



<u>Committee and Date</u>
Audit Committee
14 February 2013
10.00 am

<u>Item</u>
4
<u>Public</u>

ip&e Programme Management Governance Report

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1. Summary

This report sets out the continuing governance controls being applied to the programme to establish ip&e, and the transfer of Council services to ip&e (the 'ip&e transition programme'), as requested by the Audit Committee on 07 December 2012. Progress of the Programme will form the subject of a report to Cabinet on 20 February.

2. Recommendations

Members are asked to consider and endorse with appropriate comment the contents of this report.

REPORT

3. Risk Assessment and Opportunities Appraisal

Embedding appropriate governance and programme management structure within the ip&e transition programme ensures that the programme can be delivered smoothly, safely and in a way which maximises the opportunities for creating 'public profit' arising from the Localism Act 2011.

Risk management, as outlined in the Council's Opportunity Risk Management Strategy 2011, has been embedded in the Programme from the outset. The Programme Management staff are working closely with the Council's Risk Management team to ensure all appropriate risk processes and protocols are incorporated throughout all the Programme work-streams.

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

4. Financial Implications

4.1 The Council agreed in May 2012 that in order to achieve its strategic outcomes and deliver the medium term financial plan, it must be able to commission outcomes differently, to trade in order to gain new sources of income and partner with others to reduce costs and increase effectiveness.

4.2 The ip&e Business Plan sets out the anticipated activities expected to transfer from the Council to ip&e and the associated financial implications. The ip&e Business Plan will be considered by Cabinet on 20 February.

4.3 As part of the tasks to be undertaken post incorporation of ip&e, a loan of £500,000, to be drawn down as required, has been made to ip&e. The expenditure of this loan is considered in the ip&e Business Plan.

4.4 As part of the governance process Financial Services will consider and appraise the Annual Business Plan for ip&e and ensure that the financial information is robust. Financial implications of any transfer of services or outcomes will be reflected within the Financial Strategy.

5. Programme Governance

5.1 Programme Staff: The Programme is being led by a full time Programme Manager.

5.2 Programme Management Structure: The Programme Board continues to meet monthly to manage the delivery of the programme. Following the recent senior management re-structure, the Board has several new appointees. A revised structure diagram is attached as **Appendix A**.

The Board appointed a new Transition Planning work-stream lead officer on 21 December 2012. The new lead officer has established a project team, to PRINCE2 standards, to handle the *physical transition* of each service to ip&e. This team reports to, and complements the work undertaken by the Programme Delivery Team ('Tiger Team'). The work undertaken by the team thus far has yielded significant benefits and confirmed the value of the extensive due diligence work being undertaken.

5.3 Re-scope: At its meeting on 13 February, the Programme Board will be asked to assume overall responsibility for all transferring services, whether to ip&e or other delivery models. The re-scope will ensure consistency of approach, consistency of rigour applied to business case development, and will reduce duplication of effort.

The re-scope will also ensure that the Council's senior management team are able to make informed decisions for all service transfers based on an analysis of consistent information.

5.4 Financial Management: The Council's new Section 151 Officer is a member of the Programme Board, and continues to be closely involved in the due diligence work on service business cases, to ensure that these are robust and realistic.

5.5 Stakeholder Engagement: The Stakeholder Management work-stream continues to maintain a map of all relevant stakeholders, including a plan to ensure that they are engaged in a structured and positive way throughout the lifetime of the Programme.

5.6 Risk Management: The Risk Management and Audit work-stream continues to provide added value to the Programme. Risk reviews are conducted by the Risk Management team on a monthly basis, ensuring that the Programme Board has a full understanding of its risk exposure.

The Council's Internal Audit service is providing effective scrutiny and challenge to the Programme, and has provided valuable feedback on the Shire Services business case development.

5.7 – Strategic Contract: The Strategic Contract will be presented to Cabinet for consideration on 20 February 2013. The Council has utilised expert external advice to ensure that this Contract provides the flexibilities required by ip&e to operate as a business, whilst minimising the Council's risk exposure through financial and operational processes agreed with ip&e.

5.8 Reporting Arrangements: Monthly reports continue to be made by each Programme work-stream to the Programme Board. The Programme Manager is working closely with all work-stream leads to ensure that issues are addressed promptly.

6. Programme Delivery Team

6.1 Context: On 21 December 2012, the ip&e Programme Board approved the widening of the team's scope to act as the implementation team for future transferring services, including Shire Services.

The Project Delivery Team ('Tiger Team') continues to meet and report weekly and to undertake extensive due diligence work on the business cases of transferring services.

The Team will report to the Programme Board via the work-streams of the services the Team is supporting. Currently this involves Shared Services and Shire Services, and will expand in due course.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Agenda Item 7, 02 May 2012: Strategic Commissioning; Our Preferred Response to New Challenges

Cabinet Agenda Item 8, 02 May 2012: Delivering Change, Changing Delivery; A New Trading Company for Shropshire Council

Cabinet Agenda Item 9, 06 June 2012: Arrangements for Strategic Commissioning and the Creation of a New Council Owned Company for Service Delivery

Cabinet Member (Portfolio Holder) Keith Barrow (Leader of the Council) Brian Williams (Chairman of Audit Committee)
Local Member N/A
Appendices Appendix A: ip&e Programme Board Structure