

Shadow Dorset Council

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| Date of Meeting | 15 October 2018 |
| Officer | Keith Cheesman, Programme Director |
| Subject of Report | Programme Highlight Report |
| Executive Summary | This report provides an update on progress since the last meeting on 17 September 2018, including a request for a change control on convergence, and an update on the internal audit of the Programme Governance. |
| Impact Assessment: | <p>Equalities Impact Assessment: None in relation to the highlight report.</p> <p>If the change control is agreed, an EQIA will be developed as part of the detailed planning for the work.</p> |
| | <p>Use of Evidence:</p> <p>This report has been written in consultation with Project Managers, Subject Matter Experts, other members of the Programme Team, and information from the South West Audit Partnership's Internal Audit of Programme Governance</p> |
| | <p>Budget:</p> <p>Subject to recommendation 2 below, convergence will become a new component of the Programme. The resources required will be identified once the baselining has been done and the scale of the work becomes clear.</p> |
| | <p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the LGR approved risk management methodology, the level of risk has been identified as: Current Risk: Amber</p> |

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| | <p>Other Implications:</p> <p>There will be a significant impact on resources to deliver the convergence work both in terms of support functions (HR, Finance, Project Management) and managers in delivering restructuring change whilst enabling service continuity for day 1 of the new council.</p> |
| Recommendations | <p>That the Shadow Executive Committee:</p> <ol style="list-style-type: none"> 1. Notes the progress made as described below 2. Agrees the Change Control Request on convergence 3. Delegates responsibility to the Head of Paid Service, in consultation with the Convergence and Transformation Member Working Group, to agree the structure proposals for consultation purposes 4. Notes the SWAP Programme Governance Follow Up Report, and the Programme response |
| Reason for Recommendation | To provide assurance that the Programme is progressing properly, and change is controlled and managed |
| Appendices | <ol style="list-style-type: none"> 1. Programme highlight report 2. Change Control for Convergence – Scope and Initial Timeline 3. SWAP Programme Governance Follow Up Report (1 October 2018) |
| Background Papers | <ol style="list-style-type: none"> 1. SWAP Programme Governance Report 26 July 2. SWAP Programme Governance Follow Up Report 10 August |
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1. Programme Progress Summary

- 1.1 The highlight report attached at Appendix 1 is the second in the new format. It provides a more visual, summarized view of progress, with greater visibility both of the range of activity underway, and activity planned through to the end of the programme.
- 1.2 At the time of writing, overall progress remains at Amber. Work on the implementation plans continues, with theme boards making significant progress on developing the detailed service continuity plans. Due to the scale and complexity of the work, the plans are running approximately two weeks behind schedule.
- 1.3 The first gateway Review is due to take place from 15 October and will be reported to Shadow Executive Committee on 12 November. The objective of the first review will be:
 - To ensure that the discovery phase has been completed satisfactorily
 - To confirm that the implementation plans are sound and achievable with an appropriate level of resource in place

2. Change Control Request: Convergence

2.1 Background

2.1.1 The scope for the Shaping Dorset Council programme is focussed on ensuring that the new council can operate on a safe and legal basis from 1 April. As a result, apart from the Chief Executive and Tier 2 structure, the Programme has not yet included work on restructuring teams to take account of the fact that like-type teams will be coming together to deliver services from 1 April 2019.

2.1.2 The Budget and Medium Term Financial Report (below) provides details of the latest position in respect of the 2019/20 budget. It is recognised that work needs to be undertaken to identify savings from posts as teams converge, and for a process to be implemented to realise these savings as soon as possible after 1 April 2019. As a result of this requirement, a change control is proposed to enable this work to be fully scoped and implemented as part of the Shaping Dorset Council programme.

2.1.3 The proposed change control scope attached at Appendix 2 outlines an approach to restructuring for the new organisation in response to bringing teams together. It does not relate to transformational redesign that will be developed and implemented after vesting day. The following definitions (in the context of Shaping Dorset) describe the difference:

- **Restructure:** Restructuring of like-type teams from the existing six councils, based on existing structures, by bringing them together and removing duplication where this enhances operational effectiveness and does not put at risk service continuity. To be implemented post vesting day and to deliver savings for the financial year 2019/20 and beyond.
- **Redesign:** Transformational redesign of the organisation, including but not exclusively, relating to organisational structures and based on the operating principles designed and agreed by the Shadow Executive. At officer level, this will be led by the Chief Executive.

2.2 Scope

2.2.1 The scope of the work is attached at Appendix 2 and will be:

- To determine opportunities where like-type teams from different councils can be joined together as soon as possible post 1 April 2019 and where aligning designing structures will allow some posts to be deleted from the structure, following appropriate processes being followed.
- To focus on tiers 3 (those roles reporting into the agreed Tier 2 structure) and further team and service alignment below Tier 3 for some roles.
- A high level restructure design and consultation to commence before the 1 April but, in line with TUPE regulations, no changes to be implemented before the date of the transfer.

