.

40. **Transfer of Toilets and Reserved Car Park Area to Corfe Castle Parish Council**

The Committee considered a report by the Leader of Purbeck District Council on the transfer of the toilets at West Street, Corfe Castle along with 22 car parking spaces in the reserved parking area at West Street to Corfe Castle Parish Council, which was in line with transfer of assets principles. The transfer of the cost of running the toilets, by transferring the parking spaces would remove the liability upon Dorset Council in the future and would avoid an escalating maintenance cost.

Members discussed the application of asset transfer of this nature, to ensure that assets with the potential for income generation were not disposed of without due consideration. It was confirmed that the asset transfer principles had been applied and it was suggested that an overage clause be included in the final contract. The importance of a consistency of approach across all councils when considering similar requests was highlighted.

Decision

That the recommendation detailed within the report, to be decided upon by Purbeck District Council, be supported.

41. **Decision Making Activity of Dorset Councils**

The Committee received notification of the decision activity of Dorset councils. There were no matters raised in respect of decision making of Dorset Council.

Noted

42. **Urgent Items**

There were no items of urgent business pursuant to section 100B (4) b) of the Local Government Act 1972 considered at the meeting.

Duration of meeting: 2.30 - 5.00 pm

Chairman

.....