

NAME OF COMMITTEE	COUNCIL
DATE	2 OCTOBER 2012
REPORT TITLE	FOLLOW UP TO REVIEW OF BLUEPRINT REPORT OF 24 JULY 2012
REPORT OF	CHIEF EXECUTIVE
WARDS AFFECTED	ALL

Summary of report:

This report is a follow up to the report 'Review of the Blueprint' that was presented to the Resources Committee on 24 July 2012, which reflected on the Council's progress since the corporate blueprint was agreed in March 2011. This report summarises the use of delegated powers to meet service demands and bring about changes to improve customer service.

Financial implications:

This report sets out where the Head of Finance and Audit intends to use or has used officer delegated powers (set out in the Constitution) to approve the use of Earmarked Reserves and Unearmarked General Fund Revenue Reserves up to a limit of £30,000 per application to meet peak demands for services in 2012/13 or develop capacity to bring about change and future savings.

RECOMMENDATIONS:

That the Council

- (i) Notes and endorses the use of delegated powers by the Head of Finance and Audit for the sums for additional resources as shown in Appendix A.

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1. BACKGROUND

- 1.1 In March 2011 the Council approved the report "Shared Services and Beyond" setting out a blueprint for the way West Devon and South Hams shared services would develop and change over the medium term. The direction of travel was endorsed by both new administrations post-election.
- 1.2 Given the amount of progress that has been made since across both Councils, the pressures that the ambitious change programme is presenting and the challenges that arise from an extensive national programme of change, it felt timely to revisit the blueprint and either re-affirm or limit our ambition.
- 1.3 A report 'Review of the Blueprint' was presented to the Resources Committee on 24 July 2012. The Minute (RC6) stated that:-

It was **RESOLVED** that:

1. Members reaffirm their ambitions to:
 - Break new ground in the way the Council engages with local people to deliver better services
 - Have local communities that feel supported
 - Be innovative
 - Do more with less; and
 2. Members agree in principle to the concept of re-investing some of the underspend generated in the 2011/2012 financial year, to meet peak demands for services in 2012/2013 or develop capacity to bring about change and future savings.
- 1.4 The outturn position of the Council's Final Accounts for 2011/12 is an underspend of £134,000 which represents approximately 1.7% of the total net budget for the year of £7.8 million. The final audited Accounts will be presented to the Audit Committee on 25 September.

2. ISSUES FOR CONSIDERATION

- 2.1 The report to the Resources Committee on 24 July 2012 summarised the following:-
- we are making strong progress on meeting our ambitions – breaking new ground in the way we engage with local people to deliver better services; ensuring local communities feel supported; being innovative and doing more with less – but the significant amount of change we are facing is leading to frustration that we cannot achieve all we would want to achieve within existing resources;
 - we should remain ambitious for our local communities by being even more innovative; sharpening up our priorities; developing a more commercial approach and investing now to deliver savings that will put us in good stead in the future. But above all else we need additional resources if we are to respond to the many challenges in front of us. Without more resources, frustration experienced by Members, officers and most importantly service

users, will grow and we will spend more and more of our time firefighting problems.

2.2 This report sets out where the Head of Finance and Audit intends to use or has used officer delegated powers (set out in the Constitution) to approve the use of Earmarked Reserves and Unearmarked General Fund Revenue Reserves up to a limit of £30,000 per application to meet peak demands for services in 2012/13 or develop capacity to bring about change and future savings. This has been in consultation with the relevant Chair to increase officer capacity in the short term (one year) without adding posts to the establishment to:

- reduce workload pressures and improve service quality;
- accelerate invest to save schemes that will ease pressure on the finances in future years;
- provide headroom to allow systems and processes to be reviewed and improved.

2.3 Appendix A sets out the additional resources that are needed, the role that the post will undertake, the cost and how this will be financed and the benefit that will be realised from the additional investment. The Appendix also sets out the current status of the post.

2.4 In conclusion, there is now an improved understanding of the scale of the changes we should be anticipating:

- we need to remain ambitious for our local communities and committed to even better customer service. Notwithstanding the amount of change we face from national changes in policy and legislation we should be confident of our ability to meet the challenge if we use our resources effectively;
- the most serious risk is the lack of staff capacity to maintain service quality whilst coping with unprecedented levels of change. This risk can be significantly mitigated by careful use of the 2011/12 underspend and earmarked reserves. It makes good sense to invest this year to meet peaks and put services in a stronger position in future years.

