

**BRISTOL CITY COUNCIL**  
**RESOURCES SCRUTINY COMMISSION**

**20<sup>th</sup> September 2013**

**Report of:** Peter Robinson – Service Director: Finance

**Title:** **Process for 2014/15 – 2016/17 Budget**

**Ward:** **City Wide**

**Officer Presenting the Report:** Peter Robinson – Service Director Finance

**Contact Number:** 0117 922 2419

**RECOMMENDATION**

Members are asked to comment on:

- I. The budget process and timetable set out in this report.
- II. The draft Corporate Priorities attached as Appendix 1 which form the basis for the budget build process.

**Summary**

This report sets out in detail the process and approach to the three year budget construct that will culminate in the setting of the Council Tax 2014/15 at Full Council on the 18<sup>th</sup> February 2013. This report is a continuation of the previous reports to this Committee on 22<sup>nd</sup> February and 19<sup>th</sup> July 2013:

- our forecasting model, based on the most recent government announcements and agreed planning assumptions indicates that our current policies, operational structures and service delivery models will result in annual budget pressures, amounting to £80m in 2016/17. This excludes any one-off costs associated with implementing any changes;
- the continued reduction in grant funding, has meant that a different approach to delivering services is required in order to make sure the Council remains a sustainable entity in the future. This in turn means that the approach to the budget has changed as the historic approach of reducing services costs incrementally is no longer appropriate;
- the Council is using a budget construct process seeking to align all future spend against corporate priorities, while maximising and accelerating the opportunity to secure efficiency savings by centralising activities adopting simple, common processes;
- significant work is being undertaken to construct the budget. It is expected that

the first draft budget will be published for consideration at Cabinet on or around 15<sup>th</sup> November 2013, prior to formal public consultation commencing. It is proposed that all Councillors will be invited to a briefing on the budget at the start of the consultation period;

- formal scrutiny is scheduled to commence on the 6<sup>th</sup> January 2014.

## **Context**

1. Resources Scrutiny have received two reports on the Medium Term Financial Strategy 2014/15 – 2016/17, 22<sup>nd</sup> February 2013 and a further report setting out developments and how future resources are to be prioritised on 19<sup>th</sup> July 2013.
2. The main driver for the budget is the corporate priorities. These are currently being refreshed, pending a full corporate plan being developed to be published alongside the budget for consultation. The current position identifies seven priority themes, as set out in Appendix 1:
  - i. Active and creative
  - ii. Caring and protecting
  - iii. Greener and healthier
  - iv. Safer homes and communities
  - v. Learning and working
  - vi. Moving and connected
  - vii. A flexible and enabling Council
3. The budget process is necessarily more complex than in prior years and is occurring over five main phases. The high level project plan is attached at Appendix 2 and is underpinned by a detailed timetable:
  - i. Discovery and analysis
  - ii. Budget build and sensitivity testing
  - iii. Options and initial proposals
  - iv. Consultation
  - v. Budget proposal and decision making
4. Much of the work is in the discovery and analysis phase which is currently on-going with officers. At the end of this phase, the budget construct will be pulled together and tested for both resilience and sensitivity prior to options to being presented to Cabinet and then Scrutiny, all members and the public.

## **Process**

5. The budget construct process consists of eight key work streams that have been developed in consultation with Directorate leads via a budget working group:
  - i. Medium Term Financial Forecast – modelling, sensitivity, assumptions and risk
  - ii. Statutory Minimum
  - iii. Discretionary Spend
  - iv. Change Programme
  - v. HRA/Public Health
  - vi. Corporate Initiatives including spend panels and support services review
  - vii. Capital Programme
  - viii. Communication and consultation
6. Work is progressing well across all Directorates, although the Capital Programme and Communication and Consultation streams are being further developed to ensure they are fully integrated into the process, including equalities impact assessment.
7. Details of the process for each individual work stream are set out below.

## **Medium Term Financial Forecasting**

8. The 2010 Comprehensive Spending Review (CSR) set out the Government's public spending plans for the period to 2014/15 with the assumption that the public sector deficit would have been eradicated by the end of that year. Every Autumn Statement and March Budget since the 2010 CSR however has resulted in increased cuts for local government and an extension of the period when cuts will be required. It is now expected that cuts will continue until at least 2017/18 with a possibility that the cuts could continue until 2020.
9. Since the Council's budget was set in February 2013 there have been two separate announcements from Government in respect of the settlement as follows:
  - i. the March 2013 Budget, identified that local authorities would face an extra 1% budget cut in 2014/15;
  - ii. the 26<sup>th</sup> June 2013 Spending Round announced a headline additional 10% funding cut for local authorities in 2015/16. A similar reduction is assumed in 2016/17.

10. The detail supporting the 10% funding cut announcement was issued by the Department for Communities and Local Government (DCLG) in a series of consultations affecting the future of local government finance. Analysis of the papers reveals that the real reduction was £1bn greater than indicated in the Spending Review, equivalent to a 13.7% reduction for Bristol City Council. The significant issues are:

- i. top-slicing of the local government settlement to fund 'new burdens', new homes bonus and business rates safety net; and
- ii. the transferring of 35% of local authorities New Homes Bonus reward to Local Enterprise Partnerships.

The consultation closes on 2<sup>nd</sup> October 2013 and the Service Director, Finance is preparing a response.

11. The Medium Term Financial Forecast (MTFF) indicates that under the most likely scenario, the Council will have a deficit in funding of some £80m by 2016/17. The approach to the construction of the MTFF was set out in reports to Resources Scrutiny in February and July 2013.

12. The approach has been developed using a range of assumptions to establish the most likely financial position over the forecast period. These assumptions are recapped in Appendix 3. External economic factors, changes in Government approach (see above), volatility in funding streams arising from the localisation of business rates, welfare reforms and the general economic conditions mean that there remains significant uncertainty and volatility in the financial planning process. The assumptions included within the forecast may prove to be incorrect; accordingly sensitivity testing around the assumptions is being undertaken. This will indicate a range of variations in the forecast by 2016/17; the deficit of £80m represents the 'most-likely' scenario but will change.

