

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Overview And Scrutiny Board

**Date of Committee** 20th July 2011

**Report Title** Review of Communication with the Public and Financial Accountability – Stage Two Report

**Summary** For the last few months a task and finish group of elected members has been considering ways in which councillors can better understand the council's finances and thus be better placed to be held to account for the decisions they make. This report containing recommendations is the second and last of a larger review commissioned in July 2010.

**For further information please contact:**

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**Would the recommended decision be contrary to the Budget and Policy Framework?** No.

**Background papers** None

**CONSULTATION ALREADY UNDERTAKEN:-** Details to be specified

- Other Committees  .....
- Local Member(s)  None
- Other Elected Members  Councillors Appleton, Roodhouse and Tandy
- Cabinet Member  .....
- Chief Executive  .....
- Legal  Jane Pollard
- Finance  John Betts - Head of Finance
- Other Strategic Directors  David Carter – Strategic Director, Resources

- District Councils  .....
- Health Authority  .....
- Police  .....
- Other Bodies/Individuals  .....

**FINAL DECISION NO**

**SUGGESTED NEXT STEPS:**

Details to be specified

- Further consideration by this Committee  .....
- To Council  .....
- To Cabinet  8 September 2011
- To an O & S Committee  .....
- To an Area Committee  .....
- Further Consultation  .....

## Overview And Scrutiny Board - 20th July 2011.

### Review of Communication with the Public and Financial Accountability – Stage Two Report

#### Recommendation

That the Overview and Scrutiny Board comments on the review report and agrees to send the task and finish group's recommendations to Cabinet.

#### Introduction

1. At its meeting of 21<sup>st</sup> July 2010 the Overview and Scrutiny Board of the County Council commissioned a two-part review. The first part explored how the County Council planned to communicate with its staff and the public about how it would address the tough financial times that lay ahead. This first part was reported to the Overview and Scrutiny Board in October 2010 and to Cabinet in January 2011. Many of the recommendations from the first stage of the review have now been implemented.
2. This report relates to the second stage of the review and focuses on how financial information is managed and relayed to councillors and the public and how decision makers are held to account. It has been kept deliberately concise in order to assist the reader. Throughout the process a significant amount of information has been provided to the task and finish group. This has helped the members to develop their understanding of the matter, reach their conclusions and agree their recommendations. Most of that evidence has not been included in the report, although it is available on request.
3. The review has resulted in the development of a series of recommendations. These are set out below and are repeated, with the rationale behind them, in the attached main report.
4. The Overview and Scrutiny Board is requested to consider the report, comment on the recommendations and pass the to Cabinet for approval.

## **The Task and Finish Group's Five Recommendations**

### **Holding the Portfolio Holder to Account**

1. In order to ensure that the Portfolio Holders exercise their accountability the task and finish group recommends that twice a year (in March/April and September/October) Portfolio Holders are required to present a financial account of their portfolio to a relevant Overview and Scrutiny Committee. These reports should cover the current financial position and set out any anticipated challenges.

### **Holding all Councillors to Account**

2. To help ensure that every member is empowered to undertake their financial accountability duty the task and finish group recommends that,
  - a) the Strategic Director Resources produce a one page quarterly bulletin, for display in the group rooms and dissemination electronically, that highlights financial performance both good and bad.
  - b) to avoid members and officers missing important messages, Emails of particularly high priority (ie alarms for poor financial performance or predicted major overspends) should be clearly identified through the use of different colours and prominent headings.
  - c) to facilitate effective scrutiny of the council's finances overview and scrutiny committee agendas should include performance reports that cover finance and service delivery.

### **Informed Financial Management**

3. That the Strategic Director of Resources arranges training sessions for all members to cover 1. County Council finance, 2. the Open Data initiative, 3. the emerging Local Government Association's Knowledge Hub, 4. Graphical tools eg. "Many Eyes" software.
4. To assist in the budget setting process the group recommends that once a year, early in the budget setting round a full day be set aside for senior officers to brief all members collectively and in political groups on the underlying financial position, emerging budget proposals and the implications of these on service users.

### **Maintaining Standards**

5. In recognition of the Audit and Standards Committee's valuable and important function in maintaining high standards of probity and ethics the task and finish group recommends that in any

review of the Council's structure or its Constitution the committee should be retained.

Report Authors: Paul Williams , Overview and Scrutiny Officer &  
Councillor Tim Naylor

Head(s) of Service: Greta Needham, Head of Law and Governance

Strategic Director(s): David Carter, Strategic Director - Resources

Portfolio Holder(s): Councillor David Wright

20 June 2011

# Warwickshire County Council – Review of Financial Accountability

2011

## Stage 2 Report



Foreword by Councillor Tim Naylor –  
Chair of Task and Finish Group.



Throughout its history Warwickshire County Council has, in its role as custodian of the public purse, had a responsibility to ensure that it achieves value for the money it spends. In recent years the need to achieve such value has become more important as the demand for council services has increased and the pot of money available to us has decreased. Of course it's one thing for councillors and staff of the council to know that they are working well but it's another matter to make sure that the public can see how their money is spent.

This review was prompted by a sense amongst councillors that more needs to be done to make the work of the council transparent whilst at the same time ensuring that those people making decisions are held to account for them.

The task and finish group I have chaired has looked at the information that is made available to councillors and staff of the council. Collectively we have come up with a small number of recommendations for change which we feel will enhance the decisions we make and the services we provide.

No piece of work such as this could be successfully completed without the professional assistance of the council's officers and I should like to thank them on behalf of the task and finish group for their support.

## **1.0 Introduction**

- 1.1 At its meeting of 21<sup>st</sup> July 2010 the Overview and Scrutiny Board of the County Council commissioned a two-part review. The first part explored how the County Council planned to communicate with its staff and the public about how it would address the tough financial times that lay ahead. The second element of the review was to focus on how financial information is managed and relayed to councillors and the public and how decision makers are held to account.
- 1.2 The first part of the review was exceptional in that the pace at which it had to be completed was determined by the rapidly changing financial landscape the council found itself in. The prospect of major cuts in funding made reductions in services and staff seem inevitable and as a consequence the need to prepare the ground for this was deemed necessary and urgent. As a consequence the task and finish group found itself making recommendations as circumstances were changing around it. The group's findings were reported to the Cabinet in January 2011 leaving the way clear to progress stage two of the review.
- 1.3 This report relates to the second stage of the review. Throughout the process a significant amount of information has been provided to the task and finish group. This has helped the members to develop their understanding of the matter, reach their conclusions and agree their recommendations. Most of that evidence has not been included in the report, although it is available on request.
- 1.4 The review has resulted in the development of a series of recommendations. These are set out below. It should be noted that an action plan has been included at the end of the report. This sets out who will be responsible for implementing the recommendations and by when.

## **1.5 Recommendations**

### **Holding the Portfolio Holder to Account**

1. In order to ensure that the Portfolio Holders exercise their accountability the task and finish group recommends that twice a year (in March/April and September/October) every Portfolio Holder be required to present a financial account of their portfolio to a relevant Overview and Scrutiny Committee. These reports should cover the current financial position and set out any anticipated challenges.

### **Holding all Councillors to Account**

2. To help ensure that every member is empowered to undertake their financial accountability duty the task and finish group recommends that,



- a) the Head of Finance produces a one page quarterly bulletin for display in the group rooms and dissemination electronically that highlights financial performance, both good and bad.
- b) to avoid members and officers missing important messages Emails of particularly high priority (ie alarms for poor financial performance or predicted major overspends) should be clearly identified through the use of different colours and prominent headings.
- c) to facilitate effective scrutiny of the council's finance overview and scrutiny committee agendas should include performance reports that cover finance and service delivery.

### **Informed Financial Management**

- 3. That the Strategic Director of Resources arranges training sessions for all members to cover 1. the County Council's finances, 2. the Open Data initiative, 3. the emerging Local Government Association's Knowledge Hub, 4. Graphical tools eg. "Many Eyes" software.
- 4. To assist in the budget setting process the group recommends that once a year early in the budget setting round a full day be set aside for senior officers to brief all members collectively and in their political groups on the underlying financial position, the emerging budget proposals and the implications of these on service users.

### **Maintaining Standards**

- 5. In recognition of the Audit and Standards Committee's valuable and important function in maintaining high standards of probity and ethics the task and finish group recommends that in any review of the Council's structure or its Constitution the committee should be retained.

## **2.0 Summary of the Review Process**

- 2.1 The first stage of the review was the "scoping" of the topic. This ensured that before the review commenced the members and officers involved were clear about its aims and objectives. (See Appendix 1). Timescales were also agreed, although in common with many scrutiny reviews these moved as it progressed.
- 2.2 Concurrent with the review being commissioned the membership of the task and finish group was agreed. The members that made up the group were.

Councillor Tim Naylor (Chair)  
 Councillor Carol Fox  
 Councillor Julie Jackson  
 Councillor Clive Rickhards

Councillor Angela Warner

2.3 As has been noted above the group initially devoted itself to addressing matters around the spending challenges facing the council. It was not until early in 2011 that it was able to commit itself to the second section of the review addressing financial information and accountability. The group gathered evidence from a number of sources relying heavily on input from key county council officers and ultimately members themselves through a detailed survey of their needs. Examples of good practice were sourced from within the local authority and from outside and it is these along with evidence provided by officers that help form the basis of the group's recommendations. In addition a questionnaire was administered to elected members to establish their priorities around the handling and presentation of financial information. (See Appendix 2).

### **3.0 The Task and Finish Group's Conclusions and Recommendations**

3.1 This purpose of this section is to make clear the task and finish group's rationale behind its recommendations.

#### **3.2 Findings and Conclusion 1 – Holding the Portfolio Holder to Account**

3.3 One of the main purposes of this review has been to consider the extent to which decision makers are held to account. Everyone is accountable for their actions but the extent to which that accountability carries possible sanctions depends on the magnitude of the decisions they are making. Members of the Council are elected by the people of Warwickshire and are collectively custodians of around £827 million of public money. In addition to the financial aspects elected members are accountable for the services they provide. The very nature of many of these services means that if things go wrong people can suffer greatly. (Witness the recent child safeguarding cases that have gained such prominence in the news). The task and finish group debated the nature of accountability at some length. It agreed that,

- there is a distinction between accountability and transparency,
- that financial accountability is about deciding how the council's available resources are to be allocated and then ensuring spending is in line with the allocated budget,
- those responsible for holding decision makers to account need the skills and knowledge to do so,
- Governance structures need to ensure that financial reporting enables members to identify issues of concern ie shortfalls in funding.
- If members are not kept informed of what is happening in their division the line of accountability is weakened.

- 3.4 The task and finish group is clear on the lines of accountability within the county council. It recognises the relative roles of the Leader of the Council, the Chief Executive, Cabinet and senior officers. Cabinet is the principal decision making body of the council and responsibility (and by extension accountability) rests largely with those who make up the Cabinet.
- 3.5 There is no evidence to suggest that Portfolio Holders are unaware of the responsibility that rests with them. However, in terms of financial management there are few occasions when Portfolio Holders are subjected to scrutiny on financial matters. Given that Portfolio Holders are expected to attend all appropriate Overview and Scrutiny Committees it is considered appropriate for them to present status reports on financial matters.

#### **Recommendation 1**

In order to ensure that the Portfolio Holders exercise their accountability the task and finish group recommends that twice a year (in March/April and September/October) every Portfolio Holder be required to present a financial account of their portfolio to a relevant Overview and Scrutiny Committee. These reports should cover the current financial position and set out any anticipated challenges.

#### **3.6 Findings and Conclusions 2 - Holding all Councillors to Account**

- 3.7 As noted in the introductory paragraphs to this report the task and finish group has considered a significant body of evidence around ways in which finance is managed and communicated.
- 3.8 This review was prompted by comments that many councillors were unaware of how the authority's finances are managed. This lack of knowledge has been attributed by the task and finish group to a number of factors that revolve around a lack of information and/or a lack of awareness of how and where to find the information needed. Members reported that where information is provided it is often done so in a format that is difficult to interpret.
- 3.9 The group is fully aware of the huge amount of financial information held and managed by the council. Elected members are often inundated with documents and reports purporting to provide them with the information they require. The group feels more should be done by officers to refine information into a form that allows the current financial position of the council to be understood. Whilst not wishing to diminish the value of the detailed work that is undertaken the group has concluded that members should be provided with a quarterly bulletin occupying no more than one sheet of paper.
- 3.10 Another concern raised by members is that because they receive a great number of e-mails there are times when they miss important ones. The

task and finish group explored this issue and discovered that there are ways in e-mails can either be flagged as important or marked in such a way to distinguish the subject content from other messages. Whilst marking e-mails in this way might place a burden on e-mail authors the group considers that the returns in terms of a reduction in missed messages would outweigh the expense in time.

