

To: Executive Board – 13 March 2006

## **RECOMMENDATIONS FROM SCRUTINY COMMITTEES**

Finance Scrutiny Committee - 8 February 2006

### **92. STAFF HEADCOUNT**

The Chief Executive and Strategic Directors submitted a report (previously circulated and now appended).

Resolved: -

- (1) to note the position in relation to staffing numbers, increases in the establishment and the management of the establishment;
- (2) that a report be submitted to a future meeting of the Committee figures showing the relationship of salaries to business volume;
- (3) to RECOMMEND the Executive Board that establishment controls are introduced and that members be informed of how such controls will operate.

*Councillor Baker's response (as Portfolio Holder) is that the work done on collating staff numbers is useful but the information currently available does not give us enough insight to draw any real conclusions. Officers will be working on providing more detailed information for September and, in the meantime, will be putting in place establishment controls in line with accepted recommendation to Finance Scrutiny.*

### **94. BUDGET 2006/2007 – 2008/2009**

The Committee discussed further the budget for the financial years 2006/2007 to 2008/2009.

The Vice-Chair:-

- said that information submitted to those involved in the “Star Chamber process should be more complete if they were to be able to challenge the robustness of the budget in any meaningful way
- referred to the fact that information concerning efficiency savings submitted to the “Star Chamber” should be more developed if members were to make effective judgements
- suggested that elements of the “Star Chamber” process should be built into the half-yearly budget monitoring process.

Councillor John Goddard:-

- expressed his dissatisfaction with the timing and operation of the “Star Chamber” exercise which, he felt, had little influence on the budget Process and suggested that the process should start earlier and that Information provided more considered and timely information
- referred to the use of zero-based budgeting in selected business units
- suggested that members should be challenging the budget foundations on a year-round basis.

The Chair:-

- concurred with the comments made by the Vice-Chair and Councillor John Goddard concerning the “Star Chamber” process
- said that he believed that the budget process should be started earlier
- referred to the suggestion made at the Committee’s last meeting that a risk analysis of budget bids should be undertaken so that members could make informed decisions on bids
- expressed the view that managers should be responsible for ensuring that efficiency savings were made thus allowing members to concentrate on considering “Big Savings”
- suggested, in view of the reliance placed by business managers on unspecified savings in meeting their budgets in years two and three of the budget, that members needed to know if such savings were viable and should see them by September.

Mark Luntley said that he agreed with many of the comments made concerning the budget process and acknowledged the need to address the issues raised. He told the Committee that he was broadly content at the robustness of the estimates. He did, however, query whether or not the investment/spending balance was right for the authority. In relation to the Capital Programme, he referred to the reliance placed on asset disposals in funding the Programme and suggested that it should not automatically be assumed that money not spent this year would be carried forward.

Caroline Bull said that she accepted that it was the responsibility of management to ensure that information submitted was correct and timely. She acknowledged that the role of senior managers in budget monitoring needed to be strengthened and explained that senior managers would be increasing their role in challenging the achievability of budgets. She confirmed that a risk analysis of budget bids would be carried out by managers.

In response to comments by the Vice-Chair concerning the provision made in the budget for concessionary bus fares, Sharon Cosgrove explained that discussions with the consultant indicated that an additional £700,000 would be sufficient to meet the additional costs. Penny Gardner confirmed that £1.95M was sufficient to fund a concessionary fares scheme.

Resolved: -

- (1) to RECOMMEND the Executive Board:-
  - (a) that the budget process for 2007/2008 should be started in October/November to ensure that the "Star Chamber" process and other elements of the budget process can be carried out effectively and that a timetable for the 2007/2008 budget process be submitted to future meetings of the Executive Board and this Committee;
  - (b) in view of members' concerns about the "Star Chamber" process, that a report be submitted to future meetings of the Executive Board and this Committee concerning the future operation of the process including the possibility of widening the process to enable members to consider the base budgets of those business units which are being reviewed;
  - (c) that a risk analysis should be undertaken of bids to assist members in assessing them;
  - (d) that, although managers should be responsible for achieving efficiency savings, members need to be aware of any service reductions which may result from such savings;
  - (e) that, if services are to consider in an informed way, members need to be aware of the views of Strategic Directors;
  - (f) that managers should be required to explain unspecified savings included in years two and three of the budget as soon as possible, and by September at the latest;
  - (g) that reports be submitted on a quarterly basis showing progress towards the achievement of savings and that the Committee monitor, mid-way through the 2006/2007 financial year, the budgets of those business units where overspendings are predicted.

*A copy of the resolution has been sent to the Councillor Hollingsworth (as Portfolio Holder). He will be preparing a response in consultation with the Strategic Director, Finance and Corporate Services, but as the Director was on leave in the period leading up to publication of the agenda this was not available when the agenda was published. The response will be available at the meeting.*

**146. RESPONSES FROM THE EXECUTIVE BOARD AND HOUSING ADVISORY BOARD**

The Scrutiny Officer updated the Committee with the responses from the Executive Board, which met on 20<sup>th</sup> February 2006, and considered a number of recommendations from the Housing Scrutiny Committee.

The Committee was informed that its recommendation that it did not wish to see properties held by registered charities charged as part of the Mandatory HMO Licensing Scheme (recommendation from the Housing Scrutiny committee on 25<sup>th</sup> January 2006) was not supported by the Executive Board.

The Committee agreed: -

- (a) To RECOMMEND the Executive Board that the relevant charities should be contacted and informed of the Executive Board's decision.
- (b) That due to the update on the responses being a verbal one, that a fuller update be provided for the next scheduled meeting of the Housing Scrutiny Committee.

*Councillor Turner (as Portfolio Holder) has commented that charities could apply to offset the charges through the grants process in next year's grants round. They would be competing with other causes and there was no guarantee of success, but if it was the best use of the Council's resources, they would get a grant. He suggests that officers write to relevant charities advising them of the situation.*