



South
Cambridgeshire
District Council

Scrutiny review of the Council's financial processes



April 2010

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www.scambs.gov.uk

The scrutiny and overview committee (SOC) acts as a local watchdog for the people of South Cambridgeshire, looking at how to improve local services, whether or not they are provided by the Council. This work is designed to complement the work done by the council's cabinet. It provides a forum for non-cabinet councillors to use their knowledge and skills to benefit residents.

The committee can also challenge decisions made by cabinet members, or help them to develop new policies. This work demonstrates the council's commitment to openness and accountability.

SOC often sets up small task and finish groups to look at an issue in depth. These groups are usually cross-party and often involve other participants, such as residents or representatives of partner organisations.

In June 2008, SOC set up a small task and finish group to investigate and make recommendations for improving the Council's financial management and budget setting processes.

The following councillors made up the task and finish group:

Cllr Richard Barrett

Cllr Nigel Cathcart

Cllr James Hockney (chair)

Cllr Cicely Murfitt

Cllr Hazel Smith

Cllr Richard Summerfield

The relevant cabinet members were copied on all documentation.

Review of financial processes at SCDC

Reflecting on the 2007/08 financial year the Cabinet expressed concern about some budgets being underspent within the council. Separately, following a financial training session, the Scrutiny and Overview Committee (SOC) had some questions about budget scrutiny and consultation.

In June 2008 SOC set up a cross-party task and finish group to examine these issues.



Task and finish group achievements 2008/09

The task and finish group made an interim report to the Cabinet in March 2009, which led to the following outcomes, strengthening the Council's budget setting and financial control processes:

- An agreed corporate cycle now informs budget-, consultation-, service- and scrutiny-planning
- A closer working relationship between the accountancy team and cost centre managers has led to improved financial control
- A procedure is in place for controlling budget variances of more than +/- 5% and more than +/- £2,500
- The constitution has been amended so that a budget roll-over is permitted only where the current year's budget has been fully committed and there are no other sources of funding
- The new management competencies framework provides targeted financial management training
- Integrated business monitoring reports now show budget information alongside performance information, enabling more accurate analysis of spending and outcomes
- There have been improvements to the Council's website and council tax leaflet, enabling residents to more easily understand council finances
- There was a marked increase in the number of residents responding to the budget consultation
- Work has begun on how to communicate SCDC's 'value for money' record to residents
- A refresher session on financial scrutiny informed scrutiny of the 2010/11 budget
- An annual workshop is planned, to help Members understand and scrutinise budget and service plans

Prior to the interim report, the group had also questioned the Council's practice of presenting the budget in two parts; the staffing and overheads element before Christmas and the whole budget after Christmas. They decided not to make a recommendation on this before the new Executive Director was in post. But following his appointment, they were pleased to note that the 2010/11 budget was presented in a single report, in February 2010.

Task and finish group recommendations 2009/10

Value for Money

The group found that SCDC's council tax is 12th lowest of all 201 district councils in the country, while the vast majority of the Council's services perform well above average. Nevertheless, only a third of respondents to the 2008 Place Survey agreed that SCDC provided value for money, which is only on a par with the national average. The group agreed that much more work needed to be done to communicate value for money messages, so that residents had a truer picture of SCDC's achievements on their behalf.

The task and finish group met a residents' focus group which revealed many communication challenges. There was evidence that residents:

- think that the council tax is all kept by the District Council, rather than shared with the police, fire service, county and parish councils: this may be because the bill carries only the District Council logo and is paid to the District Council
- do not realise how small a proportion of the council tax (one thirteenth) goes to the District Council
- assess value for money at a very local level - asking: "what has my household or community received for the money?"
- do not know (or want to know) exactly which services are provided by each body

The group saw the need for a strategic response to these challenges.

Recommendation A: That officers develop a Council-wide communication plan for improving residents' understanding of the value for money achieved by the District Council.

Evidencing value for money relies on accurate and up to date benchmarking information from every service area. The task and finish group found that the approach to benchmarking and value for money testing was excellent in some parts of the Council but not all.

Recommendation B: That some service areas' excellent approach to benchmarking and value for money testing in the service-review and service-planning process be rolled out to all service areas.

Communication and consultation

The focus group identified some valuable lessons, especially regarding the annual council tax leaflet, such as

- even residents interested in council spending do not read this leaflet
- they did not feel it relevant to them or their own locality
- adverts introduce interest and colour but might be better placed between sections rather than within them
- information in tables is hard to read
- the phone numbers section is better at the beginning, not the end
- localised extracts could be published in parish magazines
- it could include what last year's tax was spent on, as well as how next year's will be spent
- spending should be allocated to services rather than to portfolios.

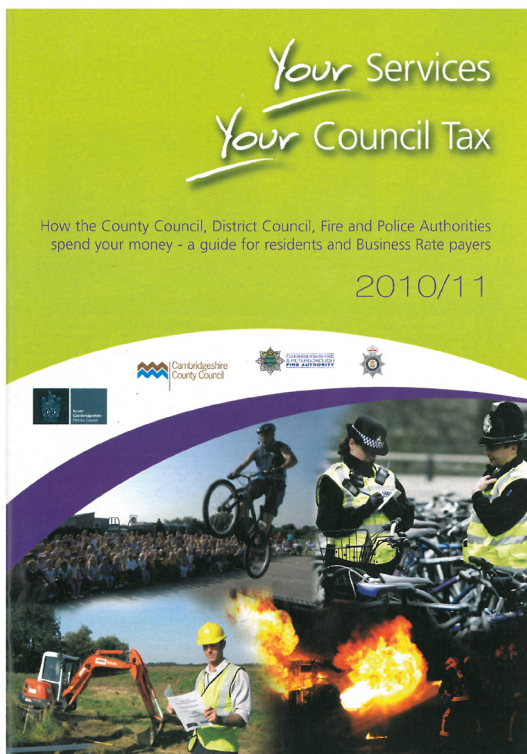
Many of these ideas were used to improve the council tax leaflet in March 2010. Others will inform next year's design.

An important finding was how hard it is to reliably engage with residents regarding SCDC's element of the council tax as they do not make a ready or accurate distinction between the various bodies who receive a share of it.

Following the group's interim report, SCDC has improved the way that residents and businesses are consulted about the budget. However, focus group members suggested ways to make it even more effective next year:

- replace the front page headline "Have your say" with a more attention-grabbing one such as: "Council tax rise, see page 11"
- avoid the use of percentages; 6% sounds a lot; 13p does not
- consult about the whole council tax bill, not just the district council's part

Recommendation C: That officers explore a mechanism for working with the other bodies who share the council tax, to carry out joint consultation.



How to get involved

The process of scrutiny is strengthened by involving partners, residents, service users and so on. They bring expertise, local knowledge, fresh ideas and an element of external challenge.

If you would like to know more, please ring the Scrutiny Development Officer, Jackie Sayers on **(01954) 713451** or email **scrutiny@scambs.gov.uk**.