

Report of	Meeting	Date
Director of Finance	Overview and Scrutiny Committee	4 December 2006

## BUDGET SCRUTINY PROCESS FOR 2007/08

### PURPOSE OF REPORT`

1. To feedback to the Overview and Scrutiny Committee progress made regarding the recommendations made by the Panels during the 2006/07 budget consultation, and to propose how the budget scrutiny for 2007/08 may be undertaken.

### CORPORATE PRIORITIES

2. An effective scrutiny process is an essential part of the Council being a performing organisation.

### RISK ISSUES

3. The issues raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation	√	Regulatory/Legal	
Financial		Operational	
People		Other	

4. The main risk of ineffective scrutiny is that our desire to be an excellent CPA Council will be undermined.

### BACKGROUND

5. In November 2005, the Overview and Scrutiny Committee expressed a desire to be able to demonstrate that it had added value to the budget setting process. Consequently it proposed a slightly different approach to that taken in previous years which would involve scrutinising the following issues:

- Areas of non-performance as identified in the Business Plan Performance Monitoring reports presented to Scrutiny throughout the year. The intention was to see that the Executive Cabinet had allocated resources, if appropriate, to areas of non-performance in order to rectify the problem.
- Areas of high spend. The intention was to undertake a review of the Council's spending, not just at budget setting but throughout the year to consider whether the Council's policies and objectives are being delivered whilst at the same time delivering value for money for the Council taxpayer.

- The recent Value for Money Self Assessment undertaken by the Council identified a number of areas of high cost compared to the Council's nearest neighbours. The intention was to try to identify why, and enable the Executive Cabinet to comment on the findings of the Overview and Scrutiny Committee.
  - To review the 'Corporate Basket' of priorities/key actions included in the new Corporate Plan. The new priorities may require a reallocation of resources within the units to help achieve strategic objectives.
6. The Committee agreed to look in more detail at the following areas and invite the relevant Executive members and Directors to the Overview and Scrutiny Panel meetings to discuss budget issues in relation to that service.
- |   |   |                        |
|---|---|------------------------|
| Community Overview & Scrutiny Panel     | - | Planning Services      |
| Customer Overview & Scrutiny Panel      | - | Revenues and Benefits  |
| Environmental Overview & Scrutiny Panel | - | Environmental Services |
7. The Overview and Scrutiny Committee on 16 February 2006 received reports from the three Panels who had looked in more detail at the budgets of the above services. The intention of the reviews was to establish reasons for the apparent high cost of the service as compared to the Council's family group. This issue was raised during the Audit Commission's Use of Resources review as something the Council should look at. In addition, members of the Panels were also asked to consider if the Council was achieving its policy objectives by looking at performance on Best Value Performance Indicator and other local indicators where they were available.
8. A series of recommendations were made by the Panels to the Executive and a summary of the Executives responses and the actions taken to date is attached at Appendix 1.

## **BUDGET SCRUTINY**

9. The dates for budget scrutiny are set for the 25 January 2007 and 30 January 2007. The Council's draft budget for consultation will be issued after the Executive Cabinet on the 6 December 2006.
10. It is therefore appropriate for the Committee to consider how it wants to undertake budget scrutiny for 2007/08. Members appeared to get some value from the process undertaken during the 2006/07 budget, but this has been a significant year in terms of the Council introducing the new Community Strategy and any work undertaken by the Committee must be undertaken in this context.
11. As a basis for discussion I suggest that the following scrutiny is considered for 2007/08:
- An update on the high cost areas identified during the 2006/07 scrutiny.
  - A review of the 2006 cost profiles prepared by the Audit Commission as compared to those in 2005.
  - A review of the likely impact of efficiencies and savings on the Council's ability to deliver the promises in the Corporate Plan and the mitigation being put in place.

12. Members of the Committee are however at liberty to determine if they concur with the suggestions made or suggest an alternative approach.

## **CONCLUSIONS**

13. Overall progress has been made on the recommendations made by the Scrutiny Panels. Clearly there is more work to be done, particularly in relation to benchmarking and cost analysis, but plans are in place to move this issue forward quickly in the early part of 2007.
14. Set out in the report is a summary of the action taken on the recommendations made by the Scrutiny Committee during the last budget cycle. My interpretations of the outcome of that work is that the budget scrutiny was more effective than that previously undertaken and that the Committee have been able to influence the thinking of the Executive.
15. We now need to build on the work done in 2006/07 and the report sets out a suggested approach to budget scrutiny for 2007/08.

## **COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES**

- 16.

## **RECOMMENDATIONS**

17. Members of the Committee are asked to:-
- Note the progress made on the recommendations made by the Scrutiny Committee during the 2006/07 budget cycle.
  - Agree an approach to the Scrutiny of the 2007/08 budget.

## **REASONS FOR RECOMMENDATION(S) (If the recommendations are accepted)**

- 18.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

19. None.

GARY HALL  
DIRECTOR OF FINANCE

There are no background papers to this report.

