

Governance Arrangements of Reserve

These governance arrangements are to be agreed by each Council through their own relevant arrangements and the following will form part of the delegated requirements:

Purpose of Reserve

To provide funds to resource the indicative implementation costs associated with LGR in Cumbria.

Conditions of Use

Once paid over to Cumbria County Council, the management of the Reserve rests with the Senior Responsible Officer (SRO) for LGR. Approval to release funds from the reserve to individual themes and workstream programme boards (allocation being dependent upon their activity and responsibility) can only be given by the SRO (or a suitably appointed alternate officer) via an Officer Decision notice, under delegated powers. A scheme of delegation will need to be established by Cumbria County Council for the use and monitoring of the reserve.

- Allocations will be agreed to individual themes and workstream programme boards prior to January 2022 so that they can progress with spend on essential support prior to that date;
- Any advance spend incurred by individual authorities prior to January 2022 will be funded by each authority and recorded as such until such time that the collective reserve is established and the costs be fully charged against the reserve through a net payment being made after appropriate deductions (hence the reference to proportions in the recommendations);
- Throughout the transition process, and the use of the reserve for the programme delivery, compliance with relevant procurement legislation will be required and adherence to the County Council's internal governance arrangements post January 2022; and
- Individual spending and virement limits will be detailed in the scheme of delegation.

Monitoring of the Reserve

Spending delegations will be made to the individual Workstream Sponsors as set out in the draft Scheme of delegation, with monthly reporting of spend to the LGR Programme Board via the Finance and Commercial Programme Board. From the January 2022 a regular report on a monthly basis will be taken to the Programme Board group of commitments and actual expenditure against the Implementation Reserve as a whole and against individual budgets. These will come from the individual Boards for the themes and workstreams. These reports will also be made available to each individual authority.

- A Memorandum of Understanding (MOU) will need to be prepared, agreed and signed by all the Cumbrian Councils which will set out clear roles and responsibilities in relation to the Implementation Reserve and delegations in this respect are sought. This MOU will reflect the principles as set out in this report and associated appendices.
- At the end of the programme any Implementation Reserve not utilised will be equally allocated to the two new Unitary authorities. This will be as part of the initial establishment of the Unitary authorities with one Unitary hosting the ring-fenced reserve initially until all commitments and expenditure have been fully accounted for. It is expected implementation costs will continue to be incurred after vesting day.
- There will need to be formal secondment mechanisms for staff who will become part of the programme to enable appropriate costs to be covered so that host authorities' budgets can then fund any backfill arrangements.
- The accounting treatment of the reserve for the 2021/22-year end accounts is being considered to ensure that all authorities comply with relevant accounting standards and generally accepted accounting practice. This will form part of the outturn reports and Statement of Accounts for 2021/22 and 2022/23 as presented to Members.