13. If the Council fails to respond to the indications of the MTFF and take appropriate decisions and actions, the forecast deficits will materialise. The Council's approach to meeting the financial challenge is set out in the report. The costs of change, including the costs of severance, will need to be considered alongside all efficiency and savings proposals, as well as the Capital Investment Programme.

## **Statutory Minimum**

14. This work stream reviews all services to determine whether or not the Council has a statutory duty to provide that service and where this is the case, to determine what is the minimum level that the Council should provide that service. The aim of this work stream is to establish a clear demarcation between expenditure that must be incurred and expenditure where the Council has discretion and can therefore affect a choice.

15. This is a complex area as the minimum level of spend is often not determined in statute and is either established in case law or is not clear. To facilitate determination, officers are required to provide evidence to establish what an

acceptable minimum service level may be and this is subject to a challenge process.

16. The process recognises that the determination of a statutory minimum service level, does not of itself indicate that the lowest reasonable cost of service provision has been achieved. As such, the process also requires a detailed benchmarking of spend against the 25<sup>th</sup> percentile cost and seeks advice about how this may be best achieved.
17. Once a statutory minimum level has been defined, it will be referred to the Right Outcome, Right Service, Right Provider (ROSP) project within the Change programme work stream.

### **Discretionary Spending**

18. Any services not captured in any of the other work streams are determined as being discretionary. This work stream will subject all spend to a detailed challenge process to determine where costs can be reduced either through efficiencies or alignment with other spend.
19. It will also assess each service against corporate priorities and seek to identify the contribution it makes to those in order that services can be prioritised against each other and then ranked in terms of their overall contribution to the Council's ambitions.

### **Change Programmes**

20. This work stream seeks to align all the existing change programmes into one corporate programme and ensure the associated costs and savings are properly reflected within the MTFF.
21. The major change programmes which currently impact on the MTFF and are which will be consolidated are :
  - i. ROSP
  - ii. Customer and Process and
  - iii. Bristol Workplace will be consolidated.

### **HRA/Public Health**

22. The Council operates a number of ring-fenced budget arrangements as required in law. These services, primarily HRA, Public Health and Schools, make a vital contribution to achieving our corporate priorities. The current budget build process has consequently been designed to ensure that the operations within ring-fenced budgets are fully aligned both to the corporate priorities and the broader operations across the Council.
23. The Public Health and HRA work stream subjects both budgets to detailed analysis, of spend and associated outputs and outcomes. This work is then to be aligned with the similar analysis from across the Council in order to ensure all opportunities have been identified to:
  - i. reallocate spend to priorities;

- ii. jointly commission services;
- iii. jointly deliver services;
- iv. maximise buying power through joint procurement of services.

24. It is accepted that a number of opportunities will already have been exploited, although it is expected that more will be identified through this process, particularly in relation to public health which is a new responsibility for the Council.

25. A separate exercise to ensure all ring fenced services are making a full contribution to corporate overheads and support services is being undertaken within the Corporate Initiatives work stream. Similarly, under the statutory minimum work stream, Children, Young People and Skills Directorate is reviewing the relationship with schools.

### **Corporate Initiatives**

26. As part of the Medium Term Financial Strategy, the Council has determined to exercise stronger governance and control over its expenditure through the introduction of three corporate panels/boards. This aligns with the overall redesign of the organisation around corporate aims and the recognition that a fundamental change in approach to policies and service delivery is required. Fundamental to the redesign is the principle that corporate efficiency must be maximised and accelerated, including the introduction of simple, common processes throughout the organisation.

27. The corporate initiatives work stream establishes three Panels to ensure control and governance of key spend areas is maintained and that as the organisation transitions through the redesign phase, the Council acts as a responsible employer and that the costs of change are minimised. The panels are:

- i. Corporate Non-Pay Panel
- ii. People Panel
- iii. Capital Programme Board

28. This work stream also includes a review of support services to ensure that they remain cost efficient as the organisation changes and that each part of the organisation makes an appropriate contribution to meet those costs.

#### **Corporate Non Pay Panel**

29. The Corporate Non-Pay Panel (CNPP) will monitor and control key types of revenue expenditure from across the Council. The CNPP will ensure that all spend is justified and serves to achieve the Council's priorities and agreed outcomes. The management of all reserves is also to be centralised under the control of the CNPP. Terms of reference for the CNPP, excluding appendices, are attached at Appendix 4.

30. Within the scope of the CNPP, the panel will seek to ensure expenditure or use of

reserves is:

- i. serving corporate priorities;
- ii. compliant with framework contracts and procurement rules;
- iii. justified in business terms.

31. The CNPP will:

- i. determine approvals against spend categories;
- ii. determine all requests to spend against reserves;
- iii. monitor overall Council spend against each category to ensure spend is minimised and in absolute terms does not exceed the approved budget;
- iv. identify opportunities to minimise spend through identified synergies, procurement opportunities etc;
- v. commission “deep dive” reviews of out of scope categories and compliance with contracts, based on risk and exception and report as necessary.

32. As part of the three year budget setting process and in order to inform the CNPP a project has commenced to investigate budgets and spend categories where:

- i. there are consistent underspends;
- ii. there is a high level of spend towards the end of the year;
- iii. transfers to reserves occur at the end of the year;
- iv. where potential savings could be made through centralisation.

33. This analysis will identify areas of potential on-going tactical savings that could be captured in 2014/15 which will not have an impact on service delivery. Recommendations will be made to CNPP regarding which budget areas could be targeted and whether additional efficiencies could be achieved through centralisation of spend within certain spend categories.

