

Local Government Reorganisation and Finance

Barry Scarr

LGA Financial Improvement and
Sustainability Adviser

LGR and Finance - topics

- Financial Governance
- Preparing for LGR – what practical steps can be taken
- Issues based on previous experience

Financial Governance

- Accountability
 - Plan for member scrutiny
 - Comms/engagement plans enable transparency of decision making.
 - Record all relevant decisions in the PMO
- Agree a scheme of delegations from the shadow authorities to the predecessor councils for financial decisions above thresholds set out in the section 24 Direction

Managing Financial Risk

- Contracts - develop contract registers, agree novation processes
- Council Tax – review LCTS and discounts, develop early policy proposals
- Borrowing - list existing and planned debt together with lenders/interest rates and debt profile (including Dedicated Schools Grant).

Delivering LGR Savings

- Focus on the delivery of the implementation programme to prevent scope and budget creep and retain a focus only on the activities essential for the delivery of LGR.
- Be realistic in what can be achieved during transition and build transformative activities into the new authority's medium-term financial plan.
- Use compliance services such as internal audit to check and challenge the implementation programme at key stages and ensure consistency

Other areas to consider

- Managing the process for redundancy and associated costs
- Early appointment of external Auditors
- Levels of reserves and managing business as usual in predecessor authorities

What mainly kept me awake at night?

- Splitting the County budget and associated systems
- Data quality and standardisation
- Getting the IT ready for day 1
- Council Tax – it is not as easy as you think, especially LCTS

Questions