

Committee **Resources Committee**

Date **27 January 2005**

Agenda Item No: **4**

Title: **Resources Committee Service Plan, Budget and Priorities 2005/06**

Author: **Philip O'Dell (01799) 510670, Michael Perry (01799) 510416, Mike Brean (01799) 510330, Carole Hughes (01799) 510407 Sarah McLagan (01799) 510560**

Summary

- 1 This report provides the basis for finalisation of the Committee's General Fund budget for 2005/06 subject to the Committee's final considerations on the Council's overall budget and any amendments made by Full Council. It contains full details of the base budget, prepared on the basis of current levels of service provision, a refined list of spending pressures previously considered, and proposals to achieve the budget reductions required following the resolution made by the Council on 14 December 2004. The report contains the following appendices:

Appendix 1 Base Budget-Committee summary and detailed pages
Appendix 2 Options for achieving budget reductions

Background

- 2 The previous meeting of this Committee considered draft 2005/06 budgets at direct cost level, along with spending pressures and draft service plans.
- 3 At its meeting on 18 November 2004 this Committee considered the overall position on the General Fund, ahead of the announcement of external funding from central government, and agreed a strategy for spending pressures and savings based on the service prioritisation approach developed by the Member Prioritisation Working Group.
- 4 Following a further resolution at the meeting on November 18 the Council meeting on 14 December considered and endorsed savings or additional income targets for individual services. The Council also referred the list of spending pressures back to policy committees, asking them to re-consider them in the light of the savings targets set for services. On this basis, committees are free to delete spending pressures so as to help achieve their savings targets for services, if that is their preferred option.
- 5 Council on 14 December agreed the proposal that, subject to the results of public consultation, further news on potential council tax capping, and the

effects of savings/additional income targets on services, a revised targeted council tax increase of 4.5% be agreed for 2005/06.

- 6 In total, policy committee meetings in this committee cycle have considered savings/additional income targets of over £400,000 and spending pressures of approximately £750,000.

Base Budget

- 7 This Committee's draft base budget for 2005/06 is attached at Appendix 1. This has been updated since the previous meeting as follows:

	£
Direct costs as previously presented	4,316,000
Transfers between Committees;	
<u>Transferred to Community and Leisure Committee</u>	
Quality of Life Plan;	
L.2.9 Youth Forum	(2,500)
C.1.5 Training Community Leaders	
On Crime Prevention	(2,000)
S.1.4 Supporting Individuals in	
The Community	(2,000)
S.4.2 Race Equality Council	(1,100)
Corporate Plan;	
21a Neighbourhood Watch Schemes	(2,000)
<u>Transferred to Health and Housing Committee</u>	
Quality of Life Plan;	
P.16.5 Private Sector Housing Stock Condition	
Survey	(80,000)
<u>Transferred to Environment Committee</u>	
Quality of Life Plan;	
P.2.5 Green Waste Collection Service for	
Registered Disabled	(5,000)
I.4.4 Investigate Joint Commissioning of Waste	
Management Services	(35,000)
<u>Transferred to Transport and Highways Committee</u>	
P.17.6 Rural Route Network Pilot Studies	(5,000)
<u>Other Changes;</u>	
Audit Partnership Costs	6,890
Deletion of Airport Campaign Budget following	
establishment of District Character Reserve	(50,000)
Target for Gershon savings/increased Procurement	
savings	(30,000)
Targeted savings from joint working with	

other councils	(25,000)
Other (net)	(200)
<u>One-off Expenditure funded from reserves</u>	
Corporate Plan; Skills Audit for Members and Staff	<u>10,000</u>
Total Direct Costs	4,093,090
Internal Charges added	<u>(997,330)</u>
Draft 2005/06 base budget	3,095,760

Spending Pressures

- 8 Following the previous meeting of this Committee, and against the background of the Council's difficult budget position, the Executive Management Team have re-examined the spending pressures for all Council committees. The Council meeting on 14 December was provided with the views of the Executive Management Team on which spending pressures should be agreed, and which were recommended for reduction, deferment or deletion. In making these recommendations, the Executive Management Team took account of the prioritisation process, the need to improve corporate capacity, and the fact that any increased spending will put further pressure on existing services and budgets. For this Committee, the proposals regarding spending pressures are as follows:

Spending pressures proposed for approval:

	£
Staff Leadership/Middle Manager Programme-increase	
In existing budget	7,000
Employee Reward Scheme	20,000
Education Fund for staff	10,000
Additional Steward	10,000
Running costs of new flexi-time/door entry/time recording system	2,000
New accountant post re financial planning and strategic issues	33,000
Strategic Development Advisory Group Posts	37,000
Credit Union Scheme	3,000
Additional support for the Leader and Chief Executive	50,000
Programme Office Budgets	85,000
Increase in Member Allowances	<u>9,500</u>
Total spending pressures proposed for approval	266,500

