

<b>SHADOW EXECUTIVE</b>
<b>25 November 2008</b>

<b>SUBJECT</b>	<b>Implementation Plan Monitoring Report</b>  To report on overall progress following the adoption of the Implementation Plan by Shadow Executive on 10 June 2008.
<b>REPORT OF</b>	<b>Officer Programme Board</b>
<i>Contact Officer: Simon Redmore (01462 611255)</i>	

**IMPLICATIONS**

<b>SUSTAINABILITY</b>	None arising from this report.
<b>FINANCIAL</b>	As at 6 November £4.2m has been committed against the transitional budget of £18.2m.
<b>LEGAL</b>	The Shadow Authority is required by the Implementation Order to prepare, keep under review, and revise as necessary, an Implementation Plan.
<b>PERSONNEL/EQUAL OPPORTUNITIES</b>	None arising from this report
<b>COMMUNITY DEVELOPMENT/SAFETY</b>	None arising from this report
<b>TRADES UNIONS</b>	None arising from this report
<b>HUMAN RIGHTS</b>	None arising from this report
<b>KEY ISSUE</b>	No
<b>BUDGET/POLICY FRAMEWORK</b>	No

<b>OTHER DOCUMENTS RELEVANT TO REPORT</b>
<b>“Implementation Plan and Risk Analysis”, Item L2, Shadow Executive, 10 June 2008</b>

<p><b>RECOMMENDATION:</b></p> <p><b>That a further report be made to the next meeting of the Shadow Executive.</b></p> <p><i>Reason for Recommendation: So that Shadow Executive can monitor progress and comply with the requirement of the Implementation Order regarding the need to maintain an implementation plan to deliver the new unitary authority.</i></p>
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**Background**

1. This is the sixth progress report to Shadow Executive since the Implementation Plan was agreed at the meeting on 10 June. The report follows the previously used format but is fuller than previously due to the stage that has now been reached in the programme.

2. The Implementation Plan has continued to be used at the monthly national Joint Implementation Team (JIT) meeting with DCLG officials to report on progress and updates have been considered by the meetings of the Central Bedfordshire Implementation Team that includes key partners. The last national JIT meeting was on 6 November. It was clear from the meeting that there are a number of general themes arising in all of the nine areas affected by Local Government Reorganisation. Those receiving most attention currently are:

- *Financial planning* - the changing economic circumstances mean that for most councils across the country the budget setting process this year will be difficult. The expectation is that all unitary areas should be able to manage potentially difficult financial circumstances using the flexibility offered by restructuring.
- *Staffing structures* - areas have progressed at different speeds but all with the priority to put in place senior staffing structures and to fulfil commitments to staff so that employees know where they will sit in the new unitary councils around the turn of the calendar year.
- *Neighbourhood arrangements* - there are numerous interpretations of how to generally empower local people recognising each area's diversity.
- *Partnership working* – there is a general recognition that there is some uncertainty and concern among partners about the future and how they might be affected by the changes.
- *Communications* – is recognised as being of paramount importance for all areas going through the change. Progress varies across the nine areas often dependent on the level and nature of communication from the outgoing authorities.
- *Executive working* - variable progress is being made to move away from previous thinking in the old two-tier county-district structure.
- *Access to services* – there is generally good progress to ensure that customer access to service is enhanced from day one, but there is some concern that big, unitary local government could reinforce centralised top down services.

### **Overall Progress in Creating Central Bedfordshire**

3. As Members will be only too aware the very limited time available to carry out the transition programme has meant that critical work-streams have had to be run in parallel. There has been no alternative to this way of working and we are now facing a number of immediate and significant challenges as we bring together key areas of work as part of budget preparation.

4. Particular areas of focus are:

- Human resources has developed a number of strategy documents and timelines, together with disaggregated and aggregated data. This is now being brought together with financial constraints by Directors and lead officers in order to finalise the structure;

- ICT has a high level, strategic programme but work on individual projects has meant that it has not been sufficiently kept up to date or used as a reference point. A dependency chart and action plan is being prepared to resolve this;
  - Property Services are developing an accommodation programme (which includes an initial accommodation plan and a medium term strategy). Officers are focussing on day one issues while continuing to work on the longer term;
  - Budget preparation is bringing together all the above issues plus the design of directorates and the need to develop organisational structures which are fit for purpose and within available budget envelopes.
5. These pieces of work, while allowed for in the Implementation Plan (see below), do not currently sufficiently allow for the interdependencies or synergies between them. In this context, there is a need to improve co-ordination and communication across the programmes both at a strategic level and aligned to the operations themselves. Officers are revising their governance arrangements to achieve this and in doing so are taking advice from both Deloitte and the Audit Commission.