34. In a number of cases it is expected that centralisation of budgets would enable improved procurement control and compliance as well as efficiencies through economies of scale.

#### People Panel

35. The Terms of reference for the People Panel are set out at Appendix 5.

36. The People Panel seeks to ensure effective establishment control across the whole organisation by monitoring staffing requirements, approving the filling of vacant

roles, recording of all new workers and approving any additions to the permanent or temporary workforce. It will also maximise employee development through effective redeployment, targeted reskilling of at-risk employees, structured knowledge transfer and monitoring of organisation resilience.

37. Through a documented, clear and transparent process for addressing all resourcing requirements across the Council, the Panel will ensure effective budgetary control of workforce costs through a whole organisation vacancy and resource monitoring process that will, where appropriate, also identify cashable savings as they become available.
38. The People Panel will ensure effective control of external resources by monitoring the specification, scope and duration of consultant engagements, identifying opportunities to reduce redundancy costs and avoid HMRC/Pensions Regulator fines and penalties for improper engagements.
39. The People Panel will also ensure that Directorates hold managers to account for effective management of the workforce and control of workforce costs.

#### Capital Programme Board

40. The role of the Capital Programme Board is to monitor all capital funded projects across Bristol City Council to ensure that they are properly managed. Terms of reference are attached at Appendix 6.
41. The Capital Programme Board will also ensure that the objective of each project is clear and that the outcome matches the objectives of the Council, enabling them to offer advice to the Mayor, Cabinet, and The Council on the allocation of capital funding to new projects.

#### Support Services Review

42. The Support Services review sets out to benchmark our support services and set out the implications of reducing spend to be within the lower quartile. Services will be further reviewed to ensure that their size remains proportional to the reduced size of the Council.
43. The review will seek to differentiate between fixed and variable charges and in respect of the latter explore the potential to introduce a more commercial approach to allocating support service costs. This will include consideration of a contribution model for each front line service, to ensure that support service costs are continually aligned to the changing organisation.
44. The review will also seek to ensure all parts of the organisation, irrespective of funding streams, are making a proportionate and fair contribution towards overhead costs. This will be essential as the Council considers alternative delivery models and ensure that the true cost of Council services is reflected in any decision making process.

#### **Capital Programme**

45. This year's budget build process seeks to fully integrate the capital budget and ensure that it has the same degree of scrutiny and challenge as the revenue budget. This is an essential part of the budget process as investment in the capital



programme is a fundamental tool for the Council to achieve its corporate priorities and it will have a direct impact, both positive and negative, on revenue spend.

46. The newly created Capital Programme Board will lead on the construct of Capital Programme options.

47. Each bid for capital resources will be required to produce a business case and subject to a gateway review to determine its contribution to corporate priorities and return on investment. This will ensure that the affordability element, including revenue implications, of all proposed schemes are fully assessed before any decision to recommend it to Members is made. Learning from experience, the gateway process will also challenge the delivery timetable to ensure that realistic timeframes have been set, thus providing a reliable cash flow forecast to inform the Council's capital funding strategy.

### **Communications and Consultation**

48. This work stream is designed to secure a combined approach to communication and consultation, and ensure full alignment with scrutiny arrangements.

49. There will be five phases to this activity:

- i. communication of context pre-work (explaining the size of the gap, demographic pressures, three-year approach etc.) – September to October;
- ii. release of draft budget proposals and commencement of public consultation – November;
- iii. consideration of final proposals, explaining any differences to the draft proposals, as informed by response to consultation – November to January;
- iv. coverage of the full Council budget debate, explanation of both process and also impact of any amendments agreed – January to February;
- v. on-going communication to support implementation – February onwards.

50. The budget proposals are expected to go into the public domain in the second week of November, with the dispatch of papers for the Cabinet meeting on November 15<sup>th</sup>. The public consultation therefore is scheduled to commence thereafter, on November 18<sup>th</sup>.

51. This approach is similar to that used by the Council previously, although its content will of course be different, as is the decision-making dynamic under the Mayor. In line with the trend, more of this work will be done online, including live coverage of key meetings. The date for release of budget proposals seeks to maximise public consultation and is the second earliest in the last five years.

### **Conclusions**

52. The process to determine a three year budget and set the Council Tax for 2014/15, is extremely complex and seeks to build the budget drawing on a range of existing and new work streams. This is done in the context of an uncertain and fluctuating funding position.

53. It is essential that a robust model is constructed and options are tested for resilience and practicality before they are presented to members for active consideration. Officers must also manage a number of naturally interlinked and overlapping work streams and therefore it is important to ensure that costs and savings are only reflected once within the MTFF.

54. Notwithstanding these challenges, the budget timetable seeks to facilitate early publication of proposals for consideration at Cabinet and public consultation. Prior to Full Council on 18<sup>th</sup> February 2014.

## **Risk Assessment**

55. The process outlined in this report itself goes towards mitigating the risk that the Council does not set a robust budget. Throughout the planning process the budget will be tested for both resilience and sensitivity. This will enable identification and prioritisation of risk areas prior to options to being presented to Cabinet and then Scrutiny, all members and the public.

## **Public Sector Equalities Duties**

56. None as the result of this report. An equalities impact assessment will be carried out on the detailed budget proposals and a full report will be produced in advance of formal scrutiny which is scheduled to commence on the 6<sup>th</sup> January 2014.

## **Legal**

57. The procedure for full Council to adopt the Policy and Budget framework is clearly set out in the Policy and Budget Framework Procedure Rules (PBR) of the Council's constitution. The process and timetable for setting the budget must comply with these rules in order for the budget to be lawful.

Comment provided by Shahzia Daya, Service Manager: Legal

## **Resource Implications**

As set out in the report.

