Shadow Dorset Council

Date of Meeting	12 November 2018
Officer	Keith Cheesman, Programme Director
Subject of Report	**Programme Highlight Report (Including the Gateway Review and Programme Budget)**
Executive Summary	This report provides an update on progress since the last Shadow Executive Committee meeting on 15 October 2018, including the findings of the Gateway Review, and an update on the Programme budget.
Impact Assessment:	Equalities Impact Assessment: None in relation to this report.
	Use of Evidence: 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 Gateway Review.
	Budget: This report alerts Members to a projected overspend on the current budget.
	Risk Assessment: Having considered the risks associated with this decision using the LGR approved risk management methodology, the level of risk has been identified as Amber
	Other Implications: None identified.
Recommendations	That the Shadow Executive Committee: 1. Notes the progress made since the last meeting 2. Notes the findings of the Gateway Review

	3. Notes the budget update and agrees to receive an update at the December meeting.
Reason for Recommendation	To provide assurance that the Programme is progressing properly
Appendices	1. Programme highlight report 2. Gateway Review Report, produced by the South West Audit Partnership (SWAP)
Background Papers	
Officer Contact	Name: Keith Cheesman Tel: 01305 221227 Email: Keith.Cheesman@dorsetcc.gov.uk

1. Programme Overview

1.1 Summary and Progress

1.1.1 The full highlight report is attached at Appendix 1. At the time of writing, overall progress remains at Amber. Work on the implementation plans is nearing completion, with Theme Boards making significant progress on developing the detailed service continuity plans, but these plans are still running later than planned.

1.1.2 Key achievements in the last period:

- The Ministry for Housing, Communities and Local Government are reengaging in the outstanding Consequential Orders, and have provided a timeline for completion
- The executive/tier two appointment process is progressing, with assessment days diarised
- The data sharing agreement with BCP Council has been finalised and information shared
- Changes to the design principles for the new council have been drafted along with first steps towards a Vision and Strategic Priorities for Dorset Council

1.2 Risks and Issues

1.2.1 The key programme issue is that the resources required to deliver convergence and the Phase 3 plan will greatly exceed those within the current programme. The mitigating action is that a plan needs to be created and agreed with appropriate resourcing formed around the workload and timetable. A full request for programme and transformation budget funding will be brought to the December meeting of the Shadow Executive.

1.2.2 The key risk is that the programme may not be able to guarantee a safe and legal implementation of Dorset Council if a no deal Brexit causes significant uncertainty and confusion for provision of services at the point at which the new council goes live. The mitigating action is to develop a contingency plan, taking advice from the

Local Government Association (LGA). This will need to be picked up as part of the day one continuity plans.

1.2.3   The process of creating the risk register for the new council is the subject of a separate item on this agenda.

2.   Gateway Review

2.1   Background

2.1.1   The first Gateway Review took place 15-26 October by the South West Audit Partnership (SWAP). The objective of the review was:

- 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

2.1.2   The Review consisted of interviews with members of the Service Continuity Theme Boards, Workstreams and Programme Board.

2.1.3   The full report is appended but in summary, it concludes that the majority of discovery phase activity has either been completed or drafted, that work within this phase remains ongoing and from the evidence seen, it is intended that the vast majority of the substance of this phase will be completed within the next two/three weeks, the review has verified that plans and resources are in place to address the areas requiring action. These appear resolvable at this stage and, if addressed promptly, should not present overruns.

2.2   Findings

2.2.1   The report is attached at Appendix 2. Key findings are:

- "Whilst we have evidenced that the majority of discovery phase activity has either been completed or drafted, the final work within this phase remains ongoing and therefore our report, while originally intended to provide assurance that the discovery phase is effectively closed, is not fully able to do so.
- "However, from the evidence that we have seen, as well as confirmations from the programme team, it is intended that the vast majority of the substance of this phase will be completed within the next two/three weeks, and we have verified that plans and resources are in place to address the areas requiring action.
- "At this stage, the delays to finalising discovery phase activities do not appear likely to have a significant impact on the overall programme delivery timescales. Tasks to deliver operational readiness are underway and are being implemented alongside discovery phase activities being finalised.
- "From our review and dip-testing of discovery phase activities, we were broadly able to confirm that the programme dashboard status (included at Appendix A) provided an accurate and realistic assessment of the current programme status and activities (as at 22.10.18). It was clear that a significant amount of activity and tasks had come together and/ or been signed off in the last few weeks.
- "As highlighted on the programme dashboard (Appendix A), the majority of work still to complete within the discovery phase is in relation to coordination activities once all service implementation plans have been signed off i.e. coordinating and summarising key decisions required in advance of 1st April, as

well as effectively capturing and assessing dependencies identified by service areas, along with the necessary actions required.

- "The responses from our survey of officers involved in the SDC programme generally demonstrated a positive level of confidence that the programme will be able to deliver a safe and legal Council from 1st April, and that service implementation plans had adequately and thoroughly captured the necessary actions and were achievable by 1st April.

- "Our detailed testing of implementation plans has, in some cases, highlighted concerns with the robustness/ completeness of the plans; this may impact on the successful implementation and monitoring of these plans in the next phase.

- "However, we appreciate that with the fast-paced nature of the SDC programme there may need to be a higher risk appetite in relation to some of the detail and qualitative aspects of the plans being put together."

2.3   Programme Response

2.3.1   The findings reflect a fair assessment of the current status; as has frequently been discussed around the programme, this is a complex, fast moving and large endeavour and it is highly likely that there will be slippage of certain tasks within the overall timetable.

2.3.2   Getting the planning stage right and having clear and appropriate plans in place before starting the implementation stage is very important.

2.3.3   In general, the availability of time and resources from the sovereign councils is limited by those key individuals being asked to prioritise their time between the core job of ensuring today's services are running effectively, resolving budget pressures in the existing authorities and focus on the creation of the new Council. This balance is at times creating challenges to the pace of the programme.

2.3.4   A second Gateway review, to assess operational readiness, will be conducted in late January 2019.

3.   Programme Budget

3.1   A breakdown of the programme budget is shown at Appendix 1. This reflects the point made in 1.2.1 about the convergence work that has been taken on as a result of the change control agreed in October but which is not yet funded. As the remainder of the programme budget is near being fully committed, this additional resource requirement will need to be met through an additional allocation.

3.2   The original Local Partnerships Financial Case in 2016 identified a series of estimated costs and benefits associated with the delivery of Local Government Reorganisation and work is underway to refine particularly the transition, transformation and programme costs using more current data. This will inform a paper for Shadow Executive Committee in December 2018 which will seek agreement to draw down the required funding from sovereign councils to meet these costs.

3.3   Discussions are ongoing with the Ministry for Housing, Communities and Local Government regarding the use of a Capitalisation Directive as a means of enabling funding of those costs to be spread over subsequent years.