

# Bournemouth, Christchurch and Poole Shadow Executive Committee

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Report Subject	BCP SEC Programme Resourcing
Meeting date	17 October 2018
Report author	Julian Osgathorpe, Programme Director BCP Programme
Contributors	BCP Programme Board BCP Phase 2 Delivery Boards/Workstreams BCP Interim Statutory Officers
Status	Public
Executive summary	This report sets out the implementation approach, plan and governance framework for the implementation of the BCP LGR Programme.
<b>Recommendations</b>	<p>The Shadow Executive Committee is asked to:</p> <ol style="list-style-type: none"> <li>1. Approve the requirement for additional resources of £7,936,160 for the delivery of Phases 1 and 2 of the BCP LGR Programme.</li> <li>2. Request that the Section 151 Officers of the Shadow and preceding authorities to the BCP Unitary Authority obtain approval and release of the funding from their preceding authorities.</li> <li>3. Authorise the Interim S151 Officer for the BCP Authority to include the 2019/20 requirement of £1,178,396 in the MTFP for the BCP Authority,</li> <li>4. Delegate authority to the BCP Programme Board to authorise expenditure from this funding in order to progress and deliver Phases 1 and 2 of the BCP LGR Programme.</li> </ol>
Reasons for recommendations	<b>To provide appropriate resources to deliver Phases 1 and 2 of the BCP LGR Programme.</b>

## Background detail

1. The BCP Shadow Executive Committee has approved a programme governance framework to oversee, direct and manage the delivery of LGR within the

Bournemouth, Christchurch and Poole area. This framework can be summarised as comprising and functioning as follows

- a. Shadow Executive Committee
  - b. Shadow Executive Overview & Scrutiny Committee
  - c. Elected Member Task & Finish Working Groups covering all aspects of the programme's activity
  - d. Programme Board – Chief Executives and Managing Director from the preceding authorities to be accountable for the delivery of the programme workstreams, budgets, resource allocation along with the management of key risks and issues arising from the programme activities
  - e. Programme Director/Manager/Team – responsible for day to day delivery of the programme workstreams, budgets, resources and the identification, mitigation and resolution of risks and issues
  - f. Phase 2 Delivery Boards and Unit of Service Workstreams.
2. The committee has also approved an outline programme divided into three phases in order to help create and maintain a robust means of focusing, prioritising and managing work, resources, cost and deliverables. These phases are described as
- a. Creating the new unitary authority
  - b. Delivering senior staffing structures and business functionality for April 2019
  - c. Designing and building the new local authority
3. The progress of the programme is reported to the BCP Shadow Executive Committee and the Shadow Overview & Scrutiny Committee on a regular basis. In addition, oversight by elected members and senior officers is maintained through the other aspects of the Governance architecture.

## **Programme Resourcing – Decisions to Date and Updated Information**

4. In a report to the BCP Joint Committee in November 2017, it was set out that the profile of the resources and/or costs of a programme of this scale and complexity can be made up of a number of core components or layers. These are
- a. Existing staff/resources that are re-prioritised from other work priorities to be seconded to the programme
  - b. Existing staff that are seconded to the programme but for whom an element of backfilling is required in order to maintain their day to day service functions
  - c. Additional staff required, on a fixed term/transitional basis, to support elements of the programme
  - d. External and/or specialist support to deliver elements of the programme that it is not appropriate to have within the cost base of the organisation(s) even on a fixed term basis

- e. Infrastructure investment/disinvestment to deliver step change in capability or ways of working
  - f. Costs of Change associated with significant redesign and restructuring of staff such as redundancy, pay protection, relocation and/or retraining
5. In the same report, it was also outlined that the Section 151 Officers of all the preceding authorities have developed a set of principles for the apportionment of costs incurred in the delivery of the programmes(s) for LGR across Dorset. These principles apply to all costs incurred by all preceding authorities in relation to their work to deliver the respective LGR programme for Dorset. The basis on which the costs will be apportioned will relate to the scope of the workstream on which the costs are incurred, i.e.
- a. Where a cost is incurred on an activity or workstream that delivers an output required by both joint committee programmes, then this cost will be apportioned across all preceding authorities
  - b. Where a cost is incurred on an activity or workstream that is specific to one of the joint committee programmes, then this cost will be apportioned across only those preceding authorities party to that joint committee.
6. In April 2018 a report to the BCP Joint Committee set out a provisional assessment of resources and costs required to support the remaining tasks for Phase 1 of the programme, as well as to start mobilising the Phase 2 tasks and workstreams. At that early stage, funding was requested to cover assumed costs in categories d. and e.
7. Funding in the sum of £1.16m was approved by the BCP Joint Committee in respect of these assumed costs. Authority to incur expenditure against this sum was delegated to the BCP Programme Board with regular reporting to be undertaken to the BCP Joint Committee or its successor body.
8. Acknowledging that the programme was in the early stages of mobilising Phase 2 of the programme, the BCP Joint Committee agreed that a further report covering categories b. and c. should be developed. In the interim, the Committee agreed that the BCP Programme Board had authority to incur additional staff costs where these were considered in the interests of the programme. Such costs were to be carried at the risk of the preceding authorities pending the future approval of these and any future costs required.