## **Appendices**

Appendix 1 – Draft corporate priorities

Appendix 2 – High level timetable

Appendix 3 – MTFF planning assumptions

Appendix 4 – TOR Corporate Non Pay Panel

Appendix 5 – TOR People Panel

Appendix 6 – TOR Capital Programme Board

## LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

### Background Papers:

- Medium Term Financial Strategy, Resources Scrutiny, 22<sup>nd</sup> February 2013 item 12  
[https://www.bristol.gov.uk/committee/2013/sc/agenda/0222\\_0930\\_sc9.html](https://www.bristol.gov.uk/committee/2013/sc/agenda/0222_0930_sc9.html)
- Medium Term Financial Strategy 2014/15 – 2016/17, Resources Scrutiny, 19<sup>th</sup> July 2013 item 14.  
[https://www.bristol.gov.uk/committee/2013/sc/agenda/0719\\_0930\\_sc9.html](https://www.bristol.gov.uk/committee/2013/sc/agenda/0719_0930_sc9.html)

## Bristol City Council – Corporate Strategy 2013-16

### Bristol City Council – Corporate Priorities

The Corporate Priorities below were developed to ensure that the budget development process is aligned to the Mayor's vision for the city. It helps us target limited resources and by providing a framework against which we can prioritise.

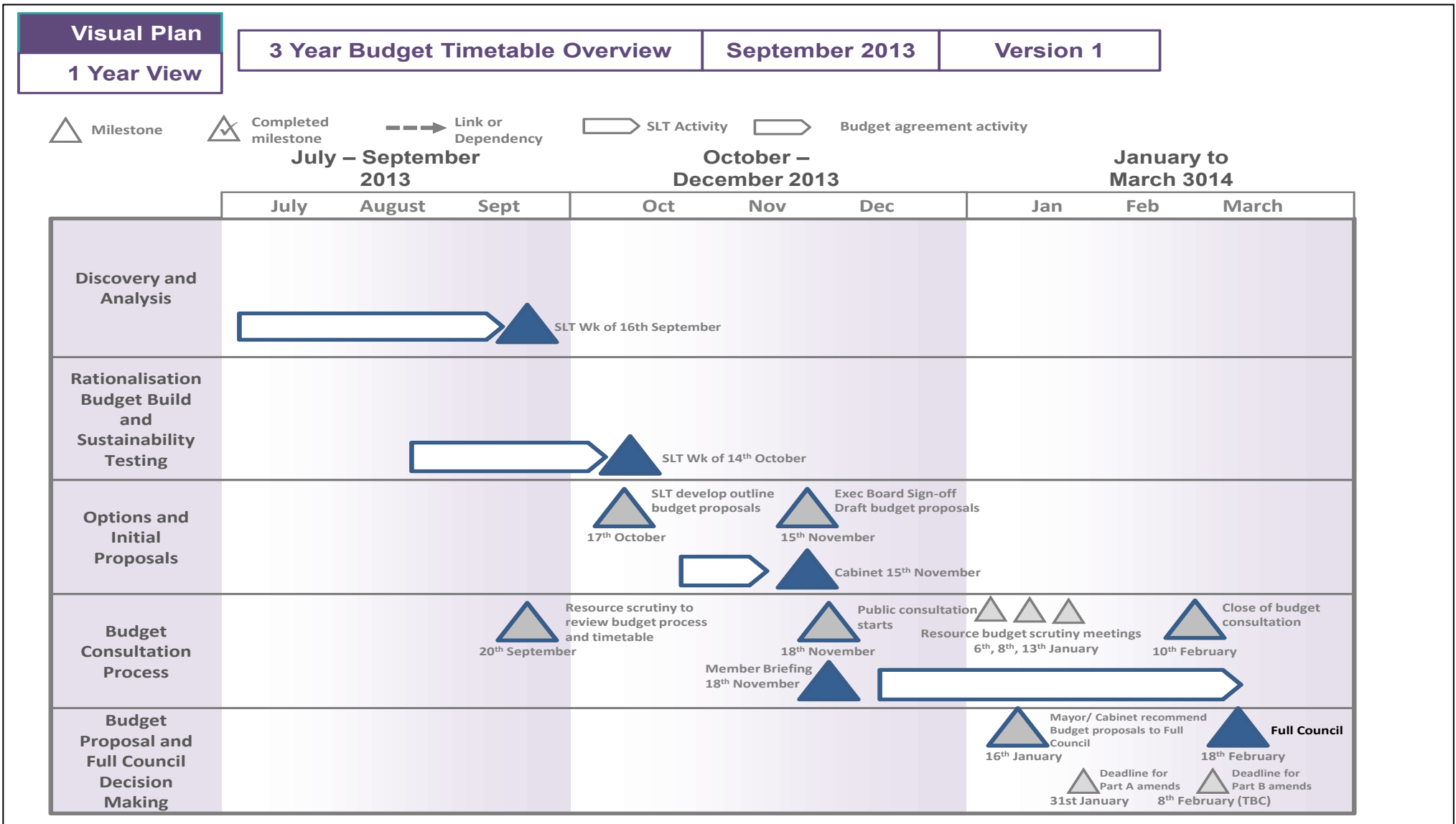
The Mayor's vision is to make Bristol the best city in England.

He has made clear his commitment to improving place whilst also supporting the most vulnerable and supporting people.

These priorities are organised around seven broad themes.

- **Active and creative** – Bristol will be a welcoming city where artistic, sporting and neighbourhood facilities are accessible for all age groups and everyone has the opportunity to engage with the civic and cultural life of the city.
- **Caring and protecting** – Bristol will be a city where all children, care leavers and older adults are properly protected and the most vulnerable can live independent lives. It will be a city where older people are treated equally and respected and which recognises and supports the huge economic and social contribution that older people make to society.
- **Greener and healthier** – Bristol will be a city where life expectancy and wellbeing are improving for all ages, health inequalities are reducing and all citizens enjoy a clean, green and sustainable city.
- **Safer homes and communities** – Bristol will be a city where housing is increasingly affordable for all and Bristol provides homes for a wide diversity of individuals, families and communities in safe, cohesive communities free from crime and anti-social behaviour.
- **Learning and working** – Bristol will be a city where children, young people and adults have the appropriate education and skills to realise their full potential, there is a good school place for every child and the city reaches its true potential as a global economic powerhouse.
- **Moving and connected** – Bristol will be a city where an integrated, accessible transport system and world-class digital infrastructure contributes to a more connected city and competitive economy.

