

WEST DUNBARTONSHIRE COUNCIL
Report by Executive Director of Corporate Services
Council – 25 March 2009

Subject: Development of Robust Financial Framework

1. Purpose

- 1.1** The purpose of this report is to update Members on action proposed by the Council on 12 February 2009, regarding the development of a robust financial framework. The report invites comments on role, remit and frequency of meetings, membership and name of the Committee.

2. Background

- 2.1** The Council agreed on 12 February 2009 to 'instruct a report on the development of a more robust financial framework for the March Council meeting'.
- 2.2** The report was to cover the mechanisms to allow a high level review of the financial projections across the Council, to help identify and deal with shortfalls as well as potential areas of growth.
- 2.3** The report was also to consider the desirability of creating a full Committee of Council consisting of the Conveners of each department and their respective shadow spokespersons and should be chaired by the Convener of the Corporate and Efficient Governance Committee.

3. Main Issues

- 3.1** In the development of a robust financial framework, which introduces a new Committee, Members may wish to consider:
- 3.2** The Powers of the Committee
- 3.2.1** If a new Committee was to be created, as with any other Committee it should take its direction from the Council's Standing Orders Part II on powers and proceedings.
- 3.3** The frequency of meetings and the timetable of such meetings
- 3.3.1** To maximise the potential for such a Committee, it should meet (mid-month) on at least a quarterly basis (February, April, August and October), with additional meetings called as and when necessary – e.g. during the budget process.

3.4 Membership of the Committee

3.4.1 The membership of the Committee (as directed by Council) should include the following elected Members:

- Convener of the Corporate and Efficient Governance Committee (Chair)
- Shadow Convener of the Corporate and Efficient Governance Committee.
- Convener of Housing, Environment and Economic Development
- Shadow Convener of Housing, Environment and Economic Development
- Convener of Education and life long Learning
- Shadow Convener of Education and life long Learning
- Convener of Social Work and Health Improvement
- Shadow Convener of Social Work and Health Improvement

3.4.2 Council should give consideration to the membership of the Committee also including Council Leader and Leader of the Opposition and/or having an independent Member representation.

3.4.3 Committee quorum, based on other similar sized committees, would be 3 elected Members.

3.4.4 Officers in attendance should include:

- Chief Executive
- Executive Director of Corporate Services
- Head of Finance and ICT
- Manager of Accounting
- Other Executive Directors (as necessary)

3.5 Name of the Committee

3.5.1 The suggested title for the Committee would be 'Financial Performance and Planning Committee'. However, Members may decide to consider a different title.

3.6 Proposed purpose and remit

3.6.1 The purpose of this Committee is to provide a forum to review and consider the long, medium and short term financial planning for West Dunbartonshire Council.

3.6.2 A draft remit for discussion and comment is attached at Appendix 1.

4 **Personnel Implications**

4.1 There are no personnel implications.

5 Financial implications

5.1 There are no financial implications.

6. Risk Analysis

6.1 There was no additional risk analysis undertaken.

7 Conclusion

7.1 On 12 February 2009, the Council agreed to develop a more robust financial framework. The report suggests areas which the Council would require to consider with the introduction of a new Committee.

8. Recommendation

8.1 Council is invited to agree the membership of the Committee, as it feels appropriate.

8.2 Council is invited to ask the Chief Executive to call the first meeting of the Committee in April 2009, when the Committee will then report back to May Council outlining:

(a) The suggested powers of the Committee

(b) The suggested frequency of meetings and the timing of such meetings

(c) The suggested Committee name

(d) The suggested draft purpose and remit of the Committee

**Joyce White
Executive Director of Corporate Services
Date: 12 March 2009**

Wards affected: n/a

Appendix: Appendix 1: Areas to consider - role & remit

Background papers: 'An improving Council – Revenue budget proposals 2009/10 & 2010/11' – Paper to Council 12 February 2009
Minute Council meeting 12 February 2009

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WEST DUNBARTONSHIRE COUNCIL
FINANCIAL PERFORMANCE AND PLANNING COMMITTEE

AREAS TO CONSIDER – DRAFT ROLE AND REMIT

At the broadest level, the Committee remit should be to determine the Council's financial strategy over the short, medium and longer term in the context of the agreed corporate priorities of the Council. This could include considering the overall policy priorities in the context of the Single Outcome Agreement, the Corporate Plan and service plans in:

- Determining an overall revenue strategy
- Determining an overall capital strategy
- Determining an overall strategy for special funds
- Considering the policy and financial implications of key initiatives and developments identified in the Council's planning and budgeting processes.

Although not exhaustive, in fulfilling the remit above, the Committee may also need to consider:

- Areas to be covered by the Committee – i.e. revenue and/or capital; General Services and/or HRA;
- The policy priorities for budget setting purposes, having regard to the policy priorities as set out in key community, corporate and departmental plans that the Council and its partners are working towards;
- Long term projections of financial balances, cost pressures, burdens and risks
- Actions to close any known financial gaps
- How any necessary budget savings/ efficiency exercises should be taken forward – this may include option appraisals and best value reviews;
- Impacts of service developments on savings/ efficiency targets and other proposed initiatives;
- Monitoring of the achievement of agreed savings option targets;
- The use of the annual efficiency statement beyond a reporting mechanism;
- Treasury management, including debt and investment levels, economic forecasts and interest rates and debt rescheduling;
- Year end budgetary control positions and variance analysis for monitoring and projection purposes;
- Contingency funds transfers, as and when appropriate
- Prudential reserve levels and revision of calculations, as and when appropriate