

# **Westmorland and Furness Shadow Authority Meeting**

**17 May 2022**

## **Implementation Plan**

**Report from:** LGR Programme Director  
**Report Author:** Kim Rennie, LGR Programme Director  
**Wards:** All  
**Key Decision:** N

### **1.0 Purpose/Summary of report**

1.1 This report informs Members about the Implementation Plan and programme governance that has been developed by officers of the County Council, the Cumberland Councils and the Westmorland and Furness Councils, to ensure an effective transition to the new unitary Councils for Cumberland and Westmorland and Furness on Vesting Day, 1 April 2023. This reflects the requirements in The Cumbria (Structural Changes) Order 2022.

### **2.0 Recommendation**

**2.1 It is recommended that the Shadow Authority: -**

- (1) Notes the Implementation Plan attached at Appendix 1; and**
- (2) Notes the programme governance and funding arrangements outlined in the report.**

### **3.0 Background and Proposals**

3.1 In July 2021 the Secretary of State announced his decision, subject to Parliamentary approval, to implement a two unitary pattern of Local Government in Cumbria based on an East-West geography. The Cumbria (Structural Changes) Order 2022 (SCO) gave effect to that decision and came into force on 18 March 2022.

3.2 Articles 23 and 26 of the Order refer to the establishment of two Joint Committees, and the formation of a single team of officers ("the Implementation Team") for the purposes of assisting:

- (i) The relevant Joint Committee in the discharge of its functions, and
  - (ii) If, after the dissolution of the relevant Joint Committee, the relevant Shadow Authority so requires, that Shadow Authority
- 3.3 The Implementation Team is the subject of a separate report on today's agenda.
- 3.4 Article 24 of the Order, required the Joint Committees, preceding the establishment of Shadow Authorities to prepare, keep under review, and revise as necessary, an Implementation Plan, including any plans and timetables considered necessary to secure the effective, efficient, and timely transfer of functions, property, rights, and liabilities to the successor Councils.
- 3.5 The Westmorland and Furness Joint Committee has met on three occasions, considering reports on the Implementation Plan at two of its meetings. (The minutes of those meetings are attached at Appendix 2 of this report for Members' reference).
- 3.6 With the dissolution of the Joint Committees, (the day following that on which the Shadow Authorities for each area holds its first meeting), the Shadow Authorities then assume responsibility for keeping the Implementation Plan that has been prepared under review and revised as necessary. The advice is that matters relating to the Implementation Plan are an executive function of the Shadow Authorities, and as a consequence this report is presented for information and noting by Members, with the intention that a further report on the Implementation Plan be presented to the meeting of the Shadow Executive in June for decision.
- 3.7 The Implementation Plan that has been prepared (at April 2022) is attached at Appendix 1 of this report. It describes the approach that has been developed to deliver two sustainable Unitary Councils, and a sustainable Fire and Rescue service, in a safe, legal, and seamless fashion, delivering both benefits from day 1 and the foundation for further transformation in the future. The Programme has been designed for delivery in four key stages (see slide 7 in Appendix 1): Preparation and Mobilisation Phase (in advance of, and following, the Secretary of State's decision last summer); Design Phase (in which baselining and analysis of current service provision has been undertaken, the options for delivery of services with a focus on day 1 operation have been appraised by officers for consideration and discussion by Members, the essential requirements for day 1 have been appraised, and the development of draft Blueprints commenced); Implementation Phase (in which the final shape of

services for day 1 will be determined, together with budgets, staffing and structures, ICT, accommodation requirements and contractual arrangements finalised, and key policies/procedures developed, amongst other matters, to ensure smooth transition); and Post Transition Phase (post Vesting Day), where further transformation will follow a period of stabilisation.

3.8 The Implementation Plan will develop over time and will be subject to consideration by, agreement of, and reporting to the Shadow Executive in terms of progress. The delivery of the Implementation Plan is currently supported by the Implementation Team and officer arrangements which are presented in the separate report on today's agenda.

3.9 Since the announcement in July, prior to the Joint Committees being stood up, and during their period of operation, preparations have continued to enable the smooth operation of the two new Councils from Vesting day. Key in this regard have been:

- The development and embedding of an overall programme structure, and associated leadership and governance model, together with agreed ways of working
- Identification of a Senior Responsible Officer(s) (currently a three-way SRO) arrangement with accountability for programme delivery, and the establishment and operation of a Chief Executive level LGR Programme Board, (the Implementation Team), to oversee and direct the work being done
- The shared appointment of a Programme Director and the formal establishment of a Programme Management Team, incorporating a Programme Management Office, to coordinate the development of the overall timeline, and the delivery of the programme, with Programme and Project Management, and Support staff formally seconded/transferred to the Programme from 1 April 2022, and a further recruitment process underway
- The operation of thematic officer working groups, supported, and advised by a range of workstreams/work packages, with the creation of new groups where appropriate, to provide service and technical expertise, and deliver projects to support the process
- The development of a Data-Hub, and initial analysis of the information it holds, providing a coordinated approach to data collection, analysis, and provision
- Use of internal resources has been supplemented by KPMG as the Strategic Partner to the Programme, adding capacity and expertise, and acting as advisors and critical friends. Most recently this has involved data analysis, support around day one readiness and identifying the "must have" deliverables, to ensure the Councils can operate safely from Vesting Day in a consistent way. They have been helping to identifying the interfaces and

tracking progress, helping to create generic guidance/training for/on the development of draft Blueprints, and providing some quality assurance to work that is being undertaken on assets, including how the recommendations as to future locations of Headquarters will be determined

- The selection process for the Interim Statutory Officers required to be designated at the first meetings of the Shadow Authorities
- On-going work to collate HR data and policies, and engage and consult with staff and unions
- The establishment and operation of an LGR Implementation Reserve in line with a Memorandum of Understanding agreed by all seven sovereign Councils which governs the use of this fund
- Work to support the Joint Committees and develop the work programmes/forward plans of the Shadow Authorities from May 2022
- Representations made to Government on the draft Section 24 Direction that is proposed for all Councils/areas in this phase of Local Government Re-Organisation
- The development and delivery of communications plans for staff, Members, and key partners/stakeholders.

3.10 The democratic governance arrangements that have been in place, and that are currently envisaged will be required to oversee the transition to the two new Councils on 1 April 2023 are set out in Appendix 1 (slides 13 and 14). The details of these are a matter for the Shadow Authorities in liaison with sovereign authorities, to be refined as appropriate with the establishment of the Shadow Authorities and the dissolution of the Joint Committees. The current officer level programme governance arrangements are summarised in Appendix 1 (slides 16 and 17). These arrangements are reviewed periodically to make sure they remain fit for purpose.

3.11 In addition to the Implementation Plan presented here, one of the early items for consideration by the Executive and Scrutiny functions of the Shadow Authority will be the draft Blueprints that are currently at an early stage of development. It is anticipated that Members will want to have the benefit of, and give early consideration to, the work done to date in arriving at these. It is envisaged that Members will have this opportunity through a range of informal and more formal mechanisms (e.g., task and finish groups, presentations/workshops, Committees, etc.), to enable further development over the spring/summer, and beyond as part of the Strategic Planning process, (integrating the corporate planning (Council Plan), financial planning and service planning milestones).

- 3.12 Strategic Planning is the overarching process through which the Shadow Councils will develop their Council Plans, Medium Term Financial Plans, Workforce plans and more detailed policy and service plans for 2023/24 onwards. It brings together aspirations and opportunities for transformation and improvements alongside delivery of the many statutory functions and responsibilities all within the available financial envelope so that resource planning in its widest sense (people, assets, revenue and capital plans, savings, and pressures) can be presented and approved.
- 3.13 For 2023/24 across the sovereign Councils there is already a budget gap between available funding and planned expenditure of £31m based on existing assumptions. These assumptions will be updated, and options developed to meet that budget gap as Councils must by law set a balanced budget for the immediate financial year ahead. This will be through potential savings that can be delivered in 2023/24 but it can also be affected by decisions around Council Tax levels and harmonisation plans, national funding changes, levels of fees and charges as well as potential additional pressures emerging (e.g., cost of living pressures) that all need to be factored in.
- 3.14 For each Shadow Authority the draft Blueprint will pull together at a high level the work done to date on baselining existing services and options appraisals for future delivery options including high level costings. These will be a key element of the strategic planning process as they will provide a baseline statement as to what services, staff and revenue expenditure levels are envisaged for each Authority as at Vesting Day based on the work done to date.
- 3.15 To establish the opening Balance sheet (assets and liabilities) and Revenue income and expenditure position for the shadow authorities there is significant work ongoing to establish appropriate aggregation and disaggregation principles to ensure financially sustainable Councils and Cumbria Fire and Rescue Service (CFRS) are established. The approach is described at a high level within the Implementation Plan attached at Appendix 1 and it will ultimately be for the shadow authorities and CFRS governance arrangements to approve these. Where required subject matter experts including Government Departments are advising and the LGA and CIPFA are providing independent advice and guidance.
- 3.16 Each Shadow Authority will then need to take decisions around the blueprint options taking into account their own priorities and aspirations and also their available funding envelope and balance sheet positions to determine the level of services they will deliver within a balanced budget position for 2023/24 and beyond.

- 3.17 In a number of service areas transitional arrangements may be required/recommended pending any preferred option being deliverable. The focus of draft Blueprints will be on making the transition to the new Authorities a safe, legal, and smooth one, whilst paving the way for further transformation, and longer-term options development/consideration should Authorities so wish. The development of draft Blueprints is further described in the Implementation Plan attached at Appendix 1.
- 3.18 One further significant matter is in respect of Cumbria Fire and Rescue service. The Government's continued intention is that the fire service should be provided on a county basis with two potential options to achieve this. The first is for the functions to be transferred to the Police and Crime Commissioner for Cumbria by Order made under section 4A of the Fire and Rescue services Act 2004, should the Secretary of State be satisfied that the relevant statutory tests are met. The second option is for the Secretary of State to create a new combined fire and rescue authority by 1 April 2023. For completeness other possible options remain in scope at this time and discussions with Civil Servants in relation to all of the options continue to enable effective planning in the context of the Structural Changes Order. Work as required is being developed through the Cumbria Fire and Rescue Service Transition Board, in a programme which is aligned to the work on LGR.
- 3.19 As referred to at paragraph 3.9 above, a single LGR Implementation Reserve has been created with Cumbria County Council acting as the host authority. A Memorandum of Understanding has been agreed by all Councils in respect of the use of and governance for decision making for the reserve.
- 3.20 The purpose of the Reserve is to support delivery of the Implementation Plan including the Implementation Team with examples of eligible expenditure against the Reserve being, but not limited to, the following:
- Additional staff capacity to deliver the programme
  - Procurement of specialist support and advisory services
  - Communication and public consultation
  - Purchase of Systems and Information Technology for the two new unitary authorities
  - Election costs with regards to the two new unitary authorities
  - Running costs related to the shadow authorities
  - Rebranding, implementation and creating the two new unitary authorities
- 3.21 The Reserve will not be used to support Transformation and Investment costs, nor any redundancy costs associated with LGR in Cumbria.

3.22 Contributions to the Reserve have been made by all seven Councils at the same time to an initial total value of £18,920,000. Contributions to the Reserve have been approved through each Council's own governance processes, the values are:

- £1,576,667 Allerdale Borough Council
- £1,576,667 Barrow Borough Council
- £1,576,667 Carlisle City Council
- £1,576,667 Copeland Borough Council
- £9,460,000 Cumbria County Council
- £1,576,667 Eden District Council
- £1,576,667 South Lakeland District Council

3.23 Initial allocations from the Reserve to the different activities for the Implementation Programme have been approved by the LGR Programme Board including an allocation to Contingencies. If any balances remain in the Reserve once the Implementation Plan has been delivered the balance will be shared 50/50 with the two new Unitary Councils.

#### **4.0 Consultation**

4.1 The contents of this report respond to a Statutory Instrument which was the subject of consultation by the Government.

#### **5.0 Alternative Options**

5.1 The contents of this report respond to a Statutory Instrument, and whilst there is a choice about how to define the Implementation Plan, and the approach to governance and budgets, the approach described is considered the most fitting to local circumstances.

#### **6.0 Implications**

##### **Financial, Resources and Procurement**

6.1 The funding available to deliver the Implementation Plan is through the LGR Implementation Reserve as described above. Any funding to support transformational change will need to be agreed as part of the budget setting process for the new Unitary Council.

##### **Human Resources**

6.2 There are no direct implications associated with this report.

## Legal

6.3 To comply with the Cumbria (Structural Changes) Order 2022 the following Articles are relevant that relate to the Implementation Plan.

6.3.1 Article 22 provides that all Councils have an additional function, exercisable only in the transitional period beginning on the coming into force of the Order and ending on the fourteenth day after the 2022 election day, of preparing for and facilitating the economic, effective, efficient, and timely transfer to the, of such of its functions, property, rights, and liabilities as relate to the new Unitary Councils.

6.3.2 Article 24 further provides that the Joint Committees each prepare, keep under review, and revise as necessary, an Implementation Plan which must include—

(a) such plans and timetables as are in the opinion of each Joint Committee necessary to secure the effective, efficient, and timely discharge of the article 22 functions (referenced above); and

(b) such budgets and plans as it considers necessary or desirable to facilitate the economic, effective, efficient, and timely discharge, on and after 1st April 2023, of the functions that, before that date, are functions of the County Council, the Cumberland councils, or the Westmorland and Furness councils.

6.3.3 For the purposes of (a) preparing, reviewing, and revising the Implementation Plan, (b) discharging the article 22 functions, and (c) discharging such other functions as may be conferred on it, each Joint Committee must have regard to the information supplied to the Secretary of State in support of the proposal for single tier local government in Cumbria.

6.3.4 Article 11 provides that after the dissolution of the relevant Joint Committee, the Shadow Authority must keep under review, and revise as necessary, the Implementation Plan prepared by that Committee.

6.3.5 The report presents an Implementation Plan which has been considered by the relevant Joint Committee. This will be kept under review and considered further by the Shadow Authorities as described above.

## Health and Sustainability Impact Assessment

6.4 Have you completed a Health and Sustainability Impact Assessment?  
No

6.5 If you have not completed an Impact Assessment, please explain your reasons: There are no direct health and sustainability implications associated with this report.

## Equality and Diversity.

6.6 Have you completed an Equality Impact Analysis? No

6.7 If you have not completed an Impact Analysis, please explain your reasons: There are no direct equality and diversity implications associated with this report.

Risk Management	Consequence	Controls required
There is a legal obligation to prepare, keep under review and revise as necessary an Implementation Plan.	Contravention of a legal requirement	The contents of this report mitigate the risk

## Contact Officers

Kim Rennie, LGR Programme Director, [kim.ennie@carlisle.gov.uk](mailto:kim.ennie@carlisle.gov.uk),  
<tel:07880728536>.

## Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Implementation Plan (April 2022). (Ref:20220222 LGR Programme Implementation Plan – April 22 v6.pptx.)
2(a)	Minute of Westmorland and Furness Joint Committee – 29.3.22
2(b)	Minute of Westmorland and Furness Joint Committee – 10.5.22 (To follow)

## Background Documents Available

Name of Background document	Where it is available
The Cumbria (Structural Changes) Order 2022	<a href="https://www.legislation.gov.uk">The Cumbria (Structural Changes) Order 2022 (legislation.gov.uk)</a>