



SCRUTINY: FINANCE REVIEW GROUP

TERMS OF REFERENCE 2012 – 13

1. INTRODUCTION

1.1 The functions of overview and scrutiny are independent and distinct from those of the Executive of the Council.

1.2 The overview and scrutiny of the Council's finances, provided by the Finance Review Group (FRG), a sub-committee of the Overview and Scrutiny Board, enables the public to be informed, consulted and involved in the financial challenges facing the Council.

1.3 As well as helping to improve the transparency and accountability of the Council's use of taxpayers' money, the process also helps inform and enhance decision-making by the Council when choosing its spending priorities.

2. OBJECTIVES

2.1 To oversee and scrutinise the Council's use of public finances and advise/ make recommendations to the Executive to inform and enhance decision-making on key financial challenges facing the Council.

3. METHODOLOGY

The FRG will focus its work on strategic issues from the following key areas:

- Organisational transformation;
- Identification and delivery of corporate priorities;
- Medium Term Financial Planning;
- Service efficiency, effectiveness and value for money;
- Capital Programme - Expenditure and Income;
- Public involvement on spending priorities;
- Budget priorities.

4. GUIDING PRINCIPLES

4.1 Members of the FRG will be guided by the following general principles:

- Promoting equality, inclusion, and community cohesion;
- Treating witnesses, members of the public, officers and partners with courtesy and respect;
- Being objective, leaving out partisan party politics;
- Engaging with and putting the needs of the community first;

- Making evidence-based recommendations on the basis of consensus, to achieve acceptable resolutions.

4.2 In addition, Members will also be guided by mind specific principles relative to the overview and scrutiny of the Council's finances as follows:

- It is in public, but an agreement with the Executive exists requiring FRG Members to treat sensitive financial and service planning information provided 'in private' as confidential, until released in the public domain;
- It is an ongoing year long process;
- It goes beyond numbers, helping the Council determine its spending priorities to meet the needs of the area, and holding local decision-makers to account for their decisions;
- It is critical, but constructive, focused on outcomes and the bigger picture, leaving detailed financial management to the finance professionals;
- It is never an opposition tool, or about suggesting an alternative budget.

5. EVIDENCE GATHERING, ANALYSIS AND REPORTING

5.1 An outline programme to guide the work of the FRG is shown at Appendix A.

5.2 Once the FRG chooses its strategic focus for the year, the Democracy and Scrutiny Officer will develop and maintain a specific work programme to facilitate the evidence gathering process. The work programme will be subject of revision as necessary, and approval by the FRG at each of its meetings.

5.3 The Democracy and Scrutiny Officer will also prepare a project plan to co-ordinate evidence gathering, monitor progress and manage the reporting process.

5.4 Evidence will normally be taken at FRG meetings from relevant witnesses, including the Portfolio Holder for Finance and senior officers.

5.5 Evidence gathered by Members, e.g. from personal interviews, site visits, community groups meetings, etc, will be reported back to FRG meetings for deliberation. A standing item on the agenda will provide for this to happen. Conclusions from such evidence will be recorded for reporting purposes, as appropriate.

5.6 Evidence will also be drawn from relevant documents, to include for example:

- Project plans and progress reports;
- Integrated Impact Assessments;
- Reports of consultation and public engagement exercises;
- Reports of similar reviews from other authorities;
- Good practice guidance, e.g. from the Centre for Public Scrutiny, Local Government Association, etc.

Public Involvement

5.7 The FRG will continue to oversee and advise on public involvement to inform decision making. It will review feedback from Community Debate, 'Luton, Your Say', and make comments/ recommendations on spending priorities, as appropriate.

Frequency of Meeting

5.8 Dates of meetings are as follows, but may alter to meet emerging needs:

Date	Time	Venue
• Monday, 2 nd July 2012	6.00 pm	Committee Room 3
• Thursday, 9 th August 2012	6.00 pm	Committee Room 3
• Wednesday, 19 th September 2012	6.00 pm	Committee Room 3
• Thursday, 1 st November 2012	6.00 pm	Committee Room 4
• Thursday, 22 nd November 2012	6.00 pm	Committee Room 3
• Thursday, 13 th December 2012	6.00 pm	Committee Room 3
• Wednesday, 30 th January 2013	6.00 pm	Committee Room 3
• Monday, 18 th March 2013	6.00 pm	Committee Room 3
• Tuesday, 30 th April 2013	6.00 pm	Committee Room 3

5.9 The Democracy and Scrutiny Officer will collate, co-ordinate and help analyse evidence, formulate conclusions/ recommendations and draft reports for consideration by the FRG.

5.10 The FRG will make appropriate evidence-based comments/ recommendations by consensus on matters scrutinised at any time and prior to budget setting.

5.11 The FRG's final report will be subject of a Consistency Panel review and Overview and Scrutiny Board approval prior to submission to the Executive, unless otherwise agreed.

