

BEST VALUE REVIEW – FINANCIAL MANAGEMENT & CONTROL – UPDATE ON ACTION PLAN

CORPORATE SCRUTINY COMMITTEE – OCTOBER 2001

TASK	ACTION TO DATE (30 <sup>th</sup> September 2001)	OFFICER	DATE
<p><u>Service &amp; Financial Planning – General</u></p> <p>Implement revised Timetable for Service and Financial Planning to include the following key actions:-</p> <ul style="list-style-type: none"> <li>➤ <u>Timetable</u> – agree Service and Financial Planning Timetable as outlined within Best Value Review</li> </ul>	<ul style="list-style-type: none"> <li>❖ Service &amp; Financial Planning Timetable approved as part of Best Value Review for Financial Management and Control</li> <li>❖ Detailed budget timetable produced linking service and financial planning with modernised committee structure – attached.</li> </ul>	CFO	July 2001
<p><u>Service Planning</u></p> <ul style="list-style-type: none"> <li>➤ <u>Corporate Plan</u> – produce outline corporate plan to guide service planning process</li> <li>➤ <u>Divisional Service Plans</u> – produce Divisional Plans based on service plan pro-forma within Best Value review</li> </ul>	<p><u>Corporate Plan</u></p> <ul style="list-style-type: none"> <li>❖ Outline Corporate Plan prepared for consideration by Finance and Management (11/10) and Council (1/11)</li> <li>❖ Member seminar on corporate plan arranged (18/10) together with staff focus group.</li> <li>❖ Departmental Plans updated by CMT members for inclusion within Corporate Planning.</li> </ul> <p><u>Service Planning</u></p> <ul style="list-style-type: none"> <li>❖ Guidance and Service Plan pro-forma prepared based on pro-forma within Best Value Review document</li> <li>❖ Training provided to all Divisional Managers on preparing Service Plans</li> <li>❖ All Divisional Managers have deadline date for submitting Service Plans to CMT in advance of November Committee cycle.</li> <li>❖ Service plans will be submitted to committee during November cycle in accordance with Service and Financial Planning Timetable.</li> </ul>	PBVM	Sept 2001
		Divisional Managers	Nov 2001

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TASK	ACTION TO DATE (30 <sup>th</sup> September 2001)	OFFICER	DATE
<p><u>Financial Planning</u></p> <ul style="list-style-type: none"> <li>➤ <b>Budget Strategy/Out-turn report</b> – revising and updating financial forecast/budget strategy</li> <li>➤ <b>Statement of Accounts</b> – prepared and agreed within statutory timescale</li> <li>➤ <b>Capital &amp; Revenue Bids</b> – Review and Revise guidance for assessing bids</li> <li>➤ <b>Scrutiny/Area Meetings</b> – take opportunity to use area meetings as a consultation forum for budget setting/scrutiny.</li> </ul>	<ul style="list-style-type: none"> <li>❖ <b>Budget Out-turn report</b> submitted to Finance &amp; Management in August.</li> <li>❖ <b>Statement of Accounts</b> – finalised by end of August and agreed by Council on 20 September 2001.</li> <li>❖ <b>Revenue &amp; Capital Bids</b> – Guidance for revenue and capital bids reviewed – please see attached. Assessment criteria to be considered by Finance &amp; Management on 22/11</li> <li>❖ <b>Public consultation</b> – area meeting arranged for January to provide consultation on budget proposals</li> </ul>	<p>CFO</p> <p>CFO/FSM</p> <p>CFO</p> <p>CFO</p>	<p>July 2001</p> <p>Sept 2001</p> <p>Sept 2001</p> <p>Jan 2002</p>
<p><u>Replacement Financial Information System</u></p> <ul style="list-style-type: none"> <li>➤ Commence Discussions with potential partners</li> <li>➤ Establish Evaluation Team</li> <li>➤ Define Project</li> <li>➤ Criteria – define criteria for selecting system/provider</li> <li>➤ Produce Outline Specification</li> <li>➤ Seek expressions of interest – from key suppliers</li> <li>➤ Evaluation proposals – including site visits</li> <li>➤ Select supplier</li> <li>➤ Commence implementation</li> <li>➤ User Training</li> <li>➤ Live Date</li> </ul>	<ul style="list-style-type: none"> <li>❖ This work has been delayed following the resignation of the previous Finance Services Manager</li> <li>❖ Mr Kevin Stackhouse begun in this role on 24/9/2001</li> <li>❖ One of his initial tasks is to review the timetable and explore the practicality of achieving the March 2003. Deadline.</li> </ul>	<p>FSM</p>	<p>June 2001</p> <p>June 2001</p> <p>Sept 2001</p> <p>Dec 2001</p> <p>Feb 2001</p> <p>Mar 2002</p> <p>May 2002</p> <p>June 2002</p> <p>June 2002</p> <p>Dec 2002</p> <p>Mar 2003</p>

