

COUNCIL BUSINESS COMMITTEE

**Budget and Performance Panel and the Overview and
Scrutiny Committee Terms of Reference
13 January 2011**

Report of the Chief Executive

PURPOSE OF REPORT

Members are asked to consider the future of the Budget and Performance Panel and the terms of reference for the Overview and Scrutiny Committee.
--

This report is public.

RECOMMENDATIONS

- (1) That the Committee recommends to Council that the Budget and Performance Panel be stood down at the end of this municipal year (2010/11).
- (2) That the Committee recommends to Council that the terms of reference for the Overview and Scrutiny Committee be revised from next Municipal year (2011/12) to incorporate the necessary scrutiny work previously undertaken by the Budget and Performance Panel and provide a mechanism for engaging with Members of the County Council on locality working.

1.0 Introduction

- 1.1 It is a requirement of Part 2, Section 21 of the Local Government Act 2000 that every Council operating Executive arrangements should have at least one Overview and Scrutiny (O&S) Committee. The role of O&S includes developing and reviewing policy, holding the executive to account and scrutinising the effectiveness of the Council's partnership arrangements.
- 1.2 In line with this requirement, the Council currently has two bodies carrying out the O&S function, the O&S Committee and the Budget and Performance (B&P) Panel. The full terms of reference for both bodies are given for information at Appendix 1 however, in general terms, the O&S Committee has overall responsibility for all O&S functions on behalf of the Council and delegates the following specific areas to the B&P Panel:
 - scrutinising the Council's budget and target setting process, its management of resources and the performance of the Council's major partnerships

- reviewing how well Council services are performing, how well the Council secures value for money and how effective the Council's performance management arrangements are in relation to partnership working.

1.3 This report requests that the Committee consider whether the Council's O&S function could be streamlined and improved by reviewing the terms of reference of the O&S Committee.

2.0 Proposal Details

2.1 There are two issues for Members to consider.

2.2 Firstly, Members are asked to consider reviewing the terms of reference of the O&S Committee to bring the necessary work of the B&P Panel, reviewing and scrutinising the Council's partnerships and scrutinising the Council's budget process and the performances of services, within the remit of the O&S Committee. This would allow the B&P Panel to be stood down.

2.3 To ensure that the necessary work previously undertaken by B&P continues, officers currently producing reports for B&P would be advised to inform of their timetable for reporting regular and outstanding budget and performance items. Democratic Support Officers will then incorporate these into the O&S Committee's annual work programme.

2.3 Secondly, now that the Lancashire Local – Lancaster District Joint Committee has been disestablished, there is no dedicated mechanism for locality working between the County and City Council. Extending the remit of the O&S Committee to provide a process for this would seem to be one way forward to improve integrated joint working without adding bureaucracy or unnecessary meetings. It is proposed that this would be addressed by way of a standing item on the agenda at each O&S Committee meeting. Reports could be placed on the agenda at the request of County or City Councillors for joint discussion, and County Councillors representing Lancaster District would in accordance with Rule 15(a) of the overview and Scrutiny Procedure Rules be invited to attend whenever an there was an item for consideration.

3.0 Details of Consultation

3.1 No consultation has taken place.

4.0 Options and Options Analysis (including risk assessment)

	<p>Option 1: To amend the terms of reference for the O&S Committee to include the necessary work of the B&P Panel and locality working with the County Council.</p>	<p>Option 2: Not to amend the terms of reference for the O&S Committee at all.</p>	<p>Option 3: The Committee may choose to make alternative recommendations to Council regarding the future of the B&P Panel and the terms of reference of the O&S Committee. The advantages, disadvantages and risks</p>
--	--	---	--

			of any such recommendations would be assessed and included in the report to Council.
Advantages	<p>Potential cost saving by disestablishing the B&P Panel (Members' SRA, room bookings, officer support and refreshments, etc). This would be offset by potentially longer or more frequent O&S meetings.</p> <p>Opportunity for closer joint working on service delivery and other issues with the County Council.</p>	Reduces unnecessary meetings. At the time of drafting this report, two of the last five B&P Panel meetings had been cancelled due to lack of business.	
Dis-advantages	Future O&S meetings likely to be of a longer duration.	Opportunity for joint locality working for City and County Council Members not addressed.	
Risks		There is an increasing pressure to work collaboratively to maintain key services with diminishing resources. If locality working for members is not enabled at all, there is a risk that opportunities to maintain services might be missed.	

5.0 Conclusion

- 5.1 It is suggested that amending the terms of reference of the O&S Committee in the way proposed in option 1 would extend the Committee's usefulness in the current economic climate and its relevance for elected members. It is vital, however, that Members continue to carry out close scrutiny of the Council's partnerships, the budget process and the performances of services. The Committee is asked to consider recommending to Council that, with careful

work planning, this can be done without the need for a separate Panel.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None.

LEGAL IMPLICATIONS

It is a requirement of Part 2, Section 21 of the Local Government Act 2000 that every Council operating Executive arrangements should have at least one Overview and Scrutiny (O&S) Committee. Beyond that, the particular arrangements for the Overview and Scrutiny function are left to the individual Council.

FINANCIAL IMPLICATIONS

A Special Responsibility Allowance (currently £3,315) is available for chairing the Budget and Performance Panel. If the Panel were to be stood down, this would offer a saving. There may be a small saving on refreshments and rooms, etc, from reducing the overall number of meetings if the Panel were to be stood down, however it is likely that any savings would be off set by the need for longer, or more frequent, Overview and Scrutiny Committee meetings.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None.

Information Services:

None.

Property:

None.

