

## CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE** held at Room 15, Priory House, Monks Walk, Shefford on Monday, 17 May 2010

### PRESENT

Cllr J G Jamieson (Chairman)  
Cllr D J Hopkin (Vice-Chairman)

Cllrs J A E Clarke  
P A Duckett  
A Fahn

Cllrs M Gibson  
R W Johnstone  
D Jones

Apologies for Absence: Cllrs M R Jones  
Ms J Nunn

Members in Attendance: Cllrs L Birt  
D Bowater  
A D Brown  
S F Male  
R Stay

Officers in Attendance: Mr B Carter – Overview & Scrutiny Manager  
Mr R Ellis – Director of Customer and Shared Services  
Mr L Manning – Democratic Services Officer

CCS/10/14 **Minutes**

### RESOLVED

**that the Minutes of the meeting of the Customer and Central Services Overview and Scrutiny Committee held on 26 April 2010 be confirmed and signed by the Chairman as a correct record.**

CCS/10/15 **Members' Interests**

(a) **Personal Interests:-**

None notified.

(b) **Personal and Prejudicial Interests:-**

None notified.

(c) **Any political whip in relation to any agenda item:-**

None notified.

CCS/10/16 **Chairman's Announcements and Communications**

The Chairman stated that a Portfolio Holder/officer report on the budget process 2011/2012 had been scheduled to be submitted to the meeting and sought clarification as to why the report was not available. In response the Director of Customer and Shared Services explained that the Portfolio Holder for Finance, Governance and People wanted the report, which would include any comments made by this Committee within it, to be submitted direct to the Executive. Members expressed dissatisfaction with this explanation on the basis that all indications had been that the report would be submitted to the Committee first.

**RESOLVED**

- 1. That the Chairman of the Committee discuss the omission of the Portfolio Holder/officer report on the budget process 2011/2012 with the Leader and Deputy Leader of Council to establish the reason(s) for the omission;**
- 2. That the Chairman of the Committee seek assurance that any papers to be submitted to the Executive in future are available for consideration by the Committee should it so wish;**
- 3. That should the timing of the Committee's meetings prevent such consideration as outlined in resolution 2 above then the scheduling of the Committee's meetings be examined with the aim of overcoming this issue.**

CCS/10/17 **Petitions**

No petitions were received from members of the public in accordance with the Public Participation Procedure as set out in Annex 2 of Part A4 of the Constitution.

CCS/10/18 **Questions, Statements or Deputations**

No questions, statements or deputations from members of the public were received in accordance with the Public Participation Procedure as set out in Annex 1 of Part A4 of the Constitution.

CCS/10/19 **Call-In**

No matters were referred to the Committee for a decision in relation to the call-in of a decision.

CCS/10/20 **Requested Items**

No items were referred to the Committee for consideration at the request of a Member under Procedure Rule 3.1 of Part D2 of the Constitution.

CCS/10/21 **Budget Task Force Findings & Recommendations**

The Committee considered a report setting out the findings and recommendations of the Budget Task Force which had been formed in order to undertake a review of the Council's budget setting process.

The Committee noted that the Task Force had met several outside organisations, held internal meetings with Financial Services, Directorates and Portfolio Holders in addition to having regard to Members' own experience and Chartered Institute of Public Finance and Accountancy (CIPFA) and the Centre for Public Scrutiny (CfPS) best practice.

Arising from its work the Task Force had made a number of recommendations in the areas of budget holder responsibility, budget challenge, financial robustness, finance, timing and longer term planning.

Whilst giving its unanimous support to adopting the Task Force's recommendations Members were aware that these could be superseded by the recommendations contained in the forthcoming Portfolio Holder/officer report to the Executive on the budget process (minute 10/16 also refers).

**RECOMMENDED TO EXECUTIVE**

**that the following recommendations be approved and adopted:**

- i) The council should set clear objectives on both a short and medium term basis. These need to be clear in both financial and service terms and be the basis upon which priorities are made.**
- ii) The timetable for the budget needs to start earlier and be more robust:**
  - Budget Pack (Objectives and Guidelines) – end May**
  - Departmental response mid July followed by management and PFH challenge**
  - Draft Budget to Leadership team in September, followed by challenge/review**
  - Draft Budget to Scrutiny Task Force in October**
  - Draft Budget to Exec and Scrutiny in December**