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TASK	ACTION TO DATE (30 <sup>th</sup> September 2001)	OFFICER	DATE
<p><u>Provide Finance Training</u></p> <ul style="list-style-type: none"> <li>➤ <b>Managers (module 1)</b> – raise managers awareness of Council finances and influences on council resources – Finance for Non-Financial Managers</li> <li>➤ <b>Managers (module 2)</b> – provide managers with more specific information on finance processes and budget management.</li> <li>➤ <b>Members (module 1)</b> – deliver member seminar to update them on Council financial position and encourage understanding of current and future financial projections.</li> </ul>	<p><b>Module 1</b> – course held prior to completion of Best Value review</p> <p><b>Module 2</b> – budget process covered as part of training on producing service plans – please see above. Detailed guidance on budget preparation distributed to all Divisional Managers (September 2001)</p>	<p>CFO/FSM</p> <p>CFO/FSM</p> <p>CFO/FSM</p>	<p>April 2001</p> <p>Sept 2001</p> <p>Oct 2001</p>
<p><u>Budget Monitoring</u></p> <ul style="list-style-type: none"> <li>➤ <b>Finance Briefing</b> – reinstate monthly finance briefing with improved budget monitoring information.</li> <li>➤ <b>Monitoring Information</b> – develop improved financial monitoring arrangements by extracting information from current financial information system</li> <li>➤ <b>Monthly Monitoring Meetings</b> – arrange monthly monitoring meetings with budget holders to monitor financial position across budget heads.</li> </ul>	<ul style="list-style-type: none"> <li>❖ <b>Finance Briefing Reinstated</b> – figures reported for June, July &amp; August 2001</li> <li>❖ <b>Monitoring Information</b> – detailed programmes developed and implemented by June 2001 to monitor controllable budgets</li> <li>❖ <b>Monthly Monitoring Meetings</b> – commenced in July 2001</li> </ul>	<p>CFO</p> <p>FSM</p> <p>FSM</p>	<p>Aug 2001</p> <p>June 2001</p> <p>July 2001</p>
<p><u>Financial Regulations</u></p> <ul style="list-style-type: none"> <li>➤ Review existing financial regulations in the light of the new modernised structure</li> </ul>	<ul style="list-style-type: none"> <li>❖ Nearing completion prior to consultation with Chief Officers and Divisional Managers</li> <li>❖ To be submitted to Finance &amp; Management on 22/11/2001</li> </ul>	<p>Audit Manager</p>	<p>Oct 2001</p>

BEST VALUE REVIEW – FINANCIAL MANAGEMENT & CONTROL – UPDATE ON ACTION PLAN

TASK	ACTION TO DATE (30 <sup>th</sup> September 2001)	OFFICER	DATE
<p><u>Statement of Accounts</u></p> <ul style="list-style-type: none"> <li>➤ Identify good practice for published accounts</li> <li>➤ Consider emerging Audit Commission Guidance</li> <li>➤ Implement Changes</li> </ul>	<ul style="list-style-type: none"> <li>❖ Contacted District Audit to check on examples of good practice elsewhere</li> </ul>	<p>FSM FSM FSM</p>	<p>Dec 2001 Mar 2002 Aug 2002</p>
<p><u>Performance Indicators</u></p> <ul style="list-style-type: none"> <li>➤ Make arrangement to collect information</li> <li>➤ Publish performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>❖ At this stage Service Plan will ensure that these indicators are shown as local performance indicators.</li> </ul>	<p>FSM FSM</p>	<p>Mar 2002</p>

