

AGENDA MANAGEMENT SHEET

Name of Committee **Resources, Performance and Development Overview and Scrutiny Committee**

Date of Committee **14th November 2006**

Report Title **2007/08 to 2009/10 Spending Proposals of the Performance and Development Directorate**

Summary The report details the 2007/08 to 2009/10 revenue and capital spending proposals of the Performance and Development Directorate and seeks the Committees views on both the spending proposals and the funding options proposed.

For further information please contact Nicola Cumberledge
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Would the recommended decision be contrary to the Budget and Policy Framework? Yes/No

Background Papers Detailed paperwork for each bid

CONSULTATION ALREADY UNDERTAKEN:- *Details to be specified*

Other Committees

Local Member(s)
(With brief comments, if appropriate)

Other Elected Members Cllr Booth, Cllr Hicks, Cllr Atkinson

Cabinet Member Cllr Fowler
(Reports to The Cabinet, to be cleared with appropriate Cabinet Member)

Chief Executive

Legal David Carter – reporting officer

- Finance David Clarke
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION YES/NO

SUGGESTED NEXT STEPS :

- Further consideration by this Committee
- To Council Council will approve the 2007/08 budget at its meeting in February 2007.
- To Cabinet The views of this Overview and Scrutiny Committee on the budget proposals will be reported to Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

Resources, Performance and Development Overview and Scrutiny Committee

14th November 2006

Performance and Development Directorate Spending Proposals 2007/08 to 2009/10

Executive Summary

Over recent years the medium term financial planning and annual budget process has developed to encourage wider consultation on, and consideration of, spending proposals being made by Directorates. Overview and Scrutiny Committees are key players in this consultation and this report provides the Committee with information about the spending proposals for the Performance and Development Directorate.

The Directorate is presenting information on its additional spending proposals for 2007/08 to 2009/10 for scrutiny and validation. Like last year revenue budget proposals and capital programme bids are presented together in one report in order to promote a coordinated, whole-Directorate approach.

The table below summarises the Performance and Development Directorate's spending proposals. Further detail, including the Directorate's prioritisation of bids, can be found in the report itself.

Table: summary of budget proposals

	2007/08 £000	2008/09 £000	2009/10 £000
Spending Pressures	265	535	812
Investment Proposals	1,150	1,380	1,152
Capital Programme Bids	0	0	0

Resources, Performance and Development Overview and Scrutiny Committee – 14th November 2006

2007/08 to 2009/10 Spending Proposals of the Performance and Development Directorate

Report of the Director, Performance and Development

Recommendation

The Committee comments on the 2007/08 to 2009/10 spending and consequential funding proposals identified by the Performance and Development Directorate.

1 Introduction and Background

- 1.1 Over recent years the medium term financial planning and annual budget process has developed to encourage wider consultation on, and consideration of, spending proposals being made by Directorates. Overview and Scrutiny Committees are key players in this consultation and this report provides the Committee with information about the spending proposals for the Performance and Development Directorate.
- 1.2 The Directorate is presenting information on its additional spending proposals for 2007/08 to 2009/10 for scrutiny and validation. Like last year revenue budget proposals and capital programme bids are presented together in one report in order to promote a coordinated, whole-Directorate approach.
- 1.3 However, there is one significant additional aspect to the information before the Committee this year. A new medium term financial planning strategy was agreed by Council in July 2007. This stated, amongst other things, that the County Council will plan on the basis that:
 - Inflation and the corporate costs of capital (through to the end of the current approved programme) will be funded from government grant and council tax income.
 - Any other spending pressures Members wish to meet will be funded from the balance of council tax income and reducing investment in low priority services.

- New developments will be funded from efficiency savings (with a minimum of 2.5% savings generated each year) and any further reduced investment in low priority services.

The reality of this, given the forecast level of resources available, is that Directorates have been asked to identify the actions they would need to take to manage any spending pressures (excluding inflation) if they did not receive additional resources. Therefore the Committee is also asked to comment on the actions the Directorate would need to take to meet it's spending pressures.

1.4 Having considered the spending proposals and any consequential funding strategies from the Strategic Director, the Overview and Scrutiny Committee may wish to:

- Probe base budgets.
- Consider the reasonableness and validity of proposals put forward in light of the likely level of resources available, the corporate priorities as outlined in the corporate business plan, and the vision and Directorate strategy.
- Consider the actions being proposed by the Directorate to meet the spending pressures and explore whether all possible ways of funding the pressure have been investigated.
- Comment on the prioritisation of proposals by Strategic Directors.

