

Cabinet

Dorset County Council



Date of Meeting	16 January 2018
<p><u>Cabinet Member(s)</u> Tony Ferrari – Cabinet Member for Community and Resources</p> <p><u>Local Member(s)</u> n/a</p> <p><u>Lead Director(s)</u> Richard Bates – Chief Financial Officer</p>	
Subject of Report	LGR Programme Budget
Executive Summary	<p>In February 2017 a submission was sent to the Secretary of State for Communities and Local Government requesting all Dorset councils are replaced by two new unitary councils. The submission contained financial analysis from Local Partnerships which demonstrated annual savings of approximately £28m could be made as a result of the reorganisation. Local Partnerships accepted some of these savings would be taken before the new unitary councils were created, as a response to reductions in the finance available to local government. Therefore, they reduced the estimated annual savings by 35% to £18m. Local Partnerships estimated the cost of making the change to be in the order of £25m, of which £13.2m relates to Dorset Council.</p> <p>The predecessor councils to Dorset Council have previously been asked to release funding to finance the preparations for the creation of the new council. In the summer of 2017 councils released funding of £1,215,000 and this was supplemented by a further release of £2,163,000 in June 2018.</p> <p>At its meeting on 17 December 2018, the Shadow Executive considered the highlight report for the programme to create the new council. The highlight report indicated a further £1,859,000 will be spent before the 1 April on the creation of Dorset Council. This brings the total to be spent before 1 April 2019 to £5.24m. The Shadow Executive agreed the report, including a</p>

	<p>recommendation to ask the predecessor councils to release further funding.</p> <p>This extra expenditure in the current financial year will result in savings being made earlier than anticipated such as from convergence, early departure for some executives and implementing some structural changes. Early changes such as this are beneficial as it allows the Council to make more savings in total through moving expenditure from next year to this.</p> <p>Dorset County Council has currently set aside a total of £3.261m to meet LGR programme costs. After estimated commitments the anticipated unspent balance at 31 March 2019 was expected to be between £530k and £670k.</p> <p>Dorset County Council’s share of the additional costs approved by the Shadow Executive is 50% or £930k. There is therefore the need for approval of expenditure of up to a further £400k of programme expenditure to meet the revised anticipated costs in 2018-19.</p> <p>This will then be sufficient to cover all of Dorset County Council’s share of programme costs in 2018-19. All further programme costs for 2019-20 will however need to be met by Dorset Council as there will be no residual LGR funding set aside by Dorset County Council to transfer to the new authority.</p>
<p>Impact Assessment:</p> <p><i>Please refer to the protocol for writing reports.</i></p>	<p>Equalities Impact Assessment:</p>
	<p>Use of Evidence:</p>
	<p>Budget:</p> <p>An additional cost of £930k will be incurred by the County Council in respect of the LGR programme during 2018-19. This can be partially funded from funds already approved for LGR but will leave a shortfall of between £260k and £400k. This will need to be funded through a reduction in the general balances of the County Council.</p>
	<p>Risk Assessment:</p>

	<p>Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as: Current Risk: HIGH/MEDIUM/LOW Residual Risk HIGH/MEDIUM/LOW</p>
	<p>Outcomes:</p>
	<p>Other Implications:</p>
<p>Recommendation</p>	<p>That the Cabinet approves and additional spend of up to £400,000 by Dorset County Council in respect of their share of the LGR programme costs.</p>
<p>Reason for Recommendation</p>	<p>Additional programme costs have been approved by Shadow Dorset Council and Dorset County Council's share of these is over the current approved sum.</p>
<p>Appendices</p>	<p>None</p>
<p>Background Papers</p>	<p>Report to Shadow Dorset Council - Programme Highlight Report (including Programme Budget) 17 December 2018</p>
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