## PROPOSED SCORING SYSTEM FOR SAVINGS & GROWTH PROPOSALS

**SAVINGS** (the LOWER the score, the more favourable/easier is the budget reduction)

		<u>Weighted</u>
		<u>Score</u>
<b>1</b>	<b><u>How are the proposed savings achievable</u></b> (weighting at 20%)	
	Achieved by a significant budget/service reduction (+2/3)	4 20
	Achieved by a more substantial budget/service reduction (1/3 to 2/3)	3 15
	Achieved by a minor budget/service reduction (<1/3)	2 10
	Achieved through efficiency - no negative impact on staffing/resources	1 5
<b>2</b>	<b><u>What will be the impact on the Council's Statutory Responsibilities</u></b>	
	It will have a major impact (weighting at 10%)	3 10
	It will have some impact	2 6
	There will be a minor impact	1 3
	No impact	0 0
<b>3</b>	<b><u>What will be the impact on Government targets &amp; initiatives</u></b>	
	It will have a major impact (weighting at 10%)	3 10
	It will have some impact	2 6
	There will be a minor impact	1 3
	No impact	0 0
<b>4</b>	<b><u>What will be the impact on the Council's Key Aims</u></b>	
	It will have a major impact (weighting at 25%)	3 25
	It will have some impact	2 16
	There will be a minor impact	1 8
	No impact	0 0
<b>5</b>	<b><u>What will be the impact on Service Plans</u></b> (weighting at 5%)	
	It will have a major impact	3 5
	It will have some impact	2 3
	There will be a minor impact	1 1
	No impact	0 0
<b>6</b>	<b><u>Effects on other Council Services</u></b> (weighting at 20%)	
	There are knock-on effects for several other services	3 20
	There is some impact on other services	2 13
	The proposal is discrete to this particular service	1 6

<b>7 <u>Implementation</u></b>	<b>(weighting at 10%)</b>		
Date is more than 12 months away		4	10
Date is within the next 12 months, after 1-4-2002		3	7
Can be implemented on 1-4-2002 or very shortly after		2	4
Can be implemented before 1-4-2002		1	2

## **DEVELOPMENT PROPOSALS**

(the HIGHER the score, the greater the proposal fits into the Council's ethos)

<b>1 <u>To what extent are we already committed</u></b>	<b>(weighting at 10%)</b>		
Totally unavoidable		2	10
Could ignore/delay at a cost		1	5
It is avoidable at little or no cost		0	0
<b>2 <u>Costs</u></b>	<b>(weighting at 5%)</b>		
The costs can be fully met by savings elsewhere		2	5
The costs can be partly met by savings elsewhere		1	2
None of the costs can be met by other savings		0	0
<b>3 <u>For how long is the funding required</u></b>	<b>(weighting at 5%)</b>		
1 year only		4	5
2 years		3	3
3 years		2	2
On-going		1	1
<b>4 <u>Can future efficiencies be made</u></b>	<b>(weighting at 10%)</b>		
Almost certainly (and these can be reasonably estimated)		2	10
Possibly (but need investigating)		1	5
No		0	0
<b>5 <u>How much External Finance is available towards the costs</u></b>	<b>(weighting at 10%)</b>		
75%+		4	10
50% to 74%		3	7
25% to 49%		2	5
< 25%		1	2
Nil		0	0
<b>6 <u>How certain &amp; secure is it</u></b>	<b>(weighting at 10%)</b>		
Definitely		3	10
Possibly (a track record/some evidence is available)		2	6
Potentially (it needs some investigation)		1	3
No		0	0