### **Ensuring Day One Delivery**

6. It is important to differentiate between programme deliverables for day one and “flagship” deliverables for the following two to three years. In focussing on day one imperatives, to ensure a seamless transition, we also need to consider the steps that are time critical for the transitions/transformations that are taking place in year one.
7. A key factor is the need to specify the day one outcomes, the activities needed to achieve them and the critical path to be successful. This triangle of activities must be led by a clear determination of the staffing structures which themselves will lead to clarity on accommodation and ICT requirements. This will determine the potential for any staff moves, which could be agreed for reasons of strategic leadership or on the basis of efficiency for those business units in multiple locations albeit limited by technological constraints. An oral update on staffing structures will be given at the meeting.
8. Most staff will remain where they are on day one as set out in the report on accommodation considered by Shadow Executive on 30 September, but we do need to confirm any minor moves that may be sensible to make for day one. Possible candidates for Priory House are:
- Management Team
  - Business Transformation Directorate (Revenues & Benefits and the contact centre to be considered separately)
  - Legal and Democratic Services,
  - Human Resources
  - Members’ rooms.

9. Officers are also considering moves between floors in County Hall to provide separate accommodation for the staff of the new councils.
10. Other issues include the need to identify the IT needs of staff and their proposed locations and then to ascertain that the overall accommodation, move and ICT costs are workable and affordable. Then we can firm up on the programmes and ensure that they are aligned to support delivery between now and the end of March 2009. A further important factor in any decision on temporary moves, is the desirability of limiting the number of double moves that staff may have to make.
11. Officers will report again on the strategic planning for the year one moves to include accommodation and ICT.

### **ICT Transition Issues**

12. The meeting of Shadow Executive on 28 October (min SE/08/45) requested that as part of this report, detailed information be provided on the action plan and timescales for the ICT work-streams. At the time of writing this report, the action plan is being developed with advice from Deloitte. An oral update will be given at the meeting.

### **Implementation Plan**

13. A copy of the latest Implementation Plan is copied at Appendix “A” and shows which targets are completed, on track, at risk, or delayed.
14. The current position regarding exceptions shown on the plan is as follows:

<b>Milestone</b>	<b>Proposed Action</b>
Line 35 – ICT requirements / implementation plans for each service.	This work was due to be completed in October. An update report was made to the meeting on 28 October. As noted elsewhere in this report, officers are working with Deloitte; an oral update will be given at the meeting.
Line 45 – appeals hearings and mapping employees to the new structure.	This work was due to have been completed by the end of November. At the time of writing, the County Council was due to write imminently to all its employees advising them which new authority they would be working for. Appeals may run into December. The outcome of this is that the planned three months’ parallel payroll run will have to be reduced to two months.
Line 48 – approve policy statement on redundancy compensation	A report was due to be considered by the Shadow Executive on 28 October. Work on the report continues in order to provide more information as requested by Members. The report will be made to the meeting of the Shadow Executive on 16 December.

15. Members attention is also drawn to the following:

- Line 28 – highways and transportation – a number of new milestones have been added;
- Line 39 – roadshows and staff communications – new milestones have been added throughout November to February involving all staff in place of the idea of a “sounding board” which would have involved only a small number of staff;
- After line 59 – the Plan previously listed ten government regulations. Work on these regulations was not within officers’ control and any minor delays that have arisen have not been critical for our programme. Those lines have now been deleted from the plan although officers will continue to be closely involved in the outcome of DCLG work on regulations.

