

SHADOW SCRUTINY

4 September 2008

SUBJECT	Creating Central Bedfordshire – Progress Report To report on overall progress towards creating the new council for Central Bedfordshire and to highlight issues in order to assist the committee in the discharge of its functions.
REPORT OF	Officer Programme Board
<i>Contact Officer: Simon Redmore (01462 611255)</i>	

IMPLICATIONS

SUSTAINABILITY	Sustainability is a key theme of the proposal to create Central Bedfordshire and is at the heart of what the new council will want to achieve.
FINANCIAL	As at 8 August £1.85m has been spent or committed against a transition budget of £18.2m.
LEGAL	The Bedfordshire (Structural Changes) Order 2008 was agreed by Parliament on 27 March 2008. This Order sets out the legal basis for the creation of two new unitary councils to replace the existing structure of local government in Bedfordshire. The Shadow Authority is required by the Order to prepare, keep under review and revise as necessary an Implementation Plan.
PERSONNEL/EQUAL OPPORTUNITIES	There are implications for all local government personnel in Bedfordshire. An Implementation Plan identifies key milestones concerning how those implications will be handled.
COMMUNITY DEVELOPMENT/SAFETY	Community development and safety will be key objectives for the new council.
TRADES UNIONS	Consultation with Trades Unions is built into the transition programme.
HUMAN RIGHTS	None arising from this report

OTHER DOCUMENTS RELEVANT TO REPORT

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| 1. "Creating Central Bedfordshire Implementation Strategy", Item 3, Shadow Executive 10 April 2008. |
| 2. "Implementation Plan and Risk Analysis", Item L2, Shadow Executive 10 June 2008. |
| 3. "Vision and Priorities for Central Bedfordshire", Item L1, Shadow Executive 5 August 2008. |
| 4. "Central Bedfordshire Strategic Plan", Item L1, Shadow Executive 2 September 2008. |

RECOMMENDATIONS:

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| 1. That the Scrutiny Committee comment on the programme to create the new unitary council for Central Bedfordshire; |
| 2. That a further progress report be made to the meeting of Scrutiny Committee on 11 December. |

<i>Reason for Recommendation:</i>	<i>To assist the Scrutiny Committee in the discharge of its functions</i>
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Summary

1. The current reorganisation of local government in Bedfordshire is the biggest programme of administrative change in this area in a generation. This report aims to assist the Committee to identify the key issues and risks associated with the changes. Shadow Executive portfolio holders have been invited to attend the meeting in order to provide additional information and to answer questions.
2. This report is divided into the following sections:
 - role of this committee
 - background to local government reorganisation
 - the proposal to create Central Bedfordshire
 - implementation strategy
 - implementation plan
 - risks
 - communications
 - finance
 - conclusion.

Role of the Scrutiny Committee

3. The Constitution for Central Bedfordshire Shadow Council was agreed on 10 April. The Council has appointed this Scrutiny Committee to discharge the following functions:

- a) to support and facilitate the work of the Shadow Council in discharging its duty to prepare for the assumption by Central Bedfordshire of full local authority functions and powers on 1 April 2009, as provided in the Implementation Order;
- b) to review those preparations and related decisions;
- c) to comment and/or make recommendations to the Shadow Executive and/or Shadow Council, as appropriate to their respective powers and duties under the Implementation Order.

Background to Local Government Reorganisation

4. In October 2006 Councils in England were invited to make proposals for future unitary structures. The invitation set out five criteria with which proposals must conform, namely:
 - affordability
 - cross section of support
 - strategic leadership
 - neighbourhood empowerment
 - value for money services.
5. The structural changes for Bedfordshire were agreed in Parliament on 27 March 2008. Writing to the Leader of Central Bedfordshire Shadow Executive on 31 March 2008 the Minister for Local Government, John Healey, emphasised the requirement to deliver those originally specified outcomes. A copy of the Minister's letter is at Appendix "A".

The Proposal to Create Central Bedfordshire

6. The proposal to create Central Bedfordshire is set out in the two volume submission made to the Secretary of State on 17 December 2007 by Mid and South Beds. The submission is available at www.centralbeds.gov.uk and hard copies are available on request. As can be seen from the Minister's letter, he is expecting those proposals to be implemented in full.
7. A summary of the detailed proposals is set out in Appendix "B".

Implementation Strategy

8. An Implementation Strategy, setting out arrangements to achieve the transition to the new structure of local government in Central Bedfordshire, was agreed by the Shadow Executive at its first meeting on 10 April. The Strategy sets out key principles, governance structures, risk management and the approach to designing services. The Strategy is available at www.centralbeds.gov.uk and hard copies are available on request. Members' attention is drawn in particular to the governance chart in the Strategy which is reproduced with this report at Appendix "C". The chart shows all the main Member and officer groups working on the programme and how they relate to each other.

9. The transition programme is being run using recognised programme and project management methodologies (“Managing Successful Programmes” and PRINCE2). These methodologies are based on practical experience elsewhere. Using them for the purpose of creating Central Bedfordshire is intended to impose a rigorous discipline so that there is clarity of purpose, coherence across the programme, monitoring of progress and escalation of issues where needed in order to ensure that appropriate corrective action is taken.
10. The documentation associated with the programme is considerable. In order to show how the key documents fit together and to summarise their purpose a documentation hierarchy has been prepared and is copied at Appendix “D”.