<b>7 <u>Is it Statutory</u></b>		<b>(weighting at 10%)</b>	
Yes		<b>1</b>	10
No		<b>0</b>	0
<b>8 <u>What contribution will it make to Government targets &amp; initiatives</u></b>			
Essential contribution	<b>(weighting at 10%)</b>	<b>3</b>	10
Key contribution		<b>2</b>	6
Minor contribution		<b>1</b>	3
No contribution		<b>0</b>	0
<b>9 <u>What contribution will it make to the Council's Key Aims</u></b>			
Essential contribution	<b>(weighting at 25%)</b>	<b>3</b>	25
Key contribution		<b>2</b>	16
Minor contribution		<b>1</b>	8
No contribution		<b>0</b>	0
<b>10 <u>What contribution will it make to Service Plans</u></b>		<b>(weighting at 5%)</b>	
Essential contribution		<b>3</b>	5
Key contribution		<b>2</b>	3
Minor contribution		<b>1</b>	1
No contribution		<b>0</b>	0

<b>Date</b>	<b>ACTION</b>	<b>Ro</b>
30/8	<b>Finance &amp; Management</b> ❖ Report on out-turn for General Fund & Housing Revenue Account	CFO
31/8	<b>DEADLINE - Draft Corporate Plan</b>	DCE
5/9	<b>CMT/Leader meet to discuss Corporate Plan</b>	CE
10/9	<b>Leadership meeting to discuss Corporate Plan</b>	CE
19/9	<b>Service Planning Training (1)</b>	CFO/ PBVM
20/9	<b>COUNCIL –</b> ❖ Submission of Statement of Accounts (2000/1)	CFO
26/9	<b>Service Planning Training (2)</b>	CFO/ PBVM
End Sept	<b>DEADLINE –</b> Budget Guidance to be prepared and distributed to all Divisional Managers.	CFO/ FSM
By 19/9	<b>Member Seminar to discuss Corporate Plan</b>	CE
11/10	<b>Finance &amp; Management</b> ❖ Consider assessment mechanism to be used to rank revenue and capital spending/savings proposals – including from R & R process ❖ Consider Corporate Plan	CFO/ FSM/ PBVM
24/10	<b>CMT –</b> consider presentation from Divisional Managers from Development Services on Service Plans (i.e John Hansed, David Soanes, John Birkett)	DM
31/10	<b>CMT –</b> consider presentation from Divisional Managers from Community Services on Service Plans (i.e. Stuart Bachelor, John Morle, Mark Alflat plus Chris Swain, Sally Knight)	DM
1/11	<b>COUNCIL –</b> agree corporate plan	DCE
7/11	<b>CMT –</b> consider presentation from Divisional Managers from Development Services on Service Plans (i.e. Jonathon Eatough, Joy Willoughby, Kevin Stackhouse, Tony Stamper, Lesley Wain)	DM
8/11	<b>Development Services –</b> consider Service Plans for Divisions reporting to Development Services Committee	DCE
15/11	<b>Community Services –</b> consider Service Plans for Divisions reporting to Community Services Committee	HCS
16/11	<b>DEADLINE for</b> ❖ Submission of Capital and Revenue Growth proposals	DM
W/c 19/11	<b>One day meeting to consider capital proposals</b>	CFO
W/c 26/11	<b>One day meeting to consider revenue proposals and savings options</b>	CFO
22/11	<b>Finance &amp; Management Services –</b> consider Service Plans for Divisions reporting to Development Services Committee	CE CFO
30/11	<b>DEADLINE for</b> ❖ Calculation of Base Budget Position	FSM
End Nov	<b>LOCAL GOVERNMENT FINANCE SETTLEMENT (provisional)</b>	
End Nov	<b>Leader and Chair of Scrutiny discuss process for scrutiny of council budgets</b>	CFO
13/12	<b>COUNCIL</b> ❖ Considers District Audit Management Letter	CE CFO



