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| Meeting: | Council |
| Date: | 24 February 2005 |
| Subject: | Use of reserves |
| Responsible Officer: | Myfanwy Barrett |
| Contact Officer: | Myfanwy Barrett |
| Portfolio Holder: | Sanjay Dighe |
| Key Decision: | No |
| Status: | Part 1 |

Section 1: Summary

Decision Required

To approve the use of reserves for projects over £100,000

Reason for report

To comply with the requirements of the constitution

Benefits

Approval by Council will ensure compliance with the constitution

Cost of Proposals

The total value of the projects is £1.495m.

Risks

No risks associated with the decision

Implications if recommendations rejected

Failure to comply with constitutional requirements

Section 2: Report

2.1 Brief History

Under Section 4c of the constitution – Budget and Policy Rules – the Council must approve expenditure from reserves in excess of £100,000 for new policies or growth for which no provision has been made in the budget.

As part of the budget monitoring to the end of September, which was reported to Cabinet in November, four projects were proposed to be funded from reserves. In addition in February the cabinet considered the Harrow Corporate University project.

2.2 Options considered

1. Details of the projects are set out below.

| Project | £000 |
|-------------------------------|-------------|
| Management of change | 575 |
| Improvements to road markings | 410 |
| Sickness absence | 110 |
| Performance Management | 200 |
| Harrow Corporate University | 200 |
| Total | 1,495 |

Management of Change

2. The organisational rebuild has now progressed to the middle management structures of the council, and Cabinet at its meeting in April agreed the revised structure. Work is now underway to implement that structure by recruiting, through initially internal processes, over 250 managers to the new structures. To undertake this work, additional HR resources are required. As

well as the structural change, cultural change is required from Managers once in post. Work is therefore required to develop and implement revised management competencies that set out the behaviours that are needed to ensure successful performance of the new roles. The revised competencies are reinforced through the proposed Leadership development programme. This will be complemented by a member development programme.

Road Markings

3. Harrow engineers inspect road markings on an informal basis whilst carrying out other duties. The accepted intervention level is when the marking is less than 70% in tact, however, due to budget restrictions markings in Harrow are not renewed until at least 50% is missing. Funding is required to improve performance and comply with best practice. The programme of work would take a year.

Sickness Absence

4. A preventative health care programme is being developed which aims to reduce levels of absence particularly around stress.

Performance management

5. Improvements in performance management are a key strand of the New Harrow Project. Officers have been working with a firm of consultants to develop the balanced scorecard approach and associated systems and procedures across the Council.

Harrow Corporate University

6. Harrow Corporate University is a major, groundbreaking project, unique in local government, the first of its kind in the country. A corporate university is an internal structure designed to improve individual and business performance by ensuring that the learning and knowledge of an organisation is directly connected to its business strategy. The HCU will enable the Council to develop rapidly as a genuine learning organisation – one that recognises that active learning by individuals and teams is the life-blood of innovation and improvement. It will also pave the way to Harrow Council becoming a significant work based learning provider in its own right, able to draw down further direct funding from the LSC to deliver an apprenticeship programme for young people.
7. The HCU will work with local business as well as the key public sector agencies, working to pool resources, expertise and premises, supporting the delivery of shared ambitions. It will reach out to the local voluntary and community sector organisations, building their capacity- increasing their influence on service planning and delivery. The HCU will support the Council's strategic community leadership role.

8. The estimated cost of HCU in 2005-06 is £250k. It is proposed that £200k is funded from reserves and the remaining £50k is top sliced from existing training budgets. Steps are being taken to secure external funding for HCU in future.

2.3 Consultation

None

2.4 Financial Implications

The total cost of these projects can be met from reserves including the insurance reserve and the general fund.

2.5 Legal Implications

None.

2.6 Equalities Impact

Whilst some of the individual projects have equalities implications approval to draw down funds from reserves has no direct implications.

Section 3: Supporting Information/Background Documents

Appendices

List information that is on deposit in Group Offices, can be viewed on the web and will be available for inspection at the meeting:

List other background papers that are available on request: