

Westmorland and Furness Shadow Cabinet Meeting

Date: 10 June 2022

Title: Implementation Plan

Report from: LGR Programme Director

Report Author: Kim Rennie, LGR Programme Director

Wards: All

Key Decision: Y

1.0 Purpose/Summary of report

1.1 This report updates Members about the Implementation Plan that was reported to the Shadow Authority on 17 May 2022. Since that time the Plan has continued to be developed, 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: -

- (1) the Implementation Plan attached at Appendix 1 is adopted**
- (2) the Terms of Reference for the LGR Members' Liaison Group attached at Appendix 2 are agreed**
- (3) the Shadow Cabinet agrees to receive updates on the Implementation Plan as part of regular reporting on the status of the LGR Programme.**

3.0 Background and Proposals

3.1 Members will recall that 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 With the dissolution of the Joint Committees (on 18 May 2022), the Shadow Authorities then assume responsibility for keeping the Implementation Plan that has been prepared under review and revised as necessary. The Implementation Plan that was prepared by the Joint Committee was reported to the first meeting of the Shadow Authority on 17 May 2022. The Implementation Plan has continued to develop and is attached as updated at Appendix 1 of this report.
- 3.6 It describes the approach that has been developed to deliver two sustainable Unitary Councils, and a sustainable Fire and Rescue service, in an economic, efficient, effective, safe, legal, and seamless fashion, delivering both benefits from Vesting Day and the foundation for further transformation in the future. The Programme has been designed for delivery in four key stages: 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, and are now the subject of consideration and discussion by Members; the essential requirements for day 1 have been appraised, and the development of draft service baseline Blueprints advanced); 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.

3.7 Progress on the Implementation Plan is being monitored and will be subject to reporting to the Shadow Cabinet at each meeting. The delivery of the Implementation Plan is supported by the Implementation Team and officer arrangements which are presented in the separate report on today's agenda.

3.8 Since the announcement in July 2021, 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 completed
- 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 identify the interfaces and tracking progress, helping to create generic guidance/training for/on the development of

draft service baseline Blueprints, co-ordination work to prepare the 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 on-going development of a high-level set of critical milestones to assist programme monitoring
- The identification of day 1 requirements in all service areas, the interdependencies relating to these, and the on-going development of prioritised, timed action plans to deliver these requirements
- The selection process, and designation of the Interim Statutory Officers required 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 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.

3.9 The democratic governance arrangements available to oversee the transition to the two new Councils on 1 April 2023 are summarised in Appendix 1. This includes reference to an LGR Members' Liaison Group (a consultative group, with decision making resting with Shadow Authorities and sovereign Councils as appropriate), the proposed Terms of Reference for which are attached at Appendix 2. The purpose of the proposed LGR Members' Liaison Group is to provide joint political oversight for the co-ordinated and timely delivery of the LGR Programme, and to provide a consultative forum for informal liaison on matters requiring a joined-up approach in the implementation phase of the LGR Programme. The MLG will provide political leadership input from the two Shadow Authorities, and sovereign Councils as appropriate, into the shape and direction of the Programme, and on matters where a shared view is needed, or an issue needs to be resolved and this is an appropriate forum. The current officer level programme governance arrangements supporting the democratic arrangements are also summarised in Appendix 1. These are reviewed periodically to make sure they remain fit for purpose.

- 3.10 As previously highlighted one of the early items for consideration by the Shadow Executive and Scrutiny functions of the Shadow Authority, will be draft service baseline Blueprints that will pull together in a summary form information about the services and budgets that the Shadow Authorities will have from vesting day, and officer recommendations as to how the services can operate safely, legally and seamlessly from this time. The early consideration by Executive Members via briefing and discussion of the work done to date will inform the report on service baseline Blueprints that it is intended to present to the July meetings of the Shadow Executives (Cabinets), which will set out a draft Blueprint for each Shadow Authority for adoption, to enable further development over the summer, including via Task and Finish Groups, and beyond as part of the Strategic Planning process, (integrating the corporate planning (Council Plan), financial planning and service planning milestones).
- 3.11 Strategic Planning is the overarching process through which the Shadow Authorities 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.
- 3.12 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 Council's must by law set a balance 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.
- 3.13 As described above at paragraph 3.10, the service baseline Blueprint in pulling together at a high level the work done, including costings, will be a key input to the strategic planning process.
- 3.14 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.

- 3.15 Each Shadow Authority will then need to take decisions around the contents of service baseline Blueprints (noting that agreement will need to be reached in relation to aspects such as shared/hosted services) 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.
- 3.16 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.
- 3.17 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.

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 in a previous report. Within this, an incidentals budget of £75,000 per Shadow Authority has been identified to support aspects of activity/work that needs to be undertaken during the year in preparation for taking on full responsibilities, in addition to the other support provided through the Implementation Reserve and the Implementation Team arrangements described in another report on this agenda. Any funding to deliver transformational change post vesting day 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. Equalities screening of draft Blueprints will be undertaken, and Equality Impact Assessments undertaken where appropriate.

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

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Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Implementation Plan (May 2022). (Ref: LGR Programme Implementation Plan – May 2022 v1.(006) pptx.)
2	Draft Terms of Reference - LGR Members' Liaison Group

Background Documents Available

Name of Background document	Where it is available
The Cumbria (Structural Changes) Order 2022	The Cumbria (Structural Changes) Order 2022 (legislation.gov.uk)