



AGENDA

RESOURCES DEVELOPMENT AND SCRUTINY PANEL

THURSDAY, 28 SEPTEMBER 2006

9.30 AM

**COMMITTEE ROOM 1, COUNCIL OFFICES, ST. PETER'S HILL,
GRANTHAM, Lincs. NG31 9GJ**

Chris Farmer, Chief Executive

MEMBERS: Councillor David Brailsford, Councillor Robert Conboy, Councillor Dorrien Dexter, Councillor Kenneth Joynson, Councillor Albert Victor Kerr, Councillor John Kirkman (Chairman: Resources Development & Scrutiny Panel), Councillor Reg Lovelock M.B.E. (Vice-Chairman: Resources Development & Scrutiny Panel), Councillor Andrew Roy Moore and Councillor Gerald Taylor (Chairman of the District Council)

Committee Support Officer: Scrutiny Officer: Paul Morrison 01476 406512
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11. FINANCE SCRUTINY WORKING GROUP RECOMMENDATIONS

Officer response attached

(Enclosure)

Response to “Engaging Members in Finance Scrutiny” report to Resources DSP – July 2006

Responses to each of the recommendations made by the working group are set out below.

Recommendation 1

A proposed timetable for the development and publication of draft service plans and desired member involvement in those plans should be put forward to all members with the aim of two to four weeks before the start of the process.

Response

A summary timetable for the service planning process is attached at appendix A. It was discussed at the Scrutiny Co-ordinating Panel meeting and it has been proposed that member involvement in the process will be undertaken via the DSPs or working groups of the DSPs. It is recognised that it may be necessary for some additional meetings of DSPs or working groups during this timescale to accommodate normal business as well as the 3 proposed gateway reviews to scrutinise the service planning process.

It is proposed that the **first gateway** will focus on a review of the current service plan and in particular address:

- Progress towards delivering service outcomes as identified in the service plan
- The extent to which the existing service plan is “fit for purpose” in terms of fit with the Council’s revised priorities
- Actual income and expenditure compared to budget (summary information circulated to members of the DSP in advance of the review)
- Performance Management and the effectiveness of existing targets
- Performance towards achieving stated Gershon savings as identified in the service plan showing a clear demonstration that savings are evidenced
- Identification of any potential requests for additional resources and outline business case to support these requests.

The outcome of the first gateway review will then inform the service planning process. Managers will then be able to address issues raised as part of the development of the service plan and Members will enter into the Service Planning cycle better informed on the current performance of individual service areas.

The **second gateway** will review the draft service plan as prepared by Service Managers in full consultation with their appropriate Portfolio holder. This review will have regard to the robustness of the service plan and is effectively a quality control check prior to submission:

- Assessment of completeness of service plan and the extent to which the individual areas of the service plan have been addressed.
- Assessment of whether or not there is robust evidence to support the plan
- Fit with corporate vision, priorities and values

- Compliance with checklist from MTFS

The **third gateway** will take place following the collation of the budget implications and seek to review the extent to which Service Plan has addressed issues raised by the Cabinet during their consideration of the overall budget implications for the Council. This is a critical stage as it is inevitable that the level of resources requested by Service areas when aggregated is likely to exceed available resources, particularly taking account of budget pressures and the requirement to achieve Gershon efficiencies. This review would address:

- Assessment of the extent to which the service plan has been amended to reflect the findings of Gateway 2
- Assessment of the impact on individual service plans as a result feedback on the Council's overall budget implications together with an assessment of whether these issues have been reflected in the revised service plan
- Compliance with overall MTFS

Recommendation 2

That the role of members in attending service plan gateway reviews is to make recommendations on the future of that service with a focus on the Council's priorities. It is the officer's role to estimate the financial implications of those recommendations. Members should then consider these financial implications and in light

Please see the above response. Service Managers roles in developing their Service Plans involve undertaking an assessment of the current position of their service and also identifying, for members, options for future service developments together with undertaking a risk assessment and analysis of financial implications of the proposals. The review of the financial implications will be assisted by staff from Financial Services.

Recommendation 3

To structure the process better for members, and to provide efficient use of their time, members should be involved at three distinct stages in the service planning process: at the start of the preparation of the service plans, at the mid-point during development of the service plan and towards finalisation of the plans.

This point is accepted and the response to recommendation 1 identifies a 3 stage involvement of members, via the DSP, in service planning. The financial impact of all service plans will then be collated and Cabinet will make their recommendation to Council on the proposed draft Council Budget based on information gathered from the service planning process.

Recommendation 4

There should be at least ten calendar days between members receiving reports and holding a service plan gateway meeting.

This recommendation is noted and every endeavour will be made to meet this. However, there may be occasions when this will not be possible, taking account of the tightness of the Service and Budget Planning timetable and the likely capacity issues,

at both a Service Manager and Financial Services level. Whilst a recruitment programme is ongoing in both of these areas, there are likely to be a number of vacancies being carried during the Service Planning timescale.

Recommendation 5

The Resources DSP is recommended that when scrutinising the council's budget book and other key documents, it challenges these in terms of its presentation and the ease of which it can be understood by members with little financial knowledge. That should also be an improved level of explanation in the notes to accounts.

Recommendation accepted and the Financial Services team are happy to work with any nominated members on developing these areas, subject to being able to deliver the budgets and accounts within statutory timescales.

Recommendation 6

From the evidence gathered, the working group identified a clear need for financial information reports to be presented in various informative and alternative formats that can be easily understood by anyone with little financial awareness.

Recommendation accepted and the Financial Services team are happy to work with any nominated members on developing this area.

Recommendation 7

Reports and presentations produced by officers and members should as far as possible avoid the use of financial technical terms and jargon. When this is unavoidable then any such terms should be clearly defined in non-technical and plain English, either in the main body of the report, or in a separate glossary.

Recommendation accepted and where it is appropriate to comply with statutory requirements or relevant accounting codes of practice, a definition or glossary of terms will be provided.

Recommendation 8

That the Constitution and Accounts committee be recommended that basic understanding of council finance matters be included as an essential training module for all members from May 2007. Optional modules can be provided for higher levels of competency if there is such a demand. Further training in the council's financial affairs should be made available on a regular basis to all members and at variable times, durations and locations.

Accepted.

Sally Marshall
Corporate Head of Finance & Resources

Appendix A

2007/8 Service Planning and Budget Preparation Timetable	
September	<ul style="list-style-type: none"> • Approval of Medium Term Financial Strategy • Service Managers briefings on MTFS implications for preparation of service plans and budgets (mid September) • Gateway 1 reviews of progress towards achieving 2006/7 Service Plan outcomes to inform service planning process • Service Managers commence preparation of draft Service Plans following briefings
October	<ul style="list-style-type: none"> • Service Managers undertake preparation of draft service plans
November	<ul style="list-style-type: none"> • Gateway 2 review of draft service plans • Collation of draft budget implications arising out of draft service plans (mid November) • Cabinet draft budget consideration
December	<ul style="list-style-type: none"> • Final gateway 3 review of draft service plans following collation of budget implications • Cabinet draft budget consideration
January	<ul style="list-style-type: none"> • Budget consultation
February	<ul style="list-style-type: none"> • Cabinet present budget
March	<ul style="list-style-type: none"> • Council set Council Tax