3. LEGAL IMPLICATIONS

3.1 The Head of Finance and Audit has delegated powers (set out in the Constitution) to approve the use of Earmarked Reserves and Unearmarked General Fund Revenue Reserves up to a limit of £30,000 per application.

3.2 The report is presented to Members for information, to endorse the use of Unearmarked General Fund Revenue Reserves and Earmarked Reserves as set out in the report.

4. FINANCIAL IMPLICATIONS

4.1 The financial implications are set out in detail in Appendix A.

4.2 Table 1 below suggests the recommended way of funding the additional resources:-

Service Area	Total Amount (£)	Notes
Assets	£12,000	
To be financed by:-		
General Fund Unearmarked Revenue Reserves	£12,000	<p>This reserve has been established from underspends on the Council's annual expenditure. This is a working balance which has to provide a contingency against unforeseen events and emergencies. (Note the minimum level required to be maintained on this reserve is £750,000 – this is 10% of net operating expenditure).</p> <p>If these resource sums were to be funded from this reserve, this would leave a predicted remaining balance of £826,000. Therefore £70,000 of the underspend generated in the 2011/12 Accounts of £134,000 would be used.</p>

Service Area	Total Amount (£)	Notes
Corporate Services	£35,000	
To be financed by:-		
General Fund (Unearmarked) Revenue Reserve balance	£35,000	<p>This reserve has been established from underspends on the Council's annual expenditure. This is a working balance which has to provide a contingency against unforeseen events and emergencies. (Note the minimum level required to be maintained on this reserve is £750,000 – this is 10% of net operating expenditure).</p> <p>If these resource sums were to be funded from this reserve, this would leave a predicted remaining balance of £826,000. Therefore £70,000 of the underspend generated in the 2011/12 Accounts of £134,000 would be used.</p>

Service Area	Total Amount (£)	Notes
Planning, Economy & Community	£48,000	
To be financed by:-		
Planning Delivery Grant Earmarked Reserve	£25,000	<p>This reserve is Government Grant money (Housing and Planning Delivery Grant) which the Council was awarded in 2008. The grant was not ring fenced but the Council was strongly encouraged by the Government to invest the grant money in its planning services, with the aim of generating service improvement in order to counteract long-standing under-investment nationally in planning.</p> <p>If these resource sums were to be funded from this reserve, this would utilise the remainder of this government grant funding.</p>
General Fund (Unearmarked) Revenue Reserve balance	£23,000	<p>This reserve has been established from underspends on the Council's annual expenditure. This is a working balance which has to provide a contingency against unforeseen events and emergencies. (Note the minimum level required to be maintained on this reserve is £750,000 – this is 10% of net operating expenditure).</p> <p>If these resource sums were to be funded from this reserve, this would leave a predicted remaining balance of £826,000. Therefore £70,000 of the underspend generated in the 2011/12 Accounts of £134,000 would be used.</p>

- 4.3 In summary, the resource sums would be utilising £25,000 of Government grant money received in the past for investment in planning services (planning delivery grant) and £70,000 of the underspend generated in the 2011/2012 Accounts (the underspend was £134,000)).

5. RISK MANAGEMENT

The Risk Management implications are shown at the end of this report in the Strategic Risks Template.

6. OTHER CONSIDERATIONS

Corporate priorities engaged:	All
Statutory powers:	As set out in the Council's Constitution and Financial Procedure Rules
Considerations of equality and human rights:	No specific issues
Biodiversity considerations:	No specific issues
Sustainability considerations:	No specific issues
Crime and disorder implications:	No specific issues
Background papers:	<p>Presentation at the Joint Member Workshop on 18 June 2012 – distributed via the Members Bulletin on 6 July 2012</p> <p>Report to Strategies & Resources Committee – 12 April 2011 (Minute ref: S & R 64)</p> <p>Report to Resources Committee – 24 July 2012 (Minute RC6)</p>
Appendices attached:	None

STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Officer Capacity	Falsely raised expectations	5	4	20	↑	Resource in short term – 1 year	Head of Service
		Service failures increase	5	4	20	↑	Resource in short term – 1 year	Head of Service
2	Financial savings not realised in timely fashion	Opportunities to release savings, eg, from better asset management; use of ICT to deliver more efficient processes will not be realised due to lack of staff resource	4	4	16	↑	Resource in short term – 1 year	Head of Service
3	Reputation – "Customers"/ Service users experience negative	Customer expectation rising; localism agenda building pressure	4	4	16	↑	Resource in short term – 1 year	Head of Service

Direction of travel symbols ↓ ↑ ↔