

Cabinet – Supplementary agenda No.2

A meeting of the Cabinet will be held on:

Date: 6 June 2017

Time: 3.00pm

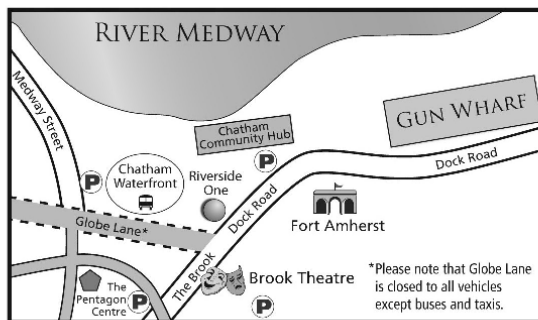
Venue: Civic Suite - Level 2, Gun Wharf, Dock Road, Chatham ME4 4TR

Items

- 8. Revenue and Capital Outturn and Draft Statement of Accounts 2016/17** (Pages 3 - 8)
Please find attached an updated report.
- 12. Recruitment Freeze** (Pages 9 - 16)
Please find attached an addendum report.

For further information please contact Joseph Dance/Wayne Hemingway, Democratic Services Officers on Telephone: 01634 332008/332509 or Email: democratic.services@medway.gov.uk

Date: 6 June 2017



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www.medway.gov.uk

A summary of this information can be made available in other formats from **01634 333333**

If you have any questions about this meeting and you want to speak to someone in your own language please ring **01634 335577**

বাংলা	331780	ગુજરાતી	331782	ਪੰਜਾਬੀ	331784	كوردی	331841	أروو	331785	Русский	332374
中文	331781	हिंदी	331783	Polski	332373	ଓଡ଼ିଆ	331786	فارسی	331840	Lietuviškai	332372



CABINET

6 JUNE 2017

REVENUE AND CAPITAL OUTTURN AND DRAFT STATEMENT OF ACCOUNTS 2016/17 – UPDATED REPORT

Portfolio Holder: Councillor Alan Jarrett, Leader
Report from: Phil Watts, Chief Finance Officer
Author: Gary Thomas, Head of Finance Operations

Summary

This updated report details the final revenue and capital outturn position for the financial year ended 31 March 2017. These figures will also form part of the Council's statement of accounts, which accompanies this report and which will be presented to the Audit Committee for approval on 29 June. These will then be subject to the external audit during July and August, before being considered again by Audit Committee on 28 September 2017.

1. Budget and Policy Framework

1.1 Whilst approval of the Statement of Accounts is a matter for the Audit Committee, this report summarises the Council's revenue and capital outturn position for 2016/17 and presents the draft statement of accounts to Cabinet in advance of Audit Committee.

2. Background

2.1 Budget managers had been asked to produce forecasts throughout 2016/17 taking account of the previous year's outturn, actual income and expenditure for 2016/17 and most importantly, their knowledge of commitments and income trends.

2.2 In spite of the quarter 3 forecasts indicating a £1.8million pressure, the final outturn for the year was close to breakeven, representing a modest underspend of £217,000. The final position for each directorate is summarised in Table 1 below:

Table 1 – Revenue Outturn

Revenue Account 2016/17 Final Outturn	Round 3 Variance	Budget	Actual Spend	Variation
	£000's	£000's	£000's	£000's
Budget requirement:				
Children & Adults				
- Children's	1,175	35,178	35,850	672
- Adults	1,049	65,503	66,171	668
- Inclusion & Schools related budgets	522	132,170	132,860	690
Regeneration Community & Culture	(821)	78,809	77,309	(1,500)
Business Support	(616)	7,491	6,144	(1,347)
Public Health	0	15,136	15,218	82
Interest & Financing	(192)	(25,556)	(25,736)	(180)
Levies	74	1,039	1,221	182
Medway Norse	0	(263)	(290)	(27)
Digitalisation Savings	388	(388)	0	388
Total General Fund	1,579	309,118	308,747	(371)
Funded by:				
Contribution from Reserves	0	(3,014)	(3,014)	0
RSG	0	(28,374)	(28,374)	0
NNDR	0	(43,035)	(43,035)	0
Council Tax	0	(102,798)	(102,798)	0
DSG	0	(98,397)	(98,397)	0
Other School Grants	0	(5,542)	(5,542)	0
Specific Grants	0	(186)	(137)	49
Education Support Grant	199	(2,124)	(1,918)	206
New Homes Bonus	0	(7,531)	(7,632)	(101)
Public Health Grant	0	(18,118)	(18,118)	0
Total Funding	199	(309,118)	(308,964)	154
Total funding and expenditure variance	1,778	0	(217)	(217)

3. Directorate major variances

3.1 Children and Adults

- 3.1.1 **Children's Social Care (£672k overspend)** – This is largely explained by the increase in external placement costs due to a combination of a reduction in the management action previously thought to be achievable, in part due to court imposed levels of supervision. There were some additional residential placements and an increase in mother and baby placement costs, due to longer stays.

