Dorset Area Joint Committee

Minutes of the meeting held at South Walks House, Dorchester on Wednesday, 21 March 2018

Present:
Rebecca Knox (Chairman)
Anthony Alford, Shane Bartlett, Jeff Cant, Graham Carr-Jones, Spencer Flower, Matt Hall,
Jill Haynes, Colin Huckle, Sherry Jespersen, Nick Ireland, Byron Quayle, Barry Quinn,
Gary Suttle and Simon Tong.

Officers Attending:
Richard Bates (Chief Financial Officer - Dorset Council Council), Stuart Caundle (Monitoring Officer - Dorset Councils Partnership), Keith Cheesman (Programme Director - LGR), Steve Mackenzie (Chief Executive - Purbeck District Council), Jonathan Mair (Head of Organisational Development - Monitoring Officer - Dorset County Council), David McIntosh (Chief Executive - East Dorset District and Christchurch Borough Council) and Lee Gallagher (Democratic Services Manager - Dorset Council Council).

Apologies for Absence
19 Apologies for absence were received from Matt Prosser (Chief Executive – Dorset Councils Partnership) and Debbie Ward (Chief Executive – Dorset County Council). Jonathan Mair (Monitoring Officer – Dorset County Council) attended the meeting for Debbie Ward.

Code of Conduct
20 There were no declarations by members of disclosable pecuniary interests under the Code of Conduct.

Minutes
21 The minutes of the meeting held on 21 February 2018 were confirmed and signed.

Public Participation
22 Public Speaking
There were no public questions received at the meeting in accordance with Standing Order 21(1).

There were no public statements received at the meeting in accordance with Standing Order 21(2).

Petitions
There were no petitions received at the meeting in accordance with the County Council’s Petition Scheme.

Appointment process of interim statutory officers
23 The Joint Committee considered the process and timeline for the designation of interim statutory officers for Shadow Authority for the shadow period, including the use of external independent advice, HR support arrangements and the selection process which would be led by the leaders of the Dorset Area councils.

Clarification was provided in relation to the role of the Section 151 Officer designation which included powers for reporting to auditors in accordance with Section 114 of the Local Government Finance Act. Auditors could not be appointed for the new Council until the Shadow Authority had been formed, and arrangements would be considered in due course.
Resolved
1. That the process to designate officers as Interim Head of Staffing, Interim Monitoring Officer and Interim Section 151 Officer for the Shadow Authority be approved.
2. That the lead members to work with the Programme Director in line with the selection process in preparation for the first meeting of the Shadow Authority will be the leaders of the Dorset Area councils.

Consolidated Medium Term Financial Plan
24 The Joint Committee considered a report by the Dorset Councils' Chief Executives in relation to progress on the consolidated Medium Term Financial Plan, which included a broad estimate of disaggregation of County Council services in Christchurch and the impact of the tariff adjustment that was hoped to be consulted upon and removed by Government in 2018. The report at this stage did not take account of Council Tax harmonisation or the future ‘fairer’ funding formula for local government from 2020/21, although this may see the addition of the tariff adjustment in another way. The budget forecast identified savings required in 2019/20 of at least £6m. The Plan would be developed further to incorporate reserves, balances and capital resources for the next meeting on 17 April 2018.

The report was welcomed by members and it was recognised that it was a mammoth task to consolidate the budgets of all councils, especially given the variables to be taken into account including future negative Revenue Support Grant, service costs, and business rates. It was acknowledged that at this point there were differing budget assumptions made across councils and that these needed to be considered further to provide consistent budget forecasting.

Attention was drawn to the information contained within the report as the basis for consideration of Council Tax harmonisation in minute 25. It was acknowledged that the decision making in relation to Council Tax harmonisation would be the most important paper the Joint Committee would consider.

A suggestion was made to include the future trajectory of the cost of services, as separate budget lines, with particular reference made to the ongoing increase of the cost and complexity of adult social care and looked after children. This would provide more understanding of future pressures on budgets, and would also start to provide a narrative of what needed to be delivered and managed within budget.

Resolved
1. That the report be noted.
2. That the medium term financial plan be developed to include reserves, balances and capital resources, for the next meeting of the Joint Committee on 17 April 2018.

Council Tax Harmonisation
25 The Joint Committee considered a report by the Dorset Councils' Section 151 Officers in respect of options for Council Tax Harmonisation.