## **Scope of this Report**

9. This report will set out the funding required in order to cover the following categories of cost in respect of the remaining activity within Phases 1 and 2 of the BCP LGR programme
- a. Existing staff/resources that are re-prioritised from other work priorities to be seconded to the programme

- b. Existing staff that are seconded to the programme but for whom an element of backfilling is required in order to maintain their day to day service functions
  - c. Additional staff required, on a fixed term/transitional basis, to support elements of the programme
  - d. Running costs of the Shadow Authority and/or the BCP Unitary Authority expected to be incurred prior to 31<sup>st</sup> March 2019
  - e. Costs relating to redundancies or retirements arising from restructuring under the BCP LGR Programme
  - f. A review of the provisional allocation made against the ICT Infrastructure Cost Category in the April BCP Joint Committee Report
10. The information that has been used to compile this report and assess the additional financial requirements of the programme is as up to date and as accurate as possible. However, in a programme of this scale and complexity, and given the extremely compressed timeline to successfully deliver Phases 1 and 2 it is possible that additional funding requirements will emerge as we move through the next six months.
11. Phase 3 continues to be excluded from this assessment of costs.

#### Existing Staff Re-prioritised from other Work priorities

12. In the April Joint Committee report it was confirmed that there would be no charge to the programme with regard to the time of the Chief Executives/Managing Director or the Strategic/Executive Directors, including the seconded Programme Director, and the interim statutory officers for the BCP Shadow Authority.
13. With the formal and full implementation of the programme, and in accordance with the requirements of the Structural Change Order, it has been necessary to put in place a Central Implementation Team. The purpose of the team is to support the programme and the service units with experienced and dedicated business change capacity and capability.
14. The core of this team is made up of the Major Change & PMO team that is a shared service between Bournemouth and Poole. All of their focus has been prioritised on the BCP LGR Programme.
15. However, given the scale, complexity and compressed timeline for the BCP LGR programme, it has been necessary to supplement this team with additional capacity and capability from across the preceding authorities to the BCP Unitary Authority.
16. The established accounting principles for the treatment of the costs associated with this type of resource is not to include them within the base budget of the local authority(ies) but instead to attribute them to the projects that are being delivered.
17. The total funding sought for the period 1st April 2018 through to 30th September 2019 is set out in Appendix 1 and is £1,161,508.

### Existing Staff Seconded but Requiring Backfill

18. It is not realistic to expect the preceding authorities to have the capacity and capability within their service teams to support a programme of this scale and complexity, while also maintaining the levels of day to day service delivery that is expected of them.
19. Over the last three months the Phase 2 Delivery Boards have been working with their Unit of Service Workstreams in order to identify the roles that are required to support the BCP LGR programme. Once this was done, an analysis was undertaken to assess how much time is likely to be required of those roles and the impact on service delivery of that time being re-prioritised. Finally, consideration has been given to whether or not it is reasonably feasible to obtain appropriate additional capacity and capability to “backfill” or cover this loss of service capacity.
20. This requirement has been collated and is set out in Appendix 1. The total cost required is £999,085.

### Additional Staff Required on a Fixed Term or Transitional Basis

21. There are some roles within the preceding authorities service teams that there are simply just not enough of when the demands of day to day service delivery are combined with the requirements of the BCP LGR programme. For these roles, it is not affordable to carry the required level of excess capacity and capability within the budgets of the local authorities and it is therefore proposed that this resource is engaged on a fixed term or transitional basis as required to deliver the programme.
22. Over the last three months the Phase 2 Delivery Boards have been working with their Unit of Service Workstreams in order to identify this requirement as well as quantify and cost it.
23. This requirement has been collated and is set out in Appendix 1. The total cost required is £2,018,838.