- **A flexible and enabling Council** – Bristol will be a city where the Council ensures that quality services, support and care are delivered in an integrated manner, where opportunities for shared services are explored wherever possible and where citizens are actively engaged in co-designing and influencing the services available.



### Medium Term Financial Forecast; Planning Assumptions

The MTFF reflects the latest Government funding announcements and the following significant assumptions:

- 2% per annum increase in Council tax in 2014/15 and 2015/16, 0% in 2016/17
- 0.5% increase in the Council tax base
- 3% annual increase in business rates (set by Government)
- No increase in business rate tax base
- 1% pay award in each year
- 0% for inflation on supplies and services
- 2.5% per annum inflation on contracts
- £2m, £6m and £7m increase in pension liability arising from 2013 pension revaluation. This is based on initial feedback and prudent assumptions, the actuarial valuation will not be available until December.
- £3.5m increase in national insurance liability arising from introduction of the Governments Single-tier pension in 2016/17
- That spending pressures arising from demographic and demand issues will be contained within cash limited budgets. Where additional pressures cannot be absorbed in the budget an evidence based approach is being adopted. This will be subject to challenge. Where accepted, this would increase the budget pressures.



# Corporate Non Pay Panel

Terms of Reference



## Context

The Council needs to address a financial challenge as funding streams reduce and demand for existing services rises. As part of the Medium Term Financial Strategy, the Council has determined to exercise stronger governance over its expenditure through the introduction of 3 corporate panels/boards:

1. Pay Panel
2. Non-Pay Panel
3. Capital Programme Board

This document sets out the purpose and governance arrangements for the Corporate Non-Pay Panel.

## Purpose

The Corporate Non-Pay Panel (CNPP) will monitor and control key types of expenditure from across the Council. It is expected that all relevant spend will be processed via central budgets, however for the avoidance of doubt, all spend under the classifications as determined by the CNPP must be approved by the Panel, irrespective of the expenditure code to be used or funding source.

The CNPP will ensure that all spend is justified and serves to achieve the Council's priorities and agreed outcomes. Any spend that is not in the specified format or does not meet the objectives will not occur.

The CNPP will:

### Identification of Spend Categories and Process

- Identify and recommend to Senior Leadership Team(SLT) the categories of spend to be overseen by the Panel
- Periodically review the categories of spend and recommend to SLT further inclusions and exclusions as appropriate
- Determine the process and criteria for spend approval, seeking in all cases to minimise bureaucracy
- Periodically review the process and criteria to reflect the changing demands of the Council

### Spending Approvals

- Determine approvals against spend categories. Any requests which do not follow the agreed process or meet the agreed criteria will be rejected.
- Determine all requests to spend against reserves
- Monitor overall Council spend against each category to ensure spend is minimised and in absolute terms does not exceed the approved budget

### Efficiencies and compliance

- Identify opportunities to minimise spend through identified synergies, procurement opportunities etc.
- Commission “deep dive” reviews of out of scope categories and compliance with contracts, based on risk and exception and report as necessary
- Make recommendations to SLT for further budget reductions as appropriate

## Scope

The CNPP will receive submissions on a weekly basis from individual Service Directorates and will determine if the requested revenue expenditure or use of reserves meets the Council’s criteria in terms of:

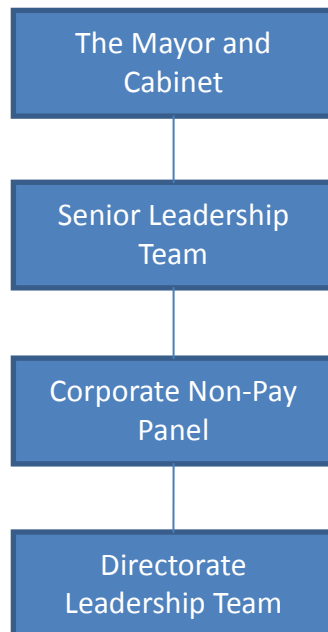
- Serving corporate priorities
- Compliance with framework contracts and procurement rules
- Justified in business terms.

The CNPP will have the authority to authorise or deny applications to commit expenditure. Prior to making a decision CNPP may request further information to enable the best decision to be taken in the interests of the Council and its objectives.

It is the responsibility of the Service Manage to ensure that the relevant information and rationale is accessible and made available in the required format.

Day care and residential homes in Children and Adults will be excluded from these arrangements.

## Reporting Structure



## Functions

- Seek to control and monitor all non-pay spend outside of agreed corporate frameworks
- Quality assure and standardise category spend across the Council with a view to minimising spend and securing economies of scale
- Manage and monitor the establishment and use of reserves
- Identify opportunities for corporate framework contracts through which Service Mangers can operate directly
- Identify potential to reduce spend and therefore budgets
- Develop an application process for spending approvals

## Authority

The decisions of the Panel are final.

The CNPP will report to Senior Leadership Team (SLT) and The Mayor on a regular basis. The impact of spending decisions will be reflected in the regular revenue budget financial monitoring reports to:

- SLT monthly
- Cabinet and Scrutiny quarterly

## CNPP Membership

**The board membership will be made up of senior officers as follows<sup>1</sup>;**

- The Strategic Director of Organisational Development (Chair)
- The Strategic Director of Children, Young People and Families
- The Strategic Director of Health and Social Care
- The Strategic Director of Neighbourhoods
- The Strategic director of Regeneration
- The Strategic Director of Public Health

### **Officers attending;**

- The Service Director of Finance
- The Procurement Manager
- Individual officer reports as needed

### **Nominees and substitutes**

Strategic Directors can nominate a representative to be their standing member. Nominees must be at Service Director level. Each Service Director can only stand on one of the three Corporate Panels.

