



## Devon County Council

### Local Government Reorganisation: Risk Assessment

#### Executive Summary

1. Local Government Futures (LGF) has been commissioned by Devon County Council (DCC) to carry out an independent review of the risk assessment and risk register, which form part of their submissions to the Boundary Committee. There are two submissions that have been developed: the first relates to a whole county unitary and the second relates to what is described as the rural unitary. Our principal findings are set out below and the main report follows on from this Executive Summary

#### *The submissions to the Boundary Committee*

2. **Given the nature of the exercise, in our opinion, the level of accuracy for the financial workbooks achieved should be sufficient for the Boundary Committee's purpose.**

#### *The overall robustness of the financial workbooks*

3. **We have formed the view that a reasonable approach has been adopted and that the assessment of costs and cost reductions in the future are not inappropriate.**
4. **The workbook for the rural county is, in our opinion, sufficiently robust for its purpose, even though its sensitivity for error is greater than the whole County approach, which we judge to be more robust.**

#### *Management of risks*

5. **We consider that the risk registers attached to the submissions to the Boundary Committee identify significant risks, record the actions that will be taken to mitigate the risk and identifies who is responsible for their control.**

#### Local Government Futures Ltd

Incorporated in England and Wales under registration number 05308266  
Registered address - Technology House, 151 Silbury Boulevard, Milton Keynes MK9 1LH  
VAT registration number 855940493  
Directors: Adrian Jenkins CPFA, Jude Ranasinghe CPFA, Neil Wilcox ACMA

*Implementation planning and contingency planning*

6. **DCC has identified the key issues that will be relevant to the implementation of each option. However, planning has not yet progressed to the next level, which will need to demonstrate that the plans can be achieved to the timetable without any adverse impact upon affordability.**

*Savings and costs*

7. **Our conclusion is that, whilst not all risks of misjudgement can be eliminated, DCC has made reasonable efforts to identify and assess the costs and savings attributable to the Local Government Reorganisation (LGR) proposals, with any bias being to overstate cost estimates and understate savings.**

*Budget disaggregation*

8. **There is a risk that the disaggregation may be sensitive to some revisions, however. Based upon our assessment, the exercise has been carried out with regard to the agreed principles determined by the Devon Section 151 officers group and, in overall terms, the allocated budget for the two unitary option should be within acceptable parameters of accuracy.**

*Formula grant allocations*

9. **The principal risk is that, where judgement has been exercised, that a material error in the split of the grant between the two unitaries would arise. It is our view that the accuracy of the split is reasonable, given the nature of the exercise. LGF carried out the formula grant disaggregation on behalf of DCC and Exeter City Council.**