

CORPORATE SCRUTINY COMMITTEE

1st August 2005

**PRESENT:-**

**Labour Group**

Councillor Murphy (Chair) and Councillor Lane (Vice-Chair).

**Conservative Group**

Councillors Atkin and Bale.

**In Attendance**

Councillor Harrington (Labour Group).

**APOLOGIES**

Apologies for absence from the Meeting were received from Councillors Isham and Mulgrew (Labour Group) and Councillor Bladen (Conservative Group).

COS/6. **MINUTES**

The Open Minutes of the Meeting held on 20th June 2005 were taken as read, approved as a true record and signed by the Chair.

COS/7. **FEEDBACK FROM POLICY COMMITTEES**

(a) **Review of the Budget Proposals**

A copy of the Scrutiny Report on its review of the budget proposals was circulated. This was considered by the Finance and Management Committee at its meeting on 15th February 2005. The Director of Corporate Services went through the Report's recommendations and initially she apologised as she was not aware of the requirement to report back to the Scrutiny Committee within three months. She sought feedback from Members to clarify the information being sought.

Initially, the Committee discussed the recommendation to review the assumptions underlying base budgets, as part of the Shifting Resources Project. The Chair expanded on this and information was sought on the expected rates of growth, how budgets were rolled forward and their periodic re-assessment. The Director of Corporate Services explained that a report was submitted to the last Finance and Management Committee, to give a broad overview of the budgetary position. She referred to zero base budgeting and associated issues. The Director of Corporate Services was mindful that her predecessor had undertaken some work for the Scrutiny Committee on the alignment of resources to priorities.

Reference was also made to Best Value Performance Indicators (BVPIs) and current performance. There was a key decision around examining each

service area, comparing BVPI data and the potential for cuts or growth in service areas. It would be possible to work with the Policy Team to look at BVPIs. The Head of Policy and Economic Regeneration explained that for some areas, there were no BVPIs. However, in general terms it would be possible to look at the 'big picture' and then drill down into specific areas where it was felt that more examination was needed.

The Director outlined a suggested way forward to look at available data and then bring a report to the next Corporate Scrutiny Committee. In response to a question from Councillor Atkin about the receipt of such data, the Head of Finance and Property Services clarified that it was normally received one year in arrears. The Head of Policy and Economic Regeneration added that comparative data on BVPIs for 2004/05 would probably not be available until December. The Chair requested that comparative data be provided for the last three-year period. This would enable an examination of performance and trends. The Head of Policy and Economic Regeneration reminded Members of the statistical data considered previously and the comparison of funding to priorities, with Crime and Disorder used as a particular example. Officers then explained potential sources of data to give, for example, the Council's expenditure per head of population, which could be compared to that at other local authorities.

The Committee discussed its recommendation to review the scoring mechanism for service developments and new capital projects. Copies of the current scheme were circulated and it was suggested that Members consider this for discussion at a future meeting. Members also recognised the value of seeking feedback from Officers that had used the scoring mechanism. No such feedback had been received to date, but a request could be made to Heads of Service for feedback, so this could be reported to Members. The Director of Corporate Services felt that this was a good scoring mechanism.

To provide a context, Councillor Lane referred to the recent decision to retain the Footpaths Agency Agreement. He questioned whether the scoring mechanism could be used to inform this decision and felt that it should not just be used for new expenditure. Officers explained that this review was undertaken in line with Gershon and the Shifting Resources Project.

The Chair reminded of previous discussions about the application of a mechanism to all Council budgets, rather than just service developments. The Director of Corporate Services referred again to zero base budgeting as a means of examining all service areas. A similar approach could be used to that for service development proposals, to give a consistent approach. The Head of Policy and Economic Regeneration gave examples of a range of other issues to be taken into account when applying such mechanisms to core funding, to enable like comparisons on key and secondary aims. There was also recognition that the scoring system would need to evolve over time.

The next recommendation concerned the provision of more detailed and timely financial and performance information on core spending in base budgets. The Director of Corporate Services explained the improved reporting mechanisms to the Finance and Management Committee. The Chair questioned the reporting arrangements to the other Policy Committees and he recalled the previous discussions on the role of Finance and Management Committee as compared to the other Policy Committees. Reference was made to budget variances and the role of the Finance and Management Committee

to monitor issues and report them to Policy Committees for remedial action, to bring budgets back into line. The Chair questioned whether it would be more efficient to let Policy Committees monitor their own budgets and he discussed the business case for them dealing with budget issues directly. He recognised the limitations of the current Constitution and Committee Terms of Reference. Officers received regular budgetary monitoring reports and Members were informed through the Finance Briefing. It was questioned whether Policy Committee work programmes could include for periodic budgetary monitoring reports. To illustrate his views, the Chair used an example of Policy Committee expenditure on priorities, which could not be assessed unless the Policy Committee was aware of its budgets. The Housing Service was used as a further example, but it was noted that this had different reporting arrangements. Officers requested time to give thought to the views expressed. A request could be made to the Office of the Deputy Prime Minister to seek further information. An undertaking was given to look at this issue, but it might require longer than the three month reporting time-frame. The Director of Corporate Services felt that the Scrutiny Committee might also wish to discuss these issues with Policy Chairs.