Each standing member may have 1 standing substitute which must be at least Service Manager.

Nominees will carry the authority of the Strategic Director at the Panel and will be expected to represent the whole Directorate. In representing the Directorate, the each Panel Member must act in the best interests of the Authority.

## **Meeting frequency and attendance**

The Panel will meet a minimum of weekly, sitting on Thursday.

Initially however, a Tuesday meeting will occur, to enable staff to familiarise themselves with the process.

Failure to attend meetings on 3 consecutive occasions (weekly) will result in the Panel member being removed and will not be replaced; the Directorate will effectively cede their role on the Panel.

## **Administration**

The Panel will be administered by the PA to the Strategic Director Organisational Development. Administration will include:

- Receipt from directorates of documentation to be submitted to the CNPP
- Review of documentation for compliance with corporate standards and return of non-compliant paperwork
- Referencing and scheduling of documentation for each CNPP and distribution in accordance with the timetable
- Noting of CNPP decisions
- Dissemination of CNPP decisions

All documentation must be received in accordance with the timetable below.

<sup>1</sup> Membership will change to reflect any organisational changes, with each Strategic Director entitled to a place on the Panel

Meeting Day	Paper to be received by PA to Strategic Director Organisational Development	Papers to be dispatched by PA to Strategic Director Organisational Development	Decisions disseminated
Thursday	5pm Monday	5pm Tuesday	5pm Friday
Tuesday	5pm Wednesday	5pm Thursday	5pm Tuesday

Any documents received that do not meet the corporate standard set will be returned to the relevant manager without consideration at the Panel.

Any documents received after the deadlines set will be referred automatically to the next scheduled meeting.

## **Spend categories**

Spend categories to be considered by the CNPP are as set out in Appendix 1.

Exclusions under Framework contracts are as set out in Appendix 2.

All expenditure to be funded from reserves.



# Corporate People Panel

Terms of Reference

## Context

The Council needs to address significant financial challenges as funding streams reduce and demand for existing services rises. As part of the Medium Term Financial Strategy, the Council has determined to exercise stronger governance over its expenditure through the introduction of 3 corporate panels/boards:

4. People Panel (pay)
5. Non-Pay Panel
6. Capital Programme Board

This document sets out the purpose and governance arrangements for the People Panel (PP).

It should be noted that previous attempts at controlling the establishment and establishment costs via a Vacancy Management arrangement were not entirely successful. The new People Panel will make itself aware of these issues and seek to implement the lessons learned to avoid undermining the success of the new arrangements.

## Purpose

The People Panel will achieve the following objectives:

### 1. People

Ensure effective **establishment control** across the whole organisation by monitoring staffing requirements, approving the filling of vacant roles, recording of all new workers and approving any additions to the permanent or temporary workforce.

Maximise **employee development** through effective redeployment, targeted reskilling of at-risk employees, structured knowledge transfer and monitoring of organisation resilience.

Provide a documented, clear and transparent process for addressing all resourcing requirements across the Council.

Monitor other key people management processes to ensure compliance and manage trends to ensure effective management of the workforce including PMDS completion, sickness absence recording, return to work interviews, etc.

### 2. Finance

Ensure effective **budgetary control** of workforce costs through a whole organisation vacancy and resource monitoring process that will, where appropriate, also identify cashable savings as they become available.

Produce regular **budget and workforce data** to enable SLT to provide assurance on overall establishment control and use of non-directly employed resources.

Ensure effective **control of external resources** by monitoring the specification, scope and duration of consultant engagements, identifying opportunities to reduce redundancy costs and avoid HMRC/Pensions Regulator fines and penalties for improper engagements.

The People Panel will ensure that Directorates hold managers to account for effective control of workforce costs and that all applications for resources are managed in a way that serves the whole Council. Any application for approval for people resources does not meet the objectives or follow the specified process will not be approved.

A good communications strategy should underpin the agreed objectives to ensure there is clarity and transparency over the process and outcomes required.

## Scope

### Workforce resourcing requests

- Determine the process and criteria for people resourcing spend approval, seeking in all cases to minimise bureaucracy
- Periodically review the process and criteria to reflect the changing demands of the Council
- Ensure effective redeployment of at-risk employees taking a whole organisation approach
- Accept and approve proposals for reskilling existing employees
- Monitor overall Council spend on people resources to ensure spend is minimised
- Identify opportunities to minimise spend through alternative solutions such as:
  - Payment of overtime to existing staff
  - Payment of increments
  - Cessation of functions
  - Up-skill existing employees and to meet current and future workforce resourcing requirements

## Process

The People Panel will receive requests on a weekly basis from DLTs and will determine if the requested resource requirements meet the Council's criteria in terms of:

- Serving corporate priorities
- Meeting legislative and regulatory requirements
- Being under the control of a sound business case

The People Panel will have the authority to authorise or deny requests to commit expenditure in respect of:

- Recruiting to an existing or new post
- Recruiting temporarily (fixed term/casual)
- Changing contracted hours
- Making additional payments to employees to undertake wider responsibilities including the extension of current arrangements (e.g. acting up,

