

NORTHAMPTONSHIRE COUNTY COUNCIL

Scrutiny Management Committee

21 May 2008

Report by Committee Manager

Subject: Establishment of the Finance, Improvement & Performance Sub Committee

Advice: That the Committee agrees the establishment and terms of reference of the Finance, Improvement & Performance Sub Committee.

1. Purpose of the Report

- 1.1 The report sets out terms of reference for the Finance, Improvement & Performance Sub Committee that is intended to form part of the Overview & Scrutiny structure from May 2008, for consideration and agreement by the Committee.

2. Relevant Corporate Outcome and Priority

Corporate Outcomes	Corporate Priorities 2008-09
A smaller, more enabling council focused on our customers	We will provide better access to, and choice of, services, targeting our resources on our customers and communities, improving efficiency and keeping council tax increases at or below the rate of inflation, provided that changes in central government funding do not prevent this

3. Background

- 3.1 The new scrutiny committee structure proposed in the final report of the Cross-Party Review of Overview & Scrutiny at Northamptonshire County Council included a Finance, Improvement & Performance Sub Committee (FIP) that would be given responsibility for scrutinising financial and performance issues.
- 3.2 This proposed scrutiny committee structure was endorsed by the Council on 13 December 2007. Further work since then to implement the outcomes of the Cross-Party Review has been carried out on the basis that the FIP would operate from May 2008. However, it is necessary for the Scrutiny Management Committee formally to agree to this.
- 3.3 Draft terms of reference for the FIP, reflecting key principles arising from the Cross-Party Review, are included with this report (at Appendix 1).

3.4 The Scrutiny Programme Board has previously identified that one of the Deputy Champions on the Scrutiny Management Committee should be given finance as their specific area of responsibility and should chair the FIP. If this approach is not adopted by the Scrutiny Management Committee when considering Deputy Champions' areas of responsibility at the current meeting it will need to be taken into account in subsequent discussion of the terms of reference for the FIP.

3.5 The Scrutiny Programme Board meeting on 7 May 2008 questioned whether drawing the membership of the FIP from the three service-focussed scrutiny committees, as is currently proposed, would allow councillors with the most interest or experience in financial scrutiny to serve on it. An alternative approach that would reflect this point would be to establish the FIP as a working group of the Scrutiny Management Committee with a membership drawn from all non-executive councillors. However, the greater flexibility that this would allow would need to be balanced against the fact that a working group cannot make use of the full powers of Overview & Scrutiny.

4. List of Appendices

Appendix 1: Finance, Improvement & Performance Sub Committee - Draft Terms of Reference

Author:	Name: James Edmunds Team: Committee Operations
Contact details:	Tel: 01604 236053 Fax: 01604 236223 Email: jedmunds@northamptonshire.gov.uk
Background Papers:	Report of the Cross-Party Review of the Overview & Scrutiny Function at Northamptonshire County Council Scrutiny Programme Board agendas and action minutes (February- May 2008)
Has the report been cleared by the relevant Director?	NO Name of Director: Steve Stewart
Have any legal implications been cleared by Legal Services?	NA
Has an Equalities Impact Assessment been carried out in relation to this report?	NO
Community Safety implications	None directly relating to this report
Environmental implications:	None directly relating to this report
Human Rights implications:	None directly relating to this report
Constituency Interest:	Countywide

Finance, Improvement & Performance Sub Committee- Draft Terms of Reference

1. General

- 1.1 The Finance, Improvement & Performance Sub Committee (or “FIP”) will be a sub committee of the Scrutiny Management Committee and the Children & Young People, Customers & Communities, and Adult Social Care & Health scrutiny committees. As such it will be subject to the Council Procedure Rules and Access to Information Procedure Rules set out in the Council Constitution.
- 1.2 The FIP will be appointed to operate until the end of 2008/09, to reflect the fact that the Overview & Scrutiny Function will identify its key strategic cross-cutting priorities on an annual basis.

2. Membership

- 2.1 The membership of the FIP will consist of 13 councillors, made up of the appropriate Deputy Champion from the Scrutiny Management Committee and four members from each of the service-focussed scrutiny committees referred to in paragraph 1.1 above, to include the Chair or Vice Chair subject to ensuring that the total membership reflects the political balance of the Council.
- 2.2 The FIP will be chaired by the Deputy Champion. In the event of their absence the FIP will elect a chair for the duration of the meeting in question.

3. Terms of Reference

- 3.1 The FIP will be responsible for carrying out the following functions on behalf of the Overview & Scrutiny Function:
 - Scrutiny of the delivery of Council budgets
 - Scrutiny engagement in Council performance and improvement

4. Method of Operation

- 4.1 The FIP will meet on a monthly basis on the Friday before each Cabinet meeting.
- 4.2 The FIP will carry out its role of monitoring the delivery of budgets by considering the Monthly Revenue Budget Monitoring Report, and any supporting public papers, to be presented to the next following meeting of the Cabinet.
- 4.3 Any comments or questions on the Budget Monitoring Report that the FIP agrees to submit to the next following Cabinet meeting will be presented by the Chair of the FIP or, in the event that they are ever unavailable, by the Chair of the Scrutiny Management Committee.
- 4.4 Potential issues requiring further scrutiny identified by the FIP will be reported back to the relevant service-focussed scrutiny committee, through the FIP members from that

committee. It will be the responsibility of that scrutiny committee then to consider any further action to be taken, and to submit proposals to this effect to the Scrutiny Management Committee as necessary.

- 4.5 The FIP will carry out its role of scrutinising performance by considering the quarterly reports of the Performance Board to satisfy itself that corporate performance management arrangements are functioning effectively. The FIP will be able to request the attendance of a Performance Board member to explain issues where necessary. The Performance Board will also refer issues to the FIP according to an agreed set of triggers.
- 4.6 Issues relating to performance identified by the FIP may be referred by it to the Cabinet, scrutiny committees, or to the Performance Board as appropriate. Potential issues where further scrutiny could contribute to improving performance should be referred to the relevant service-focussed scrutiny committee for consideration as in paragraph 4.4 above.

5. Oversight of Operation

- 5.1 The Scrutiny Management Committee will maintain an oversight of the operation and activities of the FIP.
- 5.2 The Scrutiny Management Committee may review these terms of reference during 2008/09 to take account of potential areas for improvement identified as a result of the operation of the FIP.