

## report

meeting	<b>NOTTINGHAMSHIRE AND CITY OF NOTTINGHAM FIRE &amp; RESCUE AUTHORITY</b>	
date	<b>13 September 2006</b>	agenda item number

### **REPORT OF THE CHAIR OF FINANCE AND RESOURCES COMMITTEE**

#### **CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA) CONFERENCE 2006**

#### **1 PURPOSE OF REPORT**

To report back to Members on the attendance by the Chair of Finance and Resources Committee and Head of Finance and Resources at CIPFA Conference 2006 held in Harrogate on 14 and 15 June 2006.

#### **2 BACKGROUND**

CIPFA Conference is the largest event in the area of local government and public sector finance. It presents an opportunity for delegates to hear some of the leading experts in the field of finance speaking on a range of current and emergent issues for the public sector.

#### **3 REPORT**

3.1 The conference effectively runs in two "twin tracked" parts, the main auditorium programme and a series of workshops. The theme of the conference was "Tackling the Big Issues" and there were a number of high profile speakers such as Sir Michael Lyons, Sir Michael Barber and Peter Housden who set out their views on a number of issues. There were also speakers from academia and an interesting insight from the US Comptroller General David Walker.

3.2 A summary of conference proceedings is attached as Appendix A to this report.

3.3 Overall the conference provided some excellent insights into the policies being developed by Central Government as well as some more practical solutions to real challenges. In addition it provided an excellent networking opportunity and enabled the Chair of Finance and Resources to discuss issues such as Risk Management with the Authority's insurers and Treasury Management and Capital Planning with Sector, the Treasury specialists.

#### **4 FINANCIAL IMPLICATIONS**

The cost of attending the conference, including accommodation for two nights, travel and subsistence was of the order of £800 per delegate. This has been met from the budgetary provision for Member Conference Expenses and Officer Conference Expenses.

#### **5 PERSONNEL IMPLICATIONS**

There are no personnel implications arising from this report.

**6 EQUALITY IMPACT ASSESSMENT**

There are no issues of equality arising from this report.

**7 RISK MANAGEMENT IMPLICATIONS**

There are no risk management implications arising from this report

**8 RECOMMENDATIONS**

That Members note the contents of this report.

**9 BACKGROUND PAPERS FOR INSPECTION**

None.

Councillor Penny Griggs  
**CHAIR OF FINANCE & RESOURCES COMMITTEE**

## CIPFA CONFERENCE 2006

### SUMMARY OF CONFERENCE PROCEEDINGS

The theme of Sir Michael Barber's session was "The Challenge of Delivering Public Service Reform" and as the former Head of the Prime Minister's Delivery Unit he was perhaps well placed to consider the three conflicting pressures facing local government; those being the pressure for enhanced outcomes, the pressure for enhanced customer service and the pressure for efficiency savings. He also identified the conundrum facing politicians in terms of needing to have a long term strategy but at the same time needing to deliver short term results.

This session went on to describe some of the changes that Central Government have made to help to facilitate change and longer term planning such as three year settlements and what is described as "spending on success". He then outlined thinking around a number of different options for delivery, including central command and control, devolution, quasi markets and combination. Much of the remainder of his session challenged current thinking by managers, and set out his thoughts, that in order to deliver successful transformation, managers will need to adopt different mindsets, implement effective performance management, and be prepared to embrace bold reform. The overall message however was focussed on driving reform from the centre.

A different view altogether was presented by Sir Michael Lyons in his session later in the morning. Most delegates clearly expected some early insights into the outcomes of the Lyons Review and whilst initially disappointed, were quickly enthused by Sir Michael's evident confidence in Local Government to deliver a reform agenda. Sir Michael had originally been given a remit to look at the funding of local government but now the review is to cover the role and function of local government as well as funding arrangements.