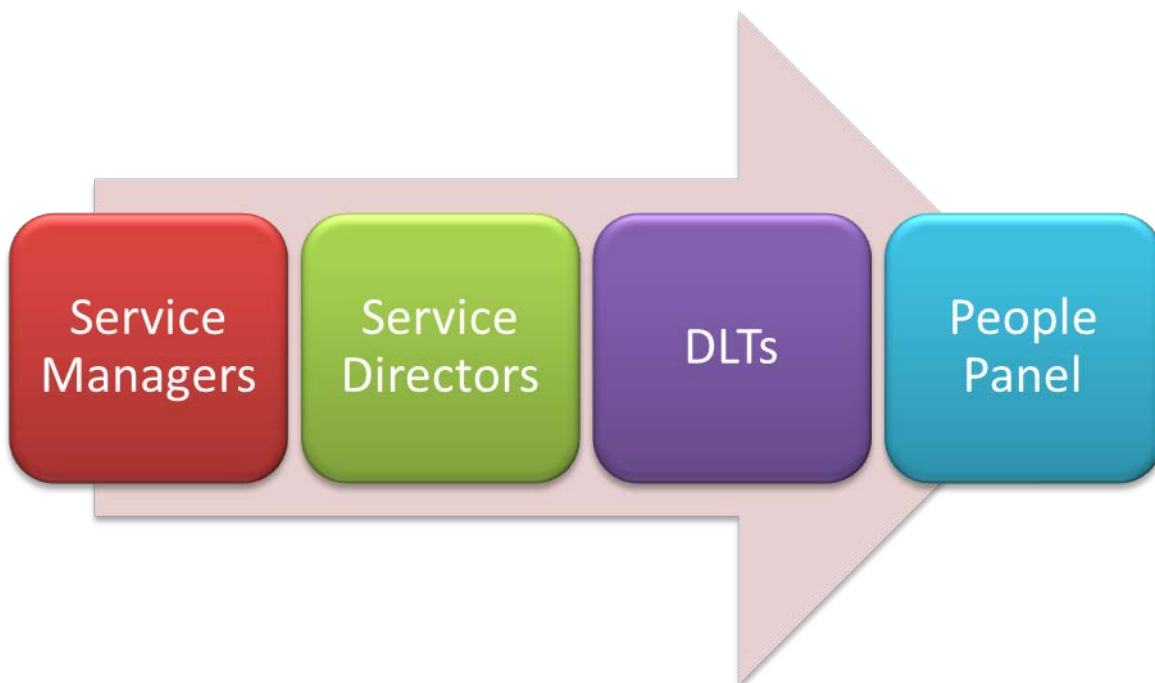


- Contracting a non-employed resource (agency, self-employed, consultant, contractors, HMRC-deemed employees)
- Alternative temporary solutions as identified above (Efficiencies).

Prior to making a decision People Panel may request further information to enable the best decision to be taken in the interests of the Council and its objectives.

It is the responsibility of the Service Managers to ensure that the relevant information and rationale is accessible and made available in the required format.

## Request Approval Structure



## People Panel Membership

The board membership will be made up of senior officers as follows:

- Service Director - Human Resources (Chair)
- 5 Service Directors, one from each Directorate
- People Business Partners as required
- HR People Resourcing representative

### Nominees and substitutes

Strategic Directors can nominate a representative to be their standing member. Nominees must be at Service Director level. Each Service Director can only stand on one of the three Corporate Panels.

Each standing member may have one standing substitute which must be a Service Director.

Nominees will carry the authority of the Strategic Director at the Panel and will be expected to represent the whole Directorate. In representing the Directorate, the each Panel Member must act in the best interests of the Authority.

## Meeting frequency and attendance

The Panel will meet a minimum of weekly on a Tuesday to consider requests prior to DLT meetings on a Wednesday.

## Administration

The review of requests and business cases must comply with corporate standards. The return of rejected and non-compliant submissions will be administered locally.

We are proposing that the administration arrangements for the submission of DLT approved requests will be handled centrally by HR. Administration will include:

- Receipt of documentation submitted following approval by Directorate Leadership Teams to [peoplepanel@bristol.gov.uk](mailto:peoplepanel@bristol.gov.uk)
- Dissemination of People Panel decisions back to DLTs and Service Directors.

All documentation must be received in accordance with the timetable below.

Meeting Day	Paper to be received by central administrator <a href="mailto:peoplepanel@bristol.gov.uk">peoplepanel@bristol.gov.uk</a>	Papers to be dispatched to People Panel	Decisions disseminated
Tuesday	10am Monday	5pm Monday	10am Wednesday

Any documents received after the deadlines set will be referred automatically to the next scheduled meeting.



# Corporate Capital Programme Board

Terms of Reference

## **Purpose**

**The purpose of the Corporate Capital Programme Board (CCPB) is as follows;**

### **Project / Programme Delivery**

- To monitor all capital funded projects across Bristol City Council to ensure that they are properly managed, in accordance with the BCC project management method.
- To ensure that the objective of each project is clear and that the outcome matches the objective.
- To ensure that the individual projects are being delivered within their allocation of capital funding.
- To ensure that all projects are being delivered in the timescales planned.
- To ensure risk is being identified, managed, and escalated as need.

### **Capital Funding Allocation**

- To advise the Mayor, Cabinet, and The Council on the allocation of capital funding to new projects.
- To report to the Mayor, Cabinet, and The Council on matters relating to the overall capital spend programme including the implications of capital spending decisions to the overall budget.
- To manage any spending slippage and advise on the re-allocation of underspends to ensure delivery is optimised.

### **Capital Availability Monitor**

- To monitor capital grant funding available to the capital spend programme
- To monitor the property disposal programme and capital receipts.

## **Scope**

The CCPB will receive reports on a monthly basis from individual directorate programme boards and will monitor slippages; red risks and applications for overspend.

