

Together we are delivering your

New Somerset Council

Joint Scrutiny - LGR Implementation Budget

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District Council

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Somerset Unitary - Implementation Costs

Projected implementation costs	Total Budget
	£
1 Contingency	1,502,000
2 Redundancies	8,376,726
3 Transition team	1,709,250
4 IT Systems	2,340,000
5 Property	600,000
6 Culture Change and Communications	1,000,000
7 Other (Legal, Specialist Advice & Contract negotiation)	1,000,000
Total	16,527,976

Proposed funding:		£
Somerset CC	80%	13,222,381
District Councils	20%	3,305,595
Total		16,527,976

Split between Districts based upon population		
Mendip	20.6%	679,592
Sedgemoor	21.9%	724,216
Somerset West & Taunton	27.6%	912,002
South Somerset	29.9%	989,785
		3,305,595

Implementation Costs

• The spend profile for the £16.5m implementation costs are as follows:

- 2021/22 £3.2m
- 2022/23 £9.4m
- 2023/24 £3.9m

• This profile has now been budgeted for across all Somerset Councils.

• The timing of spend will be adjusted as Tranche 1, 2, and 3 are developed.

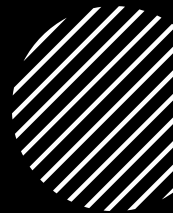
• The funding is a total figure, if not used in 2021/22 it will be carried forward into 2022/23 or 2023/24.

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Principles and Process for Applying for Resources



The basis upon which the implementation budget was developed was that the programme would only pick up true additional costs over and above those in the councils approved budgets and the costs are part of the LGR programme.



All requests for additional resources are made via the Request for Implementation budget Funding Form.



The bids are reviewed by the Section 151 Officers and members of the Programme Management Office to ensure the information is complete and it will be assessed against the approved criteria.



Bids presented to the Programme Steering Group



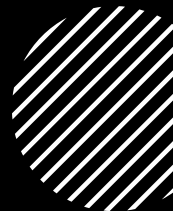
Bids presented for approval to the LGR Programme Board



If the bid will have a significant impact on the Implementation Budget it will be escalated from LGR PB to LGR Joint Committee.



Criteria for Approving Resources from Implementation Budget



The criteria was approved by the LGR Programme Board 30th November 2021



Is the external expertise required as its not available internally?



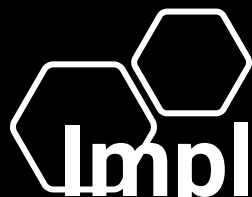
Can the bid demonstrate that it is needed to establish safe and legal by Vesting day (Tranche1) and/or without the funding there will be a fundamental risk to delivery of the business case?



No backfilling for posts within the establishment unless exceptional circumstances can be demonstrated.



A de minimus level of £10k was set.



Implementation Costs – Governance & Monitoring

- The following are the Governance & Monitoring arrangements that are in place:

- Each of the 7 budgets has named responsible budget holder(s).
- Workstream Leads will also manage their budgets once allocations have been approved.
- Monthly monitoring reports to the Board.
- Virements between budget headings to be approved by the Board.

	Total Budget £	2021/22 £	2022/23 £	2023/24 £	Total £
Budget Spend & Commitments		3,200,000	9,421,734	3,906,242	16,527,976
Contingency	1,502,000	-	-	-	-
Redundancy	8,376,726	-	-	-	-
Transition Team	1,709,250	433,807	621,005	12,000	1,066,812
IT Systems	2,340,000	-	-	-	-
Property	600,000	-	-	-	-
Culture, Change & Communications	1,000,000	83,000	215,800	-	298,800
Other (Legal, Specialist Advice & Contract Negotiation)	1,000,000	291,000	501,984	-	792,984
Spend & Commitments		807,807	1,338,789	12,000	2,158,596
Remaining Budget		2,392,193	8,082,945	3,894,242	14,369,380



Implementation Bids



32 new bids have been reviewed through Finance workstream, PMO, followed by PSG and Board

These will be aligned with the appropriate Tranche product list once approved.

As the programme progresses through delivery there will be further bids required, they will follow the same process.

Currently 7 new bids approved totalling just over £1m which include central project support for the LGR programme and 4 bids for specific project support, all urgent requests to ensure the programme can meet the timetable.

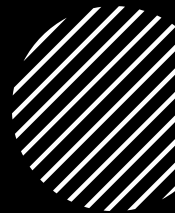
ICT bids will be considered as part of an overall strategy for the new Council and assessed in line with tranche delivery

12 bids are delegated to the Project Steering Group and Finance Work Stream for final review and decision

Some bids need to follow a different process eg the MTFP or need further clarification to determine if they meet the criteria.



Next Steps



The Product List divided into Tranche 1,2 & 3 will be aligned with resource requests.

Approved bids will be added as commitments to the Implementation Budget monitor

Workstream Leads will be responsible for managing the budgets they requested

Budget monitoring will continue on a monthly basis to PSG and Board.