- iii) **Budget challenge process needs to be clearer and more robust. This should initially focus on robustness of numbers and value for money and thereafter choice:**
- **Officer challenge needs to be on a top down basis and at a higher level**
    - o **Internal directorate challenge pre directorate submission**
    - o **Portfolio Holders need early involvement and to challenge their budget**
    - o **Challenge process of Directorate Budget led by Chief Executive**
    - o **CMT process to look at overall picture, cross cutting issues and also bench marking e.g. overlaps. This should also involve Executive**
  - **That CBC should have a joint OSC Task Force to scrutinise budget for “robustness of numbers” earlier e.g. October prior to individual OSC scrutiny which should focus on “choice” challenge**
  - **Greater level of detail to be provided to members such that they can see what money is being spent on**
- iv) **The council should have a longer term Corporate Plan to drive the priorities and service improvements of the council forward. At present there is a Medium Term Financial Plan (MTFP) which could be developed to achieve this:**
- **A top down plan, but of sufficient detail that covers departments performance and is bought into by both Exec and CMT**
    - o **Needs to incorporate anticipated major budget pressures, investment strategies, efficiency savings, business improvement/transformation, service reviews and anticipated grant income changes**
    - o **Avoid excessive detail on underlying expenditure**
  - **Should drive and direct Council improvement and priorities**
  - **3-5 year timescale**
  - **This should be a live document, and incorporate all efficiency, business improvement and investment as they arise. There should be full annual review in July and regular updates.**
- v) **Efficiency and other business improvement needs to be looked at both at Individual Budget and across the Council, cannot have single target for all budgets:**
- **Targets should be real i.e. after impact of inflation/pressures etc**
  - **Monitoring of efficiency improvements should be done as part of MTFP**

- vi) **Budget Pack should comprise both Objectives for the coming year and Guidelines on how budget information should be fed back and constructed including assumptions:**
  - Objectives need to be given by Exec/Council,
  - Guidelines need to be clear, simple and consistent,
  - Need to clearly identify cost drivers for demand led budgets
  - Revenue budget should identify separately “one off, short term” expenditure in services such that the underlying expenditure can be identified
  
- vii) **Budget holder should be fully responsible for their budget, including ownership of budgeting both development, accuracy and monitoring:**
  - Budget skills must be a core job competency of budget holders
  - Finance team has a supporting role to budget holders, assisting but primary responsibility must remain with budget holder
  - The embedding of finance managers into the directorates needs to be improved. In order to clearly align responsibility for Budgets to Budget Holders consider moving Finance managers into Directorates
  - Balanced scorecard approach should be used to assess performance. These should include both budget and Key Performance Criteria – 3-5KPI’s
  - Responsibility for budget also means budget holder needs to agree budget changes. In particular where savings are proposed or a business case made, the relevant budget holder needs to agree
  - Responsibility needs to be meaningful, both positive for success and negative for failure
  
- viii) **The service levels and budget of Corporate Services (Finance/HR/Legal/IT/Facilities) needs to be clarified:**
  - The level of resource available and service level provided to directorates needs to be both agreed and defined as part of budget process
  - Above this level, and in particular for where additional external resource is required mechanisms need to be in place for this to go to relevant Directorate budget
  
- ix) **The Task Force has not yet focused on budget monitoring however certain points have already arisen. In particular Budget monitoring needs to be regular, faster with greater accuracy in terms of spend and profiling:**
  - Budget reports need to be standardised across the council and simplified
  - Numbers need to be accurate and correctly profiled. Monitoring should look at actual versus budget and also prior year

- Reports should be available within 30 days of month end
  - Budgets where there is significant variability due to demand should also report activity level
  - Ongoing monitoring of Key Performance Indicators (KPIs) to avoid surprises
  - There is a need for reporting tool software such as Business Warehouse
- x) The Task Force has only looked at Capital in a limited way. This needs to be reviewed at a later date. However many of the comments regarding the revenue budget are also applicable to the Capital Budget.

#### **RESOLVED**

1. that the Budget Task Force be authorised to reassess and, if necessary, amend the recommendations set out above in the light of those recommendations contained within the forthcoming Portfolio Holder/officer report to Executive on the budget process and submit such amendments directly to the Executive on the Committee's behalf;
2. that the Budget Task Force be authorised to undertake a review of the Capital Budget Process with immediate affect.

CCS/10/22

#### **Work Programme 2010-2011 & Executive Forward Plan**

The Committee considered its current work programme and the latest Executive Forward Plan. Members were aware of the forthcoming meeting between the Chairman and Vice-Chairman of the Committee with Portfolio Holders and Directors to consider and revise the Committee's work programme. The Chairman asked that Members notify him if they had any items they wished to see included in it.

#### **RESOLVED**

1. that the delivery of the efficiency agenda be included in the revised work programme;
2. that the items to be considered at the 21 June 2010 meeting of the Committee be agreed immediately following the meeting between the Chairman and Vice-Chairman of the Committee with Portfolio Holders and Directors to consider and revise the Committee's work programme;

3. **that the items to be considered at the remaining meetings of the Committee during 2010/11 be approved at the June meeting of the Committee.**

(Note: The meeting commenced at 10.00 a.m. and concluded at 10.30 a.m.)