

CABINET

Budget Support Reserve – Proposed Allocations 26 June 2018 Chief Officer (Resources)

PURPOSE OF REPORT				
This report seeks Cabinet's consideration of proposed allocations from the Budget Support Reserve, to enable the progress of related matters.				
Key Decision	X	Non-Key Decision		Officer Referral
Date of Notice of Forthcoming Key Decision			24 May 2018.	
This report is public.				

RECOMMENDATIONS OF COUNCILLOR ANNE WHITEHEAD

1. That Cabinet approves a total allocation estimated at £145,000 from the Budget Support Reserve to cover:
 - the continued engagement of the interim Head of Legal and Democratic Services to 31 October 2018, and the interim Human Resources Manager to 31 July 2018, with any further extension being subject to decisions regarding the management restructure; and
 - the one off costs arising from a minor structural reorganisation resulting from Council's decision to reorganise the management and administration of Environmental Services.
2. That the allocation regarding interim capacity be subject to the use of turnover savings to help finance the engagement and should any adjustment be required to the allocation, it be addressed through quarterly financial monitoring reporting (through which the corporate turnover position will be monitored).

1 REPORT

- 1.1 As reflected within its Medium Term Financial Strategy and related Provisions and Reserves Policy, the Council holds a Budget Support Reserve. Its purpose is to provide resources to help finance capacity, feasibility/review and other development work in support of the Council's corporate planning and budgeting arrangements.
- 1.2 In line with that purpose, a proposal to continue with the engagement of interim senior managers for the Human Resources and the Legal and Governance functions was

approved by Personnel Committee at its meeting on 04 June, subject to Cabinet approving the financing.

- 1.3 This reports seeks Cabinet's approval for that financing (estimated in total at £55,000) from the Budget Support Reserve. Further details can be found in the attached report at **Appendix A**.
- 1.4 In addition Cabinet's approval is required to fund the one off costs (voluntary redundancy/ pension strain) estimated at £90,000, regarding the latest phase of the ongoing management and administration review, which was originally approved by Council at its budget meeting of 2nd March 2016, but at that time did not take account of any up-front/one-off costs. This latest phase involves some minor grading changes and the deletion of one post. Affected staff have been consulted and agree to the proposals. Changes already made mean there will be no negative impact on service delivery. A note of the rationale, financial implications and payback period is also attached at **Appendix B**.

2 DETAILS OF CONSULTATION

- 2.1 No external consultation is required.

3 OPTIONS AND OPTIONS ANALYSIS

- 3.1 As referred to in the attached report, and additional information is provided below:

- 3.2 **Approve the allocation as proposed:**

Senior Management - Essentially the proposal is to help ensure that the Council has adequate senior management capacity for the relevant periods, to progress various initiatives and to protect its interests. Should the allocation be supported, it is advised that some flexibility be built in, to manage the corporate turnover savings position.

Environmental Services restructuring - The proposal provides the one off funding required to produce the ongoing savings agreed by the Council in 2016. It will not impact negatively on service delivery.

- 3.3 **Amend the proposed allocations**

Should Cabinet consider this option, the rationale and implications of any proposed amendment would need to be considered and addressed.

- 3.4 **Do not approve the allocation**

Should this option be chosen, regarding the HR proposal, as there are no other obvious sources of financing available at this point, then as a consequence the Council would need to readjust its work priorities, and put in place other arrangements to ensure that meets its legal obligations. There is no guarantee that these could be met from within existing budgets, and so alternative reserve allocations may arise in due course.

Regarding the Environmental Services proposal, the restructuring could not go forward and the budgetary savings and operational efficiencies would not be realised. Alternative ways of achieving savings would need to be identified, but any such options are likely to involve other up-front costs in any event.

4 OFFICER PREFERRED OPTION AND JUSTIFICATION

- 4.1 The relevant Officer preferred options are as set out in the attachments. In respect of the interim capacity proposal, some flexibility regarding the corporate turnover position is advised; this is reflected in the Member recommendations of this report.

RELATIONSHIP TO POLICY FRAMEWORK

The Outturn and Statement of Accounts report on all the financial resources generated and/or used by the Council in providing services or undertaking other activities under the Policy Framework.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc)

None directly identifiable.

FINANCIAL IMPLICATIONS

Interim HR Appointments

See attached report. Note that the proposal regarding the Head of Legal and Governance is to run to 31 October (rather than the 30th).

Environmental Services Minor Restructure

See attached note.

Allocations from the reserve above the key decision threshold are a matter for Cabinet; those below are delegated to the Chief Officer (Resources) in consultation with the Finance Portfolio Holder.

Further to the outturn (which is subject to audit), the balance as at 01 April on the Budget Support Reserve was £711K. Should the proposal be approved, this would reduce to £566K.

Other allocation proposals regarding the Reserve are expected to be presented to Cabinet in due course. That said, subject to the outturn position being confirmed at audit, it is still anticipated that a contribution to the Reserve in the region of £2.6M will be effected in the current year, as reported during the budget and as reflected within the MTFS.

SECTION 151 OFFICER'S COMMENTS

This report has been prepared by the s151 Officer and is in her name (as Chief Officer (Resources)).

LEGAL IMPLICATIONS

There are no legal implications directly arising.

DEPUTY MONITORING OFFICER'S COMMENTS

The Deputy Monitoring Officer has been consulted and has no comments to add.

BACKGROUND PAPERS

None.

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