- 3.11 Almost inevitably the group turned its attention to the relationship between finances and service delivery. At this time when finances are being more and more constricted the need for value for money (ie making every penny count) has become greater. The task and finish group believes that whilst officers and members will do everything in their power to avoid it there will be a falling off of service levels over time. The challenges that this will present in terms of managing competing priorities makes it increasingly important that performance is subject to scrutiny. The group is aware that currently performance reports are considered by the Council's Audit and Standards Committee and by Cabinet. It is also aware of some of the issues that faced performance reporting when it was previously considered by Overview and Scrutiny Committees but members feel that consideration should now be given to a return to the previous system.

#### **Recommendation 2**

To help ensure that every member is empowered to undertake their financial accountability duty the task and finish group recommends that,

1. the Strategic Director Resources produce a one page quarterly bulletin for display in the group rooms and dissemination electronically that highlights financial performance both good and bad.
2. to avoid members and officers missing important messages e-mails of particularly high priority (ie alarms for poor financial performance or predicted major overspends) should be clearly identified through the use of different colours and prominent headings.
3. to facilitate effective scrutiny of the council's finance overview and scrutiny committee agendas should include performance reports that cover finance and service delivery.

#### **3.12 Findings and Conclusions 3 & 4 – Informed Financial Management**

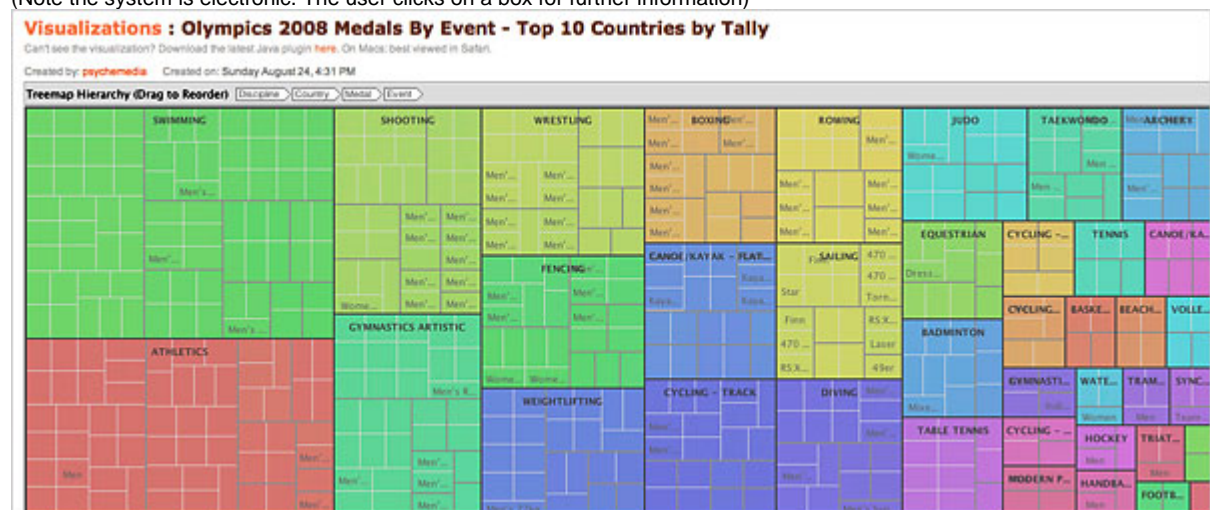
- 3.13 The task and finish group is keen to ensure that as well as being provided with bulletins on financial performance members need to be equipped with the tools and skills they need to undertake their own interpretation of the wealth of information that is available to them.
- 3.14 It is clear from the evidence presented to the group that it is essential that all members need a good understanding of the council's financial systems and processes. Only if members are familiar with the council's

finances can they be expected to make the right decisions around them. New members receive some training on council finances as part of the induction process. However it may well be that training once every four years may be inadequate. With the roll out of the council's new financial system Agresso, changes in the council's structure and the challenges facing the local authority it would appear sensible to stage further financial training before the commencement of the 2012 budget process.

- 3.15 Members were introduced to a number of exciting new approaches to managing and presenting data. These include “Many Eyes” a diagrammatic approach that allows the reader to interpret and drill down for more information. (See Fig 1)

Fig 1 Example of “Many Eyes” Graphic Presentation

(Note the system is electronic. The user clicks on a box for further information)



- 3.16 Previously for the County Council one of the limitations of using “Many Eyes” to present financial information is that the data held covered only supplier and cost. For example a line might contain the information “ESPO £10”. Under the new financial systems being rolled out greater interrogation of spending etc will be possible. The group feels that elected members should be aware of how they can access that information.

- 3.17 In addition to “Many Eyes” the group received evidence on the Council’s Open Data initiative. This is part of a wider programme to make the best of the vast amount of information that is now available electronically. The key to the project is to think of new ways in which information can be linked together to provide a comprehensive picture whilst at the same time developing new ways of maximising the use of that information. For example the group learned of how population data for a particular area could be used to forecast the size of a schools priority area. This in turn can be used by people looking to relocate to an area to see which priority area a property lies in. One challenge for those officers developing open data is to persuade colleagues to share

the information they have. For the initiative to work effectively it will be necessary for people to recognise the value of the project and be prepared to “let go” of information that up until now has been regarded as their property. Regardless of these challenges the group believes that open data is an initiative that will develop rapidly over the next few years and as a result all elected members should all be briefed on it.

3.18 In a similar vein to Open Data the Local Government Association has developed a system called the “Knowledge Hub”. This system does not rely solely on data. Rather it is a means by which knowledge and experience can be shared within a community of public sector workers. So for example an officer looking to undertake research on road traffic accidents at pelican crossings could through the Knowledge Hub seek examples of similar work. This in turn can avoid duplication and enhance the research process. The task and finish group feels that the LGA Knowledge Hub is something that members and officers should be made aware of and encouraged to contribute to.

3.19 Having now been involved in the process on at least two occasions the task and finish group members are sensitive to the challenges that face members and officers during the budget setting round. Every year senior officers work with political groups to develop budget proposals that are eventually debated at Council. However, there remains a sense amongst some members that even on budget setting day there remain some members who are not fully aware of the implications of the decisions they are being asked to make. Consequently the group feels that more could be done to encourage members to develop their understanding of the complex interrelations between finance and service delivery and to engage them in the budget setting process. In order to do this and to maximise the benefits for officers and members alike the group feels that a day should be set aside for briefings and discussion.

### **Recommendation 3**

That the Strategic Director of Resources arranges training sessions for all members to cover 1. County Council finance, 2. the Open Data initiative, 3. the emerging Local Government Association’s Knowledge Hub, 4. Graphical tools eg. “Many Eyes” software.

### **Recommendation 4**

To assist in the budget setting process the group recommends that once a year early in the budget setting round a full day be set aside for senior officers to brief all members collectively and in groups on emerging budget proposals and the implications of these on service users.

### **3.20 Findings and Conclusion 5 - Maintaining Standards**

3.21 It is clear to the task and finish group that the key to financial accountability is probity and integrity. Members are aware of the role of the Audit and Standards Committee and are keen to support its continuing work.

#### **Recommendation 5**

5. In recognition of the Audit and Standards Committee's valuable and important function in maintaining high standards of probity and ethics the task and finish group recommends that in any review of the Council's structure or its Constitution the committee should be retained.

## APPENDIX 1

### Scrutiny Review Outline – Terms of Reference

<b>Review Topic</b>	Review of Communication with the Public and Financial Accountability
<b>Panel Members</b>	Councillor Tim Naylor (Chair) Councillor Carol Fox Councillor Julie Jackson Councillor Clive Rickhards Councillor Angela Warner
<b>Key Officer Contacts</b>	Virginia Rennie – Group Accountant, Resources Directorate (X2239)  Rebecca Davidson - Communications Officer - Customers, Workforce and Governance Directorate (X6643)
<b>Scrutiny Officer Support</b>	Paul Williams      Overview and Scrutiny Officer  E-mail                      paulwilliamscl@warwickshire.gov.uk  Tel                              01926 418196
<b>Relevant Portfolio Holder(s)</b>	Councillor Colin Hayfield Councillor Martin Heatley
<b>Relevant Corporate/LAA Priorities/Targets</b>	All Corporate Priorities of the Council
<b>Resources Required for Review</b>	The review will take four months and will require – <ul style="list-style-type: none"> <li>• 250 hours of Scrutiny Officer time (Approx. 42 days)</li> <li>• Five panel meetings</li> <li>• No site visits</li> <li>• No best practice visits outside of county identified</li> </ul>



<p><b>Rationale</b> (Key issues and/or reason for doing the review)</p>	<p>Warwickshire County Council is, like all local authorities, facing a period of severe financial hardship. Over the next four years the average that the public sector will have to save is around 25% of its current expenditure in real terms. For Warwickshire County Council the figure is nearer a 35% reduction in central government funding. Therefore, even with the council tax increases around the rate of inflation the result will inevitably result in cuts in staffing and services.</p> <p>In order to address the challenge the Council will have to achieve a number of outcomes all of which are interrelated. It will have to,</p> <ul style="list-style-type: none"> <li>• Consider how it engages with the public, partners and other stakeholders in a mature dialogue regarding service reconfiguration.</li> <li>• Manage the way in which messages concerning cuts and service reconfiguration are conveyed to employees and members of the County Council.</li> <li>• Operate its financial systems and processes in a way that is timely, transparent, understandable and useful to officers, members and stakeholders, but which use less resource than at present and that expenditure is properly controlled.</li> </ul> <p>With the achievement of all these outcomes it will be possible to,</p> <ul style="list-style-type: none"> <li>• Clarify with the public the reason behind the need for the inevitable changes to services.</li> <li>• Manage people’s expectations of the services they will receive in the future.</li> <li>• Develop internal mechanisms that ensure good financial support for the organisation including ways of presenting information in a timely, clear and concise way.</li> </ul>
<p><b>Objectives of Review</b> (Specify exactly what the review should achieve)</p>	<p>An appreciation by members and officers of,</p> <ul style="list-style-type: none"> <li>• The scale and complexity of the issue to be addressed.</li> <li>• The importance of managing the issues.</li> <li>• Good or best practice in other local authorities.</li> </ul>
<p><b>Scope of the Topic</b> (What is specifically to be included/excluded)</p>	<p>The review will seek to address</p> <ul style="list-style-type: none"> <li>• Engagement by Warwickshire County Council with stakeholders over service cuts.</li> <li>• Financial accountability within the County Council.</li> </ul> <p>The review will not seek to address</p> <ul style="list-style-type: none"> <li>• The way in which partners (eg other local authorities) engage with stakeholders or ensure financial accountability. (They may however, learn from this review).</li> </ul>

<p><b>Process for Review</b></p>	<p><b>Stage 1</b> Focus on dialogue with stakeholders on financial issues, service reconfiguration and accountability.</p> <p><b>Stage 2</b> Examination of system of financial accountability with Warwickshire County Council examining the flow of information between levels of management and between officers and members.</p> <p><b>Note – These stages need not necessarily consecutive. It may be necessary to run them concurrently given the timescale of the review.</b></p>
<p><b>Indicators of Success – Outputs</b> (What factors would tell you what a good review should look like?)</p>	<p>A clear and concise report that sets out the basis of the review, the review process, the learning points identified and the task and finish group’s conclusions.</p> <p>A series of recommendations for action to be agreed by the Overview and Scrutiny Board and implemented by appropriate officers and elected members.</p>
<p><b>Indicators of Success – Outcomes</b> (What are the potential outcomes of the review e.g. service improvements, policy change, etc?)</p>	<p>Stage 1</p> <ul style="list-style-type: none"> <li>• Awareness by internal and external stakeholders of the reasons for service reductions.</li> <li>• Confidence amongst stakeholders that Warwickshire County Council is addressing the issue of reduced resources in an effective manner.</li> </ul> <p>Stage 2</p> <ul style="list-style-type: none"> <li>• Understanding amongst elected members of the processes undertaken around service reconfiguration and financial management.</li> <li>• Minimal budget variances</li> </ul>
<p><b>Specify Evidence Sources</b> (Background information and documents to look at)</p>	<ul style="list-style-type: none"> <li>• Examples from other public bodies eg “Tough Choices” (West Lothian Council), LGA.</li> <li>• Examples from the private sector</li> <li>• HM Treasury Spending Challenge</li> <li>• £500m pathfinder authorities</li> </ul>