### Running Costs of the Shadow Authority and/or BCP Authority

24. The BCP Shadow Authority is responsible for some costs that have been/will be incurred during its lifecycle. At this stage, the following categories of costs have been identified
  - a. Staff
  - b. Elections
  - c. General administrative
25. While there will be no incremental costs incurred by the BCP Shadow Authority in respect of the Interim Statutory Officers, there is a need to cover the employment costs of any officers appointed to the BCP Unitary Authority prior to its inception on 1st April 2019.

26. However, it is not currently clear when or how many such appointments will be made and it is therefore proposed to assume the tiers or roles, periods and values set out in Appendix 1.
27. The preparation for the BCP Unitary Authority elections are well underway and will require a significant budget to be established. In addition, some of the work and expenditure will need to be undertaken during the lifecycle of the Shadow Authority. The expected costs that will be incurred are set out in Appendix 1 and funding is sought to cover this.
28. Finally, the Shadow Authority has incurred/will be incurring some minor costs in relation to its day to day business, e.g. accommodation costs for the full Shadow Authority Meetings. A small budget is sought to cover these costs prior to 31st March 2019.

#### Costs of Restructuring or Redundancies arising from the BCP LGR Programme

29. It is still too early to reliably analyse and forecast the full costs associated with any potential restructuring and/or redundancies required as a result of Phases 1 and 2 of the programme. However, bearing in mind the current pace of the programme, a provisional budget of £1.5m is requested to cover any early redundancies or restructuring arising from the programme occur.
30. While oversight of this budget will be delegated to the BCP Programme Board in common with the other categories of cost and their agreed budgets, the BCP Programme Board will be required to exercise their delegation in line with any constitutional requirements and/or procedures of the preceding authorities depending on the current employment status of the individual employees that may be affected.

#### Review of the ICT Infrastructure Cost Category

31. In the April 2018 report to the BCP Joint Committee a provisional allocation of £0.5m was made against the potential ICT Infrastructure costs required for the purposes of Phases 1 and 2 of the BCP LGR Programme.
32. Significant work has now been undertaken on the systems and data disaggregation as well as engagement with service units and strategic ICT suppliers. It is clear from this work that there are some significant requirements in order to ensure service continuity and ensure compliance with regulatory requirements.
33. Additional funding is therefore required and a further £0.75m is sought in this regard.

### **Summary of Financial implications**

34. The total financial implication arising from this report is £7,936,160. This will take the total committed funding for the BCP LGR Programme to £9,096,160. While the full costs of restructuring and redundancies are still to be established, this total

remains significantly below the £11.8m forecast within the Local Partnerships Business Case.

35. The Interim S151 Officer for the BCP Authority has previously set out in the Consolidated MTFP papers received by the BCP Joint Committee and Shadow Executive Committee the Transition & Transformation Reserves available to support the BCP LGR Programme. Recognising the scale of the investment in delivering the BCP LGR Programme, the BCP Authority will continue to lobby central government for support.
36. The new requirement of £6,757,764 allocated to the 2018/19 financial year will be apportioned across the preceding authorities as previously set out and agreed. This results in the new funding requirements for the authorities contributing to the costs of Phase 1 and 2 of the BCP LGR programme as set out in Appendix 1.
37. The requirement of £1,178,396 that has been identified for 2019/20 will need to be accommodated within the BCP Authority MTFP. The Interim S151 Officer for the BCP Authority will require the endorsement of the BCP Shadow Executive Committee to this report and its funding requirements in order to do this.
38. Unlike the allocation resulting from the April report to the Joint Committee, there are no funds currently allocated by the preceding authorities for the purposes of Phase 1 and 2 of the BCP LGR programme. It is therefore proposed that in the event that the BCP Shadow Executive Committee approves the new financial implications outlined in this paper, the appropriate Section 151 Officers work with their preceding authority's elected members and governance processes to ensure that the appropriate funding is released to the programme.
39. Pending this, the BCP Shadow Executive Committee is asked to delegate authority to the BCP Programme Board to approve expenditure against this new budget. Budget Monitoring will be as set out and agreed in the April BCP Joint Committee Report for the £1.16m.

## **Summary of legal implications**

40. The Structural Changes Order provides that the preceding councils – Bournemouth, Christchurch, Poole and Dorset CC – must co-operate to ensure the effective and timely transfer of functions to the new council. The Order includes a specific requirement to release staff as appropriate to undertake the necessary work, and a requirement generally to exercise their functions so as to further the purposes of the Order.
41. Although the decision to release the amounts set out in this Report is one for each individual council to make, they are required to take account of the recommendation of the Shadow Executive Committee, and to then take the decision in respect of the funding being mindful of the statutory requirements set out in the Order.

