



Committee: OVERVIEW AND SCRUTINY COMMITTEE

Date: TUESDAY, 28 AUGUST 2018

Venue: LANCASTER TOWN HALL

Time: 6.10 P.M.

Councillors are reminded that as Members of Overview and Scrutiny they may not be subjected to the Party Whip, which is prohibited under the Lancaster City Council Constitution.

A G E N D A

- 1. Apologies for Absence**
- 2. Declarations of Interest**

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

- 3. Request to Call-in Cabinet Decision : Budget Support Reserve - Proposed Allocations - Minute 28 (Pages 1 - 9)**

The Cabinet decision on : Proposed Allocations from the Budget Support Reserve - Programme Update (Minute 28) taken by Cabinet on 7th August 2018 has been requested to be called in by Councillors Caroline Jackson and Roger Mace (Overview and Scrutiny Members) and by Councillors Tim Hamilton-Cox, Dave Brookes and Jon Barry.

This request was subsequently agreed by the Chief Executive. The decision has been called-in in accordance with Part 4 Section 5, Paragraph 16 of the Council's Constitution.

The relevant Cabinet Members have been invited to attend to outline the basis on which the decision was made.

Included in the agenda:

- Call-in Procedure
- Cabinet minute extract
- Call-in Notice
- Report to Cabinet and Appendix

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Nigel Goodrich (Chairman), Roger Mace (Vice-Chairman), June Ashworth, Alan Biddulph, Tracy Brown, Brett Cooper, Rob Devey, Caroline Jackson and David Whitaker

(ii) Substitute Membership

Councillors Charlie Edwards, Janet Hall, Tim Hamilton-Cox, Abi Mills, John Reynolds and Phillippa Williamson

(iii) Queries regarding this Agenda

Please contact Jenny Kay, Democratic Services - telephone (01524) 582065 or email jkay@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Democratic Support, telephone 582170, or alternatively email democraticsupport@lancaster.gov.uk.

SUSAN PARSONAGE,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER, LA1 1PJ

Published on Friday, 17th August, 2018.

EXTRACT FROM THE CONSTITUTION

**Part 4 – Rules of Procedure,
Section 5 – Overview and Scrutiny Procedure rules,
Sub-section 16 – Call-in Procedure.**

Call-in Procedure

In considering a Call-in decision the following procedure will be followed:

- The Councillors who have made the Call-in request (who shall be seated together) will outline the reasons for the Call-in;
- The relevant decision-maker(s), with support from the appropriate officer(s) (who shall be seated together), will outline the reasons for their decision and the issues that they took into account;
- Councillors who are signatories to the Call-in request will have the opportunity to question the decision-maker;
- Other Members of the Overview and Scrutiny Committee will have the opportunity to question the decision-maker;
- At the discretion of the Chairman, other Members present may have the opportunity to question the decision-maker;
- Before forming a decision, the Chairman may decide to adjourn the meeting in order to allow the Call-in signatories to reflect on the evidence received and to consider any recommendations they wish the Committee to consider.
- The meeting then moves to forming a decision in accordance with the Council Procedure Rules.

CABINET 7TH AUGUST 2018

MINUTE 28

**PROPOSED ALLOCATIONS FROM THE BUDGET SUPPORT RESERVE -
PROGRAMME UPDATE**

(Cabinet Member with Special Responsibility Councillor Whitehead)

Cabinet received a report from the Chief Officer (Resources) which sought consideration of proposed allocations from the Budget Support Reserve to enable the progress of related matters.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

Approve the allocations as proposed:

Essentially the proposals are to help ensure that the Council has adequate capacity to develop and take forward its plans, in a timely and structured manner to help ensure successful outcomes. There is risk in terms of abortive costs for example, should the business case for any proposal prove unviable. There is also risk that the allocations will be insufficient, or that suitable and timely expertise cannot be secured, as further examples. These are typical project risks and would be mitigated through the governance arrangements proposed. Relevant Officers would be held to account, in support of good governance.

Amend/defer the proposed allocations

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

Do not approve the allocation

Should this option be chosen, then the Council could not reasonably expect to deliver its key projects in any timely fashion, and this would impact on the achievement of outcomes at set out in the Council Plan, and on the achievement of financial targets as set out in the Medium Term Financial Strategy (MTFS). If no additional capacity was to be facilitated at any point, this would require fundamental reconsideration of the Council's direction and its budget, together with supporting strategies and plans.

The relevant Officers' preferred option is to approve the allocations as proposed, for the reasons stated.

Councillor Whitehead proposed, seconded by Councillor Pattison:-

"That the recommendation, as set out in the report, be approved."