Open Spaces:

None.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Contact Officer: Debbie Chambers
Telephone: 01524 582057
E-mail: dchambers@lancaster.gov.uk
Ref:

(EXTRACTED FROM PART 3, SECTION 12 OF THE COUNCIL'S CONSTITUTION)**OVERVIEW AND SCRUTINY COMMITTEE**

Composition: 9 Members of the Council on a PR basis, (other than Cabinet Members). The Chairman of the Overview and Scrutiny Committee will be appointed by Council. Only Non-Cabinet Councillors will be entitled to vote for Overview and Scrutiny Committee appointments. The Chairman and Vice-Chairman shall not be members of the largest political group with seats on Cabinet. Changes can be made by Council during the course of the year.

Terms of Reference

- 12.1 The Overview and Scrutiny Committee has overall responsibility for the performance of all Overview and Scrutiny functions (under Local Government Act 2000) on behalf of the Council and ensuring its effectiveness.
- 12.2 To consider and call in decisions relating to the discharge of Cabinet functions before those are put into effect. The Overview and Scrutiny Committee can ask the Cabinet to reconsider any such decision (or, exceptionally, refer it to Council).
- 12.3 To consider decisions relating to the discharge of the Cabinet functions after they are put into effect.
- 12.4 To consider the Forward Plan and comment as appropriate to the decision-maker on Key Decisions (before they are taken by the Cabinet).
- 12.5 To conduct reviews of policy, services and aspects of services where there is an identifiable need, by itself or through setting up a Task Group.
- 12.6 To make suggestions on the development of policies and suggest new policies where appropriate.
- 12.7 To work with or appoint representatives to work with other local authorities and organisations to carry out joint scrutiny
- 12.8 To assist the Cabinet in the development of the Budget and Policy Framework.
- 12.9 To receive and consider recommendations from the Area Forums on issues requiring scrutiny and, where appropriate, establishing Task Groups, or referring to the Budget and Performance Panel, topics for scrutiny.
- 12.10 To receive and consider the Cabinet's work in response to external inspection and review reports. The Committee may refer a particular external review or inspection to the Budget and Performance Panel or Task Group for consideration.
- 12.11 To create Task Groups and set their Terms of Reference, in order to fulfil the Overview and Scrutiny requirements of the authority and the annual Overview and Scrutiny Work Programme.
- 12.12 To receive reports, presentations and updates in order to scrutinise the Cabinet's priorities for and its performance in the year.

- 12.13 To review and scrutinise the performance of the Cabinet, Cabinet Committees and appropriate Officers both in relation to individual decisions and over time.
- 12.14 To approve an annual Overview and Scrutiny Work Programme, including the power to request and receive the Work Programme of the Budget and Performance Panel and Task Groups it appoints so as to ensure that their time is effectively and efficiently utilised and that the potential for duplication of effort is minimised.
- 12.15 To produce a unified annual report for the whole scrutiny process, with sections provided by the Budget and Performance Panel and each of the Task Groups.
- 12.16 To allocate money from approved Overview and Scrutiny budgets for its own use, and upon request to the Budget and Performance Panel and Task Groups to support them in meeting their objectives and further the Overview and Scrutiny work programme and development.
- 12.17 To consider matters arising from a Councillor Call for Action (CCfA) under Section 119 of the Local Government and Public Involvement in Health Act 2007 and Regulations thereunder.
- 12.18 To undertake the functions of the Council's crime and disorder committee for the purposes of Section 19 of the Police and Justice Act, including consideration of a CCfA relating to crime and disorder matters.

(EXTRACTED FROM PART 3, SECTION 13 OF THE COUNCIL'S CONSTITUTION)

BUDGET AND PERFORMANCE PANEL

Composition: 9 Members of the Council on a PR basis, (other than Cabinet Members), including at least one Member of the Overview and Scrutiny Committee. Only Non-Cabinet Councillors entitled to vote for Budget and Performance Panel appointments. The Chairman of Budget and Performance Panel will be appointed by Council. The Chairman and Vice-Chairman shall not be members of the largest political group with seats on Cabinet. Changes can be made by Council during the course of the year.

Terms of Reference

- 13.1 To scrutinise the Council's arrangements and performance in relation to financial planning, including budget / target setting. e.g. items within the Budget Framework including :
- reviewing the effectiveness of the budget setting process,
 - contents of the Medium Term Financial Strategy and
 - Capital Investment Strategy and
 - financial targets in the Corporate Plan.
- 13.2 To review the management of resources by scrutinising the Council's financial performance in year against agreed budgets or other targets. e.g.

- capital and revenue spending against approved budgets,
 - specific activities including treasury management, generation of revenue and capital income targets and
 - monitoring of financial savings/efficiency targets (MTFS/Gershon).
- 13.3 To monitor and review by exception reporting within the PRTs the performance of the Council's services and contractual arrangements in delivering specific strategic and operational objectives and outcomes. e.g.
- receive Performance Review Team reports,
 - monitor the delivery and effectiveness of Service Level Agreement targets,
 - assess performance against key performance indicators and benchmarks,
 - assess whether services are delivering their expected outcomes.
- 13.4 To review the effectiveness of the Council's overall performance management arrangements in relation to partnership working and to scrutinise the performance of the Council's major partnerships.
- 13.5 To scrutinise the Council's policies and procedures and other supporting arrangements for securing value for money (i.e. economy, efficiency, effectiveness) e.g.
- value for money strategy,
 - procurement practices,
 - income management and collection arrangements,
 - asset management practices
 - insurance arrangements.
- 13.6 To consider risk management issues in reviewing and scrutinising performance.
- 13.7 To make recommendations as appropriate in respect of the above.