<b>Date</b>	<b>ACTION</b>	<b>RO</b>
Mid Dec	<b>Arrange Meetings of Budget Group ? to consider revenue and capital spending priorities.</b>	
3/1	<b>Development Services</b> ❖ Consider budget proposals for Development Services ❖ Consider capital bids for Development Services <b>(N.B. – can this meeting be rescheduled to early January)</b>	CFO/ DCE
10/1	<b>Community Services</b> ❖ Consider budget proposals for Community Services ❖ Consider capital bids for Community Services	CFO/ HCS
17/1	<b>Finance &amp; Management</b> ❖ Consider F&M budget proposals ❖ Agrees overall budget proposals for consultation ❖ Agree proposed corporate capital programme <b>(N.B. – arrange for Policy Committees to attend Finance &amp; Management)</b>	CFO/ CE
21/1	<b>Corporate Scrutiny</b> – meets to consider budget proposals	CFP DCE
28/1	<b>Overview Scrutiny Meeting</b> – invite representations from ❖ Trade Unions ❖ Interested Groups ❖ Business Organisations – merge with Borough & Business Consultation.	CFO/ DCE
31/1	<b>COUNCIL</b> ❖ Approve Council tax base	CFO/ RBM
End Jan	<b>LOCAL GOVERNMENT FINANCE SETTLEMENT (final)</b>	
17/1 TO 18/2	Schedule Area Meeting for public consultaion on budget proposals	LDSM/ CFO/ FSM
?/2	<b>Overview Scrutiny Meeting</b> – report on consultation process and proposals to Finance & Management – meeting no later than 18/2	CFO/ DCE
19/2	<b>Finance &amp; Management</b> ❖ Consider final budget proposals in the light of the Final Local Government finance settlement ❖ Consider representation from Scrutiny Committee ❖ Agree budget proposals for submission to Budget Council ❖ Consider Best Value Performance Plan)	CFO
	<b>County Council Budget Meeting</b>	
28/2	<b>BUDGET COUNCIL</b> ❖ Agree Council budget proposals ❖ Agree Best Value Performance Plan	CFO

## ANNEX I - PROPOSED TIMETABLE FOR SERVICE AND FINANCIAL PLANNING

### Month

### FINANCIAL PLANNING

### SERVICE PLANNING

- |       |   |  |
|-------|---|--|
| April | <ul style="list-style-type: none"> <li>➤ Personnel review Personal Development Plans</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Personnel review Personal Development Plans</li> </ul>  |
| May   | <ul style="list-style-type: none"> <li>➤ Review and Consider existing capital spending priorities – to inform capital strategy process</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Corporate Training Plan approved</li> </ul>   |
| June  | <ul style="list-style-type: none"> <li>➤ Prepare and update Capital Strategy</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Divisional Managers report to Service Committee on performance against previous year's service plan                             <ul style="list-style-type: none"> <li>☐ Achievement against milestones</li> <li>☐ Performance indicators</li> </ul> </li> <li>➤ Consultation (June – July)                             <ul style="list-style-type: none"> <li>☐ Local Residents – focus groups</li> <li>☐ Voluntary organisations</li> <li>☐ Business Groups</li> <li>☐ Partners organisations e.g. Police, PCG etc</li> </ul> </li> </ul> |
| July  | <ul style="list-style-type: none"> <li>➤ Member consideration of Capital Strategy – prior to submission at the end of July to GOEM including method for prioritising capital schemes.</li> <li>➤ Budget Out-turn reported to members – setting out performance against budget and projected level of balances at end of previous financial year.</li> <li>➤ Members consider revised budget strategy – updated to reflect out-turn position and provide guidance on preparation of council finance plans/prioritisation of saving/growth items</li> </ul> | <ul style="list-style-type: none"> <li>➤ Report to Policy Committee on Community Plan.                             <ul style="list-style-type: none"> <li>☐ Achievement of milestones</li> <li>☐ Performance indicators</li> <li>☐ Results of consultation</li> <li>☐ Proposed changes to the community plan</li> </ul> </li> </ul>  |

## ANNEX I - PROPOSED TIMETABLE FOR SERVICE AND FINANCIAL PLANNING

Month

### FINANCIAL PLANNING

### SERVICE PLANNING

August

- **September**
  - **Statement of Accounts** – approved by Management and Finance Committee and Council within statutory deadline.
  - **Issue guidance to managers on:-**
    - revenue budget preparation
    - capital bids.
    - General level of savings to be identified
  - **Divisional Managers Prepare Service Plans**
    - Explanation of services provided by division
    - Contribution of division to achieving council aims and objectives (community plan)
    - Resources used to deliver services
    - Opportunities and Threats facing the division
    - Plans for addressing opportunities and threats
    - Milestones and performance indicators for the service

October

- **Base estimates are prepared for the next financial year.**

These assess how much the Council will need to spend to maintain the services that it is providing at present after taking into account the impact of inflation
- **Assess Probable out-turn for current financial year.** To assess the level of under/over spending if any on the current year's budget.
- **Managers identify spending pressures due to:-**
  - Legislative change
  - Demographic change
  - Service improvement/enhancement
- **Managers submit capital bids** – based on pro-forma information and scoring system.