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet approves a total allocation of £300K from the Budget Support Reserve to cover Programme Management Capacity and Project Support Capacity, with the allocations managed under the governance arrangements as set out in the report.

Officer responsible for effecting the decision:

Financial Services Manager

Reasons for making the decision:

The purpose of the Budget Support Reserve 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. Work was currently ongoing to review the City Council's existing projects to ensure the projects and project governance is robust and supports successful delivery. Many of the projects are linked to the Council's transformation, digital and commercial agendas and short-term specialist support is required to progress the projects, which will assist the Council in modernising and provide for income generation in the future.

REQUEST FOR CALL-IN

This form is to be used when calling in a decision taken by the Cabinet, an Individual Member of the Cabinet or a committee of the Cabinet, or a key decision made by an officer with delegated authority from the Cabinet, or under joint arrangements. The full procedure is set out in paragraph 16, Part 4, Section 5 of the Constitution and page 7 of the Handbook.

ITEM TO BE CALLED IN: Budget Support Reserve Proposed Allocations	
DATE DECISION TAKEN: 7th August 2018	
DECISION TAKEN BY:	Tick
Cabinet	x
Individual Member of Cabinet (please state)	
Councillor	
Committee of Cabinet (please state)	
Key Decision by Officer with delegated authority (please state)	
Joint Arrangements (please state)	
REASONS FOR CALL-IN: (please indicate your reasons below)	Tick
(a) Proportionality (i.e. the decision is not proportionate to the desired outcome).	
(b) Lack of, or insufficient consultation and the taking of professional advice from Officers.	
(c) Lack of, or insufficient respect for human rights.	
(d) Lack of openness.	x
(e) The aims and desired outcomes of the decision are not clearly expressed.	
(f) Insufficient information about the options that were considered or the reasons for arriving at the decision.	x
(g) Other (please give your reason(s) in full below).	

REASONS AND (IF APPROPRIATE) PROPOSED ALTERNATIVE COURSE OF ACTION:

1. The Programme Manager post, cost £100k, is not part of the Budget Framework as passed by Budget Council March 2018. *Constitution Section 4 article 3 states " if any of these bodies (Cabinet, committees officers previously specified) wishes to take a decision contrary to or not wholly in accordance with the Budget approved by council then that decision may only be taken by the council"*

Alternative course of action: decision to be taken to Full Council

2. The allocation of £200,000 for Project Support Capacity includes no specific information about what the sum will be spent on. Cabinet was unable therefore to decide whether this expenditure secures value for money which is a responsibility of all members and officers. *Constitution Part 5 Section 1.1.1*

Alternative course of action: Cabinet to reconsider the decision once officers have provided details of the intended expenditure

3. The expenditure of £200,000 from Budget Support Reserve for Project Support Capacity appears to relate to the development proposals in the 2019/20 budget. It forms a significant proportion when set against 2018/9 budget spend of circa £1,500,000 on development projects. This proposed spending of public money has not been openly discussed and debated or democratically determined by Full Council as part of the Budget process and is therefore challenged. *Constitution Part 4 Section 3*

Alternative course of action: In future, Cabinet requires officers full costings for projects submitted as budget growth/redirection proposals for the Budget Framework and discuss with Chief officers how these costings might be effectively reviewed by Section 151 officer/Monitoring officer present

SIGNED:

Members of Overview & Scrutiny Committee

Cllr Caroline Jackson

Cllr Roger Mace

Three Further Councillors

Cllr Tim Hamilton Cox

Cllr Dave Brookes

Cllr Jon Barry

(Note: A valid request for call in must be signed by a total of 5 Members of the Council, including 2 or more Members of the Overview & Scrutiny Committee, and all 5 Councillors must not be from the same political group.)

DATE: 16/08/18

This request for call in must be submitted to the Chief Executive (by post, fax or e-mail) within 5 working days of the date of publication of the decision.

CABINET

Budget Support Reserve – Proposed Allocations
07 August 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			9 July 2018.	
This report is public.				

RECOMMENDATIONS OF COUNCILLOR WHITEHEAD

- (1) That Cabinet approves a total allocation of £300K from the Budget Support Reserve to cover Programme Management Capacity and Project Support Capacity, with the allocations to be managed under the governance arrangements as set out in the report.