2 Directorate Vision and Delivery Strategy

2.1 The Performance and Development Directorate has a key role to play in achieving the Council's vision of 'Putting Customers First, Improving Services and Leading our Communities.'

2.2 The Directorate is organised on the basis of 5 divisions :

- Change Management
- Communications
- Customer Service and Access
- Human Resources
- Law and Governance

These divisions are at the heart of the change agenda in developing New Ways of Working and integrated public service delivery in Warwickshire

2.3 Our aims include:-

- Delivering accessible, responsive customer services.
- Maximising the potential of the Council and it's partnerships.
- Strengthening the profile and reputation of the Council.

- Ensuring effective corporate and community governance.
- Developing the Council's people and maximising their contribution.

3 Revenue Budget - Spending Proposals

3.1 2007/08 Base Budget

A Directorate analysis of the 2007/08 revenue base budget is shown at **Appendix A**. This information is to help Members place the subsequent discussion in context. The base budget for the Directorate is the approved cash allocation in 2006/07, adjusted for any one-off funding.

3.2 2007/08 to 2009/10 Spending Pressures and Funding Strategy

In August 2006 the Strategic Director, Resources issued initial guidance on the preparation of the 2007/08 to 2009/10 budgets. This required Directorates to analyse their spending proposals between pressures and those that were investment proposals. Spending pressures, in this instance, are defined as those pressures, resulting from factors external to the Directorate, that the Directorate cannot meet without a change in policy or a change in the way the service is delivered.

3.3 As part of the guidance notes Directorate's have also been asked to identify funding strategies of what they would need to do to meet all their spending pressures if additional resources were not available. Some of the funding strategy would be met from within the specific service area, some from elsewhere in the Directorate. Table 1 shows the Directorate has additional spending pressures of £265,000 for 2007/08, £535,000 for 2008/09, and £812,000 for 2009/10. Funding strategies have been identified to meet all of these additional costs, excluding inflation, in line with the guidance.

Table 1: Spending Pressures and Funding Strategies for the Performance & Development Directorate			
	2007/08 £000	2008/09 £000	2009/10 £000
Inflation	265	535	812
Total Additional Costs	265	535	812
Net Call on Corporate Resources	265	535	812

3.4 Appendix B provides further details regarding the proposals outlined in the above table. Furthermore the Directorate has produced a detailed individual bid for each budget pressure and funding strategy. These are available on request from Nicola Cumberledge (Ext.2836).

3.5 The Directorate is proposing to meet all spending pressures other than inflation through its existing resources.

3.6 Revenue Investment Proposals

In addition to the spending pressures outlined above the Directorate is proposing revenue investment proposals of £1,150,000 for 2007/08, £1,380,000 for 2008/09, and £1,152,000 for 2009/10.

Table 2: 2007/08 to 2009/10 Revenue Investment Proposals				
Reference	Proposal Title	2007/08 £000	2008/09 £000	2009/10 £000
R-IP-PD-01	Customer Service Centre – Kiosks	35	0	19
R-IP-PD-02	Delivering the Customer Service and Access Strategy	250	500	500
R-IP-PD-03	One Stop Shops	175	175	175
R-IP-PD-04	Increased Capacity for Internal Audit	50	51	51
R-IP-PD-05	Cultural Change and People Development	300	300	218
R-IP-PD-06	Pay & Conditions Review	155	167	0
R-IP-PD-07	Partnership with the Voluntary and Community Sector	100	100	100
R-IP-PD-08	Enhancement to Overview & Scrutiny and Member Support	85	87	89
	Total Revenue Proposals	1,150	1,380	1,152
	Total Call on Corporate Resources	1,150	1,380	1,152

3.7 Appendix C provides further details regarding the proposals outlined in the above table. Furthermore the Directorate has produced a detailed individual bid for each investment proposal. These are available on request from Nicola Cumberledge (Ext.2836).

3.8 The revenue investment proposals include issues, which are essential to the delivery of the Council's aim of 'Putting Customers First, Improving Services and Leading our Communities'. In particular there are three bids around Customer Service and Access:

- The running costs of the public service kiosks, which the Council has agreed to install in Rugby.
- The management and development of the One Stop Shops programme which the Council has agreed and which is generating enthusiastic responses from our partners.
- The agreed roll out and operation of the Customer Service Centre.