Cllr Jeff Cant, as the Chairman of the Budget Task and Finish Group provided an overview of consideration of the harmonisation process by the Group and outlined the options available to the Joint Committee which ranged from applying an average from 1 April 2018 or to spread the change over a period of time. The Group recommended that Option A, to introduce an average from day one of the new council, was the most appropriate option as this would provide a more sustainable council tax base in the medium term and would help to provide services. It was confirmed that the harmonisation process was considered to be ‘in principle’ as there was still a lot of work to do in order for the Shadow Authority to consider and approve Council Tax and the budget in due course.
**Resolved**

That, in principle, the preferred option for Council Tax Harmonisation in the Dorset Area is to harmonise at the average current rate on day 1 (Option A) with Alternative Notional Amounts. The Joint Committee recognises that the figures presented in the report are illustrative and council tax will be determined as part of the budget setting process.

**Programme highlight report**

The Joint Committee considered an update report on progress and a summary of priorities for the Local Government Reorganisation (LGR) Programme, the re-shaping of the delivery of key work through Task and Finish Groups, and to approve the creation of a change management process to ensure change projects within sovereign councils were aligned to the LGR Programme.

The Programme Director provided a detailed overview of the progress of the programme to date which included staffing and resourcing arrangements, preparation for phase 2 with areas of critical delivery from 1 April 2019, a workshop approach to understanding areas of opportunity and/or change, continued risk management and monitoring from April 2018, task and finish group arrangements, and he need to take account of and align organisational change programmes being driven by each council. Progress on wider aspects of reorganisation were also summarised including ICT and data management.

In relation to Task and Finish Groups it was recognised that there were a number which had provided support so far, but consideration had now been given to other groups (Community Partners Engagement, Area Based Decision Making and Future Service Integration Task and Finish Groups) which needed to pause their activity and await further consideration of the future operating model to be developed by the Phase 3 activity, Governance and Budget Task and Finish Groups. Likewise, it was also necessary for the work of Groups such as the Community Partners Engagement and Wider Member Engagement to be sewn into the Communications and Engagement Strategy before continuing their work, with continued emphasis on engagement with Town and Parish Councils. The Communications and Engagement Strategy would be reported to the Joint Committee on 17 April 2018. However, it was felt that it was necessary to continue the work of the Wider Member Engagement Task and Finish Group, and the introduction of fortnightly bulletins for members was welcomed.

A range of issues were discussed by the Joint Committee which related to the activity of Task and Finish Groups and it was clarified that the groups would restart before summer 2018. Attention was drawn to the need to prioritise the development of the vision for the new Council so that there was a clear direction to develop the operating model, take account of change management across all councils to provide services from 1 April 2019, and for continuing change management to have a clear remit moving forward. It was explained that the phase 3 of the programme was devoted to vision, operating model and future organisation.

The importance of the Budget and Governance Task and Finish Groups was acknowledged and it was agreed that it was a priority that they progressed as soon as possible and could work in innovative ways. It was recognised that work related to the operating model and visioning work would be part of the remit of the Governance Task and Finish Group.

Further information on the work of the programme would be reported to the Joint Committee on 17 April 2018 and the direction of the overall programme including the methodology and structure to deliver phase 3 visioning which would form the critical path for decisions and areas of consideration, all in the context of budget position,
change management and legal compliance. It was agreed that an informal session would be held in advance of the next meeting on 17 April 2018 to provide time to consider the programme in detail.

A comment was made which highlighted the importance of appreciating the reality of the challenge faced in forming a new Council, that it may not be possible to ensure integration of many areas by 1 April 2019 and that transformation and change would continue to be progressed for at least a further two years. It was not possible for everything to be done by the Programme Team and it was therefore imperative that the right priorities were focussed upon to achieve reorganisation and to be legally compliant, together with a vision.

**Resolved**
1. That the progress made since the last Joint Committee be noted.
2. That the work of the Task and Finish Groups listed at paragraph 3.5 of the report be paused (with the exception of the continuation of the Wider Member Engagement Task and Finish Group)
3. That the Wider Member Engagement and Community Partners Engagement Task and Finish Groups be integrated into a Communications and Engagement Strategy, including a Member Engagement Strategy, and the overall programme and delivery plan.
4. That the recommendations from the Future Service Integration (Shared Services) Task and Finish Group be agreed.
5. That the creation of a change management mechanism to ensure existing change programmes are aligned with the LGR Programme and form part of a single narrative be agreed.
6. That the priorities for the next period to 17 April 2018 be noted.

**Work Programme**

The Joint Committee considered its Work Programme and added the following items for future meetings:

- Medium Term Financial Plan Progress (including reserves, balances and capital resources) – 17 April 2018 (Minute 24)
- Communications and Engagement Strategy - 17 April 2018 (Minute 26)
- Programme Update including formal decision making and change management - including an informal session before the meeting – 17 April 2018 (Minute 26)

**Resolved**
That the Work Programme be updated.

Meeting Duration: 2.00 pm - 3.15 pm