1 REPORT

- 1.1 As reflected within its Medium Term Financial Strategy and the 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, Management Team, led by the Assistant Chief Executive, are undertaking a review of the Council's existing projects, to ensure that the project and programme governance is robust and supports successful delivery. This involves considering the objectives, prioritisation, strategic alignment, deliverability and risk management, resourcing and decision-making, amongst other aspects. Many projects are linked to the Council's transformation, digital and commercial agendas as well as helping to address the Council's financial challenges. The outcome of Management Team's work will be reported through to Members for consideration in due course.
- 1.3 It has been highlighted on a number of occasions that there are concerns regarding capacity and to help address this, Cabinet is requested to consider the following proposals:
- a) Programme Management Capacity**
 Staffing resource is needed to support Management Team in its work; the Council has no dedicated programme office yet it has highly ambitious plans across a number of areas including commercialism, economic regeneration, asset

management, digital, etc. The proposal is to establish a two-year fixed term post for a programme manager, with an accountancy background. Line management responsibility would sit under the Assistant Chief Executive (and with a reporting line into the s151 Officer), at least until the new senior management structure is in place. The exact grading of the post is yet to be determined but is expected that it would be a Grade 6/7 post. Based on an annual salary of £37K and allowing for overheads of 28%, plus minor indirect costs, a total budget provision of £100K is sought, covering the two-year period. Any redundancy liability arising would need to be considered; further funding may be required but this could only be established later in the process.

b) Project Support Capacity

Whilst many projects are not yet fully resourced, it is evident that there are considerable demands on support services in particular, and it is unreasonable to expect that these can be managed through prioritisation alone. The sort of capacity needed includes finance, legal, property, ICT, and HR although this list is not exhaustive; there is also likely to be some technical project management capacity required. The proposal is to authorise the s151 Officer to allocate up to £200K from the Budget Support Reserve, to provide project management and development support. In advance of a more holistic approach to programme management being implemented, the following arrangements are proposed:

- The responsible Chief Officer/ Management Team Member to sign off the proposed project planning/initiation document as robust, and the s151 and Monitoring Officers to sign off the plans from their respective professional perspectives.
- Any additional resource needs to be identified in the above.
- The project priority, its initiation document (including resource needs) to be approved by Management Team.
- Subsequent to the above, the s151 Officer to authorise the allocation of any additional resource needs from the available £200K Reserve allocation.
- The relevant Chief Officer / Project Manager to take on full delivery/budget responsibility for the project.
- Progress to be incorporated into the Council's formal quarterly performance monitoring arrangements.
- Details of Reserve allocations to be reported by the s151 Officer as part of the Council's formal quarterly financial monitoring arrangements.

As Management Team's review has progressed it has become clear that a number of projects would benefit enormously from targeted or directed support. The majority of support services are configured only to provide adequate day to day operational services with little capacity available for additional projects. As projects often require different service support at different times, a project may experience multiple constrictions on delivery as each service tries to respond. Extra support may only be required for a short time or for a particular purpose, but nonetheless, its availability should provide for a significant improvement on delivery.

2 DETAILS OF CONSULTATION

2.1 No external consultation is required.

3 OPTIONS AND OPTIONS ANALYSIS

3.1 Approve the allocations as proposed:

Essentially the proposals are to help ensure that the Council has adequate capacity to develop and take forward its plans, in a timely and structured manner to help ensure successful outcomes. There is risk in terms of abortive costs for example, should the business case for any proposal prove unviable. There is also risk that the allocations will be insufficient, or that suitable and timely expertise cannot be secured, as further examples. These are typical project risks and would be mitigated through the governance arrangements proposed. Relevant Officers would be held to account, in support of good governance.

3.2 Amend/defer the proposed allocations

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

3.3 Do not approve the allocation

Should this option be chosen, then the Council could not reasonably expect to deliver its key projects in any timely fashion, and this would impact on the achievement of outcomes as set out in the Council Plan, and on the achievement of financial targets as set out in the Medium Term Financial Strategy (MTFS). If no additional capacity was to be facilitated at any point, this would require fundamental reconsideration of the Council's direction and its budget, together with supporting strategies and plans.

4 OFFICER PREFERRED OPTION AND JUSTIFICATION

- 4.1 The relevant Officers' preferred option is to approve the allocations as proposed, for the reasons stated.

RELATIONSHIP TO POLICY FRAMEWORK

As set out in the report.

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

None directly identifiable at this point.

FINANCIAL IMPLICATIONS

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 has now been audited, allowing for the planned net transfer into the Budget Support Reserve in the current year, its balance as at 30 June amounts to £2.060M. Details are included in the financial monitoring report included elsewhere on the agenda. Should these proposals be approved, the balance would reduce to £1.760M.

Whilst the proposals cover a fixed term period only, there will be the need to consider capacity on a longer term / permanent basis. Any such proposals would be presented for Cabinet's initial consideration as part of the annual budget process, either for 2019/20, or beyond.

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.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted in the drafting of this report and has no further comments.

BACKGROUND PAPERS

None.

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