<b>Specify Witnesses/Experts</b> (Who to see and when)		<ul style="list-style-type: none"> <li>• Strategic Directors/Heads of Service/other relevant officers</li> <li>• Elected Members</li> <li>• WCC Communications Section</li> <li>• Unions</li> <li>• Service delivery partners eg Chamber of Commerce</li> </ul>	
<b>Possible Co-Options</b> (Would the review benefit from any co-options e.g. community or voluntary sector representatives?)		None identified	
<b>Specify Site Visits</b> (Where and when)		None required	
<b>Consultation with Stakeholders</b> (Who should we consult?)		None (The outcome of the review will involve extensive consultation with stakeholders)	
<b>Level of Publicity</b> (What level is appropriate and what method should be used?)		None (The outcome of the review will involve the use of publicity)	
<b>Barriers/Dangers/Risks</b> (Identify any weaknesses or potential pitfalls)		Lack of commitment by members/officers to review Reluctance to share information Time pressure	
<b>Projected Start Date</b>	27.7.10	<b>Draft Report Deadline</b>	
<b>Meeting Frequency</b>		<b>Projected Completion Date</b>	End October 2010
<b>Meetings Dates</b>		TBA	
<b>Committee Reporting Date</b>		TBA	
<b>Cabinet Reporting Date</b>			
<b>When to Evaluate Impact</b>		12 months	
<b>Methods for Tracking and Evaluating</b>		<ul style="list-style-type: none"> <li>• Staff survey</li> <li>• Citizens' Panel</li> <li>• Member Survey</li> <li>• SDLT</li> </ul>	

## Feedback from Members' Survey

### 1 Purpose of the Survey

1.1 Part of the remit of the Task and Finish Group is to look at financial accountability and in particular financial accountability for elected members. At an early stage the Group recognised that this means different things for each elected member depending on their role, interests and the reasons for becoming a councillor in the first place. Therefore, rather than making assumptions, the Task and Finish Group agreed to ask all elected members to complete a survey.

### 2 Nature of the Survey

2.1 There are many aspects of accountability and the survey aimed to find out what was most important to members. Therefore rather than simply scoring individual questions it asked members to place a number of statements in order of importance in response to three scenarios:

- ❖ As an elected member the performance information I find most important is:
- ❖ To be financially accountable I need to have confidence that:
- ❖ The knowledge and information I need about finance is:

2.2 The statements to be prioritised were derived from comments made by members of the T&F Group in previous meetings and 'best practice' identified by both professional and academic literature.

2.3 A 'card sorting' software package was used for both ease of completion and efficiency in the collection and analysis of results. The electronic survey was followed up with a paper-based version to increase response rates.

### 3 Response Rates

3.1 28 (45%) members responded to the survey. Of these 57% completed the survey on line, the remainder completing the paper version. Also, not all those who responded completed the full survey. The table below summarises the numbers of respondents across the three questions and by 'type' of respondent.

Table 1: Survey Response Rates						
	Completed				Partially Completed	Total
	Cabinet	Spokes-person	Backbench Councillor	Total		
As an elected member the performance information I find most important is:	3	8	14	25	3	28
To be financially accountable I need to have confidence that:	2	6	7	16	11	25
The knowledge and information I need about finance is:	2	5	10	17	9	26

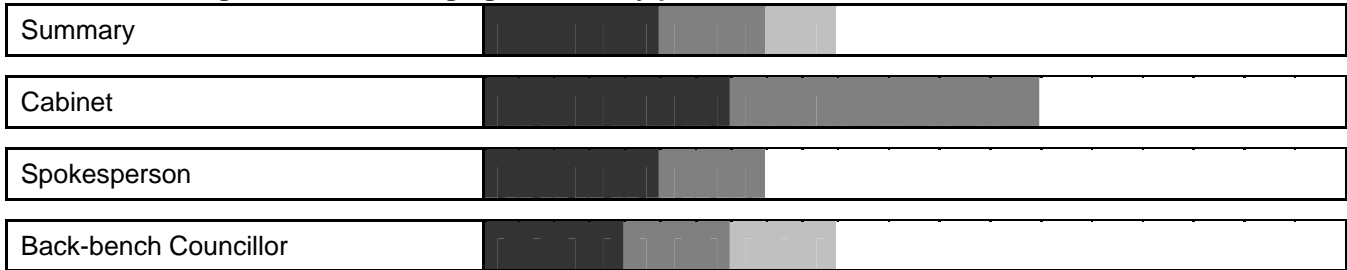
3.2 Much of the more detailed analysis of the results is based only on the responses from those who fully completed the survey. Also, because of the response rates it was not felt that it possible to assess the views of Cabinet from those that completed the survey. Therefore, with the exception of the first question, the Cabinet and the Spokesperson results have been

combined. It is accepted that this is a limitation but it is felt that looking at the responses across the leadership of all three political groups compared to backbenchers would still provide a useful analysis of the different views of financial accountability and financial information needs.

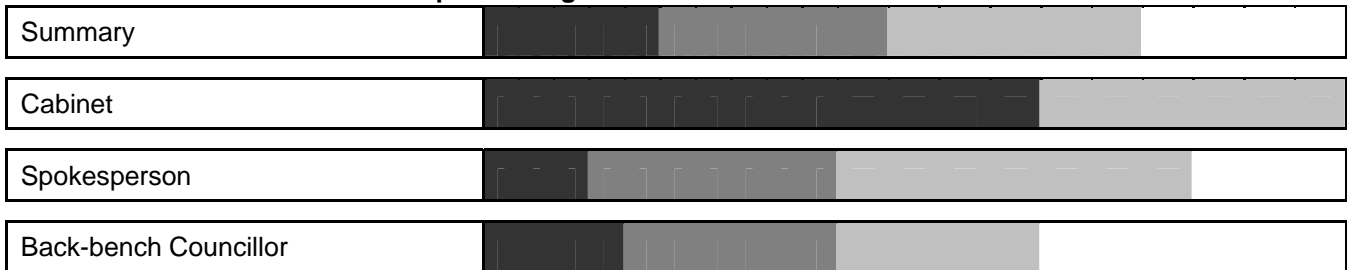
**4 Scenario 1: As an elected member the performance information I find most important is:**

