

CORPORATE SCRUTINY COMMITTEE

5th August 2002

**PRESENT:-**

**Labour Group**

Councillor Bell (Chair), Councillor Rose (Vice-Chair) and Councillors Lauro, Mrs. Mead and Stone.

**Conservative Group**

Councillors Bladen.

COS/11. **MINUTES**

The Open Minutes of the Meeting held on 24th June 2002 were taken as read, approved as a true record and signed by the Chair.

COS/12. **FINANCIAL SERVICES BEST VALUE REVIEW & FINANCIAL MANAGEMENT SYSTEM - UPDATES**

A combined report was presented to give updates on the Best Value Review for Financial Services and procurement of a new Financial Management System. Previous reports had identified the scope for this Review and more recently the completion and approval of the baseline assessment. In recent weeks, the Review Group had considered issues arising from the baseline assessment for Exchequer, Accountancy and Internal Audit. Further consultation had been undertaken with internal users of the Services to gain additional feedback on their requirements.

The Group, which was split into 3 teams, considered the information contained in the baseline and had formulated several key issues. These were detailed in an appendix to the report. An action plan to progress these issues had been prepared for the remainder of the year.

Discussions had been held with neighbouring authorities to explore the possibility of joint working/sharing services. The Chair of the Finance and Management Committee and Financial Services Manager had attended an "open day" at North West Leicestershire District Council (NWLDC). That authority had sought to gauge private sector interest in delivering its Financial Services. CIPFA consultants had been employed to undertake this research and four private sector companies had expressed an interest. An explanation was given of the format of the open day. It appeared unlikely that any of the private sector companies would pursue this initiative with NWLDC as a number of other central services had been included within the scope of its Review.

The Financial Services Manager discussed the merits of pursuing a similar approach for this Council. For example, consultancy advice might be useful for some specialist areas of Financial Services. A private sector company might be able to offer economies of scale for such things as telephone enquiries, through a centralised call centre. Discussions had also been held with East Staffordshire Borough Council to research the benefits of undertaking a similar approach, to gauge private sector interest. The

Committee then discussed the implications of involving the private sector, for example by working in partnership.

The Committee considered the next stages for this Best Value Review and noted that draft revised guidance sought to move away from routine market testing to an option assessment process. A balanced approach would be taken to ensure consideration of all appropriate options. The Review remained on time-scale and was due to be completed by the end of the calendar year.

For the Revenues and Benefits aspects of the Review, an open day had been held and feedback invited from Council Tax payers. Key findings from the open day were reported and two options being researched were to open until 8.00 p.m. one evening per month and on one Saturday morning per month. The practicalities of these proposals would be considered at a Focus Group with key stakeholders.

Consideration was given to the procurement of the new Financial Management System (FMS). The project was being progressed in line with European Procurement Rules, using a restricted tendering procedure. Thirteen expressions of interest had been received and from evaluation of pre-tender questionnaires, a short list of four potential suppliers/systems had been compiled. All four suppliers had confirmed their intention to submit formal tenders and the tendering timetable was appended to the report. From the indicative costs submitted, it was likely that the system could be bought, installed and maintained within the identified budget provision of £200,000. A breakdown was provided of the costs for the server and other hardware, the FMS and other costs of data transfer, support, training and ongoing maintenance. Clarification was given on the restrictive procedure to short list potential suppliers and on the external facilitator role identified within the report.

#### COS/13. **CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN – MONITORING ARRANGEMENTS**

The Chair reported that the Capital Strategy and Asset Management Plan had been approved by the Finance and Management Committee. He sought clarification on the monitoring arrangements to ensure the implementation of these and other strategies and action plans. The Policy and Best Value Manager responded and at present there was often no formal mechanisms in place to monitor the implementation of such strategies or to report progress to Committees. A comparison was made with Best Value reviews and the monitoring role performed by the scrutiny committees for implementation plans. Reference was also made to the recent District Audit report about modernisation of the democratic process, to the Corporate and Community Strategies and to Service Plan monitoring. Consideration was given to the respective roles of policy committees and scrutiny for monitoring implementation of strategies. The District Audit report had included comments about the changing role of policy committees and the need for them to adopt a more strategic approach. It was agreed that the Policy and Best Value Manager compile a list of the Council's strategies and plans for the next Meeting in order that the Committee could consider the monitoring arrangements in more detail.

COS/14. **HOW GREEN IS THE COUNCIL**

It was reported that a Working Group had been established to give further consideration to this special project. The notes of a Working Group Meeting held on 24th July 2002 were circulated for the Committee's information. There was a discussion on the main issues raised at that Meeting, particularly the Service Development Bid for resources to implement an Environmental Management and Audit System (EMAS) within the Council. The next Working Group Meeting would be held on Thursday, 22nd August 2002 at 3.30 p.m.

The Policy and Best Value Manager referred to a draft circular on Best Value which contained a section on sustainable development. This stated that authorities should take account of sustainable development issues in a structured way and it was felt that the EMAS initiative being pursued was in accord with this objective. Assuming that the bid was successful, it was questioned which Committee would likely become responsible for the Initiative. This would have to be considered by the Council and then delegated to an appropriate Committee.

COS/15. **BEST VALUE PERFORMANCE PLAN**

It was reported that the 2002 Best Value Performance Plan (BVPP) had now been produced. Members reviewed the process undertaken in producing the Plan and submitting it for Members consideration. There was now the opportunity to evaluate the Plan to ensure that it met the Council's objectives and to give early consideration to the format and content of the 2003 BVPP.

The Government was planning to change guidance for authorities on the production of the BVPP. Information was circulated at the Meeting and from 2003/04, the Performance Plan must include:-

- A summary of the authority's objectives in respect of its functions.
- A summary of current performance.
- A comparison with performance in previous financial years.
- A statement describing the authority's plans for improvement.
- The impact of improvement measures, including completed reviews.
- A response to external assessment.
- A statement on its relationship with other tiers of local government within its locality.
- Financial information and
- Statement on contracts.

The Chair commented on the size of this year's BVPP and from the guidance received, it seemed likely that the document would increase in size. The Policy and Best Value Manager explained that councils would still have to produce a summary document for local people and the detailed plan. It might also be possible to produce an intermediate document which concentrated on key areas. The Deputy Chief Executive felt that the Council would need to think about how the document was presented in order that it was meaningful. Consideration was given to the target audiences for the summary document and the main BVPP, the requirement to produce the summary document first with the full Plan later in the year and the opportunity to publicise the BVPP via the Council's web site.

The Government had launched a Best Value Performance Indicator (BVPI) web site which would enable comparison of performance indicators between different local authority areas. This might be of use to a member of the public considering relocation into an area, who would be able to compare neighbouring councils BVPI's.

As a way forward, Members feedback and guidance was sought on the format of the 2003 BVPP summary document. It was agreed to present a document to the next Meeting for comparison with the summary documents of other local authorities and to invite the Council's Public Relations Officer to contribute on the format of the document.

COS/16. **WORK PROGRAMME**

The Committee considered the Work Programme for the coming months. Details were provided of those Best Value Reviews, Policy framework documents and special projects proposed for consideration. It was noted that the IEG statement had not been included on the agenda for this Meeting. The Chair had concerns about progress and he wished to monitor this item.

R. BELL

CHAIR

The Meeting terminated at 5.25 p.m.