5.12 The Democracy and Scrutiny Officer will be provided delegated responsibility for finishing the FRG's final report, after consultation with the Chair of the FRG.

6. MEMBERSHIP AND OFFICER SUPPORT

6.1 The following Members were appointed to the FRG for 2012/13:

- Councillor Burnett
- Councillor Franks
- Councillor Hopkins
- Councillor Pantling
- Councillor Rathore
- Councillor Stewart
- Councillor Titmuss

6.2 FRG will elect a Chair at its first meeting to serve for the municipal year.

6.3 A Member, who is unable to attend a scheduled meeting, may nominate another eligible Member to attend, by notifying the Democracy and Scrutiny Team no later than

the start of the meeting. The substituted Member will cease to be a FRG Member for the duration of the meeting, in favour of the substitute Member.

6.4 Officer Support will be provided as follows:

Transformation and Finance:

- Robin Porter, Corporate Director Business and Transformational Services;
- Sam Davey, Programme Director, Luton Excellence;
- Dave Kempson, Head of Finance

Public Involvement / Press Relations:

- Peter Headland, Consultation and Community Engagement Manager;
- Chris Hall, Press & Public Relations Manager

Project Management/ Co-ordination:

- Mick Robinson/ Bert Siong, Democracy and Scrutiny;

Others:

- To be determined as necessary.

7. REVIEW OF TERMS OF REFERENCE

7.1 These Terms of Reference and any subsequent amendments are subject of approval by the FRG and ratification by the Chair and Vice-Chairs of the Overview and Scrutiny Board, in accordance with the agreed procedure.

OUTLINE WORK PROGRAMME 2012-13

Months	Broad Areas for Work Programme
May/ June/ July	<ul style="list-style-type: none"> • Overall Council's provisional revenue outturn for previous financial year (Head of Finance); • Advice/ updates on Business transformation projects (Corporate Director B & T Services); • Corporate priorities and strategic plan (Head of Citizen Engagement and Strategic Policy); • Public consultation - the Community Debate, on budget strategy/ spending priorities (Consultation and Community Engagement Manager); • Advice/ updates on Business transformation projects (Corporate Director B & T Services); • Evidence gathering from internal and external witnesses/ experts as required.
August	<ul style="list-style-type: none"> • Advice/ updates on Business transformation projects (Corporate Director B & T Services); • Evidence gathering from internal and external witnesses/ experts as required.
September/ October/ November	<ul style="list-style-type: none"> • Budget priorities and strategic directions (Portfolio Holder for Finance); • An assessment of current and projected performance against major areas of the budget, identifying budgetary issues/ pressures and risks (Head of Finance); • Review of the results of public consultation - the Community Debate (Consultation and Community Engagement Manager); • Advice/ updates on Business transformation projects (Corporate Director B & T Services); • Evidence gathering from internal and external witnesses/ experts as required.
December	<ul style="list-style-type: none"> • Revised service plans and draft budget proposals for the following year, including proposals for savings and growth, in the light of the government's Comprehensive Spending Review / grant settlement (Head of Finance); • Advice/ updates on Business transformation projects (Corporate Director B & T Services); • Evidence gathering from internal and external witnesses/ experts as required
January	<ul style="list-style-type: none"> • Updates on Executive's budget priorities as necessary (Portfolio Holder for Finance); • Advice/ updates on Business transformation projects (Corporate Director B & T Services); • Final overall and service areas budget proposals (Head of Finance); • Conclusions and recommendations on the budget priorities and consultation with the Overview and Scrutiny Consistency Panel (Chair and Members of FRG); • Final report and recommendations to the Overview and Scrutiny Board (or direct to Executive and Full Council, depending on timing of the Board's meeting); • Evidence gathering from internal and external witnesses/ experts as required.
February/ March/	<ul style="list-style-type: none"> • Presentation of FRG's final report and recommendations/ advice to the Executive and Full Council to help decision-making (Chair of the FRG); • Written response to the FRG's recommendations (Executive Portfolio Holder (Finance), with help of Head of Corporate Finance); • Consideration of the Executive's response (FRG); • Feedback to public, including people consulted, on the outcomes and Executive's response (Consultation and Community Engagement Manager and Press & Public Relations Manager); • Advice/ updates on Business transformation projects (Corporate Director B & T Services).
March/ April	<ul style="list-style-type: none"> • Review of FRG work and consideration of areas for development (FRG) • An overview of foreseeable/ anticipated issues affecting local government finance (Head of Finance) • Up-to-date assessment of performance against Luton corporate priorities and strategic plan (Head of Citizen Engagement and Strategic Policy) • Review of key service plans against agreed budget (Head of Citizen Engagement and Strategic Policy/ Head of Finance); • Advice/ updates on Business transformation projects (Corporate Director B & T Services); • Direction setting and development of revised terms of reference and work programme for the following year (Chair and Members of FRG).