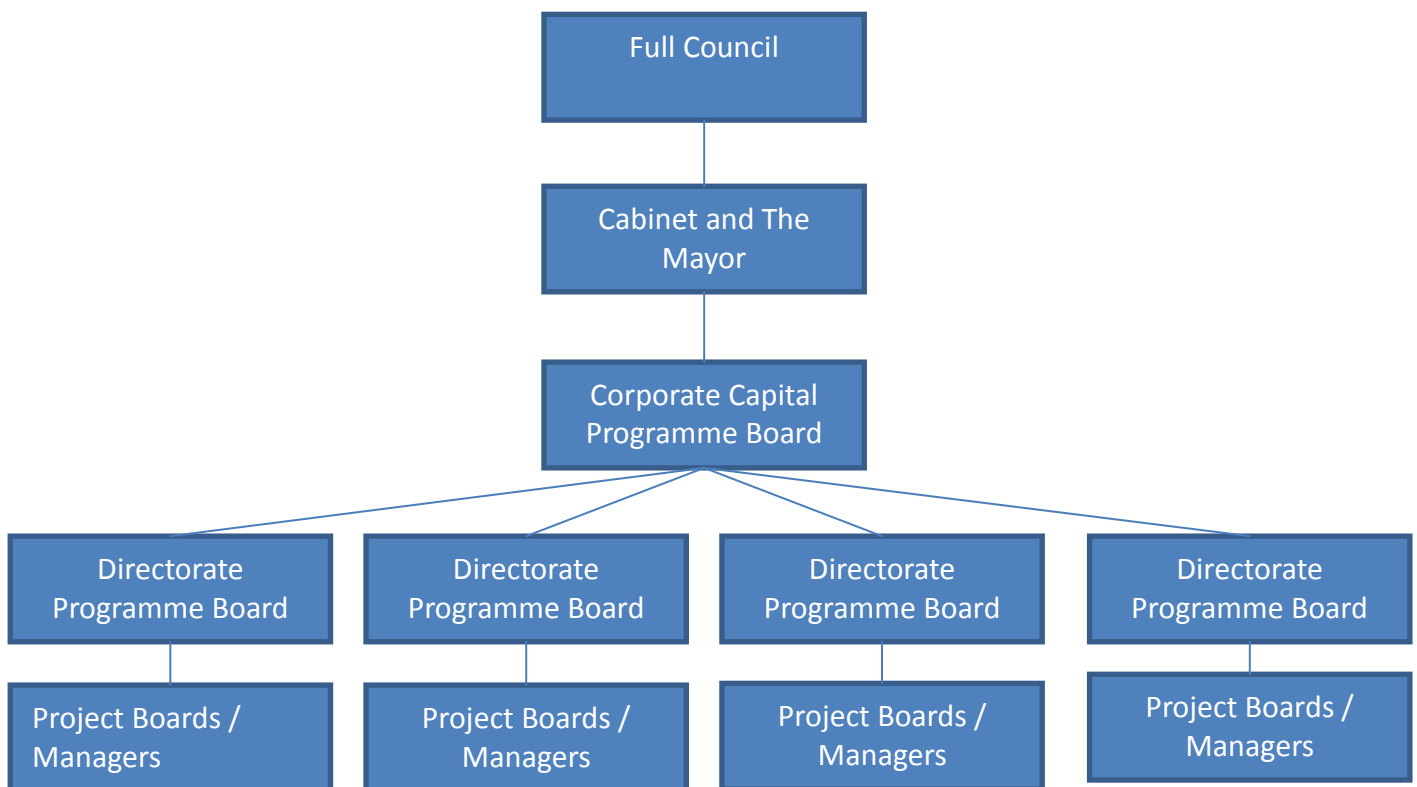
The CCPB will have the authority to request revised management methods and changes of resourcing on consistently underperforming projects and, in extreme cases, to remove that project from the capital programme.

Through the promotion of the BCC project management method; the CCPB will seek to gradually oversee the alignment of all existing project delivery methodology and reporting in order to monitor the existing capital projects more effectively.

The CCPB will monitor all capital spend across the Council. The CCPB will have the exclusive authority to allocate capital within the limits defined in the Council constitution for strategic director level authority. For capital allocation in excess of that authority, the CCPB will make recommendations to the Mayor, Cabinet, or Full Council as appropriate for the sum involved and will monitor decisions taken.

The CCPB will work with finance representatives to balance, as far as possible, new capital allocations with new capital receipts and will seek to minimise revenue supported capital funding.

## Reporting Structure



## Functions

- Seek to draw in all capital spend across the Council
- Quality assure and standardise project management across the Council
- Develop an application process for capital funding allocation
- Develop a gateway reporting process with approval to proceed.
- Monitor incoming capital and balance spend against income / revenue commitment
- Ensure that there is a joined up approach to capital projects for example multi use centres etc.
- Ensure that the capital programme is delivered on schedule and to reprioritise underspends

## Authority

The CCPB will report to City Director and The Mayor on a regular basis and will provide a quarterly monitoring report to Cabinet.

## Board Membership

**The board membership will be made up of senior officers as follows<sup>1</sup>;**

- The Strategic Director of Organisational Development
- The Strategic Director of Children, Young People and Families
- The Strategic Director of Health and Social Care
- The Strategic Director of Neighbourhoods
- The Strategic director of Regeneration (chair)
- The Strategic Director of Public Health

## Officers attending;

- The Service Director for Major Projects
- The Programme Managers from each directorate
- Individual officer reports as needed

## Nominees and substitutes

<sup>1</sup> Membership will change to reflect any organisational changes, with each Strategic Director entitled to a place on the Panel

Strategic Directors can nominate a representative to be their standing member. Nominees must be at Service Director level. Each Service Director can only stand on one of the three Corporate Panels.

Each standing member may have 1 standing substitute which must be at least Service Manager.

Nominees will carry the authority of the Strategic Director at the Panel and will be expected to represent the whole Directorate. In representing the Directorate, the each Panel Member must act in the best interests of the Authority.

## **Meeting frequency and attendance**

The Panel will meet a minimum of monthly, generally on the last Friday of each month.

Failure to attend meetings on 3 consecutive occasions (weekly) will result in the Panel member being removed and will not be replaced; the Directorate will effectively cede their role on the Panel.