42. The Order provides that the expenditure incurred is to be divided among and paid by the four preceding councils in such a proportion as shall be agreed by the councils. The councils have agreed these proportions pursuant to this requirement, and these are as set out in this report and appendices. There is a power for the Shadow Authority to refer any disagreement on this matter to the Secretary of State who may determine the proportion or appoint an arbitrator to do so.

## **Summary of human resources implications**

43. Any member of staff affected by proposals under paragraph 31. above will be treated in accordance with the contractual relationship and/or procedural requirements of the appropriate preceding authority.

## **Summary and Recommendations**

44. In April the BCP Joint Committee acknowledged that the initial allocation of £1.16m to the BCP LGR Programme was not sufficient to deliver a programme of this scale, complexity and time pressure. They also acknowledged that the £1.16m initial allocation was significantly short of the £11.8m estimated in the Local Partnerships Business Case as being required to deliver the transition from the preceding authorities to the BCP Unitary Authority.

45. The BCP Joint Committee agreed to receive a further request for programme funding in October once the Phase 2 programme structures and workstreams had had time to assess the impact on day to day service delivery as well as considering the work required to deliver service continuity for 1st April 2019.

46. While continuing to exclude the full costs of restructuring and redundancies during Phase 2, or the implementation of Phase 3 of the BCP LGR Programme this report sets out additional funding requirements in the sum of £7,936,160. These requirements are described in detail in the Appendix attached to the report.

47. Unlike the £1.16m in April 2018, there is no funding currently allocated by the preceding authorities for the purposes of supporting this requirement. As a result, should the BCP Shadow Executive Committee endorse the recommendations in this paper the Section 151 Officers of the preceding authorities to the BCP Unitary will work with their respective governance processes to ensure that each preceding authority contributes the appropriate share as set above.

48. It is therefore recommended that the BCP Shadow Executive Committee

- a. Approve the additional resources of £7,936,160 required for the delivery of Phases 1 and 2 of the BCP LGR Programme.
- b. Authorise the Section 151 Officers of the Shadow and preceding authorities to the BCP Unitary Authority to obtain approval and release of the funding from their preceding authorities.
- c. Authorise the Interim S151 Officer for the BCP Authority to include the 2019/20 requirement of £1,178,396 in the MTFP for the BCP Authority,

- d. Delegate authority to the BCP Programme Board to immediately authorise expenditure from this funding in order to progress and deliver Phases 1 and 2 of the BCP LGR Programme.