### **Outcome from the Minister’s Visit**

16. The Minister for Local Government, John Healey, has written to the Leader of the Shadow Executive following his visits to Bedfordshire in October. A copy of his letter is at Appendix “B”. The key points in the letter are:

- a) there should be a clear move away from old county thinking for children’s services and adult care;
- b) a smooth transition to the new council with no diminution in services and delivering tangible benefits for communities;
- c) putting in place the means to secure local service delivery, dovetailed with Bedford Borough where appropriate and the pursuit of challenging aims such as the growth agenda;
- d) developing an affordable budget that delivers the commitments in the bid for savings and council tax;
- e) providing strategic leadership while maintaining the confidence of partners;
- f) agreeing detailed practical arrangements to empower people and their most local communities;
- g) communicating a clear understanding of the vision of the new council, what it will deliver and how it will work on day one especially how people can contact and engage with the council;
- h) it is imperative that all the outgoing councils present a united message about the two new unitaries and ensure a seamless transition.

### **Transitional Service Arrangements**

17. After detailed discussions between the four councils stretching over several months, agreement has now been reached over which services will be shared and which ones “disaggregated” between Central Bedfordshire and Bedford. As required by Shadow Executive at its meeting on 10 June the Interim Chief Executive has consulted the Leader, Deputy Leader and relevant Portfolio Holder and Transitional Task Force chairman on the proposed way forward.

18. In summary:

- at least 43 services will be shared
- 18 will be hosted by Central Bedfordshire
- 20 will be hosted by Bedford Borough
- 5 will be hosted by the Primary Care Trust (PCT)
- ICT is not to be shared except where the case is made for specific applications
- 10 of the services will be reviewed in year 1; 6 in year 2 and 20 in year 3.

19. In detail the services and which authority will lead are as follows:

<b>Central Beds</b>	<b>Beds Borough</b>	<b>Primary Care Trust</b>
Adoption & fostering	Youth offending	Child & adolescent mental health
Minerals & waste planning	Pension fund	Commissioning adult mental health services
Domestic violence partnership	Bedford Hospital social work team	Drug and alcohol abuse team
Local safeguarding children's board	School meals catering	Director of Public Health
Emergency duty social work team (shared with Luton)	Archives	Teenage pregnancy
Archaeology	Learning disability (social care)	
Registration of births, deaths and marriage	Deaf, sensory & visual impairment	
County music services	Social care business support	
Coroners service	Waste disposal – Elstow materials recovery facility	
Social care contract compliance	Occupational health (for HR)	
European social co-financing	Libraries procurement	
Casualty reduction partnership	Property management (Mouchel contract)	
Waste disposal – combined heat and power	Local adult safeguarding board	
HEART education supply service	Special education needs (PRU Kempston)	
Adult & community learning	County sports service	
Internal audit inc. health & safety and Schools' Audit Team	Education ICT	
Special education needs (Oakbanks, Leighton Buzzard)	CDC early years support team	
Ceremonial matters	Free school meals	
	Schools' admissions	
	14 – 19 service	

20. In addition, the Standing Conference on Religious Education (SACRE) will be shared but hosting has not yet been decided.
21. Work is now in hand to prepare service level agreements (SLAs) for all the shared services. The target date for agreeing the SLAs is the end of November. That timescale is very demanding but has to be our target because of the implications of shared services for staff and the budget. It is has also been agreed for the purpose of simplicity that the basis of charging between the new unitary councils will be cost recovery with open book accounting.

### **Expenditure on Creating Central Bedfordshire**

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 as at 6 November against that budget.

<b>Budget Monitoring to 6 November 2008</b> (Against Transitional Budget)			
<b>Budget £m</b>	<b>Element</b>	<b>Spend (£s inc. Commitments to 31/03/09)</b>	<b>Remaining (£s)</b>
0.50	Accommodation	135,465	364,535
0.90	Change management	1,555,981	-655,981
0.10	Miscellaneous	49,452	50,548
0.70	Contract novation	0	700,000
4.80	I.T.	1,914,387	2,885,613
0.50	Training	10,492	489,508
0.20	Communications / branding	102,024	97,976
0.70	Elections / democracy	95,628	604,372
0.30	Recruitment	354,828	-54,828
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
<b>18.20</b>		<b>4,218,257</b>	<b>13,981,743</b>

23. Previous monitoring reports have noted that expenditure on change management is higher than estimated when the transitional budget was calculated in early 2007. It is now becoming clear that there will be some additional costs and further work is being undertaken to define what and how much that will be. Officers hope to be in a position to report back on this in the next progress report.

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**Background Papers:** None specific  
**Location of Papers:** Deputy Chief Executive's office, Priory House, Shefford.  
**File Reference:** CG3