4.1 The summary results from Scenario 1 are shown below.

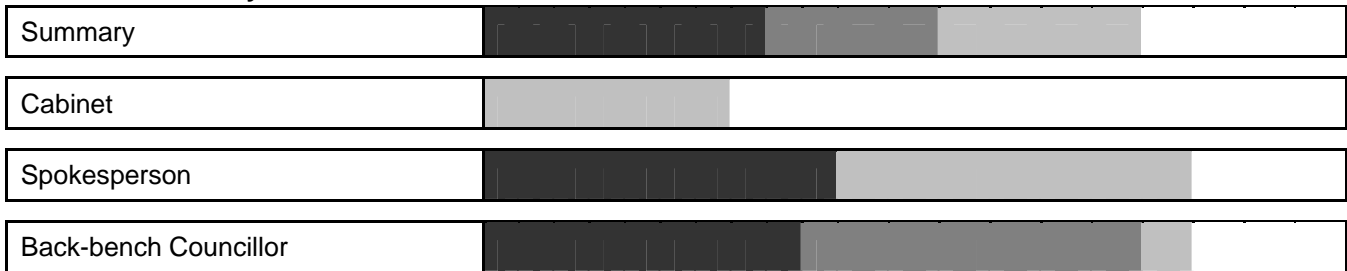
**How well the organisation is doing against its key plans**



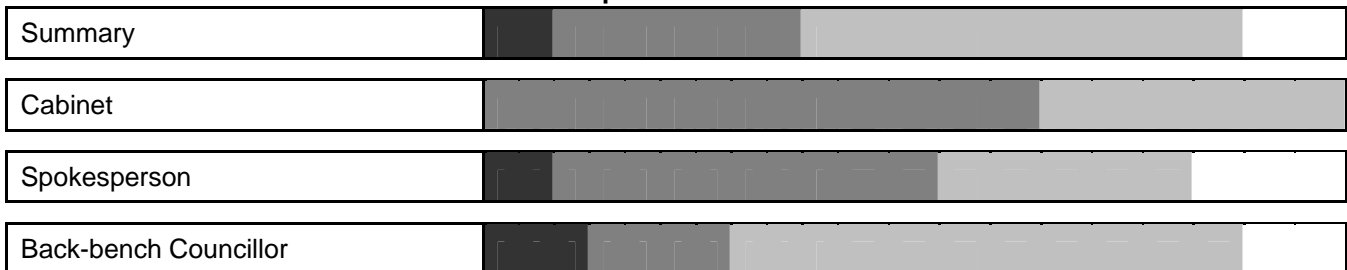
**How well individual services are performing**



**Performance in my local area**



**Performance where services are in need of improvement**



4.2 Whilst this question was not initially part of the survey from the T&F Group it has been included as part of the results because it provides the only opportunity to look at the responses from Cabinet separately from other members and the results highlight a trend that is replicated in the other scenarios.

- 4.3 The key conclusions are that, based on the returns received, Cabinet believe how well individual services are performing and performance against key plans are relatively more important than either spokespersons or back-benchers. For both these groups and particularly for back-benchers performance in their local area is most important.
- 4.4 If it is assumed the results are representative then the responses highlight why there may be differences in how useful members find performance reporting. There is little or no systematic reporting of performance at locality level and all corporate performance reporting focussing on performance against plans. This would suggest performance reporting, in terms of members, is designed to meet the requirements of Cabinet rather than the wider member body.

## 5 Scenario 2: To be financially accountable I need to have confidence that:

- 5.1 The first diagram below shows the overall results in response to the scenario *“To be financially accountable I need to have confidence that .....”* The statements are ranked in order of a weighted average score. The second diagram shows the split of results between Cabinet members/spokepersons and backbenchers.
- 5.2 It should be noted that the inclusion of responses from partially completed surveys did not change the priority order significantly.
- 5.3 The top three statements identified overall as of highest priority are:
- ❖ Services providing poor value for money are identified and challenged
  - ❖ The organisation operates with high standards of ethical behaviour, integrity and honesty, and
  - ❖ I will be provided with sufficient explanations for decisions, actions and performance.
- 5.4 However, differences do begin to emerge when the top three statements are looked at for Cabinet members/spokepersons and backbenchers separately.

The top three statements for Cabinet members/spokepersons are:

- ❖ Services providing poor value for money are identified and challenged
- ❖ Decisions are based on sound and comprehensive financial information, and
- ❖ The organisation operates with high standards of ethical behaviour, integrity and honesty.

The top three statements for backbench councillors are:

- ❖ The organisation operates with high standards of ethical behaviour, integrity and honesty,
- ❖ Services providing poor value for money are identified and challenged, and
- ❖ I will be provided with sufficient explanations for decisions, actions and performance.

- 5.5 The differences also extend throughout the list of priorities. The biggest differentials in ranking between Cabinet/spokepersons and backbenchers are listed below. The first ranking in brackets after the statement is from Cabinet members/spokepersons, the second from backbenchers.

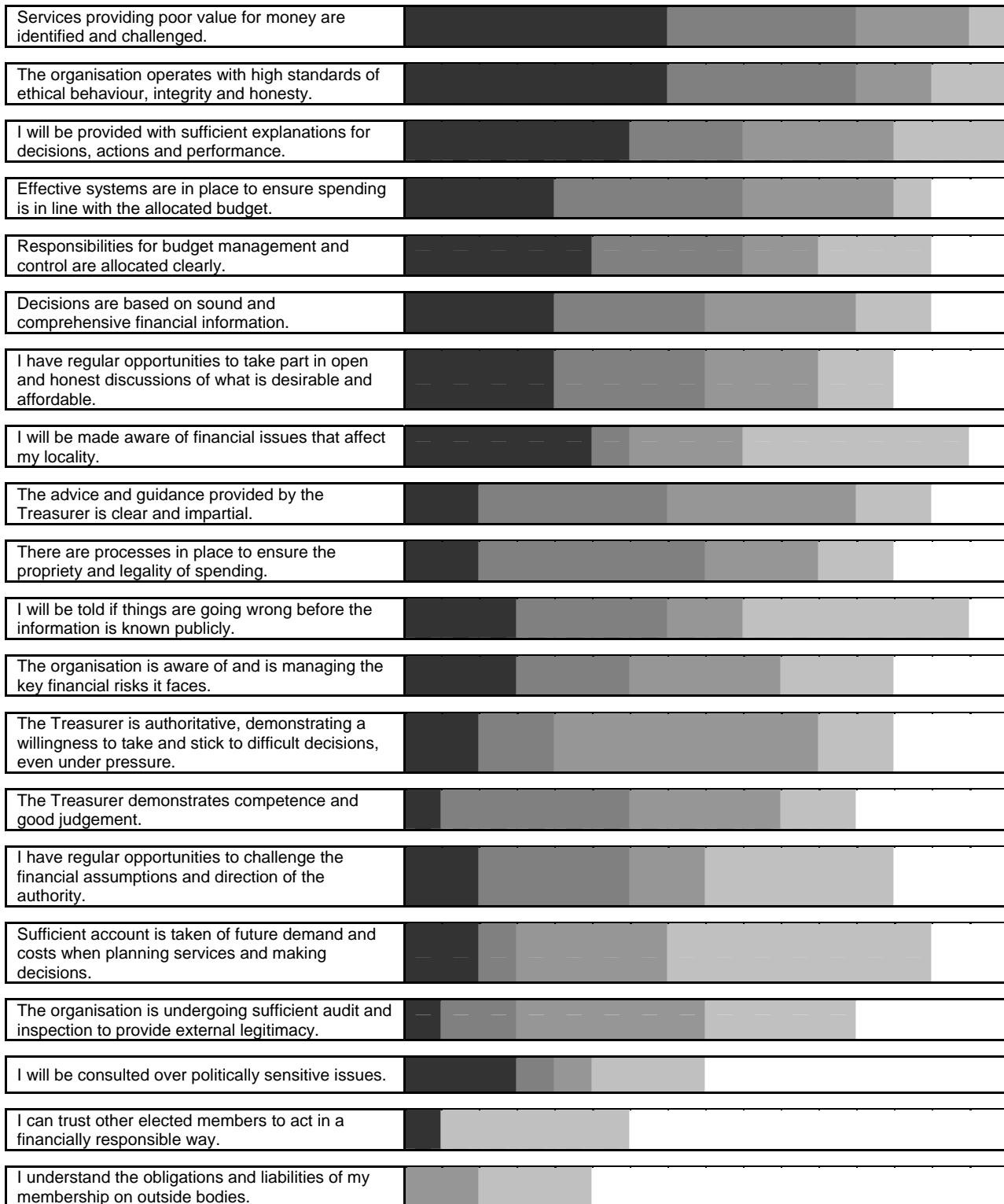
The biggest differentials are:

- ❖ I will be made aware of the financial issues that affect my locality (15<sup>th</sup>/4<sup>th</sup>)
- ❖ Decisions are based on sound and comprehensive financial information (2<sup>nd</sup>/10<sup>th</sup>)
- ❖ The organisation is aware of and managing the key financial risks it faces (7<sup>th</sup>/15<sup>th</sup>)

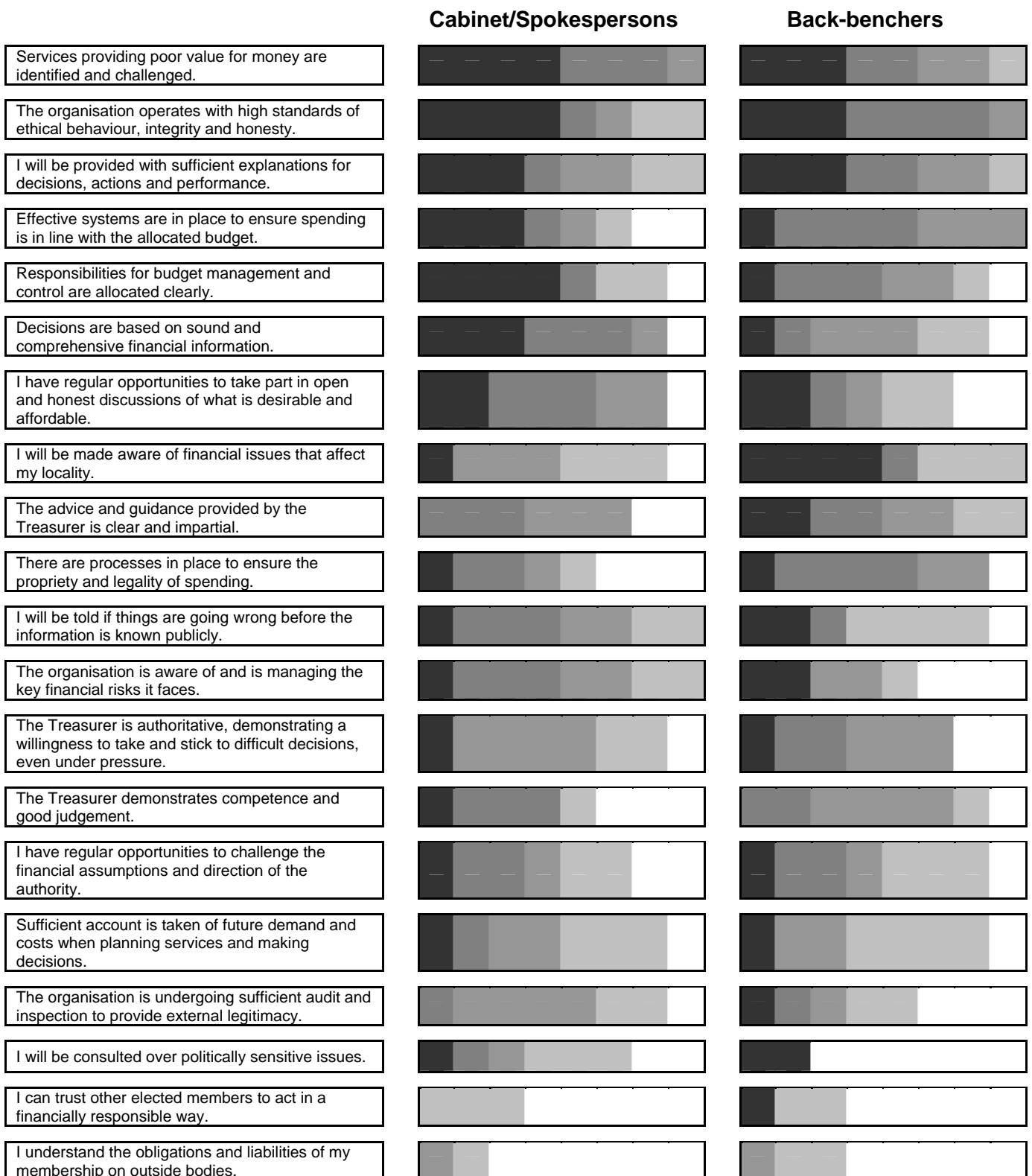
- 5.6 Some of these differences are to be expected given the different roles and responsibilities of the two groups. However, there are clear links through to the earlier part of the review about access to explanations for decisions, actions and performance for the wider body of elected members.

**5.7 The T&FG are asked to comment on the results and, in light of this, identify any recommendations and actions they would wish to see taken forward.**

**Diagram 2: Overall Ranking of Statements in response to the scenario “To be financially accountable I need to have confidence that:”**



**Diagram 3: Ranking of Statements in response to the scenario “To be financially accountable I need to have confidence that:” by category of respondent**





## 6 Scenario 3: The knowledge and information I need about finance is:

6.1 The first diagram below shows the overall results in response to the scenario “*The knowledge and information I need about finance is .....*” The statements are ranked in order of a weighted average score. The second diagram shows the split of results between Cabinet members/spokespersons and backbenchers.