- Opportunities for Voluntary Release and Early Retirement to be explored, once the initial design work has been completed.

2.3 Risks & Issues

2.3.1 The following risks and issues will be taken into consideration and mitigated in implementing this change control:

- Compliance with TUPE legislation – whilst we can start consultation prior to the 1 April, all staff have the right to TUPE to the new organisation and no compulsory redundancies can be made until consultation with the new organisation has taken place, after 1 April 2019.
- Impact on motivation and service delivery - timing of any restructuring will be critical to minimise the impact on service continuity
- Resource impact – significant resources will be required from the programme team and service areas in order to design and implement new structures.
- The ongoing negative impact of successive restructuring (restructure and then transformational redesign).
- Potential loss of required resources and talent too early and which are needed to enable the transformation (can be mitigated by deferred redundancy agreements – voluntary release).
- Final design and appointments to new posts are dependent on the new pay and grading structure being agreed.
- Tier 2 appointments will not be confirmed until December and new appointees may not start until March. This may lead to limited, if any, involvement from Tier 2s in leading or signing-off the new structures.
- Requirements from the scheme of delegation and the requirement of statutory posts will need to be linked to this process.
- An agreed “Managing Change Process” will need to be agreed to enable appropriate consultation, selection and redundancy processes to be applied.

2.4 Key Milestones

2.4.1 The following key milestones and timeline are proposed:

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| Member Convergence Working Group Set-Up | w/c 1 October |
| High level design of restructuring proposals (Head of Paid Service, with programme and functional manager support) | Oct – December 2018 |
| Design and agreement of single pay & grading structure for new staff in Dorset Council | September – December 2018 |
| Detailed design work for Tiers 3 and 4 | October – December 2018 |
| Scheme of delegation confirmed | December 2018 – February 2019 |
| Tier 2s in place | December – March (tbc) 2019 |
| Start & finish consultation (subject to any agreement on priority/phased implementation) | January – May 2019 |

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| Initiate targeted and managed conversations about pre-transfer redundancy consultation or the option of voluntary release | January – April 2019 |
| Selection process | March - May 2019 |
| Notice given (1-3 months' notice depending on contract of employment) | May onwards 2019 (based on phasing) |
| Savings realised | From June 2019 |

3. SWAP Internal Audit

- 3.1 Programme Board commissioned a report from Internal Audit (SWAP) to provide a high-level review of the LGR programme governance, to form an opinion on the adequacy, design and integrity of the arrangements in place to deliver the intended outcomes of the programme. The initial report and first follow-up report are recorded as background papers. The latest follow-up report is attached at Appendix 3 in full to this report.
- 3.2 The latest SWAP report was published without consultation with the Programme Team. The headline findings, and Programme Board's response, are below:

| SWAP Headline Conclusions | Programme Board Response |
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| Programme governance has improved since our last assurance overview, with more clarity and rigour applied to the programme arrangements. The programme structure has been established and embedded, with greater clarity around roles and responsibilities | This finding is welcome |
| Programme planning and oversight of programme highlights and milestones has improved, although finalising service continuity implementation plans is likely to be slightly delayed beyond their end of September deadline; this will impact on the closure of Phase 1 of the programme | This finding is welcome |
| Programme decision-making, risk management arrangements and dependency mapping mechanisms and reporting have been developed, with more transparency and rigour now in place. | This finding is welcome |
| However, from a more detailed review of key programme documentation, we identified a range of errors, omissions or inconsistencies that could cause confusion or undermine oversight, management of risks & issues, and decision-making. [Evidence for this conclusion is on page 3 of the report which notes ' <i>we identified a number of omissions and inconsistencies when comparing the risks included in the workstream programme highlight reports, to those included on the risk appendix</i> '].] | The risks and issues and decision logs are dynamic documents that change daily. Frequent change to the control tools demonstrates that they are being actively used. |
| Since our previous assurance review, there has been further discussion and shift in relation to the agreed scope and timescales of Phase 3 of the programme. There is a need to ensure that these changes are appropriately captured through | Agreed. The formal change control request forms part of this report |

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| <p>change control mechanisms; ensuring that all changes are formally agreed and documented at the appropriate levels</p> | |
| <p>Due to the very recent change in programme timescales regarding the acceleration of Phase 3 convergence, the risk profile of the programme, along with the corresponding workload in advance of April 2019 will significantly increase</p> | <p>Agreed. As soon as Shadow Executive Committee agree the change control, the risk register will be reviewed and is likely to change significantly</p> |
| <p>Resources and capacity to accommodate the original scope and timescales of the programme had been matched and implemented. However, due to the acceleration of original timescales for convergence, there are now likely to be significant short-term resource demands and potential shortages</p> | <p>Agreed. Resourcing for convergence was never within the original scope or resource plan of the Shaping Dorset Council Programme.</p> |