

Audit and Governance Committee - Friday 29 June 2018

Item 4 - Public Participation

Questions

1. Questions from Mr A Bloomfield, a resident of Dorset

The Dorset County Council Local Government reorganisation is based on an upfront investment of £25m.

The 2017- 18 Financial Statement does not quantify the actual expenditure to date nor reconfirm the investment.

1. Is there a DCC policy for collecting the reorganisation costs from ALL levels of local government within Dorset?
2. Is the investment still fixed at £25m?
3. Does the Financial Statement show a true and fair view of the performance of the Council without specifically quantifying the costs relating to the reorganisation?

Response

The Dorset County Council Local Government reorganisation is based on an upfront investment of £25m.

This figure came from work that was carried out across the nine authorities, with Local Partnerships. It is a cost that will be shared and paid in accordance with an agreed formula. Around £13.2m was estimated to fall to the rural authority (Dorset Council) and £11.7m to the urban authority (Bournemouth, Christchurch and Poole Council).

Officers are currently working on the 2019/20 budget and are also reviewing reorganisation costs as this work progresses. The latest estimate of the costs that will fall to the Dorset Council are set out in the table, below:

Area	LP Report £m	Revised £m	Pre 18-19 £m	2018-19 £m	2019-20 £m	2020-21 £m
Phase 1						
Transitional Resources (£2.5m PAN Dorset)	1.3	1.3	0.3	1.0		
Phase 2/3						
Redundancy	2.9	2.9		0.9	2.0	
Relocation	1.2	1.2		0.0	0.6	0.6
Retirement	0.6	1.5		0.6	0.9	
HR	0.7	0.7		0.4	0.3	
Property	1.5	0.8		0.3	0.5	
ICT	1.0	1.0		0.7	0.3	
Public Consultation	0.2	0.2	0.2			
Creating the new Council	1.3	1.0		1.0		
Induction	0.3	0.3		0.1	0.2	
Closedown	0.1	0.1		0.0	0.1	
Service Configuration	0.5	0.5		0.0	0.5	
Contingency	1.6	1.0		0.5	0.5	
Total (Phase 2/3)	11.9	11.2		4.5	5.9	
Total (incl Trans)	13.2	12.5	0.5	5.5	5.9	0.6

The six councils which will make up the new Dorset Council are sharing costs in the following proportions:

Council	Popn Share
East Dorset	11.94%
North Dorset	9.52%
Purbeck	6.22%
West Dorset	13.55%
Weymouth & Portland	8.78%
Dorset CC	50%

The 2017-18 Financial Statement does not quantify the actual expenditure to date, nor reconfirm the investment.

The County Council's accounts are prepared in accordance with the CIPFA Code and are compliant with International Financial Reporting Standards. There is no requirement for information on reorganisation costs to be included. The County Council's website includes up-to-date information on LGR and Cabinet and other committee reports include costs for reorganisation.

Whilst it is straightforward to capture out-of-pocket costs relating to reorganisation (which the cost estimates above are trying to reflect), we could not cover all costs, such as existing staff resource deployed on LGR rather than on other work.

The cost of expenditure specifically incurred for reorganisation in 2016/17 were £93k and £216k 2017/18.

- 1. Is there a DCC policy for collecting the reorganisation costs from ALL levels of local government within Dorset ?*

Where appropriate, costs will be borne by individual authorities. Where costs are shared then one of the authorities will incur them and be reimbursed by the other(s) according to the general cost share agreement or any specific agreement made for other costs.

- 2. Is the investment still fixed at £25m ?*

See latest estimate above for the new Dorset Council.

- 3. Does the Financial Statement show a true and fair view of the performance of the Council without specifically quantifying the costs relating to the reorganisation ?*

See above, the accounts are not required to show an analysis of all costs to satisfy the requirement of true and fair. The accounts have been audited by KPMG LLP who have concluded that the accounts do show a true and fair view.

The county council is keen to be open and transparent in its financial reporting so further, separate disclosure will be made in future Cabinet reports and papers for the Shadow Executive. However, we have been through a process of decluttering and restructuring the accounts in recent years, in line with an initiative from CIPFA and we are reluctant to put more information back into the document, particularly where it is disclosed and reported elsewhere.