6.2 It should be noted that the inclusion of responses from partially completed surveys did not change the priority order significantly.

6.3 The top three statements identified overall as of highest priority are:

- ❖ An early warning when things are going wrong
- ❖ Where to go and who to contact to get the information I need, and
- ❖ Assurance that decisions are based on evidence, not assumptions, enabling a better understanding of risk.

6.4 However, differences do begin to emerge when the top three statements are looked at for Cabinet members/spokespersons and backbenchers separately.

The top three statements for Cabinet members/spokespersons are:

- ❖ An early warning when things are going wrong
- ❖ Assurance that decisions are based on evidence, not assumptions, enabling a better understanding of risk, and
- ❖ Where to go and who to contact to get the information I need.

The top three statements for backbench councillors

- ❖ An early warning when things are going wrong
- ❖ Where to go and who to contact to get the information I need, and
- ❖ Assurance that the focus is on strategic financial issues rather than micro-level financial issues.

6.5 As with the second scenario, differences also extend throughout the list of priorities. The biggest differentials in ranking between Cabinet/spokespersons and backbenchers are listed below. The first ranking in brackets after the statement is from Cabinet members/spokespersons, the second from backbenchers.

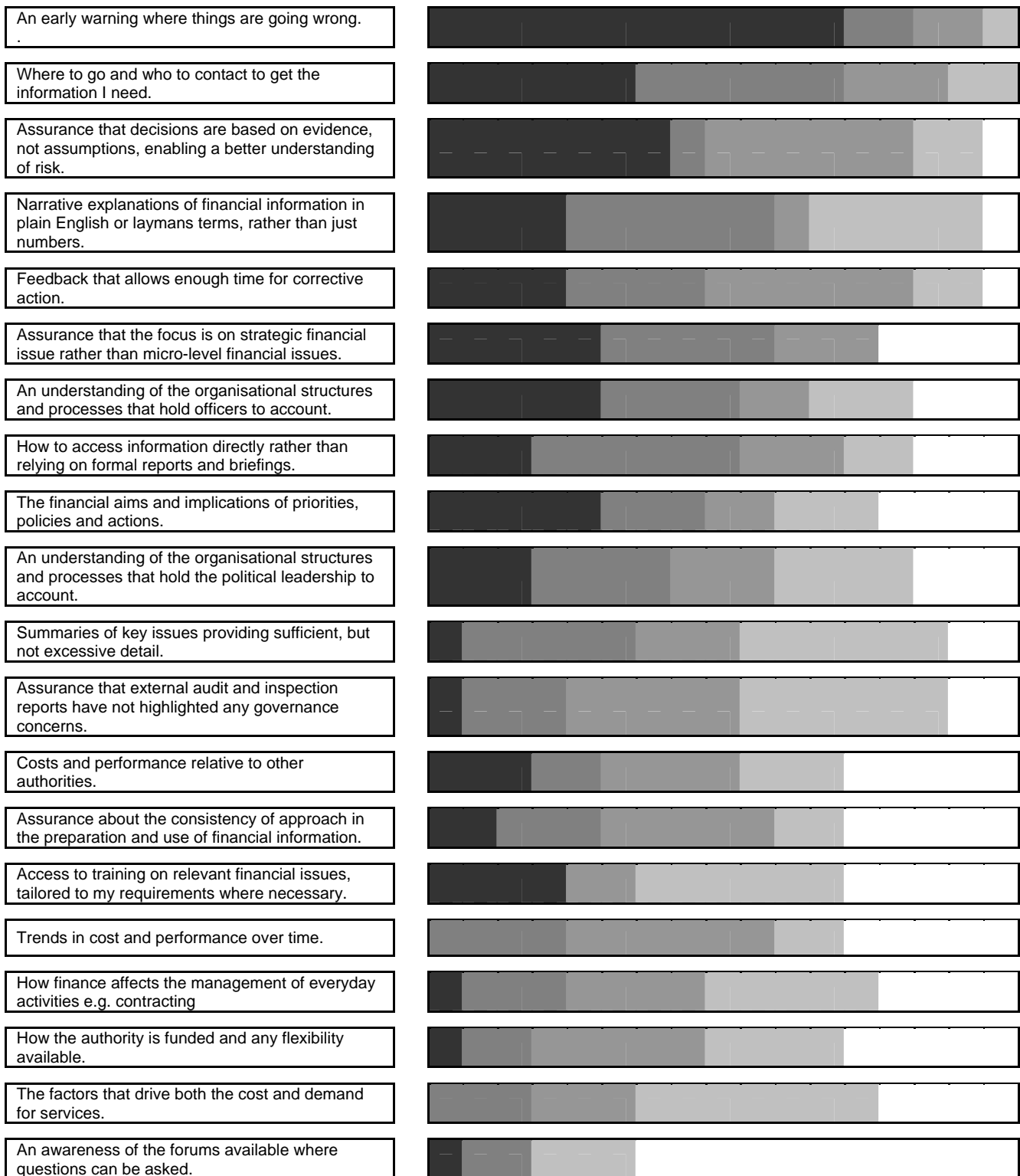
The biggest differentials are:

- ❖ Assurance that the focus is on strategic financial issues rather than micro-level financial issues (13<sup>th</sup>/3<sup>rd</sup>)
- ❖ Costs and performance relative to other authorities (18<sup>th</sup>/8<sup>th</sup>)
- ❖ Trends in costs and performance over time (9<sup>th</sup>/18<sup>th</sup>)

6.6 These responses also provide some interesting comparisons to the responses from the previous scenario. For example, for all members identifying and challenging services providing poor value for money was one of the top three priorities about financial accountability. But, the statements about information and knowledge suggest that whilst all members believe timely data is important, backbench councillors are more interested in costs and performance relative to other authorities whereas leading members believe trends over time are more important.

6.7 **The T&FG are asked to comment on the results, identify any linkages/discrepancies in the responses and, in light of this, and identify any recommendations and actions they would wish to see taken forward.**

**Diagram 4: Overall Ranking of Statements in response to the scenario “The knowledge and information I need about finance is:”**



**Diagram 5: Ranking of Statements in response to the scenario “The knowledge and information I need about finance is:” by category of respondent**

