

Report For:	BUCKINGHAMSHIRE SHADOW EXECUTIVE
Meeting Date:	9 July 2019

SUMMARY

Title of Report:	IMPLEMENTATION BUDGET
Responsible Officer:	Roger Goodes (PMO); Richard Ambrose (Interim S151 Officer for the Shadow Authority)
Officer Contact: Direct Dial: Email:	Richard Ambrose 01296 383120 rambrose@buckscc.gov.uk
Recommendation:	The Shadow Executive agree that the implementation budget for 2019/20 is set at £12.850m , and that the budget is allocated to the Programme Boards in line with the estimated requirements as detailed at Appendix A.
Legal & Finance:	The Shadow Executive will agree the amount of the Implementation Budget and all expenditure will be compliant with the host authority (BCC) financial procedures.
Options:	The budget allocation options were considered.
Reason: (Executive only)	The allocation of an implementation budget will support the delivery of the Implementation Plan for the transition period.

Purpose of Report

Introduction

1. This paper recommends the appropriate allocation of Implementation budget for the delivery of the Unitary Implementation Plan for the transition period until April 2020.
2. This has been informed by the work developed so far by the Resources, Housing Growth and Economy and Communities Programme Boards which has been summarised in the Implementation Plan which is also on the agenda for this meeting.

Executive Summary

1. The Chief Executives Implementation Group has reviewed and validated the anticipated costs around the implementation plans in relation to the Resources, Housing Growth Economy and Communities Programme Boards together with the budget requirements of the Project Management Office.


2. The total recommended Implementation budget for 2019/20 is **£12.850m**. Details of the proposed budget for 2019/20, indicative budget for 2020/21 (based on those costs identified to date) are shown at Appendix A. A comparison is provided with the overall level of the Implementation budget of £22m agreed in April 2019; including any potential remaining allocation that could be used to fund future Transformation and Service Improvement work.

Content of Report

Principles

3. In estimating the required Implementation budget the following principles have been adopted:
 - The proposals for 2019/20 are based on the minimum required to enable the Council to be safe and legal on day 1.
 - Transformation changes are not included, other than where these were identified within the original business case; however these will be developed during the course of the year and included within the financial strategy and budget for the new Council.
 - The implementation plan is highly complex to cost. Estimates have been made on the basis of the best information currently available; however there is potential for significant changes as the scope of work and availability of resource and actual quotations from third party suppliers are received or confirmed. As a result a contingency of £1m has been recommended for 2019/20 to be held by the Programme Manager.
 - Internal staffing and backfill has been assumed wherever possible to minimise the use of consultants and more expensive external resources. Where this is not possible costs could increase.
 - An appropriate VFM appraisal or full business case will be required for significant items of expenditure.

Budget Management and Budget Responsibility

4. Allocation of high level funding between Programme Boards is the responsibility of the Chief Executive Implementation Group (CIG). Any requests for funding above the agreed Implementation Budget will need to be agreed by both CIG and the Shadow Executive.
 5. Overall responsibility for the Implementation Budget sits with the Programme Manager, and monitoring arrangements are being put in place to ensure that workstream projects can be delivered within the agreed budget. Reporting will be made monthly to the relevant Programme Board and Chief Executive Implementation
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Group; and quarterly to the Shadow Executive. Changes to the proposed Implementation budget will be tracked against the budget and significant variances reported to the Boards on a monthly basis.

Amendments to the Implementation Budget

6. The original business case estimated an implementation cost of £16.2m, however this was increased to £22m as part of the setting of the 2019/20 budgets for the 5 authorities, due to the accelerated timeframe needed and as a result of being a non-continuing authority. Each authority has put aside their proportion of this funding (50% from BCC and 50% from districts split according to population).
7. The implementation budget requested by the Resources Programme Board is higher than previously estimated is due to the accelerated timeframe and non-continuing authority costs moving into these areas.
8. An estimate of £755k has been included in relation to re-branding of critical ICT, Property, Vehicles and ancillary items. A decision will need to be made about the strategy for this going forward and what will or will not be rebranded as part of transition.
9. The proposed budget includes £100k for the pilot of Community Boards to enable this to start in January 2020. This is subject to the approval of the Community Board options report.
10. The budget requested for implementation for 2019/20 of £12.850m. The detailed budget allocation will be split between Revenue and Capital budgets as appropriate.



Appendix 1

Implementation Budget

Revised Implementation Budget	2019/20	Post 1	Trans	Total	Budget
	Budget	April 2020*	format'n*	Budget	(April 2019)
	£000	£000	£000	£000	3 Year Total Cost
					£000
Programme Management Office	875	500	-	1,375	1,500
Resources Board					
Legal & Gov	799	-	-	799	500
HR	1,151	229	-	1,380	1,500
HR / Finance System	1,010	-	-	1,010	1,500
Finance	409	100	1,500	2,009	2,000
ICT	2,155	-	-	2,155	1,000
Customer	653	256	-	909	-
Civil Contingencies	10	-	-	10	-
Communications	52	-	-	52	-
Property	546	-	-	546	500
Contingency	450	-	-	450	-
Resources Board Total	7,235	585	1,500	9,320	7,000
Communities Board	490	125	-	615	
Housing Growth Economy Board	395	125	-	520	
Other Investment Costs					
Community Boards proposed pilot [1]	100	-	-	100	-
Re-Branding (all Boards)	755	-	-	755	500
Cultural & Structural change	incl above	-	-	-	1,000
Redundancies / Pension Strain	2,000	4,670	-	6,670	6,670
Non-Continuing Authority costs	incl above	-	-	-	3,000
Accelerated Timeframe	incl above	-	-	-	1,000
Programme Contingency	1,000	500	-	1,500	1,500
Total Budget	12,850	6,505	1,500	20,855	22,170
Balance available for future Transformation (subject to business case)				1,315	

Note [1]

It is proposed that £100k is set aside for staffing costs linked to the pilot of Community Boards to enable this to start in January 2020. This is subject to the approval of the Community Board options report.

* Implementation budget post 1 April 2020 – this line shows those costs as identified to date. The majority of workstreams have focused only on the costs required to day one.

*Transformation costs as envisaged in the original business case relating to the procurement of a single Revenues & Benefits system. Further transformation has been identified within in particular the Customer workstream within Resources Board around website and CRM. These costs are estimated at c. £2.4m and are not included in the table shown.