He threw down the gauntlet to local government finance officers by accusing them of retreating from the challenges thrown up by local government reform and criticised the contradictions and 'mixed messages' from the finance managers he had consulted in his inquiry. His message to them was "if you want a spoon-fed arrangement, that's what you'll get."

He said finance managers needed to re-examine the very nature and purpose of their jobs. "You have a decision to make as to whether you are the chief financial officer for the civic centre or whether you are the finance director for the council and community," he told delegates. "Your contribution could be critical ... are you up for difficult choices? Some of you are not."

The overall message from Sir Michael was that if properly funded, organised, managed and motivated Local Government can deliver against the Government's change agenda, but that it will have to fully engage with any flexibilities and alternative delivery options that are made available. He criticised the current lack of effective engagement with communities as a "major system failure" in local government. He said "if you think you're doing it well enough at the moment, the answer is you ain't."

Peter Housden, the Permanent Secretary at the Department of Communities and Local Government, spoke to the theme of "The Challenge of Sustainable Communities". Despite the departure of David Milliband it is clear that the concept of double devolution is alive and well and remains a priority for the newly formed Department for Communities and Local Government.

Peter Housden said "double devolution is not about giving power to local authorities but about working in partnership with local authorities to help them give power to communities." Working together – or co-production as he termed it – was the key theme of Peter Housden's presentation. He said his department's work was not just about legislation and regulation, but about the way the DCLG worked with its partners. He told the conference that "desirable outcomes – on climate

change, obesity, antisocial behaviour – need to be co-produced rather than simply delivered by the state.”

David Walker, who is the US Comptroller General concentrated his session on looking at differences between the US and UK Civil Service.

He praised the UK's system of permanent secretaries running Whitehall departments and wants a similar system introduced in US government. Having departments run by a senior official who stays in post when the administration changes provides stability. It also allows a focus on governance issues rather than just short-term political objectives.

He said he would like to see such departments run by individuals, preferably with a mix of public and private sector experience, hired for seven-year terms on performance-related contracts. He said the current system often resulted in people only being in post for two or three years, which was not long enough for them to get to grips with many governance issues.

## **WORKSHOP SESSIONS**

A number of workshops were attended but the following three were of particular note.

The “Size Matters” workshop dealt with the issue that political capital suggests that consumers of public services can better recognise their scope for choice if the local administrative unit is really local. However, progressive centralisation of public spending could limit such choice. This workshop explored the impact of local government re-organisation in this context. Two-tier local authority structures serve nearly half the population in England. Unitary authorities in Wales and Scotland deliver local services, although effectiveness can be influenced by the size of such administrative units. The benefits or pitfalls of further local government review was being considered - the potential impact on local services, local accountability, and the sense of community determination.

The session headed up as “Preparing for Disaster the Role of the Finance Officer” was led by Edward Harrington, the Chief Fiscal Officer of the City and County of San Francisco Disaster Council who has a significant role in all aspects of disaster preparedness. Mr Harrington presented what the role of the finance officer is in preparing for a disaster and mitigating risk; responding to a disaster; and supporting long-term recovery, all while maintaining departmental operations. He related his own experiences, which included serving as the Finance Director of the San Francisco Public Utilities Commission during the earthquake, which caused over \$3 billion worth of damage including a partial collapse of the San Francisco-Oakland Bay Bridge. He also set out the immediate financial challenges facing the City of New Orleans such as paying staff, childcare, transport to work, feeding arrangements and breakdowns in banking systems, all of which financial officers need to be prepared for.

It was without a doubt a very useful session particularly in view of the requirements for business continuity that needed to be built into local contingency plans.

The presentation on governing partnerships covered the main findings from the Audit Commission's recent work into partnerships and addressed two broad themes:

Governance and accountability in partnership working: the partnership governance arrangements that promote better service and other outcomes for the public;

Value for money in partnership working: the questions that public bodies should ask themselves to understand if partnerships bring value for money.

Within these two themes, the presentation focused in particular on the challenge of managing risk and performance in increasingly integrated services.