

SCRUTINY COMMISSION – 28th JANUARY 2009

REPORT OF THE CHIEF EXECUTIVE

BUDGET MONITORING AND PERFORMANCE MANAGEMENT

Purpose

1. The purpose of this report is to ask the Commission to consider proposals discussed between the Chairman and Spokesmen concerning the role of scrutiny in budget monitoring and performance management.

Background

2. Members may recall that the recent review of scrutiny undertaken by Jessica Crowe and Steve Nicklen identified the need for earlier scrutiny involvement in the formulation and challenging of the MTFS and greater role in performance management of the key priorities and commitments.
3. The last CPA report, whilst acknowledging that the Council and its partners had effective arrangements to manage performance, requested the Council to ensure that performance management was used consistently to drive improvement. Scrutiny has a key role to play in this.

Current Arrangements

Earlier scrutiny involvement in the formulation and challenging of the MTFS

4. Members will be aware that towards the end of last year workshops were arranged for each overview and scrutiny committee and the Commission to consider the challenges facing their areas in terms of service developments, reconfiguration and efficiencies over the medium term, including delivery of the key commitments in the Sustainable Communities Strategy and Local Area Agreement 2. This was followed up with an all member seminar when members were advised of:-
 - Key Challenges and Priorities of the Council
 - Efficiencies
 - Performance Data
 - Budget and Service pressures

5. The Chairman and Spokesmen of the Commission welcomed this development and would wish to see this approach further developed in the coming years. Further discussions will take place to identify ways to improve the level of information which can be provided and member engagement.

Performance Management of the key priorities and commitments.

6. The Scrutiny Commission currently undertakes monitoring of both the budget and performance of the Authority by way of quarterly reports on:
 - a) The revenue budget
 - b) The capital programme
 - c) Performance against key targets in the Local Area Agreement and Sustainable Community Strategy. (Using the "smiley faces" and "dashboard" techniques).

The performance report referred to in (c) above is also circulated to the Chairmen and Spokesmen of each of the Scrutiny Committees with a request that any issues of concern should be drawn to the attention of the Commission.

7. The Commission in considering these reports has previously referred certain issues of concern for further investigation by the relevant scrutiny committee (e.g. benefits for older people and recruitment of foster carers) or in the case of cross cutting issues to a scrutiny review panel (energy and water, office accommodation).

Proposed new performance management and budget monitoring arrangements.

8. At their meeting on 13th January the Chairman and Spokesmen discussed the current arrangements and were of the view that these needed to be strengthened to allow for a more thorough examination of the issues than has usually occurred at overview and scrutiny committees. The following suggestion was put forward by the Chairman as a basis for discussion with the wider scrutiny membership.

Establish a Standing Panel

9. A five member Panel to be established which will be charged with the responsibility for receiving and considering in depth the quarterly reports on:-
 - a) The revenue budget
 - b) The capital programme
 - c) Performance against key targets in the Local Area Agreement and Sustainable Community Strategy.

10. The Panel would meet on a quarterly basis and would be able to identify issues which might merit further consideration. It would be up to the relevant Overview and Scrutiny Committee (or Commission) to decide whether it would be appropriate to examine the issues in further detail and how this could best be done.
11. There is a need for scrutiny committees to maintain some link between performance management and the budget process as this is one of the main mechanisms available not only to hold the Executive to account but also to link performance with the MTFS and thus ensure that resources allocated are focused to the key priorities and that such resources are adequate and used effectively. It will be necessary, in considering this proposal, to consider how overview and scrutiny committees can properly scrutinise the work of the Executive if they are not to receive and discuss budget and performance monitoring reports.

Recommendation

12. Members of the Commission are asked to consider the proposals outlined in this report as basis for future monitoring of the budget and key performance indicators.

Circulation under the Local Alerts Procedure

None

Equal Opportunities Implications

None

Background Papers

Audit Commission Corporate Assessment Report February 2008

Final Report of the Review of Scrutiny undertaken by Steve Niklen and Jessica Crowe and action plan arising therefrom – Report to the Scrutiny Commission on 3 September 2008

Officers to contact

David Morgan	Tel 0116 305 6007	dmorgan@leics.gov.uk
Mo Seedat	Tel 0116 305 6037	mseedat@leics.gov.uk