### **Background papers**

None

### **Appendices**

1. BCP Programme Additional Resource Requirement



## BCP Programme Additional Resource Requirement

	Board Requesting Funding	Total Cost £	2018/19 £	2019/20 £
<b>Existing Staff Costs</b>				
Major Change Project Team		1,161,508	783,126	378,382
<b>Backfill Staff Capacity Requirements</b>				
Social Worker - Cross Cutting Work Stream	Adults Delivery Board	26,700	22,800	3,900
Bop Under 5's Service Lead	Childrens Delivery Board	25,000	19,444	5,556
SEND - LGR work	Childrens Delivery Board	15,000	11,667	3,333
Bop Service Manager - LGR work	Childrens Delivery Board	50,000	38,889	11,111
Senior Manager - Schools	Childrens Delivery Board	50,000	38,889	11,111
Synergy - Backfill to increase capacity	Childrens & Adults Delivery Board	69,000	69,000	0
Recruitment Advisor - Free up manager time	Corporate Delivery Board - HR	7,000	6,125	875
Communication Officer - Christchurch	Corporate Delivery Board - Comms	24,242	18,181	6,060
Locum Solicitor - Commercial/contracts backfill Head of Legal	Corporate Delivery Board - Legal	96,000	57,600	38,400
Condition Surveys	Assets & Accommodation	65,000	65,000	0
Managerial/Officer & Administrative Support - to create capacity	Place Delivery Board	350,442	350,442	0
IT Support - data cleansing and migration	Place Delivery Board	220,701	220,701	0
		<b>999,085</b>	<b>918,738</b>	<b>80,347</b>
<b>Additional Staff Capacity Requirements</b>				
Project Worker/Commissioning Assistant	Adults Delivery Board	38,500	17,000	21,500
Finance Officers - Ensure readiness for vesting day	Adults Delivery Board	56,000	56,000	0
Helpdesk/Business Support - Knowledge of migration	Adults Delivery Board	25,000	22,222	2,778
Professional Register Support - Safeguarding and out of hours	Adults Delivery Board	10,000	10,000	0
Advanced Practice Manager & IT Systems Report - Data & case management transfer	Adults Delivery Board	146,000	90,333	55,667
Team Manager/Review Officer/Permanent & Agency Staff - transitional support	Childrens Delivery Board	434,000	434,000	0
Project and Administrative Support - LGR	Childrens Delivery Board	50,000	38,889	11,111
Commissioning Support Capacity	Childrens Delivery Board	25,000	19,444	5,556
Team Leader and Management Enhancement	Childrens Delivery Board	45,000	35,000	10,000
Mosaic - Additional staffing capacity	Childrens & Adults Delivery Board	224,880	224,880	0
Accountancy Closedown and General Support	Corporate Delivery Board - FS	102,000	89,500	12,500
Creditors/Debtors/Procurement Transitional Support	Corporate Delivery Board - FS	62,500	49,333	13,167
Creditors and Estates Data Migration	Corporate Delivery Board - FS	23,500	19,833	3,667
Senior System & Management Information Officer - Free up experienced capacity	Corporate Delivery Board - HR	18,000	14,400	3,600
Recruitment & Admin & Service Centre Managers - Data Migration & System Configuration	Corporate Delivery Board - HR	10,000	7,100	2,900
Senior Advisor and Technician - Payroll configuration and additional checking	Corporate Delivery Board - HR	5,500	2,000	3,500
HR Administrators - TUPE support	Corporate Delivery Board - HR	7,000	7,000	0
Strategic Employee Relations Advice	Corporate Delivery Board - HR	50,000	50,000	0
Senior HR Advisors - Restructure	Corporate Delivery Board - HR	77,000	66,000	11,000
Programme Communications Officer	Corporate Delivery Board - Comms	22,058	16,544	5,515
Communication Support - as previously agreed	Corporate Delivery Board - Comms	37,900	37,900	0
Communication Support - Project support	Corporate Delivery Board - Comms	17,500	15,000	2,500
Registrars - Integration Support	Corporate Delivery Board - Legal	20,000	12,000	8,000
Specialist Officers & Administration Support - Elections May 19	Corporate Delivery Board - Legal	44,000	26,400	17,600
Administration Support - Democratic Services new constitution	Corporate Delivery Board - Legal	20,000	12,000	8,000
Locum Solicitor for Childrens Social Care change	Corporate Delivery Board - Legal	96,000	57,600	38,400
Desktop Technicians - Integration	Corporate Delivery Board - ICT	72,000	42,000	30,000
Network Engineer - Migration to new network	Corporate Delivery Board - ICT	42,000	24,500	17,500
Application Developers & Technician - Data disaggregation	Corporate Delivery Board - ICT	160,000	93,333	66,667
Business Analyst - Capture business requirements	Corporate Delivery Board - ICT	36,000	21,000	15,000
Service Desk Technician - increase capacity	Corporate Delivery Board - ICT	26,500	15,458	11,042
Contract & Compliance Officer	Corporate Delivery Board - ICT	15,000	12,500	2,500
		<b>2,018,838</b>	<b>1,639,171</b>	<b>379,667</b>
<b>Shadow Authority Running Costs</b>				
Chief Executive		60,011	60,011	0
Strategic Directors - Tier 2		352,108	352,108	0
Tier 3 Appointments		204,813	204,813	0
BCP Elections Costs		470,000	130,000	340,000
General Administration Costs		10,000	10,000	0
		<b>1,096,932</b>	<b>756,932</b>	<b>340,000</b>
Contingency 10%		<b>409,797</b>	<b>409,797</b>	<b>0</b>
<b>TOTAL FUNDING REQUESTED</b>		<b>5,686,160</b>	<b>4,507,764</b>	<b>1,178,396</b>
<b>Share of Funding Per Authority</b>				
Bournemouth	49.34%	2,224,131	2,224,131	0
Poole	38.20%	1,721,966	1,721,966	0
Christchurch	6.23%	280,834	280,834	0
Dorset CC	6.23%	280,834	280,834	0
BCP		1,178,396		1,178,396
		<b>5,686,160</b>	<b>4,507,764</b>	<b>1,178,396</b>