

## Appendix 6 – Financial Implications (Addendum)

In support of the Council’s role as final decision-maker on this matter, the following information about financial implications is presented as an addendum and extension to the report agreed by the committee. This information was not previously available.

The proposal in this report both increases and changes the resourcing that the Council has in place to support its democratic core.

The increase and change in resources in part reflects the move from a Leader with Cabinet model of governance to a new Committee System plus a series of 7 Local Area Committees (“LACs”). The proposal also provides increased administrative support for Members and increased Policy Officer support for the whole system.

The approved budget for Democratic Services for 2022/23 is £1,094k. Staffing levels in the team were in line with the budget for 2020/21 and increased significantly supported by one-off funding for the 2021/22 year in line with the work required to develop and implement both Local Area Committees (following approval at Council in March 2021) and the new Committee System (following the May 2021 Referendum).

The table below shows the change in resourcing levels and cost within Democratic Services over three years as a result of governance and support changes.

	£k	FTE
2020/21 budget	1,071	28
2021/22 latest forecast	1,314*	39
2022/23 (subject to grading)	c.1,700	43

\*part of the year at higher resource levels

The structure proposed in this report (subject to final grading) will cost around £1,700k on a full-year basis for 2022/23, around £600k more than the available budget.

However, this needs to be set in the wider context of both Local Area Committees and the new Committee system of governance. The table below compares the pre-LAC structure and cost base to the new proposed structure and cost based that incorporates both LACs and the new Committee System resourcing proposal.

	£k	21/22 Pre-LAC Baseline	22/23 Proposal	Increase
Local Area Committees	Cash Budget	230	930	700
	Staff in LACs	506	1,368	862
	Committee Support	0	155	155
	<b>Total</b>	<b>736</b>	<b>2,453</b>	<b>1,717</b>
Central Committees	Committee Support	507	789	282
	Member Support	537	643	106

	<b>Total Central Resource</b>	<b>1,044</b>	<b>1,433</b>	<b>389</b>
<b>Total</b>		<b>1,780</b>	<b>3,886</b>	<b>2,106</b>

Within the proposed spend above, £700k of the Cash Budget for LACs is one-off in nature, being a proposed carry-forward of a 2021/22 underspend. The Council's budget and financial plans includes all but £600k of this proposed spend.

It is proposed that short term funding is made available for 2022/23, using an unexpected rebate of £530k that was received after the budget was set, to cover the 2022/23 requirement. The cost in this proposal are full year costs and as not all staff are yet in post, there will be a small timing difference. This should mean that the £530k will be able to support the proposal in this report for 2022/23 with only minor variances overall.

There will be a need for the costs of the overall LAC and Committee system structure to be reviewed as part of the 2023/24 budget process. This will also enable any findings from the early months of the implementation of both LACs and the new Committee System to be incorporated properly into the 2023/24 budget alongside the Council's wider priorities and financial envelope.