The next Scrutiny Committee recommendation concerned a project plan and brief for the 'Shifting Resources Project' and the Gershon Efficiency Review. The Director of Corporate Services explained the work undertaken by the Finance Division to identify Gershon savings and to release funding for expenditure on priorities. She commented on the Shifting Resources Project and gave examples of how funding could be redirected. She also responded to a question from Councillor Atkin about when savings could be utilised. Reference was made to earlier work on the Shifting Resources Project by the former Director of Corporate Services. This project was now being undertaken in conjunction with the new Corporate Plan. The Head of Policy and Economic Regeneration agreed to discuss this issue with the Deputy Chief Executive. The Chair questioned whether the work undertaken by the former Director of Corporate Services was still relevant.

Consideration was then given to the final report recommendation on establishing a structured training programme on Financial Planning and Management for Members. Officers planned to organise a seminar and it would be useful to receive feedback from Members on the areas where training was required. The work undertaken through the Member Champions would enable a tailored training approach for individual Members. In response to questions from Councillor Atkin, the Director of Corporate Services discussed possible areas to be covered in the Members training. Such training could be provided annually, possibly just before the budget process commenced. She also commended a document placed on the Council's intranet: "A Members' Guide to Finance".

(b) Special Project to assess the Council's Best Value Review Process

A copy of the Scrutiny Committee's report was circulated and this had been approved and adopted by the Finance and Management Committee at its meeting on 17th March 2005. The report's recommendations allocated responsibility for certain actions to the Leader of the Council, the Chief Executive and Deputy Chief Executive. In their absence the Chair asked that it be recorded that the Committee was disappointed at the lack of written response from the named individuals.

Note: At 5.05 p.m. the Deputy Chief Executive joined the meeting. The Chair appraised the Deputy Chief Executive of the discussion on this item.

In response to a question from the Chair, the Head of Policy and Economic Regeneration confirmed that the Leader of the Council had not been specifically invited to attend this meeting. The Deputy Chief Executive advised that the only recent Best Value Review undertaken was that for the Housing Repairs and Maintenance Service. Officers explained the approach to this Best Value Review. The Director of Corporate Services questioned whether the Council had examined its approach to Best Value Reviews for the future. The Chair replied that a key element was that strategic management became the commissioning team for reviews and examined how reviews were delivered. The Deputy Chief Executive provided further information on discussions with the Audit Commission to agree review areas and he explained that the Commission now used other mechanisms rather than just Best Value Reviews. He also gave examples of other Council reviews that were being undertaken currently.

The Chair referred to Performance Management and recognised that this was being considered by the Corporate Management Team. He was disappointed that the Scrutiny Committee's Report had been accepted and yet three months later, it appeared no progress had been made. He expressed his strong concerns over this. The Vice Chair felt there was no point in considering other items until the issues in this report had been resolved. The Director of Corporate Services agreed to report the strength of opinion to the Corporate Management Team and would report back to the next Corporate Scrutiny Committee. The Deputy Chief Executive commented that the Council was facing a range of issues presently and there was a need to discuss this issue between the Corporate Management Team and leading Members. He shared the Chair's frustration on some of the issues.

#### COS/8. **STRATEGIC PLANNING PROJECT - UPDATE**

It was reported that the draft Plan had been circulated for Members' final input. The Chair referred Members particularly to a document entitled "Counter Evidence - Vision and Strategy" and he asked Members to consider this and to provide feedback. The Head of Policy and Economic Regeneration asked who the Plan would be circulated to and it was confirmed that all contributors would receive a copy. It was suggested that contributors be given 10 working days to provide feedback on the draft and that an informal meeting of the Committee be held to finalise the document. The document would then be presented to the Finance and Management Committee, the Improvement Panel and the Local Strategic Partnership.

#### COS/9. **REPORT ON SCRUTINY EVENT**

The Head of Policy and Economic Regeneration circulated a note of the Scrutiny Event on 7th July 2005. A presentation would be made to the Council Meeting on 11th August 2005. Councillor Harrington felt that all Members had benefited from the event, that the Council presentation would be useful in engaging other Members and to agree Scrutiny's working relationship with the Policy Committees. It was suggested that a further Scrutiny event be held in approximately six months time. Members also discussed formulation of the Scrutiny Committees' work programmes. Councillor Atkin referred to networking arrangements and the recent lack of

training seminars from the East Midlands Regional Local Government Association. Officers agreed to look into this.

COS/10.**WORK PROGRAMME**

It was suggested that the next special project for the Committee could focus on Performance Management. There was a wish to undertake some smaller projects and a proposal was made to work with the Member Champions, to assess their involvement and whether they considered they were adding value. Information was circulated on the Member Champions, their function and brief.

The Head of Policy and Economic Regeneration reminded that the Committee would need to consider its contribution to the Budget process. As with last year, a discussion with the Chair of the Finance and Management Committee might be worthwhile, to identify a specific area of the budget process for this Committee to consider. Councillor Atkin asked whether consideration could be given to the financing of Parish Councils and arrangements for the unparished areas. It was noted that this came under the budget globally.

It was further reported that an informal Meeting of the Community Scrutiny Committee would be held on 8th August 2005, to consider consultation issues.

S. MURPHY

CHAIR

The Meeting terminated at 5.35 p.m.