3.1.2 **Adults Social Care (£668k overspend)** – The outturn position represents a decrease in the previously projected overspend of £381k. Expenditure on Disability placements remains the largest pressure on the budget although there was a reduction of £420k on placement costs from the previous monitoring. Expenditure on Older People services underspent for the year however the outturn position did worsen from the previous monitoring due to additional homecare expenditure and the provision for bad debt increasing by £212,000 because of the current long term status of some debts.

3.1.3 **Inclusion, Commissioning and Schools related budgets (£690k overspend)** - The SEN transport budget represents a major part of the net service pressure, with an overspend of £1.2m due to largely increased numbers and the challenge of holding down taxi costs against the transport procurement framework. This pressure has been partly offset by savings of £0.5m from vacant posts mainly in the Commissioning & Strategy as well as the school improvement team. The total overspend was offset by underspends elsewhere in this budget area.

3.2 Regeneration, Community and Culture

3.2.1 Registration and Bereavement underspent by £1.1m. The Service reported a forecast overspend of £31,000 at Round 3. £1m of reserves built up to fund the new cremators were written back to revenue at year end including £627,000 Provian compensation.

3.2.2 Waste Services reported an underspend of £460,000 having reported an underspend of £436,000 at Round 3. Projected growth in waste overall grew by 1.95% compared to budgeted growth of 2.67%.

3.2.3 Sport, Leisure, Tourism & Heritage overspent by £95,000 compared to a flat forecast at Round 3. This was mainly due to a downturn in income at Splashes. There were significant variations across the Service including a £520,000 underachievement of income in Medway Leisure. This was offset by a £202,000 saving in Medway Sports due to additional income, a scaling back of activities and staff savings along with £240,000 of savings across Heritage & Tourism.

3.3 Business Support Department

3.3.1 Revenues & Benefits outturn was a favourable £1.25m. The income from the Housing Benefit Admin Grant was £329,000 less than budget. £259,000 was paid in commission to 'Analyse Local' which looks to assist the authority in the collection of additional business rates. This is offset partially by savings of £129,466 on salaries due to staff vacancies. Benefits reported savings of £1,309,302. Housing Benefit Provisions were drawn down in relation to subsidy thresholds and the provision for debtor provision was reduced from 85% to 80% against Housing Benefit overpayments.

4. Planned Use of Reserves

4.1 The 2016/17 budget agreed by Council on 25 February reflected the use of around £3.0million of general reserves.

5. Capital Programme

- 5.1 The capital programme year end position is shown below. It reports actual spend of £47.7million in 2016/17 against the £112.6million programme, with the balance of expenditure profiled over the medium term.

Service Area	Budget 2016/17	Actual Spend	Planned Spend Future Years	Net Variance
	£000's	£000's	£000's	£000's
Business Support	3,203	2,220	788	195
Members Priorities	301	48	253	0
Regeneration, Communities & Culture	61,356	20,310	41,617	(571)
Children and Adult Services	33,027	17,496	15,531	0
Housing Revenue Account	14,709	7,656	6,080	973
Public Health	0	0	0	0
Total	112,596	47,730	64,269	597

6. Conclusions

- 6.1 This report and the accompanying statement of accounts is being presented to Cabinet for information only, but will be presented to Audit Committee for approval on 29 June 2017. The final audited statement of accounts goes to Audit Committee on 28 September 2017.
- 6.2 The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It therefore aims to provide information so that members of the public, including electors and residents, Council Members, partners, stakeholders and other interested parties can:
- understand the overarching financial position of the Council;
 - have confidence that the public money with which the Council has been entrusted and has used has been accounted for in an appropriate manner;
 - be assured that the financial position of the Council is sound and secure.
- 6.3 The style and format of the accounts complies with CIPFA standards and is similar to that of previous years. Once again the content has been reviewed in efforts to make the accounts more streamlined and easy to understand.
- 6.4 The Narrative Report provides some information about Medway and the Council as well as key issues affecting the business and the accounts. It also provides a summary of the financial position at the 31 March 2017.

7. Financial, legal and risk management implications

- 7.1 The financial implications are set out in the body of the report. There are no legal implications within this report.

