

Report of: Finance Scrutiny Committee

To: Executive Board

Date: 11th. September

Item No:

Title of Report : Committee Recommendations on Establishment Controls



Summary and Recommendations



Purpose of report: To report the recommendations made by Finance Scrutiny Committee on improving the control of the Establishment

Key decision: No

Portfolio Holder: John Goddard

Scrutiny Responsibility: Finance Scrutiny

Area(s) affected: All

Report Approved by:

Sally Cane – Legal and Democratic Services

Sarah Fogden – Finance and Asset Management

M. Price – Chair of Finance Scrutiny Committee

Policy Framework: No

Recommendation(s): The committee recommendations are those detailed in the minutes at 1 below. The Executive Board is asked to respond to the Scrutiny Committee:

1. If it agrees or disagrees with the recommendations outlined.

2. If it agrees when will the recommendations be implemented and who will take the lead.

If it disagrees why.

4. If more information is required from other officers when that will be considered
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1. Finance Scrutiny Committee Recommendations

The Executive Board is asked to consider the recommendations from the 27th. July Finance Scrutiny Committee and to report back if they:

- Agree – Naming the lead officer
- Disagree – out ling reasons for refusal
- Require more information – what that information is and when it is required by

20. PROPOSALS FOR ESTABLISHMENT CONTROLS

The Chief Executive told the Committee that a procedure for controlling the Council's establishment had been prepared. She said that new posts would have to be approved at director level and appointments to existing posts would have to be approved by the relevant business manager.

Resolved:-

- (1) to note the procedure;
- (2) to RECOMMEND THE Executive Board that:-
 - (a) as part of the establishment control process, every post, both existing and new, is subjected to a "justification check" before the recruitment process is commenced;
 - (b) that the establishment control process should relate to both posts covered by budget bids and redeployments;
 - (c) that once the establishment control process has been agreed, it be submitted to KPMG for their comments.

2. Background

2.1 Finance Scrutiny Committee considered in their work programmes for 2004/05 and 2005/06 the growth in staff numbers and the associated costs. Particular concern was expressed that after the voluntary redundancy programme staff numbers had quickly risen above those pre the programme.

2.2 Officers told the committee that staff numbers were not checked via corporate establishment controls but via the Business Unit budgeting process. Business Managers could employ staff providing they had the money to do this and could meet their budget targets.

- 2.3 Finance Scrutiny Committee expressed concern that this placed long term costs into the budget without any direct link to corporate priorities and value for money and wanted to see systems that achieved this through a corporate independent check on all movements in the establishment. These systems should achieve a position where the employment of staff is more clearly informed by a) the financial risk and sustainability of employing staff long term - b) the Council's agreed priorities and value for money. All posts and movements in the establishment should be judged in this way.
- 2.4 The committee recommended, at the beginning of this year, that the Executive Board agree to corporate establishment controls and to provide information on the relationship between salaries and business volume. The Executive Board agreed
- 2.5 At the July meeting committee asked to see the progress made in implementing establishment controls and in particular asked that these should be reviewed for robustness by KPMG.
- 2.6 The Finance Scrutiny Committee understand that Establishment Controls have been introduced since making these recommendations but have not been able to review these against the outcomes required at 2.3 above.

3. Chief Executive and Business Unit Manager Comments

No comments.

4. Portfolio Holder Comments

No comments.

Name and contact details of author:
Pat Jones on behalf of the Chair of Finance Scrutiny Committee
phjones@oxford.gov.uk
01865 252191

Background papers: Finance Scrutiny Committee minutes and agendas

