

Bath & North East Somerset Council

MEETING:	Resources Policy Development and Scrutiny Panel
MEETING DATE:	16 July 2012
TITLE:	Approach to Allocation of Resources - Briefing Note
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report: Appendix 1 – Budget Jigsaw	

1 THE ISSUE

1.1 The Panel is asked to consider how resources are planned and allocated to see if there are some simplifications or improvements that can be achieved to the overall approach. This report has been requested by the Panel, and the request was for information which went beyond just the allocation of financial resources.

2 RECOMMENDATION

The Panel is asked to:

- 2.1 Note the report
- 2.2 Comment on ways in which to improve or simplify resource allocation

2 FINANCIAL IMPLICATIONS

2.3 There are no direct financial implications of this report but significant changes to how resources are allocated, which would require Cabinet or potentially Council approval, could have a fundamental impact.

3 THE REPORT

- 3.1 There are several dimensions to resource allocation
 - Approval of budget framework by Council each February
 - Council Tax setting
 - Tax Base
 - Reserves Policy

- Robustness of estimates
- Medium Term & Service Action Plans
- Some aspects are done for us:
 - Government resource allocation which in future will include retention of 50% of business rates growth as well as new homes bonus
 - Allocation of resources for running schools and other ring fenced Government grants, albeit the number of these is rapidly diminishing
 - Planning fees and some other charges for statutory services or for access to information
- Some are delegated to officers, provided guidelines are followed:
 - Minor fees and charges which are generally increased in line with inflation
 - Adjustment to budgets in line with the budget management scheme where they are relatively minor and in keeping with the budget framework and service action plan objectives
- The Medium Term Plans and Service Action Plans are meant to capture not just the finances but also:
 - Relevant background such as the changing shape of the service to accord with changes in local policy including the corporate plan and sustainable community strategy, new Government rules and regulations, recent performance and of course budget constraints.
 - The Medium Term Plans take a 3 years view and are completed in November and submitted to PDS Panels prior to Cabinet and Council sign off.
 - The Service Action Plans look at the next 12 months and presently are also presented to PDs Panels before sign off.
 - The Plans consider resources in term of finances and people (staff), consider equalities and legal issues, but tend not to focus on carbon usage or property usage. How community and Council resources can be combined is also given relatively little attention although work with other partners such as in the NHS and Police does tend to feature.
 - The needs and prioritisation in the Corporate Plan (next Cabinet meeting agenda) and the Joint Strategic Needs Assessment (JSNA and recent Health & Wellbeing Board paper) are also key.
- The capital programme is presented to full Council but as it is formed there is a detail Project Initiation Documentation (PID) Process that checks schemes have considered:
 - Life time costs and therefore on-going revenue implications

- Carbon impact
 - Governance and policy requirements
- The Council's change programme is about protecting priority outcomes whilst driving forward efficiencies and better working practices. A summary of the latest position will be handed out at the meeting. Crucially this helps protect and better deliver front line services, partly by driving efficiencies in those services and back office services, but also by improving partnership working and customer focus as the Council changes partly in response to external pressures.
 - The Council has a Carbon Reduction Plan with an approach to invest-to-save linked to these schemes where a business plan shows returns in the medium term – 3 to 5 years.
 - Workforce plans are part of the Service Action Plans and there is also a workforce strategy. Skills, new or reducing workload, changing policies, new practices including partnership working, community engagement, commissioning all play their part.
 - The Council has an asset management plan, a workplaces programme, an approach to the commercial estate. These are all reflected in the Service Action Plans but changes to planned use of assets is perhaps not as linked to changes in services as it could be. The workplaces programme is national leading or best practice.
 - Reserves are used to help even the flow of expenditure between years, to cope with contingencies and to support invest to save including through the change programme.
 - Community rights are being introduced this year to challenge patterns of service provision including the right to bid to run services (the Council does not have to accept the bid), similarly to bid for property or protect property (not just Council property).
 - Transparency requirements are developing the whole time with Government announcements emerging this week. The Council publishes invoices over £500, discloses detailed employee information in its accounts.
 - The Audit Committee reviews effectiveness of audit arrangements as well as treasury management, stewardship, governance and keeps in mind fiduciary duties.
 - This panel reviews and suggests in relation to the use and management of resources including through the budget setting process.
 - There is a complex pattern of changes affecting the Council this year and these are summarised in the budget jigsaw at Appendix 1.

- **RISK MANAGEMENT**

- This is also a factor in resource allocation although this report has no direct risk implications.

- **EQUALITIES**

- This is also a factor in resource allocation although this report has no direct equalities implications.

- **CONSULTATION**

- The resource allocation process has its own extensive consultation approach.

- **ISSUES TO CONSIDER IN REACHING THE DECISION**

- *Social Inclusion; Customer Focus; Sustainability; Human Resources; Property; Young People; Human Rights; Corporate; Health & Safety; Impact on Staff; Other Legal Considerations*

- **ADVICE SOUGHT**

- The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	<i>Andrew Pate</i>
Background papers	<i>Medium Term Plans and Budget 2011/12; Change Programme summary – to be provided at the meeting.</i>
Please contact the report author if you need to access this report in an alternative format	