## ANNEX I - PROPOSED TIMETABLE FOR SERVICE AND FINANCIAL PLANNING

### Month

### FINANCIAL PLANNING

### SERVICE PLANNING

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|--|--|
| <p><b>November</b></p> <ul style="list-style-type: none"> <li>➤ <b>Local Government Finance Announcement (provisional)</b> provides indication of level of government support (RSG and NNDR for next financial year). In turn this gives a guide to potential level of council tax, savings etc.</li> <li>➤ <b>Capital bids</b> scored against an agreed pro-forma/criteria in consultation with Chair/Vice-Chair F&amp;P</li> <li>➤ <b>Revenue bids</b> scored against agreed pro-forma/criteria in consultation with Chair/Vice-Chair F&amp;P</li> </ul> <p><b>December</b></p> <ul style="list-style-type: none"> <li>➤ <b>Budget Strategy</b> – the Chief Finance Officer reports to Finance &amp; Management on the impact of the Local Government Finance announcement on the budget strategy</li> <li>➤ <b>Star Chamber</b> – Finance &amp; Management Committee advised by CMT considers savings and growth proposals with a view to identifying achievable savings and key spending pressures that need to be included within the following year's budget. This results in a range of proposals submitted to service committees</li> </ul> <p><b>January</b></p> <ul style="list-style-type: none"> <li>➤ <b>Policy Committees</b> – meet at the beginning of the month to comment on savings and growth proposals for their committee prior to making recommendations to Finance &amp; Management.</li> <li>➤ <b>Scrutiny Committee (Corporate)</b> – meets at end of the month to comment on Policy Committee proposals prior to making submission to Finance and Management</li> </ul> | <ul style="list-style-type: none"> <li>➤ <b>Service Committees consider service plans</b> (mid-end of November)</li> </ul> <ul style="list-style-type: none"> <li>➤ <b>Commence Performance Development Review</b> – all staff to undertake PDR interview, which will be informed by the contents of service plans.</li> </ul> |
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## ANNEX I - PROPOSED TIMETABLE FOR SERVICE AND FINANCIAL PLANNING

FINANCIAL PLANNING	SERVICE PLANNING
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**Month**

<p><b>End January</b></p>	<ul style="list-style-type: none"> <li>➤ <b>Local Government Finance Settlement (Final)</b> – confirms/amends government grant figures. Council will be able to clarify level of Council Tax.</li> </ul>
<p><b>February</b></p>	<ul style="list-style-type: none"> <li>➤ <b>Area Meetings</b> – final consultation on budget proposals for consideration by area meetings</li> <li>➤ <b>Business Ratepayers</b> – statutory consultation</li> <li>➤ <b>Special Finance and Management Committee</b> – considers overall level of Council budget and recommends level of Council Tax increase to be considered by the Budget Council. (mid February)</li> </ul>
<p><b>March</b></p>	<ul style="list-style-type: none"> <li>➤ <b>Budget Council</b> – full Council meets to set the Council Tax and Budget for the following financial year.</li> <li>➤ <b>Budget Book Produced</b> – notification to managers on their budgets for the following financial year.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ <b>First Draft of Best Value Performance Plan</b> – to be submitted to Council for comment</li> </ul>
	<ul style="list-style-type: none"> <li>➤ <b>Complete PDR process</b> – all Development plans to be submitted to Personnel. Each employee to be issued with list of key tasks and performance targets for the following year.</li> <li>➤ <b>Approval of Best Value Performance Plan</b> – Budget Council</li> <li>➤ <b>Publication of Best Value Performance Plan</b></li> </ul>