Implementation Plan

11. The meeting of the Shadow Executive on 10 June adopted and agreed to keep under review an Implementation Plan for the creation of Central Bedfordshire. Since that time the Officer Programme Board has reviewed the plan weekly and the latest update has been posted on the Central Bedfordshire website.
12. The Implementation Plan has also been used at monthly meetings with DCLG officials to report on progress. The Audit Commission has also begun working with officers to assess preparations for Central Bedfordshire and the Implementation Plan will be central to that work.
13. The Implementation Plan focuses on key milestones. Beneath this high-level of planning there is a much more detailed Gantt chart itemising all the tasks for each workstream within the programme. The detailed Gantt chart is an extensive document. It requires close attention to detail to ensure that dependencies are identified and that progress within individual workstreams is on track.
14. Officers have considered whether or not to use critical path analysis (CPA) as an additional technique to help manage the programme. The concept behind CPA is that some activities are dependent on other activities being completed first.
For example, you should not start recruiting Directors unless you have an agreed senior management structure first. These dependent activities need to be completed in a sequence, with each activity being more-or-less completed before the next activity can begin. A key challenge posed by Creating Central Bedfordshire is that time is very limited and means that many critical tasks have to be worked on in parallel rather sequentially.

15. In order to construct a CPA, it is necessary to estimate the time taken from commencement to completion of each task. Whilst it can help to ensure that a project is completed as quickly as possible, and resources used as efficiently as possible, it does depend on the accuracy of the information and time estimates used. The disadvantage of CPA is that the relationship of tasks to time is not as immediately obvious as with Gantt Charts, which not only show the dependency sequence of key activities but also the progress status of each activity. It is for these reasons that officers are developing detailed project plans, in the form of Gantt Charts, that supplement the overall Programme Implementation Plan and not adopting a CPA approach. The Officer Programme Board is seeking to identify all the essential deliverables and any dependencies between those deliverables. Sufficient resource will then need to be made available to ensure that each of the deliverables is in place on time.
16. A copy of the latest Implementation Plan is at Appendix “E”. It shows which targets are completed, on track, at risk, or delayed.
17. A summary progress report on the overall programme is at Appendix “F”.
18. The current position regarding exceptions shown on the Implementation Plan is as follows:

Milestone	Proposed Action
Line 24 – first draft of services business plans	Twenty-seven draft plans have been prepared. Plans are outstanding on Business Transformation and Internal Audit. Work is in hand and the drafts should be prepared by the end of August.
Line 25 – agree shared services hosting arrangements for Central Beds and Bedford Borough	Substantial progress has been made but a number of issues remain outstanding. Some relate to the Borough’s awaited decision on SAP / Agresso. At the time of writing the Borough’s Implementation Executive is due to reach a decision on 20 August and an oral update will be given at the meeting.
Line 30 – Customer engagement (contact centre) shared services	Discussions are continuing about the management of a shared contact centre. An oral update will be given at the meeting.

Risks

19. A key principle being adopted in the programme’s governance is management by risk. A risk log is reviewed weekly by the Officer Programme Board so that risks are assessed and action identified in order to mitigate each risk. A copy of the current risk register is at Appendix “G”.

Communications

20. A forward-planning grid has been developed in order to identify who will be communicated with, when and how. It includes, for example, consultation with local MPs, proposals for monthly briefings with Shadow Council Members and a new Member newsletter. A copy of the current communications grid is copied at Appendix "H". The grid will be made available for general public viewing on www.centralbeds.gov.uk , with a more detailed version on the County Council, Mid Beds and South Beds intranets for Members.
21. The process for developing the Central Bedfordshire brand and associated corporate identity has been finalised and the project is on target for completion by the end of September, with an implementation plan produced by the end of November.

Finance

22. All expenditure on the transition to Central Bedfordshire is managed centrally. The table below shows the transitional budget breakdown included in the December 2007 submission and commitments against that budget as at 8 August.

Budget	Element	Spend (£s inc. Commitments to 31/03/09)	Remaining (£s)
0.50	Accommodation	19,570	480,430
0.90	Change management	806,476	93,524
0.10	Miscellaneous	49,452	50,548
0.70	Contract novation	0	700,000
4.80	I.T.	654,354	4,145,646
0.50	Training	0	500,000
0.20	Communications/ branding	35,000	165,000
0.70	Elections / democracy	39,070	660,930
0.30	Recruitment	250,000	50,000
0.60	Relocation	0	600,000
5.20	Early retirement	0	5,200,000
2.20	Redundancy	0	2,200,000
1.50	Closedown	0	1,500,000
18.20		1,853,922	16,346,078

Conclusion

23. Overall, officers believe that good progress is being made towards creating Central Bedfordshire; but identifying all the tasks to create the new council is not an exact science. All the councils in England working on similar programmes are in the same position. We are attempting to learn from each other and to take advantage of lessons learned during local government reorganisation that took place in the 1990s.

24. The next six months will see the implementation of the preparatory work that has been done so far. The Implementation Strategy agreed in April of this year makes clear in paragraph 2.03 how the success of that work should be judged:

“Success will be demonstrated if, on vesting day in April 2009, all staff arrive for work in the new authority knowing what is expected of them and are equipped to deliver services to our customers. That means, for example, that customer enquiries are answered correctly and promptly, IT systems work, contractors deliver their services and the right support is in place for vulnerable people. For our employees that deliver these services we will make sure that they understand what the new authority expects of them and that they are properly trained and equipped”.

Background Papers: “Invitations to councils in England” DCLG, October 2006
“Bedfordshire (Structural Changes) Order 2008”

Location of Papers: Deputy Chief Executive’s office, Priory House, Shefford

File Reference: CG3