- 9 Since May 2003 the council has been pursuing an ambitious agenda as set out in the Quality of Life Corporate Plan and in the revised plan currently under consideration. Members have made clear that they wish to see Uttlesford District Council doing more to promote the area in county and regional partnerships, to be readier than it has been to take opportunities for external support for our priorities, to spend less time and effort on internal bureaucracy and more time and effort on direct service delivery on the one hand and the achievement of identified projects and policy objectives to improve that service delivery in the medium term on the other.
- 10 The overall thrust of the prioritisation exercise has been to focus resources on those services which make the most direct contribution to the achievement of corporate objectives in terms of service delivery. However, it is also clear that there continues to be difficulty in achieving all that we wish to in terms of corporate projects, policy and service development and external partnership working. This difficulty will continue unless resources are allocated to support those parts of the council programme.
- 11 The way in which this resource-stretch is experienced varies, but includes:
- Insufficient support for members and senior officers attending external forums and partnership meetings;
 - Inability to anticipate external funding streams or policy developments early enough to influence their development in ways that would support our wider objectives and enable us to deliver quality of life improvements to our residents;
 - In the absence of appropriate project management skills, we continue to have difficulty in embedding a project management culture and approach in the management of the council;
 - Use of expensive resources (members, senior officers) to carry out tasks that could and should be done more efficiently and in better time by support staff.
- 12 Although we do not yet have the report, it is likely that both the planning inspection report and the user focus assessment carried out by the Audit Commission will point to this lack of capacity as a continuing issue which inhibits the council's ability to achieve the improvement targets that we have set ourselves or which are being driven by external pressures. These findings reinforce those of earlier inspections and the report of the Comprehensive Performance Assessment process.
- 13 Accordingly, the spending pressures which the Committee agreed in November include provision for additional resource designed to address the central corporate capacity of the organisation:
- The appointment of a Programme Assistant to support the Executive Programme Manager in managing the projects in the Corporate Plan and in promoting the project management processes within the council £25,000

- support for six specific projects within the corporate plan - the nature of which require the Council to provide one-off resources to employ additional expert capacity to help to progress them and enable Members to make decisions about whether to proceed with them. £60,000
- Provision for additional support to the Leader and Chief Executive to enable those individuals and other senior officers and members to be better supported in carrying out their duties and the creation of a new post of 'Executive Assistant to the Chief Executive' which will provide support for policy development within the Chief Executive's office and create additional support for the pursuit of member and public service enquiries and complaints. This latter post will also provide an opportunity for staff development since it is anticipated that the post will be filled by a series of twelve-month secondments, requiring in some cases existing posts to be back-filled. £50,000

14	Spending pressures proposed for reduction, deferment or deletion:	Saving £
	Employee Reward Scheme –reduced from £40,000 to £20,000	20,000
	Education Fund-reduced from £12,000 to £10,000	2,000
	Customer Care Training-moved to Access to Services budget	5,000
	Personnel consultancy/Executive Management Team/ Employee assistance programme – current budgets reviewed and considered adequate	8,000
	Access to Services review to be self-funding	<u>100,000</u>
	Total reduction in spending pressures	135,000

15	The one-off spending pressures relating to this Committee are as follows:	£
	Temporary Human Resources Specialist	37,000
	Consultancy re Essex County Council Employee Framework	5,000
	Staff Leadership/Middle Manager Programme- additional cohort in year one	25,000
	Home Working initiative-start of programme across Council	<u>20,000</u>
		87,000

- 16 This Committee will be considering one-off spending pressures as part of consideration of the overall Council budget and the reserves available.

Savings targets

- 17 The Council meeting on 14 December 2004 agreed the following savings/additional income targets for this Committee's services, based on the prioritisation approach and the Council's overall financial position:

Service	Savings target
	£
Committee Administration	10,000
Corporate Management	11,000
Elections	6,500
Financial Services	8,500
Information Technology	40,000
Land Charges	13,000
Legal Services	4,500
Office Services	4,500
Personnel Services	4,500
Central Services	37,500
Democratic Representation	30,500
Revenues Administration	<u>84,000</u>
Total	254,500

- 18 Options to achieve these targets are contained in Appendix 2 and the Committee will be recommended to indicate which options they wish to approve to meet the targets set. The Committee are reminded that the savings targets set are for individual services, rather than for all its services combined although any proposals which cause particular concern need to be considered in the overall context of the Council's budget. The Committee is reminded that spending pressures can be put forward as budget reductions in lieu of savings in the same service.
- 19 The savings targets outlined in paragraph 17 are in addition to three other budget reduction measures agreed for this Committee directly by the Council in December. These relate to the annual Airport Campaign budget, Gershon/procurement efficiencies and a target for joint working with other councils. In total these budget reductions amount to £105,000 per annum. The last two of these measures may well in fact not be the responsibility of this Committee, but have been allocated to the Committee's budget pending further analysis of how the savings will be achieved.

Service plans

- 20 Although Service Plans previously considered by committees should not change fundamentally as the budget is finalised, they will need refining to take account of spending pressures approved and savings agreed, if these were not previously allowed for. It is proposed to bring revised and finalised Service

Plans to committees in the next committee cycle so that there is clarity over the direction of services prior to the start of the new financial year in April.

RECOMMENDED that the Committee:

Approves the base budget for 2005/06.

Approves the proposed approach to spending pressures

Proposes budget reductions/additional income from the options given, sufficient to achieve the individual savings targets for services

Background Papers:

Budget Working Papers, draft Service Plans, reports to committees, November 2004.