8. Recommendations

8.1 Cabinet are requested to note the:

- (i) revenue and capital outturn position for the financial year 2016/17;
- (ii) the content of the draft statement of accounts to be presented to Audit Committee for approval on 29 June 2017.

9. Suggested reasons for decision

9.1 The Cabinet is the body charged with the executive management of the council's budget. Therefore, it is important that the final outturn is reported to Cabinet.

Lead officer contact

Gary Thomas, Head of Finance Operations, Gun Wharf, (01634) 332397;
gary.thomas@medway.gov.uk

Appendices

Appendix 1 – Draft Statement of Accounts for the Year Ended 31 March 2017 (please note that this was circulated in the main agenda)

Background Papers

Revenue Budget Monitoring 2016/17 – Round 1

<https://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=32461>

Revenue Budget Monitoring 2016/17 – Round 2

<https://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=33757>

Revenue Budget Monitoring 2016/17 – Round 3

<https://democracy.medway.gov.uk/mgconvert2pdf.aspx?id=35757>

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CABINET

6 JUNE 2017

RECRUITMENT FREEZE – ADDENDUM REPORT

Portfolio Holder: Councillor Alan Jarrett, Leader

Report from: Neil Davies, Chief Executive

Author: Carrie McKenzie, Chief People Officer

Summary

This addendum report brings forward three additional posts to be considered for approval.

1. Details of the post requiring approval

1.1 The following additional post is coming forward for approval, the details of which are shown at Appendix 1: -

Business Support

Democratic Services Officer

Locum Childcare Lawyer, People Team, Legal Services (x 2)

2. Revised recommendation

2.1 The Cabinet is asked to agree to unfreeze the posts as set out in Appendix 1 to the main report and in Appendix 1 to the addendum report to enable officers to commence the recruitment process.

Lead officer contact

Carrie McKenzie, Chief People Officer, Gun Wharf, Dock Road, Chatham Telephone: (01634) 332261 Email: carrie.mckenzie@medway.gov.uk

Appendices

Appendix 1 Recruitment Freeze Form

CABINET APPROVAL FOR RECRUITMENT TO VACANCIES

Please complete this form, with all required signatures, and return to the Organisational Change Team, HR Services, 3rd Floor, Gun Wharf. You will also need to send an electronic word version to resourcing@medway.gov.uk, so that the approval form can be inserted into the cabinet report. This form is not required for those posts covered by the exemptions list shown below.

DIRECTORATE	Business Support	
SECTION	Democratic Services	
POST TITLE	Democratic Services Officer	
GRADE AND SALARY RANGE	Range 6 (£36 072 – £41 478)	
POST NUMBER	3865	
LOCATION	Gun Wharf	
DATE POST BECAME VACANT	4 August 2017	
MANAGER POST REPORTS TO	Head of Democratic Services	
*IS THIS REQUEST TO COVER PERMANENT RECRUITMENT	Yes	
*IS THIS REQUEST TO APPLY TO AN EXTERNAL AGENCY	No	
*IS THIS REQUEST TO COVER TEMPORARY RECRUITMENT FROM AGENCY POOL	No	
IF TEMPORARY PLEASE SPECIFY DATES FROM AND TO:	N/A	
IF TEMPORARY PLEASE GIVE NAME OF EMPLOYEE COVERING VACANCY (if applicable)	N/A	
WHICH PHASE OF BETTER FOR LESS DOES THIS POST RELATE TO?		
Not applicable		
ARE THERE IMPLICATIONS FOR NOT FILLING THE POST PRIOR TO THE RELEVANT PHASE OF BETTER FOR LESS – IF SO PLEASE INDICATE BELOW		
NAME OF RECRUITING MANAGER: Julie Keith		

(* please delete as appropriate)

Impact on Service – please include:-

1. Information on the structure within this function indicating numbers of posts of the same type and how many corresponding vacancies
2. Impact on the service if this post is not filled, with particular reference to services to the public.

The Democratic Services Team consists of the Head of Democratic Services, 6.46fte Democratic Services Officers and 1.8fte Democratic Services Support Officers (who also provide members services reporting to the Head of Elections and Members Services).

The work of this team relates to statutory member level decision-making directly connected to the major programmes and functions of the authority. One of the full time Democratic Services Officers has recently resigned and another is on maternity

leave due to return to work in April 2018. This post holder supports Cabinet, the CYP Overview and Scrutiny Committee and a Scrutiny Task Group among other duties. In order to sustain current levels of service delivery agreement to recruit to this vacancy is requested.

In the event that other existing team members may wish to take this opportunity to vary their hours, approval is sought to recruit to either a full time or part time DSO as long as the cost can be met within the available staffing budget for Democratic Services.

Beyond a reduction in member level activity there are no alternative options for meeting the gap created by this vacancy. The responsibilities assigned to professional Democratic Services Officers require a high level of experience, a detailed knowledge of the law and procedures for local authority meetings together with an ability to exercise excellent judgement and political skills. Any reduction in capacity within Democratic Services cannot be absorbed by others in the team given existing workloads, the ongoing and unpredictable demand for unplanned activity in support of the Council's decision-making processes and the role played by the team in supporting Scrutiny Task Groups.

As this vacancy will create a capacity deficit of 37 hours per week within the team approval is also sought to bring in temporary DSO assistance should this be required while the recruitment process is underway. This will be accommodated within available budgets.

Budget Issues

Please indicate:

1. the realisable savings if this post remained vacant until the 31st March 2016.
2. If any savings could be achieved by alternative ways of providing the service.

This vacancy will arise on 4 August 2017 and it is hoped to recruit a new post holder to join the team as soon as possible after that date in order to be able to sustain required levels of support for member level meetings. Democratic Services Officers are graded at Range 6. Gross pay (including on- costs) for 1FTE in Range 6 is £45 896 – £52 775.

Please specify the funding source for this post:

This vacancy can be funded from within the existing budget for Democratic Services.

Comments from Portfolio Holder

Signed:
Portfolio Holder

Dated:

Signed:
Councillor Alan Jarrett

Dated:

Signed:
Director

Dated:

CABINET APPROVAL FOR RECRUITMENT TO VACANCIES

Please complete this form, with all required signatures, and return to the Organisational Change Team, HR Services, 3rd Floor, Gun Wharf. You will also need to forward an electronic word version to resourcing@medway.gov.uk, so that the approval form can be inserted into the cabinet report. This form is not required for those posts covered by the exemptions list shown overleaf.

DIRECTORATE	Business Support	
SECTION	Legal Services	
POST TITLE	Locum Childcare Lawyer, People Team, Legal Services (x 2)	
GRADE AND SALARY RANGE	£32-£38 per hour	
POST NUMBER	00080	
LOCATION	Gun Wharf, 2nd Floor	
DATE POST BECAME VACANT	9th June 2017	
MANAGER POST REPORTS TO	Jan Guyler	
*IS THIS REQUEST TO COVER PERMANENT RECRUITMENT	No	
*IS THIS REQUEST TO APPLY TO AN EXTERNAL AGENCY	Yes	
*IS THIS REQUEST TO COVER TEMPORARY RECRUITMENT FROM AGENCY POOL	Yes	
IF TEMPORARY PLEASE SPECIFY DATES FROM AND TO:	9 June 2017 – December 2017	
IF TEMPORARY PLEASE GIVE NAME OF EMPLOYEE COVERING VACANCY (if applicable)		
WHICH PHASE OF BETTER FOR LESS DOES THIS POST RELATE TO? Phase Two		
ARE THERE IMPLICATIONS FOR NOT FILLING THE POST PRIOR TO THE RELEVANT PHASE OF BETTER FOR LESS – IF SO PLEASE INDICATE BELOW		
N/A		
NAME OF RECRUITING MANAGER: Perry Holmes, Chief Legal Officer		

(* please delete as appropriate)

Impact on Service – please include:-

1. Information on the structure within this function indicating numbers of posts of the same type and how many corresponding vacancies – eg 20 care workers 2 posts vacant.
2. Impact on the service if this post is not filled, with particular reference to services to the public.

This request is for two locum childcare lawyers to replace two existing locums who have given 1 week's notice and both will have left the team by 09/06/17.

There is no capacity in the team to absorb their work as the team is already absorbing the caseloads of one lawyer on maternity leave and preparing to absorb the workload of another lawyer who is about to go on maternity leave (in June), - the lawyers on maternity leave deal with Adult Services and SEN/Education matters.

Care proceedings cases have reduced recently and we reduced the number of locums in the team (covering vacant lawyer posts) accordingly. Prior to the current resignations we had achieved the right level of staffing for the current caseloads including absorbing the caseloads of the SEN and Adult Services lawyers.

It is very important to replace the two locums to be able to keep workloads at an acceptable level for the team.

Budget Issues

Please indicate:

1. the realisable savings if this post remained vacant until the 31st March 2015.
2. If any savings could be achieved by alternative ways of providing the service.

We will attempt to secure a locum within the usual framework at an hourly rate ranging from £32-£38 per hour .

Please specify the funding source for this post:

This will be met by Legal Services existing budget .

Comments from Portfolio Holder

Signed:
Portfolio Holder

Dated:

Signed:
Councillor Alan Jarrett

Dated:

Signed:
Director

Dated:

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