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
----------------------	------------	-------------	---------------

Gary Hall	5480	30 November 2006	ADMINREP/REPORT
-----------	------	------------------	-----------------

## OVERVIEW AND SCRUTINY – BUDGET SCRUTINY

1. Recommendations of Environment Overview & Scrutiny Panel – 6 February 2006

	Action Taken
1. That the Executive Cabinet be requested to pursue the provision of more detailed comparative data from the Audit Commissions' 'family tree' authorities, particularly in relation to the output, cost and quality of services, in order to enable a more reasonable value for money assessment of the whole of the Council's service.	The Executive responded by accepting that there needed to be data in this area. During the year the Council introduced a VFM framework and a benchmarking approach has been developed. The next stage is to start to develop the intelligence needed via benchmarking. Resourcing this type of work has been an issue, therefore the Finance restructure currently has considered introducing additional resources into this area.
2. What steps will the Executive Cabinet take to achieve a better understanding of the perception gap in the measurement of residents satisfaction with standards of cleanliness within the Street Cleaning Contract.	<p>The Executive proposed that the Area Forum Pilots would be a good place to gather information on this issue. Whilst the BVPI for Street Cleanliness has improved since last year, the main area of concern at the Forums appeared to be the litter left after refuse collection. The Exec during 2006/07 introduced the 'no blow' sacks to counteract this particular issue.</p> <p>Also introduced in 2006/07 was the award winning Community Skips Initiative and a hit squad from Cleanaway to deal with missed collection and littering caused by the crews. The Council will have available in the early part of 2007 the results of the latest satisfaction survey.</p>
3. The Executive Cabinet is requested to examine the quality of design of litter bins and the capability of the contractors Cleanaway to emptying the litter bins whilst on collection rounds.	During this year a review was undertaken of the current style and type of litter bin. The general consensus was that in the main the bins were fit for purpose. However a trial is currently underway using a bigger bin that also has better access, the results of the trial are awaited and will be available in the early part of next year.

<p>4. The Executive Cabinet is requested to ensure that high profile cases on enforcement are publicised.</p>	<p>During this year the Council introduced new powers for the Director of SNED to take enforcement action for anti social behaviour in terms of littering etc. During the year there was a programme of litter bin replacement in the Town Centre to encourage usage and new signage on enforcement was erected in the Town Centre. During the year more fixed penalty notices were issued than previously.</p>
<p>5. The Executive Cabinet is requested to ensure the enforcement of the management of the Cleanaway contract and that they clean up whilst waste collecting.</p>	<p>During this year the terms of the contract in terms of default notice were issued, following the holiday period allowed during the implementation phase of the new recycling arrangements. The contractor (Cleanaway) also introduced, at their own expense, a hit squad to remove litter left during collections.</p>
<p>6. The Executive Cabinet is requested to introduce policy targets for the Neighbourhood Wardens relating to their street scene duties.</p>	<p>The Executive were concerned about introducing targets for this type of work, given the reduced nature of the work. On balance, given the likelihood of the Wardens Scheme not continuing in some guise, no targets have been introduced.</p>
<p>7. The Executive Cabinet is requested to examine the need for improved co-ordination of services to bring efficiency. Particular attention should be paid to problem areas and neighbourhoods as well as a wider promotion of the hot line number.</p>	<p>During 2006/07 the director of SNED introduced Phase I of his restructure designed to deliver a more coordinated approach to service delivery, following the Chief Executive's Senior Management Restructure. Phase II of that restructure that focuses on the Neighbourhood Agenda is shortly to be available for consultation and implementation during the early part of 2007.</p>

2. Recommendations of Customer Overview & Scrutiny Panel – 7 February 2006

	<b>Action Taken</b>
1. What steps will the Executive Cabinet take to ensure that the high-quality service the public is receiving from the Benefits service is maintained when the service moves into the Contact Centre.	<p>During 2006/07 the migration of some of the services provided in Benefits moved to the Contact Centre. In its response to this question, the Executive outlined a number of steps that would be taken to mitigate the risk of service delivery declining, namely:</p> <ul style="list-style-type: none"> <li>• Only transferring appropriate work into the Contact Centre</li> <li>• Transferring staffing resources to the Contact Centre</li> </ul> <p>Whilst there has been some teething problems, satisfaction with both the front and back office services remains high and performance as measured by Benefits BVPIs has improved significantly in the same period.</p>
2. The Executive Cabinet is requested to undertake a consistent and measured review of all services via the Procurement strategy for the delivery of value for money services.	<p>The Council approach to procurement of service has been a mixed economy approach, with both outsourcing and partnership working being pursued. During this year Property Services will be outsourced, Health &amp; Safety services will be delivered via a Public/Public Partnership with Bolton MBC and a project looking at the feasibility of sharing financial services with South Ribble Borough Council is being undertaken.</p> <p>The Government's recent White Paper identified that in two tier cases, there is an anticipation that the County Council and Districts will work together to improve services. This has effectively overtaken any plans the Council has in terms of alternative delivery models. Chorley Council is to be the lead Authority looking at developing improved two tier working with the County Council.</p>

3. **Recommendations of Community Overview & Scrutiny Panel – 8 February 2006**

	<b>Action Taken</b>
1. That action be taken to introduce effective performance indicators for planning enforcement work.	The Executive feel that the introduction of targets for this particular area of work may be inappropriate given the reduced nature of the work. Accordingly no targets have been introduced during 2006/07.