In relation to the Customer Service Centre the original strategy was to achieve savings from re-engineering the services which transfer to the centre. The focus of business process re-engineering has now shifted to Adult, Health and Community Services. Strategic Directors Management Team has agreed that as a result continued funding will be required for the Customer Service Centre from October 2007. These three Customer Service and Access issues are priority issues.

The other proposals are:

Increased Capacity for Internal Audit

The provision for ICT audit is about half the level which is necessary.

Cultural Change and People Development

The support and development of the Council's managerial and front line staff in New Ways of Working is a key element of delivering local, responsive and customer centred services.

Pay and Conditions Review

This proposal is for staffing to complete Phase 1 of the single status / equal pay review and to undertake Phase 2.

Partnerships with the Voluntary and Community Sector

This proposal is to strengthen the Council's funding of the core voluntary and community sector organisations to help the sector play its full role in local communities.

Overview and Scrutiny / Member Support

This proposal is to enable the Council to develop the pro-active, outward looking approach the Overview and Scrutiny proposed in the scrutiny review being considered by Council on 31st October 2006.

4 Capital Programme – Investment Proposals

4.1 There are no capital investment proposals from this directorate.

DAVID CARTER
Strategic Director, Performance and Development
Shire Hall
Warwick
October 2006

Performance & Development

2007/08 Revenue Estimates - Service Analysis

	Direct Costs A £000	Management and Support Costs B £000	Total Costs A+B=C £000	External Income D £000	Internal Income E £000	Total Income D+E=F £000	2007/2008 Base Budget C+F=G £000
Directorate Support and Improvement	0	186	186			0	186
Law and Governance	5,154	422	5,576	(401)	(3,820)	(4,221)	1,355
Customer Service and Access	3,439	57	3,496	(70)	(896)	(966)	2,530
Human Resources	2,051	86	2,137	(153)	(599)	(752)	1,385
Communications and Media	1,523	74	1,597		(869)	(869)	728
Change Management	4,503	125	4,628	(12)	(1,627)	(1,639)	2,989
Modernisation	484	0	484			0	484
Other Services	227	13	240			0	240
2007/08 Base Budget	17,381	963	18,344	(636)	(7,811)	(8,447)	9,897

Performance & Development

2007/08 Revenue Spending Pressures and Funding Strategy

Bid Ref. (A)	Bid Title (B)	2007/08			2008/09			2009/10		
		Cost (Ci) £000	Within Service Funding (Cii) £000	Directorate Level Funding (Ciii) £000	Cost (Di) £000	Within Service Funding (Dii) £000	Directorate Level Funding (Diii) £000	Cost (Ei) £000	Within Service Funding (Eii) £000	Directorate Level Funding (Eiii) £000
R-SF-PD-01	Inflation	265			535			812		
Total		265	0	0	535	0	0	812	0	0

Performance & Development

2007/08 to 2009/10 Investment Proposals

Bid Ref. (A)	Bid Title (B)	Net Additional Revenue Investment			Bid Justification (see Justification Form D for each item for further details) (D)
		2007/08 (Ci) £000	2008/09 (Cii) £000	2009/10 (Ciii) £000	
R-IP-PD-01	Customer Service Centre - kiosk maintenance	35	0	19	On 27 June 2006 Cabinet agreed to fund a pilot of 5 kiosks. In the report Cabinet was informed that there were ongoing maintenance costs. This bid represents the cost of upkeep of the 5 kiosks.
R-IP-PD-02	Delivering the Customer Service & Access Strategy (BPR funding)	250	500	500	BPR savings will not come on line in time to meet this budget requirement and therefore the funding needs to be identified elsewhere in the short term.
R-IP-PD-03	One Stop Shops - stabilisation and development	175	175	175	To enable further roll out of one stop shops and ensure that a robust, stable service and evaluation process is in place.
R-IP-PD-04	Increased capacity for Internal Audit	50	51	51	Financing statement to follow
R-IP-PD-05	Cultural Change and People Development	300	300	218	This workstream is fundamental in securing the cultural change being driven by the Chief Executive.
R-IP-PD-06	Pay & Conditions Review - Phase 1 completion and Phase 2	155	167	0	To ensure the smooth implementation of Phase 1 of the review and to enable completion of Phase 2.
R-IP-PD-07	Voluntary & Community Sector	100	100	100	Funding will be used to enable the Voluntary and Community to work with WCC as part of the Local Area Agreement.
R-IP-PD-08	Enhancements to Overview & Scrutiny and Member Services	85	87	89	Resources needed to expand these functions in line with the wishes of elected members and the Chief Executive.
Total		1,150	1,380	1,152	