

## CABINET

14 FEBRUARY 2012

This report is submitted as a supplementary paper to Agenda Item 5. The Chair will be asked to decide if it can be considered at the meeting under the provisions of Section 100B(4)(b) of the Local Government Act 1972 as a matter of urgency in order to avoid any delay in the consideration and implementation of the proposed arrangements.

<b>Title:</b> Supplement to Budget Framework 2012/13 - Call-in of Savings Proposal	
<b>Report of the Leader of the Council</b>	
<b>Open</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
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<b>Accountable Divisional Director:</b> not applicable	
<b>Accountable Director:</b> Stella Manzie, Chief Executive	
<b>Summary:</b>  This report outlines the decision of the Public Accounts and Audit Select Committee (PAASC) to uphold a Call-in of the Cabinet decision of 14 December 2011 regarding the Budget 2012/13 to 2014/15, specifically the proposed deletion of the post of Divisional Director of Assurance and Risk Management.	
<b>Recommendation</b>  The Cabinet is recommended to confirm its previous decision to delete the post of Divisional Director of Assurance and Risk Management as part of the budget savings for 2012/13.	

### 1. Introduction and Background

- 1.1 At its meeting on 14 December 2011, the Cabinet approved a range of savings proposals aimed at assisting the Council to achieve a prudent and balanced budget position for 2012/13.
- 1.2 One of the savings proposals related to the deletion of the post of Divisional Director of Assurance and Risk Management, as part of the Chief Executive's senior management restructure, for implementation with effect from 1 April 2012.
- 1.3 This particular proposal was called-in by Councillors Twomey and Rodwell on 21 December 2011 (see **Appendix A**).

## **2. Proposal and Issues**

- 2.1 The reasons for the call-in submitted by Councillors Twomey and Rodwell were as follows:

“Over the past 18 months a number of compliance issues have been brought to the attention of PAASC. There have been a number of examples relating to both actual and perceived policy and procedural lapses.

This culminated in a recent report to the committee where members expressed a wish to do a general review of compliance within the organisation – partly triggered by the number of “limited assurance” internal audit reports there have been.

The dilution of this function within officer employee roles will cause a regression of the overall risk and assurance levels currently achieved. Even though we have improved in this area over the last three years we have only managed to achieve a 56% total on substantial assurance.

In these times of severe cuts, savings and organisational change it is important to consider and protect our staff, members, customers and clients by having, and more importantly, implementing a clear risk mitigation strategy across the organisation.”

- 2.2 In support of the Cabinet’s proposal to delete the post of Divisional Director of Assurance and Risk Management, the report attached at **Appendix B** was presented to PAASC.
- 2.3 The PAASC considered the call-in request, the report at Appendix B, statements and questions and answers from the Deputy Leader of the Council (Councillor R Gill) and the Lead Member of the Call-in (Councillor D Twomey) and other councillors and officers present, and upheld the call-in. The draft (unconfirmed) minutes of the PAASC meeting are attached at **Appendix C**.
- 2.4 In upholding the call-in, PAASC recommended the Cabinet to rescind its decision and commit to maintaining the post of Divisional Director of Assurance and Risk Management for at least two years. PAASC did acknowledge, however, that in the event that it was necessary to achieve savings associated with this post it would support a proposal for a shared arrangement with another Council, along the lines of the arrangement with Thurrock Council in respect of the shared Divisional Director of Legal and Democratic Services role.

## **3. Options Appraisal**

- 3.1 The full options appraisal in relation to losses of posts and their implications was carried out as part of the organisational review. The options available to the Cabinet in this matter are:

- 1) Uphold the recommendation of PAASC to retain or share the post; or
- 2) Confirm its previous decision to delete the post.

- 3.2 If the Cabinet were to uphold the recommendation of PAASC (option 1) it would be necessary to adjust the budget for 2012/13 to account for the costs of retaining all or part of the post, as this is not currently provided for. In the event that the Cabinet decides to confirm its previous decision (option 2), the Budget Framework 2012/13 report to the Assembly on 22 February 2012 is unaffected.

#### **4. Consultation**

- 4.1 The detailed savings proposals for 2012/13 and beyond, including those relating to the Chief Executive's organisation review into senior management structures, were presented to the Select Committees during October and November 2011, which provided an opportunity for both non Cabinet members as well as the public to contribute their comments. During the period two Leader's Question Time sessions were also held to afford the public opportunities to have their say about the proposals. In addition, there was general publicity and further opportunity to make comments via the News and on the Council's website. These comments were taken into consideration by the Cabinet at its meeting on 14 December 2011 when it approved the final savings proposals.

#### **5. Financial Implications**

- 5.1 The deletion of the post of Divisional Director of Assurance and Risk Management achieves a saving of £112,000 per year. Any one-off costs of redundancy are covered corporately.

#### **6 Legal Implications**

- 6.1 In accordance with the call-in provisions of the Constitution, the PAASC chose to refer the matter back to the Cabinet with proposals for an alternative course of action. It is for the Cabinet to decide whether to amend its decision in the light of the recommendations of PAASC or to confirm the deletion of the Divisional Director of Assurance and Risk Management post.
- 6.2 The Assembly has overall responsibility for approving the budget framework and will consider the full proposals for 2012/13 at its meeting on 22 February 2012.

#### **Background Papers Used in the Preparation of the Report:**

- "Budget Strategy 2012/13 to 2014/15" Report and Minutes, Cabinet 14 December 2011

#### **List of appendices:**

- Appendix A - Call-in Form (Cllrs Twomey and Rodwell) titled "Budget Strategy 2012/13 to 2013/14, and in that respect the proposed budget savings outlined in item CEX/SAV/01 relating to the CE's organisational review, specifically the proposed deletion of the post of Divisional Director Assurance and Risk"
- Appendix B - Report to PAASC, 17 January 2012, titled: Response to Call-in on Budget Strategy 2012/13 to 2013/14
- Appendix C - Minutes (unconfirmed) of PAASC 17 January 2012